

## NEWS RELEASE

For Immediate Release  
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***FIRST RESOURCE BANCORP, INC. ANNOUNCES 2025 SECOND QUARTER RESULTS;  
NET INCOME GREW 41% OVER PRIOR YEAR, NET INTEREST MARGIN EXPANDS***

**EXTON, PA** – First Resource Bancorp, Inc. (OTCQX: FRSB), the holding company for First Resource Bank, announced financial results for the three months ended June 30, 2025.

Lauren C. Ranalli, President and CEO, stated, “The second quarter of 2025 marked the most profitable quarter in the Bank’s history, capping off a record breaking first half of the year. This exceptional performance was fueled by a widening net interest margin and sustained growth in loans and deposits. Management’s disciplined approach to pricing across the balance sheet has generated significant net interest margin expansion - from 3.50% in the fourth quarter of 2024, to 3.60% in the first quarter of 2025 and now 3.72% in the second quarter of 2025. With total assets approaching the \$700 million threshold, each additional basis point of margin expansion contributes significantly to our bottom line.”

Highlights for the second quarter of 2025 included:

- Net income of \$1.9 million exceeded the prior year by 41% and the prior quarter by 13%
- Net interest margin expanded 12 basis points over the prior quarter to 3.72%
- Total interest income grew 14% over the prior year second quarter
- Net interest income grew 19% over the prior year second quarter
- Earnings per share grew 43% over the prior year second quarter to \$0.63 per share
- Total loans grew 3% during the second quarter, or 13% annualized
- Total deposits grew 4% during the second quarter, or 18% annualized
- Book value per share grew 4% to \$18.00 during the second quarter
- Total assets grew \$22.0 million, or 3%, ending the quarter at \$697.3 million
- Non-performing assets to total assets remain low at 0.03%
- Named a “Best Places to Work” company by the Philadelphia Business Journal for the seventh consecutive year
- Named Best Commercial Bank and Best Community Bank by the readers of the Main Line Times for the fifth consecutive year
- Recognized as one of the top 100 performing community banks in 2024 with under \$2 billion in assets in the US by American Banker

Ranalli added, “This record profitability has boosted book value to \$18.00 per share as of June 30, 2025. We remain focused on effectively managing the factors that we can control to steadily increase book value per share, with the goal of delivering long-term value to our shareholders.”

Net income for the quarter ended June 30, 2025, totaled \$1.9 million, or \$0.63 per common share, marking a significant increase from \$1.7 million, or \$0.56 per share, in the previous quarter, and up from

\$1.3 million, or \$0.44 per common share, in the same quarter of 2024. The annualized return on average assets rose to 1.15% for the second quarter of 2025, compared to 0.89% in the second quarter of 2024. Similarly, the annualized return on average equity also improved, reaching 14.38%, up from 11.27% during the same period last year.

Total interest income for the second quarter of 2025 reached \$10.3 million, reflecting a \$527 thousand or 5% increase over the prior quarter. This growth was fueled by a 3% increase in loans during the second quarter, coupled with an overall increase in loan yields.

Total interest income increased by \$1.3 million, marking a 14% increase from \$9.0 million in the second quarter of 2024 to \$10.3 million in the corresponding period of 2025. This growth was driven by a 9% year-over-year expansion in loans, complemented by an overall increase in loan yields.

Total interest income grew \$2.6 million, or 15%, from \$17.4 million for the six months ended June 30, 2024, to \$20.0 million for the corresponding period in 2025. This growth was primarily driven by loan portfolio expansion and an increased rate environment, as previously noted.

Total interest expense rose 3% in the second quarter of 2025 compared to the prior quarter, primarily due to a 2 basis point increase in the cost of money market accounts and greater volumes of money market accounts and time deposits. This was partially offset by a 20 basis point reduction in the cost of time deposits. Additionally, interest expense on borrowings increased by 11%, driven by an increase in the average balance of FHLB borrowings during the second quarter.

Total interest expense increased by 7%, climbing from \$4.0 million in the second quarter of 2024 to \$4.3 million in the second quarter of 2025. This increase was primarily attributable to greater volumes of interest-bearing deposits, partially offset by a 19 basis point decrease in the cost of interest-bearing deposits year-over-year. Interest expense on subordinated debt grew by 45%, while interest expense on borrowings declined by 50% when compared to the second quarter of 2024.

Total interest expense for the six months ended June 30, 2025 increased by 10%, to \$8.5 million, up from \$7.8 million in the same period of 2024. Primary factors of this increase include greater volumes of interest-bearing deposits and subordinated debt. These increases were partially offset by a reduction in FHLB borrowings and declines in the cost of funds, including a 12 basis point decrease in cost of money market accounts, a 32 basis point drop in the cost of time deposits, and a 14 basis point decline in cost of FHLB borrowings.

In the second quarter of 2025, net interest income grew by \$409 thousand, or 7%, compared to the previous quarter. The net interest margin also improved, rising to 3.72% from 3.60% in the first quarter of 2025. The overall yield on interest-earning assets climbed by 8 basis points, primarily driven by an 8 basis point increase in loan yields to 6.55% for the quarter. Meanwhile, the cost of interest-bearing deposits declined 3 basis points to 3.36%, primarily due to a 20 basis point drop in the cost of time deposit accounts. This decrease was partially offset by a 2 basis point rise in money market rates and higher volumes in those categories. As a result, the total cost of deposits fell by 3 basis points for the quarter, from 2.85% to 2.82%.

Net interest income for the six months ended June 30, 2025, totaled \$11.5 million, reflecting a 19% improvement from \$9.6 million for the same period in 2024. This growth was fueled by a \$2.6 million, or 15%, increase in loan interest income and a \$116 thousand, or 42%, decline in interest expense on borrowings, partially offset by an \$829 thousand, or 11%, increase in deposit interest expense and an \$83 thousand, or 45%, increase in interest expense on subordinated debt.

The provision for credit losses in the second quarter of 2025 was \$130 thousand, down from \$174 thousand in the prior quarter. A charge-off amounting to \$47 thousand in the second quarter of 2025 had been previously reserved and, as such, did not affect the provision for the quarter. Year over year, the provision for credit losses fell \$116 thousand from \$246 thousand in the second quarter of 2024 to \$130 thousand in the second quarter of 2025. The higher provision for credit losses in the second quarter of 2024 was due to a \$204 thousand charge-off related to a single loan relationship.

As of June 30, 2025, the allowance for credit losses to total loans stood at 0.76%, down from 0.93% as of December 31, 2024. The reserve decreased due to a first-quarter charge-off of a previously reserved credit. Non-performing assets, consisting solely of non-performing loans, totaled \$215 thousand as of June 30, 2025, down from \$262 thousand at the end of the prior quarter. There were no non-performing assets as of June 30, 2024. Non-performing assets to total assets stood at 0.03% as of June 30, 2025, compared to 0.19% as of December 31, 2024, and 0.00% at June 30, 2024.

Non-interest income totaled \$372 thousand in the second quarter of 2025, representing a 7% increase from \$349 thousand in the previous quarter, and a 28% increase from \$291 thousand in the same period of 2024. Notably, swap referral fee income contributed \$108 thousand in the second quarter of 2025, up from \$24 thousand in the first quarter of 2025 and \$62 thousand in the second quarter of 2024. Gains on the sale of SBA loans totaled \$26 thousand in the second quarter of 2025, compared to \$87 thousand in the previous quarter, and none in the second quarter of 2024.

Non-interest income for the six months ended June 30, 2025, totaled \$722 thousand, up from \$687 thousand in the same period of 2024. Swap referral fee income was \$132 thousand in the first half of 2025, compared to \$245 thousand in the first half of 2024. Gains on the sale of SBA loans totaled \$113 thousand in the first half of 2025, whereas no such gains were recorded in the prior year period.

Non-interest expenses increased \$202 thousand, or 6%, in the second quarter of 2025 compared to the prior quarter. This increase was driven by higher salaries & benefits, professional fees, advertising, data processing, and other costs. However, these increases were partially offset by decreases in occupancy & equipment.

Non-interest expenses increased \$455 thousand, or 14%, in the second quarter of 2025 compared to the same period in 2024. Increases in salaries & benefits, professional fees, advertising, data processing, and other costs were partially offset by a decrease in occupancy & equipment costs. The ratio of non-interest expenses to average assets was 2.29% in the second quarter of 2025, up from 2.25% in the previous quarter and up from 2.21% in the second quarter of the prior year.

Non-interest expenses for the six months ended June 30, 2025, were \$7.4 million compared to \$6.7 million for the same period in the prior year. The increase of \$729 thousand, or 11%, was mostly

attributed to increases in salaries & benefits associated with an expanded workforce, along with professional fees, advertising, data processing, and other expenses.

Total deposits increased by \$25.8 million, or 4% during the second quarter of 2025, rising from \$574.0 million as of March 31, 2025, to \$599.7 million on June 30, 2025. Noninterest-bearing deposits rose by 6% in the second quarter, increasing \$6.0 million to \$99.4 million, up from \$93.4 million in the previous quarter. Interest-bearing checking balances declined by \$3.1 million, or 7%, to \$43.6 million, down from \$46.8 million in the prior quarter. Money market deposits grew \$6.6 million, or 3%, rising from \$250.1 million at the end of the first quarter of 2025, to \$256.7 million by the close of the second quarter, while time deposits grew \$16.3 million, or 9%, from \$183.7 million on March 31, 2025, to \$200.0 million on June 30, 2025.

Between June 30, 2024, and June 30, 2025, total deposits grew 12%, driven by increases in interest-bearing checking accounts, money markets, and time deposits. This growth was partially offset by a decline in noninterest-bearing deposits. As of June 30, 2025, approximately 81% of total deposits were insured or otherwise collateralized, down from 82% in the prior quarter.

The loan portfolio expanded by \$19.8 million, representing a 3% increase, from \$605.0 million on March 31, 2025, to \$624.8 million on June 30, 2025, with strong growth in all loan categories. Year-to-date, total loans grew \$26.3 million, or 4%, reflecting continued strength and diversification in lending activity.

Between June 30, 2024, and June 30, 2025, total loans expanded by 9%, with strong growth noted in all commercial loan categories.

The following table illustrates the composition of the loan portfolio:

	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Commercial real estate	\$ 487,283,100	\$ 480,933,654	\$ 457,437,009
Commercial construction	52,208,827	39,760,197	42,138,883
Commercial business	66,271,853	59,862,802	55,316,506
Consumer	<u>19,037,313</u>	<u>17,907,914</u>	<u>18,697,974</u>
Total loans	<u>\$ 624,801,093</u>	<u>\$ 598,464,567</u>	<u>\$ 573,590,372</u>

Investment securities totaled \$16.5 million on June 30, 2025, compared to \$16.8 million on March 31, 2025. The held-to-maturity investment portfolio had a book value of \$8.5 million and a fair market value of \$7.5 million, resulting in an unrealized loss of \$961 thousand, compared to an unrealized loss of \$1.0 million as of March 31, 2025. After tax, this loss amounts to \$759 thousand, representing approximately 1.4% of total equity as of June 30, 2025. The remainder of the investment portfolio was classified as available-for-sale, with a book value of \$9.0 million and a fair value of \$8.0 million, resulting in an unrealized loss of \$970 thousand, compared to \$1.1 million as of March 31, 2025. This unrealized loss, net of tax, totals \$766 thousand and is reflected in accumulated other comprehensive loss on the balance sheet.

On August 12, 2024, the Company announced a stock repurchase program authorizing the repurchase of up to 155,922 shares of its common stock. During the quarter ended June 30, 2025, the Company repurchased 1,328 shares at a total cost of \$19 thousand and an average price of \$14.25 per share, a significant discount to book value per share of \$18.00 at the end of the second quarter. As of June 30, 2025, 48,431 shares remained available for repurchase under the program which is scheduled to expire on July 16, 2025.

Total stockholders' equity increased by \$2.0 million, or 4%, rising from \$52.0 million on March 31, 2025, to \$54.0 million on June 30, 2025, largely driven by net income. During the quarter ended June 30, 2025, book value increased by 66 cents, or 4%, reaching \$18.00 per share.

Selected Financial Data:  
Consolidated Balance Sheets (unaudited)

	June 30, 2025	December 31, 2024
Cash and due from banks	\$ 34,917,531	\$ 17,837,920
Time deposits at other banks	100,000	100,000
Investments	16,473,298	26,611,867
Loans	624,801,093	598,464,567
Allowance for credit losses	(4,733,781)	(5,574,679)
Premises & equipment	7,561,092	7,551,410
Other assets	<u>18,141,421</u>	<u>18,593,449</u>
Total assets	<u>\$ 697,260,654</u>	<u>\$ 663,584,534</u>
Noninterest-bearing deposits	\$ 99,411,113	\$ 86,581,276
Interest-bearing checking	43,620,103	40,119,102
Money market	256,694,537	239,828,130
Time deposits	<u>200,018,778</u>	<u>185,697,340</u>
Total deposits	<u>599,744,531</u>	<u>552,225,848</u>
Short term borrowings	20,000,000	40,000,000
Long term borrowings	8,210,000	6,250,000
Subordinated debt	8,481,329	8,473,216
Other liabilities	<u>6,830,863</u>	<u>6,341,010</u>
Total liabilities	<u>643,266,723</u>	<u>613,290,074</u>
Common stock	3,100,773	3,100,773
Surplus	19,855,264	19,852,352
Treasury stock	(1,409,115)	(1,316,876)
Accumulated other comprehensive loss	(766,374)	(964,821)
Retained earnings	<u>33,213,383</u>	<u>29,623,032</u>
Total stockholders' equity	<u>53,993,931</u>	<u>50,294,460</u>
Total liabilities & stockholders' equity	<u>\$ 697,260,654</u>	<u>\$ 663,584,534</u>

Performance Statistics  
(unaudited)

	Qtr Ended Jun. 30, 2025	Qtr Ended Mar. 31, 2025	Qtr Ended Dec. 31, 2024	Qtr Ended Sep. 30, 2024	Qtr Ended Jun. 30, 2024
Net interest margin	3.72%	3.60%	3.50%	3.43%	3.43%
Nonperforming loans/ total loans	0.03%	0.04%	0.21%	0.00%	0.00%
Nonperforming assets/ total assets	0.03%	0.04%	0.19%	0.00%	0.00%
Allowance for credit losses/ total loans	0.76%	0.77%	0.93%	0.76%	0.77%
Average loans/average assets	93.3%	93.0%	93.2%	92.9%	92.7%
Non-interest expenses*/ average assets	2.29%	2.25%	2.07%	2.17%	2.21%
Efficiency ratio	60.0%	61.0%	58.3%	62.3%	63.3%
Earnings per share – basic and diluted	\$0.63	\$0.56	\$0.33	\$0.53	\$0.44
Book value per share	\$18.00	\$17.34	\$16.73	\$16.45	\$15.78
Total shares outstanding	3,000,028	2,998,977	3,006,039	3,004,689	3,098,431
Weighted average shares outstanding	2,999,200	3,003,194	3,005,408	3,055,157	3,097,433

\* Annualized

# Consolidated Income Statements (unaudited)

	Qtr. Ended Jun. 30, 2025	Qtr. Ended Mar. 31, 2025	Qtr. Ended Dec. 31, 2024	Qtr. Ended Sep. 30, 2024	Qtr. Ended Jun. 30, 2024
INTEREST INCOME					
Loans, including fees	\$10,126,623	\$9,583,093	\$9,512,689	\$9,346,895	\$8,859,695
Securities	118,920	116,372	115,291	123,678	122,082
Other	<u>28,289</u>	<u>47,421</u>	<u>24,256</u>	<u>25,135</u>	<u>34,964</u>
Total interest income	<u>10,273,832</u>	<u>9,746,886</u>	<u>9,652,236</u>	<u>9,495,708</u>	<u>9,016,741</u>
INTEREST EXPENSE					
Deposits	4,111,978	4,002,995	4,057,530	3,979,691	3,767,011
Borrowings	85,822	77,303	90,767	245,596	173,198
Subordinated debt	<u>134,681</u>	<u>134,682</u>	<u>134,681</u>	<u>120,829</u>	<u>93,124</u>
Total interest expense	<u>4,332,481</u>	<u>4,214,980</u>	<u>4,282,978</u>	<u>4,346,116</u>	<u>4,033,333</u>
Net interest income	<u>5,941,351</u>	<u>5,531,906</u>	<u>5,369,258</u>	<u>5,149,592</u>	<u>4,983,408</u>
Provision for credit losses	<u>130,416</u>	<u>174,097</u>	<u>1,127,547</u>	<u>13,317</u>	<u>246,273</u>
Net interest income after provision for credit losses	5,810,935	5,357,809	4,241,711	5,136,275	4,737,135
NON-INTEREST INCOME					
Service charges and other fees	97,887	109,360	114,958	94,812	104,748
BOLI income	66,998	65,850	66,248	65,800	59,613
Gain on sale of SBA loans	26,326	86,860	(367)	59,296	-
Swap referral fee income	107,925	24,201	31,030	-	62,460
Other	<u>73,275</u>	<u>62,843</u>	<u>77,225</u>	<u>65,944</u>	<u>64,085</u>
Total non-interest income	372,411	349,114	289,094	285,852	290,906
NON-INTEREST EXPENSE					
Salaries & benefits	2,253,069	2,127,037	1,948,007	1,999,957	1,944,755
Occupancy & equipment	318,631	334,698	336,629	368,339	362,850
Professional fees	192,378	150,176	109,819	128,748	130,767
Advertising	113,923	108,721	77,809	76,383	81,510
Data processing	207,430	204,492	201,671	189,429	180,257
Other	<u>705,961</u>	<u>664,334</u>	<u>625,603</u>	<u>622,590</u>	<u>636,589</u>
Total non-interest expense	<u>3,791,392</u>	<u>3,589,458</u>	<u>3,299,538</u>	<u>3,385,446</u>	<u>3,336,728</u>
Income before federal income tax expense	2,391,954	2,117,465	1,231,267	2,036,681	1,691,313
Federal income tax expense	<u>488,827</u>	<u>430,241</u>	<u>223,486</u>	<u>413,607</u>	<u>342,880</u>
Net income	<u>\$ 1,903,127</u>	<u>\$1,687,224</u>	<u>\$1,007,781</u>	<u>\$1,623,074</u>	<u>\$1,348,433</u>



Income Statements (unaudited)

	Six Months Ended Jun. 30, 2025	Six Months Ended Jun. 30, 2024
INTEREST INCOME		
Loans, including fees	\$ 19,709,716	\$ 17,087,797
Securities	235,292	242,795
Other	<u>75,710</u>	<u>66,699</u>
Total interest income	<u>20,020,718</u>	<u>17,397,291</u>
INTEREST EXPENSE		
Deposits	8,114,973	7,286,187
Borrowings	163,125	279,058
Subordinated debt	<u>269,363</u>	<u>186,248</u>
Total interest expense	<u>8,547,461</u>	<u>7,751,493</u>
Net interest income	<u>11,473,257</u>	<u>9,645,798</u>
Provision for credit losses	<u>304,513</u>	<u>309,924</u>
Net interest income after provision for credit losses	11,168,744	9,335,874
NON-INTEREST INCOME		
Service charges and other fees	207,247	204,912
BOLI income	132,848	110,969
Gain on sale of SBA loans	113,186	-
Swap referral fee income	132,126	244,520
Other	<u>136,118</u>	<u>126,633</u>
Total non-interest income	721,525	687,034
NON-INTEREST EXPENSE		
Salaries & benefits	4,380,106	3,989,838
Occupancy & equipment	653,329	652,052
Professional fees	342,554	268,249
Advertising	222,644	163,255
Data processing	411,922	356,942
Other	<u>1,370,295</u>	<u>1,221,515</u>
Total non-interest expense	<u>7,380,850</u>	<u>6,651,851</u>
Income before federal income tax expense	4,509,419	3,371,057
Federal income tax expense	<u>919,068</u>	<u>691,687</u>
Net income	<u>\$ 3,590,351</u>	<u>\$ 2,679,370</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.