

Dear Shareholder:



The timing of this newsletter was slightly delayed to allow me to report that on November 17, 2015, we redeemed \$3.8 million of our Small Business Lending Fund ("SBLF") preferred stock owned by the U.S. Department of the Treasury. We used the original \$5.1 million in capital and the resulting profitability to double the size of our Bank coming out of the Great Recession. Our recently completed common stock and subordinated debt offerings provided us with capital to complete this partial SBLF redemption plus capital for future growth over the next few years.

The combination of adding growth capital and redeeming 75% of SBLF preferred stock is an absolute win for common shareholders by mitigating the impact of the dividend rate increase from 1% to 9% in March of 2016 on the SBLF preferred stock. We are pleased that our 2015 capital planning, with your help, has produced this significant long term benefit to the shareholder base. We continue to assess options and timing for the redemption of the remaining \$1.3 million in SBLF preferred stock outstanding.

Not to be overlooked, the third quarter 2015 financial results are summarized on the back of this newsletter with the full detailed financial press release located at www.FirstResourceBank.com/News. In a nutshell, the third quarter of 2015 beat the prior year third quarter net income to common shareholders by 20% with total assets, loans and deposits each reaching record highs at September 30, 2015. Net income to common shareholders for the nine months ended September 30, 2015 beat the same period in the prior year by 10%.

The Bank continues to grow our income producing assets with year over year loan growth of 11.3% as of September 30, 2015. Total interest income for the three months ended September 30, 2015 showed an 11.2% increase as compared to the three months ended September 30, 2014. Year to date total interest income as of September 30, 2015 showed a 10.5% increase over the same period in 2014.

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

Sincerely,



Glenn B. Marshall, President and CEO
First Resource Bank



The Resource Connection

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Balance Sheet

	Sept. 30, 2015	Dec. 31, 2014
Cash and due from banks	\$ 10,725,861	\$ 817,026
Investments	10,946,623	11,711,637
Loans	167,183,480	157,326,168
Allowance for loan losses	(1,383,974)	(1,317,363)
Premises and equipment	6,296,581	5,517,252
Other assets	5,707,752	6,472,819
Total assets	\$ 199,476,323	\$ 180,527,539
Deposits	165,391,239	143,348,363
Borrowings	11,381,612	18,499,000
Other liabilities	1,550,262	654,739
Total liabilities	178,323,113	162,502,102
Preferred stock	5,083,000	5,083,000
Common stock	1,975,520	1,612,283
Surplus	11,473,958	9,523,083
Accumulated other comprehensive income	74,455	91,577
Retained earnings	2,546,277	1,715,494
Total stockholders' equity	21,153,210	18,025,437
Total Liabilities & Stockholders' Equity	\$ 199,476,323	\$ 180,527,539

Income Statement

	Quarter Ended Sept. 30, 2015	Quarter Ended Sept. 30, 2014	9 Months Ended Sept. 30, 2015	9 Months Ended Sept. 30, 2014
Interest income	\$ 2,095,209	\$ 1,884,326	\$ 6,114,529	\$ 5,535,236
Interest expense	415,628	342,751	1,152,296	1,029,592
Net interest income	1,679,581	1,541,575	4,962,233	4,505,644
Provision for loan losses	62,090	116,176	171,929	240,696
Non interest income	86,925	115,344	627,079	310,257
Non interest expense	1,261,494	1,173,938	3,905,782	3,339,907
Pre-tax income	442,922	366,805	1,511,601	1,235,298
Tax expense	139,833	113,478	578,176	385,612
Net income	\$ 303,089	\$ 253,327	\$ 933,425	\$ 849,686
Preferred stock dividends	(12,708)	(12,707)	(38,124)	(38,122)
Net income available to common shareholders	\$ 290,381	\$ 240,620	\$ 895,301	\$ 811,564

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