

Dear Valued Shareholder:

To say that October was a milestone month in the history of First Resource Bank would be an understatement. If you've been following us in the news, on Facebook or on LinkedIn you already know that First Resource Bank is making great strides.

In just the past month we've:

- Opened our new branch in the heart of Wayne, PA,
- Welcomed Ann Duke, Esq. to our Board of Directors,
- Were named **Best Bank of Chester County for 2019** from the readers of the Daily Local News for the third consecutive year,
- Received the 2019 Corporate Champions of Change Award from the Chester County Fund for Women and Girls,
- Released our record breaking third quarter earnings, boasting a 9% increase in net income over the previous quarter.

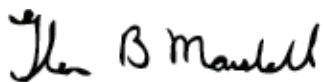
The press release detailing the results of the 3rd quarter of 2019 is on our website under the Investor Relations button for your review. The highlights are as follows:

- Net income of \$690,729 was the highest quarterly profit in the Bank's history
- Net income grew 9% over the quarter end June 30, 2019 and 25% over the quarter ended September 30, 2018
- Total interest income grew 5% over the quarter ended June 30, 2019 and 21% over the quarter ended September 30, 2018
- Checking balances represented 22% of total deposits as of September 30, 2019, a significant increase from 18% as of December 31, 2018

There's no doubt that there are daily ebbs and flows in the Bank's growth. The test is the progression of our all-time highs. This is the best way to track the trends in our long term growth. In the last 60 days, total loans, certificate of deposits, checking, the percentage of checking to total deposits and total deposits have all hit all-time highs.

We are incredibly proud of our achievements over this past month and the past quarter. If you haven't had the opportunity to visit our new Wayne location we invite you to stop in, take the tour and let John, Joe, Fred and Karen show you what makes our Bank unique. We also encourage you to like, follow and share our posts on Facebook and LinkedIn. As always please feel free to email me at gmarshall@firstresourcebank.com or call me at 610-996-6661 with any questions. In the New Year we are going paper free. If you've not signed up to receive our newsletter electronically please email me to be added to the list.

Sincerely,



Glenn B. Marshall, President & CEO
First Resource Bank



It's official, our Wayne branch is open. We were proud to celebrate the event on October 15 with a ribbon cutting ceremony and tours of the new facility.

Balance Sheet

	Sept. 30, 2019	Dec. 31, 2018
Cash and due from banks	\$ 13,350,517	\$ 5,734,677
Time deposits at other banks	599,000	599,000
Investments	17,948,502	37,762,190
Loans	274,802,145	244,697,677
Allowance for loan losses	(2,473,760)	(1,990,253)
Premises & equipment	8,775,173	6,647,166
Other assets	9,309,420	8,996,941
Total assets	\$ 322,310,997	\$ 302,447,398
Deposits	\$ 264,435,170	\$ 236,201,896
Borrowings	24,907,873	35,515,900
Subordinated debt	3,992,468	3,986,097
Other liabilities	1,640,926	1,466,037
Total liabilities	294,976,437	277,169,930
Common stock	2,766,330	2,628,316
Surplus	16,741,827	15,535,963
Accumulated other comprehensive income (loss)	93,503	(210,735)
Retained earnings	7,732,900	7,323,924
Total stockholders' equity	27,334,560	25,277,468
Total Liabilities & Stockholder's Equity	\$ 322,310,997	\$ 302,447,398

Income Statement

	Quarter Ended Sept. 30, 2019	Quarter Ended Sept. 30, 2018	9 Months Ended Sept. 30, 2019	9 Months Ended Sept. 30, 2018
Interest income	\$ 3,998,838	\$ 3,315,762	\$ 11,414,647	\$ 9,503,377
Interest expense	1,137,328	822,866	3,172,700	2,119,308
Net interest income	2,861,510	2,492,896	8,241,947	7,384,069
Provision for loan losses	84,557	109,544	719,501	435,187
Non interest income	226,669	127,457	645,521	382,929
Non interest expense	2,145,608	1,825,897	6,074,691	5,421,682
Pre-tax income	858,014	684,912	2,093,276	1,910,129
Tax expense	167,285	130,259	399,807	353,659
Net income	\$ 690,729	\$ 554,653	\$ 1,693,469	\$ 1,556,470



We were delighted to receive Corporate Champion of Change Award from the Chester County Fund for Women and Girls.

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