



NEWS RELEASE

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***FIRST RESOURCE BANK ANNOUNCES
FIRST QUARTER 2008 RESULTS***

EXTON, PA - First Resource Bank (OTC Bulletin Board: FRSB) announced that the Bank achieved over \$100 million in total assets at its March 31, 2008 quarter-end. Total assets of \$104 million at March 31, 2008 compares to \$79 million at March 31, 2007 and \$97 million at December 31, 2007.

The operating performance of the Bank was reported as a net loss of \$62,774 for the three months ended March 31, 2008, the first quarterly loss in the last 6 quarters. The pre-tax loss for the quarter ended March 31, 2008 was \$94,136, which compares to pre-tax income of \$35,328 for the quarter ended December 31, 2007 and \$8,052 for the quarter ended March 31, 2007.

President & CEO Glenn B. Marshall stated, "While we continue to be satisfied with the growth of the Bank in these difficult economic times, we struggled in the first quarter with

a short sale on one specific consumer relationship that required a \$123,000 charge-off from our loan loss reserve. The Bank has never engaged in any Sub-prime or other high risk lending strategies. We continue to execute our Community Bank lending strategy within our local Chester County, Pennsylvania market which has remained stable and insulated from the nation-wide real estate issues that have affected many banks around the country. We continue to focus on the growth of the Bank's book of business and achieving an improved net interest margin through lowering our deposit cost of funds resulting in more consistent long term profitability."

The loan portfolio grew \$6.4 million, or 7.8%, during the first quarter to \$87.9 million at March 31, 2008 as follows:

	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2007
Commercial real estate	\$ 45,756,858	\$ 42,312,853	\$ 34,505,463
Commercial construction	14,288,686	14,373,943	10,740,664
Commercial business	9,086,959	7,180,765	4,612,089
Consumer	<u>18,758,857</u>	<u>17,627,362</u>	<u>16,346,702</u>
Total loans	<u>\$ 87,891,360</u>	<u>\$ 81,494,923</u>	<u>\$ 66,204,918</u>

Deposits increased \$10.3 million, or 14.8%, during the first quarter to a total of \$80.0 million at March 31, 2008 as shown below.

Selected Financial Data:

Balance Sheets (unaudited)

	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2007
Cash & cash equivalents	\$ 1,296,990	\$ 1,506,236	\$ 827,623
Federal funds sold	-	26,000	1,575,000
Cash & cash equivalents	<u>1,296,990</u>	<u>1,532,236</u>	<u>2,402,623</u>
Investments	13,921,435	13,285,659	10,718,156
Loans	87,929,360	81,494,923	66,204,918
Allowance for loan losses	(950,796)	(908,342)	(772,102)
Premises & equipment	439,696	381,200	407,934
Other assets	<u>1,564,623</u>	<u>1,516,360</u>	<u>509,899</u>
Total assets	<u>\$104,201,308</u>	<u>\$97,302,036</u>	<u>\$79,471,428</u>
Non-interest bearing deposits	\$ 3,913,560	\$ 2,500,698	\$ 2,812,111
Checking	1,389,545	1,368,086	885,373
Money market	19,788,429	16,656,631	17,351,051
Time deposits	<u>54,873,459</u>	<u>49,151,653</u>	<u>48,925,769</u>
Total deposits	<u>79,964,993</u>	<u>69,677,068</u>	<u>69,974,304</u>
Borrowings	14,725,200	18,120,700	-
Other liabilities	<u>386,145</u>	<u>355,671</u>	<u>1,069,369</u>
Total liabilities	<u>95,076,338</u>	<u>88,153,439</u>	<u>71,043,673</u>
Common stock	1,198,324	1,197,994	1,197,723
Surplus	9,036,923	9,012,240	8,944,051
Accumulated other comprehensive income	14,612	478	(8,983)
Accumulated deficit	<u>(1,124,889)</u>	<u>(1,062,115)</u>	<u>(1,705,036)</u>
Total equity	<u>9,124,970</u>	<u>9,148,597</u>	<u>8,427,755</u>
Total Liabilities & Equity	<u>\$104,201,308</u>	<u>\$97,302,036</u>	<u>\$79,471,428</u>

Performance Statistics
(unaudited)

	Qtr Ended Mar. 31, 2008	Qtr Ended Dec. 31, 2007	Qtr Ended Sept 30, 2007	Qtr Ended June 30, 2007	Qtr Ended Mar 31, 2007
Net interest margin	3.23%	3.59%	3.60%	3.71%	3.58%
Nonperforming loans/total loans	1.03%	0.48%	1.16%	0.79%	0.22%
Allowance for loan losses/ Total loans	1.08%	1.11%	1.19%	1.17%	1.17%
Average loans/Average assets	115.0%	93.6%	90.9%	88.9%	83.5%
Non interest expenses/ Average assets	0.74%	0.80%	0.77%	0.79%	0.77%

Income Statements (unaudited)

	Qtr Ended Mar. 31, 2008	Qtr Ended Dec. 31, 2007	Qtr Ended Sept. 30, 2007	Qtr Ended June 30, 2007	Qtr Ended Mar. 31, 2007
INTEREST INCOME					
Loans	\$1,533,961	\$1,606,329	\$1,559,217	\$1,439,434	\$1,317,359
Investments	37,506	51,293	71,010	69,034	45,322
Federal funds sold	6,616	368	14,335	48,869	117,738
Other	139	145	204	1,214	467
Total interest income	<u>1,578,222</u>	<u>1,658,135</u>	<u>1,644,766</u>	<u>1,558,551</u>	<u>1,480,886</u>
INTEREST EXPENSE					
Borrowings	65,691	51,502	6,291	1,441	-
Checking	2,631	2,447	2,766	2,735	1,945
Money Market	152,605	183,065	214,885	203,405	195,644
Time deposits	631,756	648,941	666,135	621,352	610,082
Total interest expense	<u>852,683</u>	<u>885,955</u>	<u>890,077</u>	<u>828,933</u>	<u>807,671</u>
Net interest income	<u>725,539</u>	<u>772,180</u>	<u>754,689</u>	<u>729,618</u>	<u>673,215</u>
Provision for loan losses	<u>165,738</u>	<u>68,980</u>	<u>72,825</u>	<u>94,676</u>	<u>94,210</u>
NON INTEREST INCOME					
Mortgage fee income	11,129	7,022	7,818	9,713	12,773
Other income	16,929	18,106	15,436	10,046	7,481
Total non interest income	<u>28,058</u>	<u>25,128</u>	<u>23,254</u>	<u>19,759</u>	<u>20,254</u>
NON INTEREST EXPENSE					
Salaries & benefits	357,128	342,404	330,995	320,053	329,579
Occupancy & equipment	88,143	89,325	86,212	79,554	88,803
Data processing	49,787	50,184	44,064	41,588	43,494
Professional fees	53,479	54,380	62,836	61,092	41,375
Advertising	19,223	31,023	26,273	27,421	13,825
Other non interest expenses	114,235	125,684	100,733	99,816	74,131
Total non interest expense	<u>681,995</u>	<u>693,000</u>	<u>651,113</u>	<u>629,524</u>	<u>591,207</u>
Pre-tax income (loss)	<u>\$ (94,136)</u>	<u>\$ 35,328</u>	<u>\$ 54,005</u>	<u>\$ 25,177</u>	<u>\$ 8,052</u>
Tax benefit (expense)	<u>31,362</u>	<u>(13,642)</u>	<u>542,053</u>	<u>-</u>	<u>-</u>
Net income	<u>\$ (62,774)</u>	<u>\$ 21,686</u>	<u>\$ 596,058</u>	<u>\$ 25,177</u>	<u>\$ 8,052</u>

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About First Resource Bank

First Resource Bank is a locally owned and operated Pennsylvania state-chartered bank, serving the banking needs of businesses, professionals and individuals in Chester County, Pennsylvania. The Bank offers a full range of deposit and credit services with a high level of personalized service. First Resource Bank also offers a broad range of traditional financial services and products, competitively priced and delivered in a responsive manner to small businesses, professionals and residents in the local market. Member FDIC.