

Dear Shareholder:

Thank you for your strong voting response to the proxy materials, much appreciated!

Since our last shareholder newsletter, we have added the following postings to our [www.FirstResourceBank.com](http://www.FirstResourceBank.com) Investor Relations page:

- Virtual Investor Conference slides with recorded presentation from March 14, 2019
- 2018 Annual Report
- First quarter 2019 financial results press release

First quarter financial highlights included:

- Total deposits grew 5%
- Noninterest bearing deposits increased 25%
- Total loans grew 6%
- Non-performing loans decreased 19%
- Net interest income grew 3% over the quarter ended December 31, 2018 and 10% over the quarter ended March 31, 2018
- Total interest income grew 4% over the quarter ended December 31, 2018 and 21% over the quarter ended March 31, 2018
- Net interest margin increased 9 basis points from 3.78% in the quarter ended December 31, 2018 to 3.87% for the quarter ended March 31, 2019

From the points above, the combination of good growth in our net interest margin, noninterest bearing checking and the balance sheet have created a solid increase in our total net interest income for the quarter. This is a good sign for future quarters.

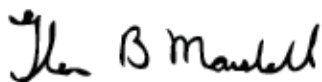
With the hiring of our new Chief Credit Officer last year, we committed to a push to cure our last few great recession problem loans as quickly and prudently as possible. When you review the press release and the income statement on the back page, you will see a significant addition to the provision for loan losses related to one legacy problem loan after obtaining new information regarding the collateral. This specific credit has been adequately provided for to allow the Bank to move forward.

In regards to the new Wayne location, we have moved from renderings of what it should look like to construction in process pictures. We're excited to see the building coming out of the ground. Both front and back newsletter pictures were taken over the last week. We have made huge vertical progress in the last few weeks and continue to be on track for a September 2019 opening.

Since the last newsletter, I have received more than a few requests from folks who wanted to be added to the shareholder email contact list, thank you. If you would like to receive shareholder emails from me, please email me at [gmarshall@firstresourcebank.com](mailto:gmarshall@firstresourcebank.com) so I can add you to the contact list.

Please give us an opportunity to earn your business, if you're not already banking with us, so we can demonstrate why First Resource Bank is **Where Customer Satisfaction Comes First**.

Sincerely,



Glenn B. Marshall, President & CEO

First Resource Bank



Construction at our new Wayne location is flying along, as you can see the outline of our branded tower.

## Balance Sheet

	Mar. 31, 2019	Dec. 31, 2018
Cash and due from banks	\$ 13,296,232	\$ 5,734,677
Time deposits at other banks	599,000	599,000
Investments	19,356,625	37,762,190
Loans	258,363,546	244,697,677
Allowance for loan losses	(2,448,897)	(1,990,253)
Premises & equipment	7,428,064	6,647,166
Other assets	8,734,157	8,996,941
<b>Total assets</b>	<b>\$305,328,727</b>	<b>\$ 302,447,398</b>
Deposits	\$ 247,620,523	\$236,201,896
Borrowings	26,567,534	35,515,900
Subordinated debt	3,988,220	3,986,097
Other liabilities	1,323,490	1,466,037
<b>Total liabilities</b>	<b>279,499,767</b>	<b>277,169,930</b>
Common stock	2,630,418	2,628,316
Surplus	15,552,158	15,535,963
Accumulated other comprehensive loss	(48,760)	(210,735)
Retained earnings	7,695,144	7,323,924
<b>Total stockholders' equity</b>	<b>25,828,960</b>	<b>25,277,468</b>
<b>Total Liabilities &amp; Stockholder's Equity</b>	<b>\$ 305,328,727</b>	<b>\$ 302,447,398</b>

## Income Statement

	Quarter Ended Mar. 31, 2019	Quarter Ended Mar. 31, 2018
Interest income	\$ 3,596,363	\$ 2,982,300
Interest expense	970,336	584,997
<b>Net interest income</b>	<b>2,626,027</b>	<b>2,397,303</b>
Provision for loan losses	475,952	134,322
Non interest income	156,255	115,742
Non interest expense	1,853,601	1,795,255
<b>Pre-tax income</b>	<b>452,729</b>	<b>583,468</b>
Tax expense	81,509	102,476
<b>Net income</b>	<b>\$ 371,220</b>	<b>\$ 480,992</b>



Construction is progressing nicely at our new Wayne location, check out the outside view of our drive-up window!

Visit Us in Exton or West Chester Today!

 Follow Us on Facebook