



## Letter From The President



**First Resource Bank  
receives prestigious**

**Pillars of the  
Community Award**

Dear Shareholder:

**It's an amazing time in the life of First Resource Bank.  
Let me get you up to speed on some highlights:**

### **Best Quarter Ever**

It never gets old when you have the opportunity to report expanding quarterly financial results. Year over year, the third quarter and year to date results show growth and topline revenues, net income and net income to common shareholders. We are excited about our expanding book of business and results it is generating. Please review the results on the back of this newsletter and view our website under the "News" button for the complete detailed press release.

### **Core Deposit Growth**

Our third quarter was marked by a sizable increase in core deposits. This expansion of our local retail funding was a refreshing reward for our efforts in 2013 as we began the process to remake our retail presence. We will continue to transform the retail presence in 2014 with the relocation and expansion of our retail locations. We believe that the Bank will provide long term profit growth to the benefit of shareholders with the combination of more local retail funding and our historic track record of loan production.

### **New Locations**

The construction bidding process for the rehab of the new Exton branch relocation has begun. We anticipate having a shovel in the ground in December. "Like" our new Facebook page to follow the Exton construction and the future West Chester construction in 2014. We will be posting pictures of the progress as things get rolling.

### **Pillars of the Community Award**

Federal Home Loan Bank of Pittsburgh presented the 2013 Pillars of the Community Award to First Resource Bank. This award recognizes banks that exhibit a strong commitment to community service and community revitalization. We are honored and proud to receive this award.

We are very grateful to our shareholders who have brought their business and personal banking to the Bank. We appreciate the additional level of support.

Sincerely,

Glenn B. Marshall, President and CEO  
First Resource Bank

## Financial Highlights

### Balance Sheet

	Sept. 30, 2013	Dec. 31, 2012
Cash and due from banks	\$ 9,977,882	\$ 5,633,237
Investments	9,917,252	10,688,356
Loans	134,374,306	128,672,932
Allowance for loan losses	(1,254,024)	(1,439,935)
Premises & equipment	3,398,524	2,671,344
Other assets	4,929,206	4,825,042
<b>Total assets</b>	<b>\$ 161,343,146</b>	<b>\$ 151,050,976</b>
Deposits	138,399,823	131,089,035
Borrowings	5,599,000	3,420,000
Other liabilities	603,403	481,168
<b>Total liabilities</b>	<b>144,602,226</b>	<b>134,990,203</b>
Preferred stock	5,083,000	5,083,000
Common stock	1,607,706	1,528,243
Surplus	9,501,229	9,565,547
Accumulated other comprehensive income	118,542	179,324
Retained earnings	430,443	(295,341)
<b>Total stockholders' equity</b>	<b>16,740,920</b>	<b>16,060,773</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>\$ 161,343,146</b>	<b>\$ 151,050,976</b>

### Income Statement

	Quarter Ended Sept. 30, 2013	Quarter Ended Sept. 30, 2012	Nine Months Ended Sept. 30, 2013	Nine Months Ended Sept. 30, 2012
Interest income	\$ 1,754,410	\$ 1,727,097	\$ 5,142,593	\$ 5,133,595
Interest expense	362,300	372,436	1,058,894	1,171,651
<b>Net interest income</b>	<b>1,392,110</b>	<b>1,354,661</b>	<b>4,083,699</b>	<b>3,961,944</b>
Provision for loan losses	87,064	206,403	337,853	516,071
Non interest income	86,876	73,267	267,939	188,151
Non interest expense	1,006,865	889,008	2,897,711	2,637,330
Pre-tax income	385,057	332,517	1,116,074	996,694
Tax expense	121,691	106,207	351,597	313,392
<b>Net income</b>	<b>\$ 263,366</b>	<b>\$ 226,310</b>	<b>\$ 764,477</b>	<b>\$ 683,302</b>
Preferred stock dividends	(12,707)	(38,811)	(38,121)	(154,573)
<b>Net income available to common shareholders</b>	<b>\$ 250,659</b>	<b>\$ 187,499</b>	<b>\$ 726,356</b>	<b>\$ 528,729</b>

New Exton Address

800 NORTH  
POTTSTOWN PIKE



Coming to  
WEST CHESTER  
Fall of 2014!

 Follow Our Construction

### First Resource Bank

101 Marchwood Road  
Exton, PA 19341