

## **NEWS RELEASE**

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### **First Resource Bank Reports Record First Quarter 2026 Financial Results**

**EXTON, PA** – First Resource Bancorp, Inc. (OTCQX: FRSB), reported strong financial performance for the first quarter ended March 31, 2026.

Lauren C. Ranalli, President and CEO, stated, “Our strong momentum from 2025 carried into the first quarter of 2026 with record quarterly net income of \$2.5 million, up 47% year-over-year, driven by continued loan growth, expanding net interest margin, and disciplined balance sheet management. This quarter’s performance reflects the strength of our strategy and our ongoing commitment to delivering sustainable value to our shareholders, customers, employees and community. “

#### **First Quarter 2026 Highlights**

- Net income of \$2.5 million exceeded the prior year by 47% and the prior quarter by 7%
- Earnings per common share increased to \$0.82, up 46% from the prior year
- Annualized return on average equity was 16.64%
- Annualized return on average assets was 1.24%
- Net interest margin expanded 3 basis points to 3.80%
- Net interest income increased 33% year over year
- Total loans grew 4% during the quarter, or 16% on an annualized basis
- Book value per share increased 4% to \$20.30
- Paid first quarterly dividend of \$0.02 per common share

#### **Earnings and Profitability**

For the quarter ended March 31, 2026, net income totaled \$2.5 million, compared to \$1.7 million for the same period a year ago and \$2.3 million for the prior quarter. Earnings per share increased to \$0.82, up from \$0.56 in the first quarter of 2025 and \$0.78 in the fourth quarter of 2025.

Annualized return on average assets rose to 1.24% for the first quarter of 2026, compared to 1.06% for the same period in 2025. Annualized return on average equity increased to 16.64%, up from 13.31% year over year, reflecting improved operating leverage and balance sheet growth.

#### **Net Interest Income and Net Interest Margin**

Net interest income totaled \$7.3 million for the first quarter of 2026, representing an increase of \$221 thousand, or 3%, compared to the prior quarter and an increase of 33% compared to the same period a

year ago. The net interest margin expanded to 3.80%, up from 3.77% in the fourth quarter of 2025 and 3.60% in the first quarter of 2025.

Total interest income increased to \$12.0 million, representing a 1% increase from the prior quarter and a 23% increase compared to the first quarter of 2025. Quarterly growth was driven primarily by a 4% increase in average loan balances, partially offset by modestly lower loan yields. Year-over-year growth reflected a 17% increase in loan balances and overall higher loan yields.

Total interest expense declined 2% compared to the prior quarter, primarily due to a 14 basis point reduction in the cost of interest-bearing deposits and lower time deposit balances. These decreases were partially offset by higher balances in checking and money market accounts, as well as increased subordinated debt balances. Compared to the first quarter of 2025, total interest expense increased 11%, driven by higher volumes of interest-bearing deposits and borrowings, partially mitigated by lower deposit rates.

#### **Asset Quality and Provision for Credit Losses and Allowance for Credit Losses on Loans**

The provision for credit losses totaled \$377 thousand for the first quarter of 2026, compared to \$369 thousand in the fourth quarter of 2025 and \$174 thousand in the first quarter of 2025. As of March 31, 2026, the allowance for credit losses represented 0.76% of total loans, compared to 0.73% at December 31, 2025.

Non-performing assets totaled \$3.0 million, representing 0.37% of total assets, compared to \$731 thousand, or 0.09% of total assets, at December 31, 2025, and 0.04% at March 31, 2025. One of the Company's two non-accrual loan relationships is fully secured by real estate collateral, while the second required a specific reserve of \$62 thousand during the first quarter.

"Non-performing assets increased during the first quarter due to one new relationship being placed on non-accrual," stated Ranalli. "We are working through that credit expeditiously and anticipate a successful outcome later this year."

#### **Non-Interest Income and Expense**

Non-interest income totaled \$544 thousand for the quarter, representing an increase of 62% from the prior quarter and 56% from the same period last year. Gains on the sale of SBA loans were \$274 thousand, compared to none in the prior quarter and \$87 thousand in first quarter of 2025. There was no swap referral fee income in the first quarter, compared to \$70 thousand in the prior quarter and \$24 thousand in the first quarter of 2025.

Non-interest expenses increased 5% from the prior quarter and 23% compared to the first quarter of 2025, reflecting higher costs across all operating categories. The ratio of non-interest expense to average assets was 2.21%, compared to 2.15% in the prior quarter and 2.25% in the first quarter of

2025. The efficiency ratio was 55.8%, compared to 56.2% in the prior quarter and 61.0% in the first quarter of 2025.

## Balance Sheet

Total deposits decreased \$7.3 million, or 1%, during the first quarter of 2026, reflecting a shift in deposit mix. Money market balances increased significantly, while time deposits declined. Checking and non-interest-bearing deposits experienced modest decreases. On a year-over-year basis, total deposits increased 25%, driven by growth across all deposit categories except time deposits. Approximately 80% of total deposits were insured or collateralized as of March 31, 2026.

“The significant expansion of deposits in the fourth quarter of 2025 enabled a strategic reduction of non-core deposits in the first quarter of 2026,” stated Ranalli. “Although total deposits declined on a quarter-over-quarter basis, customer deposits grew a net \$7.5 million, or 1%, during the period.”

Total loans increased \$26.8 million, or 4%, during the first quarter of 2026 to \$705.3 million, driven primarily by strong growth in commercial real estate and commercial construction lending. Compared to March 31, 2025, total loans increased \$100.3 million, or 17%, reflecting continued strength in our core lending markets.

The following table illustrates the composition of the loan portfolio, net of unearned loan origination fees and costs:

	March 31, 2026	December 31, 2025	March 31, 2025
Commercial real estate	\$ 531,440,586	\$ 525,443,319	\$ 476,539,433
Commercial construction	88,293,400	68,110,339	46,800,635
Commercial business	67,016,443	66,353,744	63,018,850
Consumer	18,541,133	18,548,853	18,681,505
Total loans	<u>\$ 705,291,562</u>	<u>\$ 678,456,255</u>	<u>\$ 605,040,423</u>

Investment securities totaled \$31.8 million at March 31, 2026, compared to \$27.6 million at December 31, 2025. The Company’s held-to-maturity investment portfolio had a book value of \$9.1 million and a fair market value of \$8.4 million, resulting in an unrealized loss of \$683 thousand, virtually unchanged from December 31, 2025. On an after-tax basis, this unrealized loss totaled \$539 thousand, representing approximately 0.9% of total stockholders’ equity as of March 31, 2026.

The remainder of the Company’s investment portfolio was classified as available-for-sale and had a book value of \$23.8 million and a fair value of \$22.7 million at March 31, 2026. This resulted in an unrealized loss of \$1.1 million, compared to \$798 thousand at December 31, 2025. The after-tax unrealized loss of \$844 thousand is reflected in accumulated other comprehensive loss within stockholders’ equity.

Total assets decreased 1% during the quarter, primarily reflecting the planned reduction in non-core time deposits.

Total stockholders' equity increased \$2.3 million, or 4%, during the first quarter of 2026, rising from \$58.8 million at December 31, 2025, to \$61.0 million at March 31, 2026. This increase was driven primarily by net income earned during the quarter. During the quarter, the Company paid a cash dividend of \$0.02 per common share. Book value per share increased by \$0.74, or 4%, during the first quarter to \$20.30 per share at March 31, 2026.

**Selected Financial Data:**

Consolidated Balance Sheets (unaudited)

	March 31, 2026	December 31, 2025
<b>Assets:</b>		
Cash and due from banks	\$ 52,953,190	\$ 90,422,400
Time deposits at other banks	100,000	100,000
Investments	31,759,063	27,634,611
Loans receivable	705,291,562	678,456,255
Allowance for credit losses	(5,338,337)	(4,977,305)
Premises & equipment	7,312,947	7,360,342
Other assets	18,923,756	18,359,879
Total assets	<u>\$ 811,002,181</u>	<u>\$ 817,356,182</u>
<b>Liabilities:</b>		
Noninterest-bearing deposits	\$ 119,590,197	\$ 120,359,227
Interest-bearing checking	66,652,272	69,271,915
Money market	349,036,565	326,603,007
Time deposits	182,731,610	209,098,258
Total deposits	<u>718,010,644</u>	<u>725,332,407</u>
Long term borrowings	14,162,000	16,012,000
Subordinated debt	10,468,289	10,466,463
Other liabilities	7,338,138	6,777,883
Total liabilities	<u>749,979,071</u>	<u>758,588,753</u>
<b>Stockholders' Equity</b>		
Common stock	3,100,773	3,100,773
Additional paid-in capital	19,892,023	19,863,401
Treasury stock	(1,318,700)	(1,346,793)
Accumulated other comprehensive loss	(843,939)	(630,812)
Retained earnings	40,192,953	37,780,860
Total stockholders' equity	<u>61,023,110</u>	<u>58,767,429</u>
Total liabilities & stockholders' equity	<u>\$ 811,002,181</u>	<u>\$ 817,356,182</u>

## Performance Statistics (unaudited)

	Three Months Ended				
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
<b>Per Share Data:</b>					
Earnings per share – basic and diluted	\$ 0.82	\$ 0.78	\$ 0.75	\$ 0.63	\$ 0.56
Total shares outstanding	3,006,555	3,004,527	3,002,485	3,000,028	2,998,977
Weighted average shares outstanding	3,005,613	3,003,726	3,001,454	2,999,200	3,003,194
Book value per share	\$ 20.30	\$ 19.56	\$ 18.79	\$ 18.00	\$ 17.34
<b>Performance Ratios:</b>					
Return on average assets *	1.24%	1.18%	1.29%	1.15%	1.06%
Return on average equity *	16.64%	15.87%	16.19%	14.38%	13.31%
Net interest margin	3.80%	3.77%	3.87%	3.72%	3.60%
Non-interest expenses* to average assets	2.21%	2.15%	2.21%	2.29%	2.25%
Efficiency ratio	55.8%	56.2%	56.1%	60.0%	61.0%
<b>Asset Quality Ratios:</b>					
Non-performing loans to total loans	0.43%	0.11%	0.00%	0.03%	0.04%
Non-performing assets to total assets	0.37%	0.09%	0.00%	0.03%	0.04%
Allowance for credit losses to total loans	0.76%	0.73%	0.72%	0.76%	0.77%
Average loans to average assets	85.70%	86.00%	92.20%	93.30%	93.00%

\* Annualized

## Consolidated Income Statements (unaudited)

	Three Months Ended				
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
<b>Interest income:</b>					
Loans, including fees	\$ 11,182,544	\$ 11,098,085	\$ 10,719,087	\$ 10,126,623	\$ 9,583,093
Securities	280,104	206,991	136,606	118,920	116,372
Other	560,555	599,764	138,292	28,289	47,421
Total interest income	<u>12,023,203</u>	<u>11,904,840</u>	<u>10,993,985</u>	<u>10,273,832</u>	<u>9,746,886</u>
<b>Interest expense:</b>					
Deposits	4,395,446	4,520,311	4,231,636	4,111,978	4,002,995
Borrowings	122,789	125,620	77,963	85,822	77,303
Subordinated debt	162,556	137,058	134,682	134,681	134,682
Total interest expense	<u>4,680,791</u>	<u>4,782,989</u>	<u>4,444,281</u>	<u>4,332,481</u>	<u>4,214,980</u>
Net interest income	<u>7,342,412</u>	<u>7,121,851</u>	<u>6,549,704</u>	<u>5,941,351</u>	<u>5,531,906</u>
Provision for credit losses	377,167	368,729	189,087	130,416	174,097
Net interest income after provision for credit losses	<u>6,965,245</u>	<u>6,753,122</u>	<u>6,360,617</u>	<u>5,810,935</u>	<u>5,357,809</u>
<b>Non-interest income:</b>					
Service charges and other fees	130,399	116,476	107,182	97,887	109,360
BOLI income	68,580	69,075	68,585	66,998	65,850
Gain on sale of SBA loans	274,352	-	-	26,326	86,860
Swap referral fee income	-	69,890	96,813	107,925	24,201
Other	70,899	81,363	76,913	73,275	62,843
Total non-interest income	<u>544,230</u>	<u>336,804</u>	<u>349,493</u>	<u>372,411</u>	<u>349,114</u>
<b>Non-interest expense</b>					
Salaries & benefits	2,657,536	2,635,943	2,370,422	2,253,069	2,127,037
Occupancy & equipment	349,732	313,743	316,684	318,631	334,698
Professional fees	173,999	137,279	143,108	192,378	150,176
Advertising	126,442	87,011	104,356	113,923	108,721
Data processing	245,419	240,384	213,565	207,430	204,492
FDIC premium expense	191,252	166,763	135,382	128,019	131,175
Other	653,955	614,101	587,553	577,942	533,159
Total non-interest expense	<u>4,398,335</u>	<u>4,195,224</u>	<u>3,871,070</u>	<u>3,791,392</u>	<u>3,589,458</u>
Income before federal income tax expense	3,111,140	2,894,702	2,839,040	2,391,954	2,117,465
Federal income tax expense	638,956	585,391	580,874	488,827	430,241
Net income	<u>\$ 2,472,184</u>	<u>\$ 2,309,311</u>	<u>\$ 2,258,166</u>	<u>\$ 1,903,127</u>	<u>\$ 1,687,224</u>

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#### About First Resource Bancorp, Inc.

First Resource Bancorp, Inc. is the holding company of First Resource Bank. First Resource Bank is a locally owned and operated Pennsylvania state-chartered bank with three full-service branches, serving the banking needs of businesses, professionals and individuals in the Delaware Valley. 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](http://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.