

First Commonwealth Mortgage

Report for the Six Months Ended June 30, 2011

July 21, 2011

To Our Shareholders:

The financial statements of First Commonwealth Mortgage Trust (“FCMT”) for the six months ended June 30, 2011 and June 30, 2010 (unaudited) are included at the end of this report. The 2010 statements have not been restated to reflect the impairment loss taken at the end of that year:


For the first half of 2011, total revenues of FCMT were \$450,667, net income was \$297,150 and net income per share was \$.20. During that period interest was not accrued on the two impaired loans and this is the principal reason for the decline from the results for the six months ended June 30, 2010.

In July the bank holding the first mortgage on the most of the portion of the Heights of Tampa, LLC project (“HOT”) owned by Land Assemble, LLC started foreclosure proceedings. FCMT has a participating interest in the bank loan.


In connection with the development of the office building as part of the HOT, FCMT for a fee guaranteed a letter of credit to the City of Tampa. Earlier this year the LOC was called and FCMT funded its guarantee by drawing down a bank line of credit. The collectability of the amount paid is likely to be resolved later this year.

A dividend of \$0.06 per share was declared in June payable on July 29, 2011 to shareholders at the close of business on July 15, 2011. This will bring the total dividends paid this year to \$0.22.

At the annual shareholders meeting held in June, the five incumbent trust managers were re-elected and the appointment of Melton & Melton, L.L.P. as auditors for 2011 was ratified.



Kenneth A. McGaw
President



Robert Burns
Vice President and Treasurer

TRUST MANAGERS

George Beatty, Jr.
President, George Beatty Associates

William C. Brooks
Financial Consultant

Josef C. Hermans
Hotel Consultant

Kenneth A. McGaw
President,
First Commonwealth Mortgage Trust

Robert W. Scharar
President,
Holly Mortgage Trust, First Commonwealth Holdings Corporation, and FCA Corp

EXECUTIVE OFFICERS

Kenneth A. McGaw
President

Robert A. Burns
Vice President and Treasurer

William B. LeVay
Secretary

Steven C. Crawford
Assistant Secretary

TRANSFER AGENT

Wells Fargo Shareowner Services
161 North Concord Exchange Street, South St. Paul, MN 55075
Phone: (800) 468-9716 Fax: (651) 450-4033
Web: www.wellsfargo.com/shareownerservices

FIRST COMMONWEALTH MORTGAGE TRUST

791 Town & Country Blvd, Suite 250, Houston, TX 77024
Phone: (713) 281-7856 Fax: (713) 268-6000
Web: www.fcmt.net