WESBANCO INC
Form 10-K
March 11, 2009
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-K

(Mark One)

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2008

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 0-8467

WESBANCO, INC.

(Exact name of Registrant as specified in its charter)

WEST VIRGINIA	**55-0571723**
(State or other jurisdiction of	**(IRS Employer**
incorporation or organization)	**Identification No.)**
1 Bank Plaza, Wheeling, WV	**26003**
(Address of principal executive offices)	**(Zip Code)**

Registrant s telephone number, including area code: 304-234-9000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each Exchange on which registered
Common Stock $2.0833 Par Value	**NASDAQ Global Select Market**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No þ

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Act. Yes ¨ No þ

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act (Check one):

Larger accelerated filer ¨	Accelerated filer þ
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company as defined in Rule 12b-2 of the Act. Yes ¨ No þ

The aggregate market value of the Registrant s outstanding voting common stock held by non-affiliates on June 30, 2008, determined using a per share closing price on that date of $17.15, was $422,035,947.

As of February 28, 2009, there were 26,560,889 shares of WesBanco, Inc. common stock $2.0833 par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain specifically designated portions of WesBanco, Inc. s definitive proxy statement which will be filed by April 30, 2009 for its 2009 Annual Meeting of Shareholders (the Proxy Statement) are incorporated by reference into Part III of this Form 10-K.

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WESBANCO, INC.

ANNUAL REPORT ON FORM 10-K

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PART I

ITEM 1. BUSINESS
GENERAL

WesBanco, Inc. (WesBanco), a bank holding company incorporated in 1968 and headquartered in Wheeling, West Virginia, offers a full range of financial services including retail banking, corporate banking, personal and corporate trust services, brokerage services, mortgage banking and insurance. WesBanco offers these services through two reportable segments, community banking and trust and investment services. For additional information regarding WesBanco s business segments, please refer to Note 25, Business Segments in the Consolidated Financial Statements.

At December 31, 2008, WesBanco operated one commercial bank, WesBanco Bank, Inc., (WesBanco Bank or the Bank) through 109 offices, one loan production office and 139 ATM machines located in West Virginia, Ohio, and Western Pennsylvania. Total assets of WesBanco Bank as of December 31, 2008 approximated $5.2 billion. WesBanco Bank also offers trust and investment services and various alternative investment products including mutual funds and annuities. The market value of assets under management of the trust and investment services segment was approximately $2.4 billion as of December 31, 2008. These assets are held by WesBanco Bank in fiduciary or agency capacities for its customers and therefore are not included as assets on WesBanco s Consolidated Balance Sheets.

WesBanco offers additional services through its non-banking subsidiaries, WesBanco Insurance Services, Inc., a multi-line insurance agency specializing in property, casualty and life insurance, and benefit plan sales and administration for personal and commercial clients; and WesBanco Securities, Inc., a full service broker-dealer, which also offers discount brokerage services.

WesBanco Asset Management, Inc., which was incorporated in 2002, holds certain investment securities in a Delaware based subsidiary.

WesBanco Properties, Inc. holds certain commercial real estate properties. The commercial property is leased to WesBanco Bank and to non-related third parties.

WesBanco, Inc. has nine capital trusts, which are all wholly-owned trust subsidiaries of WesBanco formed for the purpose of issuing Pooled Trust Preferred Securities (Trust Preferred Securities) and lending the proceeds to WesBanco. For more information regarding WesBanco s issuance of trust preferred securities or assumption of such from Oak Hill Financial, Inc., please refer to Note 13 Junior Subordinated Debt Owed to Unconsolidated Subsidiary Trusts in the Consolidated Financial Statements.

WesBanco also serves as investment adviser to a family of mutual funds under the name WesMark Funds which includes a growth fund, a balanced fund, a government bond fund, a West Virginia municipal bond fund and a small company growth fund.

As of December 31, 2008, none of WesBanco s subsidiaries were engaged in any operations in foreign countries, and none had transactions with customers in foreign countries.

On November 30, 2007, WesBanco completed the acquisition of Oak Hill Financial, Inc. (Oak Hill), a $1.3 billion bank holding company based in Jackson, Ohio. The primary reason that WesBanco acquired the company was to expand its footprint into new higher growth metropolitan markets and various regional markets in the state of Ohio. On April 25, 2008, WesBanco merged the separate banking subsidiary of Oak Hill, Oak Hill Banks, into WesBanco Bank. The results of operations of acquired companies are included in WesBanco s consolidated results of operations from their respective acquisition dates.

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On January 21, 2009, WesBanco Bank entered into a Branch Purchase and Assumption Agreement (the Purchase Agreement) with AmTrust Bank (AmTrust) pursuant to which WesBanco Bank agreed to purchase all five of AmTrust s Columbus, Ohio, branches. WesBanco Bank will assume all of the deposit liabilities and purchase the related fixed assets but will not acquire any loans except for certain deposit related loans. In the Purchase Agreement, WesBanco Bank agreed to pay a deposit premium of approximately $20.9 million, or a blended premium of approximately 3.5% on deposits of approximately $600 million as of January 16, 2009. The transaction is scheduled to close on March 27, 2009, subject to regulatory approval.

EMPLOYEES

There were 1,501 full-time equivalent employees employed by WesBanco and its subsidiaries at December 31, 2008. None of the employees were represented by collective bargaining agreements. WesBanco believes its employee relations to be satisfactory, and believes its human resources to be a differentiating factor in measured customer service quality metrics.

WEB SITE ACCESS TO WESBANCO S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION

All of WesBanco s electronic filings for 2008 filed with the Securities and Exchange Commission (SEC), including this Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, are made available at no cost on WesBanco s website, *www.wesbanco.com*, through the Investor Relations link as soon as reasonably practicable after WesBanco files such material with, or furnishes it to, the SEC. WesBanco s SEC filings are also available through the SEC s website at *www.sec.gov*.

Upon written request of any shareholder of record on December 31, 2008, WesBanco will provide, without charge, a printed copy of its 2008 Annual Report on Form 10-K, including financial statements and schedules, as required to be filed with the SEC. To obtain a copy of the 2008 Annual Report on Form 10-K, contact: **Linda Woodfin, WesBanco, Inc., 1 Bank Plaza, Wheeling, WV 26003 (304) 234-9201.**

COMPETITION

Competition in the form of price and service from other banks, including local, regional and national banks and financial companies such as savings and loans, internet banks, credit unions, finance companies, brokerage firms and other non-banking companies providing various regulated and non-regulated financial services products, is intense in most of the markets served by WesBanco and its subsidiaries. WesBanco s trust and investment services segment receives competition from commercial bank and trust companies, mutual fund companies, investment advisory firms, law firms, brokerage firms and other financial services companies. As a result of the deregulation of the financial services industry (see the discussion of the Gramm-Leach-Bliley Act of 1999 in the section of this item so captioned), mergers between, and the expansion of, financial institutions both within and outside West Virginia have provided significant competitive pressure in WesBanco s major markets. Some of WesBanco s competitors have greater resources and, as such, may have higher lending limits and may offer other products and services that are not provided by WesBanco. WesBanco generally competes on the basis of customer service and responsiveness to customer needs, available loan and deposit products, rates of interest charged on loans, rates of interest paid for funds, and the availability and pricing of trust, brokerage and insurance services. As WesBanco has expanded into new, larger Ohio metropolitan markets, it faces entrenched large bank competitors with an already existing customer base that may far exceed WesBanco s initial entry position into that market. As a result, WesBanco may be forced to compete more aggressively for loans, deposits, trust and insurance products in order to grow successfully its market share, potentially reducing its current and future profit potential from such markets.

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SUPERVISION AND REGULATION

As a bank holding company and a financial holding company under federal law, WesBanco is subject to supervision and examination by the Board of Governors of the Federal Reserve System (Federal Reserve Board) under the Bank Holding Company Act of 1956 (BHCA), as amended, and is required to file with the Federal Reserve Board reports and other information regarding its business operations and the business operations of its subsidiaries. WesBanco also is required to obtain Federal Reserve Board approval prior to acquiring, directly or indirectly, ownership or control of certain voting shares of other banks, as described below. Since WesBanco is both a bank holding company and a financial holding company, WesBanco can offer customers virtually any type of service that is financial in nature or incidental thereto, including banking and activities closely related to banking, securities underwriting, insurance (both underwriting and agency) and merchant banking.

As indicated above, WesBanco presently operates one bank subsidiary, WesBanco Bank. WesBanco Bank is a West Virginia banking corporation and it was a member bank of the Federal Reserve System until February 15, 2008, at which time it became a non-member bank. It is subject to examination and supervision by the Federal Deposit Insurance Corporation (FDIC) and the West Virginia Division of Banking. The deposits of WesBanco Bank are insured by the Deposit Insurance Fund (DIF) of the FDIC. WesBanco s nonbank subsidiaries are also subject to examination and supervision by the Federal Reserve Board and examination by other federal and state agencies, including, in the case of certain securities activities, regulation by the SEC and the Financial Institution Regulatory Authority. WesBanco Bank maintains one designated financial subsidiary, WesBanco Insurance Services, Inc., which, as indicated above, is a multi-line insurance agency specializing in property, casualty and life insurance, and benefit plan sales and administration, for personal and commercial clients.

WesBanco is also under the jurisdiction of the SEC and certain state securities commissions for matters relating to the offering and sale of its securities. WesBanco is subject to the disclosure and regulatory requirements of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, as administered by the SEC. WesBanco is listed on the NASDAQ Global Select Market (NASDAQ) under the trading symbol WSBC and is subject to the rules of the NASDAQ for listed companies.

Under the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (Riegle-Neal Act), as amended, a bank holding company may acquire banks in states other than its home state, subject to certain limitations. The Riegle-Neal Act also authorizes banks to merge across state lines, thereby creating interstate banking. Banks are also permitted to acquire and to establish de novo branches in other states where authorized under the laws of those states.

Under the BHCA, prior Federal Reserve Board approval is required for WesBanco to acquire more than 5% of the voting stock of any bank. In determining whether to approve a proposed bank acquisition, federal banking regulators will consider, among other factors, the effect of the acquisition on competition, the public benefits expected to be received from the acquisition, the projected capital ratios and levels on a post-acquisition basis, and the acquiring institution s record of addressing the credit needs of the communities it serves, including the needs of low and moderate income neighborhoods, consistent with safe and sound operation of the bank, under the Community Reinvestment Act (CRA) and its amendments.

HOLDING COMPANY REGULATIONS

As indicated above, WesBanco has one state bank subsidiary, WesBanco Bank, as well as nonbank subsidiaries, which are described further in Item 1. Business General section of this Annual Report on Form 10-K. The subsidiary bank is subject to affiliate transaction restrictions under federal law, which limit covered transactions by the subsidiary bank with the parent and any nonbank subsidiaries of the parent, which are referred to in the aggregate in this paragraph as affiliates of the subsidiary bank. Covered transactions include loans or extensions of credit to an affiliate, purchases of or investments in securities issued by an affiliate, the acceptance of securities issued by an affiliate as collateral for a loan or extension of credit, and the

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issuance of a guarantee, acceptance or letter of credit on behalf of an affiliate. Such covered transactions between the subsidiary bank and any single affiliate are limited in amount to 10% of the subsidiary bank s capital and surplus, respectively, and, with respect to covered transactions with all affiliates in the aggregate, are limited in amount to 20% of the subsidiary bank s capital and surplus, respectively. Furthermore, such loans or extensions of credit and such guarantees, acceptances and letters of credit are required to be secured by collateral in amounts specified by law. In addition, all covered transactions must be conducted on terms and circumstances that are consistent with safe and sound banking practices.

The Federal Reserve Board applies a policy to the effect that a bank holding company is expected to act as a source of financial and managerial strength to its subsidiary bank and to commit resources to support such subsidiary bank. Under the source of strength doctrine, the Federal Reserve Board may require a bank holding company to make capital infusions into a troubled subsidiary bank, and may charge the bank holding company with engaging in unsafe and unsound practices for failure to commit resources to such a subsidiary bank. A capital infusion conceivably could be required at times under this policy when WesBanco may not have the resources to provide it.

PAYMENT OF DIVIDENDS

Dividends from the subsidiary bank are a significant source of funds for payment of dividends to WesBanco s shareholders. For the year ended December 31, 2008, WesBanco declared cash dividends to its shareholders of approximately $29.7 million.

Under the prompt corrective action provisions set forth in Section 38 of the Federal Deposit Insurance Act (FDI Act) and implementing regulations set forth in Section 325.105 of the FDIC Regulations, immediately upon a state non-member bank receiving notice, or being deemed to have notice, that the bank is undercapitalized, significantly undercapitalized, or critically undercapitalized, as defined in Section 325.103 of the FDIC Regulations, the bank is precluded from being able to pay dividends to its shareholders based upon the requirements in Section 38(d) of the FDI Act, 12. U.S.C. § 1831o(d).

However, as indicated elsewhere in this discussion, as of December 31, 2008, the subsidiary bank was well capitalized under the definition in Section 325.103 of the FDIC Regulations. Therefore, as long as the subsidiary bank remains well capitalized or even becomes adequately capitalized, there would be no basis under Section 325.105 to limit the ability of the bank to pay dividends because it had not become either undercapitalized, significantly undercapitalized or critically undercapitalized.

In addition, with respect to possible dividends by the subsidiary bank, under Section 31A-4-25 of the West Virginia Code, the prior approval of the West Virginia Commissioner of Banking would be required if the total of all dividends declared by the bank in any calendar year would exceed the total of the bank s net profits for that year combined with its retained net profits of the proceeding two years. In addition, Section 31A-4-25 limits the ability of a West Virginia banking institution to pay dividends until the surplus fund of the banking institution equals the common stock of the banking institution and if certain specified amounts of recent profits of the banking institution have not been carried to the surplus fund. The Bank did receive approval to pay a special dividend beyond current and prior net profits, as defined, in December 2007 from the Federal Reserve Board, its then existing primary Bank regulator, and the West Virginia Department of Banking, in the amount of $35 million.

If, in the opinion of the applicable regulatory authority, a bank under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice which, depending on the financial condition of the bank, could include the payment of dividends, such authority may require, after notice and hearing, that such bank cease and desist from such practice. The Federal Reserve Board has issued policy statements which provide that insured banks and bank holding companies should generally only pay dividends out of current operating earnings.

Additional information regarding dividend restrictions is set forth in Note 23, Regulatory Matters in the Consolidated Financial Statements.

WesBanco is currently a participating institution in the Capital Purchase Program under the Troubled Asset Relief Program and subject to certain restrictions on dividends and a prohibition on increasing dividends beyond the quarterly dividend amount paid in October of 2008. Please see the section entitled Troubled Asset Relief Program on page 12 of this Item 1.

On February 24, 2009 the Federal Reserve Division of Banking Supervision and Regulation issued a letter providing direction to bank holding companies (BHC) on the payment of dividends, capital repurchases and capital redemptions. Although the letter largely reiterates longstanding Federal Reserve supervisory policies, it emphasizes the need for a BHC to review various factors when considering the declaration of a dividend or taking action that would reduce regulatory capital provided by outstanding financial instruments. These factors include the potential need to increase loan loss reserves, write down assets and reflect declines in asset values in equity. In addition, the BHC should consider its past and anticipated future earnings, the dividend payout ratio in relation to earnings, and adequacy of regulatory capital before any action is taken. The consideration of capital adequacy should include a review of all known factors that may affect capital in the future.

In certain circumstances, defined by regulation relating to levels of earnings and capital and participation in the Troubled Asset Relief Program, advance notification to, and in some circumstances, approval by the regulator could be required to declare a dividend or repurchase or redeem capital instruments.

FDIC INSURANCE

WesBanco Bank is classified by the FDIC as a well-capitalized and a well-run institution. As a result, under the FDIC regulations in effect in 2008, most banks, including WesBanco Bank was required to pay deposit insurance premiums of between five and seven cents per $100 of assessable deposits. A significant portion of this expense was mitigated by the use of certain prior approved credits granted by the FDIC to its members from prior year activity. In late 2008, the FDIC approved increases in the industry s premiums to between 12 and 14 cents per $100 of assessable deposits for 2009 for Risk Category I banks. In addition, credits available to the Bank from amounts approved by the FDIC in prior years were scheduled to be fully utilized by the second quarter of 2009.

On February 27, 2009, the FDIC proposed an interim rule that would significantly increase the premiums charged for FDIC deposit insurance protection in addition to an emergency special assessment of 20 cents per $100 of assessable deposits on all banks to restore the Deposit Insurance Fund to an acceptable level. As a result, under the recently proposed FDIC regulations, the Bank, including Amtrust deposits of approximately **$600** million, would be required to pay estimated annualized deposit insurance premiums of between 12 and 16 cents per $100 of assessable deposits. The impact on the Bank s operating expenses for 2009 is approximately $14 to $15 million, of which approximately **$8.3** million represents the 20 cent special assessment. The portion of the total assessment related to AmTrust s deposits for the year would approximate $1.8 to $1.9 million. In early March, the FDIC noted it would consider reducing the special one-time assessment to 10 cents if the U.S. Congress were to approve an increase in its operating line of credit with the U.S. Treasury.

CAPITAL REQUIREMENTS

The Federal Reserve Board has issued risk-based capital ratio and leverage ratio guidelines for bank holding companies. The risk-based capital ratio guidelines establish a systematic analytical framework that makes regulatory capital requirements more sensitive to differences in risk profiles among banking organizations, takes off-balance sheet exposures into explicit account in assessing capital adequacy, and minimizes disincentives to holding liquid, low-risk assets. Under the guidelines and related policies, bank holding companies must maintain capital sufficient to meet both a risk-based asset ratio test and a leverage ratio test on a consolidated basis. The risk-based ratio is determined by allocating assets and specified off-balance sheet commitments into four weighted categories, with higher weightings being assigned to categories perceived as representing greater risk. A bank holding company s capital is then divided by total risk-weighted assets to yield the risk-based ratio. The leverage ratio is determined by relating core capital to total assets adjusted as specified in the guidelines. The bank is subject to substantially similar capital requirements.

Generally, under the applicable guidelines, a financial institution s capital is divided into three tiers. Tier 1, or core capital, includes common equity, noncumulative perpetual preferred stock excluding auction rate issues, and minority interests in equity accounts of consolidated subsidiaries, less goodwill and, with certain limited exceptions, all other intangible assets. Bank holding companies, however, may include cumulative preferred stock in their Tier 1 capital, up to a limit of 25% of such Tier 1 capital. Tier 2, or supplementary capital, includes, among other things, cumulative and limited-life preferred stock, hybrid capital instruments, mandatory convertible securities, qualifying subordinated debt, and the allowance for loan and lease losses, subject to certain limitations. Institutions that must incorporate market risk exposure into their risk-based capital requirements may also have a third tier of capital in the form of restricted short-term unsecured subordinated debt.

Tier 3 capital consists of subordinated debt that meets certain conditions, including being unsecured, being fully paid up, having an original maturity of at least two years, and not being redeemable before maturity without prior Federal Reserve Board approval. The Federal Reserve Board requires bank holding companies that engage in trading activities to adjust their risk-based capital ratios to take into consideration market risks that may result from movements in market prices of covered trading positions in trading accounts, or from foreign exchange or commodity positions, whether or not in trading accounts, including changes in interest rates, equity prices, foreign exchange rates or commodity prices. Any capital required to be maintained under these provisions may consist of new Tier 3 capital. Total capital is the sum of Tier 1, Tier 2 and Tier 3 capital.

The Federal Reserve Board and the other federal banking regulators require that all intangible assets, with certain limited exceptions, be deducted from Tier 1 capital. Under the Federal Reserve Board s rules, the only types of intangible assets that may be included in (i.e., not deducted from) a bank holding company s capital are originated or purchased mortgage servicing rights, non-mortgage servicing assets, and purchased credit card relationships, provided that, in the aggregate, the amount of these items included in capital does not exceed 100% of Tier 1 capital.

Under the risk-based guidelines, financial institutions are required to maintain a risk-based ratio, which is total capital to risk-weighted assets, of at least 8%, of which at least 4% must be Tier 1 capital. The appropriate regulatory authority may set higher capital requirements when an institution s circumstances warrant.

The Federal Reserve Board has established a minimum ratio of Tier 1 capital to total assets of 3.0% for strong bank holding companies rated composite 1 under the new RFI/C (D) (Risk Management, Financial Condition, Impact, Composite Rating and Depository Institution) components rating system for bank holding companies, and for certain bank holding companies that have implemented the Board s risk-based capital measure for market risk. For all other bank holding companies, the minimum ratio of Tier 1 capital to total assets is 4.0%. Banking organizations with supervisory, financial, operational, or managerial weaknesses, as well as organizations that are anticipating or experiencing significant growth are expected to maintain capital ratios well above the minimum levels. Moreover, higher capital ratios may be required for any bank holding company if warranted by its particular circumstances or risk profile. In all cases, bank holding companies should hold capital commensurate with the level and nature of the risks, including the volume and severity of problem loans, to which they are exposed. The Federal Reserve Board has also indicated that it will consider a tangible Tier 1 capital ratio (deducting all intangibles) and other indications of capital strength in evaluating proposals for expansion or new activities. More recently, in its February 24, 2009 supervisory letter, the Federal Reserve Board noted that a BHC s predominant form of tangible capital should be common equity.

The bank regulatory agencies have established special minimum capital requirements for equity investments in nonfinancial companies. The requirements consist of a series of marginal capital charges that increase within a

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range from 8% to 25% of the adjusted carrying value of the equity investments as a financial institution s overall exposure to equity investments increases as a percentage of its Tier 1 capital. At December 31, 2008, capital charges relating to WesBanco s equity investments in nonfinancial companies were immaterial.

Failure to meet applicable capital guidelines could subject a financial institution to a variety of enforcement remedies available to the federal regulatory authorities, including limitations on the ability to pay dividends, the issuance by the regulatory authority of a capital directive to increase capital, and the termination of deposit insurance by the FDIC, as well as to the measures described below under Prompt Corrective Action as applicable to undercapitalized institutions.

As of December 31, 2008, WesBanco s Tier 1 and total capital to risk-adjusted assets ratios were 13.21% and 14.46%, respectively, which ratios were enhanced at year-end by WesBanco s receipt of proceeds of $75 million under the Capital Purchase Program of the Troubled Asset Relief Program. As of December 31, 2008, WesBanco Bank also had capital in excess of the minimum requirements. Neither WesBanco nor WesBanco Bank been advised by the appropriate federal banking regulator of any specific leverage ratio applicable to it. As of December 31, 2008, WesBanco s leverage ratio was 10.27%.

As of December 31, 2008, WesBanco had $111.1 million in junior subordinated debt on its Consolidated Balance Sheets presented as a separate category of long-term debt. For regulatory purposes, trust preferred securities totaling $107.8 million underlying such junior subordinated debt were included in Tier 1 Capital as of December 31, 2008, in accordance with regulatory reporting requirements. On March 1, 2005, the Federal Reserve Board adopted a rule that retains trust preferred securities in Tier 1 capital, but with stricter quantitative limits and clearer qualitative standards. Under this rule, after a transition period that ends on March 31, 2009, the aggregate amount of trust preferred securities and certain other capital elements would be limited to 25 percent of Tier 1 capital elements, net of goodwill. The amount of trust preferred securities and certain other elements in excess of the limit could be included in Tier 2 capital, subject to restrictions. WesBanco currently believes all of its trust preferred securities will remain in Tier 1 capital as of the adoption date of the new rule.

The risk-based capital standards of the Federal Reserve Board and the FDIC specify that evaluations by the banking agencies of a bank s capital adequacy will include an assessment of the exposure to declines in the economic value of the bank s capital due to changes in interest rates. These banking agencies issued a joint policy statement on interest rate risk describing prudent methods for monitoring such risk that rely principally on internal measures of exposure and active oversight of risk management activities by senior management.

The federal regulatory authorities risk-based capital guidelines are based upon the 1988 capital accord of the Basel Committee on Banking Supervision (the BIS), which is known as Basel I. The BIS is a committee of central banks and bank supervisors/regulators from the major industrialized countries that develops broad policy guidelines for use by each country s supervisors in determining the supervisory policies they apply. In November 2007, the federal bank regulatory agencies approved an interagency final rule (Final Rule) that will implement amendments to Basel I that contain an advanced risk-based capital framework applicable only to very large complex U.S. banking organizations and which is known as Basel II. The limited number of very large banks that will be subject to Basel II will be required to calculate their risk-based capital requirements using their own internal risk parameters for credit risk and operational risk.

The Final Rule is consistent in most respects with the Basel II rules that are being implemented in other jurisdictions. However, the federal bank regulatory agencies also have included in the Final Rule certain safeguards against the possibility that the new rules do not work as intended.

WesBanco and other bank holding companies that are not considered large banking organizations will not be subject to Basel II. The federal bank regulatory agencies have announced that they are currently working on a notice of proposed rulemaking to implement some of the simpler approaches from the Basel II framework referred to as the standardized approach that would be optional for WesBanco and other banking

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organizations not subject to Basel II. It is expected that this notice of proposed rulemaking will be published in the coming months.

WesBanco cannot predict the precise timing or final form of the forthcoming regulations that could be applicable to WesBanco or their impact on WesBanco. The new capital requirements that may arise from this future regulation could increase the minimum capital requirements applicable to WesBanco and its subsidiaries.

PROMPT CORRECTIVE ACTION

The Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) requires federal banking regulatory authorities to take prompt corrective action with respect to depository institutions that do not meet minimum capital requirements. For these purposes, FDICIA establishes five capital tiers: well-capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized.

An institution is deemed to be well-capitalized if it has a total risk-based capital ratio of 10% or greater, a Tier 1 risk-based capital ratio of 6% or greater, and a Tier 1 leverage ratio of 5% or greater and is not subject to a regulatory order, agreement, or directive to meet and maintain a specific capital level for any capital measure. An institution is deemed to be adequately capitalized if it has a total risk-based capital ratio of 8% or greater, a Tier 1 risk-based capital ratio of 4% or greater, and, generally, a Tier 1 leverage ratio of 4% or greater and the institution does not meet the definition of a well-capitalized institution. An institution that does not meet one or more of the adequately capitalized tests is deemed to be undercapitalized. If the institution has a total risk-based capital ratio that is less than 6%, a Tier 1 risk-based capital ratio that is less than 3%, or a Tier 1 leverage ratio that is less than 3%, it is deemed to be significantly undercapitalized. Finally, an institution is deemed to be critically undercapitalized if it has a ratio of tangible equity (as defined in the regulations) to total assets that is equal to or less than 2%. At December 31, 2008, WesBanco Bank had capital levels that met the well-capitalized standards under FDICIA and its implementing regulations.

FDICIA generally prohibits a depository institution from making any capital distribution, including payment of a cash dividend, or paying any management fee to its holding company, if the depository institution would thereafter be undercapitalized. Undercapitalized institutions are subject to growth limitations and are required to submit a capital restoration plan. If any depository institution subsidiary of a holding company is required to submit a capital restoration plan, the holding company would be required to provide a limited guarantee regarding compliance with the plan as a condition of approval of such plan by the appropriate federal banking agency. If an undercapitalized institution fails to submit an acceptable plan, it is treated as if it is significantly undercapitalized. Significantly undercapitalized institutions may be subject to a number of requirements and restrictions, including orders to sell sufficient voting stock to become adequately capitalized, requirements to reduce total assets, and cessation of receipt of deposits from correspondent banks. Critically undercapitalized institutions may not, beginning 60 days after becoming critically undercapitalized, make any payment of principal or interest on their subordinated debt and/or trust preferred securities. In addition, critically undercapitalized institutions are subject to appointment of a receiver or conservator within 90 days of becoming critically undercapitalized.

GRAMM-LEACH-BLILEY ACT

Under the Gramm-Leach-Bliley Act (the GLB Act), banks are no longer prohibited by the Glass-Steagall Act from associating with, or having management interlocks with, a business organization engaged principally in securities activities. By qualifying as a financial holding company, as authorized under the GLB Act, which WesBanco has done, a bank holding company acquires new powers not otherwise available to it. In order to qualify as a financial holding company, a bank holding company s depository subsidiaries all must be both well-capitalized and well managed, and must be meeting their CRA obligations. The bank holding company also must declare its intention to become a financial holding company to the Federal Reserve Board and certify that its depository subsidiaries meet the capitalization and management requirements. As indicated above, WesBanco

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has elected to become a financial holding company under the GLB Act. It also has qualified a subsidiary of the Bank as a financial subsidiary under the GLB Act.

Financial holding company powers relate to financial activities that are determined by the Federal Reserve Board, in coordination with the Secretary of the Treasury, to be financial in nature, incidental to an activity that is financial in nature, or complementary to a financial activity, provided that the complementary activity does not pose a safety and soundness risk. The GLB Act itself defines certain activities as financial in nature, including but not limited to: underwriting insurance or annuities; providing financial or investment advice; underwriting, dealing in, or making markets in securities; merchant banking, subject to significant limitations; insurance company portfolio investing, subject to significant limitations; and any activities previously found by the Federal Reserve Board to be closely related to banking.

National and state banks are permitted under the GLB Act, subject to capital, management, size, debt rating, and CRA qualification factors, to have financial subsidiaries that are permitted to engage in financial activities not otherwise permissible. However, unlike financial holding companies, financial subsidiaries may not engage in insurance or annuity underwriting; developing or investing in real estate; merchant banking (for at least five years); or insurance company portfolio investing. Other provisions of the GLB Act: establish a system of functional regulation for financial holding companies and banks involving the SEC, the Commodity Futures Trading Commission, and state securities and insurance regulators; deal with bank insurance sales and title insurance activities in relation to state insurance regulation; prescribe consumer protection standards for insurance sales; and establish minimum federal standards of privacy to protect the confidentiality of the personal financial information of consumers and regulate its use by financial institutions. Federal bank regulatory agencies have issued various rules since enactment of GLB relating to the implementation of the GLB Act.

CONSUMER PROTECTION LAWS

In connection with their lending and leasing activities, the subsidiary bank is subject to a number of federal and state laws designed to protect borrowers and promote lending to various sectors of the economy and population. These laws include the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Truth in Lending Act, the Truth in Savings Act, the Home Mortgage Disclosure Act, the Real Estate Settlement Procedures Act, the Electronic Funds Transfer Act, the Expedited Funds Availability Act, and, in some cases, their respective state law counterparts.

Federal law currently contains extensive customer privacy protection provisions. Under these provisions, a financial institution must provide to its customers, at the inception of the customer relationship and annually thereafter, the institution s policies and procedures regarding the handling of customers nonpublic personal financial information. These provisions also provide that, except for certain limited exceptions, an institution may not provide such personal information to unaffiliated third parties unless the institution discloses to the customer that such information may be so provided and the customer is given the opportunity to opt out of such disclosure. Federal law makes it a criminal offense, except in limited circumstances, to obtain or attempt to obtain customer information of a financial nature by fraudulent or deceptive means.

The CRA requires the subsidiary bank s primary federal bank regulatory agency, the FDIC, to assess the bank s record in meeting the credit needs of the communities served by the bank, including low- and moderate-income neighborhoods and persons. Institutions are assigned one of four ratings: Outstanding, Satisfactory, Needs to Improve or Substantial Noncompliance. This assessment is reviewed when a bank applies to merge or consolidate with or acquire the assets or assume the liabilities of an insured depository institution, or to open or relocate a branch office.

SECURITIES REGULATION

WesBanco s full service broker-dealer subsidiary, WesBanco Securities, Inc. (WesBanco Securities), is registered as a broker-dealer with the SEC and in the states in which it does business. WesBanco Securities also is a member of the Financial Institution Regulatory Authority (FINRA). WesBanco Securities is subject to regulation by the SEC, FINRA and the securities administrators of the states in which it is registered. WesBanco Securities is a member of the Securities Investor Protection Corporation (SIPC), which in the event of the liquidation of a broker-dealer, provides protection for customers securities accounts held by WesBanco Securities of up to $500,000 for each eligible customer, subject to a limitation of $100,000 for claims for cash balances. WesBanco serves as an investment adviser to a family of mutual funds and is registered as an investment adviser with the SEC and in some states.

ANTI-MONEY LAUNDERING INITIATIVES AND THE USA PATRIOT ACT

A major focus of governmental policy on financial institutions in recent years has been aimed at combating money laundering and terrorist financing. The USA PATRIOT Act of 2001 (USA Patriot Act) substantially broadened the scope of United States anti-money laundering laws and regulations by imposing significant new compliance and due diligence obligations, creating new crimes and penalties and expanding the extra-territorial jurisdiction of the United States. The United States Treasury Department has issued various implementing regulations which apply various requirements of the USA Patriot Act to financial institutions such as WesBanco s subsidiary bank and broker-dealer subsidiaries. These regulations impose obligations on financial institutions to maintain appropriate policies, procedures and controls to detect, prevent and report money laundering and terrorist financing and to verify the identity of their customers. Failure of WesBanco and its subsidiaries to maintain and implement adequate programs to combat money laundering and terrorist financing, or to comply with all of the relevant laws or regulations, could have serious legal and reputational consequences for WesBanco and its subsidiaries.

SARBANES-OXLEY ACT OF 2002

The Sarbanes-Oxley Act of 2002 comprehensively revised the laws affecting corporate governance, accounting obligations and corporate reporting for companies, such as WesBanco, with equity or debt securities registered under the Securities Exchange Act of 1934, as amended. In particular, the Sarbanes-Oxley Act established: new requirements for audit committees, including independence, expertise, and responsibilities; certification responsibilities for the Chief Executive Officer and Chief Financial Officer with respect to the reporting company s financial statements; new standards for auditors and regulation of audits; increased disclosure and reporting obligations for reporting companies and their directors and executive officers; and new and increased civil and criminal penalties for violation of the federal securities laws.

TROUBLED ASSET RELIEF PROGRAM

WesBanco is a participating institution in the Capital Purchase Program (CPP) under the Troubled Asset Relief Program (TARP) authorized by the Emergency Economic Stabilization Act of 2008 (EESA). On December 5, 2008, WesBanco entered into a Letter Agreement (the Purchase Agreement) with the United States Department of the Treasury (the Treasury), pursuant to which WesBanco agreed to issue and sell (i) 75,000 shares of the Corporation s Fixed Rate Cumulative Perpetual Preferred Stock, Series A (the Series A Preferred Stock) and (ii) a warrant (the Warrant) to purchase 439,282 shares of WesBanco s common stock, par value $2.0833 per share (the Common Stock), for an aggregate purchase price of $75,000,000 in cash. The Series A Preferred Stock has a liquidation preference of $1,000 per share.

The Series A Preferred Stock qualifies as Tier 1 capital and will pay cumulative dividends at a rate of 5% per annum for the first five years, and 9% per annum thereafter. TARP provided that the Series A Preferred Stock could be redeemed by WesBanco after three years. TARP also provided that prior to the end of three years, the Series A Preferred Stock could be redeemed by WesBanco only with proceeds from the sale of qualifying equity securities of the Corporation (a Qualified Equity Offering). The Warrant has a 10-year term and is immediately exercisable upon its issuance, with an exercise price, subject to anti-dilution adjustments, equal to $25.61 per share of the Common Stock.

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Upon issuance of the Series A Preferred Stock on December 5, 2008, the ability of WesBanco to declare or pay dividends or distributions on, or purchase, redeem or otherwise acquire for consideration, shares of its Junior Stock (as defined below) and Parity Stock (as defined below) became subject to restrictions, including a restriction against increasing dividends from the last quarterly cash dividend per share of $0.28 declared on the Common Stock prior to October 14, 2008. The redemption, purchase or other acquisition of trust preferred securities of WesBanco or its affiliates also became restricted. Under TARP, these restrictions generally terminate on the earlier of (a) the third anniversary of the date of issuance of the Series A Preferred Stock and (b) the date on which the Series A Preferred Stock has been redeemed in whole or Treasury has transferred all of the Series A Preferred Stock to third parties; provided, however, that certain of the restrictions persist for any period when all accrued and unpaid dividends for all past periods on the Series A Preferred Stock are not fully paid.

In addition, the Corporation filed a Certificate of Designations with the West Virginia Secretary of State on December 5, 2008, which fixed the designations, preferences, limitations and relative rights of the Series A Preferred Stock. Pursuant to the Certificate of Designations, the ability of WesBanco to declare or pay dividends or distributions on, or repurchase, redeem or otherwise acquire for consideration, shares of its Junior Stock and Parity Stock will be subject to restrictions in the event that WesBanco fails to declare and pay full dividends (or declare and set aside a sum sufficient for payment thereof) on its Series A Preferred Stock.

Junior Stock means the common stock and any other class or series of stock of WesBanco the terms of which expressly provide that it ranks junior to the Series A Preferred Stock as to dividend rights and/or rights on liquidation, dissolution or winding up of WesBanco. Parity Stock means any class or series of stock of WesBanco the terms of which do not expressly provide that such class or series will rank senior or junior to the Series A Preferred Stock as to dividend rights and/or rights on liquidation, dissolution or winding up of WesBanco (in each case without regard to whether dividends accrue cumulatively or non-cumulatively).

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 into law (the ARRA). The ARRA, among other things, amends the terms of TARP and imposes certain additional conditions and requirements on participating institutions. Additionally, however, it also broadens the provisions permitting participating institutions to repay TARP proceeds at any time subject to approval of the primary regulator. The effective dates of certain of its provisions and their applicability to WesBanco are currently being determined by the Corporation.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described below, as well as the other information included or incorporated by reference in this Annual Report on Form 10-K, before making an investment in WesBanco s common stock. The risks described below are not the only ones we face in our business. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations. If any of the following risks occur, our business, financial condition or operating results could be materially harmed. In such an event, our common stock could decline in price, and you may lose all or part of your investment.

DUE TO INCREASED COMPETITION, WESBANCO MAY NOT BE ABLE TO ATTRACT AND RETAIN BANKING CUSTOMERS AT CURRENT LEVELS.

WesBanco faces competition from the following:

- local, regional and national banks;
- savings and loans;
- internet banks;

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- credit unions;
- finance companies; and
- brokerage firms serving WesBanco s market areas.

In particular, WesBanco Bank s competitors include several major national financial companies whose greater resources may afford them a marketplace advantage by enabling them to maintain numerous banking locations and mount extensive promotional and advertising campaigns. Additionally, banks and other financial institutions may have products and services not offered by WesBanco, which may cause current and potential customers to choose those institutions. Areas of competition include interest rates for loans and deposits, efforts to obtain deposits and range and quality of services provided. If WesBanco is unable to attract new and retain current customers, loan and deposit growth could decrease causing WesBanco s results of operations and financial condition to be negatively impacted.

WESBANCO MAY NOT BE ABLE TO EXPAND ITS TRUST AND INVESTMENT SERVICES SEGMENT AND RETAIN ITS CURRENT CUSTOMERS.

As of December 31, 2008, WesBanco had approximately $2.4 billion in assets under management, which provided approximately 8.1% of WesBanco s net revenues. WesBanco may not be able to attract new and retain current investment management clients due to competition from the following:

- commercial banks and trust companies;
- mutual fund companies;
- investment advisory firms;
- law firms;
- brokerage firms; and
- other financial services companies.

Its ability to successfully attract and retain investment management clients is dependent upon its ability to compete with competitors investment products, level of investment performance, client services and marketing and distribution capabilities. Due to the changes in economic conditions, the performance of the trust and investment services segment may be negatively impacted by the financial markets in which investment clients assets are invested, causing clients to seek other alternative investment options. If WesBanco is not successful, its results from operations and financial position may be negatively impacted.

CUSTOMERS MAY DEFAULT ON THE REPAYMENT OF LOANS.

The Bank s customers may default on the repayment of loans, which may negatively impact WesBanco s earnings due to loss of principal and interest income. Increased operating expenses may result from the allocation of management time and resources to the collection and work-out of the loan. Collection efforts may or may not be successful causing WesBanco to write off the loan or repossess the collateral securing the loan, which may or may not exceed the balance of the loan.

Management evaluates the adequacy of the allowance for loan losses at least quarterly, which includes testing certain individual loans as well as collective pools of loans for impairment. This evaluation includes an assessment of actual loss experience within each category of the portfolio, individual commercial and commercial real estate loans that exhibit credit weakness; current economic events, including employment statistics, trends in bankruptcy filings, and other pertinent factors; industry or geographic concentrations; and regulatory guidance. Additions to the allowance for loan losses results in an expense for the period.

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WesBanco s regulatory agencies periodically review the allowance for loan losses. Based on their assessment the regulatory agencies may require WesBanco to adjust the allowance for loan losses. These adjustments could negatively impact WesBanco s results of operations or financial position.

ECONOMIC CONDITIONS IN WESBANCO S MARKET AREAS COULD NEGATIVELY IMPACT EARNINGS.

A downturn in the local and regional economies could negatively impact WesBanco s banking business. WesBanco Bank serves both individuals and business customers throughout West Virginia, Ohio and Western Pennsylvania. The ability of the Bank s customers to repay their loans is strongly tied to the economic conditions in these areas. These economic conditions may also force customers to utilize deposits held by WesBanco Bank in order to pay current expenses causing the Bank s deposit base to shrink. As a result the Bank may have to borrow funds at higher rates in order to meet liquidity needs. These events may have a negative impact on WesBanco s earnings.

CURRENT MARKET INTEREST RATES AND COST OF FUNDS MAY NEGATIVELY IMPACT WESBANCO S BANKING BUSINESS.

Fluctuations in interest rates may negatively impact the business of WesBanco Bank. The Bank s main source of income from operations is net interest income, which is equal to the difference between the interest income received on interest-bearing assets (usually loans and investment securities) and the interest expense incurred in connection with interest-bearing liabilities (usually deposits and borrowings). These rates are highly sensitive to many factors beyond WesBanco s control, including general economic conditions, both domestic and foreign, and the monetary and fiscal policies of various governmental and regulatory authorities. WesBanco Bank s net interest income can be affected significantly by changes in market interest rates. Changes in relative interest rates may reduce the Bank s net interest income as the difference between interest income and interest expense decreases. As a result, the Bank has adopted asset and liability management policies to minimize the potential adverse effects of changes in interest rates on net interest income, primarily by altering the mix and maturity of loans, investments and funding sources. However, even with these policies in place, WesBanco cannot be certain that changes in interest rates or the shape of the interest rate yield curve will not negatively impact its results of operations or financial position.

WesBanco s cost of funds for banking operations may increase as a result of general economic conditions, interest rates and competitive pressures. The Bank has traditionally obtained funds principally through deposits and wholesale borrowings. As a general matter, deposits are a cheaper source of funds than borrowings because interest rates paid for deposits are typically less than interest rates charged for borrowings. If, as a result of general economic conditions, market interest rates, competitive pressures or otherwise, the value of deposits at the Bank decreases relative to its overall banking operations, the Bank may have to rely more heavily on borrowings as a source of funds in the future.

SIGNIFICANT DECLINES IN U.S. AND FOREIGN MARKETS COULD HAVE A NEGATIVE IMPACT ON WESBANCO S EARNINGS.

The capital and credit markets have experienced extreme disruption recently. These conditions resulted in less liquidity, greater volatility, widening of credit spreads and a lack of price transparency in certain asset types. In many cases, the markets have exerted downward pressure on stock prices, security prices and credit capacity for certain issuers without regard to those issuers underlying financial strength. Sustained weakness in business and economic conditions in any or all of the domestic or foreign financial markets could result in credit deterioration in investment securities held by us, rating agency downgrades for such securities or other market factors that could result in us having to recognize other-than-temporary impairment in the value of such investment securities, with a corresponding charge against earnings. Furthermore, our pension assets are primarily invested in equity and debt securities, and continued weakness in capital and credit markets could result in further deterioration of these assets which may increase minimum funding contributions and future pension expense. If the current levels of market disruption continue or further deteriorate, these conditions may be material to WesBanco s ability to access capital and may adversely impact results of operations.

Further, WesBanco s trust and investment services income could be impacted by fluctuations in the securities market. A portion of this revenue is based on the value of the underlying investment portfolios. If the values of those investment portfolios decline, the Bank s revenue could be negatively impacted.

WESBANCO MAY BE REQUIRED TO WRITE DOWN GOODWILL AND OTHER INTANGIBLE ASSETS, CAUSING ITS FINANCIAL CONDITION AND RESULTS TO BE NEGATIVELY AFFECTED.

When WesBanco acquires a business, a portion of the purchase price of the acquisition is allocated to goodwill and other identifiable intangible assets. The amount of the purchase price which is allocated to goodwill and other intangible assets is determined by the excess of the purchase price over the net identifiable assets acquired. At December 31, 2008, WesBanco s goodwill and other identifiable intangible assets were approximately $267.9 million. Under current accounting standards, if WesBanco determines goodwill or intangible assets are impaired, it is required to write down the carrying value of these assets. WesBanco conducts an annual review to determine whether goodwill and other identifiable intangible assets are impaired. WesBanco completed such an impairment analysis in 2008 and concluded that no impairment charge was necessary for the year ended December 31, 2008. WesBanco cannot provide assurance that it will not be required to take an impairment charge in the future. Any impairment charge would have a negative effect on its stockholders equity and financial results and may cause a decline in our stock price.

ACQUISITION OPPORTUNITIES MAY NOT BE AVAILABLE TO WESBANCO IN THE FUTURE.

WesBanco continually evaluates opportunities to acquire other businesses. However, WesBanco may not have the opportunity to make suitable acquisitions on favorable terms in the future, which could negatively impact the growth of its business. WesBanco expects that other banking and financial companies, many of which have significantly greater resources, will compete with it to acquire compatible businesses. This competition could increase prices for acquisitions that WesBanco would likely pursue, and its competitors may have greater resources than it does. Also, acquisitions of regulated business such as banks are subject to various regulatory approvals. If WesBanco fails to receive the appropriate regulatory approvals, it will not be able to consummate an acquisition that it believes is in its best interests.

CHANGES IN REGULATORY CAPITAL REGULATIONS BY THE FEDERAL RESERVE MAY NEGATIVELY IMPACT WESBANCO S CAPITAL LEVELS.

WesBanco currently has $111.1 million in junior subordinated debt presented as a separate category of long-term debt on its Consolidated Balance Sheets. For regulatory purposes, trust preferred securities totaling $107.8 million underlying such junior subordinated debt are included in Tier 1 capital in accordance with regulatory reporting requirements. On March 1, 2005, the Federal Reserve adopted a rule that will retain trust preferred securities in Tier 1 capital, but with stricter quantitative limits and clearer qualitative standards. Under the rule, after a transition period that ends on March 31, 2009, the aggregate amount of trust preferred securities and certain other capital elements will be limited to 25 percent of Tier 1 capital elements, net of goodwill. The amount of trust preferred securities and certain other elements in excess of the limit can be included in Tier 2 capital, subject to restrictions. The rule is not expected to have an impact on WesBanco s Tier 1 capital; however should WesBanco issue additional trust preferred securities, or incur material operating losses, WesBanco s Tier 1 capital ratio may be limited by the rule adopted by the Board. WesBanco s earnings may also be negatively impacted due to prepayment penalties associated with the redemption of certain of the trust preferred securities.

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FDIC INSURANCE ASSESSMENTS ARE EXPECTED TO INCREASE CONSIDERABLY RESULTING IN A NEGATIVE IMPACT TO EARNINGS.

The FDIC may increase the premiums charged for FDIC deposit insurance protection to restore the Deposit Insurance Fund to an acceptable level. The FDIC has proposed that 2009 premiums more than double and should more bank failures occur, the FDIC premiums could continue to increase. An increase in insurance premiums will have an adverse effect on WesBanco s earnings.

LIMITED AVAILABILITY OF BORROWINGS FROM THE FEDERAL HOME LOAN BANK SYSTEM COULD NEGATIVELY IMPACT EARNINGS.

Wesbanco Bank is currently a member bank of the Federal Home Loan Bank (FHLB) of Pittsburgh, and retains certain short-term borrowings from the FHLB of Cincinnati from prior bank acquisitions. Membership in this system of quasi-governmental, regional home-loan oriented agency banks allows us to participate in various programs offered by the FHLB. We borrow funds from the FHLB, which are secured by a blanket lien on certain residential mortgage loans or securities with collateral values in excess of the outstanding balances. Current and future earnings shortfalls and minimum capital requirements of the FHLB may impact the collateral necessary to secure borrowings and limit the borrowings extended to their member banks, as well as require additional capital contributions by member banks. Should this occur, WesBanco s short-term liquidity needs could be negatively impacted. Should WesBanco be restricted from using FHLB advances due to weakness in the system or with the FHLB of Pittsburgh, WesBanco may be forced to find alternative funding sources. Such alternative funding sources may include Federal Reserve discount window and short-term borrowings, the issuance of additional junior subordinated debt within allowed capital guidelines, utilization of existing or new lines of credit with third party banks, borrowings under repurchase agreement lines, increasing deposit rates to attract additional funds, accessing brokered deposits, or selling certain investment securities categorized as available-for-sale in order to maintain adequate levels of liquidity. In addition, the Bank may decide to participate in the U.S. Treasury s Temporary Guarantee Liquidity Program (TGLP), whereby the Bank may issue up to 2% of its outstanding liabilities in guaranteed unsecured bank debt prior to June 30, 2009, maturing prior to June 30, 2012.

On December 23, 2008 the FHLB of Pittsburgh announced that it will suspend dividends and the repurchase of excess capital stock to its member banks. The FHLB of Pittsburgh stock owned by WesBanco totaled $26.3 million and $14.8 million at December 31, 2008 and 2007, respectively. Dividend income recognized on FHLB of Pittsburgh stock totaled $0.4 million and $0.9 million for 2008 and 2007, respectively. Additionally, the Bank owned $5.7 million and $10.5 million of FHLB of Cincinnati stock at December 31, 2008 and 2007, respectively, which paid a cash dividend at an annualized rate of 5.00% for the fourth quarter of 2008 and a stock dividend at an annualized rate of 6.00% for the fourth quarter of 2007. Dividend payments have been eliminated by the FHLB of Pittsburgh and may be eliminated by the FHLB of Cincinnati at anytime in the future in order for these FHLB s to restore their retained earnings and/or overall risk-based capital ratios. In such case, the corresponding FHLB stock owned by WesBanco may be deemed a non-earning asset and could potentially be evaluated for impairment through earnings.

WESBANCO S FINANCIAL CONDITION AND RESULTS OF OPERATIONS DEPEND ON THE SUCCESSFUL GROWTH OF ITS SUBSIDIARIES.

WesBanco s primary business activity for the foreseeable future will be to act as the holding company of its banking and other subsidiaries. Therefore, WesBanco s future profitability will depend on the success and growth of these subsidiaries. In the future, part of WesBanco s growth may come from buying other banks and buying or establishing other companies. Such entities may not be profitable after they are purchased or established, and they may lose money or be dilutive to earnings per share, particularly for the first few years. A new bank or company may bring with it unexpected liabilities, bad loans, or poor employee relations, or the new bank or company may lose customers and the associated revenue.

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WESBANCO S ABILITY TO PAY DIVIDENDS IS LIMITED.

Subject to restrictions described in the next risk factor, holders of shares of WesBanco s common stock are entitled to dividends if, when, and as declared by WesBanco s Board of Directors out of funds legally available for that purpose. Although the Board of Directors has declared cash dividends in the past, the current ability to pay dividends is largely dependent upon the receipt of dividends from the banking subsidiaries. Federal and state laws impose restrictions on the ability of the banking subsidiaries to pay dividends. Additional restrictions are placed upon WesBanco by the policies of federal regulators, as more fully described in Item 1. Business Payment of Dividends. In general, future dividend policy is subject to the discretion of the Board of Directors and will depend upon a number of factors, including WesBanco s and the Bank s future earnings, capital requirements, regulatory constraints and financial condition.

WESBANCO S PARTICIPATION IN THE TROUBLED ASSET RELIEF PROGRAM SUBJECTS WESBANCO TO SEVERAL RESTRICTIONS, INCLUDING RESTRICTIONS ON WESBANCO S ABILITY TO DECLARE OR PAY DIVIDENDS AND REPURCHASE SHARES OF WESBANCO STOCK.

The Securities Purchase Agreement between WesBanco and the Treasury pursuant to which WesBanco sold $75.0 million of WesBanco s Series A Preferred Stock and issued a warrant to purchase up to 439,282 shares of WesBanco s common stock provides that prior to the earlier of (i) December 5, 2011 and (ii) the date on which all of the shares of the Series A Preferred Stock have been redeemed by WesBanco or transferred by the Treasury to third parties, WesBanco may not, without the consent of the Treasury, (a) increase the cash dividend on WesBanco s common stock above $0.28 per share, the amount of the last quarterly cash dividend per share declared prior to October 14, 2008 or (b) subject to limited exceptions, redeem, repurchase or otherwise acquire shares of WesBanco s common stock or preferred stock other than the Series A Preferred Stock. In addition, WesBanco may not pay any dividends on its common stock unless WesBanco is current in its dividend payments on the Series A Preferred Stock. Furthermore, the Treasury may amend any provision of the Agreement to the extent required to comply with any changes in applicable federal statutes. Any amendments or restrictions on payment of dividends could have a negative effect on the value of WesBanco s common stock.

WESBANCO S PARTICIPATION IN THE TROUBLED ASSET RELIEF PROGRAM SUBJECTS WESBANCO TO RESTRICTIONS ON COMPENSATION PAID TO WESBANCO S EXECUTIVES.

Pursuant to the terms of the Securities Purchase Agreement, WesBanco adopted certain standards for executive compensation and corporate governance for the period during which the Treasury holds the equity issued pursuant to the Securities Purchase Agreement. These standards generally apply to WesBanco s Chief Executive Officer, Chief Financial Officer and the three next most highly compensated senior executive officers. The standards include (1) ensuring that incentive compensation for senior executives does not encourage unnecessary and excessive risks that threaten the value of the financial institution; (2) required clawback of any bonus or incentive compensation paid to a senior executive based on statements of earnings, gains or other criteria that are later proven to be materially inaccurate; (3) prohibition on making golden parachute payments to senior executives; and (4) agreement not to deduct for tax purposes executive compensation in excess of $500,000 for each senior executive. The change to the deductibility limit on executive compensation could increase the overall cost of WesBanco s executive compensation programs in future periods. Pursuant to the ARRA, further compensation restrictions, including significant limitations on incentive compensation and golden parachute payments, have been imposed on WesBanco s most highly compensated employees, which may make it more difficult for WesBanco to retain and recruit qualified personnel.

WESBANCO MAY ENCOUNTER INTEGRATION DIFFICULTIES OR MAY FAIL TO REALIZE THE ANTICIPATED BENEFITS OF ACQUISITIONS.

WesBanco may not be able to integrate Oak Hill s operations without encountering difficulties including, without limitation, the loss of key employees and customers, the disruption of their respective ongoing

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businesses or possible inconsistencies in standards, controls, procedures and policies. Future results of the combined company may be materially different from those estimated by WesBanco and there can be no assurance that any enhanced earnings will result from the merger. Expenses associated with the acquisition may be higher or lower than originally estimated, depending upon how costly or difficult it is to integrate the companies. Furthermore, these charges may decrease the capital of the combined company that could be used for profitable, income-earning investments in the future.

Any future acquisitions may result in unforeseen difficulties, including integration of the combined companies, which could require significant time and attention from our management that would otherwise be directed at developing our existing business and expenses may be higher than initially projected. In addition, we could discover undisclosed liabilities resulting from any acquisitions for which we may become responsible. Further, benefits such as enhanced earnings that we anticipate from these acquisitions may not develop and future results of the combined companies may be materially lower from those estimated.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

WesBanco s subsidiaries generally own their respective offices, related facilities and any unimproved real property held for future expansion. At December 31, 2008, WesBanco operated 109 banking offices in West Virginia, Ohio and Western Pennsylvania, and one loan production office, of which 83 were owned and 27 were leased under long-term operating leases. These leases expire at various dates through October 2027 and generally include options to renew.

The main office of the WesBanco is located at 1 Bank Plaza, Wheeling, West Virginia, in a building owned by Wesbanco Bank. The building contains approximately 100,000 square feet and serves as the main office for both WesBanco s community banking segment and its trust and investment services segment. The Bank s back office operations currently occupy approximately two thirds of the space available in an office building adjacent to the main office, which is owned by WesBanco Properties, Inc., a subsidiary of WesBanco, with the remainder of the building leased to unrelated businesses.

At various building locations, WesBanco rents or looks to provide commercial office space to unrelated businesses. Rental income totaled $0.6 million for 2008 compared to $0.5 million for 2007. For additional disclosures related to WesBanco s properties, other fixed assets and leases, please refer to Note 7, Premises and Equipment in the Consolidated Financial Statements.

ITEM 3. LEGAL PROCEEDINGS

WesBanco is involved in lawsuits, claims, investigations and proceedings which arise in the ordinary course of business. There are no such matters pending that WesBanco expects to be material in relation to its business, financial condition or results of operations.

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

None.

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PART II

ITEM 5. MARKET FOR THE REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

WesBanco s common stock is quoted on the NASDAQ Global Stock Market under the symbol WSBC. The approximate number of holders of WesBanco s $2.0833 par value common stock as of December 31, 2008 was 5,420, not including shares held in nominee positions. The number of holders does not include WesBanco employees who have had stock allocated to them through WesBanco s KSOP. All WesBanco employees who meet the eligibility requirements of the KSOP are included in the Plan.

The table below presents for each quarter in 2008 and 2007, the high and low sales price per share as reported by NASDAQ and cash dividends declared per share.

	2008			2007		
	High	**Low**	**Dividend Declared**	**High**	**Low**	**Dividend Declared**
Fourth quarter	**$ 28.90**	**$ 17.32**	**$ 0.280**	$ 26.43	$ 20.01	$ 0.275
Third quarter	**35.10**	**14.28**	**0.280**	30.91	21.03	0.275
Second quarter	**26.63**	**17.06**	**0.280**	31.97	29.07	0.275
First quarter	**27.74**	**17.51**	**0.280**	34.25	29.84	0.275

On December 5, 2008, WesBanco, Inc. issued 75,000 shares of Series A Preferred Stock and a warrant to purchase 439,282 shares of the Company s common stock, par value $2.0833 per share, to the Treasury under TARP for an aggregate purchase price of $75,000,000 in cash. The Series A Preferred Stock pays cumulative dividends at a rate of 5% per annum for the first five years, and 9% per annum thereafter.

Upon issuance of the Series A Preferred Stock on December 5, 2008, the ability of the Company to declare or pay dividends or distributions on, or purchase, redeem or otherwise acquire for consideration, shares of common stock will be subject to restrictions, including the Company s restriction against increasing dividends from the last quarterly cash dividend per share of $0.28 declared on the Common Stock prior to October 14, 2008. The redemption, purchase or other acquisition of trust preferred securities of the Company or its affiliates also will be restricted. These restrictions will terminate on the earlier of (a) the third anniversary of the date of issuance of the Series A Preferred Stock and (b) the date on which the Series A Preferred Stock has been redeemed in whole or Treasury has transferred all of the Series A Preferred Stock to third parties. In addition, the ability of the Company to declare or pay dividends or distributions on, or repurchase, redeem or otherwise acquire for consideration, shares of its common stock will be subject to restrictions in the event that the Company fails to declare and pay full dividends (or declare and set aside a sum sufficient for payment thereof) on its Series A Preferred Stock.

For additional disclosure relating to WesBanco s participation in the TARP CPP, please refer to Item 1. Business-Troubled Asset Relief Program and Note 3, Troubled Asset Relief Program Capital Purchase Program of this Annual Report on Form 10-K.

WesBanco, Inc. has nine capital trusts, which are all wholly-owned trust subsidiaries of WesBanco formed for the purpose of issuing Pooled Trust Preferred Securities (Trust Preferred Securities) and lending the proceeds to WesBanco. The debentures and trust preferred securities issued by the trusts provide that WesBanco has the right to elect to defer the payment of interest on the debentures and trust preferred securities for up to an aggregate of 20 quarterly periods. However, if WesBanco should defer the payment of interest or default on the payment of interest, it may not declare or pay any dividends on its common stock during any such period.

For additional disclosure relating to WesBanco s Trust Preferred Securities, please refer to Note 13, Junior Subordinated Debt Owed to Unconsolidated Subsidiary Trusts in the Consolidated Financial Statements.

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Information regarding WesBanco s compensation plans under which WesBanco s equity securities are authorized for issuance as of December 31, 2008 is included under Item 12 of this Annual Report on Form 10-K.

As of December 31, 2008, WesBanco had an active plan to repurchase one million shares of stock, with the plan having been approved by the Board of Directors on March 21, 2007. The shares are purchased for general corporate purposes, which may include potential acquisitions, shareholder dividend reinvestment and employee benefit plans. The timing, price and quantity of purchases are at the discretion of WesBanco, and the plan may be discontinued or suspended at any time. Under the terms of the TARP CPP, no shares may be repurchased by the Company except in limited circumstances related to benefit plan issuances.

The following table shows the activity in WesBanco s stock repurchase plan for the quarter ended December 31, 2008:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares that May Yet Be Purchased Under the Plans
Balance at September 30, 2008				584,325
October 1, 2008 to October 31, 2008				
Open market repurchases		$		584,325
Other transactions (1)	30,402	26.40	N/A	N/A
November 1, 2008 to November 30, 2008				
Open market repurchases				584,325
Other transactions (1)	4,995	25.11	N/A	N/A
December 1, 2008 to December 31, 2008				
Open market repurchases				584,325
Other transactions (1)	8,591	24.52	N/A	N/A
Fourth Quarter 2008				
Open market repurchases				584,325
Other transactions (1)	43,988	25.89	N/A	N/A
Total	43,988	$ 25.89		584,325

(1) Consists of open market purchases transacted in the KSOP and dividend reinvestment plans.
N/A Not applicable

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The following graph shows a comparison of cumulative total shareholder returns for WesBanco, the Russell 2000 Index and the Russell 2000 Financial Services Index. The total shareholder return assumes a $100 investment in the common stock of WesBanco and each index since December 31, 2003 with reinvestment of dividends.

	December 31,					
Index	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
WesBanco, Inc.	100.00	119.56	117.79	134.46	86.10	119.32
Russell 2000	100.00	118.33	123.72	146.44	144.15	95.44
Russell 2000 Financial Services Index	100.00	121.10	123.76	147.83	122.96	91.75

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ITEM 6. SELECTED FINANCIAL DATA

The following consolidated selected financial data is derived from WesBanco s audited financial statements as of and for the five years ended December 31, 2008. The following consolidated financial data should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and the Consolidated Financial Statements and related notes included elsewhere in this report. All of WesBanco s acquisitions during the five years ended December 31, 2008 are included in results of operations since their respective dates of acquisition.

	For the years ended December 31,				
(dollars in thousands, except per share amounts)	**2008**	**2007**	**2006**	**2005**	**2004**
PER SHARE INFORMATION					
Dividends	**$ 1.12**	$ 1.10	$ 1.06	$ 1.04	$ 1.00
Book value at year end	**24.82**	21.86	19.39	18.91	17.77
Average common shares outstanding basic	**26,551,467**	21,359,935	21,762,567	22,474,645	20,028,248
Average common shares outstanding diluted	**26,563,320**	21,392,010	21,816,573	22,528,262	20,083,718
SELECTED BALANCE SHEET INFORMATION					
Total securities	**$ 935,588**	$ 937,084	$ 736,707	$ 992,564	$ 1,133,100
Loans held for sale	**3,874**	39,717	3,170	28,803	3,169
Net portfolio loans	**3,554,506**	3,682,006	2,876,234	2,881,120	2,455,880
Total assets	**5,222,041**	5,384,326	4,098,143	4,422,115	4,011,399
Total deposits	**3,503,916**	3,907,930	2,995,547	3,028,324	2,725,934
Total FHLB and other borrowings	**894,695**	735,313	561,468	856,994	799,924
Junior subordinated debt and trust preferred securities	**111,110**	111,024	87,638	87,638	72,174
Total shareholders equity	**659,371**	580,319	416,875	415,230	370,181
SELECTED RATIOS					
Return on average assets	**0.72%**	1.09%	0.94%	0.95%	1.07%
Return on average equity	**6.37%**	10.63%	9.35%	10.13%	11.37%
Return on average common equity	**6.43%**	10.63%	9.35%	10.13%	11.37%
Allowance for loan losses to total loans	**1.38%**	1.03%	1.10%	1.05%	1.18%
Allowance for loan losses to total non-performing loans	**1.37x**	1.94x	1.98x	3.12x	3.60x
Non-performing assets to total assets	**0.74%**	0.44%	0.49%	0.27%	0.26%
Net loan charge-offs to average loans	**0.58%**	0.28%	0.23%	0.29%	0.31%
Shareholders equity to total assets	**12.63%**	10.78%	10.17%	9.39%	9.23%
Tangible equity to tangible assets	**7.90%**	5.94%	6.87%	6.26%	7.29%
Tangible common equity to tangible assets	**6.44%**	5.94%	6.87%	6.26%	7.29%
Tier 1 leverage ratio	**10.27%**	9.90%	9.27%	8.46%	9.34%
Tier 1 capital to risk-weighted assets	**13.21%**	10.43%	12.35%	11.94%	13.43%
Total capital to risk-weighted assets	**14.46%**	11.41%	13.44%	12.97%	14.54%
Dividend payout ratio	**78.87%**	52.63%	59.22%	54.74%	52.63%
Trust Assets at market value	**$ 2,400,211**	$ 3,084,145	$ 2,976,621	$ 2,599,463	$ 2,664,795

	For the years ended December 31,				
(dollars in thousands, except per share amounts)	**2008**	**2007**	**2006**	**2005**	**2004**
SUMMARY STATEMENTS OF INCOME					
Interest income	**$ 281,766**	$ 236,393	$ 227,269	$ 224,745	$ 169,436
Interest expense	**121,229**	117,080	104,436	92,434	60,212
Net interest income	**160,537**	119,313	122,833	132,311	109,224
Provision for loan losses	**32,649**	8,516	8,739	8,045	7,735
Net interest income after provision for loan losses	**127,888**	110,797	114,094	124,266	101,489
Non-interest income	**57,346**	52,939	40,408	39,133	35,541
Non-interest expense	**142,624**	111,046	106,204	108,920	89,872
Income before income taxes	**42,610**	52,690	48,298	54,479	47,158
Provision for income taxes	**4,493**	8,021	9,263	11,722	8,976
Net income	**$ 38,117**	$ 44,669	$ 39,035	$ 42,757	$ 38,182
Preferred dividends	**293**				

Net income available to common shareholders	**$**	**37,824**	$	44,669	$	39,035	$	42,757	$	38,182
Earnings per common share basic	**$**	**1.42**	$	2.09	$	1.79	$	1.90	$	1.91
Earnings per common share diluted	**$**	**1.42**	$	2.09	$	1.79	$	1.90	$	1.90

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The following tables set forth unaudited consolidated selected quarterly statements of income for the years ended December 31, 2008 and 2007.

CONDENSED QUARTERLY STATEMENTS OF INCOME

	2008 Quarter ended				
(dollars in thousands, except per share amounts)	March 31,[1]	June 30,	September 30,	December 31,	Annual Total
Interest income	**$ 74,781**	**$ 70,588**	**$ 68,675**	**$ 67,722**	**$ 281,766**
Interest expense	**36,037**	**29,929**	**28,388**	**26,875**	**121,229**
Net interest income	**38,744**	**40,659**	**40,287**	**40,847**	**160,537**
Provision for loan losses	**5,425**	**5,723**	**6,457**	**15,044**	**32,649**
Net interest income after provision for loan losses	**33,319**	**34,936**	**33,830**	**25,803**	**127,888**
Non-interest income	**14,589**	**14,391**	**14,694**	**12,116**	**55,790**
Net securities gains	**506**	**400**	**276**	**374**	**1,556**
Non-interest expense	**36,660**	**36,070**	**36,165**	**33,729**	**142,624**
Income before income taxes	**11,754**	**13,657**	**12,635**	**4,564**	**42,610**
Provision for income taxes	**2,251**	**2,373**	**1,126**	**(1,257)**	**4,493**
Net income	**$ 9,503**	**$ 11,284**	**$ 11,509**	**$ 5,821**	**$ 38,117**
Preferred dividends				**293**	**293**
Net income available to common shareholders	**$ 9,503**	**$ 11,284**	**$ 11,509**	**$ 5,528**	**$ 37,824**
Earnings per common share basic	**$ 0.36**	**$ 0.42**	**$ 0.43**	**$ 0.21**	**$ 1.42**
Earnings per common share diluted	**$ 0.36**	**$ 0.42**	**$ 0.43**	**$ 0.21**	**$ 1.42**

(1) Certain interest income, interest expense, non-interest income and non-interest expense balances were reclassified from those appearing in the previously filed 10-Q. The reclassifications had no effect on net income.

	2007 Quarter ended				
(dollars in thousands, except per share amounts)	March 31,	June 30,	September 30,	December 31,	Annual Total
Interest income	$ 57,193	$ 57,812	$ 57,460	$ 63,928	$ 236,393
Interest expense	27,200	28,626	29,100	32,154	117,080
Net interest income	29,993	29,186	28,360	31,774	119,313
Provision for loan losses	1,460	1,776	1,448	3,832	8,516
Net interest income after provision for loan losses	28,533	27,410	26,912	27,942	110,797
Non-interest income	12,558	13,413	12,387	13,638	51,996
Net securities gains	678	39	22	204	943
Non-interest expense	26,385	26,972	27,656	30,033	111,046
Income before income taxes	15,384	13,890	11,665	11,751	52,690
Provision for income taxes	3,437	1,595	1,902	1,087	8,021

Net income	$ 11,947	$ 12,295	$ 9,763	$ 10,664	$ 44,669
Earnings per common share basic	$ 0.56	$ 0.59	$ 0.47	$ 0.47	$ 2.09
Earnings per common share diluted	$ 0.56	$ 0.59	$ 0.47	$ 0.47	$ 2.09

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ITEM 7. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Management s Discussion and Analysis represents an overview of the results of operations and financial condition of WesBanco, Inc. This discussion and analysis should be read in conjunction with the Consolidated Financial Statements and Notes thereto.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in this report relating to WesBanco s plans, strategies, objectives, expectations, intentions and adequacy of resources, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The information contained in this report should be read in conjunction with WesBanco s Form 10-Qs for the prior quarters ended September 30, 2008, June 30, 2008, and March 31, 2008 filed with the Securities and Exchange Commission (SEC), which is available at the SEC s website www.sec.gov or at WesBanco s website, www.wesbanco.com. Investors are cautioned that forward-looking statements, which are not historical fact, involve risks and uncertainties, including those detailed under Risk Factors in Part I, Item 1A of this Annual Report on Form 10-K. Such statements are subject to important factors that could cause actual results to differ materially from those contemplated by such statements, including without limitation, the effects of changing regional and national economic conditions; changes in interest rates, spreads on earning assets and interest-bearing liabilities, and associated interest rate sensitivity; sources of liquidity available to WesBanco and its related subsidiary operations; potential future credit losses and the credit risk of commercial, real estate, and consumer loan customers and their borrowing activities; actions of the Federal Reserve Board, Federal Deposit Insurance Corporation, the SEC, the Financial Institution Regulatory Authority and other regulatory bodies; potential legislative and federal and state regulatory actions and reform; adverse decisions of federal and state courts; fraud, scams and schemes of third parties; internet hacking; competitive conditions in the financial services industry; rapidly changing technology affecting financial services and/or other external developments materially impacting WesBanco s operational and financial performance. WesBanco does not assume any duty to update forward-looking statements.

APPLICATION OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES

WesBanco s Consolidated Financial Statements are prepared in accordance with GAAP and follow general practices within the industries in which it operates. Application of these principles requires management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements and accompanying notes. These estimates, assumptions and judgments are based on information available as of the date of the financial statements; accordingly, as this information changes, the financial statements could reflect different estimates, assumptions and judgments. Certain policies inherently have a greater reliance on the use of estimates, assumptions and judgments and as such have a greater possibility of producing results that could be materially different than originally reported.

The most significant accounting policies followed by WesBanco are included in Note 1, Summary of Significant Accounting Policies, of the Consolidated Financial Statements. These policies, along with other Notes to the Consolidated Financial Statements and this Management s Discussion and Analysis (MD&A), provide information on how significant assets and liabilities are valued in the financial statements and how those values are determined. Based on the valuation techniques used and the sensitivity of financial statement amounts to the methods, assumptions, and estimates underlying those amounts, management has identified securities valuation, the allowance for loan losses and the evaluation of goodwill and other intangible assets for impairment to be the accounting estimates that require the most subjective or complex judgments, and as such could be most subject to revision as new information becomes available.

Allowance for Loan Losses and Other Credit Valuation Adjustments The allowance for loan losses represents management s estimate of probable losses inherent in the loan portfolio. Determining the amount of the allowance is considered a critical accounting estimate because it requires significant judgment about the collectability of loans and the factors that deserve consideration in estimating probable credit losses. The allowance is increased by a provision charged to operating expense and reduced by charge-offs, net of recoveries.

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The liability for loss on loan commitments represents management s estimate of probable losses associated with future advances against loan commitments.

Management evaluates the allowance for loan losses and the liability for loss on loan commitments at least quarterly. This evaluation is inherently subjective, as it requires material estimates based on quantitative and qualitative factors that may be susceptible to significant change. The evaluation includes an assessment of actual loss experience within each category of loans and testing of certain individual loans for impairment. The evaluation also considers the impact of economic trends and conditions in specific industries and geographical markets, which includes levels of unemployment, bankruptcy filings, and other pertinent information; an analysis of industry, property type, geographic or other loan concentrations; and regulatory guidance pertaining to the allowance for loan losses.

There are two primary components of the allowance for loan losses. Specific reserves are established for individual commercial and commercial real estate loans over a predetermined amount that are deemed impaired pursuant to Statement of Financial Accounting Standards (SFAS) No. 114, Accounting by Creditors for Impairment of a Loan. The determination of specific reserves takes into consideration anticipated future cash flows from the borrower to repay the loan, the observable market price for the loan, if any, or the estimated realizable value of the collateral, if any. General reserves are established pursuant to SFAS No. 5, Accounting for Contingencies, for loans in each category that are not impaired. General reserves are based on historical loss rates with appropriate adjustments to reflect changing economic conditions, delinquency and non-performing loan trends, and other relevant factors. General reserves for commercial and commercial real estate loans are also supported by a migration analysis, which computes historical loss experience sustained on those loans within each internal risk grade.

Management relies on observable data from internal and external sources to evaluate each of the factors that are considered in the evaluation of the allowance, management may adjust assumptions to recognize changing conditions, and reduce differences between estimated and actual observed losses from period to period. The evaluation of the allowance also takes into consideration the inherent imprecision of loss estimation models and techniques and includes general reserves for probable but undetected losses in each category of loans. While WesBanco continually refines and enhances the loss estimation models and techniques it uses to determine the appropriateness of the allowance for loan losses, there have been no material substantive changes to such models and techniques compared to prior periods. The variability of management s estimates and assumptions could alter the level of the allowance for loan losses and may have a material impact on WesBanco s future financial condition and results of operations. While management allocates the allowance to different loan categories, the allowance is general in nature and is available to absorb credit losses for the entire loan portfolio as well as deposit overdrafts.

Determination of the liability for loss on loan commitments uses methodology and factors similar to that for the allowance for loan losses.

In addition to the allowance for loan losses and the liability for loss on loan commitments, American Institute of Certified Public Accountants (AICPA) Statement of Position 03-3 (SOP 03-3) requires the recording of a credit valuation adjustment against purchased loans for which there is, at acquisition, evidence of deterioration of credit quality since origination and for which it is probable, at acquisition, that all contractually required payments would not be collected. The credit valuation adjustment required by SOP 03-3 represents a permanent reduction in the carrying value of loans and is not included as part of the allowance for loan losses. The method used to determine the amount of the credit valuation adjustment for purchased loans that meet the criteria for application of SOP 03-3 is similar to that used to determine the specific reserves pursuant to SFAS No. 114.

Please see the Allowance for Loan Losses and Other Credit Valuation Adjustments section of this MD&A for more information.

Securities Valuation WesBanco conducts a review each quarter for all securities which have possible indications of impairment. WesBanco reviews the results of the above testing for any security which might be considered to be for an other-than-temporary-impairment write-down. In estimating other-than-temporary impairment losses, WesBanco also considers the financial condition and near-term prospects of the issuer, evaluating any credit downgrades or other indicators of a potential credit problem, the receipt of principal and interest according to the contractual terms and the intent and ability of WesBanco to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Any securities that are deemed to be other-than-temporarily impaired are reflected in current earnings as realized losses, with appropriate adjustment for the portion previously accounted for as an unrealized loss in other comprehensive income.

Goodwill and Other Intangible Assets In accordance with the provisions of SFAS No. 141, Business Combinations, WesBanco accounts for business combinations using the purchase method of accounting. Accordingly, the cost of an acquired business is allocated to each of the individual assets, including separable intangible assets, and liabilities of the business based on their relative fair values at the date of the acquisition, with the excess cost, if any, allocated to goodwill. The difference between the original basis in the asset or liability and the fair market value adjusted basis is amortized or accreted into income over the life of the related asset or liability. At December 31, 2008, the carrying value of goodwill and other intangible assets was approximately $254.2 million and $13.7 million, respectively, which represents approximately 38.6% and 2.1% of total shareholders equity, respectively. As WesBanco continues to acquire additional businesses, goodwill and other intangible assets subject to amortization and/or impairment testing may comprise an even larger percentage of total shareholders equity and in turn, increase the risk that its financial position or results of operations could be adversely impacted as discussed below. SFAS No. 141(R) amends SFAS No. 141 and is effective for business combinations consummated by WesBanco after December 31, 2008 and will be applied prospectively. For future transactions, among other changes, SFAS 141(R) will eliminate the inclusion of acquisition expenses in goodwill and move the measurement date for equity consideration to the closing date of the transaction.

In accordance with the provisions of SFAS No. 142, Goodwill and Other Intangible Assets, goodwill and intangible assets with indefinite useful lives are not amortized. Intangible assets with finite useful lives, consisting primarily of core deposit intangibles, are amortized using straight-line and accelerated methods over their estimated weighted-average useful lives, ranging from ten to sixteen years.

The carrying value of goodwill is tested annually for impairment in the fourth quarter or more frequently if indicators of impairment are present. The evaluation for impairment involves comparing the estimated current fair value of each reporting unit to its carrying value, including goodwill. If the estimated current fair value of a reporting unit exceeds its carrying value, no additional testing is required and an impairment loss is not recorded. Otherwise, additional testing is performed and to the extent such additional testing results in a conclusion that the carrying value of goodwill exceeds its implied fair value or an intangible asset exceeds its fair value, an impairment loss is recognized. WesBanco uses market capitalization and multiples of tangible book value methods to determine the estimated current fair value of its reporting units. The recent negative trends in economic growth and challenges specific to the banking industry have depressed WesBanco s stock market price, and transaction multiples on tangible book value, particularly since December 31, 2008. Although WesBanco s stock price at the close of 2008 was approximately 10% higher then its net book value, continued weakness in WesBanco s stock price in 2009 could indicate the need for testing for impairment prior to the fourth quarter of 2009, and the use of additional valuation analysis models to measure the fair value of reporting units, including discounted cash flow models.

Intangible assets with finite useful lives (primarily core deposit intangibles) are evaluated for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of an intangible asset with a finite useful life is not recoverable from its undiscounted cash flows and is measured as the difference between the carrying amount and the fair value of the asset.

In the event WesBanco determined that either its goodwill or finite lived intangible assets were impaired, recognition of an impairment charge could have a significant adverse impact on its financial position or results of operations in the period in which the impairment occurred. Please refer to Note 1, Summary of Significant Accounting Policies and Note 8, Goodwill and Other Intangible Assets of the Consolidated Financial Statements for additional information on goodwill and core deposit intangibles.

EXECUTIVE OVERVIEW

WesBanco, and the banking industry in general, experienced a significantly challenging environment during 2008 related to tight credit markets, continued competition for loans and deposits, and increased loan losses due to economic recession resulting in rising unemployment and depressed housing prices. Interest rates declined throughout the year, which, combined with WesBanco s liability sensitive balance sheet, improved the net interest margin by 24 basis points. This margin increase, and the increased earning assets from the 2007 acquisition of Oak Hill, increased net interest income by 34.6%. The margin improvement resulted from interest expense rates declining faster then the decrease in the rates earned on assets. This benefit was enhanced by a strategy of not meeting competition for deposits for some deposit types, and replacing deposit funding with FHLB borrowings whose average rates in 2008 were similar to or lower than the average rates on CDs. Approximately 47% of the decrease in deposits was replaced with increased FHLB borrowings. In addition, the provision for loan losses in 2008 increased by $24.1 million as compared to 2007, but $11.3 million of the provision served to increase the allowance for loan losses, which increased 29.2%. The increase in the reserve was due to general economic conditions, particularly in the Ohio markets, higher net charge offs, loan delinquencies and non-performing loans.

Throughout 2008, WesBanco integrated the operations and systems of Oak Hill, which was acquired on November 30, 2007 and resulted in an increase in assets of approximately 32%. In the first quarter, as a result of the planned review of the Oak Hill franchise to best position WesBanco to fulfill its commitment to our customers, employees and communities; WesBanco announced the sale of five acquired Oak Hill branches to two Ohio based community banks with the transactions completed in April 2008. Additionally, in April Oak Hill Banks charter and systems were merged into WesBanco Bank. As a result of these and other integration efforts, total non-interest expense decreased by 8.0% since the first quarter of 2008, the first full quarter of combined operations. Integration of Oak Hill and the ongoing branch optimization process also reduced full time equivalent employees by 6.4% from the date of acquisition to 2008 year end. Most of the anticipated integration cost reductions have been achieved.

The Bank continued its strategy in 2008 of selling most new residential mortgages to the secondary market. Residential real estate loans decreased by $118.2 million, while, despite the economic conditions and depressed loan demand, all other portfolio loan categories in total were nearly unchanged with an increase of $1.9 million. These stable loan levels were achieved while maintaining underwriting standards and credit quality, and a consistent focus on obtaining appropriate interest rates on new loans. Commercial, commercial real estate and home equity loan balances all increased in 2008 from December 31, 2007 while consumer loans declined due to low demand levels. Portfolio loans increased $6.4 million in the 2008 fourth quarter as compared to September 30, 2008, primarily through some improvement in lending opportunities in the commercial category and fewer prepayments of commercial real estate loans.

On December 5, 2008, WesBanco consummated its issuance of preferred stock and common stock warrant to the United States Treasury under the TARP CPP. The voluntary program for healthy financial institutions was created by the Treasury and signed into law in October in order to increase the flow of financing available for businesses and consumers through banks in support of the national economy, as well as shore up bank capital positions in the face of a difficult economic environment. WesBanco was encouraged to participate in the program by its primary regulator. The program provides new capital at a reasonable cost, which qualifies as capital for regulatory purposes, adds flexibility in dealing with a deepening recessionary cycle and gives WesBanco additional options in acquiring other financial institutions. On December 5, 2008, WesBanco issued to

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the U.S. Treasury preferred stock in the aggregate amount of $75 million and a warrant to purchase 439,282 shares of the Company s common stock in accordance with the terms of the CPP. WesBanco used the proceeds to purchase government guaranteed mortgage-backed securities, implement a mortgage foreclosure modification policy, reduce long term debt and increase lending to small businesses. Under the terms of the CPP, while the investment remains outstanding, no shares, other than for certain benefit plans, may be repurchased and no dividend increases are permitted without approval from the Treasury.

Review and improvement of the WesBanco branch network continued in 2008 with the start of construction of a new banking office in the Suncrest Towne Centre in Morgantown. In addition, on January 23, 2009 WesBanco announced a definitive agreement with AmTrust Bank (AmTrust) to purchase all of AmTrust s Columbus, Ohio branches. As part of the agreement, WesBanco will assume all of the deposit liabilities and buy the related fixed assets of the five AmTrust branches in the greater Columbus market with the transaction to be completed in April 2009, subject to regulatory approval. WesBanco will not acquire any loans as part of the transaction, except those tied to certain deposit accounts. Pursuant to the agreement, WesBanco will pay a deposit premium of approximately $20.9 million, or a 3.5% premium on approximately $600 million of deposits.

The Federal Deposit Insurance Corporation (the FDIC) announced on February 27, 2009 a proposed interim rule that would significantly increase the premiums charged for FDIC deposit insurance protection in addition to a one-time emergency special assessment of 20 basis points on all banks to restore the Deposit Insurance Fund to an acceptable level. If approved, the special assessment would be effective June 30, 2009. Included in the interim rule, the FDIC board has approved the FDIC to implement an additional 10 basis-point premium in any quarter. As a result of the recently proposed FDIC regulations, the Bank, including Amtrust deposits of approximately $600 million, would be required to pay estimated annualized deposit insurance premiums of between 12 and 16 cents per $100 of assessable deposits. The impact on the Bank s operating expenses for 2009 is approximately $14 to $15 million, of which approximately **$8.3** million represents the 20 cent special assessment. The portion of the total assessment related to AmTrust s deposits for the year would approximate $1.8 to $1.9 million. In early March, the FDIC noted it would consider reducing the special one-time assessment to 10 cents if the U.S. Congress were to approve an increase in its operating line of credit.

RESULTS OF OPERATIONS

EARNINGS SUMMARY

Net income available to common shareholders for 2008 was $37.8 million while diluted earnings per common share were $1.42, as compared to $44.7 million or $2.09 per common share for 2007. Earnings per common share for 2008 included the full effect of the issuance of additional shares of stock for the purchase of Oak Hill on November 30, 2007 and the accrual for the preferred stock dividend in December 2008. Net interest income increased 34.6% in 2008 due to higher earning assets and a 24 basis point improvement in the net interest margin; however, the provision for credit losses increased $24.1 million. The provision exceeded net charge offs, therefore the allowance for loan losses increased $11.3 million to $49.8 million at December 31, 2008, or 1.38% of total loans. The margin improvements were due primarily to a decline in the cost of funds greater than earning asset yields as market rates dropped throughout the year, while the increase in the provision for credit losses was primarily due to general economic conditions, particularly in our Ohio markets, resulting in higher loan delinquencies, non-performing loans and net charge-offs. Non-interest income and non-interest expense increased in 2008, primarily due to the Oak Hill acquisition; however throughout 2008, WesBanco has been integrating the operations and systems of Oak Hill. As a result, total non-interest expense in the fourth quarter of 2008 decreased 8.0% since the first quarter of 2008, the first full quarter of combined operations. Non-interest expense in 2008 also included $3.9 million in restructuring and merger related expense. The provision for income taxes decreased in 2008 as compared to 2007 by 44.0% to $4.5 million. Net income available to common shareholders in 2008 represents net income reduced by $293 thousand for the accrual of the dividend on the preferred share issued to the Treasury on December 5 under the TARP program.

Net interest income for 2008 increased $41.2 million due to the increase in the net interest margin to 3.68% from 3.44% in 2007 and a 24.0% increase in average earning assets due to the acquisition of Oak Hill. The increase in the net interest margin resulted from a 64 basis point decline in the cost of interest bearing liabilities.

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This decrease in interest expense was due to the effect on WesBanco s liability sensitive balance sheet of generally declining interest rates over the past eighteen months. Costing liability rates declined faster throughout the year than declines in rates on earning assets, primarily loans. Management utilized reasonably priced FHLB borrowings to avoid costs related to continued significant market competition for deposits, which increased the benefit to net interest income of the decreasing market interest rates. The margin has also benefited from higher average non-interest bearing deposit balances, as a percentage of total deposits.

Results were positively impacted by a reduction in the provision for income taxes due to a $10.1 million decrease in pre-tax income and a lower effective tax rate in 2008 of 10.5% as compared to 15.2% in 2007. The lower effective rate was due to a higher percentage of tax-exempt income to total income and the benefit of certain tax credits including those obtained through the Oak Hill acquisition.

TABLE 1. NET INTEREST INCOME

	For the years ended December 31,		
(dollars in thousands)	**2008**	**2007**	**2006**
Net interest income	**$ 160,537**	$ 119,313	$ 122,833
Taxable-equivalent adjustments to net interest income	**7,822**	7,830	8,652
Net interest income, fully taxable-equivalent	**$ 168,359**	$ 127,143	$ 131,485
Net interest spread, non-taxable-equivalent	**3.19%**	2.79%	2.90%
Benefit of net non-interest bearing liabilities	**0.32%**	0.44%	0.36%
Net interest margin	**3.51%**	3.23%	3.26%
Taxable-equivalent adjustment	**0.17%**	0.21%	0.23%
Net interest margin, fully taxable-equivalent	**3.68%**	3.44%	3.49%

Net interest income, which is WesBanco s largest source of revenue, is the difference between interest income on earning assets, primarily loans and securities, and interest expense on liabilities (deposits and short and long-term borrowings). Net interest income is affected by the general level and changes in interest rates, the steepness and shape of the yield curve, changes in the amount and composition of interest earning assets and interest bearing liabilities, as well as the frequency of repricing of those assets and liabilities. Net interest income increased $41.2 million or 34.6% in 2008 compared to 2007 due to a 24 basis point increase in the net interest margin to 3.68% from 3.44% in 2007, and an increase in average earning assets of 24.0% due to the acquisition of Oak Hill. The cost of funds throughout the year decreased at a faster pace then earning asset yields primarily due to a liability sensitive balance sheet in a falling rate environment which resulted in the improved margins in 2008. The margin has also benefited from higher average non-interest bearing deposit balances as a percentage of total deposits.

Interest income increased by 19.2% in 2008 due to the increases in weighted average balances of earning assets from Oak Hill, net of planned runoff in WesBanco Bank s residential mortgage loan portfolio, as over the last two years, these loans originated have been mostly sold into the secondary market rather than held in the loan portfolio. The average rate earned on total interest-earning assets declined 29 basis points in 2008 to 6.32% as compared with 6.61% in the prior year. This decrease was due to a 36 basis point decrease on loans as declining market interest rates throughout 2008 reduced rates on new and repriced loans, partially offset by a 18 basis point increase in rates earned on total investment securities.

Average loan balances increased $742.8 million or 25.6% for 2008 compared to the prior year due to the Oak Hill acquisition, net of the effect of planned reductions in residential real estate loans. At year end 2008 as compared to December 31, 2007, residential real estate loans decreased $118.2 million or 12.1% while increases in commercial and industrial and commercial real estate loans were limited by reduced demand and a weak housing market. Lower demand for indirect automobile and recreational vehicle loans resulted in a $44.0 million decrease in consumer loans. Home equity loans increased $24.2 million due to successful marketing campaigns.

Interest expense increased $4.1 million or 3.5% for 2008 as compared to 2007 due to a 25.9% increase in average interest bearing liabilities, mostly offset by significant reductions in rates paid on nearly all interest bearing liability types. The increase in average interest bearing liabilities was due primarily to the acquisition of Oak Hill. The interest rate paid on all interest bearing liabilities decreased 64 basis point to 2.96% in 2008 from 3.60% in 2007. Management aggressively reduced certain interest rates on maturing CDs and MMDAs in order to realize a lower cost of funds during a period of reduced loan demand, while focusing its marketing efforts on non-interest bearing demand deposits. In addition, beginning in the first quarter of 2008, management decided to utilize term and certain structured FHLB borrowings to a greater degree to reduce liability sensitivity and replace higher costing certificates of deposit, and in the case of structured borrowings, permitting generally lower initial interest rates. (See Market Risk in Item 7A. Quantitative and Qualitative Disclosures about Market Risk.)

As a result of this strategy, substantial improvements in net interest earnings were achieved while reductions in deposit levels during 2008 minimized the effect of continuing competitive pressure on deposit rates. Decreases in deposits were funded with reasonably priced FHLB borrowings, although deposit levels stabilized by the fourth quarter as a result of certain marketing campaigns, a reduction in certain high-rate competitor offerings as market rates continued to drop, and a slowing of the normal, initial runoff in customer accounts from the Oak Hill Bank acquisition and subsequent conversion. Throughout 2008, borrowing was aligned with loan and deposit levels which provided a stable environment for managing the investment portfolio with minimal turnover.

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TABLE 2. AVERAGE BALANCE SHEETS AND NET INTEREST MARGIN ANALYSIS

	For the years ended December 31,								
	2008			2007			2006		
(dollars in thousands)	**Average Balance**	**Interest**	**Average Rate**	**Average Balance**	**Interest**	**Average Rate**	**Average Balance**	**Interest**	**Average Rate**
ASSETS									
Due from banks-interest bearing	**$ 35,702**	**$ 968**	**2.71%**	$ 1,749	$ 45	2.57%	$ 2,130	$ 48	2.25%
Loans, net of unearned income (1)	**3,648,968**	**236,923**	**6.49%**	2,906,197	199,044	6.85%	2,919,480	190,081	6.51%
Securities: (2)									
Taxable	**522,523**	**28,128**	**5.38%**	414,792	20,713	4.99%	434,959	19,235	4.42%
Tax-exempt (3)	**328,755**	**22,348**	**6.80%**	334,332	22,372	6.69%	369,482	24,720	6.69%
Total securities	**851,278**	**50,476**	**5.93%**	749,124	43,085	5.75%	804,441	43,955	5.46%
Federal funds sold	**13,512**	**299**	**2.21%**	16,005	830	5.19%	5,296	272	5.14%
Other earning assets	**31,464**	**922**	**2.93%**	21,766	1,219	5.60%	30,927	1,565	5.06%
Total earning assets (3)	**4,580,924**	**289,588**	**6.32%**	3,694,841	244,223	6.61%	3,762,274	235,921	6.27%
Other assets	**643,518**			405,956					