



2010

Financial Information



A Message from Richard J. Green, Vice Chairman and C.E.O.

In January of 2006, Firsttrust embarked on Vision 2010, our five-year financial plan which we completed in December of 2010. I challenged our organization with ambitious goals, to continue to fulfill our mission to cultivate prosperity for our customers and communities and to deliver outstanding returns. At that time, our goals did not seem unrealistic. Little did we realize that navigating the financial world would become so perilous.

These past three and a half years have been particularly challenging, with worldwide economic disruption, a great recession and tremendous uncertainty. However, we have withstood this test and are now positioned to take advantage of tremendous opportunities that will enable us, and our customers, to thrive and prosper.

I am pleased to report we completed 2010 with asset growth of approximately 2% to \$2.39 billion and capital of \$255.9 million. We continued to maintain our five star "Superior" rating, the highest rating available from the independent bank rating firm, BauerFinancial, Inc. We regained our earnings momentum, with net income of \$12.254 million. Additionally, we substantially improved our credit quality and reduced our charge-offs.


During the year, we invested in a new, more robust internet banking platform for our Business Banking customers, enhanced our fraud and cyber security measures and continued to add seasoned executives to our management team. We also maintained our commitment to our community, supporting children in need, education and our military.

As we enter our next five year Vision period, we do so with more capital, more reserves for losses, a strong balance sheet, improving earnings and a family owned and managed business with plans for future growth. All of this was achieved without receiving any governmental assistance, without selling any important assets and without the need for any outside capital. We have come through this most recent challenging period not because of actions we took last month or last year, but because we adhered to the basic principle of our Vision: A total commitment to serving our customers and ensuring that Firsttrust provides a safe haven for their hard-earned money and a reliable source of credit from which to build their dreams.

We continue to be cautiously optimistic as we look to the future and focus, as we always do, on the protection of our depositors' savings and the long term growth and prosperity of our customers and communities.

We would like to thank our loyal customers for trusting in and believing in Firsttrust.

Sincerely,

A handwritten signature in cursive script that reads "R. J. Green".

Richard J. Green
Vice Chairman and C.E.O.

2010 Firsttrust Information

Balance Sheet

<i>(in thousands)</i>	December 31	
	2010	2009
ASSETS		
Cash and balances due from depository institutions	\$383,280	\$158,410
Securities	242,772	220,989
Federal funds sold and securities purchased under agreements to resell	92	96
Loans and leases, net of unearned income	\$1,753,810	\$1,959,111
LESS: Allowance for loan losses	57,913	54,747
NET LOANS AND LEASES	\$1,695,897	\$1,904,364
Other real estate owned	\$8,303	\$9,378
Fixed assets	10,906	12,017
Other assets	48,484	45,015
TOTAL ASSETS	\$2,389,734	\$2,350,269
LIABILITIES AND CAPITAL		
Deposits	\$2,075,283	\$1,968,880
Other borrowed money	15,000	79,500
Other liabilities	43,572	46,439
TOTAL LIABILITIES	\$2,133,855	\$2,094,819
CAPITAL		
Common stock	3,105	3,105
Surplus	117,157	117,157
Undivided profits and capital reserves	128,327	128,296
Net unrealized holding gains on AFS securities	7,290	6,892
TOTAL CAPITAL	255,879	255,450
TOTAL LIABILITIES AND CAPITAL	\$2,389,734	\$2,350,269

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>	
	2010	2009
INTEREST INCOME		
Interest and fee income on loans:		
Loans secured by real estate	\$68,436	\$71,268
Other Loans	41,526	53,653
Interest income on investments and securities	10,040	13,404
TOTAL INTEREST INCOME	\$120,002	\$138,325
INTEREST EXPENSE		
Interest on deposits	\$16,782	\$31,278
Interest on borrowed money	1,395	3,546
TOTAL INTEREST EXPENSE	\$18,177	\$34,824
NET INTEREST INCOME	\$101,825	\$103,501
Provisions for loan and lease losses	\$16,243	\$45,524
NON-INTEREST INCOME		
Fees, service charges and other income	\$10,961	\$14,242
Gains (Losses) on sale of securities and loans	106	(85)
TOTAL NON-INTEREST INCOME	\$11,067	\$14,157
NON-INTEREST EXPENSE		
Operating expense	\$84,063	\$71,705
TOTAL NON-INTEREST EXPENSE	\$84,063	\$71,705
INCOME BEFORE INCOME TAXES	\$12,586	\$429
Applicable income taxes	332	142
INCOME BEFORE EXTRAORDINARY ITEMS	\$12,254	\$287
NET INCOME	\$12,254	\$287

Changes in Equity Capital

<i>(in thousands)</i>	2010	2009
Equity capital reported at end of previous period	\$255,450	\$252,977
Net Income	12,254	287
LESS: Dividends declared on common stock	11,500	0
Other	(724)	0
Change in Net Unrealized Holding Gains	398	2,186
TOTAL EQUITY CAPITAL AT END OF CURRENT PERIOD	\$255,878	\$255,450