



**2023**  
***FINANCIAL***  
***INFORMATION***

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MEMBER FDIC





## **Firsttrust Bank 2023 Annual Financial Report to Stakeholders** **April 29, 2024**

In 2024, Firsttrust is commemorating the milestone of our first 90 years of cultivating prosperity for our customers, employees, and the communities we serve. Since the bank's founding by my grandfather in 1934, we've grown to become, and remain, the region's largest and strongest family-owned and managed financial institution.

In 2023, despite the historically dramatic and rapid interest rate increases by the Federal Reserve, and some significant disruption in the banking sector overall due to some regional bank insolvencies, our strong financial performance is a testament to our enduring strength, and adaptability. In fact, Firsttrust has not just survived while others have faltered; we have thrived.

Our success is rooted in our philosophy of investing for the long term, our prudent credit culture, our forward-looking investments in technology and people, and our steadfast commitment to both interest rate and credit management. We do this while continuing to uphold our promise of delivering exceptional banking services and enabling our customers to seamlessly manage their finances with the utmost convenience and security.

Our commitment to excellence extends beyond the services we offer; it's also about nurturing a workplace culture that attracts, develops, and retains the brightest minds in the industry. We are grateful to have been named this year as one of the Top Places to Work by USA Today and the Philadelphia Inquirer. Our thinking is simply this, if we are a preferred financial services employer in our region, dedicated to empowering our employees to build rewarding careers and make a real impact in our communities, then that will reflect in our culture of serving our clients with what my grandfather called "a missionary fervor to serve our customers." Together, we are navigating the path to a future where Firsttrust continues to shine as a symbol of trust, excellence, and innovation.

Our 2023 financial performance demonstrates again how our commitment to our mission is central to our financial and non-financial success as an enterprise.

### **Our 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 commercial 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 that we succeed by cultivating prosperity for our clients and our communities. When we do this properly, we should be prosperity ourselves. For 90 years now, Firsttrust Bank has been continuously profitable, and this year was no exception. While market conditions made for some reduction in our year over year profitability, we still performed well.

For the Year End 12/31/23 Firsttrust Bank generated Net Income of \$88.37 million as compared to \$100.56million for the year ended 12/31/22, representing a decrease of 12% or \$12.18 million.

**“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 2023, Firsttrust Bank continued to grow our Total Assets to \$5.20 billion at 12/31/23. We grew our Loan balances to \$4.1 billion at 12/31/23 while also maintaining our Deposit base at \$4.2 billion during 2023.

**“To foster thriving commercial enterprise and home ownership”**

We invested in thriving enterprise by originating over \$1.5 billion in loans to businesses and individuals participating in our Nation’s vibrant economy during 2023. Included in that number is the origination of over \$500 million in residential mortgage loans. Firsttrust Bank supports and participates in many affordable housing and first time home ownership initiatives.

**“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 key part of our mission and we supported, not only with our time and efforts, but with over \$3.0 million in Charitable Contributions during 2023. At Firsttrust Bank, we never stop serving the Communities we call home.

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

At Firsttrust, we understand that a strong capital base is the foundation for us to serve our customers both now and in the future. During 2023, Firsttrust Bank grew its Tier 1 Capital to \$572 million and now has a Tier 1 Capital Ratio of 12.5%. The FDIC classifies as “Well Capitalized” Banks with Tier 1 ratio of 8%. As in the past, we continue to materially exceed that standard. Even if we were to sell all our long-dated securities at current market prices, we would

still qualify as being Well Capitalized for regulatory purposes, which is the highest rating for capital that the FDIC publishes.

As a private institution, we do not publish extensive financial reports with the public. However, there are services who look deeper into our financial picture and publish ratings about our overall financial health. As such, Firsttrust Bank has earned and continues to earn 5-star, or Superior, ratings by both Bauer Financial and IDC Financial Publishing, two well respected and independent bank rating agencies. This prestigious rating represents the highest rating any organization can attain.

As we look forward to our next 90 years, we remain committed to investing in our people, technology, relationships, communities, and our brand experience. Our customers will always know what to expect from us, yet we will constantly strive to enhance the delivery of our products and services for them. We aim to be the financial institution they can rely on, supporting them through every personal or business milestone.

For our customers, we are:

### **Philadelphia's Hometown Bank and the Official Bank of the Philadelphia Eagles.**

As new entrants come into our core market, we remain steadfast in our commitment to having a differentiated value proposition built upon relationships, local expertise, and tailored solutions. As the region's largest family-owned and managed financial institution, we also strive to serve the needs of the entrepreneurs, family-owned business of our region, that are just like us.

As the Official Bank of the Philadelphia Eagles, it has raised our ability to attract and retain talented staff and important customer relationships. Since 2020, when we became the Official Bank of the Philadelphia Eagles, our offerings of Eagles-branded deposit products have been successful, and in 2023, we launched the Kelly Green themed debit card that has quickly become a fan favorite.

### **Maryland's Family-Owned Commercial Bank**

We serve the Maryland market through our full service commercial branch in Towson, as well as our commercial real estate commercial team in Annapolis. We have found that our approach to customers has resonated with Maryland customers, with our focus on customer service, building long term relationships, and cultivating prosperity for the customers and communities we serve.

For our employees, we are:

### **Top Workplace**

Firsttrust Bank has been recognized as a Top Workplace, awarded by USA Today and the Philadelphia Inquirer. This designation highlights Firsttrust Bank's dedication to creating a culture where employees feel valued, engaged, and motivated. Our achievement in this area is a testament to our leadership values, collaborative work environment, and employee development practices that prioritize both employee well-being and customer satisfaction.

On behalf of Timothy J. Abell, our CEO & 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 jealously guard your hard-earned savings, and to continue to earn and maintain your trust and loyalty.

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

Sincerely,

A handwritten signature in black ink that reads "R.J. Green". The signature is written in a cursive, flowing style.

Richard J. Green  
Executive Chairman and Owner



## Income Statement

<i>(in thousands)</i>	<u>December 31</u>	
	2023	2022
<b>INTEREST INCOME</b>		
Interest and fee income on loans:		
Loans secured by real estate	\$ 137,044	\$ 81,402
Other Loans	143,590	108,798
Interest income on investments and securities	27,477	16,089
<b>TOTAL INTEREST INCOME</b>	<b>308,111</b>	<b>206,289</b>
<b>INTEREST EXPENSE</b>		
Interest on deposits	79,703	15,059
Interest on borrowed money	25,164	3,462
<b>TOTAL INTEREST EXPENSE</b>	<b>104,867</b>	<b>18,521</b>
<b>NET INTEREST INCOME</b>	<b>203,244</b>	<b>187,768</b>
Provisions for loan and lease losses	13,807	2,976
<b>NON-INTEREST INCOME</b>		
Fees, service charges and other income	26,796	33,283
Gains (Losses) on sale of securities and loans	1,412	1,654
<b>TOTAL NON-INTEREST INCOME</b>	<b>28,208</b>	<b>34,937</b>
<b>NON-INTEREST EXPENSE</b>		
Operating expense	124,473	114,753
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>124,473</b>	<b>114,753</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>93,172</b>	<b>104,976</b>
Applicable income taxes	4,796	4,416
<b>INCOME BEFORE EXTRAORDINARY ITEMS</b>	<b>88,376</b>	<b>100,560</b>
<b>NET INCOME</b>	<b>\$ 88,376</b>	<b>\$ 100,560</b>

## Changes in Equity Capital

<i>(in thousands)</i>	2023	2022
Equity capital reported at end of previous period	\$ 466,492	\$ 480,006
Net Income	88,376	100,560
LESS: Distributions	45,500	57,000
Other	3,170	0
Change in Net Unrealized Holding Gains	14,027	(57,074)
<b>TOTAL EQUITY CAPITAL AT END OF CURRENT PERIOD</b>	<b>\$ 526,565</b>	<b>\$ 466,492</b>

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





## Balance Sheet

<i>(in thousands)</i>	<u>December 31</u>	
	2023	2022
<b>ASSETS</b>		
Cash and balances due from depository institutions	\$ 514,241	\$ 495,654
Securities*	424,739	475,135
Loans and leases, net of unearned income	4,207,216	4,135,436
LESS: Allowance for loan losses	78,132	70,771
Net loans and leases	4,129,084	4,064,665
Other real estate owned	399	0
Fixed assets	24,852	26,431
Other assets	110,946	113,144
<b>TOTAL ASSETS</b>	<b>\$ 5,204,261</b>	<b>\$ 5,175,029</b>
<b>LIABILITIES AND CAPITAL</b>		
Deposits	\$ 4,232,213	\$ 4,322,117
Other borrowed money	295,000	285,000
Other liabilities	150,483	101,420
<b>TOTAL LIABILITIES</b>	<b>4,677,696</b>	<b>4,708,537</b>
<b>CAPITAL</b>		
Common stock	3,105	3,105
Surplus	117,157	117,157
Undivided profits and capital reserves	453,540	407,494
Net unrealized holding gains on AFS securities	(47,237)	(61,264)
<b>TOTAL CAPITAL</b>	<b>526,565</b>	<b>466,492</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 5,204,261</b>	<b>\$ 5,175,029</b>

\*If the bank were to sell all long dated securities at current market prices, it would still qualify as being "well capitalized" for regulatory purposes, which is the highest rating for capital that the FDIC publishes.

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