First Resource Bank

March 4, 2009

Neil Barofsky
Special Inspector General
Troubled Asset Relief Program
1500 Pennsylvania Avenue, N.W., Suite 1064
Washington, DC 20220

Dear Mr. Barofsky,

We are providing the enclosed information at the request of your letter dated February 6, 2009.

When First Resource Bank was opened in May 2005, our original business plan indicated a need for additional capital in June 2008. We aggressively pursued private equity beginning in September 2007 and finally completed a very small common stock offering a year later, resulting in only $388,000 in new capital. Our needs for capital were the result of loan growth, not the result of exotic financial transactions or losses in our investment portfolios that have affected so many other banks. Our need for capital could not have occurred at a worse time in the United States capital markets.

We received our TARP Capital Purchase Plan (CPP) investment of $2.6 million on Friday, January 30, 2009. Prior to receipt of those funds, our lending had virtually stopped due to capital constraints. We plan to use our CPP funds to continue our lending activities in our community. First Resource Bank had a $94,560,289 loan portfolio as December 31, 2008, with an average loan size of $144,771. This is a community bank based loan portfolio with consumer home equity, small business loans for equipment, business working capital lines, owner occupied business real estate, small single family home builders and urban residential real estate redevelopment mortgages. In asking what we plan to do, we reference what we have done. This portfolio was $81,233,168 at December 31, 2007 with an average loan of $130,810, and $61,176,213 at December 31, 2006 with an average loan of $129,063. We have demonstrated our ability to lend responsibly to the local community.

In the fall of 2008 our Board of Directors approved a 2009 Operating Plan which included no new capital raised. This model, a copy of which is attached as Exhibit A, shows the loan portfolio did not grow at all. [redacted]

(b) (4)(b) (4)

101 Marchwood Road • Exton, PA 19341 Phone 610-363-9400 Fax 610-561-6039

[redacted]

This updated model is included as Exhibit B. Our ability to once again be an active lender in our local community is not just an investment in our small bank but an investment to insulate our community. [redacted]

CPP funds have not been segregated from other funds because the CPP funds are effectively the only meaningful new capital we have received since the Bank fully utilized the $10.3 million in capital raised in the initial public offering in April 2005. All new loan growth booked since January 30, 2009 is attributed to the CPP investment since we effectively had stopped lending prior to that investment.

We are aware of the increasing changes to executive compensation restrictions and we will comply with whatever final rules are enacted by Congress. We have never had excessive executive compensation practices to begin with. [redacted] We plan to continue this approach in addition to the steps necessary to be in compliance with current and future CPP requirements for executive compensation. Set forth on Exhibit C is a detailed enumeration of the Bank's plans, and status of implementation of those plans, for addressing each executive compensation requirement applicable to the Bank by virtue of its participation in the Capital Purchase Program.

If you have any questions in regards to this response or require any additional information, please feel free to contact either of us at 610-363-9400.

Sincerely,

Glenn B. Marshall
President & CEO

Lauren C. Ranalli
Lauren C. Ranalli
Executive Vice President & CFO

I hereby certify, subject to the requirements and penalties set forth in Title 18, United States Code, Section 1001, that all statements, representations and supporting information provided in this response are accurate in all material respects to the best of my knowledge.

FIRST RESOURCE BANK

By: GB Marshall

Name: Glenn B. Marshall

Title: President & CEO

By: Lauren C. Ranalli

Name: Lauren C. Ranalli

Title: Executive Vice President & CFO

Date: March 4, 2009

Exhibit "A"

First Resource Bank
Income Statement
2009 Operating Plan no new capital (no TARP)

Short term investments	[redacted]
Investment Securities	
Total investment securities	
Commercial real estate	
Construction	
Commercial business	
Consumer	
Total loan income	
Total interest income	
Interest Checking	
Money Market	
Time deposits	
Brokered time deposits	
Borrowings	
Trust preferred securities	
Total interest expense	
Net interest income	
Provision for loan losses	
Net interest income after provisio	
Service charges on deposits	
Mortgage income	
Other income	
Total other income	
Salaries and employee benefits	
Occupancy	
Depreciation	
Advertising	
Data Processing	
Professional services	
Other	
Total other expense	
Pre-tax income	
Income tax expense	
Net income	
Preferred stock dividends	
Net income avail. to common s/h	
Net interest margin	

(b) (4)

First Resource Bank
Balance Sheet
2009 Operating Plan no new capital (no TARP)

Short term investments	[redacted]
Investment Securities	
Total Investments	
Commercial real estate	
Construction loans	
Commercial business	
Consumer loans	
Total Loans	
Earning Assets	
Allowance for loan losses	
Cash and due from banks	
Fixed Assets	
Other Assets	
Total Assets	
Interest checking	
Money Market	
Time Deposits	
Brokered time deposits	
Total interest bearing deposits	
Borrowings	
Total interest bearing liabilities	
Non interest bearing deposits	
Non interest bearing liabilities	
Trust preferred securities	
Total Liabilities	
Preferred equity	
Common Stockholders Equity	
Total Equity	
Total Liabilities and Equity	
Capital Ratios:	
Tier 1 Leverage	
Tier 2 Capital	
Total Capital	
PARTICIPATIONS NEEDED	

(b) (4)

Exhibit 'B'

First Resource Bank

Balance Sheet

2009 Operating Plan with TARP Ca [redacted]

(b) (4)

Short term investments	[redacted]
Investment Securities	
Total Investments	
Commercial real estate	
Construction loans	
Commercial business	
Consumer loans	
Total Loans	
Earning Assets	
Allowance for loan losses	
Cash and due from banks	
Fixed Assets	
Other Assets	
Total Assets	
Interest checking	
Money Market	
Time Deposits	
Brokered time deposits	
Total interest bearing deposits	
Borrowings	
Total interest bearing liabilities	
Non interest bearing deposits	
Non interest bearing liabilities	
Trust preferred securities	
Total Liabilities	
Preferred equity	
Common Stockholders Equity	
Total Equity	
Total Liabilities and Equity	

(b) (4)

First Resource Bank
Income Statement
2009 Operating Plan with TARP Capital

(b) (4)

(b) (4)

	Actual
Short term investments	[redacted]
Investment Securities	
Total investment securities	
Commercial real estate	
Construction	
Commercial business	
Consumer	
Total loan income	
Total interest income	
Interest Checking	
Money Market	
Time deposits	
Brokered time deposits	
Borrowings	
Trust preferred securities	
Total interest expense	
Net interest income	
Provision for loan losses	
Net interest income after provisi	
Service charges on deposits	
Mortgage income	
Other income	
Total other income	
Salaries and employee benefits	
Occupancy	
Depreciation	
Advertising	
Data Processing	
Professional services	
Other	
Total other expense	
Pre-tax income	
Income tax expense	
Net income	
Preferred stock dividends	
Net income avail. to common s/	
Net interest margin	[redacted]

(b) (4)

EXHIBIT C

FIRST RESOURCE BANK
IMPLEMENTATION PLANS – EXECUTIVE COMPENSATION REQUIREMENTS – CAPITAL PURCHASE PROGRAM

Item No.	Requirement	Plans to address requirement	Status of implementation of plans
		Emergency Economic Stabilization Act of 2008	
1	Incentive compensation arrangements may not encourage senior executive officers to take unnecessary and excessive risks.	(b) (4) [redacted] The Compensation Committee will recommend for Board of Directors approval a formal policy implementing this requirement.	A policy will be considered by the Compensation Committee, which expects to adopt a formal policy by May 2009.
2	The Compensation Committee must review our incentive compensation arrangements to confirm compliance with Item 1.	(b) (4) [redacted] The Compensation Committee will be meeting on March 23, 2009 to conduct this review and in the absence of a plan will conclude at that meeting that no incentive compensation arrangements are in place that would encourage senior executive officers to take unnecessary and excessive risks. In that connection, the Compensation Committee will review and consider an assessment of loan risks and their relationship to executive compensation.	Will be completed in March 2009.

Item No.	Requirement	Plans to address requirement	Status of implementation of plans
3	The Compensation Committee must meet at least annually with our senior risk officer to discuss and review the relationship between our risk management policies and practices and our senior executive officer incentive compensation arrangements.	The Compensation Committee will approve a schedule to meet annually with our chief risk officer for this purpose.	The Compensation Committee's first meeting for this purpose is scheduled for March 23, 2009.
4	Amounts that can be paid to senior executive officers upon separation from service are limited to a present value of not more than three times average annual compensation for services performed includible in gross income in most recent 5 taxable years ending before the date of separation from service.	Each senior office has signed a waiver agreeing to this requirement.	Completed.
5	Treasury Department regulations limit our tax deduction for compensation paid to any senior executive officer to $500,000 annually.	Our CFO has been advised of this restriction and has implemented a control to assure that a deduction will not be taken in excess of the limit.	[redacted] (b) (4)

Item No.	Requirement	Plans to address requirement	Status of implementation of plans
6	Companies participating in the Capital Purchase Program must recover any bonus or other incentive payment paid to a senior executive officer on the basis of materially inaccurate financial or other performance criteria.	The Compensation Committee will recommend for Board of Directors approval a formal policy implementing this requirement.	The policy is under consideration by the Compensation Committee, which expects to adopt a formal policy by May 2009.
American Recovery and Reinvestment Act of 2009			
7	Capital Purchase Program participants may not pay any "bonus, retention award, or incentive compensation" to certain officers, with one exception noted in Item 8 below. This restriction applies only to our chief executive officer because the Bank received less than $25,000,000 in the Capital Purchase Program. This prohibition does not apply to amounts payable pursuant to agreements in effect prior to February 11, 2009.	The Bank has not issued any bonus, retention award or incentive compensation to its chief executive officer since January 30, 2009, the date on which the Bank commenced participation in the Capital Purchase Program. The required limitations on executive officer compensation have not been offset by other changes to other longer term or deferred forms of executive compensation.	The Board of Directors and Compensation Committee will not approve any bonus, retention award or incentive compensation to our chief executive officer without assuring itself that any such award is consistent with the restriction. Treasury has not yet issued regulations clarifying how this provision will apply to us.

Item No.	Requirement	Plans to address requirement	Status of implementation of plans
8	The new law allows one exception to the restriction on bonuses, retention awards or incentive compensation described in Item 7 above, by permitting companies to issue "long-term" restricted stock, but the value of the stock cannot exceed one-third of the total amount of annual compensation of the employee receiving the stock, and the stock cannot fully vest until after all Capital Purchase Program obligations have been satisfied.	The Bank's Board of Directors and Compensation Committee will be reviewing its options under the new law to benefit the Bank in it retention of quality management. We have no immediate plans to issue long term delayed-vesting restricted stock.	The Bank's Board of Directors and Compensation Committee have not yet evaluated this alternative.
9	Capital Purchase Program participants must permit a non-binding shareholder vote to approve the compensation of executives as disclosed in the company's proxy statement.	The Bank's proxy statement for its upcoming 2009 annual meeting of shareholders includes a "say on pay" proposal. A copy of the draft proxy statement is enclosed with this response letter as Exhibit D.	The Bank is in compliance with this requirement for 2009 and intends to comply in future years.

Item No.	Requirement	Plans to address requirement	Status of implementation of plans
10	ARRA prohibits any payment to a senior executive officer or any of the next five most highly-compensated employees for departure from a company for any reason, except for payments for services performed or benefits accrued.	The Bank has not made any golden parachute payments to any of the designated class of employees since the Bank commenced participation in the Capital Purchase Program. The Bank will not enter into future agreements that violate applicable golden parachute payment restrictions with any member of the designated class of employees so long as the Bank continues to participate in the Capital Purchase Program.	The Bank's Compensation Committee is reviewing this requirement and the Bank's Board of Directors is aware of it.
11	The EESA recovery requirement described in Item 6 above is extended by ARRA to the next 20 most highly compensated employees in addition to the senior executive officers.	The Compensation Committee will recommend for Board of Directors approval a formal policy implementing this requirement.	The policy is under consideration by the Compensation Committee, which expects to adopt a formal policy by May, 2009.
12	ARRA prohibits a Capital Purchase Program participant from implementing any compensation plan that that would encourage manipulation of the reported earnings of the company to enhance the compensation of any of its employees.	The Bank has no Incentive Compensation Plan in place and no plans to consider such a plan. The Compensation Committee will recommend for Board of Directors approval a formal policy implementing this requirement.	A policy will be considered by the Compensation Committee, which expects to adopt a formal policy by May, 2009.

Item No.	Requirement	Plans to address requirement	Status of implementation of plans
13	So long as the Corporation participates in the Capital Purchase Program, ARRA requires the Compensation Committee to meet at least semiannually to discuss and evaluate employee compensation plans in light of an assessment of any risk to the company posed by such plans.	The Compensation Committee has approved a schedule to meet twice a year for this purpose.	The Compensation Committee's first meeting for this purpose is scheduled for March 23, 2009.
14	ARRA requires the chief executive officer and chief financial officer to provide a written certification of compliance with the executive compensation restrictions in ARRA.	The Bank expects its CEO and CFO will provide the required certification.	Treasury has not yet adopted implementing regulations for this requirement. To the extent that the Bank's primary federal regulator, the FDIC, requires the certification in required reports, the Bank will cause its CEO and CFO to comply.
15	ARRA requires each Capital Purchase Program participant to implement a company-wide policy regarding excessive or luxury expenditures, including excessive expenditures on entertainment or events, office and facility renovations, aviation or other transportation services.	The Compensation Committee will recommend for Board of Directors approval a formal policy implementing this requirement.	The policy is under consideration by the Compensation Committee, which expects to adopt a formal policy by May, 2009.

Exhibit D

DRAFT

First
Resource
Bank

March 23, 2009

Dear Investor:

First Resource Bank will hold its 2009 Annual Meeting of Shareholders (the "Meeting") on Friday, May 1, 2009, at 9:00 a.m. at the Sheraton Great Valley, Route 202 & 30, 707 East Lancaster Avenue, Frazer, Pennsylvania 19355. Directions to the Sheraton Great Valley are included for your convenience.

At the Meeting, you will be asked to vote on two matters: the election of three Class III directors and a nonbinding "say on pay". These matters are described in the accompanying Notice of Annual Meeting and Proxy Statement.

I would be pleased for you to attend the meeting. If you plan to attend, please call (610) 561-6000.

If you cannot attend the Meeting, your shares should still be represented at the Meeting. I urge you to vote online per the instructions included on your proxy card or sign and date the enclosed proxy card and return it in the enclosed envelope as soon as possible.

Thank you very much for your interest in and support of First Resource Bank.

Sincerely,

Glenn B. Marshall
President and Chief Executive Officer

FIRST RESOURCE BANK

NOTICE
OF
ANNUAL MEETING OF SHAREHOLDERS
to be held May 1, 2009

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of First Resource Bank will be held on Friday, May 1, 2009, at 9:00 a.m. at the Sheraton Great Valley, Rt. 202 & 30, 707 East Lancaster Ave., Frazer, Pennsylvania 19355 for the following purposes:

(1) To elect three Class III directors of First Resource Bank;

(2) To approve an advisory (non-binding) resolution concerning First Resource Bank's executive compensation; and

(3) To transact such other business as may properly be presented at the Meeting.

Shareholders of record at the close of business on March 6, 2009 are entitled to notice of, and to vote at the Meeting.

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, PLEASE VOTE ONLINE PER THE INSTRUCTIONS PROVIDED ON YOUR PROXY CARD OR SIGN, DATE, AND RETURN THE ENCLOSED PROXY IN THE ENVELOPE PROVIDED.

BY ORDER OF THE BOARD OF DIRECTORS

____
Lauren C. Ranalli, Secretary

Exton, Pennsylvania
March 23, 2009

FIRST RESOURCE BANK
101 Marchwood Road
Exton, Pennsylvania 19341
(610) 363-9400

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
May 1, 2009

GENERAL INFORMATION

Solicitation of Proxies. The Board of Directors of First Resource Bank is providing this Proxy Statement to solicit proxies for use at First Resource Bank's Annual Meeting of Shareholders to be held on May 1, 2009, or any adjournment thereof. First Resource Bank is first mailing this Proxy Statement and the accompanying proxy on or about March 23, 2009. First Resource Bank will pay the expense of soliciting proxies. First Resource Bank expects to solicit proxies primarily by mail. First Resource Bank's directors and officers may also solicit proxies personally, by telephone and by facsimile.

Voting and Revocation of Proxies. The execution and return of the enclosed proxy will not affect a shareholder's right to attend the Meeting and vote in person. Any shareholder giving a proxy may revoke it at any time before it is exercised by submitting written notice of its revocation or a subsequently executed proxy bearing a later date to the Secretary of First Resource Bank, or by attending the Meeting and electing to vote in person. Shareholders of record at the close of business on March 6, 2009 (the "Record Date") are entitled to notice of, and to vote at, the Meeting. On the Record Date, there were 1,261,745 shares of First Resource Bank common stock outstanding, each of which will be entitled to one vote at the Meeting.

If the enclosed proxy is voted online per the instructions given on the proxy card or if the enclosed proxy is appropriately marked, signed and returned in time to be voted at the Meeting, the shares represented by the proxy will be voted in accordance with the instructions marked thereon. Signed proxies not marked to the contrary will be voted as described in connection with each matter or proposal described in this Proxy Statement. Signed proxies will be voted "FOR" or "AGAINST" any other matter, proposal or business that properly comes before the Meeting, or any adjournment of the Meeting, as determined in the discretion of the persons named as proxyholders.

Quorum. The presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast will constitute a quorum at the Meeting. Abstentions and broker non-votes with respect to any proposal voted upon at the Meeting will be included for purposes of determining the presence of a quorum at the Meeting.

MATTER NO. 1

ELECTION OF DIRECTORS

According to First Resource Bank's Articles of Incorporation, the directors of First Resource Bank shall be divided into three (3) classes: Class I, Class II and Class III. The initial directors of First Resource Bank were appointed to their respective classes as part of the process of incorporating First Resource Bank and all were elected into 3 classes at the April 26, 2006 Annual Meeting.

The Board of Directors has unanimously nominated John J. O'Connell, Richard D. Orlow and Lauren C. Ranalli for election as Class III directors to serve for a period of three years or until their successor is duly elected. Each of the nominees has consented to being named in this Proxy Statement and to serve if elected. If any of the nominees becomes unable to accept nomination or election, the persons named in the proxy may vote for a substitute nominee selected by the Board of Directors. First Resource Bank's management, however, has no present reason to believe that any nominee listed will be unable to serve as a director, if elected.

Unless marked to the contrary, the shares represented by the enclosed Proxy will be voted "*FOR*" each of the nominees listed in this proxy statement for Class III director positions.

THE BOARD OF DIRECTORS RECOMMENDS VOTING "*FOR*" THE ELECTION OF THE CLASS III NOMINEES.

Any shareholder who wishes to withhold authority from the proxyholders to vote for the election of directors or to withhold authority to vote for any individual nominee may do so by marking his or her proxy to that effect. Shareholders cannot cumulate their votes for the election of directors. No proxy may be voted for a greater number of persons than the number of nominees named.

The following table sets forth certain information concerning (i) the nominees for election as Class III directors, (ii) each executive officer of First Resource Bank and (iii) all First Resource Bank directors and executive officers as a group, including their direct ownership of shares of First Resource Bank common stock as of the Record Date.

Name	Current Principal Business Occupation	Director Since	Direct Ownership (1)	Percent of Common Stock
NOMINEES AS CLASS III DIRECTORS TO SERVE UNTIL 2012				
Lauren C. Ranalli (Age 34)	Executive Vice President & CFO, First Resource Bank	2005	(b) (4) [redacted]	

Name	Current Principal Business Occupation	Director Since	Direct Ownership (1)	Percent of Common Stock
John P. O'Connell (Age 61)	Managing Partner, West Chester Off-Campus Housing, LLC (real estate holding company)	2005	(b) (4) [redacted]	
Richard D. Orlow (Age 51)	General Counsel, The Earth Companies	2005		
CLASS II DIRECTORS TO SERVE UNTIL 2011				
Philip J. Reilly, Jr. (Age 48)	President, P.J. Reilly Contracting Co. (excavating contractor)	2005		
Christopher J. Knauer (Age 49)	Secretary and Treasurer, Oaklands Business Parks, Inc. (land developer and builder)	2005		
CLASS I DIRECTORS TO SERVE UNTIL 2010				
James B. Griffin (Age 42)	President, James B. Griffin, P.C., Attorney at Law; Certified Public Accountant	2005		
Glenn B. Marshall (Age 50)	President & CEO, First Resource Bank	2005		
Joseph J. DiSciullo (Age 52)	President, Zeke's, Inc. (owner/operator of convenience stores, car wash facilities and gas stations)	2005		
All Directors and executive officers as a group (8 persons)				

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(1) The table reflects data supplied by each director and executive officer.

Board Meetings and Committees

The Board of Directors held fifteen (15) meetings during 2008. The Board of Directors maintains an Executive Committee, an Audit Committee, an ALCO Committee, a Loan Committee, a CRA Committee, a Capital Committee, a Compensation Committee, a Site Assessment Committee and a Nominating/Governance Committee. The Executive Committee does not have regularly scheduled meetings and did not hold any formal meetings during 2008. However, the members of the Executive Committee meet often on an informal basis to coordinate and keep up to date on matters between Board meetings. The Executive Committee consists of Griffin (Chairperson), Marshall and Ranalli. The Audit Committee, which met five (5) times during 2008, consists of Directors Orlow (Chairperson), Griffin, O'Connell and Reilly. The ALCO Committee, which met four (4) times during 2008, consists of Directors Griffin (Chairperson), DiSciullo, Reilly, Marshall and Ranalli. The Loan Committee, which met thirty three (33) times during 2008, consists of Directors Orlow (Chairperson), DiSciullo, Griffin, and Marshall. The CRA Committee, which met one (1) time during 2008, consists of Directors DiSciullo (Chairperson), O'Connell, Marshall and Knauer. The Capital Committee, which held one (1) meeting during 2008, consists of Directors Knauer (Chairperson), DiSciullo, Marshall and O'Connell and Ranalli. The Compensation Committee, which consists of Directors Reilly (Chairperson), Griffin and Knauer and Orlow, held one (1) meeting during 2008. The Site Assessment Committee, which did not meet during 2008, consists of Directors Marshall (Chairperson), Ranalli, DiSciullo, Knauer, Carrozza and Reilly. The Nominating/Governance Committee, which consists of Directors O'Connell (Chairperson), DiSciullo, Griffin, Orlow, Knauer and Ranalli, held one (1) meeting during 2008.

Director Compensation

All outside directors received an annual cash payment of $2,000 for their service in 2008. No such payments are scheduled for 2009.

Executive Officer Compensation

The following table displays summary compensation information for the executive officers of First Resource Bank for 2008.

SUMMARY COMPENSATION TABLE

		Annual Compensation		Long Term Compensation	
Name & Position	**Year**	**Salary**	**Bonus**	**Securities Underlying Options (1)**	**Other Compensation**
Glenn B. Marshall	2008	(b) (4) [redacted]			
President and Chief	2007				
Executive Officer	2006				
Lauren C. Ranalli	2008				
Chief Financial	2007				
Officer	2006				

(1) Options restated for 5% stock dividends payable on February 13, 2006, February 15, 2007 and January 2, 2008.

Officer Option Grants

There were no option grants to executive officers during 2008.

Employment Agreements

Glenn B. Marshall and Lauren C. Ranalli have entered into employment agreements ("Employment Agreements") with First Resource Bank. Under his Employment Agreement, Mr. Marshall is employed for an initial term of three (3) years. Beginning with the second day of the term of his Employment Agreement, and on each day thereafter, the term is extended by one day, so that, at all times, the term is for a period of three years. However, First Resource may, at any time, deliver to Mr. Marshall a written notice advising him that it desires to terminate the automatic renewal provisions, in which event the term shall continue through the remainder of its term in effect on the date such notice of non-renewal is given. Mr. Marshall is entitled to receive an annual base salary of $150,000 and certain customary benefits such as insurance and vacation.

In the event that Mr. Marshall resigns from employment for Good Reason (as defined in the Employment Agreement) following a Change in Control (as defined in the Employment Agreement), for a period of 36 months following termination by Mr. Marshall, First Resource Bank shall pay to Mr. Marshall an amount equal to 1/12th of the sum of (i) his highest annualized base salary during the Employment Period (as defined in the Employment Agreement) and (ii) the highest annual bonus (or aggregate bonuses) paid or payable to him with respect to any calendar year during the term of the Employment Agreement. In addition, for a period of 36 months following termination by Mr. Marshall, First Resource shall pay to Mr. Marshall (in lieu of continued pension and welfare benefits) an amount equal to 1/12th of the product of (i) 22.5% times (ii) his highest annualized base salary during the term of the Employment Agreement.

Ms. Ranalli's Employment Agreement is substantially similar to Mr. Marshall's except Ms. Ranalli is entitled to receive an annual base salary of $125,000, and has a term of two years with the same automatic renewal provisions as Mr. Marshall. In the event that Ms. Ranalli resigns from employment for Good Reason following a Change in Control, First Resource shall pay to Ms. Ranalli amounts and benefits based on the same calculations as described above for Mr. Marshall except Ms. Ranalli is entitled to receive such amounts and benefits for a period of 24 months.

At closing on First Resource Bank's issuance of preferred stock to the United States Treasury Department under its Capital Purchase Program, Mr. Marshall and Ms. Ranalli each signed agreements waiving any claim against the United States or First Resource Bank for any changes to their compensation or benefits that are required to comply with the regulation issued by the Department of the Treasury as published in the Federal Register on October 20, 2008. For further information on the requirements of these Treasury regulations, see, "Effect of Recent Legislation and Regulation on Executive Compensation - Emergency Economic Stabilization Act of 2008," beginning on page 8 of this proxy statement.

Indemnification

The Bylaws of First Resource Bank provide for (i) indemnification of directors and officers of First Resource and (ii) the elimination of a director's liability for monetary damages, each to the fullest extent permitted by Pennsylvania law. Pennsylvania law provides that a Pennsylvania corporation may indemnify directors, officers, employees and agents of the corporation against liabilities they may incur in such capacities for any action taken or any failure to act, whether or not the corporation would have the power to indemnify the person under any provision of law, unless such action or failure to act is determined by a court to have constituted recklessness or willful misconduct. Pennsylvania law also permits the adoption of a bylaw amendment, approved by shareholders, providing for the elimination of a director's liability for monetary damages for any action taken or any failure to take any action unless (1) the director has breached or failed to perform the duties of his office and (2) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

Certain Transactions

Certain directors and executive officers of First Resource Bank, and their associates, were customers of and had transactions with First Resource Bank in the ordinary course of business during the fiscal year ended December 31, 2008. Similar transactions may be expected to take place in the future. Such transactions included the establishment of checking and savings accounts, the purchase of certificates of deposit and extensions of credit in the ordinary course of business on substantially the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risks of collectability or present other unfavorable features. It is First Resource

Bank's policy that any other transactions with directors and officers and their associates in the future will be conducted on the same basis.

Effect of Recent Legislation and Regulation on Executive Compensation

Emergency Economic Stabilization Act of 2008. On January 30, 2009, First Resource Bank completed a preferred stock issuance under the U.S. Treasury Department's Capital Purchase Program, which implements provisions of the Emergency Economic Stabilization Act of 2008 (sometimes called EESA). The Capital Purchase Program requires us to comply with executive compensation regulations issued by the Treasury Department in October 2008. Those regulations impose the following major requirements on First Resource Bank so long as First Resource Bank continues to participate in the Capital Purchase Program:

- Our incentive compensation arrangements may not encourage our chief executive officer, chief financial officer or three other most highly paid executive officers (known as our senior executive officers) to take unnecessary and excessive risks. The Compensation Committee must review our incentive compensation arrangements to confirm this.

- Our Compensation Committee must meet at least annually with our senior risk officer to discuss and review the relationship between our risk management policies and practices and our senior executive officer incentive compensation arrangements.

- We and each of our senior executive officers agreed to abide by a provision of EESA which limits the amounts that can be paid to him or her upon separation from service under certain circumstances with us to a present value of not more than three times his or her average annual compensation for services performed for us which is includible in his or her gross income in his most recent five taxable years ending before the date of his or her separation from service with us. This is often referred to as a golden parachute payment.

- Treasury Department regulations may limit our tax deduction for compensation paid to any senior executive officer to $500,000 annually.

- At the time we sold our preferred stock to the U.S. Treasury, each of our senior executive officers signed an agreement to reduce his or her compensation and other benefits to the extent necessary to comply with these EESA requirements.

Effect of Treasury Department Guidelines Announced February 4, 2009. On February 4, 2009, the Treasury Department announced additional executive compensation guidelines containing expansive new restrictions on executive compensation for companies participating in future federal programs such as the Capital Purchase Program. The Treasury Guidelines state that the new guidelines would not apply to Capital Purchase Program participants such as First Resource Bank unless they also participate in a future exceptional assistance program or a future generally available capital access program, the Treasury Guidelines are general in nature and appear to contemplate new rulemaking by Treasury before they become effective. Further, some of the Treasury Guidelines reflect provisions in the American Reinvestment and Recovery Act of 2009, discussed below. Among other things, the Treasury Guidelines contemplate an absolute $500,000 annual compensation limit for senior executive officers. Therefore, while we do not believe the February 4 Treasury Guidelines will apply to First Resource Bank unless it participates in future capital access or exceptional assistance programs, and while management has no present intention to participate in any future programs, it is possible that First Resource Bank might decide later to participate. Furthermore, the proposed regulations to implement the February 4 Treasury Guidelines have not been issued yet. For these reasons, we cannot now predict whether First Resource Bank will become subject to any of the February 4 Treasury Guidelines.

Effect of the America Reinvestment and Recovery Act of 2009. The America Reinvestment and Recovery Act of 2009 (sometimes called ARRA). Which became effective February 17, 2009, contains expansive new restrictions on executive compensation for financial institutions such as First Resource Bank that participate in the Capital Purchase Program. ARRA amends EESA by continuing all the same compensation and governance restrictions. It also adds the following major new requirements:

- ARRA prohibits Capital Purchase Program participants from paying any "bonus, retention award, or incentive compensation" to certain officers. In our case, it applies these restrictions to only our chief executive officer because of the amount of preferred stock we issued in the Capital Purchase Program. This prohibition does not apply to amounts payable pursuant to certain agreements in effect prior to February 11, 2009. Treasury has not yet issued regulations clarifying how this provision will apply to us.

- The new law allows one exception to the restriction on bonuses, retention awards or incentive compensation by permitting companies to issue "long-term" restricted stock, but the value of the stock cannot exceed one-third of the total amount of annual compensation of the employee receiving the stock, and the stock cannot fully vest until after all Capital Purchase Program obligations have been satisfied. The law does not explain, and the Treasury Department has not yet issued any regulations clarifying, how to treat or value a wide variety of compensation related items when planning for compliance with this provision.

- ARRA requires every company receiving Capital Purchase Program assistance to permit a non-binding shareholder vote to approve the compensation of executives as disclosed in the company's proxy statement.

- As described above, EESA generally limited golden parachute payments to a senior executive officer to three times his or average annual base salary includible in his or her gross income for his or her five taxable years ending before separation from service with us. However, as long as any Capital Purchase Program related obligations remain outstanding, ARRA now prohibits any payment to a senior executive officer or any of the next five most highly-compensated employees for departure from a company for any reason, except for payments for services performed or benefits accrued.

- EESA required CPP-participating companies to recover any bonus or other incentive payment paid to a senior executive officer on the basis of materially inaccurate financial or other performance criteria. ARRA extends this recovery requirement to the next 20 most highly compensated employees in addition to the senior executive officers.

- ARRA prohibits a Capital Purchase Program participant from implementing any compensation plan that that would encourage manipulation of the reported earnings of the company to enhance the compensation of any of its employees.

- So long as First Resource Bank participates in the Capital Purchase Program, ARRA requires our Compensation Committee to meet at least semiannually to discuss and evaluate employee compensation plans in light of an assessment of any risk to the company posed by such plans.

- ARRA requires the chief executive officer and chief financial officer to provide a written certification of compliance with the executive compensation restrictions in ARRA.

- ARRA requires each Capital Purchase Program participant to implement a company-wide policy regarding excessive or luxury expenditures, including excessive expenditures on entertainment or events, office and facility renovations, aviation or other transportation services.

- ARRA directs the Treasury Department to review bonuses, retention awards, and other compensation paid to the senior executive officers and the next 20 most highly-compensated employees of each company, such as First Resource Bank, that participated in the Capital Purchase Program, to determine if any were inconsistent with the Capital Purchase Program or otherwise in conflict with the public interest. If the Treasury Department identifies any, it must seek to negotiate with the company and affected employees for reimbursement of those payments to the company.

ARRA requires the Treasury Department and the SEC to issue rules to implement its new executive compensation restrictions. Until rules are finalized, many details relating to the new rules described above will remain unclear.

Our Compensation Committee has begun considering these new limits on executive compensation. Over the course of this coming year, the committee will continue to review them, determine how they impact our executive compensation program, and decide whether any of our employee compensation arrangements or plans must be modified to comply with the new rules.

Report of Audit Committee

The Committee, which met five (5) times during 2008, operates under a written charter adopted by the Board of Directors. The Audit Committee of the Board of Directors is composed of four independent directors.

The Audit Committee has reviewed the audited financial statements of First Resource Bank for the fiscal year ended December 31, 2008, and discussed them with management and First Resource Bank's independent accountants, Beard Miller Company LLP. The Audit Committee also has discussed with the independent accountants the matters required to be discussed by the U.S. Statement of Auditing Standards SAS No. 61.

The Audit Committee has received from the independent accountants the written disclosures and letter required by the U.S. Independence Standards Board Standard No. 1, and the Audit Committee has discussed with the accountants their independence from First Resource Bank and management.

In connection with standards for independence of First Resource Bank's external auditors issued by the Securities and Exchange Commission during the 2008 fiscal year, the Audit Committee considered whether the provision of any non-audit services by First Resource Bank's independent accountants was compatible with maintaining such independence. The Audit Committee will continue to consider similar matters relating to independence during the 2009 fiscal year.

Richard D. Orlow, Chairman
James B. Griffin
John P. O'Connell
Philip J. Reilly, Jr.

MATTER 2

ADVISORY (NON-BINDING) VOTES ON EXECUTIVE COMPENSATION

Section 111 of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5221), as amended by Section 7001 of the American Recovery and Reinvestment Act of 2009 provides in relevant part that any proxy or consent or authorization for an annual or other meeting of the shareholders of any TARP recipient, such as First Resource Bank, during the period in which any obligation arising from financial assistance provided under the TARP remains outstanding, shall permit a separate shareholder vote to approve the compensation of executives. The statute provides that this shareholder vote shall not be binding on First Resource Bank's board of directors, and may not be construed as overruling a decision by the board of director, nor to create or imply any additional fiduciary duty by the board of directors.

The Board therefore recommends that shareholders approve, in an advisory vote, the following resolution:

> *RESOLVED that the shareholders approve the compensation of First Resource Bank's executive officers as described in First Resource Bank's Proxy Statement for its 2009 annual shareholder meeting.*

Because your vote is advisory, it will not be binding upon the board of directors. However, the board of directors and the Compensation Committee will take into account the outcome of the vote when considering First Resource Bank's compensation philosophy, its policies and procedures for evaluating executive officer performance, and future executive officer compensation decisions.

The board of directors believes that it and First Resource Bank's Compensation Committee have developed a reasonable philosophy, and appropriate policies and procedures, for evaluating executive performance and making decisions about executive compensation. They have attempted to provide appropriate incentives to First Resource Bank's executive officers to maximize shareholder value while, at the same time, discouraging inappropriate or excessive risk-taking. For these reasons, the board of directors believes that the adoption of the advisory (non-binding) resolution is in the best interests of First Resource Bank and its shareholders and other constituencies.

Unless marked to the contrary, the shares represented by the enclosed Proxy will be voted "*FOR*" Matter 2 to adopt the advisory (non-binding) resolution approving First Resource Bank's compensation philosophy, policies and procedures, its application of them, and its compensation decisions for executive officers in 2008.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "*FOR*" THE APPROVAL OF AN ADVISORY (NON-BINDING) RESOLUTION CONCERNING FIRST RESOURCE BANK'S EXECUTIVE COMPENSATION.

ANNUAL REPORT

First Resource Bank's Annual Report, dated December 31, 2008, is enclosed with this mailing.

SHAREHOLDER PROPOSALS FOR THE 2010 ANNUAL MEETING

The 2010 Annual Meeting is expected to be held on or about May 3, 2010. In accordance with First Resource Bank's Bylaws, a shareholder desiring to submit a proposal for consideration, or nominate a person for election as a director, at the 2010 Annual Meeting must provide written notice to the Corporate Secretary, containing the information required by the Bylaws, no later than February 1, 2010. Written notice of nominations for director must be given no earlier than January 1, 2010 and written notice of other proposals must be given no earlier than December 4, 2009.

Lauren C. Ranalli, Secretary

PLEASE REMEMBER TO VOTE ONLINE PER THE INSTRUCTIONS INCLUDED ON THE PROXY CARD OR MARK, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE SO THAT YOUR IMPORTANT VOTE WILL BE COUNTED AT THE ANNUAL MEETING.