

NEWS RELEASE

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***FIRST RESOURCE BANCORP, INC. ANNOUNCES 2025 THIRD QUARTER RESULTS;
NET INCOME GREW 39% 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 September 30, 2025.

Lauren C. Ranalli, President and CEO, stated, “We achieved record net income during the third quarter of 2025, continuing the trend of exceptional performance established in the first half of the year. The net interest margin has steadily climbed this year, accelerating from 3.60% in the first quarter and 3.72% in the second quarter to 3.87% in the third quarter of 2025. We also surpassed the \$700 million asset threshold, fueled by strong loan and deposit growth. These results reflect our unwavering commitment to providing exceptional customer service, fostering a thriving workplace culture, and supporting our local communities, all of which continue to generate exceptional value for our shareholders.”

Highlights for the third quarter of 2025 included:

- Net income reached \$2.3 million, a remarkable 39% increase year-over-year and 19% growth over the prior quarter
- Net interest margin expanded 15 basis points over the prior quarter to 3.87%
- Total interest income rose 16% compared to the third quarter of 2024
- Net interest income grew 27% over the prior year third quarter
- Earnings per share climbed 42% to \$0.75, compared to the same quarter last year
- Total loans grew 5% during the quarter, or 19% annualized
- Total deposits also rose 5%, or 21% annualized
- Book value per share increased 4% to \$18.79
- Total assets expanded by \$27.6 million, or 4%, ending the quarter at \$724.9 million
- There were no non-accrual or non-performing loans as of September 30, 2025

“Our record year to date performance through September 30, 2025, positions us for what we anticipate being our most successful year yet,” said Ranalli. “We’re seeing sustained growth momentum and consistently strong profitability, which continue to strengthen our balance sheet. Disruption caused by an uptick in bank merger activity across our region will open the door to meaningful new business development opportunities and we are ready to seize them.”

The company delivered outstanding financial performance in the third quarter of 2025, reporting net income totaling \$2.3 million, or \$0.75 per common share, a significant increase from \$1.9 million, or \$0.63 per share, in the previous quarter, and up considerably from \$1.6 million, or \$0.53 per common share, in the same period last year. This impressive growth was reflected in key profitability metrics, with

the annualized return on average assets climbing to 1.29% for the third quarter of 2025, compared to 1.04% in the third quarter of 2024. Similarly, the annualized return on average equity also improved, reaching 16.19%, up from 13.08% year-over-year, underscoring the Bank's continued strength and strategic execution.

Total interest income for the third quarter of 2025 reached \$11.0 million, reflecting a \$720 thousand or 7% increase over the prior quarter. This growth was fueled by a 5% increase in loans during the third quarter, coupled with an overall increase in loan yields.

Total interest income increased by \$1.5 million, marking a 16% increase from \$9.5 million in the third quarter of 2024 to \$11.0 million in the corresponding period of 2025. This growth was driven by a 12% year-over-year expansion in loans, complemented by an overall increase in loan yields.

Total interest income grew \$4.1 million, or 15%, from \$26.9 million for the nine months ended September 30, 2024, to \$31.0 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 third quarter of 2025 compared to the prior quarter, primarily due to greater volumes of interest-bearing deposits. This was partially offset by an 11 basis point reduction in the cost of interest-bearing deposits. Consequently, interest expense on borrowings decreased by 9%, driven by a 34 basis point reduction in the cost of FHLB borrowings during the third quarter.

Total interest expense increased by 2%, climbing from \$4.3 million in the third quarter of 2024 to \$4.4 million in the third quarter of 2025. This increase was primarily attributable to greater volumes of interest-bearing deposits, partially offset by a 36 basis point decrease in the cost of interest-bearing deposits year-over-year. Interest expense on subordinated debt grew by 11%, while interest expense on borrowings declined by 68% when compared to the third quarter of 2024.

Total interest expense for the nine months ended September 30, 2025 increased by 7%, to \$13.0 million, up from \$12.1 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 14 basis point decrease in the cost of money market accounts, a 48 basis point drop in the cost of time deposits, and a 65 basis point decline in the cost of FHLB borrowings.

In the third quarter of 2025, net interest income grew by \$608 thousand, or 10%, compared to the previous quarter. The net interest margin also improved, rising to 3.87% from 3.72% in the second quarter of 2025. The overall yield on interest-earning assets climbed by 7 basis points, primarily driven by a 9 basis point increase in loan yields to 6.64% for the quarter. Meanwhile, the cost of interest-bearing deposits declined 11 basis points to 3.25%, primarily due to a 19 basis point drop in the cost of time deposit accounts. This decrease was partially offset by higher volumes of interest-bearing deposit accounts. As a result, the total cost of deposits fell by 8 basis points for the quarter, from 2.82% to 2.74%.

Net interest income for the nine months ended September 30, 2025, totaled \$18.0 million, reflecting a 22% improvement from \$14.8 million for the same period in 2024. This growth was fueled by

a \$4.0 million, or 15%, increase in loan interest income, a \$284 thousand, or 54%, decline in interest expense on borrowings, and a \$122 thousand, or 133%, increase in other interest income, partially offset by a \$1.1 million, or 10%, increase in deposit interest expense and a \$97 thousand, or 32%, increase in interest expense on subordinated debt.

The provision for credit losses in the third quarter of 2025 was \$189 thousand, up from \$130 thousand in the prior quarter. A \$215 thousand charge-off for a non-accrual commercial loan relationship was recorded in the third quarter of 2025, bringing total non-accrual loans to zero. Year over year, the provision for credit losses increased \$176 thousand from \$13 thousand in the third quarter of 2024 to \$189 thousand in the third quarter of 2025.

As of September 30, 2025, the allowance for credit losses to total loans stood at 0.72%, down from 0.93% as of December 31, 2024. The reserve decreased due to a first-quarter charge-off of a previously reserved credit. There were no non-performing assets as of September 30, 2025, after the prior quarter end's total of a \$215 thousand non-accrual commercial loan relationship was charged off. Non-performing assets to total assets stood at 0.00% as of September 30, 2025, compared to 0.19% as of December 31, 2024, and 0.00% at September 30, 2024.

Non-interest income totaled \$349 thousand in the third quarter of 2025, representing a 6% decrease from \$372 thousand in the previous quarter, and a 22% increase from \$286 thousand in the same period of 2024. Notably, swap referral fee income contributed \$97 thousand in the third quarter of 2025, down from \$108 thousand in the second quarter of 2025 and up from zero in the third quarter of 2024. No gains on the sale of SBA loans were recorded in the third quarter of 2025, compared to \$26 thousand in the previous quarter, and \$59 thousand in the third quarter of 2024.

Non-interest income for the nine months ended September 30, 2025, totaled \$1.1 million, up from \$973 thousand in the same period of 2024. Swap referral fee income was \$229 thousand in the first nine months of 2025, compared to \$245 thousand in the first nine months of 2024. Gains on the sale of SBA loans totaled \$113 thousand in the first nine months of 2025, compared to \$59 thousand in the prior year period.

Non-interest expenses increased \$80 thousand, or 2%, in the third quarter of 2025 compared to the prior quarter. This increase was driven by higher salaries & benefits, data processing, and other costs, partially offset by decreases in occupancy & equipment, professional fees, and advertising.

Non-interest expenses increased \$486 thousand, or 14%, in the third 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 2.21% in the third quarter of 2025, down from 2.29% in the previous quarter and up from 2.17% in the third quarter of the prior year.

Non-interest expenses for the nine months ended September 30, 2025, were \$11.3 million compared to \$10.0 million for the same period in the prior year. The increase of \$1.2 million, or 12%, 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 \$31.0 million, or 5% during the third quarter of 2025, rising from \$599.7 million as of June 30, 2025, to \$630.8 million on September 30, 2025. Non-interest-bearing deposits rose \$278 thousand to \$99.7 million, up from \$99.4 million in the previous quarter. Interest-bearing checking balances increased by \$12.3 million, or 28%, to \$55.9 million, up from \$43.6 million in the prior quarter. Money market deposits grew \$823 thousand, rising from \$256.7 million at the end of the second quarter of 2025, to \$257.5 million by the close of the third quarter, while time deposits grew \$17.7 million, or 9%, from \$200.0 million on June 30, 2025, to \$217.7 million on September 30, 2025. Year-to-date, total deposits grew \$78.6 million, or 14%.

Between September 30, 2024, and September 30, 2025, total deposits grew 15%, driven by increases in all deposit categories. As of September 30, 2025, approximately 82% of total deposits were insured or otherwise collateralized, up from 81% in the prior quarter.

The loan portfolio expanded by \$30.5 million, representing a 5% increase, from \$624.8 million on June 30, 2025, to \$655.3 million on September 30, 2025, with strong growth in commercial real estate, commercial business, and consumer loans, partially offset by a decline in construction loans. Year-to-date, total loans grew \$56.9 million, or 10%, reflecting continued strength and diversification in lending activity.

Between September 30, 2024, and September 30, 2025, total loans expanded by 12%, with strong growth noted in all commercial loan categories.

The following table illustrates the composition of the loan portfolio:

	Sep. 30, 2025	Dec. 31, 2024	Sep. 30, 2024
Commercial real estate	\$ 516,826,603	\$ 480,933,654	\$ 469,508,986
Commercial construction	49,287,152	39,760,197	37,500,214
Commercial business	69,578,865	59,862,802	57,963,287
Consumer	<u>19,645,273</u>	<u>17,907,914</u>	<u>18,276,277</u>
Total loans	<u>\$ 655,337,893</u>	<u>\$ 598,464,567</u>	<u>\$ 583,248,764</u>

Investment securities totaled \$19.1 million on September 30, 2025, compared to \$16.5 million on June 30, 2025. The held-to-maturity investment portfolio had a book value of \$9.2 million and a fair market value of \$8.5 million, resulting in an unrealized loss of \$677 thousand, compared to an unrealized loss of \$961 thousand as of June 30, 2025. After tax, this loss amounts to \$535 thousand, representing approximately 0.9% of total equity as of September 30, 2025. The remainder of the investment portfolio was classified as available-for-sale, with a book value of \$10.7 million and a fair value of \$9.9 million, resulting in an unrealized loss of \$808 thousand, compared to \$970 thousand as of June 30, 2025. This unrealized loss, net of tax, totals \$638 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. The Company did not repurchase any shares during the quarter ended September 30, 2025. The stock repurchase program expired on July 16, 2025.

Total stockholders' equity increased by \$2.4 million, or 4%, rising from \$54.0 million on June 30, 2025, to \$56.4 million on September 30, 2025, largely driven by net income. During the quarter ended September 30, 2025, book value increased by 79 cents, or 4%, reaching \$18.79 per share. Year-to-date, total stockholders' equity grew \$6.1 million, or 12%.

Selected Financial Data:
Consolidated Balance Sheets (unaudited)

	September 30, 2025	December 31, 2024
Cash and due from banks	\$ 29,590,356	\$ 17,837,920
Time deposits at other banks	100,000	100,000
Investments	19,065,497	26,611,867
Loans	655,337,893	598,464,567
Allowance for credit losses	(4,706,905)	(5,574,679)
Premises & equipment	7,467,535	7,551,410
Other assets	<u>18,030,984</u>	<u>18,593,449</u>
Total assets	<u>\$ 724,885,360</u>	<u>\$ 663,584,534</u>
Noninterest-bearing deposits	\$ 99,688,828	\$ 86,581,276
Interest-bearing checking	55,875,100	40,119,102
Money market	257,517,175	239,828,130
Time deposits	<u>217,695,517</u>	<u>185,697,340</u>
Total deposits	<u>630,776,620</u>	<u>552,225,848</u>
Short term borrowings	8,000,000	40,000,000
Long term borrowings	13,887,000	6,250,000
Subordinated debt	8,485,386	8,473,216
Other liabilities	<u>7,320,262</u>	<u>6,341,010</u>
Total liabilities	<u>668,469,268</u>	<u>613,290,074</u>
Common stock	3,100,773	3,100,773
Surplus	19,857,275	19,852,352
Treasury stock	(1,375,079)	(1,316,876)
Accumulated other comprehensive loss	(638,426)	(964,821)
Retained earnings	<u>35,471,549</u>	<u>29,623,032</u>
Total stockholders' equity	<u>56,416,092</u>	<u>50,294,460</u>
Total liabilities & stockholders' equity	<u>\$ 724,885,360</u>	<u>\$ 663,584,534</u>

Performance Statistics
(unaudited)

	Qtr Ended Sep. 30, 2025	Qtr Ended Jun. 30, 2025	Qtr Ended Mar. 31, 2025	Qtr Ended Dec. 31, 2024	Qtr Ended Sep. 30, 2024
Net interest margin	3.87%	3.72%	3.60%	3.50%	3.43%
Nonperforming loans/ total loans	0.00%	0.03%	0.04%	0.21%	0.00%
Nonperforming assets/ total assets	0.00%	0.03%	0.04%	0.19%	0.00%
Allowance for credit losses/ total loans	0.72%	0.76%	0.77%	0.93%	0.76%
Average loans/average assets	92.2%	93.3%	93.0%	93.2%	92.9%
Non-interest expenses*/ average assets	2.21%	2.29%	2.25%	2.07%	2.17%
Efficiency ratio	56.1%	60.0%	61.0%	58.3%	62.3%
Earnings per share – basic and diluted	\$0.75	\$0.63	\$0.56	\$0.33	\$0.53
Book value per share	\$18.79	\$18.00	\$17.34	\$16.73	\$16.45
Total shares outstanding	3,002,485	3,000,028	2,998,977	3,006,039	3,004,689
Weighted average shares outstanding	3,001,454	2,999,200	3,003,194	3,005,408	3,055,157

* Annualized

Consolidated Income Statements (unaudited)

	Qtr. Ended Sep. 30, 2025	Qtr. Ended Jun. 30, 2025	Qtr. Ended Mar. 31, 2025	Qtr. Ended Dec. 31, 2024	Qtr. Ended Sep. 30, 2024
INTEREST INCOME					
Loans, including fees	\$10,719,087	\$10,126,623	\$9,583,093	\$9,512,689	\$9,346,895
Securities	136,606	118,920	116,372	115,291	123,678
Other	<u>138,292</u>	<u>28,289</u>	<u>47,421</u>	<u>24,256</u>	<u>25,135</u>
Total interest income	<u>10,993,985</u>	<u>10,273,832</u>	<u>9,746,886</u>	<u>9,652,236</u>	<u>9,495,708</u>
INTEREST EXPENSE					
Deposits	4,231,636	4,111,978	4,002,995	4,057,530	3,979,691
Borrowings	77,963	85,822	77,303	90,767	245,596
Subordinated debt	<u>134,682</u>	<u>134,681</u>	<u>134,682</u>	<u>134,681</u>	<u>120,829</u>
Total interest expense	<u>4,444,281</u>	<u>4,332,481</u>	<u>4,214,980</u>	<u>4,282,978</u>	<u>4,346,116</u>
Net interest income	<u>6,549,704</u>	<u>5,941,351</u>	<u>5,531,906</u>	<u>5,369,258</u>	<u>5,149,592</u>
Provision for credit losses	<u>189,087</u>	<u>130,416</u>	<u>174,097</u>	<u>1,127,547</u>	<u>13,317</u>
Net interest income after provision for credit losses	6,360,617	5,810,935	5,357,809	4,241,711	5,136,275
NON-INTEREST INCOME					
Service charges and other fees	107,182	97,887	109,360	114,958	94,812
BOLI income	68,585	66,998	65,850	66,248	65,800
Gain on sale of SBA loans	-	26,326	86,860	(367)	59,296
Swap referral fee income	96,813	107,925	24,201	31,030	-
Other	<u>76,913</u>	<u>73,275</u>	<u>62,843</u>	<u>77,225</u>	<u>65,944</u>
Total non-interest income	349,493	372,411	349,114	289,094	285,852
NON-INTEREST EXPENSE					
Salaries & benefits	2,370,422	2,253,069	2,127,037	1,948,007	1,999,957
Occupancy & equipment	316,684	318,631	334,698	336,629	368,339
Professional fees	143,108	192,378	150,176	109,819	128,748
Advertising	104,356	113,923	108,721	77,809	76,383
Data processing	213,565	207,430	204,492	201,671	189,429
Other	<u>722,935</u>	<u>705,961</u>	<u>664,334</u>	<u>625,603</u>	<u>622,590</u>
Total non-interest expense	<u>3,871,070</u>	<u>3,791,392</u>	<u>3,589,458</u>	<u>3,299,538</u>	<u>3,385,446</u>
Income before federal income tax expense	2,839,040	2,391,954	2,117,465	1,231,267	2,036,681
Federal income tax expense	<u>580,874</u>	<u>488,827</u>	<u>430,241</u>	<u>223,486</u>	<u>413,607</u>
Net income	<u>\$ 2,258,166</u>	<u>\$ 1,903,127</u>	<u>\$ 1,687,224</u>	<u>\$ 1,007,781</u>	<u>\$ 1,623,074</u>

Income Statements (unaudited)

	Nine Months Ended Sep. 30, 2025	Nine Months Ended Sep. 30, 2024
INTEREST INCOME		
Loans, including fees	\$ 30,428,803	\$ 26,434,692
Securities	371,898	366,473
Other	<u>214,002</u>	<u>91,834</u>
Total interest income	<u>31,014,703</u>	<u>26,892,999</u>
INTEREST EXPENSE		
Deposits	12,346,609	11,265,878
Borrowings	241,088	524,654
Subordinated debt	<u>404,045</u>	<u>307,077</u>
Total interest expense	<u>12,991,742</u>	<u>12,097,609</u>
Net interest income	<u>18,022,961</u>	<u>14,795,390</u>
Provision for credit losses	<u>493,600</u>	<u>323,241</u>
Net interest income after provision for credit losses	17,529,361	14,472,149
NON-INTEREST INCOME		
Service charges and other fees	314,429	299,724
BOLI income	201,433	176,769
Gain on sale of SBA loans	113,186	59,296
Swap referral fee income	228,939	244,520
Other	<u>213,031</u>	<u>192,577</u>
Total non-interest income	1,071,018	972,886
NON-INTEREST EXPENSE		
Salaries & benefits	6,750,528	5,989,795
Occupancy & equipment	970,013	1,020,391
Professional fees	485,662	396,997
Advertising	327,000	239,638
Data processing	625,487	546,371
Other	<u>2,093,230</u>	<u>1,844,105</u>
Total non-interest expense	<u>11,251,920</u>	<u>10,037,297</u>
Income before federal income tax expense	7,348,459	5,407,738
Federal income tax expense	<u>1,499,942</u>	<u>1,105,294</u>
Net income	<u>\$ 5,848,517</u>	<u>\$ 4,302,444</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. 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.