NEWS RELEASE

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*FIRST RESOURCE BANK ANNOUNCES SECOND QUARTER RESULTS;
ACHIEVES ORGANIC LOAN GROWTH OF 7% FOR THE QUARTER, 17% YEAR-TO-DATE*

EXTON, PA – First Resource Bank (OTCQX: FRSB) announced financial results for the three months ended June 30, 2021.

Glenn B. Marshall, CEO, stated, "We continue to see a reopening of our trade area as the economy recovers from the shutdowns that we all experienced in the second quarter of 2020. We were honored to participate in both rounds of the Paycheck Protection Program (PPP) which saved thousands of jobs and families in our community. First Resource Bank operates in a great market with a strong local economy and we are thrilled to see our customer base thrive and grow along with us."

Highlights for the second quarter of 2021 included:

- Net income of $1.1 million, exceeding the prior year second quarter by 56%
- 7% loan growth during the second quarter, excluding PPP loan activity
- Total interest income grew 19% over the prior year second quarter
- Total interest expense declined 28% over the prior year second quarter
- Net interest margin improved 18 basis points during the quarter
- Named the Best Community Bank on the Main Line by readers of Main Line Today
- Earned the #1 ranking among medium-sized companies as a "Best Place to Work" by the Philadelphia Business Journal
- Completed a 5% stock dividend

Marshall stated, "As our region embraced the vaccine, we saw a surge of loan opportunity in our market area. Our outstanding second quarter and six-month period loan growth came at a time when our PPP team was seeing positive results from their forgiveness efforts. During the second quarter we replaced our PPP loans that were forgiven with new organic loan growth. We are hopeful that both teams can continue to balance one another over the remainder of 2021."

Net income for the quarter ended June 30, 2021 was $1,056,574, which compares to $905,664 for the previous quarter and $676,987 for the second quarter of the prior year.

Total interest income increased 11% when comparing the second quarter of 2021 to the first quarter of 2021. This increase was driven by 7% organic growth in loans, excluding PPP loans, as well as higher fees recognized as interest income in association with PPP loan forgiveness during the second quarter of 2021 as compared to the prior quarter. The Bank recognized $384 thousand in PPP fees in the first quarter of 2021 and $614 thousand in the second quarter of 2021 which represents both the amortization of fees for individual loans based on the original maturity schedule and the balance of fees recognized when the loan is forgiven by the Small Business Administration.

Total interest income rose 19% from $3,987,232 for the three months ended June 30, 2020 to $4,742,205 for the three months ended June 30, 2021. This increase was the result of 12% loan growth when comparing June 30, 2021 to a year prior, which increases to 26% loan growth when excluding PPP loans for both periods. Increased interest income from loan growth was offset by a 7 basis point decline in loan yields when comparing the second quarter of 2020 to the second quarter of 2021.

Total interest expense decreased 3% when comparing the second quarter of 2021 to the first quarter of 2021. This decrease was driven by an 8 basis point decrease in the cost of interest-bearing deposits during the quarter. Interest expense on deposits continues to be actively managed to lower costs.

Total interest expense decreased 28% from $937,509 for the three months ended June 30, 2020 to $678,419 for the three months ended June 30, 2021. The vast majority of this decreased expense was related to an overall 61 basis point decline in the cost of interest-bearing deposits, led by a 25 basis point decrease in the cost of money market accounts and a 78 basis point decrease in the cost of certificates of deposit, year over year. Overall interest expense was also mitigated by strong growth in noninterest-bearing deposits, which increased 46% when comparing June 30, 2021 to the year prior.

Net interest income was $4,063,786 for the quarter ended June 30, 2021 as compared to $3,570,705 for the previous quarter, a 14% increase. The net interest margin increased 18 basis points from 3.59% for the quarter ended March 31, 2021 to 3.77% for the quarter ended June 30, 2021. The overall yield on interest earning assets increased 10 basis points during the second quarter led by a 3 basis point increase in loan yields to 4.77%, aided by a higher loan to asset ratio at June 30, 2021 as compared to March 31, 2021. The cost of interest-bearing deposits decreased 8 basis points during the first quarter to 0.69%, with the majority of that decrease attributed to lower cost money market accounts and certificates of deposit. Continued growth in noninterest-bearing deposits fueled a decline in the total cost of deposits from 0.57% at March 31, 2021 to 0.50% at June 30, 2021.

Net interest income for the six months ended June 30, 2021 was $7,634,491, a 28% improvement over net interest income of $5,953,742 for the six months ended June 30, 2020. This growth was driven by a 15% increase in loan interest income and a 40% decrease in deposit interest expense.

The provision for loan losses increased from $240,153 for the three months ended March 31, 2021 to $270,453 for the three months ended June 30, 2021. The provision for loan losses increased from $51,045 for the three months ended June 30, 2020, to $270,453 for the three months ended June 30, 2021.

Marshall noted, "The provision for loan losses in the second quarter may look odd at first when you consider that credit quality is as strong as it's been since 2007 and total loans are almost level with the first quarter. When you get behind the numbers, the paid-off SBA guaranteed PPP loans required a very low reserve ratio as compared to organic loans that replaced them. The increased provision for loan losses in the second quarter is reflective of the strong organic loan growth in the quarter."

The allowance for loan losses to total loans was 0.87% at June 30, 2021 as compared to 0.83% at March 31, 2021, 0.86% at December 31, 2020 and 0.76% at June 30, 2020. Excluding PPP loans, which are 100% guaranteed by the SBA, the allowance for loan losses to total loans was 0.93% at June 30, 2021, 0.95% at March 31, 2021 and December 31, 2020 and 0.91% at June 30, 2020. Non-performing assets consisted of non-performing loans of $164 thousand at June 30, 2021, a 57% decline from the prior quarter. Non-performing assets to total assets were 0.04% at June 30, 2021, down from 0.09% in the prior quarter.

Non-interest income for the quarter ended June 30, 2021 was $181,213, as compared to $177,761 for the previous quarter and $136,534 for the second quarter of the prior year. There was no swap referral fee income received in the first or second quarters of 2021, as compared to $27,100 in the second quarter of 2020.

Non-interest income for the six months ended June 30, 2021 was $358,974 as compared to $420,540 for the same period in the prior year. Swap referral fee income of $175,100 was received in the first six months of 2020 as compared to none in the first six months of 2021.

Non-interest expense increased $275 thousand, or 12%, in the three months ended June 30, 2021 as compared to the prior quarter. The increase was primarily due to an increase in salaries and benefits, advertising, data processing, and other costs, partially offset by a decrease in occupancy costs. Part of the increase in salaries and benefits expenses, data processing expenses and other costs are attributed to a significant technology enhancement project during the second quarter. Non-interest expense increased $358 thousand, or 16%, when comparing the second quarter of 2021 to the second quarter of 2020. This increase was primarily attributed to an increase in salaries and benefits costs, data processing and other costs. The technology enhancement project during the second quarter of 2021 included numerous one-time expenses in each of those categories.

Deposits grew a net $12.3 million, or 3%, from $382.1 million at March 31, 2021 to $394.4 million at June 30, 2021. During the second quarter, noninterest-bearing deposits increased $18.0 million, or 17%, from $105.6 million at March 31, 2021 to $123.5 million at June 30, 2021. Interest-bearing checking balances decreased $1.6 million, or 5%, from $31.8 million at March 31, 2021 to $30.2 million at June 30, 2021. Money market deposits increased $4.6 million, or 3%, from $154.1 million at March 31, 2021 to $158.8 million at June 30, 2021. Certificates of deposit decreased $8.7 million, or 10%, from $90.6 million at March 31, 2021 to $81.9 million at June 30, 2021. Between June 30, 2021 and June 30, 2020, total deposits grew 22%, with tremendous checking and money market growth partially offset by a decline in certificates of deposit.

President and Chief Financial Officer, Lauren C. Ranalli, stated, "We continue to focus internal resources on checking growth and those efforts continue to pay off. Growth in checking and money market deposits have allowed us to shed higher cost certificates of deposit as they mature, lowering our overall cost of funds and increasing our net interest margin. We continue to benefit from disruption in the market to gain checking relationships. Our success in this area is attributed to our award-winning customer service as evidenced by our 46% increase in noninterest-bearing checking balances year over year."

The loan portfolio increased by $921 thousand during the second quarter from $379.8 million at March 31, 2021 to $380.8 million at June 30, 2021. Excluding PPP loan activity, the loan portfolio increased $23.1 million, or 7%, from $333.2 million at March 31, 2021 to $356.4 million at June 30, 2021, with strong growth in commercial real estate, construction loans and commercial business loans partially offset by a decline in consumer loans. Year-to-date loan growth in 2021 was $41.8 million or 12%. Excluding PPP loan activity, year-to-date loan growth was $51.8 million, or 17%. The loan portfolio grew $41.8 million, or 12% from $339.0 million at June 30, 2020 to $380.8 million at June 30, 2021. Excluding PPP loans, the loan portfolio grew $74.0 million, or 26% from June 30, 2020 to June 30, 2021.

The following table illustrates the composition of the loan portfolio:

	June 30, 2021	Dec. 31, 2020	June 30, 2020
Commercial real estate	$ 277,919,949	$ 227,224,196	$ 209,771,247
Commercial construction	30,724,320	24,925,050	24,698,846
Commercial business	56,477,796	66,555,149	87,958,509
Consumer	15,644,478	20,235,647	16,571,930
Total loans	$ 380,766,543	$ 338,940,042	$ 339,000,532

Total stockholder's equity increased $1.1 million, or 3%, from $32.3 million at March 31, 2021 to $33.4 million at June 30, 2021, primarily due to net income generated, partially offset by a decline in the unrealized gain/loss position of the investment portfolio. During the quarter ended June 30, 2021, book value per share grew 35 cents, or 3%, to $11.42.

Total assets increased $13.2 million, or 3% during the second quarter of 2021, with growth in cash and due from banks funded by deposit growth. PPP loan activity of $22.2 million in net payoffs (forgiveness payments less new originations) in the second quarter of 2021 were replaced with $23.1 million in organic loan growth.

Selected Financial Data:
Balance Sheets (unaudited)

	June 30, 2021	December 31, 2020
Cash and due from banks	$ 41,245,286	$ 26,008,820
Time deposits at other banks	599,000	599,000
Investments	17,957,320	43,060,035
Loans	380,766,543	338,940,042
Allowance for loan losses	(3,326,784)	(2,907,023)
Premises & equipment	8,259,701	8,380,269
Other assets	12,071,297	10,353,164
Total assets	$ 457,572,363	$ 424,434,307
Noninterest-bearing deposits	$ 123,545,865	$ 99,898,323
Interest-bearing checking	30,177,054	23,726,721
Money market	158,758,776	140,480,421
Time deposits	81,906,722	93,919,651
Total deposits	394,388,417	358,025,116
Short term borrowings	-	-
Long term borrowings	21,158,000	24,206,000
Subordinated debt	5,946,896	7,940,649
Other liabilities	2,682,324	2,806,732
Total liabilities	424,175,637	392,978,497
Total stockholders' equity	33,396,726	31,455,810
Total Liabilities & Stockholders' Equity	$ 457,572,363	$ 424,434,307

Performance Statistics
(unaudited)

	Qtr Ended June 30, 2021	Qtr Ended Mar. 31, 2021	Qtr Ended Dec. 31, 2020	Qtr Ended Sept. 30, 2020	Qtr Ended June 30, 2020
Net interest margin	3.77%	3.59%	3.69%	3.53%	3.50%
Nonperforming loans/ Total loans	0.04%	0.10%	0.11%	0.40%	0.41%
Nonperforming assets/ Total assets	0.04%	0.09%	0.09%	0.35%	0.36%
Allowance for loan losses/ Total loans	0.87%**	0.83%**	0.86%**	0.78%**	0.76%**
Average loans/Average assets	86.4%	84.4%	81.4%	88.7%	87.4%
Non-interest expenses*/ Average assets	2.36%	2.29%	2.20%	2.34%	2.50%
Earnings per share – basic and diluted***	$0.31	$0.31	$0.39	$0.28	$0.23
Book value per share***	$11.42	$11.07	$10.78	$10.41	$10.14
Total shares outstanding	2,923,777	2,782,251	2,779,607	2,776,551	2,773,686

* Annualized

** Excluding PPP loans, the allowance for loan losses/total loans was 0.93% at June 30, 2021, 0.95% at March 31, 2021, 0.95% at December 31, 2020, 0.93% at September 30, 2020 and 0.91% at June 30, 2020.

*** Per share data restated to reflect the 5% stock dividend paid in May 2021.

Income Statements (unaudited)

	Qtr. Ended June 30, 2021	Qtr. Ended Mar. 31, 2021	Qtr. Ended Dec. 31, 2020	Qtr. Ended Sept. 30, 2020	Qtr. Ended June 30, 2020
INTEREST INCOME					
Loans, including fees	$4,641,636	$4,169,912	$4,439,471	$4,038,794	$3,879,732
Securities	94,794	96,260	93,928	101,768	104,900
Other	5,775	6,022	10,990	2,365	2,600
Total interest income	4,742,205	4,272,194	4,544,389	4,142,927	3,987,232
INTEREST EXPENSE					
Deposits	481,151	499,622	581,982	653,243	742,578
Borrowings	104,145	108,743	117,995	120,795	127,446
Subordinated debt	93,123	93,124	126,007	77,467	67,485
Total interest expense	678,419	701,489	825,984	851,505	937,509
Net interest income	4,063,786	3,570,705	3,718,405	3,291,422	3,049,723
Provision for loan losses	270,453	240,153	229,538	129,894	51,045
Net interest income after provision for loan losses	3,793,333	3,330,552	3,488,867	3,161,528	2,998,678
NON-INTEREST INCOME					
BOLI income	47,505	44,523	36,852	37,125	37,067
Referral fee income	-	-	69,000	-	27,100
Gain on sale of SBA loans	-	-	-	-	-
Other	133,708	133,238	118,539	99,738	72,367
Total non-interest income	181,213	177,761	224,391	136,863	136,534
NON-INTEREST EXPENSE					
Salaries & benefits	1,592,369	1,432,259	1,405,431	1,386,212	1,373,036
Occupancy & equipment	255,537	262,501	238,406	261,166	228,216
Professional fees	98,035	89,413	95,238	96,936	98,492
Advertising	87,788	61,683	80,279	72,390	64,011
Data processing	188,220	149,633	146,147	131,351	135,936
Other	432,851	383,951	349,074	336,144	396,808
Total non-interest expense	2,654,800	2,379,440	2,314,575	2,284,199	2,296,499
Income before income tax expense	1,319,746	1,128,873	1,398,683	1,014,192	838,713
Federal income tax expense	263,172	223,209	280,248	198,786	161,726
Net income	$1,056,574	$905,664	$1,118,435	$ 815,406	$ 676,987

Income Statements (unaudited)

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
INTEREST INCOME		
Loans	$ 8,811,548	$ 7,693,967
Investments	191,054	222,905
Other	11,797	49,895
Total interest income	9,014,399	7,966,767
INTEREST EXPENSE		
Deposits	980,773	1,628,493
Borrowings	212,888	249,562
Subordinated debt	186,247	134,970
Total interest expense	1,379,908	2,013,025
Net interest income	7,634,491	5,953,742
Provision for loan losses	510,606	195,078
Net interest income after provision for loan losses	7,123,885	5,758,664
NON-INTEREST INCOME		
BOLI income	92,028	74,117
Referral fee income	-	175,100
Gain on sale of SBA loans	-	-
Other	266,946	171,323
Total non-interest income	358,974	420,540
NON-INTEREST EXPENSE		
Salaries & benefits	3,024,628	2,701,507
Occupancy & equipment	518,038	480,586
Professional fees	187,448	190,653
Advertising	149,471	130,289
Data processing	337,853	275,419
Other non-interest expense	816,802	768,449
Total non-interest expense	5,034,240	4,546,903
Pre-tax income	2,448,619	1,632,301
Tax expense	486,381	315,175
Net income	$ 1,962,238	$ 1,317,126

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About 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. 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.