

Dear Shareholder:

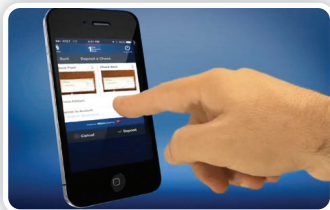
Every time I sit down to write a newsletter there is something new to add in the growth story at First Resource Bank. A few important highlights:

- As you unfold this newsletter, the Exton branch is set to relocate on the afternoon of Saturday, August 9th and will open for business at our new location, 800 N. Pottstown Pike, on Monday, August 11th. The First Resource Bank team is very excited with this first step of our rebranding. Please stop in to see the building.
- For those of you who are local to the Delaware Valley and Chester County, there are two upcoming events at the renewed Exton branch:



Saturday, September 6th: Shredding Event - 9:00 am – 12:00 pm

Wednesday, September 24th: Exton Chamber Card Exchange - 5:30 pm – 7:30 pm



- We anticipate a capital offering in the form of a rights offering to all existing shareholders in the fall of 2014. Many more details will be available soon. Please keep an eye out for these materials.
- Smart phone check depositing is in testing with our employees and will be available very soon to our customers. We are excited about this expansion of our electronic deposit services.
- Our West Chester branch parking lot work will start in July. Our tenant is transitioning to their new location. We expect to complete a portion of improvements prior to their move with building construction starting in September/October. I anticipate a mid-first quarter 2015 opening for the West Chester branch which will have the same look as the new Exton branch.
- Absolutely not to be overlooked, please review the summary of second quarter operating performance on the flip side of the newsletter. The highlight for me is breaking \$300,000 in net income for the quarter for the first time. Year to date net income is \$596,359 which is 19% ahead of the same period for last year. The complete press release is available at the bank's website under the news button.

As always, if you have any questions about our bank, please feel free to call me on my cell at 610.996.6661.

Sincerely,

A handwritten signature in black ink that reads "Glenn B Marshall".

Glenn B. Marshall, President and CEO
First Resource Bank

The Resource Connection

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Balance Sheet

	June 30, 2014	Dec. 31, 2013
Cash and due from banks	\$ 2,974,506	\$ 606,230
Investments	10,465,108	16,317,779
Loans	143,295,528	139,998,461
Allowance for loan losses	(1,371,341)	(1,252,853)
Premises and equipment	4,699,987	3,515,038
Other assets	6,201,100	6,458,705
Total assets	\$ 166,264,888	\$ 165,643,360
Deposits	138,791,944	139,871,392
Borrowings	9,265,000	8,154,000
Other liabilities	621,419	610,372
Total liabilities	148,678,363	148,635,764
Preferred stock	5,083,000	5,083,000
Common stock	1,610,450	1,608,595
Surplus	9,513,935	9,505,069
Accumulated other comprehensive income	147,565	102,015
Retained earnings	1,231,575	708,917
Total stockholders' equity	17,586,525	17,007,596
Total Liabilities & Stockholders' Equity	\$ 166,264,888	\$ 165,643,360

Income Statement

	Quarter Ended June 30, 2014	Quarter Ended June 30, 2013	6 Months Ended June 30, 2014	6 Months Ended June 30, 2013
Interest income	\$ 1,844,785	\$ 1,719,316	\$ 3,650,910	\$ 3,388,183
Interest expense	339,366	348,479	686,841	696,594
Net interest income	1,505,419	1,370,837	2,964,069	2,691,589
Provision for loan losses	27,270	119,002	124,520	250,789
Non interest income	98,946	88,030	194,913	181,063
Non interest expense	1,140,136	957,465	2,165,969	1,890,846
Pre-tax income	436,959	382,400	868,493	731,017
Tax expense	136,349	120,993	272,134	229,906
Net income	\$ 300,610	\$ 261,407	\$ 596,359	\$ 501,111
Preferred stock dividends	(12,707)	(12,707)	(25,415)	(25,414)
Net income available to common shareholders	\$ 287,903	\$ 248,700	\$ 570,944	\$ 475,697



800 N. POTTSTOWN PIKE | EXTON, PA 19341

First Resource Bank

800 N. Pottstown Pike
Exton, PA 19341



Follow our West Chester branch development