



2011

Financial Information



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

For more than 78 years, Firsttrust Bank has been guided by a very simple but very profound understanding that when it comes to our customers, “Everything is Personal”. We make it our priority and our passion to take care of our customer’s financial future. We understand the significance of this responsibility and the entire Firsttrust Family takes this very personally.

I am pleased to report that we completed 2011 with Total Assets of \$2.5 billion. Net Income for 2011 totaled \$26.5 million representing material growth from 2010. We increased our assets by 4% and our capital by 10%. Firsttrust remains a well-capitalized financial institution with Tier One Risk Based capital of 13.6%, substantially above what bank regulators define as “well-capitalized”. BauerFinancial, Inc.ⁱ continues to award Firsttrust its highest, five star rating of Superior.

During 2011, we invested in additional areas to serve our customers including starting a new Residential Mortgage Division and a U.S. Small Business Administration (SBA) Division. We continue to invest in technology designed to better our customers experience through all of the ways in which they desire to conduct business with us, whether in the branches or through other channels. Also, we supported the communities we serve, including sponsorships of the Franklin Institute’s DaVinci Exhibit, partnerships with the American Heart Association, continued support of CityYear and Variety - The Children’s Charity and we delivered 4,000 pounds of food to an area food bank and 2,500 books to the Philadelphia School District. Over the year, we provided financial assistance to more than 300 organizations located within the Delaware and Lehigh Valley.

Firsttrust Bank is the region’s largest and strongest family owned and managed financial institution. We have not only weathered the economic storms of the past few years, we have emerged even stronger. We have more capital and higher reserves, we did not take any TARP money and did not need to sell any key assets. We continue to prudently lend money entrusted to us to help people and businesses in our community to prosper. We continue to cultivate prosperity for our customers and the communities in which we serve.

On behalf of Daniel B. Green, our Chairman, Timothy J. Abell, our President, myself and all the members of the Firsttrust Family, we assure you that the safety of your financial assets continues to be our first priority. We work continuously to earn and maintain your trust.

As always, should you have any questions or comments, please feel free to contact me directly at rgreen@firsttrust.com.

Sincerely,



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

ⁱ BauerFinancial, Inc, an independent bank rating firm, evaluates the health and safety of the country’s financial institutions.



2011 Firsttrust Information
Balance Sheet

(in thousands)	December 31	
	2011	2010
ASSETS		
Cash and balances due from depository institutions	\$410,838	\$383,280
Securities	232,301	242,772
Federal funds sold and securities purchased under agreements to resell	90	92
Loans and leases, net of unearned income	\$1,821,657	\$1,753,810
LESS: Allowance for loan losses	44,911	57,913
NET LOANS AND LEASES	\$1,776,742	\$1,695,897
Other real estate owned	\$6,201	\$8,303
Fixed assets	9,361	10,906
Other assets	51,659	48,484
TOTAL ASSETS	\$2,487,192	\$2,389,734
LIABILITIES AND CAPITAL		
Deposits	\$2,144,943	\$2,075,283
Other borrowed money	5,963	15,000
Other liabilities	55,312	43,572
TOTAL LIABILITIES	\$2,206,218	\$2,133,855
CAPITAL		
Common stock	3,105	3,105
Surplus	117,157	117,157
Undivided profits and capital reserves	150,807	128,327
Net unrealized holding gains on AFS securities	9,905	7,290
TOTAL CAPITAL	280,974	255,879
TOTAL LIABILITIES AND CAPITAL	\$2,487,192	\$2,389,734

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>	
	2011	2010
INTEREST INCOME		
Interest and fee income on loans:		
Loans secured by real estate	\$64,396	\$68,436
Other Loans	35,508	41,526
Interest income on investments and securities	11,428	10,040
TOTAL INTEREST INCOME	\$111,332	\$120,002
INTEREST EXPENSE		
Interest on deposits	\$12,787	\$16,782
Interest on borrowed money	242	1,395
TOTAL INTEREST EXPENSE	\$13,029	\$18,177
NET INTEREST INCOME	\$98,303	\$101,825
Provisions for loan and lease losses	(\$9,267)	\$16,243
NON-INTEREST INCOME		
Fees, service charges and other income	\$16,659	\$10,961
Gains (Losses) on sale of securities and loans	10,221	106
TOTAL NON-INTEREST INCOME	\$26,880	\$11,067
NON-INTEREST EXPENSE		
Operating expense	\$107,910	\$84,063
TOTAL NON-INTEREST EXPENSE	\$107,910	\$84,063
INCOME BEFORE INCOME TAXES	\$26,540	\$12,586
Applicable income taxes	60	332
INCOME BEFORE EXTRAORDINARY ITEMS	\$26,480	\$12,254
NET INCOME	\$26,480	\$12,254

Changes in Equity Capital

<i>(in thousands)</i>	2011	2010
Equity capital reported at end of previous period	\$255,878	\$255,450
Net Income	26,480	12,254
LESS: Dividends declared on common stock	4,000	11,500
Other		(724)
Change in Net Unrealized Holding Gains	2,616	398
TOTAL EQUITY CAPITAL AT END OF CURRENT PERIOD	\$280,974	\$255,878