



***NEWS RELEASE***

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***FIRST RESOURCE BANK ANNOUNCES  
SECOND QUARTER RESULTS***

**EXTON, PA** - First Resource Bank (OTC Bulletin Board: FRSB), announced today its second quarter results as of June 30, 2006 was a net loss of \$99,000. These results favorably compare to a net loss of \$202,000 for the first quarter.

Cash income (loss), defined as net income (loss) less depreciation, stock option expenses, the provision for loan losses and other non-cash charges, is an important tool that management uses to measure progress. In particular, the provision for loan losses to date has strictly been a function of strong loan growth which has long term benefits to the Bank, but causes a short term strain on earnings. The second quarter of 2006 was the first quarter in which the Bank achieved positive cash earnings, a significant milestone in the eyes of management.

Below is a table reconciling net loss to cash loss:

	Quarter Ended June 30, 2006	Quarter Ended Mar. 31, 2006	Quarter Ended Dec. 31, 2005	Quarter Ended Sept. 30, 2005	2 Months Ended June 30, 2005
Net loss	\$( 99,000 )	\$( 202,000 )	\$( 232,000 )	\$( 306,000 )	\$( 828,000 )
Depreciation	42,000	36,000	35,000	36,000	22,000
Provision for loan losses	95,000	123,000	48,000	119,000	160,000
Stock option expenses	18,000	18,000	-	-	-
Other non cash charges	-	-	66,000	-	-
Cash income (loss)	<u>\$ 56,000</u>	<u>\$ ( 25,000 )</u>	<u>\$ ( 83,000 )</u>	<u>\$ ( 151,000 )</u>	<u>\$ ( 646,000 )</u>

President & CEO, Glenn B. Marshall, stated "We are extremely pleased with the progress of our quarterly operating results since we opened last May. The Bank is now at the point where virtually all expenses, with the exception of the provision for loan losses, are covered by our net interest income. We have a good handle on our overhead expenses and the net income levels needed to make the institution profitable in the near future."

Net interest income for the second quarter of \$538,000 was 31.2% higher than the previous quarter. This increase in net interest income is a result of continued strong loan growth.

The loan portfolio grew \$9.0 million, or 22.9%, during the second quarter to \$48.3 million at June 30, 2006. This loan growth was experienced in all products of the loan portfolio; however the real estate lending presence continues to dominate the portfolio.

President & CEO, Glenn B. Marshall, stated "First Resource Bank will continue to hire quality individuals when they are available rather than when they are budgeted. We can not lose

focus that this is a people driven business. We added an additional commercial lender in the second quarter and her loan production to date has been strong. These quality loans will enhance the portfolio and the long term success of the Bank.”

The allowance for loan losses to total loans was 1.13% at June 30, 2006 as compared to 1.14% at March 31, 2006 and 1.13% at December 31, 2005. Credit quality has remained strong with no non-performing loans or charge-offs to date.

Investments at each quarter end consisted of U.S. Government agency securities with maturities less than 30 days. These investments were strategically made at each quarter end as part of the Bank’s tax planning strategy. The investment purchases were funded through short term borrowings including federal funds purchased and reverse repurchase agreements with the same maturities as the underlying investments.

Deposits grew \$10.0 million, or 31.7%, during the second quarter to a total of \$41.7 million at June 30, 2006. The majority of this deposit growth was in certificates of deposit.

First Resource Bank, a full-service community bank offers a full array of depository products and customized lending products to help customers achieve their personal and business financial goals. The Bank’s initial branch and corporate headquarters is a full-service banking facility at the corner of Route 100 and Marchwood Road, in Exton, PA.

Selected Financial Data:

	June 30, 2006	Mar. 31, 2006	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005
Investments	20,621,000	20,101,000	\$25,100,000	\$27,045,000	\$ 9,647,000
Loans	48,327,000	39,315,000	28,933,000	20,767,000	10,618,000
Allowance for loan losses	544,000	449,000	326,000	279,000	160,000
Total assets	71,027,000	60,310,000	55,192,000	48,963,000	21,502,000
Deposits	41,677,000	31,641,000	22,609,000	16,690,000	10,239,000
Borrowings	20,695,000	19,925,000	23,657,000	23,236,000	1,995,000
Equity	8,411,000	8,495,000	\$ 8,679,000	\$ 8,891,000	9,197,000

  

	Quarter Ended June 30, 2006	Quarter Ended Mar. 31, 2006	Quarter Ended Dec. 31, 2005	Quarter Ended Sept. 30, 2005	2 Months Ended June 30, 2005
Interest income	\$ 969,000	\$ 691,000	\$ 540,000	\$ 337,000	\$ 98,000
Interest expense	431,000	281,000	214,000	116,000	13,000
Net interest income	538,000	410,000	326,000	221,000	85,000
Provision for loan losses	95,000	123,000	48,000	119,000	160,000
Other income	11,000	11,000	16,000	5,000	-
Other expenses	553,000	500,000	526,000	413,000	303,000
Operating loss	\$( 99,000 )	\$( 202,000 )	\$( 232,000 )	\$( 306,000 )	\$( 378,000 )
Pre-opening expenses	-	-	-	-	( 450,000 )
Net loss	\$( 99,000 )	\$( 202,000 )	\$( 232,000 )	\$( 306,000 )	\$( 828,000 )

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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.

Note: This press release contains financial information determined by methods other than in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). First Resource Bank's management uses the non-GAAP measure of Cash Income (Loss) in their analysis of the company's performance. This measure, as used by First Resource Bank, adjusts net income (loss) determined in accordance with GAAP to exclude the effects of non-cash items including depreciation, stock option charges, the provision for loan losses and other non cash charges. These disclosures should not be viewed as a substitute for net income (loss) determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.