



2013

## Financial Information



## 2013 Financial Results

The year 2013 was another strong year for Firstrust. At year end, our total assets grew to \$2.5 billion, and we reported net income of \$25.1 million. Our loans grew to \$2.1 billion, a 3% increase over 2012. Our non-accrual loans decreased by \$6.9 million a 24% decrease over 2012, as we continued to improve the quality of our loan portfolio. Non-accrual loans now total just 1% of Total Loans.

Our already strong Tier-One Capital increased to \$306.2 million, representing a capital ratio of 14.2%, nearly two times what the FDIC classifies as “well-capitalized” and Bauer Financial, Inc.<sup>1</sup> continues to award Firstrust its highest five-star rating of Superior.

We continue to invest in residential mortgage with investments in wholesale processing capability, and have expanded direct channel capabilities with online product offerings, mobile transfers, mobile deposits for consumers, and expanded mobile bill-pay functionality. We will continue to invest in and expand our digital capabilities with an eye toward enabling our customers with access to their financial information anytime, anywhere, and through multiple channels that suit their desires.

We have successfully moved our Operations Center to its new offices in Horsham, PA. This will enhance service to customers, as well as facilitate our continued growth in the years to come.

We continue to support the communities in which we serve through our 44<sup>th</sup> Annual Samuel A. Green Scholarship Award Program that has provided close to \$1 million in scholarships to more than 1,000 high school students, as well as support of Center for Literacy, the Franklin Institute, the Barnes Foundation, City Year and Variety - The Children’s Charity, to name a few. We also partnered with Federation Housing to build and open the Florence E. Green House which provides affordable housing for low income seniors. Throughout the year, Firstrust provides financial assistance to hundreds of organizations located within the Delaware and Lehigh Valley.

Firstrust Bank remains the region’s largest and strongest family-owned and managed financial institution. While the past few years have been challenging for our customers, our industry, and our nation, we enter 2014 with more capital and higher reserves. We continue to lend money entrusted to us to help people and businesses in our community to grow and prosper.

On behalf of Timothy J. Abell, our President, myself and all the members of the Firstrust team, we want to assure you that the safety of our customers’ financial assets continues to be our first priority. We work continuously to earn and maintain your trust.

Thank you for your continued trust in Firstrust Bank.

Sincerely,



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



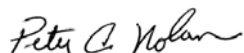
<sup>1</sup>Bauer Financial, Inc., an independent bank rating firm, evaluates the health and safe of the country’s financial institutions.

## Balance Sheet

(in thousands)	December 31	
	2013	2012
<b>ASSETS</b>		
Cash and balances due from depository institutions	\$ 190,282	\$153,222
Securities	267,587	250,167
Federal funds sold and securities purchased under agreements to resell	82	86
Loans and leases, net of unearned income	\$2,074,336	\$2,008,795
LESS: Allowance for loan losses	49,316	46,631
<b>NET LOANS AND LEASES</b>	<b>\$2,025,020</b>	<b>\$1,962,164</b>
Other real estate owned	\$3,827	\$4,429
Fixed assets	14,787	8,195
Other assets	36,544	54,152
<b>TOTAL ASSETS</b>	<b>\$2,538,129</b>	<b>\$2,432,415</b>
<b>LIABILITIES AND CAPITAL</b>		
Deposits	\$2,116,834	\$2,084,455
Other borrowed money	75,517	743
Other liabilities	39,528	42,538
<b>TOTAL LIABILITIES</b>	<b>\$2,231,879</b>	<b>\$2,127,736</b>
<b>CAPITAL</b>		
Common stock	3,105	3,105
Surplus	117,157	117,157
Undivided profits and capital reserves	191,192	177,145
Net unrealized holding gains on AFS securities	(5,204)	7,272
<b>TOTAL CAPITAL</b>	<b>306,250</b>	<b>304,679</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$2,538,129</b>	<b>\$2,432,415</b>

*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.*



Peter A. Nolan  
Chief Financial Officer, Firsttrust Bank



## Income Statement

<i>(in thousands)</i>	<i>December 31</i>	
	2013	2012
<b>INTEREST INCOME</b>		
Interest and fee income on loans:		
Loans secured by real estate	\$49,425	\$43,766
Other Loans	48,688	52,323
Interest income on investments and securities	7,169	9,759
<b>TOTAL INTEREST INCOME</b>	<b>\$105,282</b>	<b>\$105,848</b>
<b>INTEREST EXPENSE</b>		
Interest on deposits	\$4,992	\$7,649
Interest on borrowed money	338	41
<b>TOTAL INTEREST EXPENSE</b>	<b>\$5,330</b>	<b>\$ 7,690</b>
<b>NET INTEREST INCOME</b>	<b>\$99,952</b>	<b>\$98,158</b>
Provisions for loan and lease losses	\$4,426	\$3,861
<b>NON-INTEREST INCOME</b>		
Fees, service charges and other income	\$18,812	\$20,219
Gains (Losses) on sale of securities and loans	\$2,464	4,270
<b>TOTAL NON-INTEREST INCOME</b>	<b>\$21,276</b>	<b>\$24,489</b>
<b>NON-INTEREST EXPENSE</b>		
Operating expense	\$91,469	\$88,838
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>\$91,469</b>	<b>\$88,838</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>\$25,333</b>	<b>\$29,948</b>
Applicable income taxes	286	608
<b>INCOME BEFORE EXTRAORDINARY ITEMS</b>	<b>\$25,047</b>	<b>\$29,340</b>
<b>NET INCOME</b>	<b>\$25,047</b>	<b>\$29,340</b>

## Changes in Equity Capital

<i>(in thousands)</i>	2013	2012
Equity capital reported at end of previous period	\$304,679	\$280,972
Net Income	25,047	29,340
LESS: Dividends declared on common stock	11,000	3,000
Other		
Change in Net Unrealized Holding Gains	(12,476)	(2,633)
<b>TOTAL EQUITY CAPITAL AT END OF CURRENT PERIOD</b>	<b>\$306,250</b>	<b>\$304,679</b>

