

NEWS RELEASE

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First Resource Bancorp, Inc. Reports Record Third Quarter 2026 Financial Results

EXTON, PA – First Resource Bancorp, Inc. (OTCQX: FRSB), reported strong financial performance for the third quarter ended September 30, 2026.

Lauren C. Ranalli, President and CEO, stated, “Growing the balance sheet and profitability concurrently has been a key goal for 2026, and I’m thrilled to report on our success in meeting that mandate through the first nine months of the year. Our exponential growth is a testament to the team’s efforts and our ability to deliver solutions for our expanding customer base. As our business continues to grow, we remain committed to investing in the infrastructure necessary to sustain our award-winning customer service and operational excellence. ”

Third Quarter 2026 Highlights

- Net income of \$2.9 million exceeded the prior year’s third quarter by 30% and the prior quarter by 6%
- Year-to-date net income of \$8.2 million compared to \$5.8 million in the prior year representing a 40% increase
- Earnings per common share increased to \$0.98, up 31% from the prior year’s third quarter
- Annualized return on average equity was 17.88%
- Annualized return on average assets was 1.36%
- Net interest margin of 4.06% compared to 4.09% in the prior quarter and 3.87% in the prior year’s third quarter
- Net interest income increased 5% from the prior quarter and 30% year over year
- Total loans grew 1% during the quarter, or 6% on an annualized basis
- Total deposits grew 6% during the quarter, or 23% on an annualized basis
- Book value per share increased to \$21.98 from \$21.19 at June 30, 2026 representing a 15% annualized growth rate.
- Non-performing assets to total assets decreased to 0.08%
- Paid a third consecutive quarterly cash dividend of \$0.02 per common share

Earnings and Profitability

For the quarter ended September 30, 2026, net income totaled \$2.9 million, compared to \$2.3 million for the same period a year ago and \$2.8 million for the prior quarter. Earnings per share

on a diluted basis increased to \$0.98, up from \$0.75 in the third quarter of 2025 and \$0.92 in the second quarter of 2026.

For the nine months ended September 30, 2026, net income totaled \$8.2 million, compared to \$5.8 million for the same period in 2025 representing a 40% increase.

Annualized return on average assets rose to 1.36% for the third quarter of 2026, which matches the return from the prior quarter and is an increase from 1.29% for the same period in 2025. Annualized return on average equity increased to 17.88%, from 17.82% in the prior quarter and 16.19% a year ago, reflecting improved operating leverage and balance sheet growth.

Net Interest Income and Net Interest Margin

Net interest income before the provision for credit losses totaled \$8.5 million for the third quarter of 2026, up \$412 thousand, or 5%, compared to the prior quarter and 30% from the same period a year ago. The net interest margin was 4.06%, down from 4.09% in the second quarter of 2026 and up from 3.87% in the third quarter of 2025.

Net interest income before the provision for credit losses totaled \$23.9 million for the nine months ended September 30, 2026, an increase of \$5.9 million, or 33%, compared to the same period in 2025.

Total interest income increased to \$13.4 million for the third quarter of 2026, up 5% from the prior quarter and 22% compared to the third quarter of 2025. Quarterly growth was driven primarily by a 3% increase in average loan balances, with only nominal change in total loan yields. Year-over-year growth reflected a 15% increase in average loan balances and overall higher loan yields.

Total interest income increased to \$38.3 million for the nine months ended September 30, 2026, a 23% increase from the same period in 2025.

Total interest expense increased to \$4.9 million for the third quarter of 2026, up 5% from the prior quarter, as higher money market balances were partially offset by lower time deposit balances and a 14 basis point decline in time deposit costs. Compared to the third quarter of 2025, total interest expense increased 11%, driven by higher volumes of interest-bearing deposits and borrowings, partially mitigated by lower deposit rates.

Total interest expense increased to \$14.3 million for the nine months ended September 30, 2026, up 10% from the same period in 2025.

Asset Quality, Provision for Credit Losses, and Allowance for Credit Losses on Loans

The provision for credit losses totaled \$163 thousand for the third quarter of 2026, compared to \$386 thousand in the second quarter of 2026 and \$189 thousand in the third quarter of 2025. As of September 30, 2026, the allowance for credit losses represented 0.78% of total loans, compared to 0.73% at December 31, 2025.

Non-performing assets totaled \$705 thousand, or 0.08% of total assets, at September 30, 2026, compared to \$881 thousand, or 0.10% of total assets, at June 30, 2026. Non-performing assets represented 0.09% and 0.00% of total assets at December 31, 2025, and September 30, 2025, respectively. Non-accrual loans consist of five credit relationships, fully secured by real estate collateral, with no specific reserves required for the third quarter.

"Our ability to consistently maintain a low level of non-performing assets reflects our disciplined underwriting philosophy, which emphasizes sound credit structure, comprehensive cash flow analysis, and proper real estate collateral. We remain committed to maintaining this disciplined approach to credit culture while continuing to support the financing needs of the communities we serve." stated Ranalli.

Non-Interest Income and Expense

Non-interest income totaled \$337 thousand for the quarter, a decrease of 23% from the prior quarter and 4% from the same period last year. There were no gains on the sale of SBA loans, compared to \$108 thousand in the prior quarter and none in the third quarter of 2025. Swap referral fee income was \$53 thousand, compared to none in the prior quarter, and \$97 thousand in the third quarter of 2025. Service charges decreased 27% from the prior quarter, primarily due to late fees collected in connection with a non-accrual loan resolution in the prior quarter.

Non-interest income totaled \$1.3 million for the nine months ended September 30, 2026, a 23% increase compared to \$1.1 million for the same period in 2025. Gains on sale of SBA loans were \$383 thousand for the nine months ended September 30, 2026, compared to \$113 thousand for the same period in 2025. Swap referral fee income was \$53 thousand for the nine months ended September 30, 2026, compared to \$229 thousand in the same period of 2025.

Non-interest expenses increased 7% from the prior quarter and 29% compared to the third quarter of 2025, reflecting higher costs in salaries & benefits, data processing, and FDIC premium expense, partially offset by decreases in occupancy & equipment, and professional fees. Occupancy & equipment expenses were elevated in the prior quarter due to repairs and renovation costs for our Exton branch which was built in 2014. The ratio of non-interest expense to average assets was 2.31%, compared to 2.27% in the prior quarter and 2.21% in the third quarter of 2025. The efficiency ratio was 56.28%, compared to 54.39% in the prior quarter and 56.11% in the third quarter of 2025.

Non-interest expenses increased 25% for the nine months ended September 30, 2026, compared to the same period in 2025, reflecting higher costs across all operating categories except professional fees. These increased costs were incurred to support our growth over the last year. The ratio of non-interest expense to average assets for the first nine months of 2026 was 2.27%, compared to 2.25% in the comparative period of 2025. The efficiency ratio for the first nine months of 2026 was 55.48%, compared to 58.93% in the comparative period of 2025.

Balance Sheet

Total deposits increased \$44.1 million, or 6%, during the third quarter of 2026, reflecting a shift in deposit mix. Increases in interest-bearing checking and money market balances were partially offset by decreases in non-interest-bearing deposits and time deposits. On a year-over-year basis, total deposits increased \$158.8 million, or 25%, driven by growth across all deposit categories except time deposits. Approximately 79% of total deposits were insured or collateralized as of September 30, 2026.

“Our continued success in growing our customer deposit base during the third quarter enabled us to further expand earning assets while reducing non-core deposits by an additional \$10.2 million,” stated Ranalli.

Total loans increased \$10.3 million, or 1%, during the third quarter of 2026 to \$737.1 million, driven primarily by growth in commercial real estate loans. Compared to September 30, 2025, total loans increased \$81.8 million, or 12%, attributable to growth in commercial real estate and construction lending.

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

	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Commercial real estate	\$ 567,196,678	\$ 553,196,932	\$ 531,440,586	\$ 525,443,319	\$ 516,826,603
Commercial construction	87,220,820	89,742,205	88,293,400	68,110,339	49,287,152
Commercial business	65,259,111	64,907,888	67,016,443	66,353,744	69,578,865
Consumer	17,459,057	19,007,086	18,541,133	18,548,853	19,645,273
Total loans	<u>\$ 737,135,666</u>	<u>\$ 726,854,111</u>	<u>\$ 705,291,562</u>	<u>\$ 678,456,255</u>	<u>\$ 655,337,893</u>

Investment securities totaled \$36.5 million at September 30, 2026, compared to \$31.1 million at June 30, 2026. The Company’s held-to-maturity investment portfolio had an amortized cost of \$9.0 million and a fair value of \$8.2 million, resulting in an unrealized loss of \$804 thousand, compared to an unrealized loss of \$561 thousand as of June 30, 2026. On an after-tax basis, this

unrealized loss totaled \$635 thousand, representing approximately 1.0% of total stockholders' equity as of September 30, 2026.

The remainder of the Company's investment portfolio was classified as available-for-sale and had a book value of \$29.4 million and a fair value of \$27.6 million at September 30, 2026. This resulted in an unrealized loss of \$1.8 million, compared to \$1.1 million at June 30, 2026. The after-tax unrealized loss of \$1.4 million is reflected in accumulated other comprehensive loss within stockholders' equity.

Total assets increased 6% during the quarter, driven primarily by loan and investment growth and higher cash balances associated with deposit growth.

Total stockholders' equity increased \$2.4 million, or 4%, during the third quarter of 2026, rising from \$63.8 million at June 30, 2026, to \$66.2 million at September 30, 2026. This increase was primarily due to 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 \$0.79, or 4%, during the third quarter to \$21.98 per share at September 30, 2026.

Selected Financial Data:

Consolidated Balance Sheets (unaudited)

	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Assets:					
Cash and due from banks	\$ 93,091,665	\$ 62,564,468	\$ 52,953,190	\$ 90,422,400	\$ 29,590,356
Time deposits at other banks	100,000	100,000	100,000	100,000	100,000
Investments	36,544,850	31,068,571	31,759,063	27,634,611	19,065,497
Loans receivable	737,135,666	726,854,111	705,291,562	678,456,255	655,337,893
Allowance for credit losses	(5,741,468)	(5,739,175)	(5,338,337)	(4,977,305)	(4,706,905)
Premises & equipment	7,285,579	7,258,468	7,312,947	7,360,342	7,467,535
Other assets	19,175,865	18,862,663	18,923,756	18,359,879	18,030,984
Total assets	<u>\$ 887,592,157</u>	<u>\$ 840,969,106</u>	<u>\$ 811,002,181</u>	<u>\$ 817,356,182</u>	<u>\$ 724,885,360</u>
Liabilities:					
Noninterest-bearing deposits	\$ 120,692,883	\$ 125,099,120	\$ 119,590,197	\$ 120,359,227	\$ 99,688,828
Interest-bearing checking	75,691,650	58,644,735	66,652,272	69,271,915	55,875,100
Money market	452,142,738	401,304,624	349,036,565	326,603,007	257,517,175
Time deposits	141,035,832	160,401,444	182,731,610	209,098,258	217,695,517
Total deposits	<u>789,563,103</u>	<u>745,449,923</u>	<u>718,010,644</u>	<u>725,332,407</u>	<u>630,776,620</u>
Short term borrowings	-	-	-	-	8,000,000
Long term borrowings	14,162,000	14,162,000	14,162,000	16,012,000	13,887,000
Subordinated debt	10,472,150	10,470,219	10,468,289	10,466,463	8,485,386
Other liabilities	7,214,912	7,124,273	7,338,138	6,777,883	7,320,262
Total liabilities	<u>821,412,165</u>	<u>777,206,415</u>	<u>749,979,071</u>	<u>758,588,753</u>	<u>668,469,268</u>
Stockholders' Equity					
Common stock	3,100,773	3,100,773	3,100,773	3,100,773	3,100,773
Additional paid-in capital	19,941,760	19,916,183	19,892,023	19,863,401	19,857,275
Treasury stock	(1,262,653)	(1,290,483)	(1,318,700)	(1,346,793)	(1,375,079)
Accumulated other comprehensive loss	(1,395,953)	(880,267)	(843,939)	(630,812)	(638,426)
Retained earnings	45,796,065	42,916,485	40,192,953	37,780,860	35,471,549
Total stockholders' equity	<u>66,179,992</u>	<u>63,762,691</u>	<u>61,023,110</u>	<u>58,767,429</u>	<u>56,416,092</u>
Total liabilities & stockholders' equity	<u>\$ 887,592,157</u>	<u>\$ 840,969,106</u>	<u>\$ 811,002,181</u>	<u>\$ 817,356,182</u>	<u>\$ 724,885,360</u>

Performance Statistics (unaudited)

	Three Months Ended				
	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Per Share Data:					
Earnings per share – basic	\$ 0.98	\$ 0.93	\$ 0.82	\$ 0.78	\$ 0.75
Earnings per share – diluted	\$ 0.98	\$ 0.92	\$ 0.82	\$ 0.78	\$ 0.75
Total shares outstanding	3,010,601	3,008,592	3,006,555	3,004,527	3,002,485
Weighted average shares outstanding	3,009,685	3,007,673	3,005,613	3,003,726	3,001,454
Book value per share	\$ 21.98	\$ 21.19	\$ 20.30	\$ 19.56	\$ 18.79
Performance Ratios:					
Return on average assets *	1.36%	1.36%	1.24%	1.18%	1.29%
Return on average equity *	17.88%	17.82%	16.64%	15.87%	16.19%
Net interest margin	4.06%	4.09%	3.80%	3.77%	3.87%
Non-interest expenses* to average assets	2.31%	2.27%	2.21%	2.15%	2.21%
Efficiency ratio	56.28%	54.39%	55.77%	56.25%	56.11%
Asset Quality Ratios:					
Non-performing loans to total loans	0.10%	0.12%	0.43%	0.11%	0.00%
Non-performing assets to total assets	0.08%	0.10%	0.37%	0.09%	0.00%
Allowance for credit losses to total loans	0.78%	0.79%	0.76%	0.73%	0.72%

* Annualized

Consolidated Income Statements (unaudited)

	Three Months Ended				
	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Interest income:					
Loans, including fees	\$ 12,493,217	\$ 12,017,007	\$ 11,182,544	\$ 11,098,085	\$ 10,719,087
Securities	337,940	328,305	280,104	206,991	136,606
Other	617,376	439,133	560,555	599,764	138,292
Total interest income	13,448,533	12,784,445	12,023,203	11,904,840	10,993,985
Interest expense:					
Deposits	4,656,461	4,405,473	4,395,446	4,520,311	4,231,636
Borrowings	120,718	119,399	122,789	125,620	77,963
Subordinated debt	162,556	162,556	162,556	137,058	134,682
Total interest expense	4,939,735	4,687,428	4,680,791	4,782,989	4,444,281
Net interest income	8,508,798	8,097,017	7,342,412	7,121,851	6,549,704
Provision for credit losses	163,119	386,010	377,167	368,729	189,087
Net interest income after provision for credit losses	8,345,679	7,711,007	6,965,245	6,753,122	6,360,617
Non-interest income:					
Service charges and other fees	128,418	175,655	130,399	116,476	107,182
BOLI income	70,356	69,341	68,580	69,075	68,585
Gain on sale of SBA loans	-	108,308	274,352	-	-
Swap referral fee income	52,505	-	-	69,890	96,813
Other	85,284	81,640	70,899	81,363	76,913
Total non-interest income	336,563	434,944	544,230	336,804	349,493
Non-interest expense					
Salaries & benefits	3,248,906	2,769,316	2,657,536	2,635,943	2,370,422
Occupancy & equipment	309,046	424,243	349,732	313,743	316,684
Professional fees	129,395	176,904	173,999	137,279	143,108
Advertising	124,749	124,258	126,442	87,011	104,356
Data processing	287,739	246,663	245,419	240,384	213,565
FDIC premium expense	185,044	180,310	191,252	166,763	135,382
Other	693,157	719,020	653,955	614,101	587,553
Total non-interest expense	4,978,036	4,640,714	4,398,335	4,195,224	3,871,070
Income before federal income tax expense	3,704,206	3,505,237	3,111,140	2,894,702	2,839,040
Federal income tax expense	763,732	721,573	638,956	585,391	580,874
Net income	\$ 2,940,474	\$ 2,783,664	\$ 2,472,184	\$ 2,309,311	\$ 2,258,166

Consolidated Income Statements (unaudited)

	Nine Months Ended	
	September 30,	September 30,
	2026	2025
Interest income:		
Loans, including fees	\$ 35,692,768	\$ 30,428,803
Securities	946,349	371,898
Other	1,617,064	214,002
Total interest income	38,256,181	31,014,703
Interest expense:		
Deposits	13,457,380	12,346,609
Borrowings	362,906	241,088
Subordinated debt	487,668	404,045
Total interest expense	14,307,954	12,991,742
Net interest income	23,948,227	18,022,961
Provision for credit losses	926,296	493,600
Net interest income after provision for credit losses	23,021,931	17,529,361
Non-interest income:		
Service charges and other fees	434,472	314,429
BOLI income	208,277	201,433
Gain on sale of SBA loans	382,660	113,186
Swap referral fee income	52,505	228,939
Other	237,823	213,031
Total non-interest income	1,315,737	1,071,018
Non-interest expense		
Salaries & benefits	8,675,758	6,750,528
Occupancy & equipment	1,083,021	970,013
Professional fees	480,298	485,662
Advertising	375,449	327,000
Data processing	779,821	625,487
FDIC premium expense	556,606	394,576
Other	2,066,132	1,698,654
Total non-interest expense	14,017,085	11,251,920
Income before federal income tax expense	10,320,583	7,348,459
Federal income tax expense	2,124,261	1,499,942
Net income	\$ 8,196,322	\$ 5,848,517

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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.