

FIRST RESOURCE BANK

COMMUNITY REINVESTMENT ACT

PUBLIC FILE

Updated April 1, 2024

FIRST RESOURCE BANK
CRA PUBLIC FILE

LOAN TO DEPOSIT RATIOS

The following loan-to-deposit ratios are for each quarter of 2023.

DATE OF QUARTER	LOAN TO DEPOSIT RATIOS
MARCH 31, 2023	102.6%
JUNE 30, 2023	105.1%
SEPTEMBER 30, 2023	105.7%
DECEMBER 31, 2023	105.5%

FIRST RESOURCE BANK
CRA PUBLIC FILE

WRITTEN PUBLIC COMMENTS

The Community Reinvestment Act requires us to include in our public file, written comments from the public relating to our CRA performance, and our responses to these comments for the current and preceding two calendar years.

First Resource Bank opened its doors in May 2005. To date we have received no comments regarding our CRA performance.

FIRST RESOURCE BANK
CRA PUBLIC FILE

CRA PUBLIC PERFORMANCE EVALUATION

The Community Reinvestment Act requires us to place our most recent CRA Performance Evaluation in our Public File.

Please see First Resource Bank's CRA Performance Evaluation Report attached.

FIRST RESOURCE BANK
CRA PUBLIC FILE

HMDA DISCLOSURE STATEMENT

First Resource Bank opened its doors in May 2005. The Bank became a HMDA reporting bank in 2006 and will submit the HMDA data to the Consumer Financial Protection Bureau no later than March 1, 2024, after which time HMDA will be made available online via the Consumer Financial Protection Bureau's Web site at www.consumerfinance.gov/hmda.

FIRST RESOURCE BANK
CRA PUBLIC FILE

LIST OF OUR OFFICES AND HOURS OF OPERATIONS
BRANCHES OPENED

NAME OF BRANCH	HOURS	DATE OPEN	CENSUS TRACT
Exton Office 800 North Pottstown Pike Exton PA 19341 Telephone 610-363-9400 Fax 610-561-6039	Monday- Thursday 9AM- 5PM Friday 9AM- 6PM Saturday 9AM- 12PM	August 2014	MD 33874 3044.04
West Chester Office 844 Paoli Pike West Chester PA 19380 Telephone 610-235-4700		April 2015	MD 33874 3027.02
Wayne Office 321 W. Lancaster Avenue Wayne PA 19087 Telephone 610-710-4100		October 2019	MD 37964 4098.03

www.firstresourcebank.com

For a complete list of the geographies we serve see the section entitled "Assessment Area & Map."

BRANCHES CLOSED

The Community Reinvestment Act requires us to list our branches closed in the current year and each of the prior two calendar years. First Resource Bank has not closed a branch office in the current year or either of the prior two calendar years.

FIRST RESOURCE BANK
CRA PUBLIC FILE
LIST OF OUR SERVICES AND FEES

CREDIT SERVICES

First Resource Bank makes a wide range of credit services available within the communities we serve. These services are offered on a non-discriminatory basis to the consumers, business owners, government/municipal entities and/or community-based organizations. The specific terms, interest rates, fees and conditions are subject to change as deemed necessary due to the needs of the customer base and the economic environment. The following credit services are offered.

CONSUMER LOANS

Both secured and unsecured loans to individuals for personal, family or household purposes such as:

- Revolving personal lines of credit
- Automobile loans (new and used vehicles)
- Home equity second mortgages
- Home improvement loans
- Overdraft Protection
- Other personal, family or household loans

COMMERCIAL OR BUSINESS LOANS

Secured and unsecured business loans for individuals, partnerships and corporations, including manufacturers, wholesalers, retailers, service industries, farmers and others. Loan types are as follows:

- Term and Working Capital Loans
- Real Estate Loans
- Construction Loans
- Business / Farm Equipment Loans
- Small Business Loans

REAL ESTATE LOANS

Secured loans to individuals and businesses to construct improve or purchase real property and improvements. This includes loans such as:

- Residential Mortgages for purchase or refinance of both owner occupied and investment properties, for one to four dwelling units.
- Construction Mortgages to Individuals
- Residential Swing Loans

COMMUNITY LOANS

Loans to governmental or quasi-governmental entities, such as:

- Loans to municipal authorities and school districts
- Loans to community-based organizations, including non-profit agencies that provide social services to the community
- Loans to churches and other community-based organizations

DEPOSIT SERVICES

PERSONAL DEPOSIT PRODUCTS

- Free Checking
- Free Checking with interest
- Personal Money Market
- Diamond Club Checking
- Certificates of Deposits
- CDARS – Certificate of Deposit Account Registry Service
- ICS – Insured Cash Sweep
- Individual Retirement Accounts

BUSINESS DEPOSIT PRODUCTS

- Basic Business Checking
- Non-Profit Checking
- Business Money Market
- IOLTA Accounts
- Certificates of Deposits
- CDARS – Certificate of Deposit Account Registry Service
- ICS – Insured Cash Sweep
- Public Funds Money Market

GENERAL BANKING SERVICES

- STAR 24 Hour Account Access
- Chip-enabled Drive-Up ATM at each Branch Location
- 55,000 Allpoint Surcharge Free ATM's
- Other ATM services including the Plus & Honor Networks
- Direct Deposit
- In person Banking and Telephone Banking
- Bank-by-mail
- Digital Banking & Digital Bill Pay
- Secure Digital Message Center
- E-statements and Paper Statements
- Automatic Transfers
- Stop Payments
- Cashier's Checks
- Safe Deposit Boxes
- Domestic and Foreign Wire Transfer
- Night Depository Service
- Instant Issue VISA Chip-enabled Debit Card
- Merchant Services for MasterCard and VISA
- Redemption of U.S. Savings Bonds
- Cashing of Government Checks (Bank Customers Only)
- Notary / Medallion Signature Guaranty (Bank Customers Only)
- Fred –Remote Deposit Capture
- Mobile Check Deposit (Consumer and Micro Business)
- Free Coin Counting (Bank Customers Only)
- Personal and Business Credit Cards offered by TCM Bank
- Foreign Currency Exchange
- Bank to Bank Online Transfers
- Person to Person Payments
- Online Personal Finance Manager
- Online Data Aggregator
- Cash Management
- Positive Pay



Fee Schedule

The following fees may be assessed against your account. The following transaction limitations, if any, may apply to your account.

Nonsufficient funds (paid item or returned item)	\$40.00*
Account research and reconciliation (per hour, min 1 hour)	\$25.00
Cashier's check	\$10.00
Returned deposited item / Chargeback item.....	\$10.00
Stop payments (each).....	\$20.00
Outgoing domestic wire transfer	\$18.00
Outgoing foreign wire transfer.....	\$45.00
Safe deposit box rental	See banker for details**
Safe deposit box drilling.....	At cost, minimum of \$400.00
Safe deposit box key replacement.....	At cost, minimum of \$35.00
Foreign currency purchase or redemption	\$15.00
Dormant (per month)	\$5.00
Escheatment.....	\$100.00
Levy / Writ	\$150.00 plus expenses
Money market excess transaction (per item)	\$15.00
Positive pay return item	\$40.00***

Fees are subject to change.

**The categories of transaction for which an overdraft fee may be imposed are those by any of the following means: check, in-person withdrawal, ATM withdrawal or other electronic means.*

*** Safe deposit boxes and their contents are not FDIC insured.*

**** Non-fraudulent items only.*

FIRST RESOURCE

BANK CRA PUBLIC FILE

DESCRIPTION OF CRA ASSESSMENT AREA

First Resource Bank's CRA assessment area lies within the Metropolitan Division (MD) of Montgomery County/ Chester County 33874 and Philadelphia County 37964 (Delaware County). A Metropolitan Division is a sub-division of larger Metropolitan Statistical Areas (MSAs) containing a single core with a population of at least 2.5 million. The MD is located within the larger Philadelphia-Camden-Wilmington, PA-NJ-DE MSA 37980. The MD of 33874 and 37964 have a median family income of \$142,100 and \$83,100 respectively. This information is based on the FFIEC estimate using the 2023 American Community Survey (ACS).

The assessment area includes all of Chester, Montgomery and Delaware counties:

- Chester County has 124 census tracts. These census tracts within the Bank's assessment area are further described as: 6 or 4.8% low-income tracts, 21 or 16.9% moderate-income tracts, 50 or 40.3% middle-income tracts, 45 or 36.3% upper-income and 2 or 1.7% unknown tract.
- Montgomery County has 219 census tracts: 9 or 4.1% low-income tracts, 41 or 18.7% moderate-income tracts, 108 or 49.3% middle-income tracts, 56 or 25.6% upper-income and 5 or 2.3% unknown tract.
- Delaware County has 152 census tracts: 4 or 2.6% low-income tracts, 19 or 12.5% moderate-income tracts, 31 or 20.4% middle-income tracts, 93 or 61.2% upper-income and 5 or 3.3% unknown tract.

The Bank's main office is located in Chester County in Uwchlan Township and lies within tract 3044.06 an upper-income tract.

The census tracts within the Bank's assessment area were classified in accordance with the U.S. Census Bureau requirements.

DESCRIPTION OF ASSESSMENT AREA – Chester, Montgomery & Delaware Counties

Chester County

MD	COUNTY	CENSUS TRACT	CLASS
33874	Chester	3001.01	Upper
33874	Chester	3001.03	Middle
33874	Chester	3001.04	Upper
33874	Chester	3001.06	Upper
33874	Chester	3001.07	Upper
33874	Chester	3001.08	Upper
33874	Chester	3001.09	Upper
33874	Chester	3002.01	Upper
33874	Chester	3002.02	Upper
33874	Chester	3003.01	Upper
33874	Chester	3003.02	Upper
33874	Chester	3003.03	Middle
33874	Chester	3004.00	Middle
33874	Chester	3005.01	Upper
33874	Chester	3005.02	Middle
33874	Chester	3006.00	Middle
33874	Chester	3007.00	Middle
33874	Chester	3008.00	Moderate
33874	Chester	3009.00	Moderate
33874	Chester	3010.01	Upper
33874	Chester	3010.02	Middle
33874	Chester	3011.00	Moderate
33874	Chester	3013.00	Middle
33874	Chester	3014.01	Low
33874	Chester	3014.02	Middle
33874	Chester	3015.00	Upper
33874	Chester	3016.00	Middle
33874	Chester	3017.00	Upper
33874	Chester	3018.00	Upper
33874	Chester	3019.00	Upper
33874	Chester	3020.00	Upper
33874	Chester	3021.02	Middle
33874	Chester	3021.03	Middle
33874	Chester	3021.04	Middle
33874	Chester	3022.03	Middle
33874	Chester	3022.04	Upper
33874	Chester	3022.05	Upper
33874	Chester	3022.06	Middle
33874	Chester	3022.07	Unknown
33874	Chester	3023.00	Middle
33874	Chester	3024.00	Moderate
33874	Chester	3025.00	Middle
33874	Chester	3026.00	Moderate
33874	Chester	3027.02	Middle
33874	Chester	3027.03	Upper
33874	Chester	3027.04	Upper
33874	Chester	3027.05	Middle

MD	COUNTY	CENSUS TRACT	CLASS
33874	Chester	3027.06	Upper
33874	Chester	3028.02	Upper
33874	Chester	3028.03	Middle
33874	Chester	3028.04	Upper
33874	Chester	3028.06	Moderate
33874	Chester	3028.07	Middle
33874	Chester	3029.01	Middle
33874	Chester	3029.02	Upper
33874	Chester	3030.00	Upper
33874	Chester	3031.00	Upper
33874	Chester	3033.01	Middle
33874	Chester	3033.02	Upper
33874	Chester	3034.01	Moderate
33874	Chester	3034.02	Moderate
33874	Chester	3035.01	Middle
33874	Chester	3035.02	Upper
33874	Chester	3038.01	Middle
33874	Chester	3038.03	Middle
33874	Chester	3038.04	Upper
33874	Chester	3039.01	Upper
33874	Chester	3039.02	Upper
33874	Chester	3040.00	Upper
33874	Chester	3041.01	Moderate
33874	Chester	3041.02	Middle
33874	Chester	3042.01	Middle
33874	Chester	3043.00	Upper
33874	Chester	3044.03	Middle
33874	Chester	3044.04	Middle
33874	Chester	3044.05	Upper
33874	Chester	3044.06	Upper
33874	Chester	3045.02	Upper
33874	Chester	3045.03	Upper
33874	Chester	3045.04	Upper
33874	Chester	3046.00	Middle
33874	Chester	3049.00	Moderate
33874	Chester	3050.00	Moderate
33874	Chester	3051.01	Middle
33874	Chester	3051.02	Middle
33874	Chester	3053.00	Moderate
33874	Chester	3054.00	Low
33874	Chester	3055.00	Low
33874	Chester	3056.00	Low
33874	Chester	3057.00	Moderate
33874	Chester	3060.00	Middle
33874	Chester	3063.00	Moderate
33874	Chester	3065.01	Upper
33874	Chester	3065.03	Moderate
33874	Chester	3065.04	Upper
33874	Chester	3066.00	Upper
33874	Chester	3067.00	Upper
33874	Chester	3068.00	Middle
33874	Chester	3069.00	Upper
33874	Chester	3070.00	Middle
33874	Chester	3071.00	Middle

MD	COUNTY	CENSUS TRACT	CLASS
33874	Chester	3072.00	Moderate
33874	Chester	3073.00	Middle
33874	Chester	3074.00	Moderate
33874	Chester	3077.00	Moderate
33874	Chester	3078.00	Middle
33874	Chester	3079.00	Middle
33874	Chester	3080.00	Low
33874	Chester	3081.01	Middle
33874	Chester	3081.02	Middle
33874	Chester	3082.00	Moderate
33874	Chester	3110.00	Middle
33874	Chester	3111.00	Middle
33874	Chester	3112.00	Middle
33874	Chester	3113.00	Upper
33874	Chester	3114.01	Moderate
33874	Chester	3114.03	Middle
33874	Chester	3114.04	Middle
33874	Chester	3115.00	Middle
33874	Chester	3116.00	Low
33874	Chester	3117.01	Middle
33874	Chester	3117.02	Middle
33874	Chester	3118.00	Moderate
33874	Chester	9800.00	Unknown
Total Tracts		124	

Montgomery County

MD	COUNTY	CENSUS TRACT	CLASS
33874	Montgomery	2001.03	Middle
33874	Montgomery	2001.04	Middle
33874	Montgomery	2001.05	Middle
33874	Montgomery	2001.06	Middle
33874	Montgomery	2002.00	Middle
33874	Montgomery	2003.01	Moderate
33874	Montgomery	2003.05	Middle
33874	Montgomery	2003.06	Middle
33874	Montgomery	2003.07	Moderate
33874	Montgomery	2003.08	Middle
33874	Montgomery	2003.09	Middle
33874	Montgomery	2003.10	Upper
33874	Montgomery	2004.01	Middle
33874	Montgomery	2004.02	Middle
33874	Montgomery	2005.01	Middle
33874	Montgomery	2005.02	Low
33874	Montgomery	2005.05	Upper
33874	Montgomery	2005.06	Middle
33874	Montgomery	2005.07	Middle
33874	Montgomery	2006.02	Middle
33874	Montgomery	2006.03	Middle
33874	Montgomery	2006.05	Upper
33874	Montgomery	2006.06	Middle
33874	Montgomery	2006.07	Upper
33874	Montgomery	2007.03	Middle
33874	Montgomery	2007.04	Middle

MD	COUNTY	CENSUS TRACT	CLASS
33874	Montgomery	2007.07	Middle
33874	Montgomery	2007.08	Middle
33874	Montgomery	2008.00	Moderate
33874	Montgomery	2009.01	Moderate
33874	Montgomery	2009.02	Moderate
33874	Montgomery	2009.03	Moderate
33874	Montgomery	2009.06	Middle
33874	Montgomery	2009.07	Middle
33874	Montgomery	2009.08	Moderate
33874	Montgomery	2010.03	Middle
33874	Montgomery	2010.04	Middle
33874	Montgomery	2010.05	Upper
33874	Montgomery	2010.06	Upper
33874	Montgomery	2011.00	Middle
33874	Montgomery	2012.01	Upper
33874	Montgomery	2012.03	Upper
33874	Montgomery	2012.04	Moderate
33874	Montgomery	2013.01	Moderate
33874	Montgomery	2013.02	Moderate
33874	Montgomery	2014.04	Upper
33874	Montgomery	2014.06	Middle
33874	Montgomery	2014.07	Middle
33874	Montgomery	2014.08	Upper
33874	Montgomery	2014.09	Upper
33874	Montgomery	2014.10	Middle
33874	Montgomery	2014.11	Upper
33874	Montgomery	2015.01	Middle
33874	Montgomery	2015.02	Upper
33874	Montgomery	2016.03	Moderate
33874	Montgomery	2016.04	Middle
33874	Montgomery	2016.05	Middle
33874	Montgomery	2016.06	Moderate
33874	Montgomery	2016.07	Middle
33874	Montgomery	2016.08	Middle
33874	Montgomery	2017.03	Middle
33874	Montgomery	2017.04	Moderate
33874	Montgomery	2017.05	Middle
33874	Montgomery	2017.06	Middle
33874	Montgomery	2018.00	Middle
33874	Montgomery	2019.01	Upper
33874	Montgomery	2019.02	Middle
33874	Montgomery	2020.00	Middle
33874	Montgomery	2021.00	Middle
33874	Montgomery	2022.01	Middle
33874	Montgomery	2022.02	Middle
33874	Montgomery	2023.01	Upper
33874	Montgomery	2023.02	Middle
33874	Montgomery	2024.01	Low
33874	Montgomery	2024.02	Middle
33874	Montgomery	2025.00	Middle
33874	Montgomery	2026.02	Upper
33874	Montgomery	2026.03	Middle
33874	Montgomery	2026.04	Upper
33874	Montgomery	2030.00	Middle

MD	COUNTY	CENSUS TRACT	CLASS
33874	Montgomery	2031.03	Upper
33874	Montgomery	2031.04	Upper
33874	Montgomery	2031.05	Upper
33874	Montgomery	2031.06	Middle
33874	Montgomery	2032.03	Middle
33874	Montgomery	2032.04	Upper
33874	Montgomery	2032.05	Upper
33874	Montgomery	2032.07	Upper
33874	Montgomery	2032.08	Upper
33874	Montgomery	2033.02	Middle
33874	Montgomery	2033.03	Middle
33874	Montgomery	2033.04	Middle
33874	Montgomery	2034.01	Moderate
33874	Montgomery	2034.02	Middle
33874	Montgomery	2034.03	Moderate
33874	Montgomery	2035.00	Moderate
33874	Montgomery	2036.01	Unknown
33874	Montgomery	2036.02	Moderate
33874	Montgomery	2037.01	Moderate
33874	Montgomery	2038.01	Low
33874	Montgomery	2038.03	Moderate
33874	Montgomery	2038.04	Low
33874	Montgomery	2039.01	Low
33874	Montgomery	2039.02	Moderate
33874	Montgomery	2040.02	Middle
33874	Montgomery	2040.07	Moderate
33874	Montgomery	2040.08	Middle
33874	Montgomery	2040.09	Upper
33874	Montgomery	2040.10	Upper
33874	Montgomery	2041.01	Middle
33874	Montgomery	2041.03	Upper
33874	Montgomery	2041.04	Middle
33874	Montgomery	2042.00	Upper
33874	Montgomery	2043.00	Middle
33874	Montgomery	2044.00	Upper
33874	Montgomery	2045.00	Upper
33874	Montgomery	2046.00	Upper
33874	Montgomery	2047.01	Upper
33874	Montgomery	2047.02	Middle
33874	Montgomery	2048.00	Upper
33874	Montgomery	2049.00	Upper
33874	Montgomery	2050.00	Middle
33874	Montgomery	2051.00	Upper
33874	Montgomery	2052.00	Upper
33874	Montgomery	2053.00	Moderate
33874	Montgomery	2054.01	Upper
33874	Montgomery	2054.02	Upper
33874	Montgomery	2055.01	Upper
33874	Montgomery	2055.02	Upper
33874	Montgomery	2055.03	Upper
33874	Montgomery	2056.00	Upper
33874	Montgomery	2057.00	Moderate
33874	Montgomery	2058.05	Middle
33874	Montgomery	2058.06	Middle

MD	COUNTY	CENSUS TRACT	CLASS
33874	Montgomery	2058.07	Middle
33874	Montgomery	2058.08	Middle
33874	Montgomery	2058.09	Middle
33874	Montgomery	2058.10	Middle
33874	Montgomery	2058.11	Upper
33874	Montgomery	2059.03	Upper
33874	Montgomery	2059.04	Upper
33874	Montgomery	2059.05	Middle
33874	Montgomery	2059.06	Middle
33874	Montgomery	2060.04	Middle
33874	Montgomery	2060.05	Middle
33874	Montgomery	2060.06	Middle
33874	Montgomery	2060.07	Middle
33874	Montgomery	2061.04	Middle
33874	Montgomery	2061.05	Upper
33874	Montgomery	2061.06	Middle
33874	Montgomery	2061.07	Middle
33874	Montgomery	2061.08	Upper
33874	Montgomery	2062.01	Moderate
33874	Montgomery	2062.02	Moderate
33874	Montgomery	2063.00	Upper
33874	Montgomery	2064.00	Middle
33874	Montgomery	2065.01	Upper
33874	Montgomery	2065.02	Middle
33874	Montgomery	2066.00	Moderate
33874	Montgomery	2067.03	Upper
33874	Montgomery	2067.04	Upper
33874	Montgomery	2068.01	Upper
33874	Montgomery	2068.02	Middle
33874	Montgomery	2069.01	Middle
33874	Montgomery	2069.04	Moderate
33874	Montgomery	2069.05	Middle
33874	Montgomery	2069.06	Middle
33874	Montgomery	2070.01	Upper
33874	Montgomery	2070.03	Upper
33874	Montgomery	2070.04	Middle
33874	Montgomery	2071.01	Middle
33874	Montgomery	2071.03	Middle
33874	Montgomery	2071.04	Moderate
33874	Montgomery	2072.01	Moderate
33874	Montgomery	2072.02	Moderate
33874	Montgomery	2073.00	Moderate
33874	Montgomery	2074.00	Middle
33874	Montgomery	2075.00	Middle
33874	Montgomery	2076.00	Middle
33874	Montgomery	2078.00	Middle
33874	Montgomery	2079.00	Middle
33874	Montgomery	2080.00	Middle
33874	Montgomery	2081.00	Moderate
33874	Montgomery	2082.01	Middle
33874	Montgomery	2082.03	Middle
33874	Montgomery	2082.04	Middle
33874	Montgomery	2083.01	Middle
33874	Montgomery	2083.03	Middle

MD	COUNTY	CENSUS TRACT	CLASS
33874	Montgomery	2083.04	Middle
33874	Montgomery	2084.00	Middle
33874	Montgomery	2085.00	Middle
33874	Montgomery	2086.01	Middle
33874	Montgomery	2086.03	Middle
33874	Montgomery	2086.04	Moderate
33874	Montgomery	2087.02	Middle
33874	Montgomery	2087.03	Moderate
33874	Montgomery	2087.04	Moderate
33874	Montgomery	2088.01	Low
33874	Montgomery	2088.02	Low
33874	Montgomery	2089.01	Low
33874	Montgomery	2089.03	Low
33874	Montgomery	2089.04	Moderate
33874	Montgomery	2089.05	Moderate
33874	Montgomery	2089.06	Moderate
33874	Montgomery	2090.00	Moderate
33874	Montgomery	2091.00	Middle
33874	Montgomery	2092.01	Moderate
33874	Montgomery	2092.02	Moderate
33874	Montgomery	2101.00	Middle
33874	Montgomery	2102.00	Middle
33874	Montgomery	2103.00	Middle
33874	Montgomery	2104.00	Middle
33874	Montgomery	2105.00	Upper
33874	Montgomery	2106.00	Middle
33874	Montgomery	2107.00	Upper
33874	Montgomery	9800.00	Unknown
33874	Montgomery	9801.00	Unknown
33874	Montgomery	9802.00	Unknown
33874	Montgomery	9803.00	Unknown
Total Tracts		219	

Delaware County

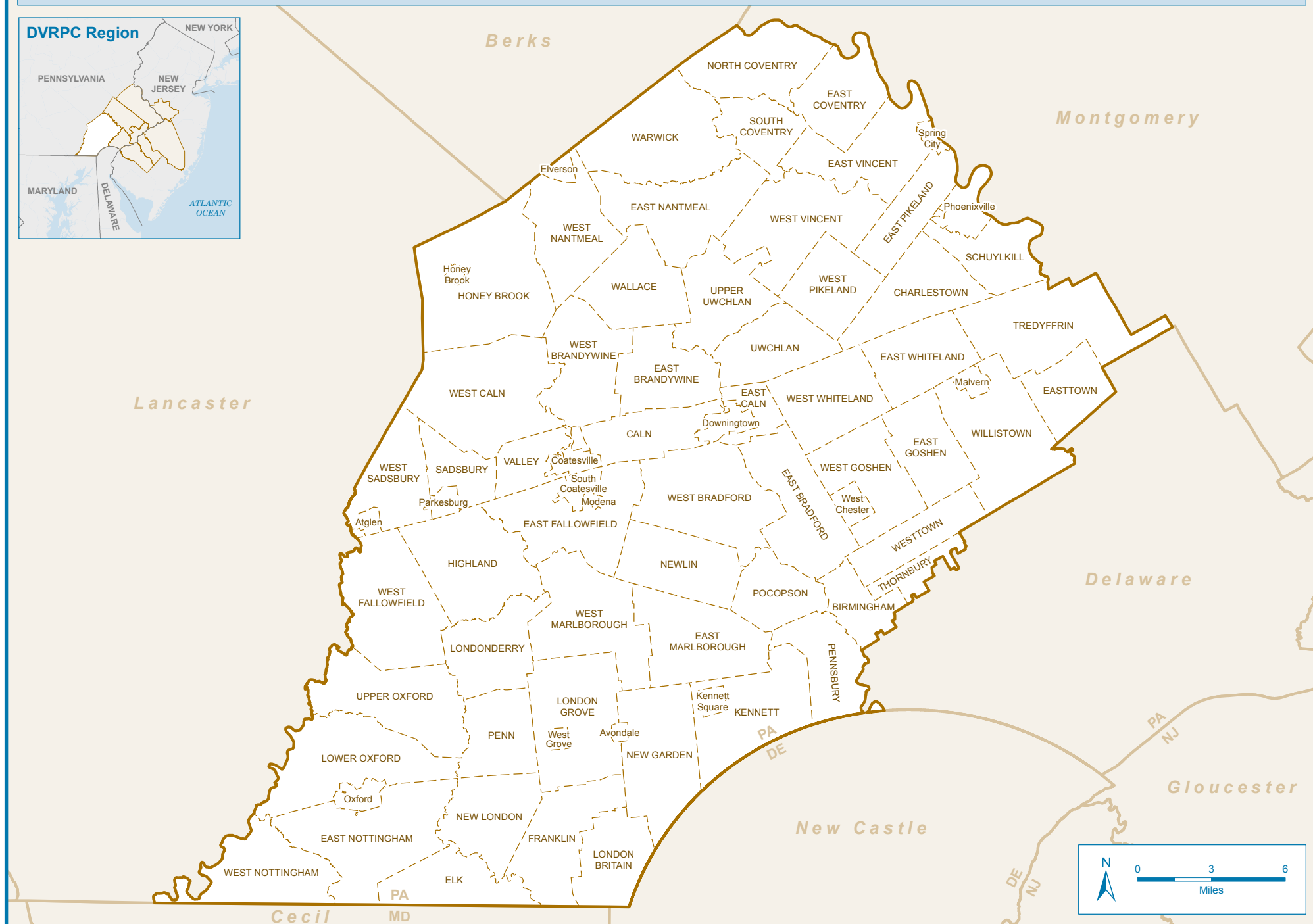
MD	COUNTY	CENSUS TRACT	CLASS
37964	Delaware	4003.01	Moderate
37964	Delaware	4003.02	Moderate
37964	Delaware	4004.01	Middle
37964	Delaware	4004.02	Moderate
37964	Delaware	4005.00	Moderate
37964	Delaware	4006.00	Middle
37964	Delaware	4007.00	Middle
37964	Delaware	4008.01	Moderate
37964	Delaware	4008.02	Upper
37964	Delaware	4009.00	Upper
37964	Delaware	4010.00	Upper
37964	Delaware	4011.01	Middle
37964	Delaware	4011.03	Upper
37964	Delaware	4011.04	Upper
37964	Delaware	4012.00	Upper
37964	Delaware	4013.02	Upper
37964	Delaware	4013.03	Middle
37964	Delaware	4014.01	Upper

MD	COUNTY	CENSUS TRACT	CLASS
37964	Delaware	4014.02	Moderate
37964	Delaware	4015.02	Middle
37964	Delaware	4015.03	Middle
37964	Delaware	4016.00	Upper
37964	Delaware	4017.00	Middle
37964	Delaware	4018.00	Middle
37964	Delaware	4019.00	Upper
37964	Delaware	4020.00	Middle
37964	Delaware	4021.00	Middle
37964	Delaware	4022.00	Middle
37964	Delaware	4023.00	Middle
37964	Delaware	4024.00	Unknown
37964	Delaware	4025.00	Middle
37964	Delaware	4026.00	Middle
37964	Delaware	4027.00	Middle
37964	Delaware	4028.00	Middle
37964	Delaware	4029.00	Moderate
37964	Delaware	4030.01	Upper
37964	Delaware	4030.02	Middle
37964	Delaware	4031.01	Middle
37964	Delaware	4031.03	Middle
37964	Delaware	4031.04	Middle
37964	Delaware	4032.00	Upper
37964	Delaware	4033.00	Middle
37964	Delaware	4034.01	Middle
37964	Delaware	4034.02	Middle
37964	Delaware	4035.01	Middle
37964	Delaware	4035.02	Upper
37964	Delaware	4036.01	Upper
37964	Delaware	4036.02	Upper
37964	Delaware	4037.01	Upper
37964	Delaware	4037.02	Moderate
37964	Delaware	4038.00	Middle
37964	Delaware	4039.01	Upper
37964	Delaware	4039.02	Upper
37964	Delaware	4040.03	Middle
37964	Delaware	4040.04	Upper
37964	Delaware	4041.01	Upper
37964	Delaware	4041.02	Middle
37964	Delaware	4041.03	Upper
37964	Delaware	4043.00	Moderate
37964	Delaware	4044.00	Upper
37964	Delaware	4045.00	Moderate
37964	Delaware	4046.00	Middle
37964	Delaware	4047.00	Moderate
37964	Delaware	4048.00	Low
37964	Delaware	4049.00	Moderate
37964	Delaware	4050.00	Middle
37964	Delaware	4051.00	Moderate
37964	Delaware	4052.00	Low
37964	Delaware	4053.00	Moderate
37964	Delaware	4054.00	Low
37964	Delaware	4061.00	Upper
37964	Delaware	4062.01	Upper

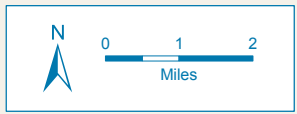
MD	COUNTY	CENSUS TRACT	CLASS
37964	Delaware	4062.02	Upper
37964	Delaware	4063.00	Moderate
37964	Delaware	4064.01	Moderate
37964	Delaware	4064.02	Moderate
37964	Delaware	4065.00	Upper
37964	Delaware	4066.00	Moderate
37964	Delaware	4067.00	Middle
37964	Delaware	4068.01	Upper
37964	Delaware	4068.02	Upper
37964	Delaware	4068.04	Upper
37964	Delaware	4068.05	Upper
37964	Delaware	4069.02	Upper
37964	Delaware	4069.03	Upper
37964	Delaware	4069.04	Upper
37964	Delaware	4070.00	Upper
37964	Delaware	4071.01	Upper
37964	Delaware	4071.02	Upper
37964	Delaware	4072.01	Upper
37964	Delaware	4072.02	Upper
37964	Delaware	4074.01	Upper
37964	Delaware	4074.04	Upper
37964	Delaware	4075.01	Upper
37964	Delaware	4075.02	Upper
37964	Delaware	4076.00	Upper
37964	Delaware	4077.00	Upper
37964	Delaware	4078.01	Upper
37964	Delaware	4078.02	Upper
37964	Delaware	4078.03	Upper
37964	Delaware	4078.04	Upper
37964	Delaware	4078.05	Upper
37964	Delaware	4078.06	Upper
37964	Delaware	4079.01	Upper
37964	Delaware	4079.02	Upper
37964	Delaware	4079.03	Upper
37964	Delaware	4080.01	Upper
37964	Delaware	4080.02	Upper
37964	Delaware	4081.01	Upper
37964	Delaware	4081.02	Upper
37964	Delaware	4081.03	Upper
37964	Delaware	4083.00	Upper
37964	Delaware	4084.00	Upper
37964	Delaware	4085.00	Upper
37964	Delaware	4086.00	Upper
37964	Delaware	4087.00	Upper
37964	Delaware	4088.00	Upper
37964	Delaware	4089.00	Upper
37964	Delaware	4090.00	Upper
37964	Delaware	4091.00	Upper
37964	Delaware	4092.00	Upper
37964	Delaware	4093.00	Upper
37964	Delaware	4094.00	Upper
37964	Delaware	4095.00	Upper
37964	Delaware	4096.01	Upper
37964	Delaware	4096.02	Upper

MD	COUNTY	CENSUS TRACT	CLASS
37964	Delaware	4097.01	Upper
37964	Delaware	4098.03	Upper
37964	Delaware	4098.04	Upper
37964	Delaware	4099.02	Upper
37964	Delaware	4099.03	Upper
37964	Delaware	4099.04	Upper
37964	Delaware	4100.00	Upper
37964	Delaware	4101.01	Upper
37964	Delaware	4101.02	Upper
37964	Delaware	4102.00	Upper
37964	Delaware	4103.03	Upper
37964	Delaware	4103.04	Upper
37964	Delaware	4103.05	Upper
37964	Delaware	4103.06	Upper
37964	Delaware	4104.01	Upper
37964	Delaware	4104.02	Upper
37964	Delaware	4104.03	Upper
37964	Delaware	4105.00	Moderate
37964	Delaware	4106.01	Upper
37964	Delaware	4106.02	Upper
37964	Delaware	4107.00	Low
37964	Delaware	4108.00	Upper
37964	Delaware	9800.00	Unknown
37964	Delaware	9801.00	Unknown
37964	Delaware	9802.00	Unknown
37964	Delaware	9803.00	Unknown
Total Tracts		152	

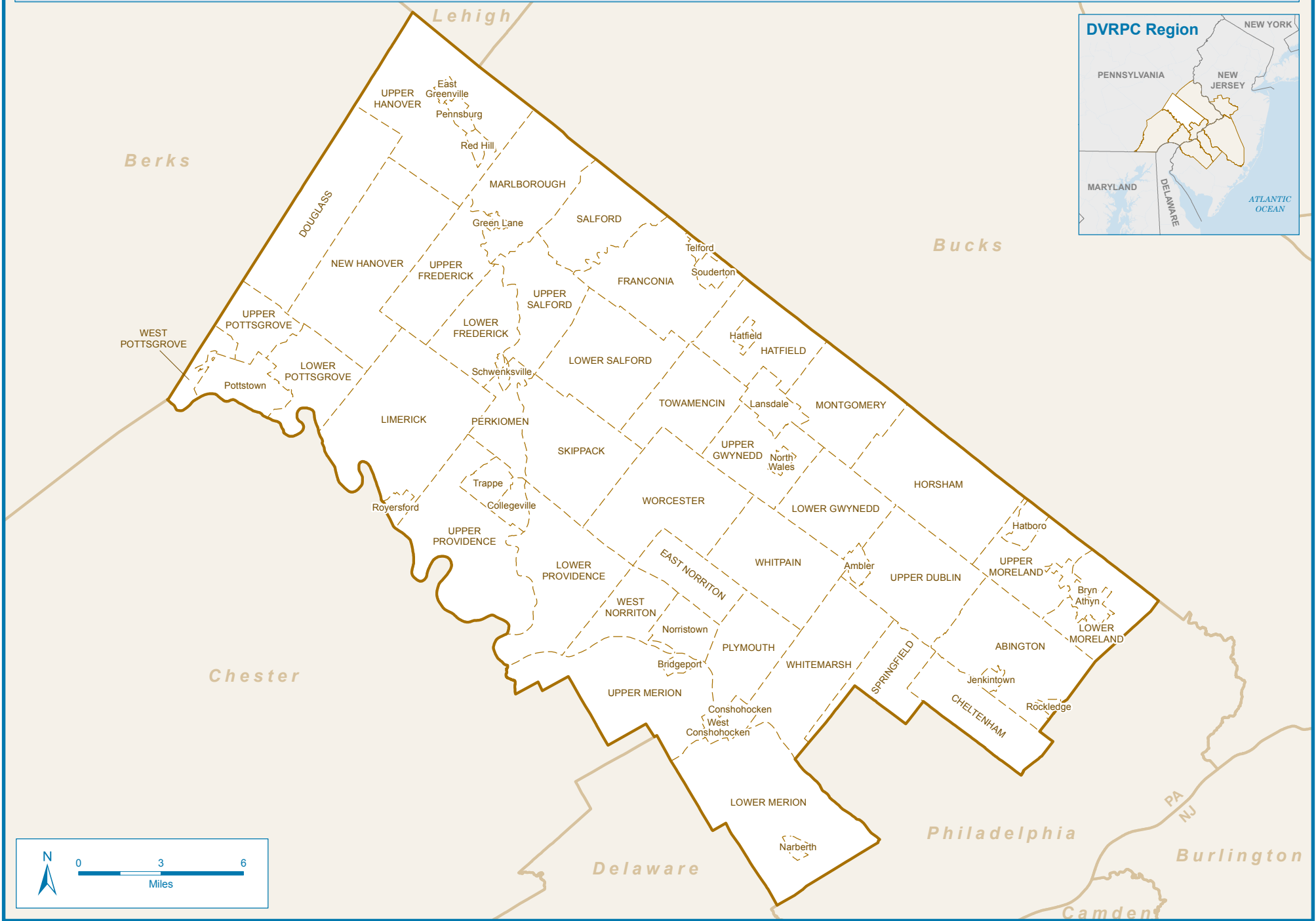
Municipalities within Chester County, PA



Municipalities within Delaware County, PA



Municipalities within Montgomery County, PA



PUBLIC DISCLOSURE

November 8, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Resource Bank
Certificate Number: 57967

800 North Pottstown Pike
Exton, Pennsylvania 19341

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office

350 Fifth Avenue, Suite 1200
New York, New York 10118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending related activities are in the institution's assessment area.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels.
- The institution has not received any written complaints regarding its CRA performance; therefore, this criterion did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

- The institution demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment areas.

DESCRIPTION OF INSTITUTION

Background

First Resource Bank (First Resource) maintains its headquarters in Exton, Pennsylvania (PA), and operates branches in Chester, Montgomery, and Delaware Counties in PA. The bank has no affiliate or subsidiary relationships. The institution received a Satisfactory rating at its previous Federal Deposit Insurance Corporation (FDIC) Performance Evaluation, dated August 27, 2018, using the Interagency Small Institution Examination Procedures.

Operations

First Resource operates three branches: two branches in Chester County and one branch in Delaware County. The Delaware County branch, located in Wayne, PA, is new since the preceding CRA evaluation; it opened on October 15, 2019. First Resource expanded its assessment area to include Montgomery and Delaware Counties after opening the Wayne branch.

First Resource provides a variety of residential, consumer, and commercial credit products, as well as a variety of deposit services including checking, savings, money market deposit accounts, and certificates of deposit. The bank operates an automated teller machine (ATM) at each branch location.

There were no branch closings or merger or acquisition activities since the 2018 CRA evaluation.

Ability and Capacity

Bank assets totaled approximately \$467.9 million as of September 30, 2021, and included total loans of \$379.2 million and total securities of \$7.8 million. First Resource reported total deposits of \$401.8 million. Since the previous evaluation, total assets increased by \$196.4 million, driven primarily by commercial and residential lending. Loans originated in 2020 through the US Small Business Administration (SBA) Paycheck Protection Program (PPP) represented 20.9 percent of the total asset growth. Businesses used PPP loan proceeds to assist in payroll and monthly expenses are part of the government's response to the COVID-19 pandemic (pandemic).

The following table illustrates the loan portfolio distribution:

Loan Portfolio Distribution as of September 30, 2021		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	31,368	8.3
Secured by Farmland	791	0.2
Secured by 1-4 Family Residential Properties	104,888	27.6
Secured by Multifamily (5 or more) Residential Properties	49,260	13.0
Secured by Nonfarm Nonresidential Properties	156,576	41.3
Total Real Estate Loans	342,883	90.4
Commercial and Industrial Loans	35,731	9.4
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	588	0.2
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivables	0	0.0
Less: Unearned Income	0	0.0
Total Loans	379,197	100.0
<i>Source Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The Community Reinvestment Act (CRA) requires each financial institution to define one or more assessment areas within which its supervisory agency will evaluate its CRA performance. First Resource designated one assessment area that consists of Chester, Montgomery, and Delaware Counties, totaling 471 census tracts. Chester and Montgomery Counties are part of the Montgomery County-Bucks County-Chester County, Pennsylvania Metropolitan Division (MD) #33874. Delaware County is a part of the Philadelphia, Pennsylvania MD, 37964. Both MDs are a part of the Philadelphia-Camden-Wilmington, Pennsylvania-New Jersey-Delaware-Maryland Metropolitan Statistical Area (MSA) #37980. The following sections discuss economic and demographic information for the assessment area.

Economic and Demographic Data

The bank's assessment area includes 471 census tracts. The tracts reflect the following income designations according to 2015 ACS data:

- 18 low-income,
- 86 moderate-income,
- 176 middle-income,
- 188 upper-income, and
- 3 with no income designation.

The following table illustrates the demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	471	3.8	18.3	37.4	39.9	0.6
Population by Geography	1,884,450	3.2	15.5	38.4	42.6	0.3
Housing Units by Geography	744,287	3.5	16.4	38.6	41.4	0.0
Owner-Occupied Units by Geography	506,307	1.3	12.4	39.6	46.7	0.0
Occupied Rental Units by Geography	192,193	8.5	24.7	37.5	29.3	0.0
Vacant Units by Geography	45,787	7.5	26.0	32.0	34.5	0.0
Businesses by Geography	225,004	2.1	11.5	38.9	47.4	0.0
Farms by Geography	5,150	1.5	12.4	45.0	41.2	0.0
Family Distribution by Income Level	478,251	17.6	16.0	20.1	46.3	0.0
Household Distribution by Income Level	698,500	21.1	14.6	17.0	47.3	0.0
Median Family Income - 33874 Montgomery County-Bucks County-Chester County, PA MD		\$99,939	Median Housing Value			\$294,733
Median Family Income - 37964 Philadelphia, PA MD		\$56,411	Median Gross Rent			\$1,152
			Families Below Poverty Level			5.2%
Source 2015 ACS and 2020 D&B Data. Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

There are 744,287 housing units in the assessment area. Of these, 68.0 percent are owner-occupied units, 25.8 percent are rental units, and 6.2 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. As shown above, 13.7 percent of the total owner-occupied housing units within the assessment area are located in low-and moderate-income (LMI) census tracts. This data reflects the opportunities lenders have to originate home mortgage loans within LMI geographies.

Examiners compared the distribution of the bank's home mortgage loans to the distribution of families by income level under the Borrower Profile criterion. The following table illustrates the low-, moderate-, middle-, and upper-income categories for each individual MD within the assessment area for 2019 and 2020.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Montgomery County-Bucks County-Chester County, PA MD Median Family Income (33874)				
2019 (\$110,100)	<\$55,050	\$55,050 to <\$88,080	\$88,080 to <\$132,120	≥\$132,120
2020 (\$118,000)	<\$59,000	\$59,000 to <\$94,400	\$94,400 to <\$141,600	≥\$141,600
Philadelphia, PA MD Median Family Income (37964)				
2019 (\$62,800)	<\$31,400	\$31,400 to <\$50,240	\$50,240 to <\$75,360	≥\$75,360
2020 (\$71,100)	<\$35,550	\$35,550 to <\$56,880	\$56,880 to <\$85,320	≥\$85,320
Source FFIEC				

According to 2020 D&B data there were 225,004 businesses in the assessment area. The gross annual revenues (GARs) of these businesses are as follows:

- 89.1 percent have GARs of \$1.0 million or less,
- 4.3 percent have GARs of more than \$1.0 million, and
- 6.6 percent have unreported GARs.

Service industries represent the largest percent of businesses at 40.7 percent; followed by non-classifiable establishments at 21.6 percent; finance and insurance at 10.4 percent; retail trade at 9.2 percent; and construction at 6.8 percent. Within the assessment area, 63.3 percent of businesses have four or less employees, and 92.7 percent of businesses operate from a single location. This information reflects the potential demand for, and the opportunity to, originate small business loans in the assessment area.

According to Moody's Analytics, the major employers within the Philadelphia, PA MSA differ by MD. The top employers in the Philadelphia, PA MD are University of Pennsylvania Health System, Thomas Jefferson University and the TJU Health System Inc., Children's Hospital of Philadelphia, Comcast, and Drexel University. The top employers in the Montgomery County-Bucks County-Chester County, PA MD are Tower Health, The Vanguard Group, Einstein Healthcare Network, Universal Health Services Inc., and Holy Redeemer Health System.

The following table details the unemployment data from the Bureau of Labor Statistics for the assessment area and related areas. Due to the pandemic, 2020 unemployment rates rose substantially.

Unemployment Rates			
Area	2019	2020	August 2021
	%	%	%
Chester County	3.2	6.5	4.6
Delaware County	4.1	9.2	6.8
Montgomery County	3.6	7.7	5.4
State of PA	4.5	9.1	7.1
National Average	3.7	8.1	5.7
<i>Source Bureau of Labor Statistics</i>			

Competition

The Philadelphia, PA MSA assessment area is a highly competitive market for financial and credit services. According to the FDIC Summary of Deposits as of June 30, 2021, there were 54 institutions operating 576 branch offices within the bank's assessment area. Of these institutions, First Resource ranked 23rd with a 0.5 percent branch market share. Collectively, the top four institutions in the assessment area, which consist of much larger national banks such as Wells Fargo Bank, NA; TD Bank, NA; Citizens Bank, NA; and PNC Bank, NA; captured 52.0 percent of the market.

The analysis of small business loans under the Lending Test does not include aggregate data comparisons, as the bank is not required to collect and report the data. However, the aggregate data reflects the level of demand for small business loans and is presented for context. Aggregate data for 2019 shows that 164 institutions reported 50,959 small business loans in the assessment area, indicating a high degree of competition for this product.

Additionally, the bank faces strong competition for home mortgage loans within the assessment area. In 2020, 763 lenders originated 159,488 residential mortgage loans in the assessment area. First Resource ranked 174th with 0.1 percent market share.

Community Contact

As part of the evaluation process, examiners contact third parties active within the institution's assessment area to identify credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs and helps show what credit opportunities are available.

Examiners were unable to solicit an interview of a contact. Therefore, the evaluation relied on a previous interview of a non-profit Community Development Financial Institution (CDFI) in First Resource's assessment area. According to the September 15, 2020 interview, the organization was witnessing a rise in the number of micro and small businesses since the previous recession. The contact identified a need for small business lending in the assessment area. Additionally, the contact stated that local institutions are supportive of community development and lending efforts in the area.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business loans and affordable housing programs represent the primary credit needs in the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation, dated August 27, 2018, to the current evaluation dated November 8, 2021. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate First Resource Bank's CRA performance. These procedures include the Lending Test and Community Development Test. Please refer to the Appendices for a complete description of these tests.

Activities Reviewed

Examiners determined that the bank's major product lines are small business loans and home mortgage loans. This conclusion considered the bank's business strategy, loan portfolio composition, and the number and dollar volume of loans originated during the evaluation period. Overall, the bank's record of originating small business loans contributed more weight to overall conclusions when compared to home mortgage lending because of the bank's business strategy and loan portfolio composition over several years.

Bank records indicate that the lending focus and product mix remained relatively consistent throughout the evaluation period. No other loan types, such as consumer or small farm loans represent a major product line; therefore, these loan types are not presented in this evaluation.

Examiners analyzed the number and dollar volume of small business loans originated in 2018, 2019, and 2020. First Resource is not required to collect or report small business loans pursuant to CRA due to its asset size; however, the bank elected to collect this information and provided the data to examiners for the small business loan analysis. The bank originated 85 small business loans totaling \$17.5 million in 2018, 73 small business loans totaling \$11.0 million in 2019, and 464 small business loans (368 were PPP loans) totaling \$62.7 million in 2020. Examiners compared the small business loan data to D&B demographic data for each year.

Examiners also analyzed all home mortgage loans reported on the bank's 2018, 2019, and 2020 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). HMDA loans include home purchases, home improvements, and refinances of one-to-four family and multifamily (five or more units) properties. The bank originated 85 home mortgage loans totaling \$28.8 million in 2018, 125 home mortgage loans totaling \$52.1 million in 2019, and 116 home mortgage loans totaling \$45.1 million in 2020. Examiners compared each year's HMDA data to aggregate data. The bank extends the majority of its HMDA-reportable loans to business borrowers; therefore, there were very few borrower incomes reported for these loans. Examiners considered this impact on the bank's lending performance under the Borrower Profile criterion.

The tables presented in this evaluation, with exception of loans inside and outside of the assessment area, present only years 2019 and 2020. The tables throughout this evaluation present both the number and dollar volume of loans. Examiners emphasized performance by number of loans, as the number of loans originated is a better indicator of the number of businesses and individuals served.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and community development services during the evaluation period, from August 27, 2018 to November 8, 2021. The tables present the bank's community development activities for each year there was activity.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

First Resource demonstrated satisfactory performance under the Lending Test. The bank's performance in the Assessment Area Concentration and Borrower Profile criterion primarily support this conclusion. The following sections detail the bank's performance under each Lending Test criterion.

Loan-to-Deposit Ratio

The net loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 101.2 percent over the past 13 quarters from September 30, 2018, through September 30, 2021. The ratio ranged from a high of 104.4 percent as of September 30, 2018, to a low of 93.9 percent as of December 31, 2020. Total loans increased by \$145.6 million, and total deposits increased by \$168.0 million during the evaluation period. Examiners compared the bank's average LTD ratio to three comparable institutions based on their asset size, geographic location, and lending focus. As noted in the following table, First Resource maintained a ratio exceeding most of the comparable institutions.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 9/30/2021 (\$000s)	Average Net LTD Ratio (%)
First Resource Bank	467.9	101.2
Ambler Savings Bank	478.5	77.7
Phoenixville Federal Bank	579.3	84.1
The Victory Bank	446.2	92.3
<i>Source Reports of Condition and Income 09/30/2018 – 09/30/2021</i>		

Assessment Area Concentration

A majority of loans and other lending related activities are in the institution's assessment area. The following table shows the assessment area concentration of home mortgage and small business loans by number and dollar volume.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2018	81	95.3	4	4.7	85	25,641	89.1	3,148	10.9	28,789
2019	108	86.4	17	13.6	125	43,288	83.1	8,813	16.9	52,102
2020	97	83.6	19	16.4	116	40,212	89.1	4,914	10.9	45,125
Subtotal	286	87.7	40	12.3	326	109,141	86.6	16,875	13.4	126,016
Small Business										
2018	65	76.5	20	23.5	85	13,304	76.0	4,190	24.0	17,494
2019	59	80.8	14	19.2	73	9,633	87.7	1,357	12.3	10,990
2020	408	87.9	56	12.1	464	50,987	81.3	11,709	18.7	62,696
Subtotal	532	85.5	90	14.5	622	73,924	81.1	17,256	18.9	91,180
Total	818	86.3	130	13.7	948	183,065	84.3	34,131	15.7	217,196
Source Bank Data Due to rounding, totals may not equal 100.0%										

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. The bank's dispersion of small business and home mortgage loans support this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area. The following table shows that lending opportunities in low-income census tracts are limited, given the low percentage of businesses in those geographies. However, First Resource's performance exceeded demographic data in both 2019 and 2020. The bank's performance in moderate-income census tracts decreased substantially from 2019 to 2020, mostly due to PPP loan volume to middle- and upper-income tracts. However, the bank's performance still exceeded demographic data in both years.

Small business loan originations significantly increased in 2020, due to the bank's participation in PPP lending. First Resource reasonably dispersed PPP loans to businesses throughout the assessment area.

Geographic Distribution of Small Business Loans Philadelphia, PA MSA Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2019	2.1	4	6.8	744	7.7
2020	2.1	12	2.9	1,203	2.4
Moderate					
2019	11.5	22	37.3	3,409	35.4
2020	11.5	60	14.7	7,205	14.1
Middle					
2019	39.1	22	37.3	3,863	40.1
2020	38.9	182	44.6	23,222	45.5
Upper					
2019	47.3	11	18.6	1,617	16.8
2020	47.4	154	37.7	19,357	38.0
Not Available					
2019	0.0	0	0.0	0	0.0
2020	0.0	0	0.0	0	0.0
Totals					
2019	100.0	59	100.0	9,633	100.0
2020	100.0	408	100.0	50,987	100.0
Source 2019 & 2020 D&B Data and Bank Data. Due to rounding, totals may not equal 100.0%					

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent penetration throughout the assessment area. The following table shows that First Resource's performance in low- and moderate-income census tracts in 2019 far exceeded demographic and aggregate lending data. In 2020 there was a slight decrease in lending in moderate-income tracts, but First Resource still exceeded both demographic and aggregate data for both low- and moderate-income census tracts.

Geographic Distribution of Home Mortgage Loans Philadelphia, PA MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	1.3	1.4	10	9.3	3,895	9.0
2020	1.3	1.1	9	9.3	2,665	6.6
Moderate						
2019	12.4	11.9	34	31.5	14,761	34.1
2020	12.4	10.3	23	23.7	11,126	27.7
Middle						
2019	39.6	40.1	31	28.7	11,670	27.0
2020	39.6	39.7	29	29.9	11,467	28.5
Upper						
2019	46.7	46.7	33	30.6	12,962	29.9
2020	46.7	49.0	36	37.1	14,953	37.2
Not Available						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
Totals						
2019	100.0	100.0	108	100.0	43,288	100.0
2020	100.0	100.0	97	100.0	40,212	100.0
Source 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses of different revenue sizes and individuals of different income levels in the assessment area. The bank's small business and home mortgage lending supports this conclusion. The borrower income levels for the majority of the bank's home mortgage loans are not available, since to most home mortgage loans were made to commercial borrowers and income was not reported. Examiners considered this factor during the evaluation.

Small Business Loans

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes. The following table shows that the bank's performance of lending to businesses with GARs of \$1.0 million or less during the review period trailed the 2019 and 2020 demographics. The PPP loans originated in 2020 to support COVID-19 pandemic relief efforts had a significant impact on the bank's 2020 performance. These loans do not reflect the underlying borrower's gross annual revenue. As a result, the large volume of loans

with no available income skewed the distribution of small business loans by borrower GAR. In light of this, examiners also calculated the 2020 GAR distribution percentages for both number and dollar amount without including PPP loans. For the 82 loans in 2020 with a reported GAR, the bank originated 72.0 percent by number and 71.5 percent by dollar amount of small business loans to businesses with GAR less than or equal to \$1.0 million. Small business loan production improved from 2019, and the numbers for 2020 are reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category Philadelphia, PA MSA Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2019	86.8	34	57.6	6,318	65.6
2020	89.1	59	14.5	13,749	27.0
>\$1,000,000					
2019	5.4	22	37.3	2,982	31.0
2020	4.3	23	5.6	5,487	10.7
Revenue Not Available					
2019	7.8	3	5.1	333	3.5
2020	6.6	326	79.9	31,767	62.3
Totals					
2019	100.0	59	100.0	9,633	100.0
2020	100.0	408	100.0	50,987	100.0
<i>Source 2019 & 2020 D&B Data and Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. Examiners focused on comparisons to aggregate data. As previously explained, the penetration of home mortgage loans is skewed due to the volume of loans for which income was not available.

Analyzing only those loans with reported income revealed that, for the 26 loans in 2019 with a reported income, the bank originated 19.2 percent by number and 8.8 percent by dollar amount to low-income borrowers, and 7.7 percent by number and 6.0 percent by dollar amount to moderate-income borrowers. For the 31 loans in 2020 with a reported income, the bank originated 9.7 percent by number and 5.2 percent by dollar amount to low-income borrowers, and 6.5 percent by number and 2.3 percent by dollar amount to moderate-income borrowers.

Lending activity to low-income individuals exceeded demographic data in 2019, and aggregate data in both 2019 and 2020. However, the bank's lending activity to moderate-income individuals trailed both demographic and aggregate data in both years.

Distribution of Home Mortgage Loans by Borrower Income Level Philadelphia, PA MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	17.6	7.7	5	4.6	573	1.3
2020	17.6	6.5	3	3.1	800	2.0
Moderate						
2019	16.0	16.8	2	1.9	391	0.9
2020	16.0	17.0	2	2.1	348	0.9
Middle						
2019	20.1	21.9	3	2.8	356	0.8
2020	20.1	22.7	6	6.2	1,874	4.7
Upper						
2019	46.3	41.5	16	14.8	5,179	12.0
2020	46.3	40.6	20	20.6	12,320	30.6
Not Available						
2019	0.0	12.1	82	75.9	36,790	85.0
2020	0.0	13.2	66	68.0	24,870	61.8
Totals						
2019	100.0	100.0	108	100.0	43,288	100.0
2020	100.0	100.0	97	100.0	40,212	100.0
Source 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Response to Complaints

First Resource did not receive any CRA-related complaints since the preceding CRA evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrates adequate responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

Community Development Loans

First Resource originated three community development loans totaling \$12.2 million during the evaluation period that benefitted the assessment area. First Resource's level of activity represents 2.6 percent of average total assets and 3.2 percent of average total loans since the prior evaluation. The following table illustrates the bank's community development loans by year and purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
8/27/2018-12/31/2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	3	12,203	3	12,203
1/1/2021-11/8/2021	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	3	12,203	3	12,203
<i>Source Bank Data</i>										

Below is an explanation of the bank's community development loans:

- In 2020, the bank originated three PPP loans totaling \$12.2 million to small businesses operating within the assessment area. Businesses used loan proceeds to assist in payroll and monthly expenses related to rent and utilities. These loans were for the purpose of revitalizing and stabilizing the communities where these businesses operate in response to COVID-19.

Qualified Investments

First Resource made 35 qualified donations totaling \$120,000 during the evaluation period. First Resource's level of activity represents 0.02 percent of average total assets and 0.5 percent of average securities since the prior evaluation. There were no qualified investments during the evaluation period. The following table illustrates the bank's qualified investments and donations by year and purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
8/27/2018-12/31/2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
1/1/2021-11/8/2021	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0	0
Qualified Grants & Donations	11	20	20	86	4	14	0	0	35	120
Total	11	20	20	86	4	14	0	0	35	120
<i>Source Bank Data</i>										

Below are notable examples of First Resource's donation activities:

- First Resource donated \$10,000 to an organization based in Chester County that offers housing assistance, credit counseling, and literacy programs related to acquiring and maintaining decent affordable housing to low- and moderate-income individuals. The organization also assists in home repairs.
- In 2019 and 2020 combined, First Resource donated \$10,000 to the Philadelphia-based chapter of an organization dedicated to representing and promoting women entrepreneurs and women-owned businesses. This donation supports economic development efforts within the assessment area.
- In 2020 and 2021 combined, First Resource donated \$12,500 to a community center in West Chester. This organization is dedicated to growing local youth into leadership roles in the community.

Community Development Services

During the evaluation period, First Resource staff provided 21 instances of community development services. Five instances supported affordable housing organizations and 16 instances supported community development service organizations. The following table details these activities.

Community Development Services					
Activity Year	Community Development Purpose				Totals
	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	
	#	#	#	#	
8/27/2018-12/31/2018	0	1	0	0	1
2019	1	2	0	0	3
2020	2	3	0	0	5
1/1/2021-11/8/2021	1	2	0	0	3
Total	4	8	0	0	12

Below are notable examples of the bank's community development services:

- A bank officer serves on the Advisory Board for the Salvation Army of West Chester and assists in determining how best to service the community. The organization primarily focuses on rental assistance for low- and moderate-income individuals, as well as housing support, prescription and clothing vouchers, and a food pantry for needy individuals.
- A bank officer serves on the Board of Directors and as Treasurer for a domestic violence shelter in West Chester. This organization serves battered persons, and provides a variety of services: housing support, legal support, children's support services, counseling, and maintains a hotline for assistance.
- FHLBank's Affordable Housing Program (AHP) – The AHP provides grants and subsidized loans for the acquisition, construction, or rehabilitation of affordable housing for households with incomes at or below 80.0 percent of the area median income. The bank assisted the organization in the process of applying and qualifying for a grant of \$160,000 that impacted 21 individuals participating in the program.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.