



# Virtual Investor Conference

March 12, 2020

# CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This presentation contains forward-looking information about First Resource Bank that is intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as “believe,” “expect,” “may,” “will,” “should,” “project,” “could,” “plan,” “goal,” “potential,” “pro forma,” “seek,” “intend,” or “anticipate” or the negative thereof or comparable terminology, and include discussions of strategy, financial projections, guidance and estimates, statements regarding plans, objectives, expectations or consequences of announced transactions, and statements about the future performance, operations, products and services. The Bank cautions readers not to place undue reliance on these statements.

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# First Resource Bank



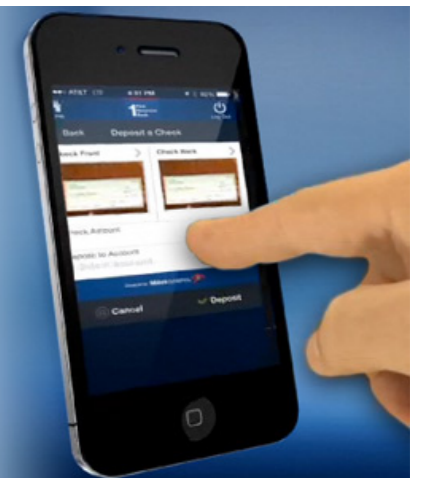
- Community bank based in Chester County, Pennsylvania
- Three high profile branch locations
  - Exton, PA
  - West Chester, PA
  - Wayne, PA
- Established in 2005
- Executive management team were organizers of the Bank



## GO MOBILE!

No time to get to our branch?  
Check your balance and transaction history,  
deposit checks, transfer money, pay bills and more.

Mobile banking is now available!  
Visit your app store to download the new **MOBILE APP!**



# Market Area



**Suburban Philadelphia is one of the most economically attractive markets in United States and Pennsylvania:**

**Chester County** has the highest Median Household Income in Pennsylvania at \$96,726 with an unemployment rate of 2.9%

**Montgomery County** has the 2nd highest Median Household Income in Pennsylvania at \$88,166 with an unemployment rate of 3.2%

**Delaware County** has the 4<sup>th</sup> highest Median Household Income in Pennsylvania at \$71,539 with an unemployment rate of 3.8%



# Hybrid Community Bank

- Combination of limited physical “high touch” branches complimented by “high tech” banking products and services on par with those offered by national financial services providers
- Don't need to be on every street corner, but do need to be available 24/7



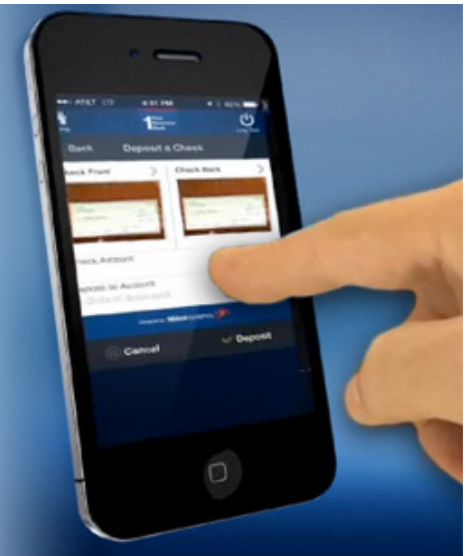
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# Technology Focused

62% of daily items deposited now flowing through Remote Deposit Capture & Mobile Deposit



STILL WASTING TIME  
**DRIVING DEPOSITS**  
TO THE **BANK?**

get **FRed**<sup>™</sup>  
First Resource Easy Deposit<sup>™</sup>  
*instead!*



# Efficient Branching Strategy

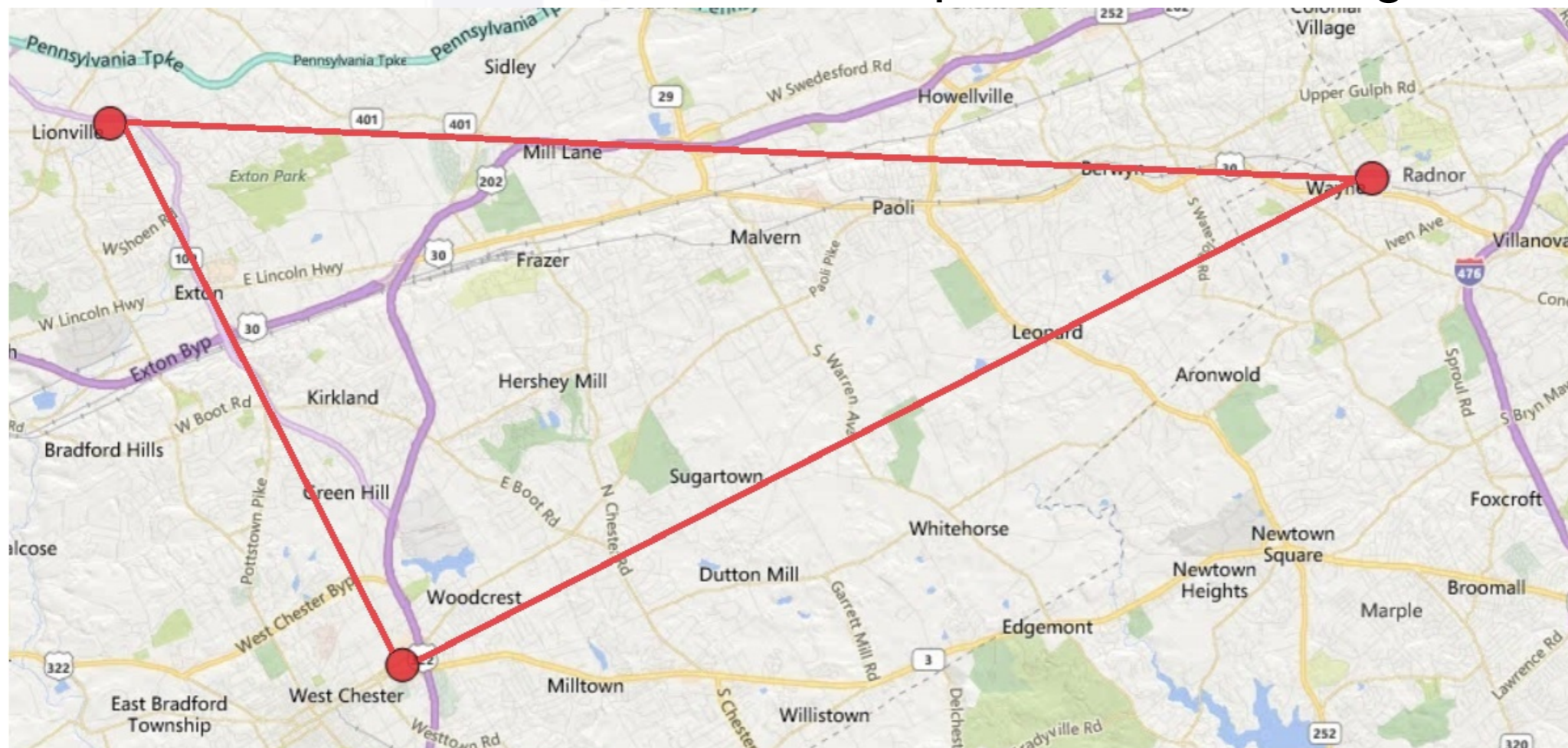
- Operated as a single branch for 10 years in Exton, Pennsylvania
  - \$158 million in deposits at December 31, 2019
- Second branch opened in West Chester, Pennsylvania in April 2015
  - \$101 million in deposits at December 31, 2019
- Third branch opened in Wayne, Pennsylvania in October 2019
  - \$5 million in deposits at December 31, 2019





# Expanded Deposit Market

- As of June 30, 2019, total deposits in our markets were:
  - Exton \$2.5 billion, with 17 branches
  - West Chester \$3.1 billion, with 36 branches
  - Wayne \$3.1 billion, with 21 branches
- Combined area creates a \$12.4 billion deposit market triangle

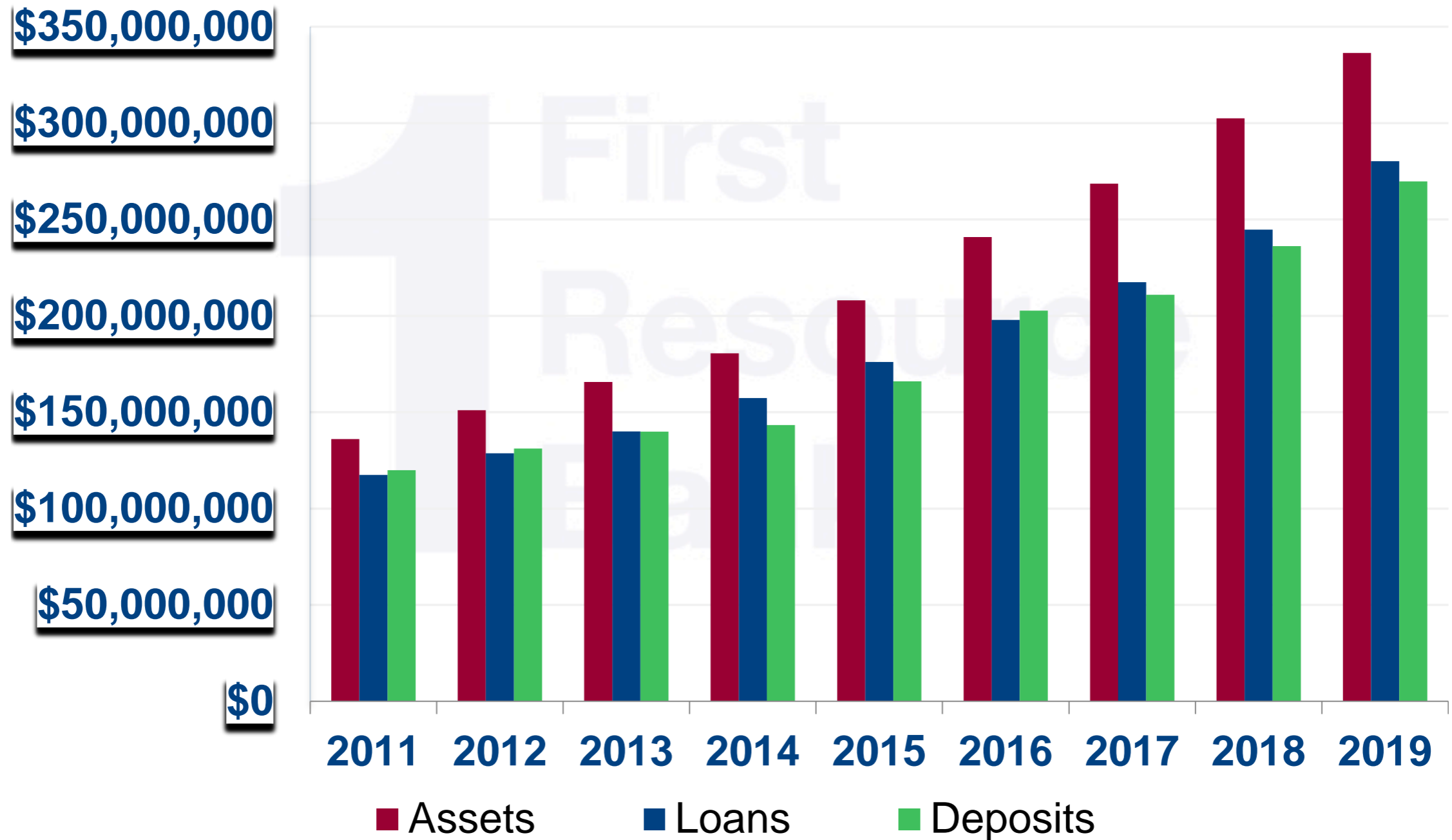




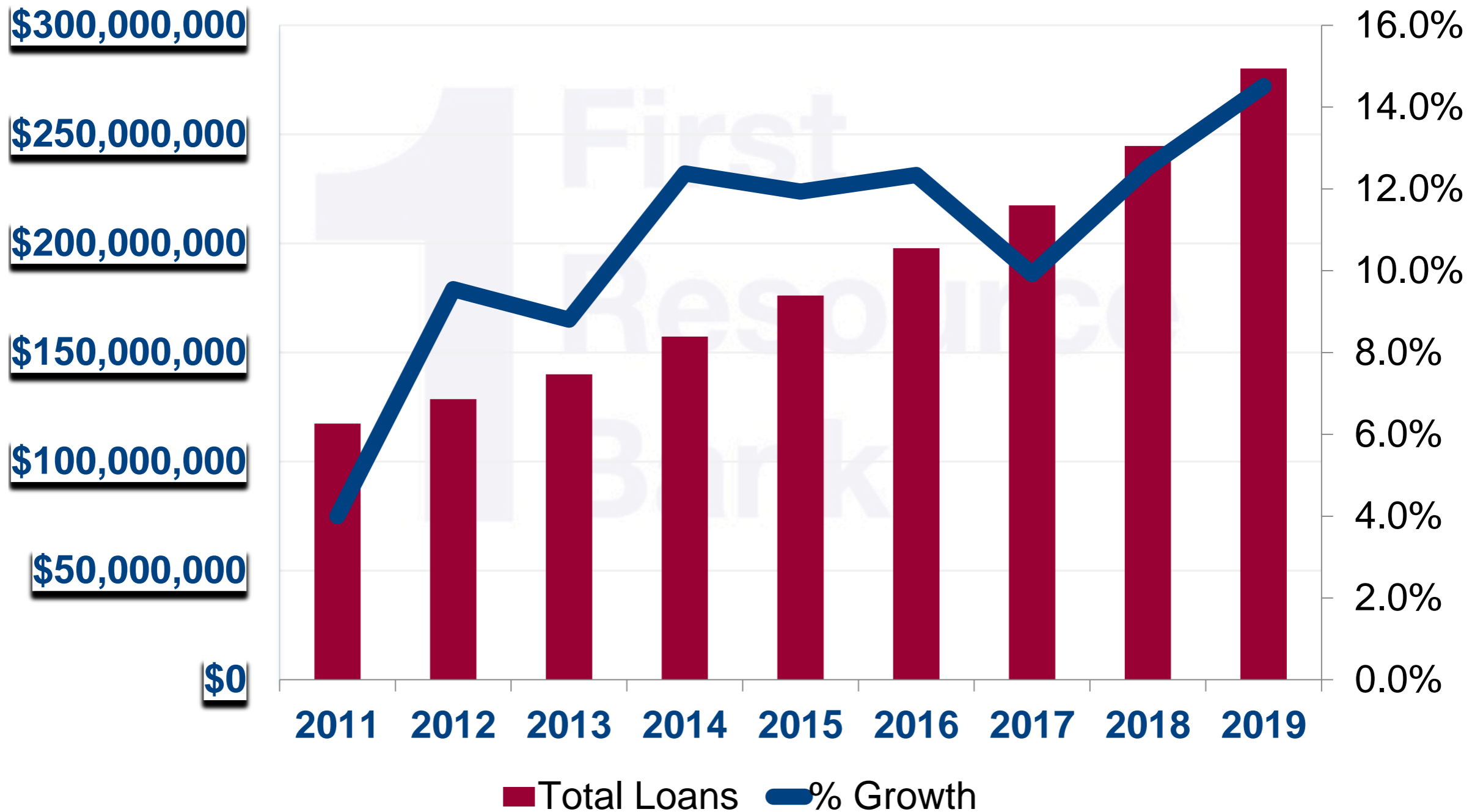
# 2019 Highlights

- **Record profitability, net income grew 7%**
- **Strong checking growth, with non-interest deposits up 59%**
- **Opened a third branch location in Wayne, PA**
- **Loan growth was 15%, 6<sup>th</sup> consecutive year of double digit annual growth**
- **Nonperforming assets to total assets declined 54%**

# Balance Sheet Growth

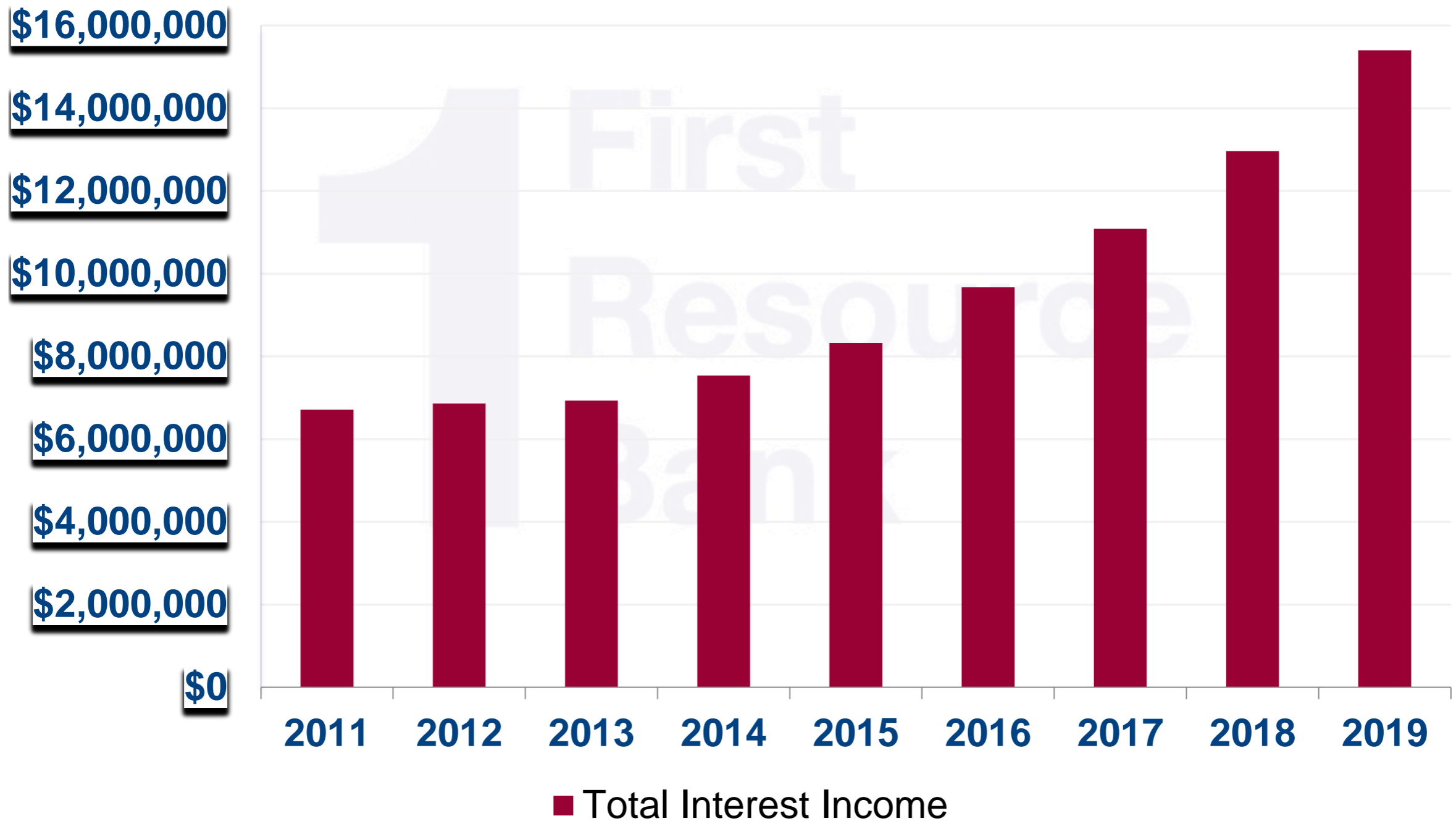


# Loan Growth

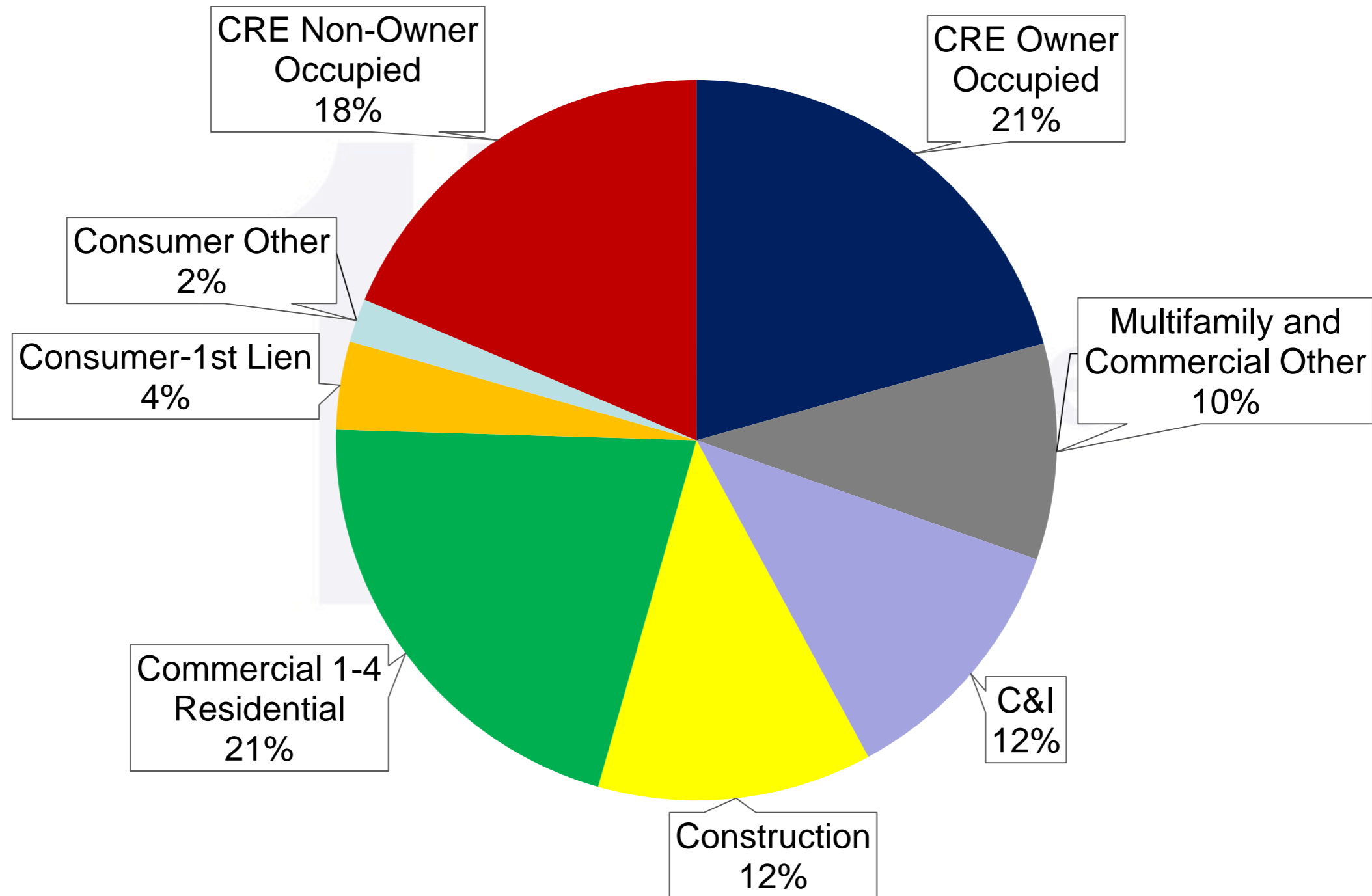




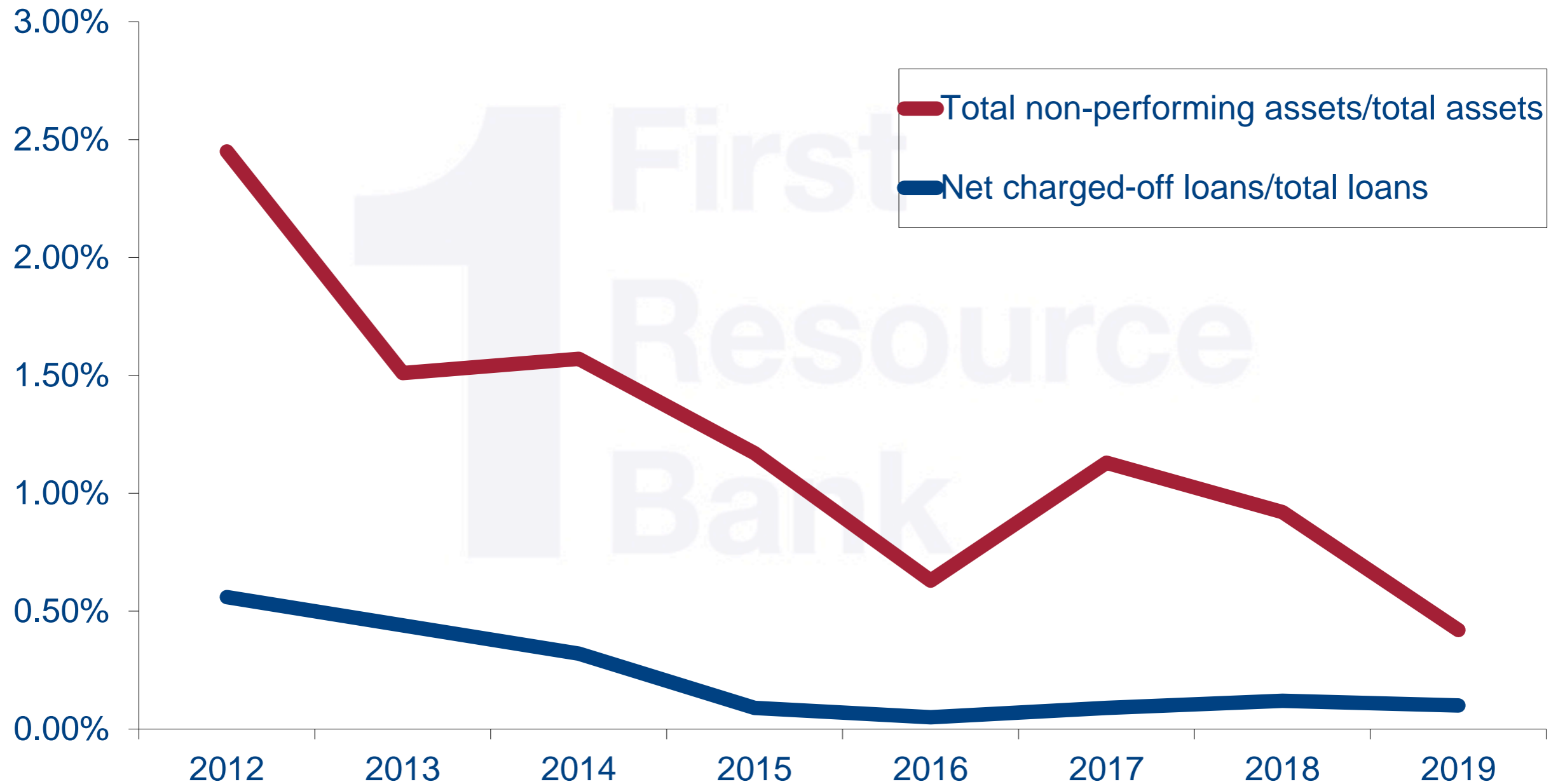
# Top Line Income Growth



# Loan Portfolio Mix at 12/31/19

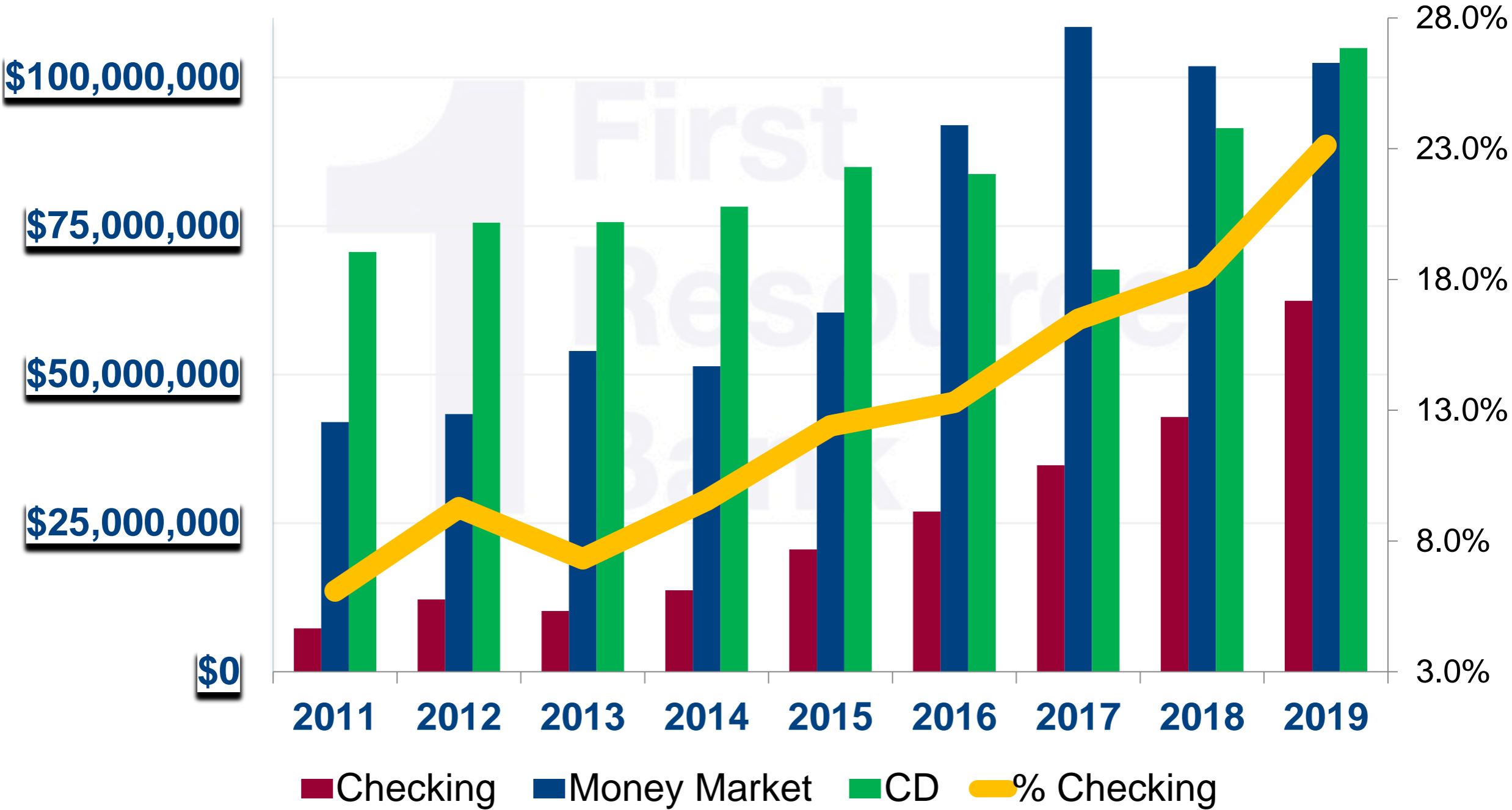


# Improving Asset Quality

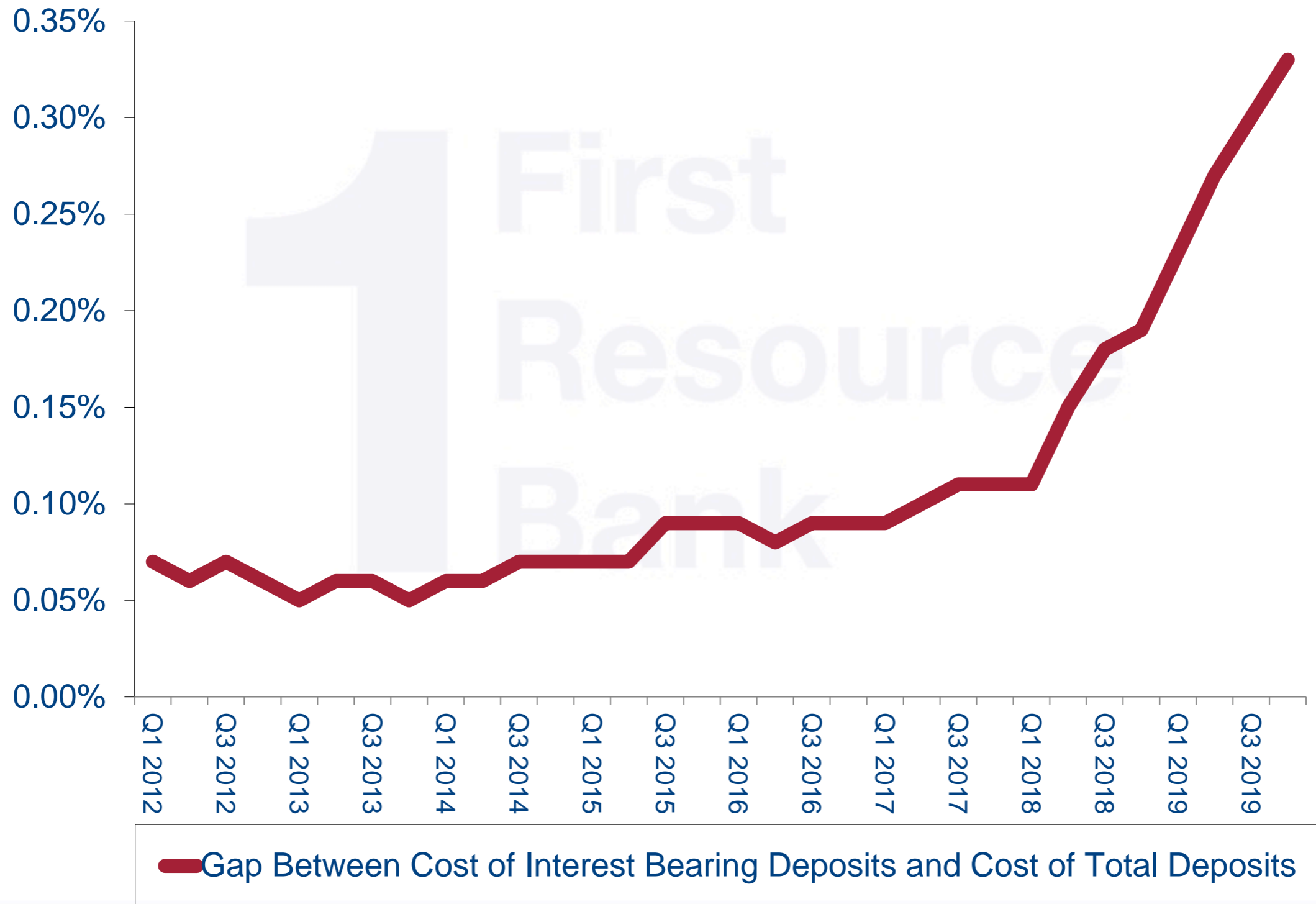




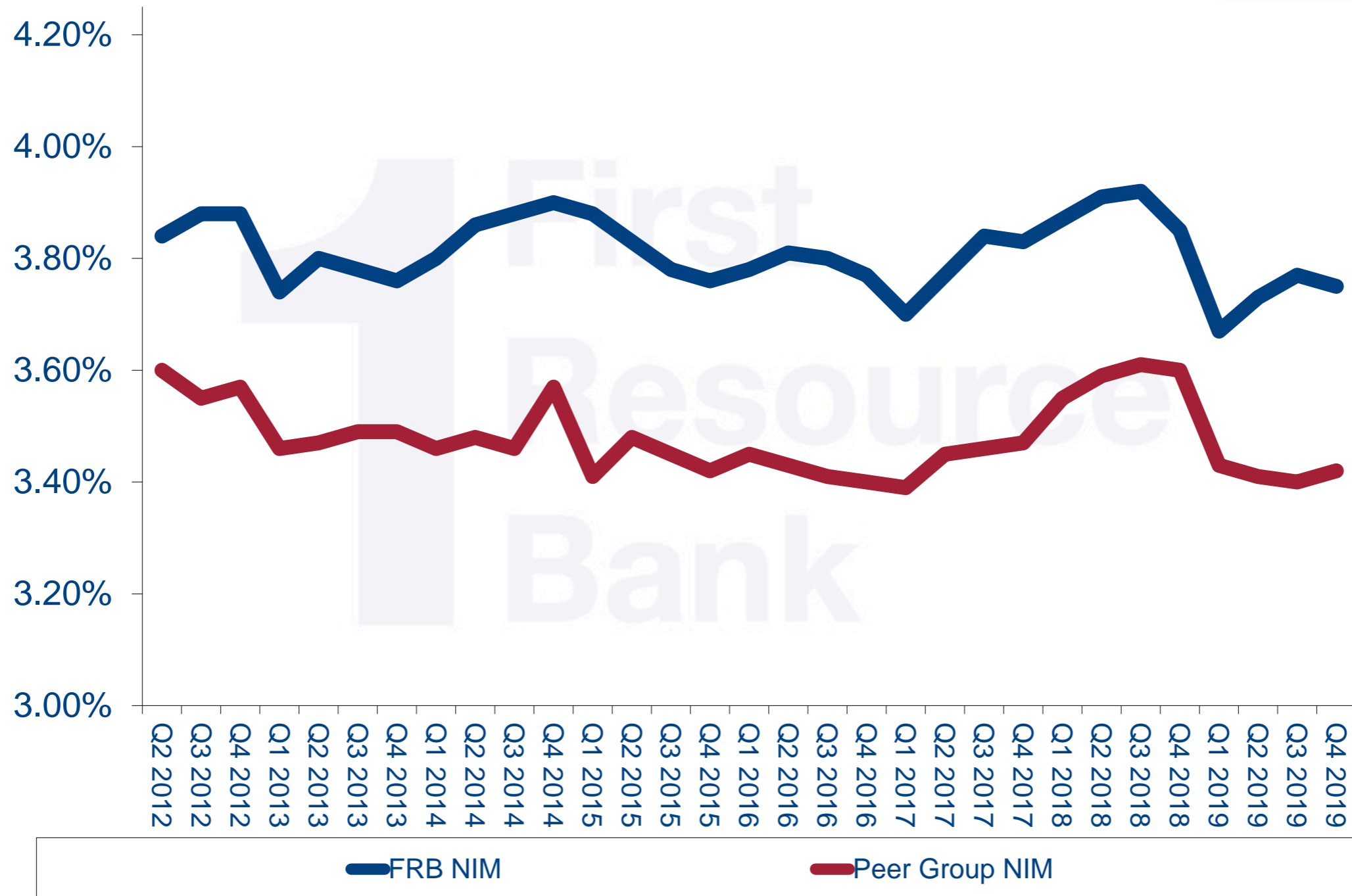
# Deposit Growth



# Benefit of Checking



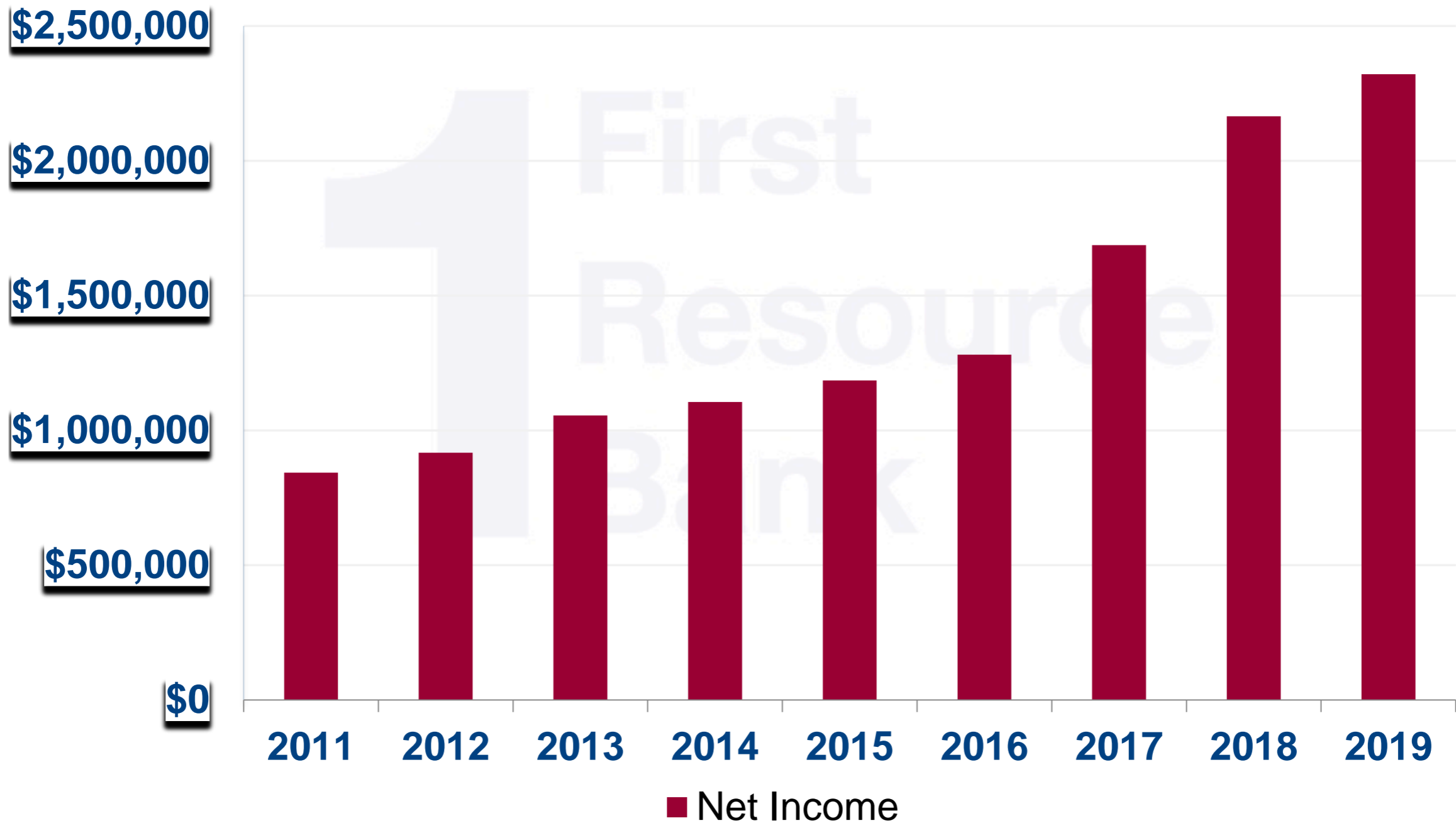
# Net Interest Margin



Note: Prior to 2019 Peer Group was PA Banks with Assets \$100M to \$300M; Peer Group for 2019 is PA Banks with Assets \$300M to \$500M.



# Net Income Growth



# Best Bank in Chester County

- Voted 2019, 2018 and 2017 Best Bank in Chester County by readers of The Daily Local, Chester County's local newspaper



# More FRSB Accolades

- West Chester Area Education Foundation Community Partner of the Year 2018
- Chester County Fund for Women and Girls Corporate Champions of Change Award for 2019



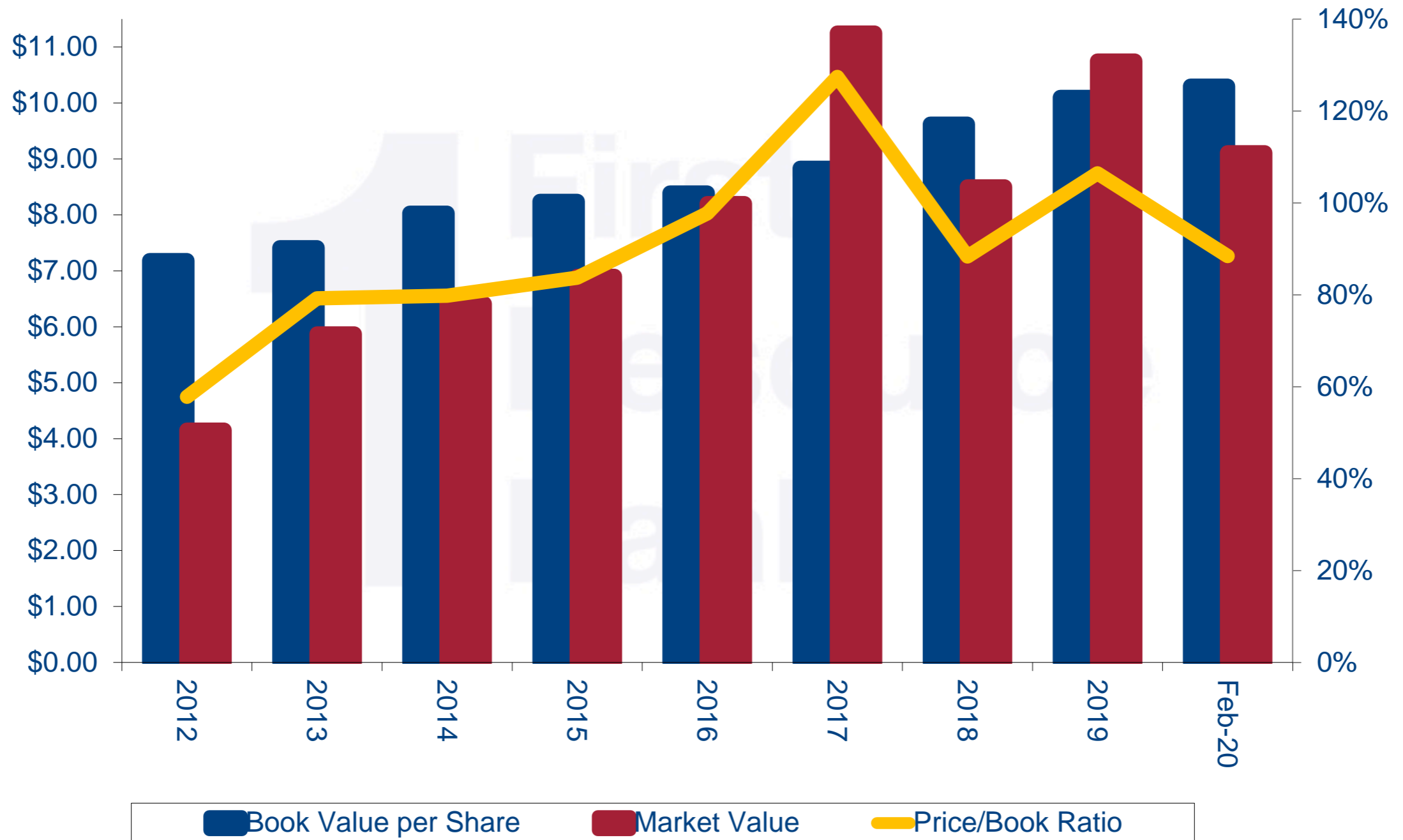
# Common Stock Performance



- OTCQX:FRSB: 52.59 %    
 ● OTCQX:FRSB-Vol    
 — S&P 500: 59.85 %
- SNL U.S. Bank: 52.02 %    
 — S&P 500 Bank: 60.26 %
- KBW Nasdaq Bank Index: 50.99 %



# Book Value vs. Market Value



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