

FIRST COMMONWEALTH FINANCIAL CORP /PA/

Form S-4

March 12, 2004

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As filed with the Securities and Exchange Commission on March 12, 2004

Registration No. 333-

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM S-4**  
**REGISTRATION STATEMENT**

*Under*

*THE SECURITIES ACT OF 1933*

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**First Commonwealth Financial Corporation**

(Exact name of registrant as specified in its charter)

**Pennsylvania**  
(State or other jurisdiction of  
incorporation or organization)

**6021**  
(Primary Standard Industrial  
Classification Code Number)

**25-1428528**  
(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)

**John J. Dolan**

**Chief Financial Officer**

**22 North Sixth Street**

**Indiana, Pennsylvania 15701**

**(724) 349-7220**

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

*Copies to:*

**Andrew L. Blair, Jr., Esq.**

**Stephen W. Johnson, Esq.**

**Sherman & Howard L.L.C.**

**Reed Smith LLP**

**633 Seventeenth Street, Suite 3000**

**435 Sixth Avenue**

**Denver, Colorado 80202**

**Pittsburgh, Pennsylvania 15219**

**(303) 297-2900**

**(412) 288-3131**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement and upon the consummation of the transaction described in the Prospectus.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (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 post-effective amendment filed pursuant to Rule 462(d) 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. "

**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 (1)	Amount of registration fee (1)
Common stock, \$1.00 par value	N/A	\$ 35.00	\$ 122,853,682	\$ 15,566

(1) Estimated solely for the purpose of calculating the registration fee. In accordance with Rule 457(o) under the Securities Act of 1933, the number of shares is not set forth herein. Pursuant to Rule 457(o), the registration fee has been computed on the basis of the maximum aggregate offering price of the shares of the Registrant's common stock expected to be issued upon consummation of the merger of GA

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Financial, Inc. with and into the Registrant, calculated as the product of (x) the maximum number of shares of GA Financial, Inc. (5,523,142) that may be exchanged, times (y) the per share merger consideration (\$35), reduced by the maximum amount of cash (\$70,456,288) to be paid by the Registrant for such shares.

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**THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.**

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[GA FINANCIAL, INC. LOGO]

4750 Clairton Boulevard

Pittsburgh, Pennsylvania 15236

**Merger Proposal Your Vote is Very Important**

Dear Fellow Stockholder:

The board of directors of GA Financial, Inc. has called a special meeting of the stockholders to approve and adopt a merger agreement providing for the merger of GA Financial with First Commonwealth Financial Corporation. If the merger agreement is approved and the merger is subsequently completed, each outstanding share of GA Financial stock will be converted into the right to receive \$35.00 in cash or a number of whole shares of First Commonwealth common stock determined by dividing \$35.00 by the average closing price of the First Commonwealth stock during a specified period preceding the merger. We anticipate that the merger will be tax-free to the extent that you receive First Commonwealth stock in exchange for your shares, and taxable to the extent that you receive cash.

You will have the opportunity to elect to receive cash, First Commonwealth stock or a combination of cash and First Commonwealth stock for your GA Financial shares. However, the merger agreement provides that 40% of the total merger consideration will be paid in cash and 60% will be paid in First Commonwealth stock. If GA Financial stockholders make elections that would result in a different allocation of the total consideration, adjustments will be made to achieve the 40%/60% proportion required by the merger agreement and, in that event, some GA Financial stockholders would receive a portion of their total consideration in a form they did not elect.

First Commonwealth stock is listed on the New York Stock Exchange under the symbol FCF. On \_\_\_\_\_, 2004, First Commonwealth stock closed at \$ \_\_\_\_\_ per share. Assuming that \$ \_\_\_\_\_ was the average closing price during the averaging period, you would receive, for each share of GA Financial stock that you own, either \$35.00 in cash or \_\_\_\_\_ shares of First Commonwealth stock. The final conversion ratio cannot be determined until the closing date of the merger.

We cannot complete the merger unless it is approved by the GA Financial stockholders at the special meeting. Whether or not you plan to attend the special meeting, please take the time to complete and mail the enclosed proxy card.

Under Delaware law, our stockholders have dissenters' rights with respect to the merger. As described more fully in the attached proxy statement/prospectus, if you wish to exercise those rights rather than receiving the \$35.00 per share payable in the merger, you must submit a notice in advance of the meeting and not vote in favor of the merger.

Based on our reasons for the merger described in this proxy statement/prospectus, our board of directors believes that the merger is fair to you and in your best interests. Accordingly, our board of directors unanimously recommends that you vote FOR approval of the merger agreement.

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The accompanying proxy statement/prospectus describes the special meeting, the merger, and other related matters. Please read the entire document carefully, including the discussion of Risk Factors beginning on page 15.

We look forward to seeing you at the special meeting.

Very truly yours,

John M. Kish

Chairman of the Board and

Chief Executive Officer

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**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the First Commonwealth stock to be issued in the merger or passed upon the adequacy or accuracy of this proxy statement/prospectus. The shares of First Commonwealth stock are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by any federal or state governmental agency. Any representation to the contrary is a criminal offense.**

This proxy statement/prospectus is dated \_\_\_\_\_, 2004, and is first being mailed to GA Financial stockholders on or about \_\_\_\_\_, 2004.

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[GA FINANCIAL, INC. LOGO]

4750 Clairton Boulevard

Pittsburgh, Pennsylvania 15236

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON                      , 2004**

To the Stockholders of GA Financial, Inc.:

Notice is hereby given that a special meeting of stockholders of GA Financial, Inc., a Delaware corporation, will be held at The Bradley House, 5239 Brownsville Road, Pittsburgh, Pennsylvania 15236, on                      ,                      , 2004, at                      a.m., local time, for the following purposes:

1. To consider and vote upon a proposal to adopt an amended and restated agreement and plan of merger dated as of December 11, 2003, among GA Financial, Inc., First Commonwealth Financial Corporation, a Pennsylvania corporation, Great American Federal, a federal savings association, and First Commonwealth Bank, a Pennsylvania-chartered banking corporation, in the form of **Annex A** to the proxy statement/prospectus, and to approve the merger of GA Financial with and into First Commonwealth;
2. To consider and vote upon a proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the merger agreement; and
3. To transact such other business as may properly come before the meeting.

Only holders of record of GA Financial stock as of the close of business on                      , 2004 are entitled to notice of, and to vote at, the special meeting. A list of GA Financial stockholders entitled to vote at the special meeting will be available for examination by any GA Financial stockholder at the special meeting and, for a period of ten business days prior to the date of the special meeting, during ordinary business hours, at GA Financial's corporate offices at 4750 Clairton Boulevard, Pittsburgh, Pennsylvania, 15236.

Whether or not you expect to attend the meeting, please complete, sign and date the enclosed proxy card and return it in the enclosed prepaid envelope as soon as possible. This action will not limit your right to vote in person if you wish to attend the special meeting and vote personally. You may revoke your proxy in the manner described in the proxy statement/prospectus at any time before it is voted at the special meeting.

, 2004

By Order of the Board of Directors,

James V. Dionise  
Corporate Secretary

**Do not send any stock certificates with the enclosed proxy card. Stock certificates should be sent with your completed Election Form/Letter of Transmittal to The Bank of New York. Whether you vote for or against the proposed merger, please complete and return the Election Form/Letter of Transmittal and your stock certificates before , 2004.**



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**QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING**

**Q: When and where will the special meeting be held?**

A: The special meeting will be held at The Bradley House, 5239 Brownsville Road, Pittsburgh, Pennsylvania 15236, on \_\_\_\_\_, \_\_\_\_\_, 2004, at \_\_\_\_\_ a.m., local time.

**Q: What are stockholders being asked to vote on at the special meeting?**

A: Stockholders will consider and vote on a proposal to approve and adopt a merger agreement pursuant to which GA Financial will be merged with and into First Commonwealth. If at least a majority of the outstanding shares of GA Financial stock are not present at the meeting in person or by proxy or if there are not sufficient votes at the time of the special meeting to approve the merger agreement, stockholders will consider and vote on a proposal to adjourn the meeting to a later date or dates, if necessary, to permit further solicitation of proxies.

**Q: Who is eligible to vote?**

A: Holders of GA Financial stock are eligible to vote their shares at the special meeting if they were holders of record of those shares at the close of business on \_\_\_\_\_, 2004. As of that date, there were \_\_\_\_\_ shares of GA Financial stock outstanding held by approximately \_\_\_\_\_ holders of record. Each holder of GA Financial stock is entitled to one vote per share.

**Q: Can I vote if I hold shares of GA Financial stock in the Great American Federal Employee Stock Ownership Plan?**

A: If you are a participant in the Great American Federal Employee Stock Ownership Plan (which we refer to as the ESOP), you will receive with this proxy statement/prospectus a separate voting instruction card for shares of GA Financial stock allocated to your account as a participant or beneficiary under the ESOP. This voting instruction card will direct the trustee of the ESOP how to vote your allocated shares. You should return this voting instruction card to First Bankers Trust, Great American Federal ESOP Trustee, P. O. Box 3566, 2321 Koch's Lane, Quincy, IL 62305-3566, Attn: Linda Shultz.

The ESOP trustee will vote any allocated shares in the ESOP for which voting instructions have not been received or properly completed and all unallocated shares in the ESOP in the same proportion as the shares for which properly completed voting instructions have been received, subject to the fiduciary duties of the ESOP trustee under applicable law. See "The Special Meeting Participants in the Great American Federal Employee Stock Ownership Plan" on page 20.

The participants will also receive an election form as to the consideration to be received in the merger. The ESOP participants who do not make an election as to the type of consideration to be received in the merger will be deemed no-election shares and cannot be assured of the type of

consideration they will receive in the merger.

**Q: What do I need to do now?**

A: After you have carefully read this proxy statement/prospectus, indicate on your proxy card how you want your shares to be voted, then sign and mail the proxy card in the enclosed prepaid return envelope as soon as possible so that your shares may be represented and voted at the special meeting. You should also complete and return the election form/letter of transmittal that you will receive in a separate mailing, together with your GA Financial stock certificates, to The Bank of New York, the exchange agent for the merger. **Do not send your GA Financial stock certificates with your proxy card. Your stock certificates should only be forwarded to The Bank of New York with the election form/letter of transmittal.**

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Copies of this proxy statement/prospectus and the election form/letter of transmittal will be provided upon request to all persons who become GA Financial stockholders after the record date and prior to the election deadline in order to permit them to make an election.

### **Q: Can I change my vote after I have mailed my signed proxy card?**

A: Yes. There are three ways for you to revoke your proxy and change your vote. First, you may send a written notice to the corporate secretary of GA Financial stating that you would like to revoke your proxy. Second, you may complete and submit a new proxy card. Third, you may vote in person at the special meeting. However, if you hold shares through the Great American Federal ESOP, see "The Special Meeting Participants in Great American Federal's Employee Stock Ownership Plan" on page 20 for instructions on how to direct the ESOP trustee to vote your shares.

### **Q: What vote is required to approve the merger?**

A: The merger agreement must be approved by the affirmative vote of holders of at least a majority of the outstanding shares of GA Financial stock. All of the executive officers and directors of GA Financial, who collectively own approximately 5.7% of the outstanding shares of GA Financial stock, have signed voting agreements pursuant to which they have agreed to vote in favor of the merger agreement.

### **Q: If my shares are held in street name (meaning that my shares are held by a broker as nominee), will my broker vote my shares for me?**

A: Your broker will vote your shares only if you provide instructions on how to vote. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Without instructions to your broker, your shares will not be voted.

### **Q: What is the effect of not voting or abstaining?**

A: Because the merger must be approved by a vote of a majority of the outstanding shares of GA Financial stock, the failure to vote your shares, including the failure to provide instructions to a broker or other custodian, will have the same effect as a vote against the merger. If you sign and send in your proxy card but do not indicate how you want to vote, your shares will be voted in favor of the merger.

### **Q: Whom should I contact with questions or to obtain additional copies of this proxy statement/prospectus?**

A: You should contact James V. Dionise, Chief Financial Officer and Secretary of GA Financial, at 4750 Clairton Boulevard, Pittsburgh, Pennsylvania 15236, (412) 882-9946, with any questions about the merger or the other matters described in the accompanying proxy statement/prospectus.



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**SUMMARY OF THIS PROXY STATEMENT/PROSPECTUS**

This summary, together with the preceding Questions and Answers section, highlights selected information from this proxy statement/prospectus, but does not contain all of the information that is important to you. We have provided cross-references to more complete discussions of the matters described below. To understand the merger and the merger agreement, you should carefully read this entire document and the documents referred to in **Incorporation of Certain Documents by Reference** on page 59. You should pay special attention to the information presented in **Risk Factors** beginning on page 15 and **Cautionary Statement Regarding Forward-Looking Information** beginning on page 17. A copy of the agreement and plan of merger, executed on December 11, 2003 and subsequently amended and restated to correct a procedural error related to the election and proration procedures (which we refer to as the merger agreement), is attached as **Annex A** to this proxy statement/prospectus. We encourage you to read the merger agreement in full, since it is the legal document governing the merger transaction.

**You will have the right to receive \$35.00 in cash and/or shares of First Commonwealth stock in the merger depending on your election and any proration (Page 22)**

If the merger is completed, you will have the right to receive, for each share of GA Financial stock you own, either \$35.00 cash, an equivalent value in shares of First Commonwealth stock or a combination of cash and stock.

You may elect to receive a combination of cash and First Commonwealth stock in exchange for your total shares of GA Financial stock, but with respect to each individual share of GA Financial stock, you must elect to receive either all cash or all First Commonwealth stock. The exchange ratio for shares of GA Financial stock that are converted into First Commonwealth stock will be determined by dividing \$35.00 by the average closing price of the First Commonwealth stock on the New York Stock Exchange for the ten trading days ending three trading days prior to the closing of the merger. On \_\_\_\_\_, 2004, the closing price of First Commonwealth stock on the NYSE was \$ \_\_\_\_\_. Assuming that \$ \_\_\_\_\_ was the average closing price during the averaging period, you would receive, for each share of GA Financial stock that you own, either \$35.00 in cash or \_\_\_\_\_ shares of First Commonwealth stock. The final conversion ratio cannot be determined until the closing date of the merger. First Commonwealth will pay cash in lieu of fractional shares based on the average closing price discussed above.

Your election may be subject to proration, and accordingly, you may receive a portion of the merger consideration in a form that you did not elect. The merger agreement provides that no more than 40% of the outstanding shares of GA Financial stock may be converted into the right to receive cash and therefore sets the total amount of cash that First Commonwealth will pay to GA Financial stockholders in connection with the merger. If holders of more than 40% of the outstanding GA Financial stock elect to receive cash or if holders of more than 60% of the outstanding GA Financial stock elect to receive stock, the exchange agent will apply allocation and proration procedures to ensure that the 40% / 60% ratio is achieved. However, if stock is oversubscribed, First Commonwealth has the right, in its discretion, to increase the percentage of the total merger consideration that is paid in the form of First Commonwealth stock to allow all or a greater percentage of stock election shares to be converted into shares of First Commonwealth stock. See **The Merger Election and Proration Procedures** on page 22.

**In order to make an election, you must properly complete and deliver the election form/letter of transmittal that you will receive in a separate mailing (Page 22)**

We are sending an election form/letter of transmittal and instructions to you in a separate mailing. If you wish to make an election, you should complete the election form/letter of transmittal and send it to The Bank of New York, which is the exchange agent. For you to make an effective election, your properly executed election form/letter of transmittal must be received by the exchange agent before the election deadline on

, 2004.



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You must include your GA Financial stock certificates with your election form. Please read the instructions to the election form/letter of transmittal for information on completing that form. Those instructions will also inform you what to do if your stock certificates have been lost, stolen or destroyed.

**Do not send your GA Financial stock certificates in the envelope provided for returning your proxy card. The stock certificates should only be forwarded to the exchange agent in the envelope provided with the election form/letter of transmittal.**

Copies of this proxy statement/prospectus and the election form/letter of transmittal will be provided upon request to all persons who become GA Financial stockholders after the record date and prior to the election deadline in order to permit them to make an election.

**The merger will be generally tax-free to the extent you receive First Commonwealth stock in the merger and taxable to the extent you receive cash (Page 37)**

In general, for United States federal income tax purposes, if you exchange your GA Financial stock solely for cash in the merger, you will recognize gain or loss in an amount equal to the difference between the cash received and your adjusted tax basis in your GA Financial stock. We expect that if you receive only First Commonwealth stock in exchange for your shares of GA Financial stock, you generally will not recognize any gain or loss for United States federal income tax purposes. However, you will have to recognize income or gain in connection with cash received in lieu of fractional shares of First Commonwealth common stock. If you receive a combination of cash and First Commonwealth common stock in the merger, you will not recognize loss but will recognize gain, if any, on the shares exchanged to the extent of any cash received. This tax treatment may not apply to all GA Financial stockholders.

GA Financial's obligation to complete the merger is conditioned on its receipt of a legal opinion concerning the federal income tax treatment of the merger. This opinion will not bind the Internal Revenue Service, and the Internal Revenue Service could take a different view with respect to the tax treatment of the merger. To review the tax consequences to GA Financial stockholders in greater detail, see "The Merger" Material Federal Income Tax Consequences. We urge you to consult your tax advisors for a full understanding of the tax consequences of the merger to you.

**The board of directors of GA Financial unanimously recommends that you vote FOR approval of the merger agreement (Page 27)**

The board of directors of GA Financial has unanimously approved and adopted the merger agreement and recommends that you vote FOR approval of the merger agreement. You should refer to the discussion of the factors the GA Financial board of directors considered in determining whether to approve and adopt the merger agreement beginning on page 27.

**GA Financial's financial advisor believes that the merger consideration is fair to GA Financial stockholders (Page 28)**

Among other factors considered in deciding to approve the merger, the GA Financial board of directors received the opinion of its financial advisor, Janney Montgomery Scott LLC, that, as of December 11, 2003 (the date on which the GA Financial board of directors approved the merger agreement), the merger consideration was fair, from a financial point of view, to the holders of GA Financial stock. This opinion was

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subsequently confirmed in writing as of the date of this proxy statement/prospectus. The opinion dated as of the date of this document is included as **Annex B**. You should read this opinion completely to understand the assumptions made, matters considered and limitations of the review undertaken by Janney Montgomery Scott in providing its opinion. The opinion of Janney Montgomery Scott is directed to the GA Financial board of directors and does not

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-constitute a recommendation to any stockholder as to any matters relating to the merger. GA Financial has agreed to pay Janney Montgomery Scott a fee for the fairness opinion rendered to the GA Financial board of directors. Based on an offer price of \$35.00 per share and a total transaction value of \$183.4 million, the total advisory fee would be \$1.6 million, of which Janney was paid \$389,902 at the time of signing the merger agreement. GA Financial has also agreed to reimburse certain of Janney's reasonable out-of-pocket expenses incurred in connection with its engagement.

### **GA Financial's directors and executive officers have interests in the merger that are different from or in addition to their interests as stockholders (Page 34)**

When you consider the GA Financial board of directors' recommendation to vote FOR the merger agreement, you should be aware that some of the executive officers and directors of GA Financial have interests in the merger as employees and/or directors that are different from, and that may conflict with, your interests as a stockholder. These interests include the following:

John M. Kish and Todd L. Cover, each an executive officer of GA Financial, will be entitled under their employment agreements to receive cash severance payments and the continuation of life, medical, dental, vision and disability coverage for a period of three years if their employment is terminated by First Commonwealth or by the executive officer for specified reasons during the one-year period following the merger. The amount of the severance payment is approximately equal to three times (two times in the case of Mr. Cover) the executive's average annual compensation for the five most recent taxable years. Based on their current annual salaries, the aggregate cash severance amounts for Messrs. Kish and Cover would be approximately \$706,641 and \$324,428, respectively, if the executive officer's employment is terminated following the completion of the merger during 2004.

Eight officers of Great American Federal, including James V. Dionise, an executive officer of GA Financial, have change of control agreements with Great American Federal which provide for the payment of severance and the continuation of life, medical, dental, vision and disability coverage for a period of three years after a termination of employment for specified reasons during the one-year period following a change of control of GA Financial. The amount of severance payment is approximately equal to two times the executive's average compensation for the five most recent taxable years. The cash severance payment which would be payable upon termination of Mr. Dionise is estimated to be approximately \$347,620, and the aggregate cash severance payments which would be payable upon termination to the seven other officers with change in control agreements are estimated to be approximately \$1,434,674.

The outstanding options to purchase GA Financial common stock held by directors, officers and employees of GA Financial will be converted, at the election of each option holder, into cash or options to acquire shares of First Commonwealth stock, adjusted to account for the conversion ratio in the merger. All unvested GA Financial stock options will become vested and exercisable upon consummation of the merger.

The outstanding stock award shares of stock held by directors, officers and employees of GA Financial will be converted, at the election of each stockholder, into cash or shares of First Commonwealth stock, adjusted to account for the conversion ratio in the merger. All unvested GA Financial stock will become vested upon consummation of the merger.

The merger agreement requires First Commonwealth to indemnify directors, officers, employees and agents of GA Financial against claims relating to their service as such for periods prior to the completion of the merger and to provide directors' and officer's insurance against such claims.

First Commonwealth has agreed to maintain Great American Federal's bank-owned life insurance program for directors and officers of Great American Federal and to provide substantially equivalent coverage in the event First Commonwealth is required by law to terminate such insurance with respect to any such director and/or officer.



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First Commonwealth has agreed to appoint Robert J. Ventura, a current director of GA Financial, to the board of directors of First Commonwealth as of the effective time of the merger.

First Commonwealth has agreed to appoint all current directors of GA Financial (other than Mr. Ventura, who will be appointed to First Commonwealth's board of directors) to the Pittsburgh regional advisory board of First Commonwealth Bank for a period of at least one year after the merger. Each director will be paid a quarterly retainer of \$4,200 and a fee of \$400 for each meeting that he or she attends.

The GA Financial board of directors recognized these interests and determined that they did not negatively affect the benefits of the merger to the GA Financial stockholders.

### **We must receive the approval of state and federal regulatory agencies before we can complete the merger (Page 50)**

The merger must be approved by the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System and the Pennsylvania Department of Banking. In addition, Great American Federal must provide notice of the merger to the Office of Thrift Supervision. Applications for all of these approvals have been filed and are currently pending. However, we cannot predict whether or when we will obtain those approvals.

### **GA Financial stockholders have appraisal rights in connection with the merger (Page 57)**

Delaware law permits GA Financial stockholders to dissent from the merger and to receive the appraised fair value of their shares of GA Financial stock in cash in lieu of the merger consideration. To do this, you must follow procedures required under the Delaware statute, including filing certain notices with GA Financial and refraining from voting your shares in favor of the merger. If you validly exercise your appraisal rights, your shares of GA Financial stock will not be exchanged for cash or shares of First Commonwealth stock in the merger, and your only right will be to receive the appraised fair value of your GA Financial stock in cash, which amount could be greater than, less than or the same as the value of the merger consideration you would have received at the closing of the merger. A copy of the Delaware statutes describing these appraisal rights and the procedures for exercising them is attached as **Annex C** to this proxy statement/prospectus.

### **Completion of the merger is subject to a number of conditions (Page 48)**

The completion of the merger depends upon the satisfaction of a number of conditions, including:

Approval of the merger agreement by the stockholders of GA Financial.

Receipt of all necessary federal and state regulatory approvals for the merger.

Receipt of listing approval from the New York Stock Exchange for the First Commonwealth stock to be issued in the merger.

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Receipt of all third party consents required under specified material contracts and leases to which GA Financial is a party.

The exercise of dissenters rights by stockholders owning not more than 10% of the outstanding shares of GA Financial stock.

Receipt of resignations of each director and executive officer of GA Financial.

### **Termination of the merger (Page 49)**

The merger agreement may be terminated at any time prior to the consummation of the merger as follows:

First Commonwealth and GA Financial may mutually agree to terminate.

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Either First Commonwealth or GA Financial may terminate if any of the conditions to its obligations under the merger agreement have not been satisfied or waived and the merger is not completed by September 30, 2004, but that date may be extended by First Commonwealth if the closing has not occurred solely because of a delay in the receipt of any regulatory approval.

Either First Commonwealth or GA Financial may terminate if any required regulatory approval is denied or is conditioned upon a substantial deviation from the contemplated transaction.

Either First Commonwealth or GA Financial may terminate if the GA Financial stockholders do not approve the merger agreement at the special meeting.

Either First Commonwealth or GA Financial may terminate if the other party materially breaches any of its representations, warranties or covenants in the merger agreement and does not cure the breach after notice.

First Commonwealth may terminate if the GA Financial board of directors withdraws or adversely modifies its recommendation of the merger.

GA Financial may terminate if it receives a superior acquisition proposal and its board of directors determines that termination of the merger agreement is necessary to comply with its fiduciary duties to the GA Financial stockholders.

### **GA Financial may be required to pay a termination fee to First Commonwealth if the merger agreement is terminated under certain circumstances (Page 49)**

If the merger agreement is terminated under certain circumstances, GA Financial will be required to pay a termination fee of approximately \$7.3 million to First Commonwealth and to reimburse the out-of-pocket expenses reasonably incurred by First Commonwealth in connection with the negotiation, preparation and performance of the merger agreement. GA Financial must pay the termination fee to First Commonwealth:

if First Commonwealth terminates the merger agreement because GA Financial's board of directors has withdrawn or modified its recommendation that stockholders approve the merger agreement or recommends an alternative transaction with another party, or if GA Financial's board of directors determines that it is required to terminate the merger agreement to comply with its fiduciary duties after receiving a superior acquisition proposal; or

if either party terminates the merger agreement because the stockholders of GA Financial did not approve the merger agreement, an alternative acquisition proposal was pending at the time of the special meeting, and a third party acquires GA Financial within 12 months after the date of the special meeting.

### **The merger will be accounted for as a purchase (Page 43)**

First Commonwealth expects to account for the merger as a purchase. This means that the assets and liabilities of GA Financial will be recorded on First Commonwealth's consolidated balance sheet at their estimated fair value at the effective date of the merger, and the excess of the purchase price over the fair value of the assets acquired will be recorded as goodwill. Results of operations of GA Financial after the date of the merger will be included in First Commonwealth's consolidated income statement.

**There are differences between the rights of GA Financial stockholders and First Commonwealth stockholders (Page 52)**

GA Financial stockholders who receive shares of First Commonwealth stock will become First Commonwealth shareholders as a result of the merger and, accordingly, their rights after the merger will be governed by First Commonwealth's charter and bylaws. Please read carefully the summary of the material differences between the rights of GA Financial stockholders and First Commonwealth shareholders under the heading Comparison of Rights of Shareholders.



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### **The shares of First Commonwealth stock issued in the merger generally will be freely transferable (Page 50)**

Shares of First Commonwealth stock issued in the merger will be freely transferable by GA Financial stockholders, except stockholders who may be affiliates of GA Financial prior to the merger. Affiliates generally include directors, executive officers and holders of 10% or more of the outstanding stock of GA Financial before the merger. GA Financial has provided to First Commonwealth the written agreement of each person believed to be an affiliate that such person will not dispose of his or her shares of First Commonwealth stock received in the merger, except in compliance with Rule 145 of the Securities and Exchange Commission.

### **Information about First Commonwealth and GA Financial (Page 21)**

#### **First Commonwealth**

First Commonwealth is a bank holding company headquartered in Indiana, Pennsylvania. First Commonwealth's wholly owned subsidiary, First Commonwealth Bank, is a full-service banking institution with 93 locations in 17 counties throughout central and western Pennsylvania. As of December 31, 2003, First Commonwealth had total assets of \$5.2 billion, net loans of \$2.8 billion and deposits of \$3.3 billion. First Commonwealth provides a broad range of financial products and services, including credit, cash management, investment, deposit, trust, employee benefits consulting and insurance brokerage products and services. First Commonwealth's principal executive offices are located at 22 North Sixth Street, Indiana, Pennsylvania 15701, and its telephone number is (724) 349-7220.

#### **GA Financial**

GA Financial is a unitary savings and loan holding company headquartered in Pittsburgh, Pennsylvania. GA Financial's wholly-owned subsidiary, Great American Federal, is a federal savings association, with 12 community offices serving Pittsburgh and the surrounding area of Allegheny County, Pennsylvania. As of December 31, 2003, GA Financial had total assets of \$890 million, net loans of \$519 million and deposits of \$535 million. Great American Federal offers a broad array of consumer and commercial loan, deposit, and wealth management products and services. In addition to conducting community banking activities, Great American Federal invests in various marketable securities. GA Financial's principal executive offices are located at 4750 Clairton Boulevard, Pittsburgh, Pennsylvania 15236, and its telephone number is (412) 882-9946.

### **Historical dividends and First Commonwealth's post-merger dividend policy (Page 9)**

The dividends paid by First Commonwealth and GA Financial in recent periods are set forth below under Market Price and Dividend Information Historical Market Prices and Dividends. Following the consummation of the merger, the declaration of dividends by First Commonwealth will be at the discretion of the First Commonwealth board of directors and will be determined by the board after the consideration of various factors, including, without limitation, the earnings and financial condition of First Commonwealth and its subsidiaries.

**Table of Contents****MARKET PRICE AND DIVIDEND INFORMATION****Comparative Prices**

The following table presents the closing prices for First Commonwealth stock on the New York Stock Exchange and GA Financial stock on the American Stock Exchange on December 11, 2003, the last trading day prior to our public announcement that we signed the merger agreement, and on \_\_\_\_\_, 2004, the most recent practicable date prior to the date of this proxy statement/prospectus. We announced the merger agreement before the commencement of trading on December 12, 2003.

	<u>Closing Price of First Commonwealth Stock</u>	<u>Closing Price of GA Financial Stock</u>
December 11, 2003	\$ 14.42	\$ 28.80
_____, 2004	\$	\$

**Historical Market Prices and Dividends****First Commonwealth**

First Commonwealth stock is listed on the New York Stock Exchange under the symbol FCF. The following table sets forth the high and low prices per share of First Commonwealth stock as reported on the NYSE and the dividends declared per share of First Commonwealth stock for each quarter during the last two fiscal years and for the first quarter of 2004 through \_\_\_\_\_, 2004.

	<u>High</u>	<u>Low</u>	<u>Dividends Declared</u>
2002			
First Quarter	\$ 14.00	\$ 11.51	\$ 0.150
Second Quarter	14.12	12.53	0.150
Third Quarter	13.37	11.62	0.150
Fourth Quarter	12.35	10.84	0.155
2003			
First Quarter	\$ 12.55	\$ 11.50	\$ 0.155
Second Quarter	13.30	11.57	0.155
Third Quarter	14.00	12.60	0.155
Fourth Quarter	14.98	13.15	0.160
2004			
First Quarter (through _____, 2004)	\$	\$	\$

**Table of Contents****GA Financial**

GA Financial stock is traded on the American Stock Exchange under the symbol GAF. The following table sets forth the high and low closing prices per share of GA Financial stock as reported on the American Stock Exchange and the dividends declared per share of GA Financial stock for each quarter during the last two fiscal years and for the first quarter of 2004 through \_\_\_\_\_, 2004.

	<u>High</u>	<u>Low</u>	<u>Dividends Declared</u>
2002			
First Quarter	\$ 17.25	\$ 16.15	\$ 0.18
Second Quarter	19.75	17.10	0.18
Third Quarter	19.50	17.00	0.18
Fourth Quarter	23.85	18.85	0.18
2003			
First Quarter	\$ 25.90	\$ 23.40	\$ 0.20
Second Quarter	26.99	24.95	0.20
Third Quarter	29.25	24.90	0.20
Fourth Quarter	34.79	27.05	0.20
2004			
First Quarter (through _____, 2004)	\$	\$	\$ 0.20

**Dividend Policy of First Commonwealth**

Holders of First Commonwealth stock are entitled to receive dividends when, as and if declared by the board of directors of First Commonwealth. The timing and amount of future dividends are at the discretion of the board of directors of First Commonwealth and will depend upon the consolidated earnings, financial condition, liquidity and capital requirements of First Commonwealth and its subsidiaries, the amount of cash dividends paid to First Commonwealth by its subsidiaries, applicable government regulations and policies and other factors considered relevant by the board of directors of First Commonwealth. The board of directors of First Commonwealth anticipates that it will continue to pay quarterly dividends in amounts determined based on the factors discussed above.

**UNAUDITED COMPARATIVE AND PRO FORMA PER SHARE DATA**

Summarized below is historical, pro forma combined and pro forma equivalent per share financial information for First Commonwealth and GA Financial. The pro forma combined figures in the following table are presented for comparative purposes only and are not necessarily indicative of the combined financial position or results of operations in the future or what the combined financial position or results of operations would have been had the merger been completed and the applicable purchase accounting adjustments been reflected during the periods or as of the date for which the pro forma data is presented.

In calculating the pro forma per share information, we used a conversion ratio of 2.45 shares of First Commonwealth stock for each share of GA Financial stock, which is the conversion ratio that would apply if the average closing price of the First Commonwealth stock during the averaging period is \$14.30 per share (which was the average closing price of First Commonwealth's stock during the ten trading days prior to the

execution of the merger agreement).

We have calculated the pro forma First Commonwealth and GA Financial combined per share data for net income using the weighted average number of shares of First Commonwealth stock outstanding for the periods presented, increased by the weighted average number of shares of GA Financial stock outstanding for the periods presented multiplied by an assumed conversion ratio of 2.45 shares of First Commonwealth's common stock for each share of GA Financial stock, and assuming that 60% of the outstanding common stock of GA Financial is converted into First Commonwealth stock, as if these shares were outstanding for each period presented.

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The pro forma combined dividends assume no changes in First Commonwealth's cash dividends per share. The ability of First Commonwealth to pay dividends in the future is limited by restrictions imposed by federal and state regulatory authorities. Please refer to Note 25 Regulatory Restrictions and Capital Adequacy of Notes to Consolidated Financial Statements in First Commonwealth's annual report on Form 10-K for the year ended December 31, 2003 for a discussion of those restrictions.

The pro forma First Commonwealth and GA Financial combined book value per share has been calculated using the shares of outstanding First Commonwealth stock increased by the shares of outstanding GA Financial stock multiplied by an assumed conversion ratio of 2.45 for each share of GA Financial stock, and assuming that 60% of the outstanding common stock of GA Financial is converted into First Commonwealth stock as if these shares were outstanding as of the date presented. Book value has also been adjusted for the impact of purchase accounting adjustments on pro forma shareholders' equity.

The equivalent pro forma GA Financial per share information has been calculated by multiplying the First Commonwealth pro forma combined per share net income, dividends and book value by an assumed conversion ratio of 2.45.

	First				Pro Forma		Pro Forma	
	Commonwealth		GA Financial		Combined		Equivalent	
	Year Ended		Year Ended		Year Ended		Year Ended	
	12/31/03	12/31/02	12/31/03	12/31/02	12/31/03	12/31/02	12/31/03	12/31/02
Net income (in Thousands)	\$ 53,300	\$ 43,526	\$ 6,553	\$ 6,744	\$ 55,651	\$ 47,547		
Basic earnings per share	0.90	0.75	1.38	1.35	0.84	0.72	2.06	1.76
Diluted earnings per share	0.90	0.74	1.33	1.32	0.84	0.72	2.06	1.76
Cash dividends declared per share	0.625	0.605	0.800	0.720	0.625	0.605	1.531	1.482
Book value per share	7.10	6.81	19.23	19.54	7.87	7.66	19.28	18.77

The following table sets forth an estimate of the expected effects of the projected aggregate purchase accounting adjustments reflected in the pro forma combined financial statements on the future pre-tax net income of First Commonwealth after the merger (in thousands):

	Discount Accretion (Premium Amortization)				
	for the Years Ended December 31,				
	2004	2005	2006	2007	2008
Investment securities	\$ (1,311)	\$ (1,311)	\$ (1,311)	\$ (1,222)	\$
Loans	(5,166)	(5,166)	(1,301)		
Customer/deposit base	(800)	(800)	(800)	(800)	(800)
Time deposits	2,855	2,235			
Borrowings	2,893	2,893	2,893	2,893	2,893
Increase (decrease) in pre-tax net income	\$ (1,529)	\$ (2,149)	\$ (519)	\$ 871	\$ 2,093



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On the effective date of the merger, the interest rates used in the valuation of GA Financial's assets and liabilities may be higher or lower than those at December 31, 2003. This may change the purchase accounting adjustments and their estimated effects on future pre-tax net income. The following table shows the estimated effects on the purchase accounting adjustments and the pro forma annual pre-tax net income of a 1% change in the interest rates used to determine the estimated fair value of the indicated assets and liabilities. The income effect has been determined by changing the relevant interest rate.

	<b>Purchase Accounting Adjustments</b>		
	<b>Pro Forma</b>	<b>1% Increase in Rates</b>	<b>1% Decrease in Rates</b>
	(in thousands)		
Investment securities	\$ 5,155	\$ (3,932)	\$ 12,123
Loans	11,633	634	18,369
Customer/deposit base	8,000	8,000	8,000
Time deposits	(5,090)	(1,165)	(9,148)
Borrowings	(16,663)	(10,827)	(22,948)
<b>Total adjustment</b>	<b>\$ 3,035</b>	<b>\$ (7,290)</b>	<b>\$ 6,396</b>

**Impact on Pro Forma Pre-Tax Net Income**

for the Years Ended December 31,

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
	(in thousands)				
1% increase in interest rates	\$ 2,451	\$ 2,310	\$ 2,010	\$ 2,012	\$ 1,080
1% decrease in interest rates	(2,926)	(4,040)	(1,955)	313	3,184

**Table of Contents****FIRST COMMONWEALTH SELECTED CONSOLIDATED FINANCIAL DATA**

The following table provides you with selected historical consolidated financial data of First Commonwealth for the past five years. The following selected financial data is not covered by the auditor's report, and you should read this information along with the consolidated financial statements and accompanying notes of First Commonwealth included in its annual report on Form 10-K for the year ended December 31, 2003, which is incorporated by reference into this proxy statement/prospectus. For a list of documents incorporated by reference into this proxy statement/prospectus, see "Incorporation of Certain Documents by Reference" on page 59.

**Years Ended December 31,**

	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>(Dollar Amounts in Thousands, Except Per Share Data)</b>					
Interest income	\$ 243,773	\$ 275,568	\$ 308,891	\$ 311,882	\$ 296,089
Interest expense	100,241	122,673	167,170	174,539	152,653
Net interest income	143,532	152,895	141,721	137,343	143,436
Provision for credit losses	12,770	12,223	11,495	10,030	9,450
Net interest income after provision for credit losses	130,762	140,672	130,226	127,313	133,986
Securities gains	5,851	642	3,329	1,745	565
Other operating income	42,593	37,453	37,776	31,938	33,660
Litigation settlement	(610)	8,000	0	0	0
Restructuring charges	0	6,140	0	0	0
Other operating expenses	113,265	112,190	105,888	99,461	95,569
Income before taxes	66,551	52,437	65,443	61,535	72,642
Applicable income taxes	13,251	8,911	15,254	14,289	19,612
Net income	\$ 53,300	\$ 43,526	\$ 50,189	\$ 47,246	\$ 53,030
<b>Per Share Data</b>					
Net income	\$ 0.90	\$ 0.75	\$ 0.87	\$ 0.82	\$ 0.88
Dividends declared	\$ 0.625	\$ 0.605	\$ 0.585	\$ 0.565	\$ 0.515
Average shares outstanding	59,002,277	58,409,614	57,885,478	57,558,929	60,333,092
<b>Per Share Data Assuming Dilution</b>					
Net income	\$ 0.90	\$ 0.74	\$ 0.86	\$ 0.82	\$ 0.88
Dividends declared	\$ 0.625	\$ 0.605	\$ 0.585	\$ 0.565	\$ 0.515
Average shares outstanding	59,387,055	58,742,018	58,118,057	57,618,671	60,569,322
<b>At End of Period</b>					
Total assets	\$ 5,189,195	\$ 4,524,743	\$ 4,583,530	\$ 4,372,312	\$ 4,340,846
Investment securities	2,073,430	1,680,609	1,762,408	1,636,337	1,592,389
Loans and leases, net of unearned income	2,824,882	2,608,634	2,567,934	2,490,827	2,500,059
Allowance for credit losses	37,385	34,496	34,157	33,601	33,539
Deposits	3,288,275	3,044,124	3,093,150	3,064,146	2,948,829
Company obligated mandatorily redeemable capital securities of subsidiary trust	0	35,000	35,000	35,000	35,000
Subordinated debentures	75,304	0	0	0	0



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Other long-term debt	718,668	544,934	629,220	621,855	603,355
Shareholders' equity	430,946	401,390	370,066	334,156	286,683
<b>Key Ratios</b>					
Return on average assets	1.12%	0.96%	1.11%	1.10%	1.25%
Return on average equity	12.95%	11.09%	13.85%	15.65%	15.44%
Net loans to deposits ratio	84.77%	84.56%	81.92%	80.19%	83.64%
Dividend per share as a percentage of net income per share	69.44%	80.67%	67.24%	68.90%	58.52%
Average equity to average assets ratio	8.68%	8.64%	8.01%	7.00%	8.10%

**Table of Contents****GA FINANCIAL SELECTED CONSOLIDATED FINANCIAL DATA**

The following table provides you with selected historical consolidated financial data of GA Financial. The following selected financial data is not covered by the auditor's report, and you should read this information along with the consolidated financial statements and accompanying notes of GA Financial included in its annual report on Form 10-K for the year ended December 31, 2003, which is incorporated by reference into this proxy statement/prospectus. For a list of documents incorporated by reference into this proxy statement/prospectus, see "Incorporation of Certain Documents by Reference" on page 59.

	Years Ended December 31,				
	2003	2002	2001	2000	1999
	(Dollar Amounts in Thousands, Except Per Share Data)				
Interest expense	23,257	28,245	33,882	36,296	33,388
Net interest income	23,075	22,615	22,932	22,753	23,257
Provision for credit losses	1,075	937	1,075	630	390
Net interest income after provision for credit losses	22,000	21,678	21,857	22,123	22,867
Noninterest income	5,341	4,351	3,518	3,829	3,810
Noninterest expense	18,796	17,174	19,069	17,355	17,242
Income before taxes	8,545	8,855	6,306	8,597	9,435
Applicable income taxes	1,992	2,111	1,140	1,945	2,320
Net income	\$ 6,553	\$ 6,744	\$ 5,166	\$ 6,652	\$ 7,115
<b>Per Share Data</b>					
Net income	\$ 1.38	\$ 1.35	\$ 1.01	\$ 1.25	\$ 1.24
Dividends declared	\$ 0.800	\$ 0.720	\$ 0.720	\$ 0.720	\$ 0.640
Average shares outstanding	4,752,290	4,989,598	5,102,262	5,317,507	5,756,793
<b>Per Share Data Assuming Dilution</b>					
Net income	\$ 1.33	\$ 1.32	\$ 1.00	\$ 1.24	\$ 1.22
Dividends declared	\$ 0.800	\$ 0.720	\$ 0.720	\$ 0.720	\$ 0.640
Average shares outstanding	4,914,906	5,115,590	5,170,955	5,357,398	5,819,577
<b>At End of Period</b>					
Total assets	\$ 890,274	\$ 858,035	\$ 863,836	\$ 889,169	\$ 882,980
Investment securities	305,709	314,805	335,565	419,975	453,878
Loans and leases, net of unearned income	523,813	484,068	457,008	402,101	355,240
Allowance for credit losses	4,672	3,896	3,210	2,268	1,731
Deposits	535,057	524,067	529,691	522,485	495,124
Borrowed funds	250,725	221,575	229,575	268,598	297,160
Shareholders' equity	95,742	100,541	96,940	92,648	84,571
<b>Key Ratios</b>					
Return on average assets	0.74%	0.78%	0.59%	0.76%	0.81%
Return on average equity	6.82%	6.73%	5.27%	7.79%	7.61%
Net loans to deposits ratio	97.03%	91.62%	85.67%	76.53%	71.40%
Dividend per share as a percentage of net income per share	57.97%	53.33%	71.29%	57.60%	51.61%

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Average equity to average assets ratio	10.93%	11.65%	11.17%	9.80%	10.67%
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**RISK FACTORS**

After the merger, the current stockholders of GA Financial who receive shares of First Commonwealth stock will continue to face the risks that they have faced as stockholders of a local financial institution. The merger and the process of integrating the two companies after the merger may pose additional risks to the shareholders of First Commonwealth following the merger. In addition to the other information presented in this proxy statement/prospectus, including the matters addressed in Cautionary Statement Regarding Forward-Looking Information on page 17, you should consider carefully the risks described below in determining whether to approve the merger agreement.

**If you tender shares of GA Financial stock to make an election, you will not be able to sell those shares until after the merger, unless you revoke your election prior to the election deadline.**

In order to make a cash or stock election in the merger, you must tender your stock certificates (or follow the procedures for guaranteed delivery) to the exchange agent by the election deadline, which is 5:00 p.m., New York City time, on \_\_\_\_\_, 2004, the day prior to the special meeting. After you tender your shares, you will not be able to sell any shares of GA Financial stock that are tendered, unless you validly revoke your election prior to the election deadline by written notice to the exchange agent. Absent such a revocation, until you receive your merger consideration, you will not be able to liquidate your investment to gain access to cash, to take advantage of other investment opportunities, to reduce the potential for a decrease in value of your investment or for any other reason.

**Because not more than 40% of the aggregate merger consideration will be paid in cash, you may receive a form of consideration different from what you elect.**

The merger agreement allows you to elect whether to receive cash, shares of First Commonwealth stock, or a combination of cash and stock in exchange for your GA Financial shares. However, your election is subject to the requirement that approximately 40% of the outstanding shares of GA Financial stock be exchanged for cash and the remainder be exchanged for First Commonwealth stock. The purpose of this fixed ratio is to ensure that, with respect to the First Commonwealth stock issued in the merger, the transaction qualifies as a tax-free reorganization under the United States Internal Revenue Code. To achieve this outcome, the merger agreement contains proration and allocation procedures. If you elect to receive cash and the available cash is oversubscribed, then you will receive a greater portion of the merger consideration than you elect in the form of First Commonwealth stock. Likewise, if you elect to receive First Commonwealth stock and the available stock is oversubscribed, then you will receive a greater portion of the merger consideration than you elect in the form of cash. Therefore, you may not receive exactly the form and proportion of consideration that you elect. Because the tax consequences of the merger depend upon the form of consideration you receive, you may recognize gain or loss on some of your shares of GA Financial stock notwithstanding your election to receive shares of First Commonwealth stock in the merger.

**If we are unable to integrate the businesses of GA Financial and First Commonwealth successfully, our business and earnings may be adversely affected.**

After the merger, we will undertake to integrate the business of GA Financial with that of First Commonwealth. Integration will involve the consolidation of the operations, systems and procedures of the two institutions in order to eliminate redundant functions and costs and to operate on a consistent basis. Cost savings and revenue enhancements are expected to come from the elimination and consolidation of duplicate tasks and from various other areas that management has identified through the due diligence and integration planning processes. We cannot assure you that we will be able to integrate the two operations without encountering difficulties, including the possible loss of employees or customers, disruptions in the delivery of services or inconsistencies in standards, controls, procedures and policies. Such difficulties could interfere with our

ability to realize the benefits expected from the merger.

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### **Statutory restrictions on dividends and other distributions from our subsidiary bank may adversely impact our future financial results.**

First Commonwealth's earnings and financial condition have historically allowed it to pay quarterly dividend distributions to its shareholders. A substantial portion of our cash flow comes from dividends paid to us by our subsidiary bank. Various federal and state statutory provisions limit the amount of dividends that our subsidiary bank can pay without regulatory approval. These restrictions may adversely impact our future financial results, and there can be no assurance that our dividend policy or size of dividend will continue after the merger.

### **First Commonwealth's growth strategy may involve risks that are different from and in addition to those related to the growth strategy of GA Financial prior to the merger.**

The merger is part of First Commonwealth's ongoing strategy to expand into different communities and markets through, among other things, acquisitions of existing financial institutions. First Commonwealth may acquire other financial institutions and related businesses in the future. Such acquisitions involve significant risks including:

Potential exposure to unknown or contingent liabilities of financial institutions and other businesses we acquire.

Exposure to potential asset quality issues at the acquired banks or businesses.

Difficulty and expense of integrating the operations and personnel of banks and businesses we acquire.

Potential disruption of our business.

Potential diversion of management's time and attention.

The possible loss of key employees and customers of the banks and businesses we acquire.

### **First Commonwealth's strategy of continuing to diversify its products and services will expose former GA Financial stockholders to additional risks.**

In recent years, First Commonwealth has begun offering various types of services not historically offered by all banks. For example, in 2002, First Commonwealth began offering financial planning, asset management and consulting services. First Commonwealth also offers insurance products and employee benefit services. We intend to continue to explore opportunities to expand our product and service offerings and sources of revenue. These additional products and services involve risks that are different than the risks associated with the operation of a traditional bank or savings association. There can be no assurance that First Commonwealth will be successful in offering these expanded products and services or that its efforts to do so will not adversely affect earnings.

### **After the merger, First Commonwealth will continue to face the risks common to local and regional financial institutions.**

Prior to the merger, First Commonwealth and GA Financial have faced, and after the merger First Commonwealth will continue to face, all of the risks common to local and regional financial institutions, including:

General or local economic conditions may adversely affect the demand for our products and services, the ability of our borrowers to repay loans and the value of the collateral for our loans.

Our allowance for loan losses, which is established based on various assumptions, may not be adequate to cover actual credit losses or may have to be increased, either of which would have an adverse effect on earnings.

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Changes in prevailing interest rates or market prices may adversely affect our net interest margins and asset values and increase expenses.

The loss of senior management personnel at the parent company or any operating subsidiary could adversely affect our business and prospects.

Increased competition in one or more of our market areas may adversely affect earnings, financial condition and growth.

Changes in the extensive regulatory structures to which we are subject could require changes in our operations that would increase costs or otherwise impact earnings.

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This proxy statement/prospectus, including documents incorporated by reference herein, contains forward-looking statements concerning future events that are subject to risks, uncertainties and assumptions. These forward-looking statements are based upon our current expectations and projections about future events. When used in this proxy statement/prospectus and in our incorporated documents, the words believe, anticipate, intend, estimate, expect and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. These forward-looking statements are subject to risks, uncertainties and assumptions about us and our subsidiaries and business affiliates, including, among other things, the factors described above under the Risk Factors section of this proxy statement/prospectus and the following:

Competitive pressures among depository and other financial institutions nationally and in our market areas may increase significantly.

Adverse changes in the economy or business conditions, either nationally or in our market areas, could increase credit-related losses and expenses.

Increases in defaults by borrowers and other delinquencies could result in increases in our provision for losses on loans and leases and related expenses.

Our inability to manage growth effectively, including the successful expansion of our customer support, administrative infrastructure and internal management systems, could adversely affect our results of operations and prospects.

Fluctuations in interest rates and market prices could reduce our net interest margins and asset valuations and increase our expenses.

The consequences of continued bank acquisitions and mergers in our market areas, resulting in fewer but much larger and financially stronger competitors, could increase competition for financial services to our detriment.

Our continued growth will depend in part on our ability to enter new markets successfully and capitalize on other growth opportunities.



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Changes in legislative or regulatory requirements applicable to us and our subsidiaries could increase costs, or limit our operations and adversely affect results of operations.

Changes in tax requirements, including tax rate changes, new tax laws and revised tax law interpretations may increase our tax expense or adversely affect our customers' businesses.

Other factors discussed in Risk Factors may adversely affect us.

YOU ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE OF THIS PROXY STATEMENT/ PROSPECTUS OR THE INCORPORATED DOCUMENT IN WHICH THEY APPEAR. IN LIGHT OF THESE RISKS, UNCERTAINTIES AND OTHER ASSUMPTIONS, THE RESULTS AND EVENTS CONTEMPLATED BY THESE FORWARD-LOOKING STATEMENTS MIGHT NOT OCCUR.

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**THE SPECIAL MEETING**

**General**

GA Financial is furnishing this proxy statement/prospectus to its stockholders in connection with the solicitation of proxies by the GA Financial board of directors for use at the special meeting of shareholders, including any meeting adjournments or postponements, to be held on \_\_\_\_\_, 2004 at \_\_\_\_\_ : \_\_\_\_\_ a.m., local time, at The Bradley House, 5239 Brownsville Road, Pittsburgh, Pennsylvania 15236. In addition, First Commonwealth is furnishing this proxy statement/prospectus to the stockholders of GA Financial as its prospectus in connection with the offering and issuance of shares of its stock in the merger.

At the special meeting, GA Financial stockholders will consider and vote upon the proposal to approve the merger agreement pursuant to which GA Financial will merge with and into First Commonwealth, with the result that each share of GA Financial stock will be converted, at the election of the holder, subject to the proration and allocation procedures described below under The Merger Election and Proration Procedures, into \$35 in cash or shares of First Commonwealth stock on the basis described in this proxy statement/prospectus. First Commonwealth will pay cash in lieu of any fractional shares.

In addition, GA Financial stockholders will consider and vote on a proposal to adjourn the special meeting if necessary to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the merger agreement and to consider any other matters that may be properly submitted to a vote at the special meeting. At this time, the GA Financial board of directors is unaware of any other matters that may be presented for action at the special meeting.

The merger agreement is attached to this document as **Annex A**. For a description of the merger and the terms of the merger agreement, see The Merger beginning on page 22 and The Merger Agreement beginning on page 43.

**Record Date**

If you were a GA Financial stockholder at the close of business on \_\_\_\_\_, 2004, you may vote at the special meeting. As of that date, there were \_\_\_\_\_ issued and outstanding shares of GA Financial stock held by approximately \_\_\_\_\_ stockholders of record. GA Financial stockholders have one vote per share on any matter that may properly come before the special meeting.

**Vote Required**

The presence in person or by proxy of the holders of a majority of the shares of GA Financial stock outstanding on the record date will constitute a quorum for the transaction of business at the special meeting. GA Financial will count abstentions and broker non-votes for purposes of establishing the presence of a quorum at the meeting.

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The approval of the merger agreement requires the affirmative vote of holders of a majority of the outstanding shares of GA Financial stock. The affirmative vote of a majority of the votes cast on the matter at the special meeting is required to approve the proposal to adjourn the special meeting if necessary to permit further solicitation of proxies on the proposal to approve the merger agreement and any other matter properly submitted to shareholders for their consideration at the special meeting.

Any broker non-votes submitted by brokers or nominees in connection with the special meeting will not be counted for purposes of determining the number of votes cast on a proposal. Broker non-votes are shares

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held by brokers or nominees as to which voting instructions have not been received from the beneficial owners or the persons entitled to vote those shares and the broker or nominee does not have discretionary voting power under the applicable New York Stock Exchange rules. Under these rules, the proposals to approve the merger agreement and to adjourn the special meeting are not items on which brokerage firms may vote in their discretion on behalf of their clients if such clients have not furnished voting instructions within ten days of the special meeting. Because of the vote required for both the proposal to approve the merger agreement and the proposal to adjourn the special meeting, abstentions and broker non-votes will have no effect on these proposals.

First Commonwealth has entered into voting agreements with each director and executive officer of GA Financial, pursuant to which such persons have agreed to vote all shares of GA Financial stock which they own in favor of the merger agreement. These voting agreements increase the likelihood that the merger agreement will be approved by the stockholders of GA Financial. On the record date, the executive officers and directors of GA Financial had voting power with respect to an aggregate of \_\_\_\_\_ shares of GA Financial stock or approximately \_\_\_\_\_ % of the shares of GA Financial stock then outstanding.

## **Recommendations of the GA Financial Board of Directors**

The GA Financial board has unanimously approved and adopted the merger agreement and the transactions contemplated thereby. The GA Financial board believes that the merger is fair to and in the best interests of GA Financial and its stockholders and unanimously recommends that you vote FOR approval of the merger agreement and the transactions contemplated thereby. The GA Financial board also unanimously recommends that you vote FOR approval of the proposal to adjourn the special meeting if necessary to solicit additional proxies to vote in favor of the merger agreement.

## **Solicitation and Revocation of Proxies**

GA Financial has enclosed a form of proxy with this proxy statement/prospectus. Shares represented by a proxy will be voted at the special meeting as specified in the proxy. Proxies that are properly signed and dated but that do not have voting instructions will be voted by the proxy holders FOR the merger, FOR the adjournment, and in the discretion of the proxy holder as to any other matter that may properly come before the meeting.

GA Financial asks you to vote by completing, dating and signing the accompanying proxy card and returning it promptly to GA Financial in the enclosed, postage-paid envelope even if you plan to attend the meeting in person. **You should not send your stock certificates in the envelope provided for returning your proxy card.**

If you are a GA Financial stockholder who delivers a properly executed proxy, you may revoke the proxy at any time before its exercise. You may revoke your proxy by:

Filing with the Corporate Secretary of GA Financial prior to the special meeting, at GA Financial's principal executive offices, either a written revocation of such proxy or a duly executed proxy bearing a later date.

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Attending the special meeting and voting in person. Presence at the meeting will not revoke your proxy unless and until you vote in person.

If your shares are held in the name of your broker, bank or other nominee and you wish to vote in person, you must bring an account statement and authorization from your nominee so that you can vote your shares.

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GA Financial is soliciting proxies for use at the special meeting, and GA Financial will bear the cost of solicitations of proxies from its stockholders. GA Financial and First Commonwealth will share equally the cost of printing and mailing this document. In addition to solicitation by mail, GA Financial directors, officers and employees may solicit proxies from stockholders by telephone, in person or through other means. These persons will not receive additional compensation, but they will be reimbursed for the reasonable out-of-pocket expenses they incur in connection with this solicitation. GA Financial also will make arrangements with brokerage firms, fiduciaries and other custodians who hold shares of record to forward solicitation materials to the beneficial owners of these shares. GA Financial will reimburse these brokerage firms, fiduciaries and other custodians for their reasonable out-of-pocket expenses in connection with this solicitation.

## **Participants in the Great American Federal Employee Stock Ownership Plan**

If you are a participant in the Great American Federal ESOP, you will receive with this proxy statement/prospectus a separate voting instruction card for shares of GA Financial stock allocated to your account as a participant or beneficiary under the ESOP. You should use this voting instruction card to direct the trustee of the ESOP how to vote your allocated shares.

You should return the completed voting instruction card:

First Bankers Trust

Great American Federal ESOP Trustee

P.O. Box 3566

2321 Koch s Lane

Quincy, IL 62305-3566

Attn: Linda Shultz

In order to permit sufficient time to tabulate voting instruction cards, the ESOP trustee must receive your instructions no later than \_\_\_\_\_, 2004.

Any voting instructions given by a plan participant may be revoked at any time prior to the deadline described above by delivering a written notice bearing a date later than the date of the first voting instruction card to the ESOP trustee or signing and delivering a voting instruction card relating to the same shares and bearing a later date than the date of the previous voting instruction card. In either case, delivery must occur no later than \_\_\_\_\_, 2004.

Under the terms of the ESOP, the ESOP trustee must vote any allocated shares of GA Financial stock for which voting instructions have not been received or properly completed in a manner calculated to most accurately reflect the instructions the trustee has received from participants regarding shares of allocated GA Financial stock for which properly completed voting instructions have been received. The ESOP trustee has historically voted those shares in the same proportion as the shares for which properly completed voting instructions have been received. In addition, unallocated shares of GA Financial stock in the ESOP will be voted by the ESOP trustee in a manner determined by the ESOP trustee to be in the best interests of the participants, which may include voting the unallocated shares in the same proportion as the shares for which properly completed voting instructions have been received.

ESOP participants will also receive an election form as to the consideration to be received in the merger. Those ESOP participants who do not make an election as to the type of consideration to be received in the merger will be deemed no-election shares and cannot be assured of the type of consideration they will receive in the merger.

**Other Matters**

No matters other than those set forth in the notice of meeting that accompanies this proxy statement/prospectus, and appropriate procedural matters, may be considered at the special meeting. If other matters are properly presented at the special meeting, the persons named in the proxy will have authority to vote all proxies in accordance with their judgment on any such matter.

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**THE COMPANIES INVOLVED IN THE MERGER**

**First Commonwealth**

Financial and other information relating to First Commonwealth, including information relating to First Commonwealth's current directors and executive officers, is set forth in First Commonwealth's 2003 Annual Report on Form 10-K and First Commonwealth's Proxy Statement for the 2004 Annual Meeting of Shareholders, which are incorporated by reference to this proxy statement/prospectus. Copies of those materials may be obtained from First Commonwealth as indicated under "Incorporation of Certain Documents by Reference" on page 59.

First Commonwealth is a Pennsylvania corporation and a registered bank holding company engaged in the retail banking business through its wholly-owned subsidiary, First Commonwealth Bank, and offers personal financial planning, employee benefit services and investment and insurance products through its wholly owned subsidiaries First Commonwealth Financial Advisors and First Commonwealth Trust Company and its indirect wholly owned subsidiary First Commonwealth Insurance Agency. First Commonwealth also owns 50% of Commonwealth Trust Credit Life Insurance Company, which provides reinsurance for credit life and credit accident and health insurance sold by First Commonwealth Insurance Agency and the insurance agency subsidiary of the other 50% owner of Commonwealth Trust Credit Life Insurance Company. As of December 31, 2003, First Commonwealth had consolidated total assets of \$5.2 billion, deposits of \$3.3 billion and shareholders' equity of \$431 million.

First Commonwealth Bank, a Pennsylvania-chartered banking corporation headquartered in Indiana, Pennsylvania conducts business through 93 community banking offices in the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Centre, Clearfield, Elk, Huntingdon, Indiana, Jefferson, Lawrence, Somerset, Washington, and Westmoreland, Pennsylvania. First Commonwealth Bank offers a full range of financial services including such general retail banking services as demand, savings and time deposits and mortgage, consumer installment and commercial loans.

**GA Financial**

Financial and other information relating to GA Financial, including information relating to GA Financial's current directors and executive officers, is set forth in GA Financial's 2003 Annual Report on Form 10-K, which is incorporated by reference to this proxy statement/prospectus. Copies of those materials may be obtained from GA Financial as indicated under "Incorporation of Certain Documents by Reference" on page 59.

GA Financial, Inc. is a Delaware corporation and the holding company for Great American Federal, a federal savings association and the principal subsidiary of GA Financial and New Eagle Capital, Inc., an investment company. Great American Federal's wholly owned subsidiaries are GA Financial Strategies, LLC, established in 2001 to provide wealth management services, Steel City Investments, Inc. established in 2002 to hold and manage investments securities, and Great American Financial Services, Inc., currently inactive. As of December 31, 2003, GA Financial had consolidated total assets of \$890 million, deposits of \$535 million and shareholders' equity of \$96 million.

Great American Federal, serving customers for over 85 years, operates its administrative office in Whitehall, Pennsylvania and 12 community offices in Allegheny County, Pennsylvania. Through these office locations, Great American Federal offers a broad array of consumer and commercial loan, deposit, and wealth management products and services. In addition to conducting community banking activities, Great American Federal invests in various marketable securities.





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**THE MERGER**

The detailed terms of the merger are contained in the merger agreement attached as **Annex A** to this proxy statement/prospectus and are incorporated in this proxy statement/prospectus by this reference. The following discussion and the discussion under **The Merger Agreement** describe the more important aspects of the merger and the material terms of the merger agreement. These descriptions are qualified by reference to the merger agreement. We encourage you to read the merger agreement carefully.

**Structure of the Merger**

*General.* The merger agreement provides that, after approval of the merger agreement by the stockholders of GA Financial and the satisfaction or waiver of the other conditions to the merger, GA Financial will merge with and into First Commonwealth, with First Commonwealth continuing as the surviving corporation.

The articles of incorporation and bylaws of First Commonwealth as in effect immediately prior to the merger will be the articles of incorporation and bylaws of the surviving corporation. The officers of First Commonwealth immediately prior to the merger will be the officers of the surviving corporation after the merger. The board of directors of the surviving corporation will consist of the current directors of First Commonwealth and Robert J. Ventura, a current director of GA Financial.

*Timing of Closing.* The closing of the merger will occur as soon as reasonably practicable after the satisfaction or waiver of all of the conditions to the merger, including the receipt of all regulatory approvals. The parties currently anticipate that the closing will occur on or before June 30, 2004.

*Conversion of GA Financial Stock.* In the merger, each share of GA Financial stock issued and outstanding immediately prior to the completion of the merger will automatically be converted into the right to receive, at the holder's election, either \$35 in cash without interest or a number of shares of First Commonwealth stock calculated by dividing \$35 by the average closing price of the First Commonwealth stock on the New York Stock Exchange for the ten trading days ending with the third trading day prior to the closing date. First Commonwealth will not issue any fractional shares in the merger. In lieu of any fractional share that would otherwise be issuable, First Commonwealth will pay an amount of cash determined by multiplying that fraction by the average closing price of the First Commonwealth stock used in determining the exchange ratio. If there is a change in the number or classification of shares of First Commonwealth stock outstanding as a result of a stock split, stock dividend, reclassification, recapitalization, or other similar transaction, the exchange ratio will be proportionately adjusted. Your receipt of either cash or stock, however, is subject to the allocation and proration procedures as well as other provisions in the merger agreement. See **The Merger Election and Proration Procedures**.

Assuming an average closing price of \$ \_\_\_\_\_ and that exactly 60% of the outstanding GA Financial shares are exchanged for First Commonwealth stock, after the merger the GA Financial stockholders will own \_\_\_\_\_ shares of First Commonwealth stock, or approximately \_\_\_\_\_ % of the issued and outstanding First Commonwealth stock, based on the \_\_\_\_\_ shares of First Commonwealth stock and \_\_\_\_\_ shares of GA Financial stock outstanding on \_\_\_\_\_, 2004.

**Election and Proration Procedures**

*Making the Election.* First Commonwealth has selected The Bank of New York, which is the current transfer agent for First Commonwealth, to serve as the exchange agent for purposes of effecting the election, allocation, and proration procedures. An election form/letter of transmittal are enclosed with this proxy statement/prospectus. In the election form/letter of transmittal, you may elect to receive either:

First Commonwealth stock with respect to all of your shares of GA Financial stock,

cash with respect to all of your shares of GA Financial stock, or

First Commonwealth stock in exchange for a specified number of shares of GA Financial stock and cash in exchange for a specified number of shares of GA Financial stock.

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Shares of GA Financial stock with respect to which a stockholder elects to receive First Commonwealth stock are referred to as stock election shares, and shares of GA Financial stock with respect to which a stockholder elects to receive cash are referred to as cash election shares. Shares of GA Financial stock as to which a properly completed election form is not submitted in a timely fashion are referred to as no-election shares.

The deadline for you to submit your election form/letter of transmittal to the exchange agent is \_\_\_\_\_, 2004, the last business day prior to the special meeting.

All elections must be made on an election form. To make an effective election with respect to shares of GA Financial stock, you must deliver the following items to the exchange agent prior to the election deadline:

a properly completed election form/letter of transmittal;

your certificates for shares of GA Financial stock or an appropriate guarantee of delivery; and

any other required documents described in the election form/letter of transmittal.

You may change your election by submitting to the exchange agent a properly completed and signed revised election form/letter of transmittal and all required additional documents. To be effective, however, the exchange agent must receive these revised documents prior to the election deadline. If some but not all of the revised documents are received by the election deadline, all of the holder's shares will be considered no-election shares.

You may revoke your prior valid election by written notice received by the exchange agent prior to the election deadline. You may also revoke a prior valid election by submitting a written withdrawal of your share certificates or of the notice of guaranteed delivery of your share certificates previously deposited with the exchange agent. Again, the exchange agent must receive this written withdrawal before the election deadline.

**Do not return your certificates representing shares of GA Financial stock with the enclosed proxy. The stock certificates should only be forwarded to the exchange agent with the election form/letter of transmittal.**

If you have a preference as to the form of consideration to be received for your shares of GA Financial stock, you should make an election. Shares as to which an election is made will be given priority in allocating the merger consideration over shares for which an election is not received. **None of First Commonwealth, the board of directors of First Commonwealth, GA Financial, or the board of directors of GA Financial makes any recommendation as to whether you should elect to receive cash, First Commonwealth stock or a combination of cash and First Commonwealth stock. You must make your own decision with respect to making an election.**

Following the completion of the merger and upon surrender of all of the certificates representing shares of GA Financial stock registered in your name, or a satisfactory indemnity if any of such certificates are lost, stolen or destroyed, together with a properly completed letter of transmittal, The Bank of New York will mail to you the cash and/or First Commonwealth stock to which you are entitled, less the amount of any required withholding taxes. You will not receive interest on any cash.

Dividends declared by First Commonwealth after the completion of the merger will be payable on all shares First Commonwealth stock issued in the merger, but no dividend or other distribution payable to the holders of record of First Commonwealth stock at or as of any time after the completion of the merger will be paid to holders of GA Financial stock who receive First Commonwealth stock in the merger until they physically surrender all certificates as described above. After the completion of the merger, the stock transfer books of GA Financial will close, and there will be no transfers on the transfer books of GA Financial.

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Great American Federal ESOP participants will also receive an election form as to the consideration to be received in the merger. Those ESOP participants who do not make an election as to the type of consideration to be received in the merger will be deemed no-election shares.

*Allocation and Proration Procedures.* The merger agreement provides that no more than 40% of the outstanding shares of GA Financial stock will be converted into cash in the merger. It is unlikely that stockholders owning exactly 60% of the outstanding GA Financial shares will elect to receive First Commonwealth stock and stockholders owning exactly 40% will elect to receive cash. As a result, the merger agreement describes procedures to be followed if GA Financial stockholders in the aggregate elect to receive more or less of the First Commonwealth stock than First Commonwealth has agreed to issue. These procedures are summarized below.

*If Cash Is Undersubscribed:* If GA Financial stockholders elect to receive less than 40% of the aggregate merger consideration in cash, then:

The exchange agent will first reclassify no-election shares as cash-election shares. If less than all no-election shares need to be reclassified in order to result in 40% of the merger consideration being paid in cash, the exchange agent will reclassify no-election shares as cash election shares on a pro rata basis (subject to rounding to avoid the reclassification of partial shares), and the remaining no-election shares will be reclassified as stock-election shares.

If the amount of cash to be paid after the reclassification of all no-election shares is still less than 40% of the aggregate merger consideration, the exchange agent will reclassify stock-election shares as cash-election shares as necessary to reach 40% cash. The stock election shares so reclassified will be taken on a pro rata basis from all stock-election shares (subject to rounding to avoid the reclassification of partial shares). However, if cash is undersubscribed, First Commonwealth may choose to reduce the percentage of the aggregate merger consideration that is paid in cash (and thereby increase the percentage of the aggregate merger consideration that is paid the form of First Commonwealth stock) to allow all or a greater percentage of stock election shares and no election shares to be converted into shares of First Commonwealth stock.

*If First Commonwealth Stock Is Undersubscribed:* If GA Financial stockholders elect to receive less than 60% of the aggregate merger consideration in shares of First Commonwealth stock, then:

The exchange agent will first reclassify no-election shares as stock-election shares. If less than all no-election shares need to be reclassified in order to result in 60% of the merger consideration being paid in stock, the no-election shares to be reclassified as stock-election shares on a pro rata basis (subject to rounding to avoid the reclassification of partial shares) and the remaining no-election shares will be reclassified as cash-election shares.

If the stock issuable after the reclassification of all no-election shares is still less than 60% of the aggregate merger consideration, the exchange agent will reclassify cash-election shares as stock-election shares as necessary to reach 60% stock. The cash-election shares so reclassified will be taken on a pro rata basis from all cash election shares (subject to rounding to avoid the reclassification of partial shares).

**There is no guarantee that you will receive the exact form and proportion of consideration that you elect to receive.**

## **Background of the Merger**

Historically, the board of directors of GA Financial (which we sometimes refer to as the company for purposes of this discussion) has regularly reviewed its long term strategic plan for GA Financial.

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At its regular board meeting on July 29, 2003, the board of directors of GA Financial discussed retaining an investment banker to assist the Board in exploring strategic alternatives available to the company, with a view to enhancing profitability and stockholder value. The board authorized management to obtain the assistance of Janney Montgomery Scott LLC (which we refer to as Janney) with this project. Janney is an investment banking firm with experience in advising financial institutions similar to GA Financial.

At a special meeting of GA Financial's board of directors on August 19, 2003, representatives of Janney reviewed with the board the financial and market issues facing the company, the current valuation of the company's stock and future prospects based on certain assumptions. Janney presented various strategic initiatives to enhance profitability and stockholder value, including capital strategies as well as possible downstream and upstream merger transactions. The board of directors discussed the alternatives with the representatives of Janney and then took the matter under advisement.

At its regular meeting on September 23, 2003, GA Financial's board of directors continued its discussion of strategic alternatives. Following extensive discussion, the board concluded that none of the profitability strategies available to GA Financial would likely have any significant positive impact to the company's share price in the near term, and thus the board determined to pursue an upstream merger. The board also noted that the protracted low interest rate environment was continuing to put pressure on the company's net interest margin, and that the increased cost of new technology and the additional regulatory burdens imposed on the industry and public companies created further earnings challenges. Taken together, these factors made it difficult for a financial institution of GA Financial's size to compete effectively. The board authorized management to engage Janney to assist in identifying a merger partner. The board indicated its desire to enter into a merger transaction that would maximize the value of GA Financial's shares. The board desired and, based on recent merger transactions in the industry, expected that such a transaction would take the form of a stock/cash transaction—that is, within certain parameters, a transaction that would permit GA Financial's stockholders who wanted to accept cash for their shares and liquidate their investment in GA Financial to do so, and that would at the same time permit those GA Financial stockholders who wanted to continue as stockholders of a larger organization in a tax-free exchange of shares to do so.

On October 2, 2003, GA Financial's board of directors met with the company's outside counsel to review the merger process, including the board's fiduciary duties with respect to their consideration of a merger transaction.

In the weeks following October 2, Janney contacted 11 financial institutions which had been identified as potential upstream merger candidates, inviting them to sign a confidentiality agreement and receive an information memorandum. Prospective bidders were asked to submit preliminary indications of interest for a merger with GA Financial by November 7, 2003. Of the 11 institutions contacted, eight signed confidentiality agreements and received the information memorandum and two, First Commonwealth and a second bidder (which we will refer to as Company B), submitted preliminary indications of interest.

At a special meeting on November 11, 2003, GA Financial's board of directors met to consider those indications of interest. First Commonwealth made a fixed price proposal to acquire all of GA Financial's shares in a merger for \$33.00 per share, payable in 60% First Commonwealth stock and 40% cash. Company B proposed to acquire all of GA Financial's shares in a merger for \$34.50 per share (based on the company B's stock price on November 6, 2003), payable in 55% Company B stock and 45% cash, with a fixed exchange ratio for the stock portion of the consideration. The indicated value of Company B's proposal on November 11, 2003 was \$33.80 per share due to a decline in the price of Company B's shares since the date of its indication of interest. Both proposals were subject to a due diligence review of GA Financial by the bidders. The board reviewed each indication of interest in detail and reviewed the financial and market performance of each bidder. After discussion, the board authorized management and Janney to pursue discussions regarding a merger with both bidders. The board also requested that Janney inform each bidder of the board's preference for a fixed price structure, rather than a fixed exchange ratio, for the transaction.



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Janney contacted the two bidders and scheduled meetings between management of GA Financial and management of each bidder. On November 17, 2003, John M. Kish, Chairman of the Board and Chief Executive Officer of GA Financial, Todd L. Cover, Senior Vice President and Treasurer of GA Financial, James V. Dionise, Chief Financial Officer and Secretary of GA Financial and Robert Ventura, an outside director of GA Financial, met with E. James Trimarchi, Chairman of the Boards of First Commonwealth and First Commonwealth Bank, Joseph E. O. Dell, President and Chief Executive Officer of First Commonwealth, Johnston A. Glass, President and Chief Executive Officer of First Commonwealth Bank and Jerry Thomchick, Executive Vice President and Chief Operating Officer of First Commonwealth. Representatives of Janney were also present at this meeting. At this meeting, the parties discussed their respective institutions, including their historical financial performance, their operations, their strategic plans and their management philosophies. Also on November 17, the same representatives from GA Financial and Janney met with representatives of and discussed the same matters with representatives of Company B. In accordance with the process discussed with GA Financial's board of directors, Janney asked each of First Commonwealth and Company B to submit their best offer by 5:00 p.m. on November 21, 2003.

On November 21, 2003, GA Financial received revised proposals from each of First Commonwealth and Company B. At its regular meeting on November 25, 2003, the board of directors of GA Financial reviewed and considered the revised proposals with its financial and legal advisors present. First Commonwealth proposed to acquire all of the outstanding shares of GA Financial in a merger for \$35 per share, on a fixed price basis, with the consideration being payable in 60% First Commonwealth stock and 40% cash. Company B proposed to acquire all of the outstanding stock of GA Financial in a merger for \$34 per share, on a fixed price basis, with the consideration payable in 55% Company B's stock and 45% cash. Company B's proposal was also subject to a collar, which would fix the number of shares of Company B stock issuable in the merger if the market price of Company B stock increased or decreased by more than a specified amount. The board of directors considered the terms of both proposals in detail. The board also considered the history and prospects of both First Commonwealth and Company B. On the basis of these considerations, including the financial terms of both proposals, the board determined to pursue a merger transaction with First Commonwealth and authorized management and Janney to do so.

On Monday, December 1, 2003, representatives of First Commonwealth began their due diligence review of GA Financial. This review included, among other things, interviews with GA Financial officers, discussions with GA Financial's outside auditors, KPMG LLP, a review of selected loan files and a review of other documents requested by First Commonwealth. By the end of the day on December 4, 2003, First Commonwealth substantially completed its due diligence review of GA Financial and indicated to GA Financial that it had found no significant issues that would cause it to want to modify its offer. Also, First Commonwealth's counsel had delivered to GA Financial's counsel a draft of the merger agreement. The parties had projected December 12 or 15 as the target date for execution of the definitive merger agreement.

On December 3 and 5, 2003, representatives of GA Financial received informal overtures from representatives of Company B indicating that Company B was disappointed that it was not selected as the preferred bidder and indicating that Company B might be willing to match First Commonwealth's proposal or pay a slightly higher price, subject to its due diligence review of GA Financial. After discussing the matter with counsel, Mr. Kish contacted each of GA Financial's directors (other than Mr. Stanton who was unavailable). GA Financial's directors determined to proceed with negotiating a transaction with First Commonwealth. In making this determination, the GA Financial directors considered that the nature of the contacts with Company B were informal and suggested only an incrementally higher price than the First Commonwealth transaction, that Company B had a fair opportunity to participate in the process by which merger offers were received and Company B had not made the highest offer, that Company B had not performed any due diligence while First Commonwealth had completed its due diligence review, and that to entertain a revised offer from Company B could jeopardize the transaction with First Commonwealth when it appeared likely that GA Financial would be able to reach a definitive merger agreement with First Commonwealth on the terms offered by First Commonwealth.

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On December 8, 2003, representatives of GA Financial, its counsel and financial advisor performed a due diligence review of First Commonwealth at First Commonwealth's headquarters. At that time, First Commonwealth confirmed to GA Financial that it found no issues that would prevent the execution of a merger agreement on the terms offered by First Commonwealth.

On December 8, 2003, Janney advised the investment banker for Company B that GA Financial was proceeding to finalize the merger agreement with the successful bidder (First Commonwealth), that the process by which merger proposals had been solicited was fair, that Company B understood and had a fair opportunity to participate in the process and that the process had concluded.

At a special meeting on December 11, 2003, GA Financial's board of directors considered the merger of GA Financial with and into First Commonwealth. Messrs. Cover and Dionise, as well as representatives from Janney Montgomery Scott LLC and GA Financial's outside legal counsel were also present at this meeting. Among other things, the board considered the process leading to the proposed transaction, the board reviewed in detail the terms of the definitive merger agreement providing for the merger, the board considered the history and prospects of First Commonwealth, including the results of GA Financial's due diligence review of First Commonwealth, the board reviewed the status of Company B's informal overture, including the board's fiduciary duties and the risk that pursuing that overture might jeopardize the proposed transaction with First Commonwealth, and the board reviewed other comparable merger transactions. The Janney representatives then rendered Janney's formal oral opinion that the proposed merger transaction with First Commonwealth was fair from a financial point of view to the stockholders of GA Financial. After considering these and other factors, the board of directors of GA Financial unanimously determined that the merger of GA Financial with and into First Commonwealth on the terms set forth in the definitive merger agreement was advisable and in the best interests of GA Financial and its stockholders and approved the merger and the merger agreement in substantially the form presented to the board.

Mr. Kish and Messrs. O Dell and Thomchick then met in the evening on December 11, 2003 to resolve the few remaining open issues regarding the merger agreement, none of which were material. The parties then executed the merger agreement on behalf of their respective companies. Each party issued a press release announcing the merger before the market opened on December 12, 2003.

## **Recommendation of the GA Financial Board of Directors and Reasons for the Merger**

**The GA Financial board of directors believes that the merger is in the best interests of GA Financial and its stockholders. Accordingly, the GA Financial board of directors unanimously approved the merger agreement and unanimously recommends that GA Financial stockholders vote FOR approval of the merger agreement.**

In reaching its decision, the board consulted with management, as well as with its financial and legal advisors, and considered a variety of factors, including the following:

The board's knowledge of the business, operations, financial condition, earnings and prospects of GA Financial.

The business, operations, financial condition, earnings and prospects of First Commonwealth, based on GA Financial's due diligence review of First Commonwealth.

The board's knowledge and analysis of the current environment in the financial services industry, including continued consolidation and increasing competition.

The fact that the protracted low interest rate environment has and will continue to have a negative impact on the company's net interest margin and profitability.

The board's concern that the increased regulatory burdens imposed in the industry and public companies generally will have a continuing negative impact on earnings, especially for small cap companies.

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The fact that the merger consideration represents a substantial premium (22%) over the trading price of GA Financial stock immediately prior to the announcement of the merger.

The fact that the merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, which means that GA Financial stockholders generally will not recognize gain or loss for U.S. federal income tax purposes to the extent that they receive shares of First Commonwealth stock in the merger.

The opinion of Janney Montgomery Scott LLC to the GA Financial board of directors that, based on and subject to the considerations set forth in its opinion, the merger consideration was fair from a financial point of view to GA Financial stockholders.

The complementary nature of the businesses and geographic markets of GA Financial and First Commonwealth.

The board's realization that technology is driving the future direction of the industry and that larger companies have a distinct competitive advantage in exploiting the benefit and absorbing the costs of new technology.

The board's belief that a combination of GA Financial and First Commonwealth will enhance the combined company's ability to compete effectively, particularly in the Pittsburgh, Pennsylvania market.

The alternatives to the merger with First Commonwealth, the range of possible values to GA Financial stockholders that might be obtained in the future if other alternatives were chosen, and the timing and likelihood of actually receiving such values. The alternatives considered included remaining independent and engaging in a merger or similar transaction with another financial institution.

The likelihood that the merger will be approved by the appropriate regulatory authorities.

The actual and potential conflicts of interest presented by the existing and proposed arrangements and agreements between First Commonwealth as the surviving corporation and some of the directors and executive officers of GA Financial following the merger. See [The Merger](#) [Interests of Certain Directors and Executive Officers of GA Financial in the Merger](#).

The increased liquidity for stockholders of GA Financial as holders of First Commonwealth stock, which has a significantly larger public float and higher average trading volumes than GA Financial stock.

The foregoing discussion of the information and factors considered by the GA Financial board is not intended to be exhaustive but includes all material factors considered by the board of directors of GA Financial. In deciding to approve the merger, the GA Financial board did not assign relative or specific weights to the foregoing factors, and individual directors may have given differing weights to different factors. The GA Financial board of directors is unanimous in its recommendation that GA Financial stockholders vote for approval of the merger agreement.

## **Opinion of GA Financial's Financial Advisor**

Pursuant to the terms of its agreement, Janney Montgomery Scott LLC was retained by GA Financial to act as its financial advisor in connection with a possible business combination. GA Financial selected Janney because of Janney's knowledge of, experience with, and reputation in the financial services industry. Janney agreed to assist GA Financial in analyzing, structuring, negotiating and effecting a possible merger. Janney, as part of its investment banking business, is engaged in the valuation of financial institutions and their securities in connection with mergers and

acquisitions and other corporate transactions.

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GA Financial's board considered and approved the merger agreement at the December 11, 2003 board meeting. Janney delivered to the board its oral opinion, subsequently confirmed in writing as of the date of this proxy statement/prospectus, that, as of December 11, 2003, the merger consideration was fair to GA Financial's shareholders from a financial point of view. Janney has confirmed its December 11, 2003 oral opinion by delivering to the board a written opinion dated the date of this proxy statement/prospectus. The full text of Janney's opinion is attached as **Annex B** to this proxy statement/prospectus. GA Financial's shareholders are urged to read the opinion in its entirety for a description of the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Janney in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the opinion.

Janney's opinion speaks only as of the date of the opinion. The opinion was directed to the GA Financial board and is directed only to the fairness of the merger consideration to GA Financial shareholders from a financial point of view. It does not address the underlying business decision of GA Financial to proceed with the merger or any other aspect of the merger and does not constitute a recommendation to any GA Financial shareholder as to how such shareholder should vote at the special meeting on the merger or any related matter.

In rendering its opinion, Janney has, among other things:

- (a) reviewed the historical financial performances, current financial positions and general prospects of GA Financial and First Commonwealth;
- (b) considered the proposed financial terms of the merger and has examined the projected consequences of the merger with respect to, among other things, market value, earnings and tangible book value per share of First Commonwealth common stock;
- (c) to the extent deemed relevant, analyzed selected public information of certain other banks and bank holding companies and compared GA Financial and First Commonwealth from a financial point of view to these other banks and bank holding companies;
- (d) reviewed the historical market price ranges and trading activity performance of common stock of GA Financial and First Commonwealth;
- (e) reviewed publicly-available information such as annual reports, SEC filings and research reports;
- (f) compared the terms of the merger with the terms of certain other comparable transactions to the extent information concerning such acquisitions was publicly available;
- (g) discussed with certain members of senior management of GA Financial and First Commonwealth the strategic aspects of the merger, including estimated cost savings from the merger;
- (h) reviewed the merger Agreement; and
- (i) performed such other analyses and examinations as Janney deemed necessary.

In performing its review and in rendering its opinion, Janney has relied upon the accuracy and completeness of all of the financial and other information that was available to it from public sources, that was provided to it by GA Financial or First Commonwealth or their respective

representatives or that was otherwise reviewed by Janney and has assumed such accuracy and completeness for purposes of rendering its opinion. Janney has further relied on the assurances of management of GA Financial and First Commonwealth that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Janney has not been asked to and has not undertaken any independent verification of any of such information and Janney does not assume any responsibility or liability for the accuracy or completeness thereof. Janney did not make an independent evaluation or appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of GA Financial or First Commonwealth or any of their subsidiaries, or the collectibility of any such assets, nor has Janney been furnished with any such evaluations or appraisals. Janney

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did not make any independent evaluation of the adequacy of the allowance for loan losses of GA Financial or First Commonwealth or any of their subsidiaries nor has Janney reviewed any individual credit files and has assumed that their respective allowance for loan losses are adequate to cover such losses and will be adequate on a pro forma basis.

The earnings projections for GA Financial and First Commonwealth used by Janney in certain of its analyses were based upon earnings estimates published by securities analysts. These earnings estimates were based on numerous variables and assumptions that are inherently uncertain, and accordingly, actual results could vary materially from those set forth in such estimates.

In performing its analyses, Janney also made numerous assumptions with respect to industry performance, business, economic and market conditions and various other matters, many of which cannot be predicted and are beyond the control of GA Financial and First Commonwealth. The analyses performed by Janney are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. Janney prepared its analyses solely for purposes of rendering its opinion and provided such analyses to the GA Financial board on December 11, 2003. In addition, the Janney opinion was among several factors taken into consideration by the GA Financial board of directors in making its decision to approve the merger agreement and the merger.

The following is a summary of the material analyses performed by Janney and presented to the GA Financial board on December 11, 2003. The summary is not a complete description of all the analyses underlying Janney's opinion. The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. Janney believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. The financial analyses summarized below include information presented in a tabular format. In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.

*Summary of Proposal.* Janney reviewed the financial terms of the proposed transaction. Using the implied transaction value of \$35.00 per share, Janney calculated the following ratios based upon GA Financial's financial information as of and for the twelve months ended September 30, 2003:

**Transaction Ratios**

Transaction price / LTM EPS	24.3x
Transaction price / Est. 2004 EPS	24.3x
Transaction price / Tangible book value per share	184%
Transaction price / Stated book value per share	184%
Tangible book premium / Core deposits (1)	20.1%

(1) Assumes GA Financial's total core deposits of \$440.6 million.

For purposes of Janney's analyses, earnings per share were based on fully diluted earnings per share. The aggregate transaction value was approximately \$183.4 million, based upon 5.0 million shares of GA Financial common stock outstanding and including the intrinsic value of



options to purchase 499,550 shares with a weighted average exercise price of \$16.67.

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*Stock Trading History.* Janney reviewed the history of the reported trading prices and volume of First Commonwealth's common stock and the relationship between the movements in the prices of GA Financial's common stock and First Commonwealth's common stock, respectively, to movements in certain stock indices, including the Standard & Poor's 500 Index, the Nasdaq Bank Index, and the median performance of a composite peer group of publicly traded regional savings institutions (for comparison with GA Financial) and publicly traded commercial banking institutions (for comparison with First Commonwealth) selected by Janney. During the one-year period ended December 8, 2003, GA Financial's common stock outperformed the S&P 500 Index and underperformed each of the other indices to which it was compared. First Commonwealth's common stock outperformed its regional peer group and the S&P 500, but underperformed the Nasdaq Bank Index.

**One-Year Stock Performance of GA Financial and First Commonwealth**

	Beginning Index Value December 5, 2002	Ending Index Value December 8, 2003
GA Financial	100.00%	126.04%
Regional Peer Group	100.00%	131.19%
Nasdaq Bank Index	100.00%	129.30%
S&P 500 Index	100.00%	117.95%

	Beginning Index Value December 5, 2002	Ending Index Value December 8, 2003
First Commonwealth	100.00%	124.89%
Regional Peer Group	100.00%	118.02%
Nasdaq Bank Index	100.00%	129.30%
S&P 500 Index	100.00%	117.95%

*Selected Peer Group Analyses.* Janney compared the financial performance and market performance of GA Financial to those of a group of regional thrift holding companies and of First Commonwealth to those of a group of regional bank holding companies. The companies included in GA Financial's peer group were:

United Community Financial Corp.

First Place Financial Corp.

Parkvale Financial Corp.

ESB Financial Corp.

Camco Financial Corp.

First Defiance Financial

Northeast Pennsylvania Financial Corp.

Willow Grove Bancorp, Inc.

PVF Capital Corp.

Harleysville Savings Financial Corp.

Peoples Community Bancorp, Inc.

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Fidelity Bancorp, Inc.

TF Financial Corp.

First Keystone Financial, Inc.

Winton Financial Corp.

Companies included in First Commonwealth's peer group were:

Fulton Financial Corp.

Susquehanna Bancshares, Inc.

United Bankshares, Inc.

Park National Corp.

First Financial Bancorp

WesBanco, Inc.

National Penn Bancshares, Inc.

S&T Bancorp, Inc.

Unizan Financial Corp.

Harleysville National Corp.

Sterling Financial Corp.

Second Bancorp, Inc.

For purposes of such analysis, the financial information used by Janney was as of and for the twelve months ended September 30, 2003. Stock price information was as of December 8, 2003. The results of this analysis are summarized in the following table:

	GA Financial Peer	First Commonwealth Peer	First Commonwealth Group	First Commonwealth Peer Group
	GA Financial	Group Median	First Commonwealth	Group Median
Total assets ( <i>in thousands</i> )	\$ 882,962	\$ 830,361	\$ 4,820,190	\$ 3,341,033
Tangible equity / Tangible assets	10.71%	8.18%	8.35%	8.26%
Gross loans / Total assets	57.04%	66.20%	53.89%	64.80%
Gross loans / Total deposits	92.20%	91.81%	82.44%	90.31%
Borrowings / Total assets	26.13%	24.94%	25.58%	17.09%
NPAs + 90 days / Assets	0.30%	0.81%	0.73%	0.58%
Loan loss reserves / NPAs + 90 days	163.86%	83.71%	103.35%	202.79%
Core return on average assets	0.71%	0.70%	1.03%	1.12%
Core return on average equity	6.25%	8.24%	11.77%	13.64%
Net interest margin	2.80%	2.77%	3.60%	3.80%
Efficiency ratio	64.50%	63.13%	57.35%	55.94%
Noninterest income / Average assets	0.38%	0.51%	0.85%	1.37%
Noninterest expense / Average assets	1.98%	2.24%	2.44%	2.73%
Price / LTM earnings per share	20.00x	15.42x	15.71x	16.44x
Price / Tangible book value per share	151.34%	159.73%	211.23%	270.35%
Dividend yield	2.78%	2.48%	4.34%	3.05%

*Comparable Transactions Analysis.* Janney reviewed certain financial data related to four sets of comparable thrift transactions. All sets of data analyzed transactions that were announced between December 1, 2002 and December 8, 2003.

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The first group of comparable transactions included 41 acquisitions of thrift institutions, nationwide (which we refer to as the Nationwide transactions). The second group of transactions included six acquisitions of thrift institutions in Pennsylvania, Ohio and West Virginia (which we refer to as the Regional transactions). The third group of transactions included 11 acquisitions of thrift institutions nationwide, with an announced deal value between \$100 million and \$250 million (which we refer to as the Deal Value-Based transactions). The fourth group of transactions included 16 acquisitions of thrift institutions nationwide, with the selling institution having a return on average assets ratio less than 0.85% and a return on average equity ratio less than 8.0% (which we refer to as the Performance-Based transactions).

Transaction multiples from the merger were derived from the \$35.00 deal price per share and financial data as of and for the twelve months ended September 30, 2003, for GA Financial. Janney compared these results with announced multiples for the aforementioned transactions. The results of the analysis are summarized in the following table.

	<b>First Commonwealth/ GA Financial Transaction</b>	<b>Nationwide Thrift Transactions Median</b>	<b>Regional Thrift Transactions Median</b>	<b>Deal Value- Based Thrift Transactions Median</b>	<b>Performance- Based Thrift Transactions Median</b>
Premium / Market value (1)	21.5%	14.4%	23.6%	17.2%	14.5%
Price / Book value	184%	162%	143%	178%	124%
Price / Tangible book value	184%	171%	144%	229%	125%
Price / LTM EPS	24.3x	19.4x	30.0x	18.8x	31.2x
Price / Assets	20.8%	16.9%	14.8%	14.8%	14.7%
Tangible book premium / Core deposits(2)	20.1%	12.4%	7.4%	14.9%	6.2%

(1) Based on GA Financial's December 11, 2003 closing price of \$28.80.

(2) Assumes GA Financial's core deposit of \$440.6 million

No company or transaction used in the Comparable Transaction Analysis is identical to GA Financial, First Commonwealth or the merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning the differences in financial and operating characteristics of the companies involved.

*Discounted Dividend Analysis.* Janney performed an analysis that estimated the future stream of after-tax dividend flows of GA Financial over the period beginning January, 2004 and ending in December, 2009. Based on earnings estimates published by securities analysts and discussions with GA Financial's management, an earnings growth rate of 5.0% was used to project these streams of dividend flows. To approximate the terminal value of GA Financial's common stock at December 31, 2009, Janney applied price/earnings multiples ranging from 12.0x to 20.0x and multiples of tangible book value ranging from 120% to 200%. The dividend income streams and terminal values were then discounted to present values using discount rates ranging from 8.0% to 12.0%. The discount rates were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of GA Financial common stock. This analysis indicated an implied range of values from \$14.70 to \$27.08 when applying the price/earnings multiples and \$17.84 to \$33.58 when applying multiples of tangible book value.

Janney also estimated the present value of First Commonwealth's common stock by estimating the future stream of after-tax dividend flows of First Commonwealth over the period beginning January, 2004 and ending in December, 2009. Based on earnings estimates published by securities analysts and discussions with First Commonwealth's management, an earnings growth rate of 5.0% was used to project these streams of dividend flows. To approximate the terminal value of First Commonwealth's common stock at December 31, 2009,



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Janney applied price/earnings multiples ranging from 12.0x to 20.0x and multiples of tangible book value ranging from 180% to 260%. The dividend income streams and terminal values were then discounted to present values using discount rates ranging from 8.0% to 12.0%. The discount rates were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of First Commonwealth's common stock. This analysis indicated an implied range of values from \$9.82 to \$17.75 when applying the price/earnings multiples and \$10.85 to \$17.65 when applying multiples of tangible book value.

In connection with the discounted dividend analysis performed, Janney considered and discussed with GA Financial's board how the present value analysis would be affected by changes in the underlying assumptions, including variations with respect to the growth rate of assets, net income and the dividend payout ratio. Janney noted that the discounted dividend analysis is a widely used valuation methodology but noted that it relies on numerous assumptions that must be made, and the results thereof are not necessarily indicative of the actual values or expected values of GA Financial or First Commonwealth common stock.

*Financial Impact Analysis.* Janney performed a pro forma merger analysis that combined projected balance sheet and income statement information of First Commonwealth and GA Financial. Certain assumptions regarding acquisition adjustments and cost savings were used to calculate the financial impact that the merger would have on certain projected financial results of First Commonwealth. This analysis indicated that the merger is expected to be neutral to the combined company's projected earnings per share within the first twelve months of combined operations. This analysis was based in part on published earnings estimates. The actual results achieved by the combined company may vary from the projected results, and the variation may be material.

Janney has acted as financial advisor to GA Financial in connection with the merger and will receive a fee for its services, a portion of which is contingent upon the consummation of the merger. GA Financial will pay an advisory fee equal to 0.85% of the final transaction value. Based on an offer price of \$35.00 per share and a total transaction value of \$183.4 million, the total advisory fee would be \$1.6 million, of which Janney was paid \$389,902 at the time of signing the merger agreement. GA Financial has also agreed to reimburse certain of Janney's reasonable out-of-pocket expenses incurred in connection with its engagement and has agreed to indemnify Janney for certain liabilities arising out of rendering this opinion. In addition, in the ordinary course of our business as a broker-dealer, Janney may, from time to time, have a long or short position in, and buy or sell, debt or equity securities of GA Financial or First Commonwealth for its own account or for the accounts of its customers.

## **Interests of Certain Directors and Executive Officers of GA Financial in the Merger**

GA Financial's executive officers and its board of directors have interests in the merger that are in addition to their interests as GA Financial stockholders generally. These interests arise as a result of:

existing employment, change in control and severance agreements and plans with GA Financial;

GA Financial's stock-based compensation plan and awards made under that plan;

First Commonwealth's agreement to provide director and officer indemnification and insurance and to maintain existing bank-owned life insurance for the benefit of the directors and officers of Great American Federal following the merger; and



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First Commonwealth's agreement to appoint Robert J. Ventura, a director of GA Financial, to the board of directors of First Commonwealth following the merger and to appoint the former directors of GA Financial (other than Mr. Ventura) to the Pittsburgh regional advisory board of First Commonwealth Bank.

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The board of directors was aware of these interests and considered them, among other matters, when it approved the merger agreement and the transactions contemplated by the merger agreement. Except as described below, to the knowledge of GA Financial, the executive officers and directors of GA Financial do not have any material interest in the merger apart from their interests as stockholders.

*Employment Agreements.* John M. Kish, Chairman of the Board and Chief Executive Officer of GA Financial and Great American Federal, and Todd L. Cover, Senior Vice President and Treasurer of GA Financial and President and Chief Operating Officer of Great American Federal, are each parties to employment contracts with their respective employers. Under each employment agreement, the executive officer will be entitled to receive severance payments if his employment is terminated by First Commonwealth or by the executive officer following any demotion, loss of title, office or significant authority or responsibility, reduction in annual compensation or similar occurrence at any time following the merger and during the term of the executive officer's employment agreement. The amount of the severance payment is equal to a multiple (three times in the case of Mr. Kish and two times in the case of Mr. Cover) of the executive's average annual compensation for the five most recent taxable years. The term of Mr. Kish's employment agreement expires July 30, 2006, and the term of Mr. Cover's employment agreement expires April 30, 2005. Based on their current annual salaries, the aggregate cash severance amounts for Messrs. Kish and Cover would be approximately \$706,641 and \$324,428, respectively, if the executive officer's employment is terminated following the completion of the merger during 2004. At the election of the executive officer, the severance may be paid in a lump sum or in approximately equal monthly installments during the remaining term of the employment agreement. The cash severance payments will be reduced to the extent necessary if such payment, when combined with other parachute amounts, would exceed three times the executive officer's average taxable compensation for the five calendar years preceding completion of the merger. In addition to severance payments, Messrs. Kish and Cover would also be entitled to the continuation of life, medical, dental, vision and disability coverage substantially equivalent to the coverage maintained by their former employers for a period of three years following the merger.

*Change in Control Agreements.* Eight officers of Great American Federal, including James V. Dionise, Chief Financial Officer and Secretary of GA Financial and Executive Vice President, Chief Financial Officer, Treasurer and Secretary of Great American Federal, have change in control agreements with Great American Federal which provide for the payment of severance and other benefits after a termination of employment for specified reasons following a change in control of GA Financial during the two-year term of those agreements. The closing of the merger will constitute a change in control for purposes of the change in control agreements. The change in control agreements provide that, following a covered termination of employment, the officer is entitled to receive a sum equal to two times the officer's average annual compensation during the five most recent taxable years. Average annual compensation includes the officer's base salary and any bonuses, plus the amount of benefits paid or accr