

FIRST TRADE UNION BANK

Capital. Credentials. Commitment.

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Tuesday, February 03, 2009

First Trade Union Bank's Earnings Up 17.2% in 2008

Boston, MA - First Trade Union Bank (www.ftub.com), a full service financial institution with offices in Massachusetts, New York, and Rhode Island, today reported its earnings for the full year 2008.

Key Items:

- Net income for Fiscal Year 2008 was \$2.4 million, a 17.2% increase from the previous year.
- Net interest income before provision for loan losses increased 31.2% from 2007 to \$15.6 million.
 - Interest income increased 6% to \$28.9 million due to strong loan portfolio growth concentrated in Commercial & Industrial facilities.
 - Interest expense decreased 13.3% to \$13.3 million as the Bank took advantage of lower funding costs.
- Operating expenses totaled \$10.9 million, up \$1.9 million in 2008. This increase was anticipated in support of the institution's continued growth.
 - Occupancy expenses saw the largest percentage increase of 36.4% with the Bank's move into new corporate headquarters.
 - Salaries and benefits were up 23.8% in 2008. This \$1.1 million increase was a reflection of the Bank's addition of several key positions throughout the year in the credit, technology, and marketing departments, as well as front line sales personnel.
 - Data processing and technology expenses were up 28.8% in 2008 due to investment in infrastructure and an increase in the number of client accounts.
- Total loans grew 25.7%, or \$90 million, to \$443 million. This increase occurred primarily within the Bank's Commercial & Industrial portfolio.
- Total deposits increased 23.1%, or \$80 million, to \$427 million. Deposit growth was concentrated in a 47% increase in interest-free (DDA) deposits.

- Asset quality remains very strong. The Bank reported net charge-offs of less than 0.01% and a Non-Performing Loan (NPL) ratio of 0.55%.
- Capital position remained strong throughout 2008. First Trade ended 2008 with a Tier 1 capital ratio of 8.25%, exceeding the ‘well capitalized’ standard of 6.00%. The Bank’s Tier 2 (11.55%) and Risk Based Capital (12.98%) ratios were also above ‘well capitalized’ requirements.

First Trade Union Bank’s President & CEO, Michael Butler, summarized the Bank’s 2008 performance by saying:

“We are extremely pleased and proud of our accomplishments in 2008. Through a very challenging and uncertain year we were able to not only achieve strong earnings growth, but also maintain our asset quality. And with an eye toward the Bank’s future, we made strategic investments in both human capital and technology. Despite turbulent economic conditions, First Trade is poised for growth and remains strongly committed to serving the needs of our clients - both new and existing.”

About First Trade Union Bank

With assets over \$590 million, First Trade Union Bank is a well-capitalized community bank offering a full complement of business and consumer products and services. First Trade has a long-standing reputation working for middle market, small business, unions and government entities as its core clients. They have a profound understanding of their role in the business community: to provide a complete offering of products and services that respond to the needs of their clients, delivered in a way that encompasses the highest level of personal service in-person, online, or by phone. First Trade is deep in category experience and committed to providing the attentive service that today’s businesses and consumers require. First Trade also offers 24-hour ATM service, telephone banking, and the most advanced technologies in internet banking for consumer and business customers. Customers can readily access traditional, personalized branch banking at their offices in Boston, MA, Warwick, RI and Hauppauge, NY. First Trade maintains its corporate offices in Boston, MA. First Trade is a member of the Federal Deposit Insurance Corporation and is an Equal Housing/Equal Opportunity Lender. For further information call 800-242-0272 or visit the Bank’s website at www.ftub.com.

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