



NEWS RELEASE

For Immediate Release
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***FIRST RESOURCE BANK ANNOUNCES
FIRST QUARTER PROFITABILITY***

EXTON, PA - First Resource Bank (OTC Bulletin Board: FRSB) announced net income of \$118,604 for the quarter ended March 31, 2010 as compared to net income of \$69,617 for the quarter ended December 31, 2009, and a net loss of \$157,580 for the quarter ended March 31, 2009.

Glenn B. Marshall, President & CEO, stated, "We are pleased to announce that the first quarter's profitable results continue the positive momentum we began in late 2009. We continue to expand our commercial and consumer loan portfolio within our local market. The improvement of the net interest margin, continued efforts to minimize non-interest expenses, and the stabilization of non-performing assets all contributed to strong first quarter results."

Net interest income was \$994,453 for the quarter ended March 31, 2010, as compared to \$919,237 for the previous quarter. The net interest margin improved 19 basis points, from 2.98% for the three months ended December 31, 2009 to 3.17% for the three months ended March 31, 2010. This net interest margin improvement resulted from lower certificate of deposit costs and deployment of excess cash balances during the first quarter.

The allowance for loan losses to total loans was 1.32% at March 31, 2010 and December 31, 2009 as compared to 1.16% at March 31, 2009. Non-performing assets, which include non-performing loans of \$1.4 million and other real estate owned of \$1.0 million, totaled \$2.4 million at March 31, 2010. This level of non-performing assets was virtually unchanged from the prior quarter. Non-performing assets to total assets increased slightly from 1.81% at December 31, 2009 to 1.88% at March 31, 2010 due to lower total assets.

The loan portfolio grew \$1.8 million, or 1.8%, during the first quarter from \$103.7 million at December 31, 2009 to \$105.6 million at March 31, 2010. Construction loan exposure continues to decline, with construction loans representing 7.0% of total loans at March 31, 2010 as compared to 12.6% of total loans at March 31, 2009.

The following table illustrates the composition of the loan portfolio:

	Mar. 31, 2010	Dec. 31, 2009	Mar. 31, 2009
Commercial real estate	\$ 61,693,564	\$ 59,639,428	\$ 53,163,550
Commercial construction	7,424,092	8,845,112	12,393,351
Commercial business	12,108,467	12,197,348	11,830,863
Consumer	<u>24,333,883</u>	<u>23,058,326</u>	<u>20,779,856</u>
Total loans	<u>\$105,560,006</u>	<u>\$103,740,214</u>	<u>\$ 98,167,620</u>

Deposits declined during the first quarter, with total deposits decreasing \$1.9 million, or 1.7% from \$110.8 million at December 31, 2009 to \$108.9 million at March 31, 2010. Certificate of deposit balances declined \$8.2 million or 11.5%, during the first quarter as brokered deposits and other non-core funding sources were repaid. Additionally, some customers shifted from certificates of deposit into the money market product. This decline in certificates of deposit was offset by significant growth in money market deposits which increased \$5.3 million, or 14.9% during the first quarter. Additionally, non-interest bearing deposits increased \$833 thousand, or 31.2% during the first quarter.

During 2009, the Bank participated in the United States Department of the Treasury's Capital Purchase Program. Preferred stock dividends are accrued monthly with the fourth quarterly dividend payment made on February 15, 2010. Preferred stock dividends and accretion were \$72,135 for the first quarter

resulting in net income available to common shareholders of \$46,469. This compares to net income available to common shareholders of \$21,314 for the quarter ended December 31, 2009 and a net loss attributed to common shareholders of \$185,530 for the quarter ended March 31, 2009.

Non-interest income for the quarter ended March 31, 2010 was \$22,433, as compared to \$1,202 for the previous quarter. The previous quarter included a net loss of \$18,000 on other real estate owned properties.

Non-interest expense increased \$5,929, or 0.9% in the three months ended March 31, 2010 as compared to the three months ended December 31, 2009. This increase was primarily due to higher professional fees offset by lower other real estate owned expenses in the first quarter.

Selected Financial Data:

Balance Sheets (unaudited)

	Mar. 31, 2010	Dec. 31, 2009
Cash and due from banks	\$ 2,356,258	\$ 11,123,360
Federal funds sold	1,000,000	-
Cash & cash equivalents	<u>3,356,258</u>	<u>11,123,360</u>
Investments	16,867,562	15,229,190
Loans	105,560,006	103,740,214
Allowance for loan losses	(1,395,151)	(1,364,884)
Premises & equipment	176,300	192,363
Other assets	<u>2,936,216</u>	<u>3,116,423</u>
 Total assets	 <u>\$ 127,501,191</u>	 <u>\$ 132,036,666</u>
 Non-interest bearing deposits	 \$ 3,505,772	 \$ 2,672,825
Interest-bearing checking	1,271,366	1,143,283
Money market	41,120,666	35,778,349
Time deposits	62,988,160	71,188,321
Total deposits	<u>108,885,964</u>	<u>110,782,778</u>
Borrowings	3,928,000	5,928,000
Other liabilities	<u>295,674</u>	<u>1,345,273</u>
 Total liabilities	 <u>113,109,638</u>	 <u>118,056,051</u>
 Preferred stock	 5,047,333	 5,040,833
Common stock	1,453,094	1,343,873
Surplus	9,608,609	9,468,406
Accumulated other comprehensive income (loss)	(14,502)	(123,048)
Accumulated deficit	(1,702,981)	(1,749,449)
Total stockholders' equity	<u>14,391,553</u>	<u>13,980,615</u>
 Total Liabilities & Stockholders' Equity	 <u>\$ 127,501,191</u>	 <u>\$ 132,036,666</u>

Performance Statistics
(unaudited)

	Qtr Ended Mar. 31, 2010	Qtr Ended Dec. 31, 2009	Qtr Ended Sept. 30, 2009	Qtr Ended June 30, 2009	Qtr Ended Mar. 31, 2009
Net interest margin	3.17%	2.98%	2.78%	2.57%	2.38%
Nonperforming loans/total loans	1.30%	1.27%	1.23%	2.37%	2.78%
Nonperforming assets/ Total assets	1.88%	1.81%	2.59%	2.76%	2.88%
Allowance for loan losses/ Total loans	1.32%	1.32%	1.19%	1.18%	1.16%
Average loans/Average assets	82.0%	81.9%	86.3%	84.8%	89.9%
Non interest expenses/ Average assets	0.52%	0.55%	0.63%	0.64%	0.69%

Income Statements (unaudited)

	Qtr Ended Mar. 31, 2010	Qtr Ended Dec. 31, 2009	Qtr Ended Sept. 30, 2009	Qtr Ended June 30, 2009	Qtr Ended Mar. 31, 2009
INTEREST INCOME					
Loans	\$1,502,552	\$1,494,117	\$1,452,715	\$1,400,491	\$1,336,813
Investments	111,333	108,477	97,029	83,303	46,231
Federal funds sold	497	506	-	-	-
Other	4,661	4,315	3,113	2,762	1,978
Total interest income	<u>1,619,043</u>	<u>1,607,415</u>	<u>1,552,857</u>	<u>1,486,556</u>	<u>1,385,022</u>
INTEREST EXPENSE					
Borrowings	40,050	56,815	62,907	67,298	119,526
Checking	764	808	850	788	627
Money Market	178,761	133,715	86,510	64,377	61,015
Time deposits	405,015	496,840	581,317	622,996	586,966
Total interest expense	<u>624,590</u>	<u>688,178</u>	<u>731,584</u>	<u>755,459</u>	<u>768,134</u>
Net interest income	<u>994,453</u>	<u>919,237</u>	<u>821,273</u>	<u>731,097</u>	<u>616,888</u>
Provision for loan losses	<u>162,466</u>	<u>145,353</u>	<u>271,852</u>	<u>39,942</u>	<u>129,450</u>
NON INTEREST INCOME	22,433	1,202	20,021	22,113	19,172
NON INTEREST EXPENSE					
Salaries & benefits	329,024	328,651	323,840	327,726	376,593
Occupancy & equipment	87,543	88,289	97,153	99,384	100,578
Data processing	51,578	52,783	52,406	55,775	53,558
Professional fees	56,541	42,486	51,342	62,853	65,239
Advertising	4,903	1,558	5,151	9,986	6,889
Other non interest Expenses	144,424	154,317	226,707	206,521	141,777
Total non interest Expense	<u>674,013</u>	<u>668,084</u>	<u>756,599</u>	<u>762,245</u>	<u>744,634</u>
Pre-tax income (loss)	180,407	107,002	(187,157)	(48,977)	(238,024)
Tax benefit (expense)	<u>(61,803)</u>	<u>(37,385)</u>	<u>63,151</u>	<u>16,041</u>	<u>80,444</u>
Net income (loss)	<u>\$ 118,604</u>	<u>\$ 69,617</u>	<u>\$ (124,006)</u>	<u>\$ (32,936)</u>	<u>\$ (157,580)</u>
Preferred stock dividends and accretion	<u>(72,135)</u>	<u>(48,303)</u>	<u>(41,925)</u>	<u>(41,925)</u>	<u>(27,950)</u>
Net income (loss) attributed to common shareholders	<u>\$ 46,469</u>	<u>\$ 21,314</u>	<u>\$ (165,931)</u>	<u>\$ (74,861)</u>	<u>\$ (185,530)</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. For additional information visit our website at www.firstresourcebank.com. Member FDIC.

This press release contains statements that are not of historical facts and may pertain to future operating results or events or management's expectations regarding those results or events. These are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities and Exchange Act of 1934. These forward-looking statements may include, but are not limited to, statements about our plans, objectives, expectations and intentions and other statements contained in this press release that are not historical facts. When used in this press release, the words "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", or words of similar meaning, or future or conditional verbs, such as "will", "would", "should", "could", or "may" are generally intended to identify forward-looking statements. These forward-looking statements are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are either beyond our control or not reasonably capable of predicting at this time. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the results discussed in these forward-looking statements. Readers of this press release are accordingly cautioned not to place undue reliance on forward-looking statements. First Resource Bank disclaims any intent or obligation to update publicly any of the forward-looking statements herein, whether in response to new information, future events or otherwise.