



News Release

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First Commonwealth Bank Announces Agreement to Acquire Family Bank FSB through a Merger

December 30, 2010- First Commonwealth Bank is pleased to announce its plan to acquire Family Bank, FSB of Paintsville. The purchase, subject to regulatory approval, is anticipated to close in the second quarter of 2011.

“We are very excited to announce the completion of a purchase agreement with Family Bank,” stated Greg Wilson, First Commonwealth Bank President & CEO. “This is a great opportunity to combine the strengths of two sound community banks deeply rooted in the communities they serve.”

Both First Commonwealth Bank and Family Bank have earned superior 5 star ratings from Bauer Financial. The rating is based on several key performance measures including capital adequacy, asset quality, profitability, and liquidity.

First Commonwealth Bank has served the Big Sandy area for 106 years and currently has locations in Betsy Layne, Martin, Pikeville and two offices in Prestonsburg. As of June 30, 2010 First Commonwealth Bank had grown to \$195 million in total assets. Family Bank was chartered in June 1936 and currently operates six total locations in Johnson, Magoffin, Martin and Pike counties. As of June 30, 2010 Family Bank had total assets of \$110 million. First Commonwealth Bank will now more conveniently serve East Kentucky with 11 locations throughout 5 counties. Total assets after purchase will be greater than \$300 million.

“Family Bank’s Board and management have built a strong franchise and customer base. We are very pleased to welcome them to the First Commonwealth Bank family,” Wilson added. “Family Bank customers will have the reassurance of continuing to do business with the professional people to which they are accustomed. Our goal is to complete this merger as seamlessly as possible for all customers and employees.”

The mission of First Commonwealth Bank is to be a sound, locally-owned, community bank, committed to exceeding the expectations of our customers, our shareholders, our employees, and our communities. The merger will allow First Commonwealth Bank to execute this mission in three new markets.

“I am pleased to become a part of First Commonwealth Bank. The two institutions share the same commitment as a community bank to be focused on the specific needs of our customers, employees and communities,” stated John Blackburn, CEO of Family Bank.

[About First Commonwealth Bank](#)

First Commonwealth Bank, then named First National Bank of Prestonsburg, opened in June of 1904. By 1909, construction had begun on a “banking house” location at Front and Bridge Street. In January of 1953, the new banking headquarters on North Lake Drive and Court Street opened for business.

During the remainder of the 1950s through the 1970s the Bank’s assets grew from \$5 million to \$63 million by 1976. As the Bank’s business grew, so did the need for branch locations. From the early 1960s to mid-1970s, the bank added three new branch locations in Martin, Betsy Layne and Prestonsburg. On April 7, 1980, the Bank converted from a National charter to a State charter and accordingly became First Commonwealth Bank. In October 1986, the new 5-story Main Office opened for business.

On June 19, 2007, it opened the doors to the Pikeville Branch. This marked First Commonwealth Bank’s first branch location outside of Floyd County.

First Commonwealth Bank is a wholly owned subsidiary of First Prestonsburg Bancshares, Inc. Burl Wells Spurlock serves as President and Chairman of First Prestonsburg Bancshares. First Prestonsburg Bancshares, Inc. is a closely held corporation with controlling interest held by Mr. Spurlock and his family.

First Commonwealth Bank is guided by a successful Board of Directors which includes Burl Wells Spurlock, Chairman; Dewey L Bocook; Estill Lee Carter; Charles W Miller; Edward R Nairn; Rudolph Ousley, DVM; Burl Wells Spurlock II; and Greg A Wilson. First Commonwealth Bank’s senior management team includes Greg A Wilson, President & CEO; Robert Allen, SR VP/COO; Phillip Elliott, SR VP/CFO; and Timothy Deskins, SR VP/Senior Lending Officer. Under their combined leadership, First Commonwealth Bank’s asset size has continued to grow to well over \$195 million.

About Family Bank

Family Bank FSB is a federally chartered community savings bank that began its operations in 1936 under the name of Big Sandy Federal Savings and Loan Association in Paintsville, KY. The institution’s name changed to First Federal Savings and Loan Association in 1937, Family Federal Savings and Loan Association in 1981 and Family Bank FSB in 1994.

In 1993, the bank sold 180,000 shares at \$10 per share for an ownership conversion from mutual ownership to stock ownership. The majority was purchased by Mr. Homer Short. Shortly after this conversion Short Holding Company was organized. In 2002, Mr. Short became a 100% owner. Family Bank FSB has one wholly owned subsidiary, EKS Insurance Agency.

The bank has grown to have six offices, two in Paintsville, two in Salyersville, one in Pikeville, and one in Inez. The present asset size is in excess of \$110 million.

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