



Q4 2024 Earnings Release Supplement

January 23, 2025

Legal Disclaimer

Forward Looking Statements

This presentation contains forward-looking statements that are subject to risks and uncertainties that could cause the company's actual results to differ materially from those anticipated. These forward-looking statements include, but are not limited to, statements regarding the company's anticipated growth rates, performance and profitability. Forward-looking statements may be identified by use of words such as "expect," "anticipate," "intend," "will," "may," and similar expressions. Many factors may cause our actual results to differ from those forecast in these forward-looking statements, including those listed under Item 1A – Risk Factors in our Annual Report on Form 10-K for the period ending December 31, 2023, our ability to successfully implement our growth strategy, the integration of acquired businesses and recognition of operational efficiencies, general economic trends, inflation, the direction and timing of changes in interest rates, the cost and availability of funds, changes in laws or regulatory policies, our ability to attract and retain customers in a new market, our ability to integrate new technology into operations, and many other factors, many of which are completely out of our control. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise. Accordingly, you should not place undue reliance on any such forward-looking statements. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that First Bank or persons acting on First Bank's behalf may issue.

Non-GAAP Financial Information

This presentation contains financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). These non-GAAP measures include tangible book value per share and return on average tangible equity and adjusted measures, which exclude the effects of certain merger-related expenses and other one-time gains or expenses. Management uses these "non-GAAP" measures in its analysis of the company's performance. Management believes these non-GAAP financial measures allow for better comparability of period to period operating performance. Additionally, the company believes this information is utilized by regulators and market analysts to evaluate a company's financial condition and therefore, such information is useful to investors. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. A reconciliation of the non-GAAP measures used in this presentation to the most directly comparable GAAP measures is provided in the Appendix to this presentation.

Investment Considerations

- **Clean, well-positioned balance sheet**
 - Small bond portfolio and short-duration loan portfolio – limited interest rate risk
 - Strong asset quality profile – low levels of non-performing loans, delinquencies, and charge offs
 - Adequate capital and ample returns to fund organic growth, dividends and share buybacks
- **Strong earnings profile**
 - Top quartile ROA and ROTCE
 - Best in class efficiency and ability to succeed in challenging rate environment
- **Recent investments create diversification benefits and future financial upside**
 - Private Equity, Small Business, and ABL units getting close to scale; will help to grow C&I lending and reduce CRE exposure
- **Board and management team that thinks like owners**
 - Experienced team that has significant ownership stake and shareholder mindset
 - Comprehensive, 360-degree M&A strategy
 - Employee incentives aligned with shareholders - risk management is an integral part of the strategy
- **Attractive entry point**
 - Highlighted as a top investment idea by multiple investment bank research groups
 - Trade below nationwide peers

First Bank Q4 2024 Snapshot



- We operate 26 full-service branches from the Philadelphia suburbs to New York
- We serve wealthy and densely populated markets that are home to over 3 million small businesses
- Investment grade credit ratings from Kroll Bond Rating Agency

ROAA	1.10% ¹
ROAE	10.27% ¹
ROATE	11.82% ²
Net Income	\$10.5 million
BV per share	\$16.30
Tangible BV per share	\$14.19 ²
Diluted EPS	\$0.41
NIM	3.54% ^{1,3}
CET 1 Ratio	9.70%

Our Evolution: From small community bank to middle market commercial bank



2008-2012

Start-up mode

- Traditional community bank model
- Reconnected with banking network
- Established solid foundation
- Strong loan growth



2013-2018

Quest for improved scale

- Maintained traditional community banking model
- Geographic expansion
- Disciplined M&A



2019-2022

Focused on deposits and profitability

- Top quartile financial performance
- Poised for next evolutionary step
- Improved treasury management
- Moderate loan growth yielded high quality assets with low funding costs



2023 and Beyond

Evolution into Middle Market Commercial Bank

- Continue with commercial focus
- Expand our middle-market commercial banking capabilities
- Improved digital banking capabilities
- Expanded Treasury Management products and services

A Business Model and Core Values That Generate Results



Core Community Bank

- Relationship-driven community bank model, with resiliency and value validated during the recent market turbulence
- Highly experienced and invested leadership team
- Ideal geographic location in the densely populated, high-wealth New York to Philadelphia corridor



Specialized Business Units

- Private Equity Fund Banking
- Asset- Based Lending
- Small-Business and Government Banking



Strategic M&A

- Disciplined and successful acquisition strategy – ability to successfully integrate while growing EPS and TBVS
- Earnings benefits from economies of scale and cost savings



Strong Performance¹

- Top quartile results: ROAA, ROTCE, Efficiency ratio
- Better than peer average performance in other key areas: NPAs/Assets and noninterest expenses/ average assets
- The Malvern acquisition and subsequent balance sheet repositioning have improved our profitability profile

Core Values

Customer Focused

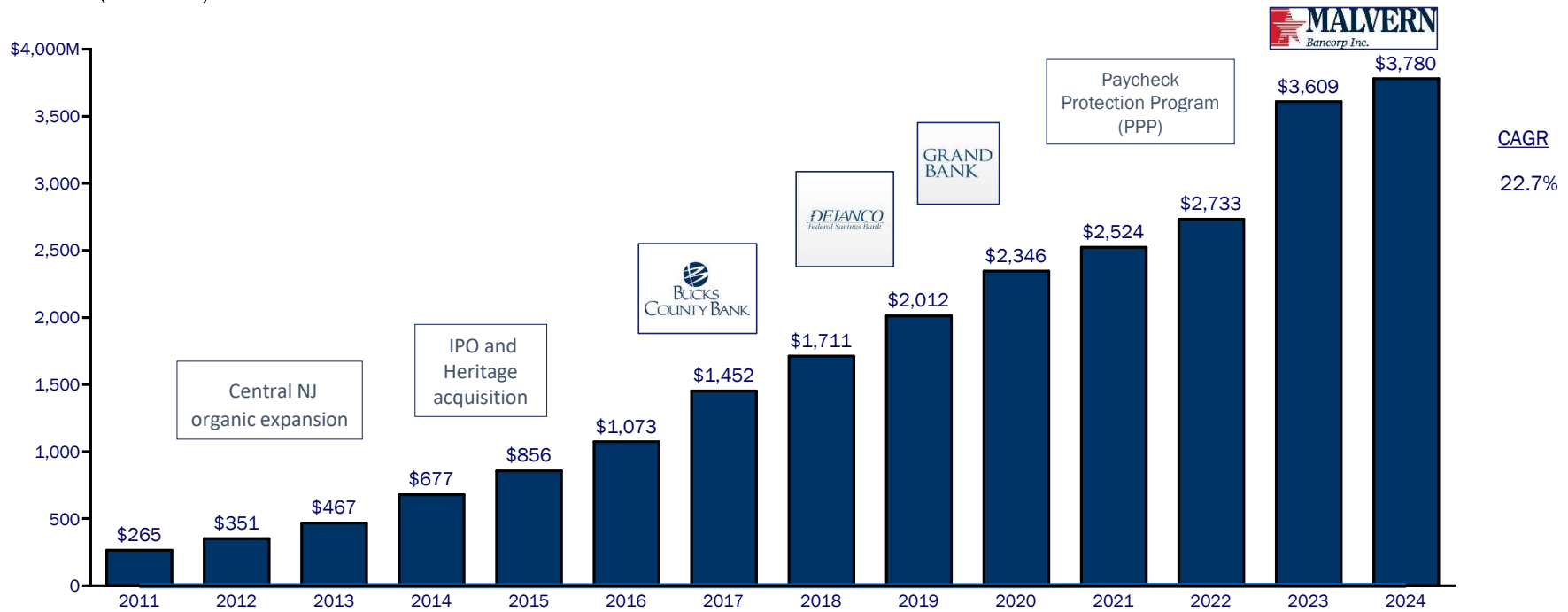
Integrity

Outcome Orientation

1. Peer comparisons based on 25 NJ and PA public banks under \$10B in assets S&P Capital IQ Pro data. Data is as 9/30/24 or YTD annualized as of 9/30/24.

Track Record of Profitable Organic Growth and Accretive M&A

Total Assets (in millions)



Employees (1)	44	48	59	94	99	108	150	186	216	204	217	238	286	318
Net Income (2)	\$2,103	\$2,588	\$1,708	\$5,836	\$3,887	\$6,406	\$6,993	\$17,589	\$13,445	\$19,448	\$35,429	\$36,287	\$36,193	\$42,244
Diluted EPS (2)	\$0.54	\$0.63	\$0.33	\$0.63	\$0.41	\$0.61	\$0.48	\$0.95	\$0.69	\$0.97	\$1.79	\$1.84	\$1.64	\$1.67

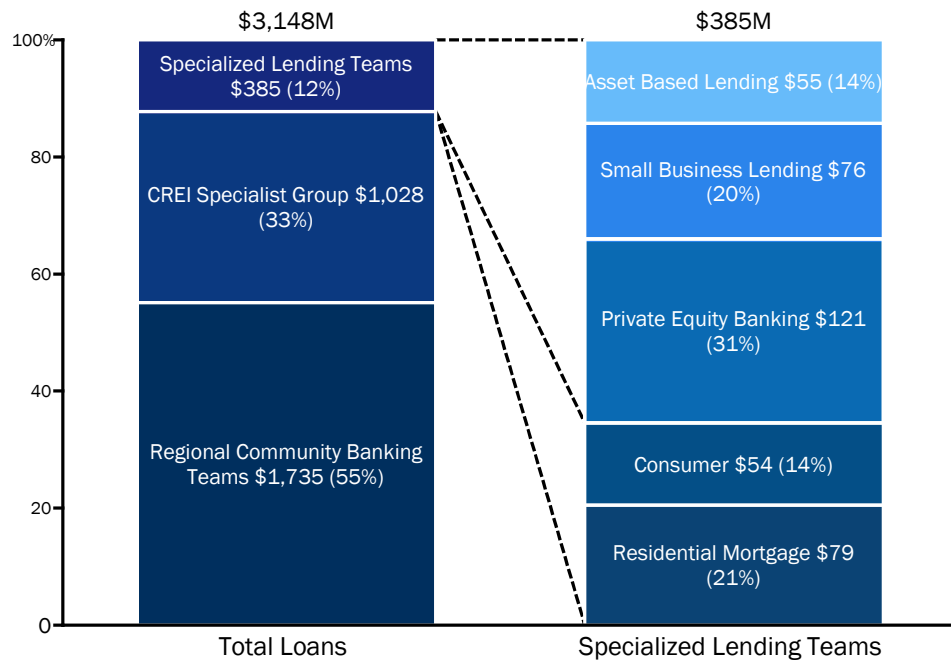
(1) Employees shown as full-time equivalents (FTEs).

(2) 2023 Net income and Diluted EPS are adjusted. These adjusted numbers are non-GAAP financial measures that we believe provides management and investors with information that is useful in understanding our financial performance and condition. See accompanying table, "Non-GAAP Financial Measures," for calculation and reconciliation.

Disciplined M&A Strategy Has Driven Growth and Franchise Value

	Heritage Community Bank	 BUCKS COUNTY BANK	 DEIANCO <i>Federal Savings Bank</i>	GRAND BANK	 MALVERN BANK
Date Closed	3/7/2014	9/15/2017	4/30/2018	9/30/2019	7/17/2023
Assets Acquired (\$000)	\$132,297	\$196,015	\$118,117	\$190,189	\$953,826
Branches Acquired	3	4	2	2	8
Primary Market Location	Morris County, NJ	Bucks County, PA	Burlington County, NJ	Mercer County, NJ	Southeastern PA

Our Specialized Business Units Continue to Diversify Our Loan Mix



Small Business Lending

- Since 2018, First Bank has originated over \$100 million in Small Business Express Loans to local businesses while maintaining a Bauer Financial 5-Star Rating
- We are a “preferred lender” with the Small Business Administration (SBA) which allows for quicker turn-around on SBA loan decisions



Private Equity Banking

- Resources and solutions for private equity funds and the portfolio companies within these funds.
- Financing and comprehensive cash management products and deposit accounts

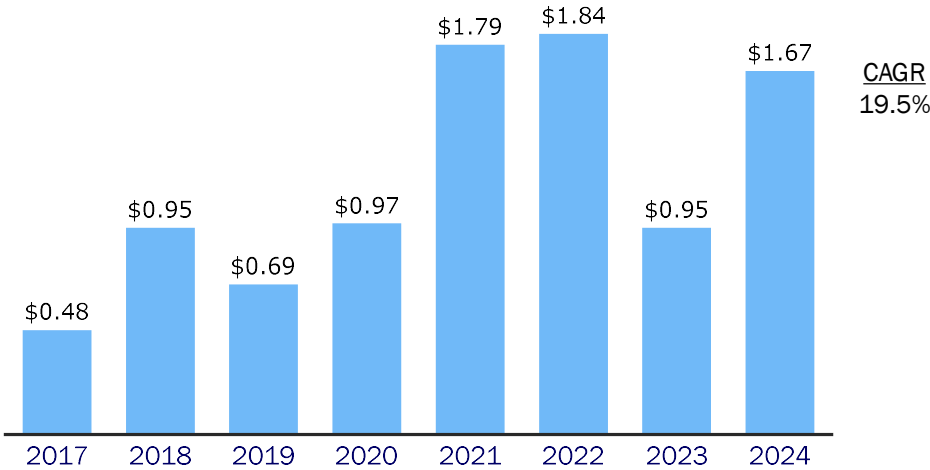


Asset Based Lending

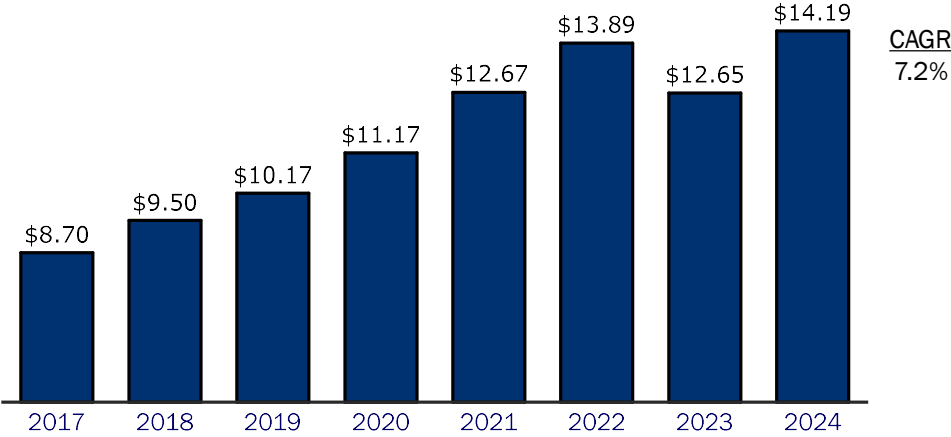
- ABL loans are typically higher-yielding, with comprehensive collateralization that supports our commitment to maintaining strong asset quality
- Flexible asset-based solutions provided for: inventory, receivables financing; capital investments and improvements; seasonal, cyclical, and concentrations needs; recapitalizations; funding growth and acquisitions; funding of equipment and real estate

Improved Earnings Drove EPS and TBV Expansion During 2024

Earnings Per Share



Tangible Book Value Per Share

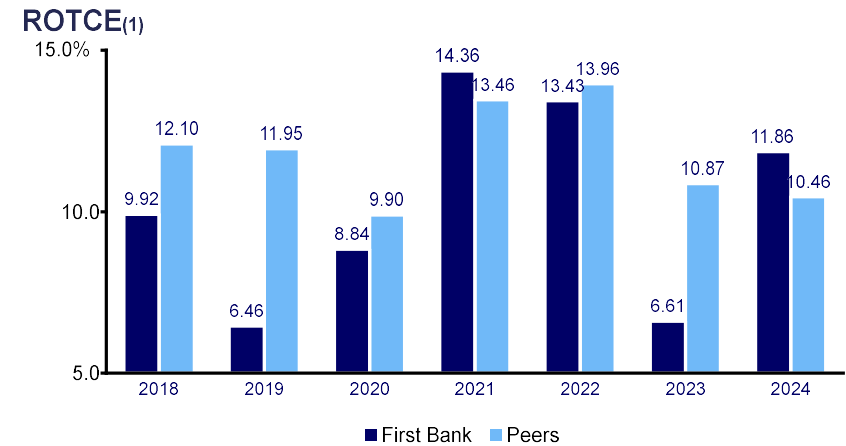
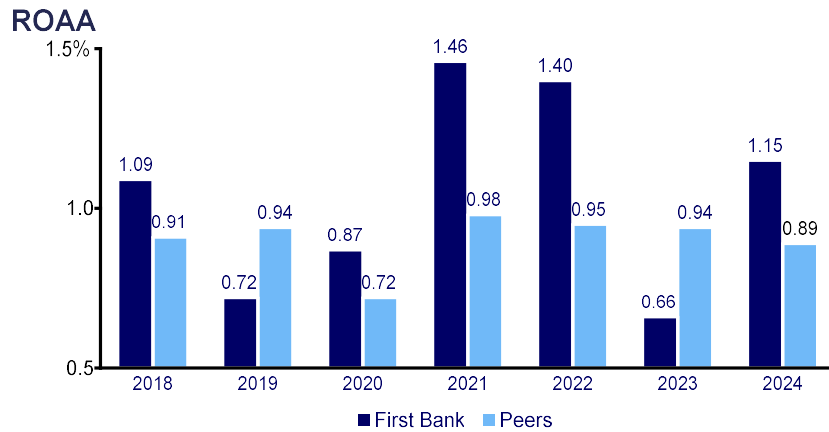


EPS are diluted earnings per share. Annualized adjusted diluted EPS would have been \$1.64 in 2023. Adjusted EPS is a non-GAAP financial measure that we believe provides management and investors with information that is useful in understanding our financial performance and condition. See accompanying table, "Non-GAAP Financial Measures," for calculation and reconciliation.

Tangible book value per share is a non-GAAP financial measure that we believe provides management and investors with information that is useful in understanding our financial performance and condition. See accompanying table, "Non-GAAP Financial Measures," for calculation and reconciliation.



Strong Financial Performance Compared to Peers



Performance Highlights

- ROAA that outperformed our peers in 5 of the last 7 years including 2024
- First Bank results were impacted by merger-related expenses in both years in which peers outperformed

Drivers of Performance

- Exceptional expense management
- Superior net interest margin
- Consistently low credit costs
- 2023 results impacted by Malvern acquisition costs

*Peer banks include public NJ and PA public banks under \$10 Billion in assets, source S&P Capital IQ Pro. Peer banks 2024 data is the median YTD annualized as of 9/30/24.

1. ROTCE is a non-GAAP measure.

First Bank Has an Impressive Branch Franchise and Opportunities to Expand in Some of the Country's Most Attractive Banking Markets

	Deposits 12/31/2024	County
Northern New Jersey		
Denville	160,440,743	Morris
Fairfield	79,682,977	Essex
Morristown	127,157,240	Morris
Randolph	100,456,574	Morris
Somerset	250,715,052	Somerset
Central New Jersey		
Ewing	105,987,638	Mercer
Flemington	182,033,341	Hunterdon
Hamilton	340,080,094	Mercer
Lawrenceville	265,074,118	Mercer
Monroe	106,148,976	Middlesex
Pennington	51,872,615	Mercer
Trenton*	4,795,627	Mercer
Southern New Jersey		
Cinnaminson	71,337,088	Burlington
Delanco	81,629,351	Burlington
Williamstown	113,142,775	Gloucester
Pennsylvania		
Coventry	44,487,646	Chester
Devon	77,031,401	Chester
Doylestown	56,972,664	Bucks
Lionville	80,220,526	Chester
Malvern	58,457,399	Chester
Media*	25,980,387	Delaware
Paoli	88,734,668	Chester
Trevose	61,317,556	Bucks
Warminster	37,219,706	Bucks
West Chester	116,419,250	Chester
Florida		
Palm Beach	9,439,374	Palm Beach

* De Novo location.

Deposits totals in the table above do not include deposits maintained in our on-line and internal administrative branches.

➔ **Wealthy, densely populated markets in the New York – Philadelphia corridor.**

➔ **Tremendous opportunities for growth in every market we serve.**

➔ **One of the most attractive markets for small businesses in the country.**

➔ **Our footprint gives us the potential to reach over 5 million new customers.**

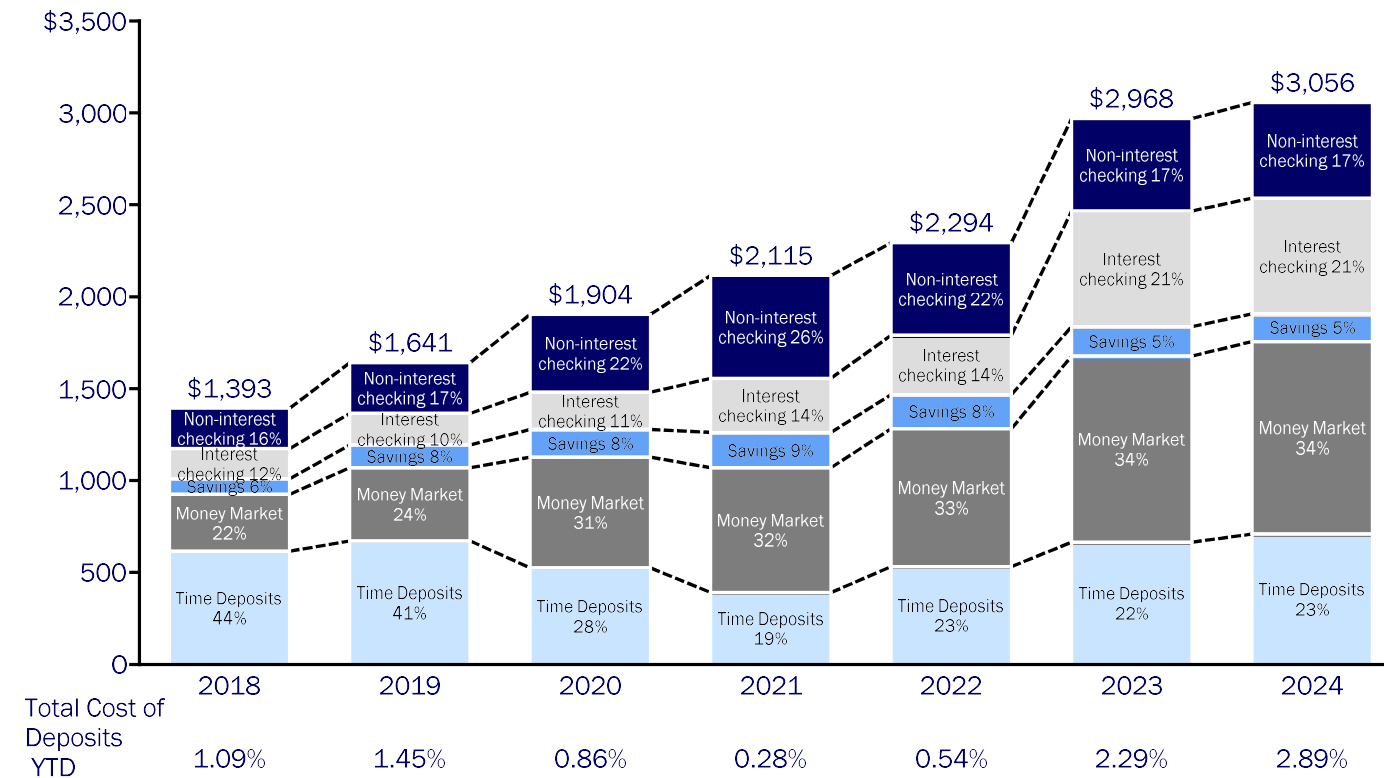
	County	Market Rank	Branches	Deposits in Market (\$000)	Deposit Market Share (%)	Market Population (Actual)	Median HHI (\$)
NJ	Mercer	6	4	1,107,906	5.38	381,870	98,025
	Morris	17	3	349,982	1.27	518,793	136,627
	Somerset	12	1	232,735	1.32	351,557	137,931
	Hunterdon	8	2	188,566	3.13	130,941	146,648
	Burlington	13	2	147,009	1.07	473,928	103,385
	Middlesex	29	1	103,880	0.21	866,972	106,408
	Gloucester	14	1	90,638	1.05	311,766	99,890
	Essex	28	1	77,810	0.27	850,910	77,978
PA	Chester	12	6	468,598	2.82	557,019	122,404
	Bucks	23	3	159,595	0.63	647,007	110,468
	Delaware	21	1	34,023	0.22	578,207	86,402
FL	Palm Beach	47	1	6,892	0.01	1,555,331	83,321

Deposit market share and market branch data in the table above as of 6/30/24. Data sources are Claritas & S&P Global Market Intelligence.



Growing Core Deposits

Total Deposits by product (\$ in millions)



CAGR
14.0%

- Deposit initiatives are at the forefront of our growth strategy. Our sales teams remain focused on core deposit generation
- Deposits increased \$88 million during 2024 as we focused on building new deposit relationships and optimizing the existing portfolio
- The percentage of our non-interest bearing deposits to total deposits remained stable in 2024

Certain percentage totals may not total 100% due to rounding.

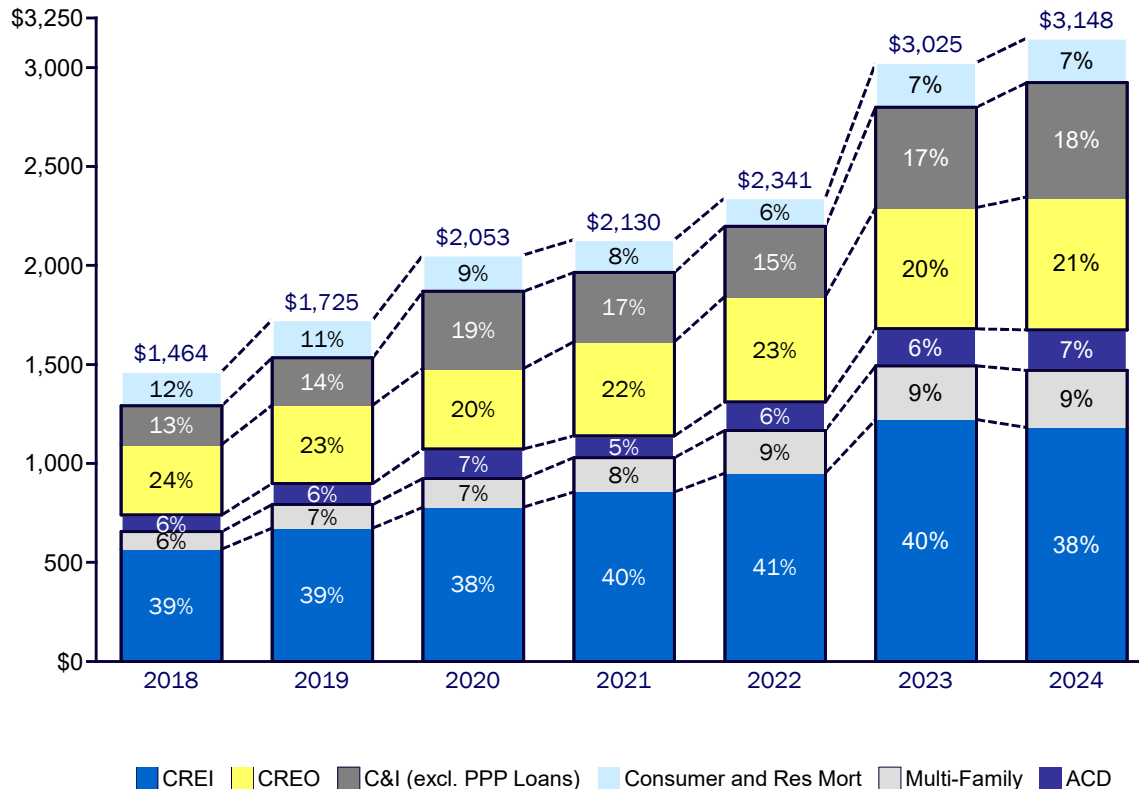
First Bank Has Stable and Relationship Driven Core Deposit Base

Average Deposit Account Size by Customer Type As of December 31, 2024

- Our commercial accounts have an average balance of \$63,000
- Our consumer accounts have an average balance of \$28,000
- Our government banking accounts have an average balance of \$1.4 million

Our Portfolio Is Well Diversified Across Key Commercial Categories

Loan Portfolio Composition
(in Millions)

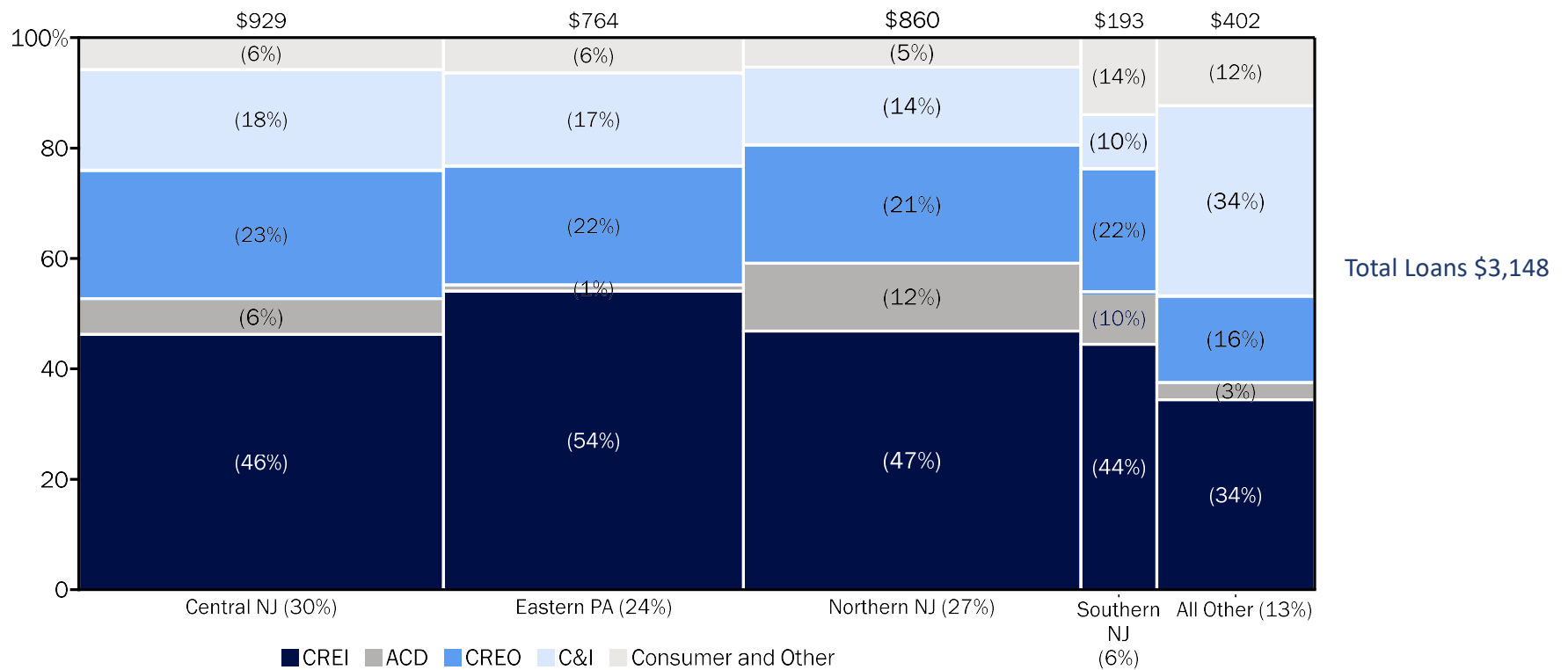


- Grew C&I loans to further diversify the loan portfolio, which created new deposit growth channels
- Continued to build out enterprise risk management function, including enhanced stress testing capabilities
- Adhering to our tried-and-true lending model resulted in steady and stable growth

Certain percentage totals may not total 100% due to rounding.

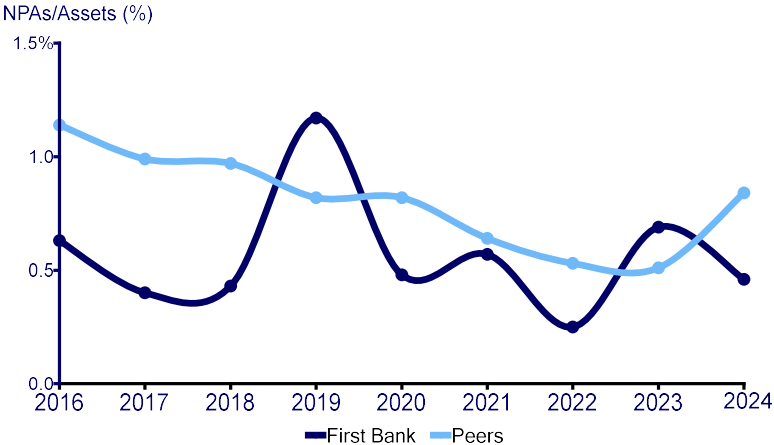
Balanced Geographic Diversification Within Our Footprint

Total Loans by Geography As of December 31, 2024 (\$ in Millions)

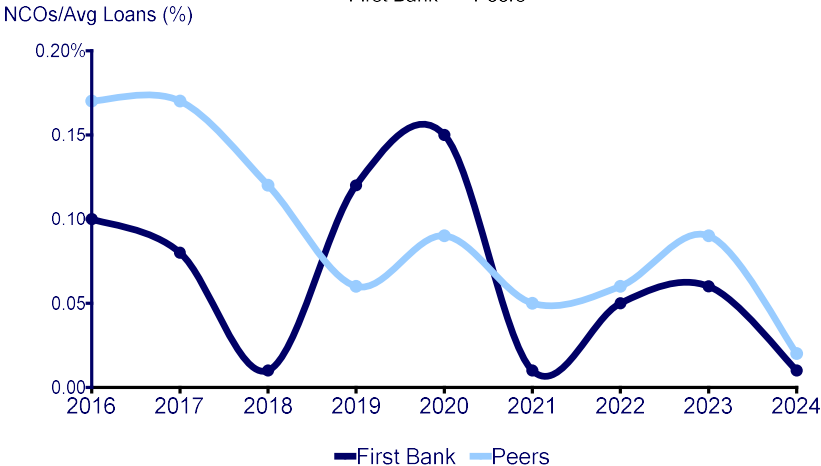


*CREI includes multi-family. Consumer and other includes residential, consumer and all other loans. Geographic diversification is based on the location of the collateral. Certain percentage totals may not total 100% due to rounding.

Strong Credit Quality Despite Acquired NPA Loans



- Conservative underwriting continues to result in pristine credit quality
- Minimal exposure to highest risk industries
- Strong portfolio management that identifies early warning indicators and proactively engages the loan workout group early in the credit review process



Credit Quality Highlights

- NPAs/Assets that have been below our peers in 7 of the last 9 years including 2024
- NCOs/Average Loans that have been below our peers in 7 of the last 9 years including 2024



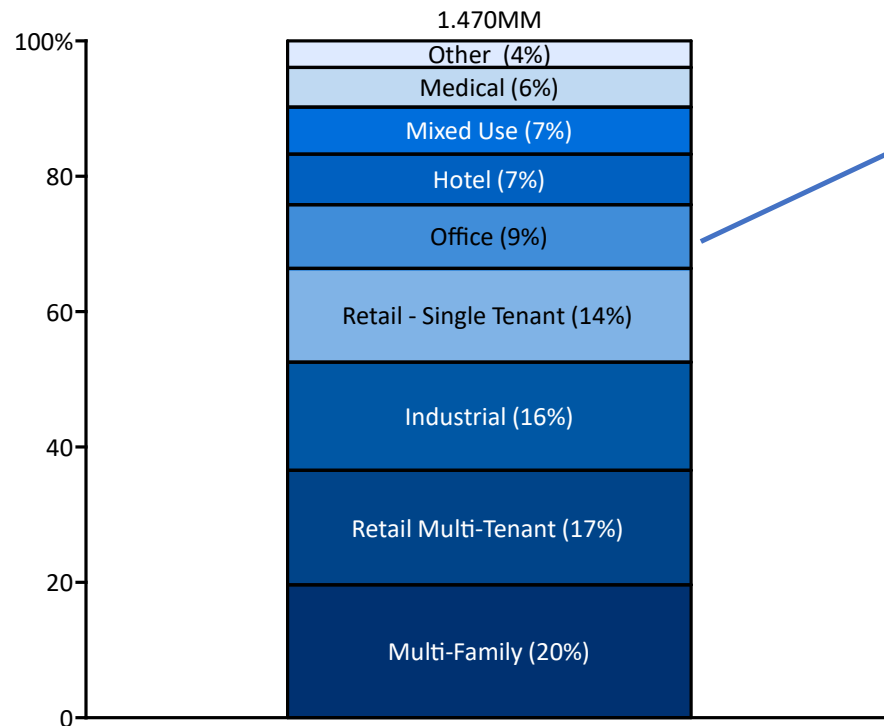
*Peers include public NJ and PA banks under \$10B in assets, source S&P Capital IQ Pro. NCOs for 2024 exclude a \$5.5 million PCD loan charge-off which was reserved for through purchase accounting marks at the time of the Malvern acquisition. Peer banks 2024 data is the median YTD annualized as of 9/30/24.

We Are Also Well Diversified Across Industry Segments

Business (C&I and CREO) Loan Segments	\$ in millions
Real Estate, Rental and Leasing	194
Manufacturing	152
Accomodations and Food Services	112
Retail Trade	106
Wholesale Trade	91
Other Services, Except Public Admin	86
Transportation and Warehousing	76
Construction	73
Professional, Scientific, Tech	64
Arts, Entertainment, and Recreation	56
Finance and Insurance	54
Healthcare	51
Administrative and Support	47
Educational Services	40
All other Sectors	16
Agriculture, Forestry, Fishing and Hunting	15
Information	11
Public Administration	4
Management of Companies	3
Mining	3
Total	\$1,254

- C&I and CREO loans represent 40% of total loans
- Business loan breakdown is 54% CREO vs. 46% C&I
- C&I includes working capital lines of credit, machinery and equipment loans, acquisition financing, commercial mortgages, among others
- Real Estate, Rental and Leasing includes companies engaged in renting real estate and companies engaged in leasing fixed assets (equipment, trailers, etc.)

The Stabilized CREI Portfolio Is Well Diversified - Retail, Multi-Family and Industrial Comprise the Largest Segments



Office Loans By Region (in millions)	\$ in millions
Eastern PA	81.37
Central New Jersey	43.58
Northern New Jersey	10.79
Southern New Jersey	2.23
All Other Areas	0.81
Total	\$138.78

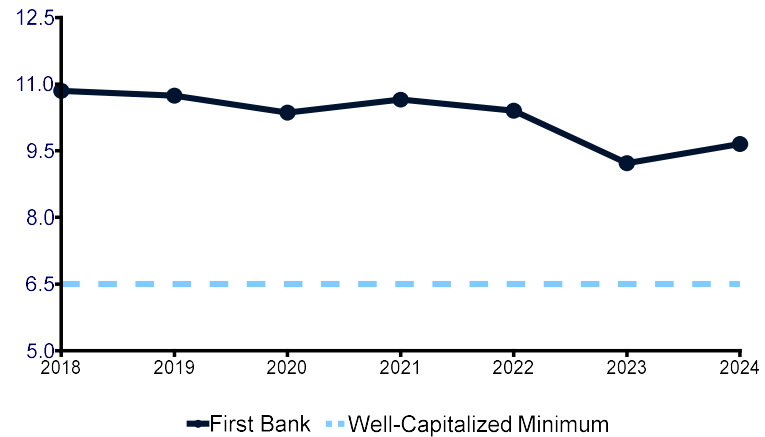
- No direct office exposure in downtown business districts in NYC or Philadelphia
- No NYC rent-controlled multi-family

*Loans as of 12/31/24. "Other" include loans to restaurants (only \$13.7 million in outstanding balances at 12/31/24). Percentage total may not agree to 100% due to rounding.

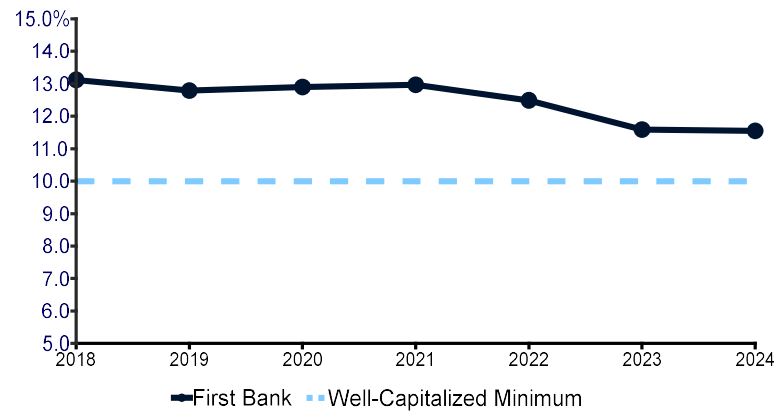
Capital Ratios Remain Above Well-Capitalized Mark as of December 31, 2024

- ▶ We are prudent stewards of our capital and focus on profitable growth that generates proven returns for our shareholders
- ▶ Our capital position allows us to provide strong capital returns to shareholders, resulting in dividends for 32 consecutive quarters
- ▶ Improved earnings profile from Malvern acquisition has helped bolster 2024 capital ratios

CET 1 Capital Ratio



Total Risk-Based Capital Ratio



Ample Available Liquidity

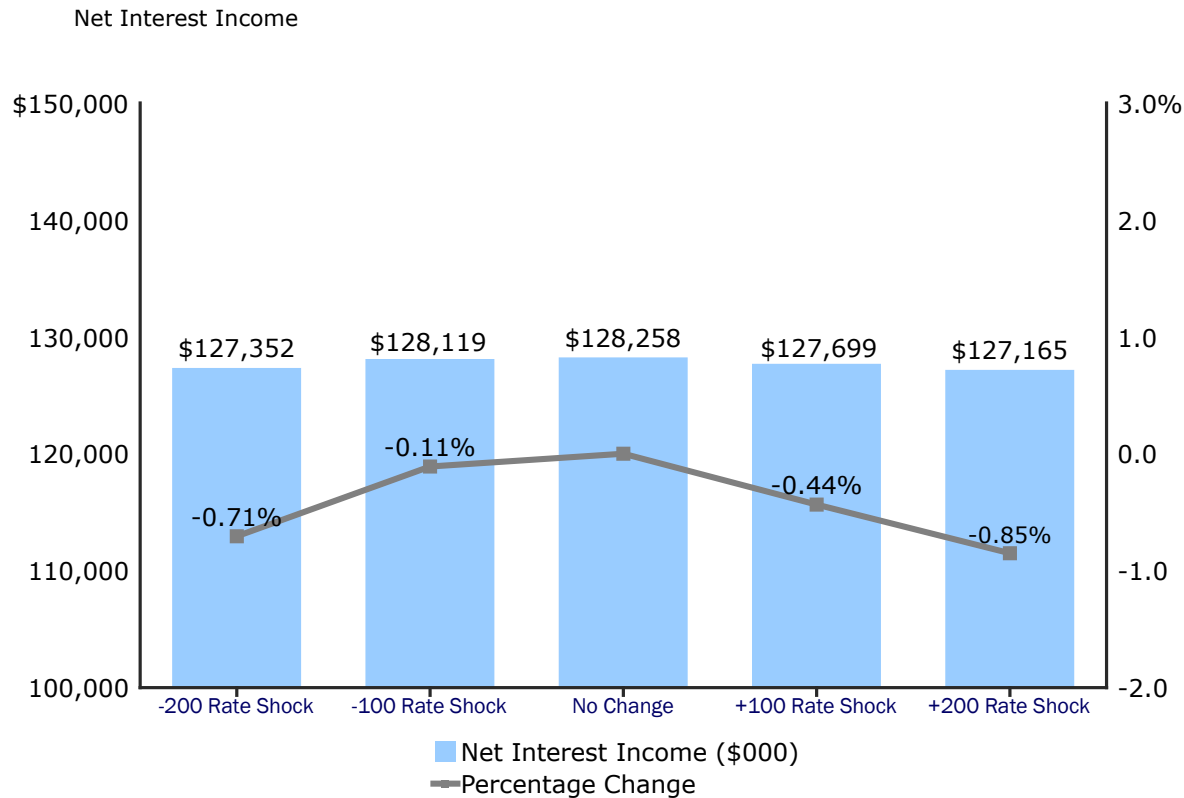
- Rigorous stress testing is performed quarterly and includes both systemic and bank-specific scenarios
- Testing completed at the end of the second quarter of 2024 demonstrates a strong liquidity position with sufficient liquidity in the most severe scenarios
- Malvern acquisition has added balance sheet management flexibility which is assisting in managing margin pressures and providing opportunities for efficiency gains
- Additional commercial loans available to be pledged at the FHLB and FRB if needed to boost available liquidity

Available Liquidity to Uninsured Deposits¹

Cash and cash equivalents ³	\$257,645
Borrowing capacity with FHLBNY	\$234,786
Borrowing capacity with Fed Res	\$40,667
Borrowing capacity with other banks	\$85,000
Unpledged securities (market value)	\$64,190
Available liquidity	\$682,287
Adjusted uninsured deposits ²	\$679,272
Available liquidity/Adjusted uninsured deposits	100.44%

1. In thousands, as of 12/31/2024. 2. Adjusted uninsured deposits are estimated uninsured deposits minus uninsured deposits of states and political subdivisions which are secured or collateralized as required by state law. 3. Cash and cash equivalents exclude restricted cash.

Stable Projected Net Interest Income in Varying Rate Environments



➔ Our net interest income has limited exposure to projected changes in interest rates

The table above sets forth the Company's exposure to interest rate risk as measured by the change in net interest income for the next twelve months with a static balance sheet under various interest rate shocks as of December 31, 2024.

Risk Mitigation is an Important Part of Our Strategy

- Prudent underwriting has limited credit issues and credit metrics remain strong
 - Past due loans have declined
 - Recent third-party loan review rated credit quality and risk assessment as good
- Limited interest rate risk
 - 12/31/24 IRR models show minimal interest rate risk while management has focused on positioning the balance sheet for expected fed rate cuts
- Stable Capital Stress Test Results
 - Under a severely adverse case scenario with a static balance sheet, the Bank maintained capital ratios well above all minimum capital ratios
 - Stress test losses mitigated by limited exposure to highest risk asset classes
 - The Bank's strong core earnings offset credit losses in severely adverse stress scenario, minimizing capital impact

Appendix

Non-GAAP Financial Measures

(Dollars in thousands, except per share amounts)

	<u>12/31/2024</u>		<u>12/31/2024</u>
Tangible Book Value Per Share		Return on Average Tangible Equity	
Stockholders' equity	\$ 409,156	Net income (numerator)	\$ 10,497
Less: Goodwill and other intangible assets, net	52,993	Average stockholders' equity	\$ 406,579
Tangible stockholders' equity (numerator)	<u>\$ 356,163</u>	Less: Average goodwill and other intangible assets, net	53,278
Common shares outstanding (denominator)	25,100,829	Average tangible stockholders' equity (denominator)	<u>\$ 353,301</u>
Tangible book value per share	\$ 14.19	Return on average tangible equity (1)	11.82%
	<u>12/31/2024</u>		<u>12/31/2024</u>
Efficiency Ratio		Return on Tangible Common Equity	
Non-interest expense	\$ 19,124	Net income (numerator)	\$ 42,244
Less: Merger-related expenses	-	Tangible Common Equity	
Adjusted non-interest expense (numerator)	<u>\$ 19,124</u>	Stockholders' equity	\$ 409,156
Net interest income	\$ 31,594	Less: Goodwill and other intangible assets, net	52,993
Non-interest income	2,176	Tangible common equity (denominator)	<u>\$ 356,163</u>
Total revenue	<u>33,770</u>	Return on Tangible Common Equity	11.86%
Add: Losses on sale of investment securities, net	-		
(Subtract) Add: (Gains) losses on sale of loans, net	(38)		
Less: Bank Owned Life Insurance Incentive	(168)		
Adjusted total revenue (denominator)	<u>\$ 33,564</u>		
Efficiency ratio	56.98%		

Non-GAAP Financial Measures

	Year Ended
	12/31/2023
(Dollars in thousands, except per share amounts)	
Adjusted diluted earnings per share, Adjusted return on average assets, and Adjusted return on average equity	
Net income	\$ 20,897
Add: Merger-related expenses ⁽¹⁾	6,358
Add: Credit loss expense on acquired loan portfolio ⁽¹⁾	4,323
Add (subtract): Losses (gains) on sale of loans, net ⁽¹⁾	3,312
Add: Losses on sale of investment securities, net ⁽¹⁾	1,303
Adjusted net income	<u>\$ 36,193</u>
Diluted weighted average common shares outstanding	22,072,616
Average assets	\$ 3,177,571
Average equity	\$ 327,291
Average Tangible Equity	\$ 291,276
Adjusted diluted earnings per share	\$ 1.64
Annualized adjusted diluted earnings per share	\$ 1.64
Adjusted return on average assets	1.14%
Adjusted return on average equity	11.06%
Adjusted return on average tangible equity	12.43%

(1) Tax-effected using a federal income tax rate of 21%