NEWS RELEASE

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FIRST RESOURCE BANCORP, INC. ANNOUNCES RECORD ANNUAL RESULTS;
NET INCOME GREW 54%, LOANS GREW 13% AND DEPOSITS GREW 31% OVER PRIOR YEAR

EXTON, PA – First Resource Bancorp, Inc. (OTCQX: FRSB), the holding company for First Resource Bank, announced financial results for the three months and year ended December 31, 2025.

Lauren C. Ranalli, President and CEO, stated, "2025 marked a transformative year for First Resource Bancorp, defined by exceptional growth, disciplined execution, and record profitability. We delivered a 54% increase in annual net income, strong loan and deposit expansion, and meaningful improvements across key performance metrics. As we celebrate our 20th anniversary, we are thrilled to achieve these outstanding results and are deeply grateful to our shareholders, customers, employees and the communities we serve for their unwavering support."

Highlights for the year ended December 31, 2025, included:

- Net income reached $8.2 million, a 54% increase over the prior year
- Total loans grew 13%
- Total deposits grew 31%
- Noninterest-bearing deposits grew 39%
- Total assets grew 23%
- Total interest income grew 17%
- Net interest income grew 25%
- Return on average equity was 14.99% compared to 10.91% for the prior year
- Return on average assets was 1.17% compared to 0.87% for the prior year
- Book value per share grew 17% to $19.56
- Earnings per share improved 57% to $2.72
- Net interest margin expanded 32 basis points to 3.75%
- Completed an $8 million holding company subordinated debt issuance at a 6.00% rate
- Recognized with numerous distinctions, including being named a "Best Places to Work" company from the Philadelphia Business Journal, several regional "Best Bank" awards, and ranking among the top 100 performing U.S. community banks under $2 billion by American Banker

The company delivered outstanding financial performance in the fourth quarter of 2025, reporting net income totaling $2.3 million, or $0.78 per common share, an increase from $2.3 million, or $0.75 per share, in the previous quarter, and up considerably from $1.0 million, or $0.33 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 1.18% for the fourth quarter of 2025, compared to 0.63% in the fourth quarter of 2024. Similarly, the annualized return on average equity also improved, reaching 15.87%, up from 7.98% year-over-year, underscoring the Bank's continued strength and strategic execution.

Net income for the year ended December 31, 2025, was $8.2 million, or $2.72 per common share, representing a 54% increase from $5.3 million, or $1.73 per common share, in the prior year. For the year ended December 31, 2025, return on average assets was 1.17%, compared to 0.87% in 2024, while the return on average equity for 2025 was 14.99% compared to 10.91% in the prior year.

Total interest income for the fourth quarter of 2025 reached $11.9 million, reflecting a $911 thousand or 8% increase over the prior quarter. This growth was fueled by a 4% increase in loans during the fourth quarter, despite a small overall decrease in loan yields.

Total interest income increased by $2.3 million, marking a 23% increase from $9.7 million in the fourth quarter of 2024 to $11.9 million in the corresponding period of 2025. This growth was driven by a 13% year-over-year expansion in loans, complemented by an overall increase in loan yields.

Total interest income grew $6.4 million, or 17%, from $36.5 million for the year ended December 31, 2024, to $42.9 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 8% in the fourth 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. Interest expense on borrowings increased by 61%, driven by a $5.1 million increase in average balances of FHLB borrowings and a 26 basis point increase in the cost of FHLB borrowings during the fourth quarter.

Total interest expense increased by 12%, climbing from $4.3 million in the fourth quarter of 2024 to $4.8 million in the fourth quarter of 2025. This increase was primarily attributable to greater volumes of interest-bearing deposits, partially offset by a 35 basis point decrease in the cost of interest-bearing deposits year-over-year. Interest expense on borrowings grew by 38% when compared to the fourth quarter of 2024.

Total interest expense for the year ended December 31, 2025, increased by 9%, to $17.8 million, up from $16.4 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 13 basis point decrease in the cost of money market accounts, a 54 basis point drop in the cost of time deposits, and a 55 basis point decline in the cost of FHLB borrowings.

In the fourth quarter of 2025, net interest income grew by $572 thousand, or 9%, compared to the previous quarter. The net interest margin decreased, falling to 3.77% from 3.87% in the third quarter of 2025. The overall yield on interest-earning assets shrank by 20 basis points, primarily driven by a 61 basis point decrease on short-term investments to 3.87% for the quarter combined with significantly higher volume, and a 2 basis point decrease in loan yields to 6.62% for the quarter. Meanwhile, the cost of interest-bearing deposits declined 11 basis points to 3.14%, primarily due to a 5 basis point drop in the cost of money market accounts and a 9 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 11 basis points for the quarter, from 2.74% to 2.63%.

“Management’s strategy to increase on-balance sheet liquidity during the second half of 2025, combined with substantial core deposit growth in the fourth quarter, contributed to the net interest margin decline quarter over quarter,” noted Ranalli. “The loan to deposit ratio declined from 108.4% at year-end 2024 to 93.5% at the close of 2025 due to our improved liquidity position.”

Net interest income for the year ended December 31, 2025, totaled $25.1 million, reflecting a 25% improvement from $20.2 million for the same period in 2024. This growth was fueled by a $5.6 million, or 16%, increase in loan interest income, a $698 thousand, or 601%, increase in other interest income, a $249 thousand, or 40%, decline in interest expense on borrowings, and a $97 thousand, or 20%, increase in investment interest income, partially offset by a $1.5 million, or 10%, increase in deposit interest expense and a $99 thousand, or 22%, increase in interest expense on subordinated debt. The net interest margin expanded from 3.43% in 2024 to 3.75% in 2025, fueled by a 24 basis point increase in loan yields and a 13 basis point decline in the total cost of deposits.

The provision for credit losses in the fourth quarter of 2025 was $369 thousand, up from $189 thousand in the prior quarter. This increase was primarily due to a $100 thousand charge-off for a commercial loan relationship that was recorded in the fourth quarter of 2025. Year over year, the provision for credit losses decreased $759 thousand from $1.1 million in the fourth quarter of 2024 to $369 thousand in the fourth quarter of 2025. The provision in the fourth quarter of 2024 included the establishment of a $1.0 million specific reserve for a non-accrual commercial loan relationship which was subsequently charged off in the first quarter of 2025.

The provision for credit losses decreased from $1.5 million for the year ended December 31, 2024 to $862 thousand for the year ended December 31, 2025. The provision for 2024 was mainly due to a $1.0 million specific reserve and net charge-offs of $197 thousand. The provision for 2025 was mainly due to reserves on new loan volume and $410 thousand in net charge-offs for which a specific reserve had not previously been established.

As of December 31, 2025, the allowance for credit losses to total loans stood at 0.73%, 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 totaled $731 thousand for one non-accrual loan relationship as of December 31, 2025, compared to $1.3 million as of December 31, 2024. The non-accrual relationship held at year-end 2025 is fully secured by real estate collateral. Non-performing assets to total assets stood at 0.09% as of December 31, 2025, compared to 0.19% as of December 31, 2024.

Non-interest income totaled $337 thousand in the fourth quarter of 2025, representing a 4% decrease from $349 thousand in the previous quarter, and a 17% increase from $289 thousand in the same period of 2024. Notably, swap referral fee income contributed $70 thousand in the fourth quarter of 2025, down from $97 thousand in the third quarter of 2025 and up from $31 thousand in the fourth quarter of 2024. No gains on the sale of SBA loans were recorded in the fourth or third quarter of 2025, compared to an immaterial amount in the fourth quarter of 2024.

Non-interest income for the year ended December 31, 2025, totaled $1.4 million, up from $1.3 million in the same period of 2024. Swap referral fee income was $299 thousand for 2025, compared to $276 thousand for the prior year. Gains on the sale of SBA loans totaled $113 thousand for 2025, compared to $59 thousand in the prior year.

Non-interest expenses increased $324 thousand, or 8%, in the fourth 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 $896 thousand, or 27%, in the fourth 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 2.15% in the fourth quarter of 2025, down from 2.21% in the previous quarter and up from 2.07% in the fourth quarter of the prior year.

Non-interest expenses for the year ended December 31, 2025, were $15.4 million compared to $13.3 million for the same period in the prior year. The increase of $2.1 million, or 16%, 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 $94.6 million, or 15% during the fourth quarter of 2025, rising from $630.8 million as of September 30, 2025, to $725.3 million on December 31, 2025. Non-interest-bearing deposits rose $20.7 million to $120.4 million, up from $99.7 million in the previous quarter. Interest-bearing checking balances increased by $13.4 million, or 24%, to $69.3 million, up from $55.9 million in the prior quarter. Money market deposits grew $69.1 million, rising from $257.5 million at the end of the third quarter of 2025, to $326.6 million by the close of the fourth quarter, while time deposits fell $8.6 million, or 4%, from $217.7 million on September 30, 2025, to $209.1 million on December 31, 2025.

Between December 31, 2024, and December 31, 2025, total deposits grew 31%, driven by increases in all deposit categories. As of December 31, 2025, approximately 80% of total deposits were insured or otherwise collateralized, down from 82% in the prior quarter.

“Deposits saw significant expansion during the fourth quarter of 2025,” stated Ranalli. “This growth was primarily organic, driven by targeted strategic initiatives. While we anticipate a portion of these deposits may be temporary, we remain confident that the momentum we’ve established positions us for continued, sustainable deposit growth moving forward.”

The loan portfolio expanded by $23.1 million, representing a 4% increase, from $655.3 million on September 30, 2025, to $678.5 million on December 31, 2025, driven by strong growth in the commercial real estate and commercial construction categories. Total loans grew $80.0 million, or 13% in 2025, demonstrating our continued strength as a trusted resource to local businesses.

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

	Dec. 31, 2025	Dec. 31, 2024
Commercial real estate	$ 525,443,319	$ 480,933,654
Commercial construction	68,110,339	39,760,197
Commercial business	66,353,744	59,862,802
Consumer	18,548,853	17,907,914
Total loans	$ 678,456,255	$ 598,464,567

Investment securities totaled $27.6 million on December 31, 2025, compared to $19.1 million on September 30, 2025. The 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 $682 thousand, compared to an unrealized loss of $677 thousand as of September 30, 2025. After tax, this loss amounts to $539 thousand, representing approximately 0.9% of total equity as of December 31, 2025. The remainder of the investment portfolio was classified as available-for-sale, with a book value of $19.3 million and a fair value of $18.5 million, resulting in an unrealized loss of $798 thousand, compared to $808 thousand as of September 30, 2025. This unrealized loss, net of tax, totals $631 thousand and is reflected in accumulated other comprehensive loss on the balance sheet.

Total stockholders' equity increased by $2.4 million, or 4%, rising from $56.4 million on September 30, 2025, to $58.8 million on December 31, 2025, largely driven by net income. During the quarter ended December 31, 2025, book value increased by 77 cents, or 4%, reaching $19.56 per share. Total stockholders' equity increased $8.5 million, or 17%, from $50.3 million at December 31, 2024, to $58.8 million at December 31, 2025, primarily due to net income generated. Book value per share rose by $2.83, representing a 17% increase from $16.73 at year-end 2024 to $19.56 at year-end 2025.

Selected Financial Data:

Consolidated Balance Sheets (unaudited)

	December 31, 2025	December 31, 2024
Cash and due from banks	$ 90,422,400	$ 17,837,920
Time deposits at other banks	100,000	100,000
Investments	27,634,611	26,611,867
Loans receivable	678,456,255	598,464,567
Allowance for credit losses	(4,977,305)	(5,574,679)
Premises & equipment	7,360,342	7,551,410
Other assets	18,359,879	18,593,449
Total assets	$ 817,356,182	$ 663,584,534
Noninterest-bearing deposits	$ 120,359,227	$ 86,581,276
Interest-bearing checking	69,271,915	40,119,102
Money market	326,603,007	239,828,130
Time deposits	209,098,258	185,697,340
Total deposits	725,332,407	552,225,848
Short term borrowings	-	40,000,000
Long term borrowings	16,012,000	6,250,000
Subordinated debt	10,466,463	8,473,216
Other liabilities	6,777,883	6,341,010
Total liabilities	758,588,753	613,290,074
Common stock	3,100,773	3,100,773
Additional paid-in capital	19,863,401	19,852,352
Treasury stock	(1,346,793)	(1,316,876)
Accumulated other comprehensive loss	(630,812)	(964,821)
Retained earnings	37,780,860	29,623,032
Total stockholders’ equity	58,767,429	50,294,460
Total liabilities & stockholders’ equity	$ 817,356,182	$ 663,584,534

Performance Statistics
(unaudited)

	Qtr Ended Dec. 31, 2025	Qtr Ended Sep. 30, 2025	Qtr Ended Jun. 30, 2025	Qtr Ended Mar. 31, 2025	Qtr Ended Dec. 31, 2024
Net interest margin	3.77%	3.87%	3.72%	3.60%	3.50%
Nonperforming loans/ total loans	0.11%	0.00%	0.03%	0.04%	0.21%
Nonperforming assets/ total assets	0.09%	0.00%	0.03%	0.04%	0.19%
Allowance for credit losses/ total loans	0.73%	0.72%	0.76%	0.77%	0.93%
Average loans/average assets	86.0%	92.2%	93.3%	93.0%	93.2%
Non-interest expenses*/ average assets	2.15%	2.21%	2.29%	2.25%	2.07%
Efficiency ratio	56.2%	56.1%	60.0%	61.0%	58.3%
Earnings per share – basic and diluted	$0.78	$0.75	$0.63	$0.56	$0.33
Book value per share	$19.56	$18.79	$18.00	$17.34	$16.73
Total shares outstanding	3,004,527	3,002,485	3,000,028	2,998,977	3,006,039
Weighted average shares outstanding	3,003,726	3,001,454	2,999,200	3,003,194	3,005,408

* Annualized

	Year Ended Dec. 31, 2025	Year Ended Dec. 31, 2024
Net interest margin	3.75%	3.43%
Return on average assets	1.17%	0.87%
Return on average equity	14.99%	10.91%
Earnings per share-basic and diluted	$2.72	$1.73
Efficiency ratio	58.2%	62.2%

Consolidated Income Statements (unaudited)

	Qtr. Ended Dec. 31, 2025	Qtr. Ended Sep. 30, 2025	Qtr. Ended Jun. 30, 2025	Qtr. Ended Mar. 31, 2025	Qtr. Ended Dec. 31, 2024
INTEREST INCOME					
Loans, including fees	$11,098,085	$10,719,087	$10,126,623	$9,583,093	$9,512,689
Securities	206,991	136,606	118,920	116,372	115,291
Other	599,764	138,292	28,289	47,421	24,256
Total interest income	11,904,840	10,993,985	10,273,832	9,746,886	9,652,236
INTEREST EXPENSE					
Deposits	4,520,311	4,231,636	4,111,978	4,002,995	4,057,530
Borrowings	125,620	77,963	85,822	77,303	90,767
Subordinated debt	137,058	134,682	134,681	134,682	134,681
Total interest expense	4,782,989	4,444,281	4,332,481	4,214,980	4,282,978
Net interest income	7,121,851	6,549,704	5,941,351	5,531,906	5,369,258
Provision for credit losses	368,729	189,087	130,416	174,097	1,127,547
Net interest income after provision for credit losses	6,753,122	6,360,617	5,810,935	5,357,809	4,241,711
NON-INTEREST INCOME					
Service charges and other fees	116,476	107,182	97,887	109,360	114,958
BOLI income	69,075	68,585	66,998	65,850	66,248
Gain on sale of SBA loans	-	-	26,326	86,860	(367)
Swap referral fee income	69,890	96,813	107,925	24,201	31,030
Other	81,363	76,913	73,275	62,843	77,225
Total non-interest income	336,804	349,493	372,411	349,114	289,094
NON-INTEREST EXPENSE					
Salaries & benefits	2,635,943	2,370,422	2,253,069	2,127,037	1,948,007
Occupancy & equipment	313,743	316,684	318,631	334,698	336,629
Professional fees	137,279	143,108	192,378	150,176	109,819
Advertising	87,011	104,356	113,923	108,721	77,809
Data processing	240,384	213,565	207,430	204,492	201,671
Other	780,864	722,935	705,961	664,334	625,603
Total non-interest expense	4,195,224	3,871,070	3,791,392	3,589,458	3,299,538
Income before federal income tax expense	2,894,702	2,839,040	2,391,954	2,117,465	1,231,267
Federal income tax expense	585,391	580,874	488,827	430,241	223,486
Net income	$ 2,309,311	$ 2,258,166	$ 1,903,127	$1,687,224	$1,007,781

Income Statements (unaudited)

	Year Ended Dec. 31, 2025	Year Ended Dec. 31, 2024
INTEREST INCOME		
Loans, including fees	$ 41,526,888	$ 35,947,381
Securities	578,889	481,764
Other	813,766	116,090
Total interest income	42,919,543	36,545,235
INTEREST EXPENSE		
Deposits	16,866,920	15,323,408
Borrowings	366,708	615,421
Subordinated debt	541,103	441,758
Total interest expense	17,774,731	16,380,587
Net interest income	25,144,812	20,164,648
Provision for credit losses	862,329	1,450,788
Net interest income after provision for credit losses	24,282,483	18,713,860
NON-INTEREST INCOME		
Service charges and other fees	430,905	414,682
BOLI income	270,508	243,017
Gain on sale of SBA loans	113,186	58,929
Swap referral fee income	298,829	275,550
Other	294,394	269,802
Total non-interest income	1,407,822	1,261,980
NON-INTEREST EXPENSE		
Salaries & benefits	9,386,471	7,937,802
Occupancy & equipment	1,283,756	1,357,020
Professional fees	622,941	506,816
Advertising	414,011	317,447
Data processing	865,871	748,042
Other	2,874,094	2,469,708
Total non-interest expense	15,447,144	13,336,835
Income before federal income tax expense	10,243,161	6,639,005
Federal income tax expense	2,085,333	1,328,780
Net income	$ 8,157,828	$ 5,310,225

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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.