

# **FIRST TRUST BANK**

**2018**

## **Financial Information**



Firsttrust Annual Letter re: Financial Performance  
May 20, 2019

For more than 85 years, Firsttrust has been continuously serving our community in a safe and sound manner and profitable manner. Our 2018 Financial results are consistent with the past, but better. To sustain our profitability over time we constantly reinvest in new technologies, new processes and personnel. Our goal is to enable our customers to have control of their finances at any time, from anywhere, with any device.

Firsttrust Bank Mission Statement:

We remain dedicated to:

- To cultivate prosperity for our customers, our employees, and the communities we serve;
- To continue to provide high quality financial services in a competitive and profitable manner;
- To foster thriving enterprise and home ownership;
- To actively encourage personal growth;
- To build and maintain a strong financial base with a view to perpetual existence.

“To cultivate prosperity for our customers, our employees, and the communities we serve”

This guides our every action and effort. We understand, however, that prosperity is a derivative of profitability. For over 85 years now, Firsttrust Bank has remained profitable, and this year was no exception. For the Year Ended 12/31/18 Firsttrust Bank generated Net Income of \$49.7million as compared to \$31.0 million for the year ended 12/31/17, representing an increase of \$18.7 million or 60%.

“To continue to provide high quality financial services in a competitive and profitable manner”

Profitable growth is the hallmark of a healthy institution. At Firsttrust Bank, we are able to increase the number of customers we serve by consistently delivering excellent service and innovative new products. During 2018 Firsttrust Bank grew our Total Assets to \$3.5 billion at 12/31/18 from \$3.2 billion at 12/31/17, an increase of \$300 million or 9%. We were able to grow our Loan balances by \$150 million or 6% throughout the year while also growing our Deposit base by \$260 million or 10% during 2018.

“To foster thriving enterprise and home ownership”

We invested in thriving enterprise by originating over \$1.3 billion in loans to individuals and businesses participating in our Nation’s vibrant economy during 2018. Included in that number is the origination of over \$300 million in residential mortgage loans. Firsttrust Bank supports and participates in many affordable housing and first time home ownership initiatives.

“To build and maintain a strong financial base with a view to perpetual existence”

At Firstrust, we understand that a strong capital base is the foundation for us to serve our customers both now and in the future. During 2018 Firstrust Bank grew its Tier 1 Capital to \$350 million and now has a Tier 1 Capital Ratio of 11.30%. The FDIC classifies as “Well Capitalized” Banks with Tier 1 ratio of 8%. We materially exceed that standard, as we have from our inception. Our Capital reflects our past performance and provides the springboard for future success.

“To actively encourage personal growth”

Encouraging the personal growth of our employees takes many forms. We actively encourage and support educational, professional and personal development for all of our now over 500 employees. In turn, those employees regularly engage in community service. The personal growth of our customers and their communities is a mission we supported, not only with our time and efforts, but with over \$25.0 million in Charitable Contributions during 2018. At Firstrust Bank, we never stop serving the Communities we call home.

Since my grandfather founded our Bank in 1934, Firstrust Bank remains the region’s largest and strongest family owned and managed Financial Institution. On behalf of Timothy J. Abell, our President, myself and all members of the Firstrust Family, we want to assure you that the safety of your financial assets continues to be our first priority. We work continuously to earn and maintain your Trust.

Thank you for your continued Trust in our Firstrust!

As always, if you have any questions or concerns, please reach out to me directly.

Sincerely,



Richard J. Green  
Chairman and CEO

Corporate Headquarters  
15 E. Ridge Pike, Conshohocken, PA 19428 ■ 800-220-Bank ■ [firstrust.com](http://firstrust.com)

**Member FDIC**





## Income Statement

*December 31*

<i>(in thousands)</i>	2018	2017
<b>INTEREST INCOME</b>		
Interest and fee income on loans:		
Loans secured by real estate	\$85,758	\$80,203
Other Loans	67,282	54,397
Interest income on investments and securities	9,672	8,530
<b>TOTAL INTEREST INCOME</b>	<b>162,712</b>	<b>143,130</b>
<b>INTEREST EXPENSE</b>		
Interest on deposits	16,655	9,371
Interest on borrowed money	5,844	3,583
<b>TOTAL INTEREST EXPENSE</b>	<b>22,499</b>	<b>12,954</b>
<b>NET INTEREST INCOME</b>	<b>140,213</b>	<b>130,176</b>
Provisions for loan and lease losses	1,015	(1,421)
<b>NON-INTEREST INCOME</b>		
Fees, service charges and other income	25,417	20,160
Gains (Losses) on sale of securities and loans	1,353	6,654
<b>TOTAL NON-INTEREST INCOME</b>	<b>26,770</b>	<b>26,814</b>
<b>NON-INTEREST EXPENSE</b>		
Operating expense	115,734	127,517
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>115,734</b>	<b>127,517</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>50,234</b>	<b>30,894</b>
Applicable income taxes	522	(58)
<b>INCOME BEFORE EXTRAORDINARY ITEMS</b>	<b>49,712</b>	<b>30,952</b>
<b>NET INCOME</b>	<b>\$ 49,712</b>	<b>\$ 30,952</b>

## Changes in Equity Capital

<i>(in thousands)</i>	2018	2017
Equity capital reported at end of previous period	\$341,379	\$339,257
Net Income	49,712	30,952
LESS: Distributions	43,250	30,000
Other	0	0
Change in Net Unrealized Holding Gains	(3,448)	1,170
<b>TOTAL EQUITY CAPITAL AT END OF CURRENT PERIOD</b>	<b>\$344,393</b>	<b>\$341,379</b>

Corporate Headquarters  
15 E. Ridge Pike, Conshohocken, PA 19428

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## Balance Sheet

<i>(in thousands)</i>	<i>December 31</i>	
	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Cash and balances due from depository institutions	\$278,672	\$110,107
Securities	282,312	284,973
Federal funds sold and securities purchased under agreements to resell	0	1
Loans and leases, net of unearned income	2,879,973	2,743,086
LESS: Allowance for loan losses	50,180	50,939
Net loans and leases	2,829,793	2,692,147
Other real estate owned	834	1,617
Fixed assets	12,889	13,069
Other assets	53,801	49,947
<b>TOTAL ASSETS</b>	<b>\$3,458,301</b>	<b>\$3,151,861</b>
<b>LIABILITIES AND CAPITAL</b>		
Deposits	\$2,768,504	\$2,507,473
Other borrowed money	265,587	250,733
Other liabilities	79,817	52,276
<b>TOTAL LIABILITIES</b>	<b>3,113,908</b>	<b>2,810,482</b>
<b>CAPITAL</b>		
Common stock	3,105	3,105
Surplus	117,157	117,157
Undivided profits and capital reserves	231,587	225,125
Net unrealized holding gains on AFS securities	(7,456)	(4,008)
<b>TOTAL CAPITAL</b>	<b>344,393</b>	<b>341,379</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$3,458,301</b>	<b>\$3,151,861</b>

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