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April 20, 2009

Florence E. Harmon  
Acting Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

**Subject: File Number S7-27-08, Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers, Release No. 33-8982**

Dear Ms. Harmon:

First Commonwealth appreciates the opportunity to comment on **File Number S7-27-08, Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers, Release No. 33-8982**. First Commonwealth is a \$6.4 billion NYSE listed financial institution headquartered in Indiana, Pennsylvania. First Commonwealth is particularly interested in this proposal since, not only are we an issuer of financial statements, but as a financial institution we are members of one of the largest users of financial statements, being creditors. This proposal will have a significant impact on all aspects of our organization involving a commitment of resources and a devotion of time to this project.

While First Commonwealth supports the development and use of a single set of high quality global accounting standards developed and maintained by an independent standard setter, we believe that convergence is the more appropriate approach. We support continuing the application of U.S. GAAP while the FASB and IASB continue their current work on converging accounting standards.

We have not provided responses to all of the questions set out by the Commission in the proposed rule but have focused our comments on specific matters of importance affecting our organization.

The adoption approach advocated by the Roadmap will be a high cost alternative to convergence. The adoption approach would involve not only higher costs as a result of additional training and system changes, but would also require a significant amount of time by management to understand and incorporate required changes. We believe that if the FASB and IASB are permitted to continue their work towards convergence, a single set of high quality accounting standards will emerge over time with the best elements of each existing set of standards surviving. The process of convergence will result in a less costly adoption alternative for U.S. issuers.

While we agree that a single set of high quality accounting standards plays a role for investors globally, we also have a concern with consistency in a principles based approach to accounting standards. IFRS has fewer rules than U.S. GAAP which puts more judgment back in the hands of preparers and auditors. This judgment allows the preparer the flexibility to improve the transparency of the financial statements but again comes with the risk



that transparency will not be improved and that there will be greater inconsistency in the application of standards.

We are concerned about the readiness of users of financial statements and regulators in the U.S. to accept the principles based approach of existing IFRS and we are concerned about inconsistent interpretations by the SEC. Many of First Commonwealth's shareholders would not be familiar with IFRS and we believe a change from U.S. GAAP would cause them some confusion and would not improve on their understanding of our financial statements. We have a serious concern about the regulators challenging a U.S. issuer using judgment applied in good faith within the guidelines established by a principles based approach. Choosing convergence as an alternative to adoption of IFRS will minimize this issue as the transition will take place over time.

If the Commission moves ahead with adoption of the Roadmap rather than convergence our comments are as follows.

We understand the Commission's need to take a measured approach prior to deciding whether to mandate a transition to IFRS. However, the possibility of early adopters of IFRS having to revert back to U.S. GAAP is a disincentive for early adoption and achieving the measured approach the Commission is striving to achieve. Companies will be hesitant to commit resources and devote time to this project to ensure an orderly and successful transition to IFRS until the Commission makes a final decision. Setting a mandatory date for transition to IFRS will result in acceleration of efforts by all constituencies towards increased IFRS education and training.

First Commonwealth is a large accelerated filer. For large accelerated filers, the proposed Roadmap contemplates potential mandatory adoption of IFRS for U.S. public companies beginning with filings for 2014 year ends. Under the proposed timetable, large accelerated filers only have one year or less after establishment of a firm date in 2011 to transition to IFRS because in 2014, large accelerated filers would need audited IFRS statements for years ending 2012, 2013, and 2014. That compressed timetable may result in higher costs and place undue strain on the ability of companies to thoughtfully implement IFRS. Issuers should have sufficient time to appropriately plan and assess the impact of IFRS on their accounting policies, internal processes and controls, regulatory and statutory reporting, technology infrastructure, and organization issues such as tax, treasury, and cash management; legal matters and contracts; compensation and human resources; and communication issues. Therefore, we believe the Commission should allow at least two calendar years between the date the milestones as defined in the proposal are achieved and the earliest fiscal period to be included in the initial set of financial statements that will be filed under IFRS.

The proposed Roadmap requires three years of audited IFRS financial statements in the initial year of IFRS adoption. We do not agree with this as the Commission is deviating from IFRS 1, *First-time Adoption of International Financial Reporting Standards*, by requiring an additional year of financial information in the first IFRS financial statements. We believe the Commission should allow U.S. issuers to provide only one year of comparative information in the year of adoption for a total of two years of IFRS financial statements which is consistent with the requirements of IFRS 1 and the previous Commission accommodation regarding first-time adoption of IFRS by foreign private issuers. This would also help reduce the cost of implementing IFRS.

The proposed Roadmap solicits comment on whether the reconciliation of certain U.S. GAAP financial information should be a one-time requirement (Proposal A) or an ongoing annual reconciliation covering each three year period being reported (Proposal B). We believe that a requirement after the adoption of IFRS to provide reconciliations to U.S. GAAP would be extremely burdensome and not cost effective and would require



the reporting entity to maintain two sets of accounting records in order to compile the information necessary for such a requirement. Proposal B is also inconsistent and more stringent than the current requirements for foreign filers. In the event that the Roadmap is adopted, we would support Proposal A over Proposal B.

In conclusion, we strongly recommend the convergence process continue between the FASB and IASB until a high quality set of standards is developed. We believe this approach would reduce the costs of implementation, allow time for governance over IFRS standard setting to improve, and transition the U.S. regulatory environment to the new standards more effectively.

If the Commission moves ahead with the adoption, we would encourage them to set a mandatory date for adoption; allow at least two calendar years between the date the milestones as defined in the proposal are achieved and the earliest fiscal period to be included in the initial set of financial statements that will be filed under IFRS; allow U.S. issuers to provide only one year of comparative information in the year of adoption for a total of two years of IFRS financial statements which is consistent with the requirements of IFRS 1 and the previous Commission accommodation regarding first-time adoption of IFRS by foreign private issuers; and adopt Proposal A, which requires the reconciliation of certain U.S. GAAP financial information be a one-time requirement, over Proposal B, which requires an ongoing annual reconciliation covering each three year period being reported.

We appreciate the opportunity to comment on the *Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers, Release No. 33-8982*, and would be pleased to discuss our comments with you at your convenience. If you have any questions, please contact me at (724) 463-4724, or at the above address.

Sincerely,

Edward J. Lipkus, III  
Executive Vice President and Chief Financial Officer