



Dear Shareholder:

I would invite you to read the full press release for the 1st quarter under the Investor Relations section at FirstResourceBank.com. The financial highlights for the first quarter of 2018 included:

- Net income of \$480,992 was the highest quarterly profit in the Bank's history
- Net income grew 20% over the quarter ended December 31, 2017 and 18% over the quarter ended March 31, 2017
- Total interest income grew 3% over the quarter ended December 31, 2017 and 14% over the quarter ended March 31, 2017
- Total loans grew 11% when comparing March 31, 2018 to March 31, 2017
- Net Interest Margin increased 8 basis points from 3.90% in the quarter ended December 31, 2017 to 3.98% for the quarter ended March 31, 2018

As I referenced in our Virtual Investor Conference presentation on February 22, 2018 (the audio of which appears in the Investor Relations section of the website), we have been actively working on a site for Branch # 3 on Route 30, Lancaster Avenue in Wayne, Pennsylvania. As a point of reference, our Exton branch is in a \$2.2 billion deposit market and ended 2017 at \$152 million in deposits. Our West Chester branch which opened in April of 2015 is located in a \$2.9 billion market and ended the year at \$58 million in deposits. Remember our Hybrid Community Banking Model seeks locations that can achieve \$100 million in deposits in a reasonable timeframe; we target five years. The Wayne location is in a \$4.2 billion deposit market. It is also geographically far enough from the Exton and West Chester locations to pick up several other billion plus deposit submarkets in the triangle that is created by the three location map points. We have some approvals to obtain and planning to complete to get it all done, but we are very excited about this potential 2019 opening.

Our staff continues to acquire business checking accounts for the long term benefit of the deposit mix of the Bank. At present, we are also running some competitive deposit interest rate specials to help us fill a funding need as a result of our loan growth over the past few months and a strong pipeline of loans to close. In past newsletters, I have challenged our shareholders to do business with the Bank to support the success of your investment. Your support is valued and we look to continue to expand our relationships with the owners of the Bank.

This is my annual request for each of you to review your proxy materials then **please vote your shares**. We need to achieve a quorum for our Annual Meeting, which will be held June 5, 2018 at 9:00 AM at the Hilton Garden Inn, 720 E. Eagleview Boulevard, Exton PA 19341. In the next week or so, your online **Voting** reference number and Proxy Materials will be mailed directly to you or delivered by your broker via email or their online channel.

As always, if you have questions about the Bank, starting or enhancing your deposit relationship or your voting materials, 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". The signature is written in a cursive, slightly slanted style.

Glenn B. Marshall, President and CEO

First Resource Bank

We are looking forward to our new branch which will be located in Wayne, Pennsylvania.



Balance Sheet

	Mar. 31, 2018	Dec. 31, 2017
Cash and due from banks	\$ 1,689,709	\$ 2,998,367
Time deposits at other banks	599,000	599,000
Investments	20,353,738	36,219,930
Loans	223,306,504	217,463,906
Allowance for loan losses	(1,888,321)	(1,751,953)
Premises & equipment	5,755,854	5,671,763
Other assets	8,000,132	7,353,942
Total assets	\$ 257,816,616	\$ 268,554,955
Deposits	\$ 211,516,652	\$ 210,902,113
Borrowings	17,568,500	29,284,500
Subordinated debt	3,979,726	3,977,603
Other liabilities	1,227,818	1,227,099
Total liabilities	234,292,696	245,391,315
Common stock	2,623,575	2,621,887
Surplus	15,487,350	15,472,980
Accumulated other comprehensive loss	(226,714)	(89,944)
Retained earnings	5,639,709	5,158,717
Total stockholders' equity	23,523,920	23,163,640
Total Liabilities & Stockholder's Equity	\$ 257,816,616	\$ 268,554,955

Income Statement

	Quarter Ended Mar. 31, 2018	Quarter Ended Mar. 31, 2017
Interest income	\$ 2,982,300	\$ 2,624,123
Interest expense	584,997	527,732
Net interest income	2,397,303	2,096,391
Provision for loan losses	134,322	120,024
Non interest income	115,742	261,270
Non interest expense	1,795,255	1,639,583
Pre-tax income	583,468	598,054
Tax expense	102,476	191,501
Net income	\$ 480,992	\$ 406,553

2.00% APY*
15 Month CD**



*APY (Annual Percentage Yield). **Minimum daily balance of \$500 to earn the APY. Early withdrawal penalty may apply. APY effective as of 5/1/18. Rates subject to change.

Great CD rates, stop by today!

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