

FIRST TRUST BANK
1420 East Third Street
Charlotte, North Carolina 28204
(704) 377-3936

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS

and

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held May 20, 2010

NOTICE is hereby given that the Annual Meeting of Shareholders of First Trust Bank (the "Bank") will be held as follows:

Place: First Trust Bank
1420 East Third Street
Charlotte, North Carolina 28204

Date: May 20, 2010

Time: 10:00 a.m.

The purposes of the meeting are:

1. To elect four members of the Board of Directors for three-year terms
2. To ratify the appointment of Dixon Hughes PLLC as the Bank's independent registered public accounting firm for 2010
3. To transact any other business that may properly come before the meeting

You are cordially invited to attend the meeting in person. However, even if you expect to attend the meeting, you are requested to complete, sign and date the enclosed appointment of proxy and return it in the envelope provided for that purpose to ensure that a quorum is present at the meeting. The giving of an appointment of proxy will not affect your right to revoke it or to attend the meeting and vote in person.

We have elected to furnish our proxy solicitation materials via U.S. Mail and also to notify you of the availability of our proxy materials on the Internet.

The notice of annual meeting, proxy statement, proxy card and annual report are available at <http://www.ftncinvestors.com>.

By Order of the Board of Directors

James T. Bolt, Jr.
President and Chief Executive Officer

April 2, 2010
Charlotte, North Carolina

FIRST TRUST BANK
1420 East Third Street
Charlotte, North Carolina 28204
(704) 377-3936

PROXY STATEMENT

Mailing Date: On or about April 2, 2010

ANNUAL MEETING OF SHAREHOLDERS

To Be Held May 20, 2010

General

This Proxy Statement is furnished in connection with the solicitation of the enclosed appointment of proxy by the Board of Directors of First Trust Bank (the "Bank") for the 2010 Annual Meeting of Shareholders of the Bank to be held at the main office of the Bank, 1420 East Third Street, Charlotte, North Carolina 28204 at 10:00 a.m. on May 20, 2010, and any adjournments thereof.

Solicitation and Voting of Appointments of Proxy; Revocation

Persons named in the appointment of proxy as proxies to represent shareholders at the Annual Meeting are Bruce H. Berryhill, Elaine M. Lyerly and Francis Armistead "Steady" Cash, Jr. Shares represented by each appointment of proxy that is properly executed and returned, and not revoked, will be voted in accordance with the directions contained in the appointment of proxy. If no directions are given, each such appointment of proxy will be voted FOR the election of each of the four nominees for director named in Proposal 1 below and FOR Proposal 2. If, at or before the time of the Annual Meeting, any nominee named in Proposal 1 has become unavailable for any reason, the proxies will have the discretion to vote for a substitute nominee. On such other matters as may come before the meeting, the proxies will be authorized to vote shares represented by each appointment of proxy in accordance with their best judgment on such matters. An appointment of proxy may be revoked by the shareholder giving it at any time before it is exercised by filing with Jean R. Galloway, Secretary of the Bank, a written instrument revoking it or a duly executed appointment of proxy bearing a later date, or by attending the Annual Meeting and announcing his or her intention to vote in person.

Expenses of Solicitation

The Bank will pay the cost of preparing, assembling and mailing this Proxy Statement and other proxy solicitation expenses. In addition to the use of the mails and the internet, appointments of proxy may be solicited in person or by telephone by the Bank's officers, directors and employees without additional compensation. The Bank has engaged a professional proxy solicitation firm, Regan & Associates, Inc., New York, New York, to assist it in soliciting proxies for the Annual

Meeting at an anticipated cost of approximately \$8,000. The Bank will reimburse banks, brokers and other custodians, nominees and fiduciaries for their costs in sending the proxy materials to the beneficial owners of the Bank's common stock.

Record Date

The close of business on March 17, 2010, has been fixed as the record date (the "Record Date") for the determination of shareholders entitled to notice of and to vote at the Annual Meeting. Only those shareholders of record on that date will be eligible to vote on the proposals described herein.

Voting Securities

The voting securities of the Bank are the shares of its common stock, par value \$2.50 per share, of which 10,000,000 shares are authorized and 4,775,898 shares were outstanding as of December 31, 2009. There are approximately 419 holders of record of the Bank's common stock.

Voting Procedures; Quorum; Votes Required for Approval

Each shareholder is entitled to one vote for each share held of record on the Record Date for each director to be elected and on each other matter submitted for voting. In accordance with North Carolina law, shareholders will not be entitled to vote cumulatively in the election of directors at the Annual Meeting.

A majority of the shares of the Bank's common stock issued and outstanding on the Record Date must be present in person or by proxy to constitute a quorum for the conduct of business at the Annual Meeting. Assuming a quorum is present, in the case of Proposal 1 below, the four directors receiving the greatest number of votes shall be elected. Abstentions and broker non-votes will have no effect. In the case of Proposal 2, for such proposal to be approved, the number of votes cast for approval must exceed the number of votes cast against the proposal. Abstentions and broker non-votes will have no effect.

Authorization to Vote on Adjournment and Other Matters

By signing an appointment of proxy or voting via the internet, shareholders will be authorizing the proxyholders to vote in their discretion regarding any procedural motions that may come before the Annual Meeting. For example, this authority could be used to adjourn the Annual Meeting if the Bank believes it is desirable to do so. Adjournment or other procedural matters could be used to obtain more time before a vote is taken in order to solicit additional proxies to establish a quorum or to provide additional information to shareholders. The Bank does not have any plans to adjourn the Annual Meeting at this time, but intends to do so, if needed, to promote shareholder interests.

Beneficial Ownership of Voting Securities

As of December 31, 2009, no shareholder known to management owned more than 5% of the Bank's common stock.

As of December 31, 2009, the beneficial ownership of the Bank's common stock, by directors and executive officers individually, and by directors and executive officers as a group, was as follows:

<u>NAME AND ADDRESS OF BENEFICIAL OWNER</u>	<u>AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP⁽¹⁾⁽²⁾</u>	<u>PERCENT OF CLASS⁽³⁾</u>
Gary C. Baucom Charlotte, NC	52,841 ⁽⁴⁾	1.11
Dr. Bruce H. Berryhill Cashiers, NC	56,533	1.18
James T. Bolt, Jr. Charlotte, NC	196,477 ⁽⁵⁾	4.09
Francis Armistead "Steady" Cash, Jr. Charlotte, NC	101,028	2.12
Catherine M. Connor Charlotte, NC	117,322 ⁽⁶⁾	2.46
Erman J. Evans, Jr. Cornelius, NC	57,317	1.20
Jean R. Galloway Charlotte, NC	60,165	1.26
William C. Godley Charlotte, NC	105,993 ⁽⁷⁾	2.22
James E. Harris, Jr. Charlotte, NC	86,884 ⁽⁸⁾	1.82
John J. Keane Mooresville, NC	62,896	1.31
Elaine M. Lyerly Cramerton, NC	40,869 ⁽⁹⁾	0.86
Elizabeth Nisbet Miller Charlotte, NC	60,033 ⁽¹⁰⁾	1.26
William G. Seymour Charlotte, NC	69,024	1.45
William D. Shuford, Jr. Charlotte, NC	63,302 ⁽¹¹⁾	1.33
All Directors and Executive Officers as a group (14 persons)	1,130,684	23.43

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- (1) Except as otherwise noted, to the best knowledge of the Bank's management, the above individuals and group exercise sole voting and investment power with respect to all shares shown as beneficially owned other than the following shares as to which such powers are shared: Mr. Baucom – 26,564 shares; Dr. Berryhill – 1,641 shares; Ms. Connor – 64,045 shares; Mr. Evans – 35,272 shares; Mr. Keane – 9,552 shares and Ms. Miller – 32,844 shares.
- (2) Included in the beneficial ownership tabulations are the following options to purchase common stock: Mr. Bolt – 28,362 shares; Ms. Galloway – 10,647 shares; and Mr. Keane – 10,647 shares.
- (3) The calculation of the percentage of class beneficially owned by the individual or group is based on the sum of (i) 4,775,898 outstanding shares of common stock and (ii) options capable of being exercised within 60 days of December 31, 2009 by the individual or the group.

- (4) Includes 1,641 shares owned by Mr. Baucom's adult child.
- (5) Includes 800 shares owned by Mr. Bolt's spouse and 1,519 shares owned by his adult children.
- (6) Includes 17,238 shares owned by Ms. Connor's adult children.
- (7) Includes 16,420 shares owned by Godley Builders, Inc. and 9,000 shares owned by William C. Godley Family, LLC, each a related interest. Includes 864 shares owned by Mr. Godley's spouse.
- (8) Includes 41,303 shares owned by Harris Charitable Foundation, a related interest.
- (9) Includes 2,389 shares held by Ms. Lyerly as custodian.
- (10) Includes 1,528 shares owned by Ms. Miller's spouse with respect to which Ms. Miller exercises voting power and 325 shares owned by Ms. Miller's adult child.
- (11) Includes 650 shares owned by Mr. Shuford's adult children.

Section 16(a) Beneficial Ownership Reporting Compliance

The Bank's directors and executive officers are required to file certain reports with the Federal Deposit Insurance Corporation regarding the amount of and changes in their beneficial ownership of the Bank's common stock (including, without limitation, an initial report following the person's election as an officer or director of the Bank and a report within two business days following a change in a reporting person's beneficial ownership). Based upon a review of copies of reports received by the Bank, all required reports of directors and executive officers of the Bank were filed on a timely basis, with the exception of two Form 4 reports for Mr. Baucom that were filed late.

PROPOSAL 1: ELECTION OF DIRECTORS

The Bank's Bylaws provide that its Board of Directors shall consist of between eight and twenty members, as determined by the Board of Directors or the shareholders, and if there are nine or more members, they shall be elected to serve staggered three-year terms. The Board has set the number of directors at twelve. A total of eight directors' terms continue after the Annual Meeting.

The terms of the four directors named in the following table expire at the Annual Meeting. Each such director has been re-nominated to the Board for a term of three years.

<u>Name and Age</u>	<u>Position Held</u>	<u>Director Since</u>	<u>Principal Occupation and Business Experience During the Past Five Years</u>
Gary C. Baucom (57)	Director	1998	President, Baucom's Nursery Co., Charlotte, NC (wholesale nursery)
Erman J. Evans, Jr. (72)	Director	1998	President/Owner, Kee Auto Top Manufacturing Co., Charlotte, NC (custom automotive tops)
James E. Harris, Jr. (66)	Director	1998	Private Investor
Elizabeth Nisbet Miller (60)	Director	1998	Private Investor

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" EACH OF THE NOMINEES FOR DIRECTOR OF THE BANK FOR A TERM OF THREE YEARS.

Incumbent Directors

The Bank's Board of Directors includes the following directors whose terms will continue after the Annual Meeting. Certain information regarding those directors is set forth in the following table:

<u>Name and Age</u>	<u>Director Since</u>	<u>Term Expires</u>	<u>Principal Occupation and Business Experience During the Past Five Years</u>
Bruce H. Berryhill, M.D. (72)	1998	2012	Retired Physician
James T. Bolt, Jr. (61)	1998	2012	President, Chief Executive Officer and Director of the Bank
Francis Armistead "Steady" Cash, Jr. (67)	1998	2011	Private Investor
Catherine M. Connor (57)	1998	2011	Private Investor
William C. Godley (78)	1998	2012	President, Godley Builders, Inc., Charlotte, NC (commercial and industrial real estate construction and development)
Elaine M. Lyerly (58)	1998	2011	President, Lyerly Agency, Inc., Charlotte, NC (marketing, advertising and public relations)
William G. Seymour (67)	1998	2012	President, Primax Properties, LLC, Charlotte, NC (commercial real estate investor)
William D. Shuford, Jr. (63)	1998	2011	Private Investor; formerly, President and Chief Executive Officer, New Image, Inc., Charlotte, NC (printing and related activities)

Qualifications of Directors

A description of the specific experience, qualifications, attributes, or skills that led to the conclusion that each of the nominees and incumbent directors listed above should serve as a director of the Bank is presented below.

Gary C. Baucom. Mr. Baucom manages a family-owned wholesale nursery serving the southeast United States, one of largest in the United States. He was formerly an advisory board member of Central Carolina Bank for the Mecklenburg Region prior to joining the Bank's Board of Directors as a founding member. He has served on the Bank's Board since inception of the Bank and has attended the North Carolina Bank Directors' College.

Bruce H. Berryhill. Dr. Berryhill is a retired physician formerly practicing in Charlotte. He formerly served on local boards of Security Bank and Trust, Salisbury, North Carolina and Central Carolina Bank. He has served on the Bank's Board since inception of the Bank and has attended the North Carolina Bank Directors' College.

James T. Bolt, Jr. Mr. Bolt is currently the Bank's President and Chief Executive Officer. He was an organizer and founder of the Bank and has served as President and Chief Executive Officer since the Bank commenced operations in 1998. Mr. Bolt has nearly 40 years of banking experience in the Charlotte market area, serving in various capacities at a number of regional and community banks in the Charlotte area, including as Mecklenburg Regional Executive of one bank and President of another. Mr. Bolt is a graduate of East Carolina University and The Stonier School of Banking.

Francis Armistead "Steady" Cash, Jr. Mr. Cash previously served as Chairman, President and CEO of The Parnell-Martin Companies, LLC. He held various positions and responsibilities at Parnell-Martin beginning in 1964 until his retirement in 2008. Since retirement Mr. Cash has remained very active in the Charlotte metropolitan area. He is a former director of First Charlotte Bank, a Charlotte community bank. He has served on the Bank's Board since inception of the Bank and has attended the North Carolina Bank Directors' College.

Catherine M. Connor. Ms. Connor is a former Co-owner, Director and Officer of Wilton Connor Packaging in Charlotte, a packaging company that won a number of awards for innovative personnel benefits and programs. She held a certified public accountant license from 1976 until retiring the certification in 1990. Ms. Connor is active in the Charlotte community. She has served on the Bank's Board since inception of the Bank and has attended the North Carolina Bank Directors' College.

Erman J. Evans, Jr. Mr. Evans is the Chief Executive Officer and owner of Kee Auto Top Manufacturing Company, a manufacturer of automobile tops for domestic and international markets that Mr. Evans founded in 1964. He has served on the Bank's Board since inception of the Bank and has attended the North Carolina Bank Directors' College.

William C. Godley. Mr. Godley has served as Chairman of the Board since the Bank commenced operations. He previously served on the Board of Directors and Loan Committee of Republic Bank, Charlotte NC and its successor, Central Carolina Bank. He has 37 years of bank director experience, serving as a director of three profitable and successful banks in the Charlotte area since 1972. Mr. Godley owns and operates an industrial real estate business in the Charlotte market and is a longtime resident of Charlotte. He has served on the Bank's Board since inception of the Bank and has attended the North Carolina Bank Directors' College.

James E. Harris, Jr. Mr. Harris is a real estate developer/investor in five states and an owner, operator and investor in various multi-unit restaurant concepts. He has served on the Bank's Board since inception of the Bank and has attended the North Carolina Bank Directors' College.

Elaine M. Lyerly. Ms. Lyerly founded the Lyerly Agency, specializing in marketing, advertising and public relations, and currently serves as its President. She has prior experience as a director of SouthTrust Bank from 1995 to 1998 and also served as Vice Chair of National Board of Governors of the American Red Cross and currently serves on the Council on the International Red Cross and Red Crescent Movement. She has served on the Bank's Board since inception of the Bank and has attended the North Carolina Bank Directors' College.

Elizabeth N. Miller. Ms. Miller is an owner and director of Carolina Controls, Charlotte, NC and is active in the Charlotte business and non-profit communities. She has served on the Bank's Board since inception of the Bank and has attended the North Carolina Bank Directors' College.

William G. Seymour. Mr. Seymour is a real estate developer, investor and construction contractor operating primarily in the eastern United States. He is a former director, officer and co-founder of Broadway & Seymour, Inc., a provider of bank software systems and services that grew into a public company. Prior to its sale, Broadway & Seymour was a leading national provider of banking software with over half of the 100 largest U.S. banks as customers and over 600 community banks processing on the company's community bank system. He has 25 years of experience with automating bank operations, enhancing efficiency, profitability and control. He also previously served on the boards of two banks and a stock brokerage firm. His experience also includes service on numerous other business, civic, charitable and church boards. Mr. Seymour currently serves on the Board of Visitors of the Kenan-Flagler Business School at the University of North Carolina in Chapel Hill and is a recipient of the Kenan-Flagler Alumni Merit Award. He has served on the Bank's Board since inception of the Bank.

William D. Shuford, Jr. Mr. Shuford is the former President of New Image Inc. dealing with administration and sales and also formerly served as President of Sadisco Carolina Inc. He has prior experience with a regional bank in various capacities including audit functions. He has served on the Bank's Board since inception of the Bank and has attended the North Carolina Bank Directors' College.

Director Independence

With the exception of Mr. Bolt, each member of the Bank's Board of Directors is "independent" as defined by NASDAQ listing standards and the regulations promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"). In making this determination, the Board considered all insider transactions with directors for the provision of goods or services to the Bank. All such transactions were conducted at arm's length upon terms no less favorable than those that would be available from an independent third party.

Director Relationships

No director of the Bank is a director of any company with a class of securities registered pursuant to Section 12 of the Exchange Act or subject to the requirements of Section 15(d) of the Exchange Act, or any company registered as an investment company under the Investment Company Act of 1940.

Board Leadership Structure and Role in Risk Oversight

The Board of Directors is led by a chairman. At present, the positions of principal executive officer and chairman are held by different persons. The Board does not have a formal policy as to whether the roles of chairman and principal executive officer should be separate, but such roles have been held by separate individuals since the Bank's inception. At this time, the Board has determined that separating these roles and having an independent director serve as chairman of

the board is in the best interests of the Bank and its shareholders. We believe this division of responsibility facilitates communication between the board and executive management and is appropriate given the legal and regulatory requirements applicable to the Bank.

Under North Carolina law, the Board of Directors is responsible for managing the business and affairs of the Bank, including the oversight of risks that could affect the Bank. Although the full board has responsibility for the general oversight of risks, it primarily conducts its risk oversight function through committees, including the audit committee and the compensation committee, as described below, as well as other committees including a loan committee and the Executive Committee which functions as the asset liability committee. The loan committee, with the input of the President and the Chief Credit Officer, is responsible for oversight of credit risk and lending policies. The asset liability committee is responsible for oversight of interest rate risk and liquidity risk. Each of these committees meets regularly and provides reports to the full board, which is responsible for reviewing and ratifying the actions of the committees.

Meetings and Committees of the Board of Directors

The Bank's Board of Directors held five regular meetings during 2009. Each director attended 75% or more of the aggregate number of meetings of the Board of Directors and any committees on which he or she served with the exception of Mr. Cash, who missed certain meetings due to business conflicts and medical reasons.

The Bank does not have a formal policy regarding director attendance at annual shareholder meetings, however, directors are encouraged to attend each annual meeting, and any special meetings, of shareholders. Eleven of the Bank's twelve directors attended the 2009 Annual Meeting.

The Board of Directors of the Bank has several standing committees including an Executive Committee, Audit Committee, Loan Committee and Nominating Committee.

During 2009, the following persons served as members of the Executive Committee: Mr. Godley – Chairman, Mr. Shuford – Vice Chairman and Messrs. Baucom, Bolt and Harris. When the Board of Directors is not in session, the Executive Committee is empowered to take any action permitted to the full board. The Executive Committee also performs the duties of the Investment Committee and the Compensation Committee, with Mr. Bolt serving as a nonvoting advisory member of the Compensation Committee with no input on matters pertaining to his own compensation. The Executive Committee met nine times in 2009. The Compensation Committee has a formal charter which is reviewed annually for adequacy and which is available at www.firsttrustnc.com.

The Bank's Audit Committee is composed of the following independent directors: Ms. Lyerly – Chairperson, Ms. Connor – Vice Chairperson and Messrs. Evans, Seymour and Shuford. The Audit Committee met four times during 2009. The Audit Committee has a formal charter which is reviewed annually for adequacy and which is available at www.firsttrustnc.com. Catherine M. Connor, a member of the Audit Committee, meets the requirements of the Securities and Exchange Commission for qualification as an "audit committee financial expert," however she has elected not to be designated as such. An audit committee financial expert is defined as a

person who has the following attributes: (i) an understanding of generally accepted accounting principles (“GAAP”) and financial statements; (ii) the ability to assess the general application of GAAP in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that are of the same level of complexity that can be expected in the Bank’s financial statements, or experience supervising people engaged in such activities; (iv) an understanding of internal controls and procedures for financial reporting; and (v) an understanding of Audit Committee functions. The report of the Audit Committee is included on page 17 of this proxy statement.

The following persons served as members of the Loan Committee during 2009: Mr. Baucom – Chairman, Dr. Berryhill, Mr. Bolt, Mr. Cash and Ms. Miller. The Loan Committee met twelve times in 2009.

In 2009, the following independent directors served as members of the Nominating Committee: Messrs. Godley, Seymour and Shuford. The duties of the Nominating Committee include: (i) assisting the Board, on an annual basis, by identifying individuals qualified to become Board members, and recommending to the Board the director nominees for the next Annual Meeting of Shareholders; and (ii) assisting the Board in the event of any vacancy on the Board by identifying individuals qualified to become Board members, and recommending to the Board qualified individuals to fill any such vacancy.

The members of the Nominating Committee are “independent” as defined by NASDAQ listing standards and the regulations promulgated under the Exchange Act. The Bylaws of the Bank state that candidates may be nominated for election to the Board of Directors by the Nominating Committee or by any shareholder of the Bank’s common stock. It is the policy of the Nominating Committee to consider all shareholder nominations. Shareholder nominations must be submitted to the Nominating Committee in writing on or before September 30th of the year preceding the annual meeting at which the nominee would stand for election to the Board of Directors and must be accompanied by each nominee’s written consent to serve as a director of the Bank if elected. The Bylaws of the Bank require that all nominees for director, including shareholder nominees, have business, economic or residential ties to the Bank’s market area and have owned at least 1,000 shares of the Bank’s common stock for a period of twelve months preceding the date of the nomination. In evaluating nominees for director, the Nominating Committee values community involvement and experience in finance or banking including prior service as an officer or director of an entity engaged in the financial services business, although such experience is not a prerequisite for nomination. Although there is not currently a formal policy requiring that the Nominating Committee consider diversity in its identification of nominees to the Board of Directors, the committee values diversity, including diversity of background, experience and expertise. The Nominating Committee has adopted a formal charter, which is reviewed annually for adequacy and which is available at www.firsttrustnc.com.

Director Compensation

Directors of the Bank are paid \$500 for each regular meeting of the Board attended and \$300 for each committee meeting attended.

The shareholders of the Bank approved the First Trust Bank 1999 Nonqualified Stock Option Plan for Directors (the “Nonqualified Plan”) at the 1999 Annual Meeting of Shareholders pursuant to which options on 343,934 shares (as adjusted for all subsequent stock dividends) of the Bank’s common stock were made available for issuance to members of the Bank’s Board of Directors upon the exercise of stock options. All stock options previously granted under the plan have either been exercised or expired. In addition, the Nonqualified Plan expired during the year ended December 31, 2009 and, accordingly, there are no stock options available for future grant under that plan.

The following table presents a summary of all compensation paid by the Bank to its directors for their service as such during the year ended December 31, 2009.

DIRECTOR COMPENSATION TABLE

<u>Name</u>	<u>Fees Earned or Paid in Cash</u>	<u>Stock Awards</u>	<u>Option Awards⁽²⁾</u>	<u>All Other Compensation</u>	<u>Total</u>
Gary C. Baucom	\$8,800	--	--	--	\$8,800
Dr. Bruce H. Berryhill	5,500	--	--	--	5,500
James T. Bolt, Jr. ⁽¹⁾	--	--	--	--	--
Francis Armistead Cash, Jr.	4,800	--	--	--	4,800
Catherine M. Connor	3,700	--	--	--	3,700
Erman J. Evans, Jr.	4,000	--	--	--	4,000
William C. Godley	5,200	--	--	--	5,200
James E. Harris, Jr.	4,700	--	--	--	4,700
Elaine M. Lyerly	3,700	--	--	--	3,700
Elizabeth Nisbet Miller	5,800	--	--	--	5,800
William G. Seymour	4,000	--	--	--	4,000
William D. Shuford, Jr.	6,100	--	--	--	6,100

(1) Compensation paid to Mr. Bolt in connection with his service as President and Chief Executive Officer of the Bank is included in the Summary Compensation Table presented on page 13.

(2) There were no option awards outstanding at December 31, 2009.

Executive Officers

Set forth below is certain information regarding the Bank’s executive officers.

<u>Name</u>	<u>Age</u>	<u>Position with the Bank</u>	<u>Business Experience</u>
James T. Bolt, Jr.	61	President and Chief Executive Officer	President and Chief Executive Officer, First Trust Bank, Charlotte, NC
Jean R. Galloway	61	Senior Vice President and Chief Financial Officer	Senior Vice President and Chief Financial Officer, First Trust Bank, Charlotte, NC
John J. Keane	52	Senior Vice President and Chief Credit Officer	Senior Vice President and Chief Credit Officer, First Trust Bank, Charlotte, NC

EXECUTIVE COMPENSATION

The Bank has entered into an employment agreement with James T. Bolt, Jr., President and Chief Executive Officer (the "Employment Agreement"), to establish his duties and compensation and to provide for his continued employment with the Bank. The Employment Agreement provides for an initial term of employment of five (5) years, with automatic one (1) year extensions at the end of each year.

The Employment Agreement provides for an annual base salary to be reviewed by the Board of Directors not less often than annually. Mr. Bolt's current base salary under the agreement is \$300,000. In addition, the Employment Agreement provides for discretionary bonuses, participation in other pension and profit-sharing retirement plans maintained by the Bank on behalf of its employees, as well as fringe benefits normally associated with or typical of Mr. Bolt's office or made available to all other employees.

The Employment Agreement provides that Mr. Bolt may be terminated for "cause," as defined in the Employment Agreement, and the financial consequences incurred should the Employment Agreement otherwise be terminated by the Bank or by Mr. Bolt. The Employment Agreement provides that in the event of a "termination event" following a change in control of the Bank, Mr. Bolt shall be able to terminate the agreement and receive, among other things, 299% of his "base amount" of compensation as such term is defined in Section 280G of the Internal Revenue Code. As of December 31, 2009, the value of the lump sum payment that would have been payable to Mr. Bolt upon the occurrence of a "change in control" followed by a termination event would have been approximately \$1,186,100. In general, a "termination event" will occur if (i) Mr. Bolt is assigned any duties or responsibilities that are inconsistent with his position, duties, responsibilities or status at the time of the change in control or with his reporting responsibilities or title with the Bank in effect at the time of the change in control; (ii) Mr. Bolt's compensation rate is reduced below the amount in effect as of the change in control or his life insurance, medical or hospitalization insurance, disability insurance, deferred compensation plans, retirement plans or similar plans or benefits are not provided as required by the employment agreement; or (iii) Mr. Bolt is required to perform more than ten percent (10%) of his activities at any office or location more than twenty-five (25) miles from the Bank's main office. A change in control of the Bank will occur if (i) any person or group becomes the beneficial owner or otherwise acquires control, directly or indirectly, of securities of the Bank representing twenty-five percent (25%) or more of the voting power of the Bank's then outstanding securities; (ii) any person or group acquires the ability to elect, or to control the election, of a majority of the directors of the Bank; (iii) the Bank merges into another entity, or any entity merges into the Bank or there is an acquisition of assets by the Bank, in any such case with the result that the beneficial owners of the Bank's outstanding securities immediately prior to such transaction do not beneficially own more than sixty percent (60%) of the Bank's outstanding securities after the consummation of such transaction; (iv) there is a sale or other transfer of more than fifty percent (50%) of the assets of the Bank to any entity not controlled by the Bank; (v) there is any transaction by the Bank that results (A) in the majority of the Board of Directors of the Bank after the consummation of such transaction not being composed of incumbent directors, or (B) in the beneficial owners of the Bank's outstanding securities immediately prior to the consummation of such transaction not beneficially owning more than sixty percent (60%) of the

Bank's outstanding securities after such transaction; or (vi) any other event or circumstance occurs, which the Board determines affects control of the Bank and constitutes a change in control.

The Employment Agreement also provides for restrictions on Mr. Bolt's right to compete with the Bank for the remainder of the term of the Employment Agreement after termination of employment. Such noncompete restrictions do not apply if he is terminated without cause or after the occurrence of a "termination event" following a change in control.

The Bank has entered into change in control agreements with Jean R. Galloway and John J. Keane (the "Change in Control Agreements") providing for the payment to each of them of an amount equal to 200% of their base salary and last short term bonus, should certain "termination events," as defined in each of the Change in Control Agreements, occur following a change in control of the Bank. The definition of "change in control" is identical to that contained in the Employment Agreement with Mr. Bolt. The Change in Control Agreements are not employment contracts. Each of the Change in Control Agreements is for an initial term of three (3) years with an automatic one (1) year extension on each anniversary date unless the Board of Directors takes specific action not to extend the Change in Control Agreements. The Change in Control Agreements are designed to give the recipient a predetermined severance benefit provided a change in control of the Bank has occurred and the officer is terminated in his or her employment or other adverse action is taken within twelve (12) months of such change in control.

As of December 31, 2009, the value of the lump sum payments that would have been payable to each of Ms. Galloway and Mr. Keane upon the occurrence of a "change in control" followed by a termination event would have been approximately \$440,500 for each officer. The Change in Control Agreements and the Employment Agreement may be considered "anti-takeover" agreements in as much as they provide existing management with possible compensation in the event of a change in control, thereby making the acquisition of the Bank by a third party potentially more expensive. Since the Change in Control Agreements and the Employment Agreement are favorable to existing management, some shareholders may not believe that they are in the best interests of all shareholders because they could make a change in control of the Bank more expensive.

The following table shows all compensation paid to or received by James T. Bolt, Jr., Jean R. Galloway and John J. Keane (the "Named Executive Officers") for services rendered in all capacities during the fiscal year ended December 31, 2009. The Bank does not have any executive officers other than those listed in the following table.

SUMMARY COMPENSATION TABLE

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary</u>	<u>Option Awards⁽¹⁾</u>	<u>Non-Equity Incentive Plan Compensation</u>	<u>Nonqualified Deferred Compensation Earnings</u>	<u>All Other Compensation⁽²⁾</u>	<u>Total</u>
James T. Bolt, Jr. President and Chief Executive Officer	2009	\$302,746	\$ --	\$125,000	\$255,479	\$56,875	\$740,100
	2008	297,977	8,986	110,000	255,479	55,617	728,059
Jean R. Galloway Senior Vice President and Chief Financial Officer	2009	165,000	--	67,000	90,469	29,309	351,778
	2008	164,167	12,107	55,000	90,469	27,440	349,183
John J. Keane Senior Vice President and Chief Credit Officer	2009	165,000	--	67,000	40,703	26,682	299,385
	2008	164,167	12,107	55,000	40,703	23,302	295,279

(1) Aggregate grant date fair value computed in accordance with FASB ASC Topic 718. The assumptions used in estimating the fair value of options are set forth in note 11 to the Bank's audited financial statements at December 31, 2009 included in the annual report to shareholders that accompanies this proxy statement.

(2) Includes 401(k) contributions and the dollar value of premiums paid on behalf of the named officers for group term life, health and dental insurance and for Mr. Bolt, amounts paid for club dues and an automobile allowance.

Stock Options

The shareholders approved the First Trust Bank 1999 Incentive Stock Option Plan (the "Incentive Plan") at the 1999 Annual Meeting of Shareholders pursuant to which options on 343,934 shares (as adjusted for all subsequent stock dividends) of the Bank's common stock were available for issuance to employees of the Bank. At the 2006 Annual Meeting of Shareholders, the shareholders approved an amendment to the Incentive Plan providing for the issuance of an additional 87,943 shares upon the exercise of stock options granted from time to time under the Incentive Plan. There were no stock options granted to any of the Named Executive Officers during the fiscal year ended December 31, 2009. Additionally, the Incentive Plan expired during 2009 and, accordingly, there are no stock options available for future grant under that plan.

The following table sets forth information regarding equity awards previously granted to the Named Executive Officers that remained outstanding as of December 31, 2009. The number of shares of the Bank's common stock and the per share exercise prices reported in the following table have been adjusted for the effect of stock dividends.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

<u>Name</u>	Equity Incentive Plan Awards:			<u>Option Exercise Price</u>	<u>Option Expiration Date</u>
	<u>No. of Securities Underlying Unexercised Options Exercisable</u>	<u>No. of Securities Underlying Unexercised Options Unexercisable</u>	<u>No. of Securities Underlying Unexercised Unearned Options</u>		
James T. Bolt, Jr.	18,762 ⁽¹⁾	-0-	-0-	\$ 12.38	June 16, 2015
	4,800	7,200	-0-	17.33	Jan. 25, 2017
	1,200	4,800	-0-	13.00	Jan 24, 2018
Jean R. Galloway	4,147	1,037	-0-	12.38	June 16, 2015
	2,400	3,600	-0-	17.33	Jan. 25, 2017
	1,000	4,000	-0-	13.00	Jan. 24, 2018
	900	3,600	-0-	11.30	Oct. 23, 2018
John J. Keane	4,147	1,037	-0-	12.38	June 16, 2015
	2,400	3,600	-0-	17.33	Jan. 25, 2017
	1,000	4,000	-0-	13.00	Jan. 24, 2018
	900	3,600	-0-	11.30	Oct. 23, 2018

(1) Granted pursuant to the 1999 Nonqualified Stock Option Plan for Directors.

The following table sets forth information regarding stock options exercised by the Named Executive Officers during the fiscal year ended December 31, 2009. Mr. Bolt exercised stock options covering 117,336 shares of the Bank's common stock on April 16, 2009 at an exercise price of \$3.35 per share. Ms. Galloway exercised stock options covering 10,414 shares of the Bank's common stock on April 6, 2009 at an exercise price of \$3.35 per share.

OPTION EXERCISES AND STOCK VESTED

<u>Name</u>	Option Awards		Stock Awards	
	<u>No. of Shares Acquired on Exercise</u>	<u>Value Realized on Exercise</u>	<u>No. of Shares Acquired on Vesting</u>	<u>Value Realized on Vesting</u>
James T. Bolt, Jr.	117,336	\$393,076	--	--
Jean R. Galloway	10,414	39,261	--	--
John J. Keane	--	--	--	--

The Bank has entered into Salary Continuation Agreements (the "Compensation Agreements") with each of Messrs. Bolt and Keane and Ms. Galloway. Compensation agreements such as these are becoming increasingly common in the banking industry, because caps on qualified plan contributions and distributions, as well as Social Security, often limit bank executives' retirement benefits to 30% to 50% of final pay. In contrast, other bank staff are unaffected or are less severely affected by those caps and they can therefore end their working careers with retirement benefits at 70% to 90% of final pay. An arrangement such as the Compensation Agreements can remedy the

shortfall in executive retirement compensation and deliver retirement benefits commensurate with bank executives' final pay. The Compensation Agreements are unfunded, but require the Bank to accrue an amount of benefits to be paid to each covered executive upon retirement at age 65 and under certain other circumstances such as termination after a change in control of the Bank. To help offset the accruals, the Bank has purchased life insurance policies on the Named Executive Officers. A portion of the death benefit under these policies is directed to the Named Executive Officer's beneficiary pursuant to the Endorsement Split-Dollar Agreements discussed below. The Compensation Agreements provide for each of the executives to receive monthly payments beginning upon the executive's retirement from the Bank at age 65, or, under certain circumstances, upon the executive's early termination or disability. In addition, the Compensation Agreements provide for lump sum payments in the event of a change in control. Mr. Keane's Compensation Agreement provides for a lump sum payment in the event Mr. Keane terminates his employment or is terminated under certain conditions within twelve (12) months of a change in control. Mr. Bolt's and Ms. Galloway's agreements provide for a lump sum payment following a change in control, irrespective of whether their employment is terminated. As of December 31, 2009, the value of the lump sum payment that would have been payable to the Named Executive Officers upon the occurrence of a "change in control" (followed by a termination event, if applicable) would have been approximately \$2,625,169, \$984,438 and \$984,438 for Messrs. Bolt and Keane and Ms. Galloway, respectively.

The Compensation Agreements for Mr. Bolt and Ms. Galloway also provide for payment of a tax gross-up benefit if the aggregate benefits payable to either of them after a change in control are subject to excise taxes under certain provisions of the Internal Revenue Code. In general terms, the Internal Revenue Code disallows an employer's compensation deduction for so-called "excess parachute payments" made to an executive after a change in control. Additionally, the Internal Revenue Code imposes a 20% excise tax on the executive receiving such excess parachute payments. Should payments to Mr. Bolt or Ms. Galloway be deemed excess parachute payments, each will be entitled to additional payments to compensate him or her for excise taxes imposed as well as for taxes imposed on the gross-up benefit itself. Those additional gross-up benefits would not be deductible payments for the Bank. Further, the Bank has agreed to pay limited legal fees incurred by Mr. Bolt and Ms. Galloway if their compensation agreements are challenged after a change in control.

The Bank has entered into Endorsement Split-Dollar Agreements (the "Split-Dollar Agreements") with Mr. Bolt, Ms. Galloway and Mr. Keane. Under the terms of the Split-Dollar Agreements, the Bank pays the premiums on a life insurance policy on each executive's life and the proceeds from each policy are divided between the Bank and the executive with the executive receiving the total death proceeds of the policy less the policy's cash surrender value. Each executive's economic benefit is calculated based on the current term rate (equal to the minimum amount required to be imputed under applicable IRS guidelines) for the executive's age multiplied by the aggregate death benefit payable to the executive's beneficiary under the terms of the life insurance policy. As of December 31, 2009, the survivor's benefit to the named beneficiaries of Mr. Bolt, Ms. Galloway and Mr. Keane were \$2,333,987, \$852,631 and \$812,729, respectively.

Indebtedness of and Transactions with Management

During 2009 the Bank had, and it expects to have in the future, banking transactions in the ordinary course of business with certain of its current directors, nominees for director, executive officers and their associates. All loans included in such transactions were made on substantially the same terms, including interest rates, repayment terms and collateral, as those prevailing for comparable transactions with other persons at the time such loans were made, and did not involve more than the normal risk of collectibility or present other unfavorable features.

The highest aggregate balance of loans outstanding to current directors, nominees for director, executive officers and their related interests during the fiscal year ended December 31, 2009 occurred on December 31, 2009 and was \$12,797,816 which equaled 26.54% of the Bank's total capital. At December 31, 2009, the Bank had extensions of credit and guarantees in an aggregate amount of \$6,399,577 outstanding to Mr. Seymour, which equaled 13.71% of the Bank's total capital on that date, and \$4,931,020 outstanding to Mr. Baucom, which equaled 10.56% of the Bank's total capital on that date.

Loans made by the Bank to directors and executive officers are subject to the requirements of Regulation O of the Board of Governors of the Federal Reserve System. Regulation O requires, among other things, prior approval of the Board of Directors with any "interested director" not participating, dollar limitations on amounts of certain loans and prohibits any favorable treatment being extended to any director or executive officer in any of the Bank's lending matters. To the best knowledge of the management of the Bank, Regulation O has been complied with in its entirety.

PROPOSAL 2: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed the firm of Dixon Hughes PLLC, Certified Public Accountants, as the Bank's independent registered public accounting firm for 2010. A representative of Dixon Hughes PLLC is expected to be present at the Annual Meeting and available to respond to appropriate questions, and will have the opportunity to make a statement if he or she desires to do so.

The Bank has paid Dixon Hughes PLLC fees in connection with their assistance in the Bank's 2009 annual audit and review of the Bank's financial statements, as well as other areas of financial planning.

The following table sets forth the aggregate fees billed for professional services rendered by Dixon Hughes PLLC in connection with the annual audit of the Bank's financial statements for 2009 and 2008 and the aggregate fees billed in 2009 and 2008 for certain other professional services.

AUDIT FEES

<u>Category</u>	<u>2009</u>	<u>2008</u>
Audit Fees ⁽¹⁾ :	\$109,865	\$83,660
Audit-Related Fees ⁽²⁾ :	-0-	-0-
Tax Fees ⁽³⁾ :	8,150	7,680
All Other Fees:	<u>-0-</u>	<u>-0-</u>
 Total Fees Paid:	 <u>\$118,015</u>	 <u>\$91,340</u>

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- (1) Fees billed for the annual audit of the Bank's financial statements, review of the Bank's interim financial statements and preparation of the attestation report regarding internal control over financial reporting prior to the release of temporary rules of the Securities and Exchange Commission that permitted the Bank to include only management's report on internal control over financial reporting in the Bank's annual report.
 - (2) Includes certain expenses and fees for routine accounting consultations.
 - (3) Fees for preparation of income tax returns and assistance with quarterly estimated tax payments.

All services rendered by Dixon Hughes PLLC during 2009 and 2008 were subject to pre-approval by the Audit Committee.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE “FOR” PROPOSAL 2 REGARDING RATIFICATION OF DIXON HUGHES PLLC AS THE BANK'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2010.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Bank is responsible for receiving and reviewing the annual audit report of the Bank's independent auditors and reports of examinations by bank regulatory agencies and helping to formulate, implement, and review the Bank's internal audit programs. The Audit Committee also assesses the performance and independence of the Bank's independent auditors and recommends their appointment and retention. The Audit Committee has in place pre-approval policies and procedures that involve an assessment of the performance and independence of the Bank's independent auditors, an evaluation of any conflicts of interest that may impair the independence of the independent auditors and pre-approval of an engagement letter that outlines all services to be rendered by the independent auditors.

During the course of its examination of the Bank's audit process in 2009, the Audit Committee reviewed and discussed the audited financial statements with management. The Audit Committee also discussed with the independent auditors, Dixon Hughes PLLC (“Dixon Hughes”), all matters required to be discussed by the Statement of Auditing Standards No. 114, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T. Furthermore, the Audit Committee received from Dixon Hughes disclosures regarding their independence required

by the Independence Standards Board Standard No. 1, as amended and discussed with Dixon Hughes their independence with respect to the Bank.

Based on the review and discussions above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Bank's Annual Report on Form 10-K for the year ended December 31, 2009 for filing with the Federal Deposit Insurance Corporation.

The Audit Committee has considered whether the principal accountant's provision of certain non-audit services to the Bank is compatible with maintaining the independence of Dixon Hughes. The Audit Committee has determined that it is compatible with maintaining the independence of Dixon Hughes.

This report is submitted by the Audit Committee:

Elaine M. Lyerly – Chairperson
Catherine M. Connor – Vice Chairperson
Erman J. Evans, Jr.
William G. Seymour
William D. Shuford, Jr.

OTHER MATTERS

The Board of Directors knows of no other business that will be brought before the Annual Meeting. Should other matters properly come before the meeting, the proxies will be authorized to vote shares represented by each appointment of proxy in accordance with their best judgment on such matters.

PROPOSALS FOR 2011 ANNUAL MEETING

It is anticipated that the 2011 Annual Meeting will be held on a date during May 2011. Any proposal of a shareholder which is intended to be presented at the 2011 Annual Meeting must be received by the Bank at its main office in Charlotte, North Carolina no later than December 3, 2010, in order that any such proposal be timely received for inclusion in the proxy statement and appointment of proxy to be issued in connection with that meeting. If a proposal for the 2011 Annual Meeting is not expected to be included in the proxy statement for that meeting, the proposal must be received by the Bank by February 16, 2011 for it to be timely received for consideration. The proxies will use their discretionary authority for any proposals received thereafter.

INTERNET AND ELECTRONIC AVAILABILITY OF PROXY MATERIALS

As required by applicable FDIC and SEC rules and regulations, the Bank has furnished a notice of internet availability of proxy materials to all shareholders as part of this proxy statement and all shareholders will have the ability to access this proxy statement and the Bank's annual report on Form 10-K for the fiscal year ended December 31, 2009 as filed with the FDIC, by logging on at <http://www.ftncinvestors.com>.

SHAREHOLDER COMMUNICATIONS

The Bank does not have a formal policy regarding shareholder communications with the Board of Directors, however, any shareholder may submit written communications to Jean R. Galloway, Secretary, First Trust Bank, 1420 East Third Street, Charlotte, North Carolina 28204, whereupon such communications will be forwarded to the Board of Directors if addressed to the Board of Directors as a group or to the individual director or directors addressed.

ADDITIONAL INFORMATION

THE BANK'S 2009 ANNUAL REPORT ON FORM 10-K, WHICH SERVES AS THE BANK'S 2009 ANNUAL DISCLOSURE STATEMENT REQUIRED BY FDIC REGULATIONS, WAS FILED WITH THE FDIC ON OR BEFORE MARCH 31, 2010. A COPY OF THAT REPORT WILL BE PROVIDED WITHOUT CHARGE UPON THE WRITTEN REQUEST OF ANY SHAREHOLDER ENTITLED TO VOTE AT THE ANNUAL MEETING. REQUESTS FOR COPIES SHOULD BE DIRECTED TO JEAN R. GALLOWAY, SENIOR VICE PRESIDENT, FIRST TRUST BANK, 1420 EAST THIRD STREET, CHARLOTTE, NORTH CAROLINA 28204, (704) 377-3936.