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Financial Information



A Message from Richard J. Green, CEO and Vice Chairman

2009 was a very challenging year for Firsttrust, our industry and our country. However, for the 75th consecutive year of our existence, Firsttrust remained profitable. Thanks to our loyal customers and dedicated staff, we enter 2010 with stronger capital, increased loan loss reserves and are prepared to capitalize on what we see are extraordinary opportunities to continue to serve our community.

We finished 2009 with assets of \$2.35 Billion and increased our capital to \$255.5 Million, resulting in a Tier One Capital to Assets Ratio (the key indicator of financial strength) of 11.81%, well in excess of what banking regulators consider “well capitalized”.

We took the opportunity that was presented during this year to upgrade our Internet Banking platform for both our retail and business customers; we invested significant amounts in upgrading our branches and physical plant and continued our commitment of both money (more than \$1MM) and staff time to support not for profit community organizations.

Firsttrust’s Mission is to continue to cultivate prosperity for our customers and communities. As a privately owned and family managed bank, currently in its 3rd generation, we remain focused on what is best for our customers, employees and communities in the long term, rather than being distracted by short term results. Our founder, and my grandfather, Samuel A. Green, said that we at Firsttrust would strive to be the best bank that we could be and we would let our valued customers determine just how big we should be. These essential core beliefs and values remain as true today as when we started in the depths of the Great Depression of 1934. They continue to guide our behavior and decisions to this day.

As a result of our strong capital position, our sound credit culture, our private ownership, our talented staff and, most importantly, our loyal customers, we are well positioned to optimize future opportunities.

Much has been written about the financial crisis our industry and country have endured during the past 2 years. Importantly, we at Firsttrust did not participate in the excesses and high risk activities that contributed to the crisis. We did not need, nor seek, any capital from the Government under the TARP program or other Government rescue efforts. We did, however, contribute an additional \$4.5 MM in FDIC deposit insurance premiums to help pay for the cost of other failed banks. Even so, as I mentioned, our capital levels far exceed the regulatory requirements to be considered a “well capitalized” bank – and we intend to keep it that way.

As we enter 2010, we recognize that the economy is still quite volatile and full economic recovery may be unevenly paced and slow.

We at Firsttrust are excited about our ability to successfully serve our community by drawing upon our 75 year history of strength and stability. At Firsttrust, we have been Safe and Sound for over 75 years. We thank you for your business and continued confidence in us.

We look forward to continuing to help you, your family and your business grow and prosper over the coming year.

Sincerely,



Richard J. Green
CEO and Vice Chairman
Safe and Sound For Over 75 Years

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Balance Sheet

<i>(in thousands)</i>	December 31	
	2009	2008
ASSETS		
Cash and balances due from depository institutions	\$158,410	\$84,018
Securities	220,989	257,694
Federal funds sold and securities purchased under agreements to resell	96	1,072
Loans and leases, net of unearned income	\$1,959,111	\$2,237,797
LESS: Allowance for loan losses	54,747	44,389
NET LOANS AND LEASES	\$1,904,364	\$2,193,408
Other real estate owned	\$9,378	\$3,554
Fixed assets	12,017	13,226
Other assets	45,015	32,906
TOTAL ASSETS	\$2,350,269	\$2,585,878
LIABILITIES AND CAPITAL		
Deposits	\$1,968,880	\$2,118,552
Other borrowed money	79,500	169,509
Other liabilities	46,439	44,840
TOTAL LIABILITIES	\$2,094,819	\$2,332,901
CAPITAL		
Common stock	3,105	3,105
Surplus	117,157	117,157
Undivided profits and capital reserves	128,296	128,009
Net unrealized holding gains on AFS securities	6,892	4,706
TOTAL CAPITAL	255,450	252,977
TOTAL LIABILITIES AND CAPITAL	\$2,350,269	\$2,585,878

This disclosure statement has been provided by Firsttrust Bank. Firsttrust Bank believes the information contained herein to be accurate and reliable, but because of the possibility of human and mechanical error, its accuracy and completeness is not guaranteed. This statement has not been reviewed or confirmed for accuracy or relevance by the Pennsylvania Department of Banking or any other regulatory agency having jurisdiction over Firsttrust Bank. This statement has not been reviewed or confirmed for accuracy or relevance by the Federal Deposit Insurance Corporation or any other deposit insurer.

I do hereby attest that this Disclosure Statement has been prepared in conformance with the instructions issued by the appropriate federal regulatory authority and is true and correct to the best of my knowledge and belief.



Chief Financial Officer, Firsttrust Bank



Income Statement

<i>(in thousands)</i>	<i>December 31</i>	
	2009	2008
INTEREST INCOME		
Interest and fee income on loans:		
Loans secured by real estate	\$71,268	\$78,136
Other Loans	53,653	69,272
Interest income on investments and securities	13,404	13,815
TOTAL INTEREST INCOME	\$138,325	\$161,223
INTEREST EXPENSE		
Interest on deposits	\$31,278	\$46,397
Interest on borrowed money	3,546	9,048
TOTAL INTEREST EXPENSE	\$34,824	\$55,445
NET INTEREST INCOME	\$103,501	\$105,778
Provisions for loan and lease losses	\$45,524	\$27,962
NON-INTEREST INCOME		
Fees, service charges and other income	\$14,242	\$25,703
Gains (Losses) on sale of securities and loans	(85)	516
TOTAL NON-INTEREST INCOME	\$14,157	\$26,219
NON-INTEREST EXPENSE		
Operating expense	\$71,705	\$98,496
TOTAL NON-INTEREST EXPENSE	\$71,705	\$98,496
INCOME BEFORE INCOME TAXES	\$429	\$5,539
Applicable income taxes	142	(337)
INCOME BEFORE EXTRAORDINARY ITEMS	\$287	\$5,876
NET INCOME	\$287	\$5,876

Changes in Equity Capital

<i>(in thousands)</i>	2009	2008
Equity capital reported at end of previous period	\$252,977	\$267,173
Net Income	287	5,876
LESS: Dividends declared on common stock		2,000
Change in Net Unrealized Holding Gains	2,186	(18,072)
TOTAL EQUITY CAPITAL AT END OF CURRENT PERIOD	\$255,450	\$252,977