



NEWS RELEASE

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***THIRD CONSECUTIVE PROFITABLE QUARTER
FOR FIRST RESOURCE BANK***

EXTON, PA - First Resource Bank (OTC Bulletin Board: FRSB) is pleased to announce that it has achieved its third consecutive profitable quarter, reporting net income of \$25,177 for the quarter ended June 30, 2007. This compares to net income of \$8,052 for the quarter ended March 31, 2007, and \$1,963 for the quarter ended December 31, 2006. Net income of \$25,177 for the quarter ended June 30, 2007 compares to a net loss of \$99,497 for the same quarter in the prior year. The quarter ended June 30, 2007 was the Bank's eighth full quarter of operations.

President & CEO Glenn B. Marshall stated, "In the beginning stages of First Resource Bank, the critical goals developed for our future success were the preservation of capital through early and sustained profitability and the establishment of a

customer foothold in the highly competitive Chester County market. The Bank's efforts to preserve capital were driven by management's overhead expense control and development of quality loans in excess of budget. Our focus going forward will be the expansion of our customer base, intensified cross selling of the existing customer base, implementation of new deposit gathering technology and the development of a second branch location."

Net interest income for the second quarter of \$729,618 was 8.4% higher than the previous quarter and 35.6% higher than the same quarter in the prior year. The second quarter's net interest margin was 3.71%, 13 basis points wider than the previous quarter's net interest margin of 3.58% due to the deployment of excess cash into loans.

The loan portfolio grew \$8.0 million, or 12.0%, during the second quarter to \$74.2 million at June 30, 2007. The majority of this loan growth was in the commercial real estate portfolio. Mr. Marshall noted, "Loan growth was strong in the second quarter. Our niche in commercial real estate lending is a sought after expertise that has lead to many referrals from existing customers."

Following is detail on the composition of the loan portfolio:

	June 30, 2007	Dec. 31, 2006	June 30, 2006
Commercial real estate	\$ 39,611,522	\$ 29,681,091	\$ 23,475,542
Commercial construction	11,380,661	10,826,194	9,280,264
Commercial business	5,678,403	4,223,770	3,549,853
Consumer	<u>17,495,239</u>	<u>16,419,712</u>	<u>12,021,174</u>
Total loans	<u>\$ 74,165,825</u>	<u>\$ 61,150,767</u>	<u>\$ 48,326,833</u>

The allowance for loan losses to total loans was 1.17% at June 30 and March 31, 2007, as compared to 1.11% at December 31, 2006. There have been no charge-offs to date. One additional consumer home equity loan for \$438,197 was placed on non-accrual during the quarter bringing the total non-performing portfolio - all of which are consumer home equity loans - to \$586,848. Collection efforts are progressing on these non-performing loans and management believes that these loans are adequately secured and any potential losses on these loans have been provided for through the allowance for loan losses. There were no other loans more than 90 days past due at June 30, 2007.

Deposits grew \$2.4 million, or 3.3%, during the second quarter to a total of \$72.3 million at June 30, 2007. Most of the growth was due to an increase in internal accounts at June 30, 2007 used to fund loan closings that occurred late in the month. Although total external deposits did not change materially during the quarter, the deposit mix shifted favorably

away from higher cost certificates of deposit to lower cost core accounts.

Lauren C. Ranalli, Executive Vice President and Chief Financial Officer, stated, "We look forward to expanding our product offering with the introduction of FRed™, First Resource Easy Deposit™, next month. FRed™ is the Bank's remote deposit capture product whereby businesses can make their deposits electronically from their offices, eliminating the need to drive deposits to a bank. As FRed™ removes the geographic constraints to deposit gathering, we will actively market this product to increase our business deposits to fund future loan growth."

Selected Financial Data:

Balance Sheets (unaudited)

	June 30, 2007	Dec. 31, 2006	June 30, 2006
Cash & cash equivalents	\$ 581,653	\$ 488,399	\$ 1,766,430
Federal funds sold	-	6,453,000	53,000
Cash & cash equivalents	<u>581,653</u>	<u>6,941,399</u>	<u>1,819,430</u>
Investments	8,572,083	8,202,332	20,620,941
Loans	74,165,825	61,150,767	48,326,833
Allowance for loan losses	(866,778)	(677,892)	(544,140)
Premises & equipment	390,132	446,235	508,396
Other assets	<u>559,688</u>	<u>409,639</u>	<u>295,934</u>
Total assets	<u>\$83,402,603</u>	<u>\$76,472,480</u>	<u>\$71,027,394</u>
Non-interest bearing deposits	\$ 4,926,397	\$ 3,098,554	\$ 4,163,285
Checking	1,164,687	760,794	788,092
Money market	17,771,884	16,696,159	8,483,674
Time deposits	48,485,727	47,192,218	28,241,804
Total deposits	<u>72,348,695</u>	<u>67,747,725</u>	<u>41,676,855</u>
Borrowings	2,268,000	-	20,695,000
Other liabilities	<u>341,155</u>	<u>325,606</u>	<u>244,678</u>
Total liabilities	<u>74,957,850</u>	<u>68,073,331</u>	<u>62,616,533</u>
Common stock	1,140,517	1,086,111	1,086,111
Surplus	9,022,172	9,033,840	8,995,487
Accumulated other comprehensive income	(38,078)	(7,714)	(3,133)
Accumulated deficit	<u>(1,679,858)</u>	<u>(1,713,088)</u>	<u>(1,667,604)</u>
Total equity	<u>8,444,753</u>	<u>8,399,149</u>	<u>8,410,861</u>
Total Liabilities & Equity	<u>\$83,402,603</u>	<u>\$76,472,480</u>	<u>\$71,027,394</u>

Performance Statistics (unaudited)

	Qtr Ended June 30, 2007	Qtr Ended Mar. 31, 2007	Qtr Ended Dec. 31, 2006	Qtr Ended Sept 30, 2006	Qtr Ended June 30, 2006
Net interest margin	3.71%	3.58%	4.16%	4.36%	4.38%
Nonperforming loans/total loans	0.79%	0.22%	-	-	-
Allowance for loan losses/ Total loans	1.17%	1.17%	1.11%	1.11%	1.13%
Average loans/Average assets	88.9%	83.5%	84.4%	93.4%	90.1%
Non interest expenses/ Average assets	0.75%	0.77%	0.96%	1.06%	1.10%

Income Statements (unaudited)

	Qtr Ended June 30, 2007	Qtr Ended Mar. 31, 2007	Qtr Ended Dec. 31, 2006	Qtr Ended Sept. 30, 2006	Qtr Ended June 30, 2006
INTEREST INCOME					
Loans	\$1,439,434	\$1,317,359	\$1,227,401	\$1,108,805	\$ 901,682
Investments	69,034	45,322	14,117	31,775	27,554
Federal funds sold	48,869	117,738	47,405	17,053	39,232
Other	1,214	467	953	243	812
Total interest income	<u>1,558,551</u>	<u>1,480,886</u>	<u>\$1,289,876</u>	<u>1,157,876</u>	<u>969,280</u>
INTEREST EXPENSE					
Short term borrowings	1,441	-	3,134	25,515	26,281
Checking	2,735	1,945	1,711	1,663	2,015
Money Market	203,405	195,644	149,758	115,876	80,961
Time deposits	621,352	610,082	486,309	407,642	322,059
Total interest expense	<u>828,933</u>	<u>807,671</u>	<u>640,912</u>	<u>550,696</u>	<u>431,316</u>
Net interest income	<u>729,618</u>	<u>673,215</u>	<u>648,964</u>	<u>607,180</u>	<u>537,964</u>
Provision for loan losses	<u>94,676</u>	<u>94,210</u>	<u>64,018</u>	<u>69,734</u>	<u>95,257</u>
NON INTEREST INCOME					
Mortgage fee income	9,713	12,773	11,506	5,135	7,660
Other income	10,046	7,481	5,229	3,814	2,998
Total non interest Income	<u>19,759</u>	<u>20,254</u>	<u>16,735</u>	<u>8,949</u>	<u>10,658</u>
NON INTEREST EXPENSE					
Salaries & benefits	320,053	329,579	299,209	297,086	276,828
Occupancy & equipment	79,554	88,803	83,236	82,719	81,212
Data processing	41,588	43,494	42,876	39,280	39,724
Professional fees	61,092	41,375	58,768	58,032	48,561
Advertising	27,421	13,825	23,687	35,991	26,688
Other non interest Expenses	<u>99,816</u>	<u>74,131</u>	<u>91,942</u>	<u>80,734</u>	<u>79,849</u>
Total non interest Expense	<u>629,524</u>	<u>591,207</u>	<u>599,718</u>	<u>593,842</u>	<u>552,862</u>
Pre-tax income	<u>\$ 25,177</u>	<u>\$ 8,052</u>	<u>\$ 1,963</u>	<u>\$ (47,447)</u>	<u>\$ (99,497)</u>
Tax expense	-	-	-	-	-
Net income (loss)	<u>\$ 25,177</u>	<u>\$ 8,052</u>	<u>\$ 1,963</u>	<u>\$ (47,447)</u>	<u>\$ (99,497)</u>

Income Statements (unaudited)

	6 Months ended June 30, 2007	6 Months ended June 30, 2006
INTEREST INCOME		
Loans	\$ 2,756,793	\$ 1,542,666
Investments	114,356	51,132
Federal funds sold	166,607	64,985
Other	1,681	1,376
Total interest income	<u>3,039,437</u>	<u>1,660,159</u>
INTEREST EXPENSE		
Short term borrowings	1,441	49,284
Checking	4,680	3,862
Money Market	399,049	145,604
Time deposits	1,231,434	513,395
Total interest expense	<u>1,636,604</u>	<u>712,145</u>
Net interest income	<u>1,402,833</u>	<u>948,014</u>
Provision for loan losses	<u>188,886</u>	<u>217,818</u>
NON INTEREST INCOME		
Mortgage fee income	22,486	17,016
Other income	17,527	4,778
Total non interest income	<u>40,013</u>	<u>21,794</u>
NON INTEREST EXPENSE		
Salaries & benefits	649,632	532,527
Occupancy & equipment	168,357	155,042
Data processing	85,082	81,571
Professional fees	102,467	91,300
Advertising	41,246	45,343
Other non interest expense	173,947	147,889
Total non interest expense	<u>1,220,731</u>	<u>1,053,672</u>
Pre-tax income	<u>\$ 33,229</u>	<u>\$ (301,682)</u>
Tax expense	<u>-</u>	<u>-</u>
Net income (loss)	<u>\$ 33,229</u>	<u>\$ (301,682)</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.