



## Q2 2025 Earnings Release Supplement

July 22, 2025



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## **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

- Limited interest rate risk:
  - Small bond portfolio and short-duration loan portfolio
- Strong asset quality profile:
  - Low levels of non-performing loans and delinquencies
- Enhanced capital through recent subordinated debt offering and ample earnings available to fund organic growth, dividends and share buybacks

## 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

## Strong earnings profile

- Top quartile<sup>1</sup> Net Interest Margin and efficiency ratios
- Best in class efficiency and ability to succeed in challenging rate environment

## Board and management team that thinks like owners

- Experienced team with 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

# First Bank Q2 2025 Snapshot

**\$4.02**

Billion in Assets

**\$3.33**

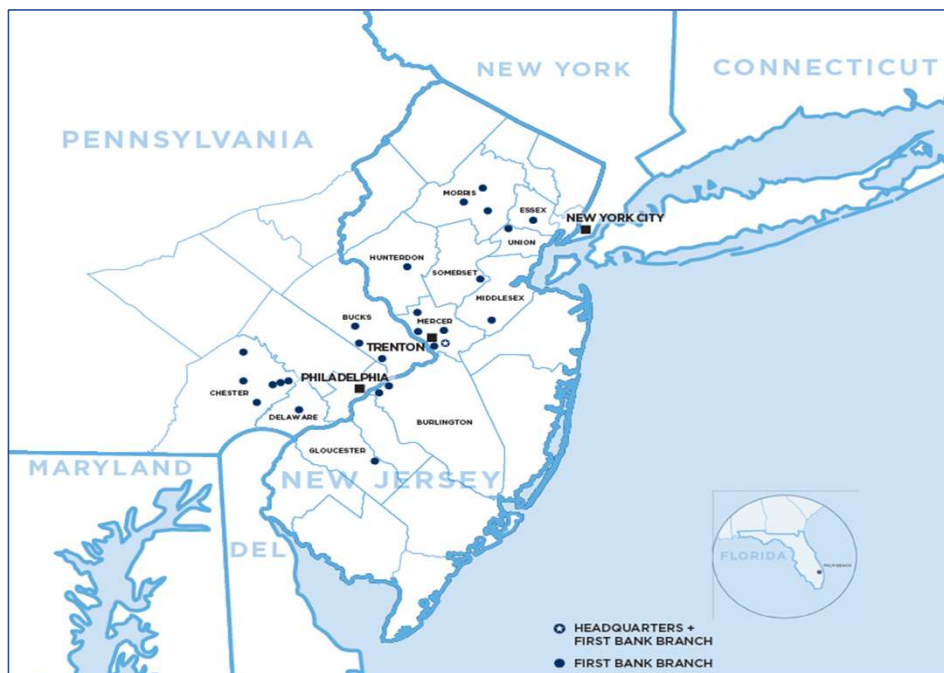
Billion in Loans

**\$3.17**

Billion in Deposits

**27**

Full-service branches  
expanded in Philadelphia  
suburbs to NYC  
metropolitan regions



Serving wealthy and densely populated markets that are  
home to over 3 million small businesses

ROAA	1.04% <sup>1</sup>
ROAE	9.77% <sup>1</sup>
ROATE	11.16% <sup>2</sup>
Net Income	\$10.2 million
BV per share	\$16.96
Tangible BV per share	\$14.87 <sup>2</sup>
Diluted EPS	\$0.41
NIM	3.65% <sup>1,3</sup>
Tier 1 Leverage Ratio	9.42%
Efficiency Ratio	56.24%

## Investment Grade Credit Ratings

Kroll Bond Rating Agency    BBB+

# 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

Continued commercial focus

Expanded 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

Consumer and Residential Lending



## 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 PERFORMANCE<sup>1</sup>

Top quartile results:  
Efficiency ratio  
Net Interest Margin

Better than peer average performance in other key areas:

ROAA, NPAs/Assets,  
Noninterest expense/Average Assets

Profitability profile improvement driven by significant recent growth led by our newer business units

## Core Values

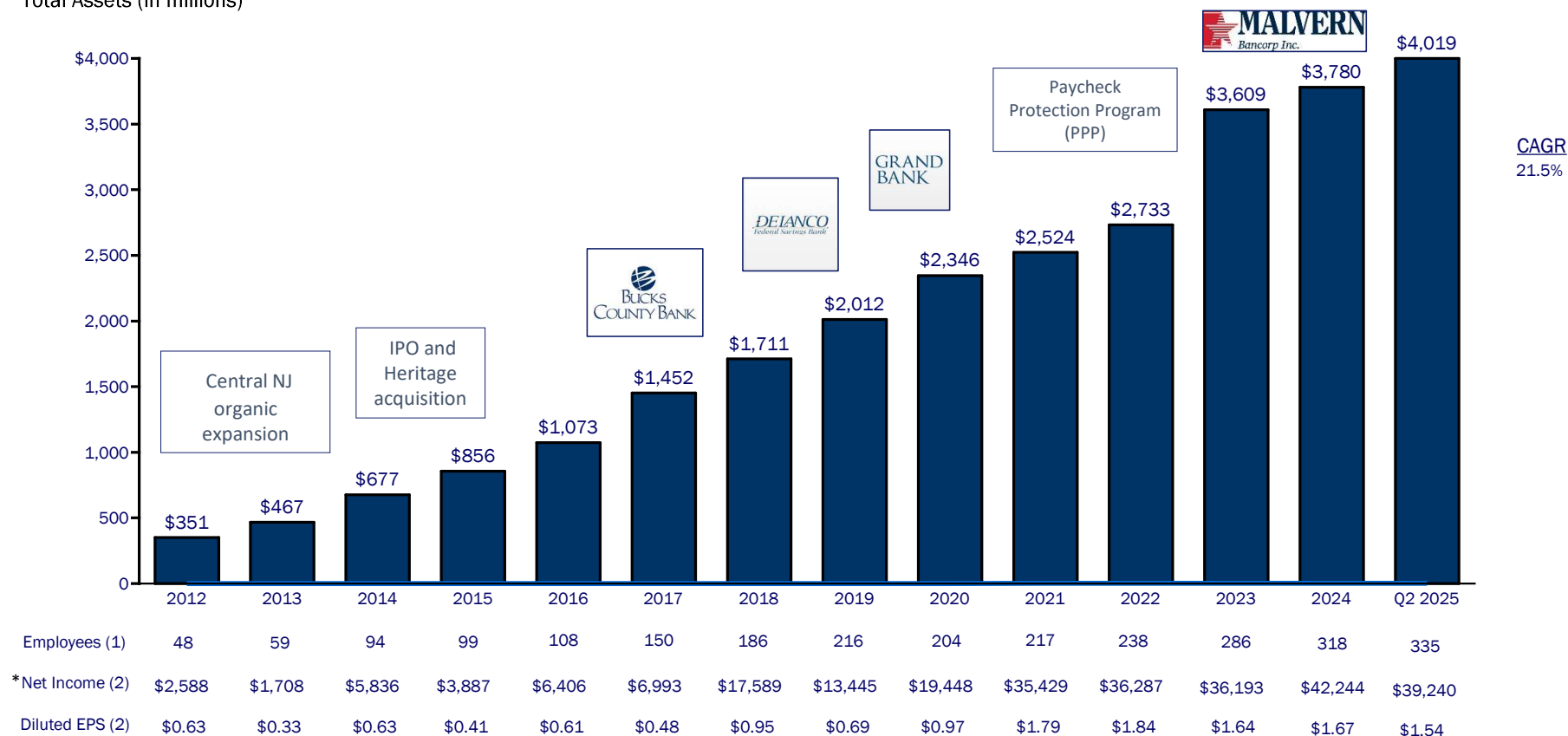
Customer Focused

Integrity

Outcome Orientation

# Track Record of Profitable Organic Growth and Accretive M&A

Total Assets (in millions)







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

(2) Q2 2025 Net Income and Diluted EPS are annualized YTD. 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.

\* Dollars in thousands

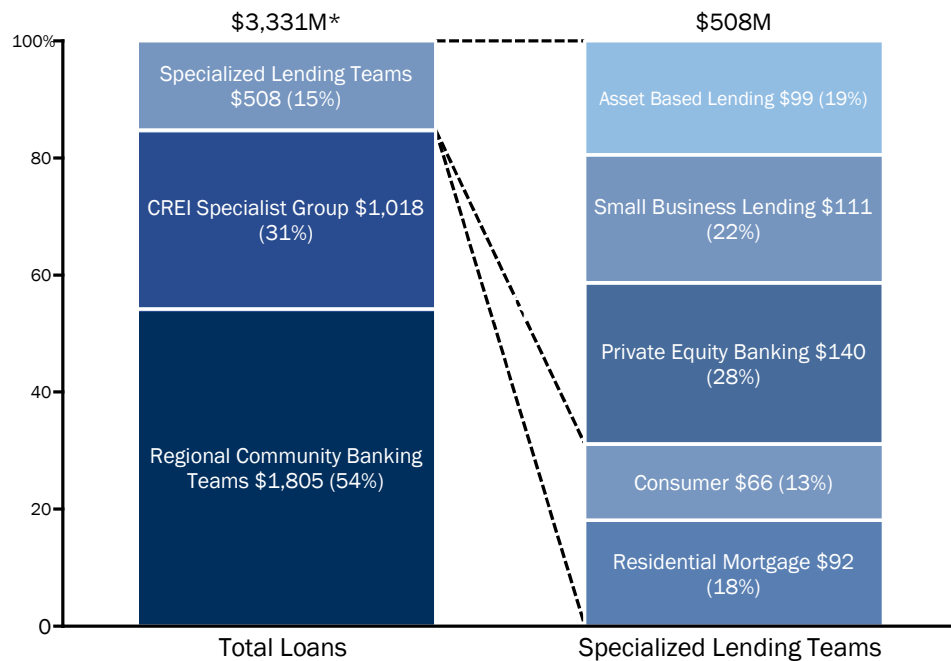


# Disciplined M&A Strategy Has Driven Growth and Franchise Value

	Heritage Community Bank	 BUCKS COUNTY BANK	 DEIANCO Federal Savings Bank	 GRAND BANK	 MALVERN BANK
DATE CLOSED	March 2014	September 2017	April 2018	September 2019	July 2023
ASSETS ACQUIRED (MILLIONS)	\$132.3	\$196.0	\$118.1	\$190.2	\$953.8
BRANCHES ACQUIRED	3	4	2	2	8
PRIMARY MARKET LOCATION	Morris County, NJ	Bucks County, PA	Burlington County, NJ	Mercer County, NJ	Southeastern PA



# Specialized Business Units Diversify Loan Mix



## ASSET BASED LENDING

- ABL loans are typically higher-yielding, with comprehensive collateralization
- Flexible asset-based solutions provided for: financing of inventory, receivables, capital improvements, recapitalizations, acquisitions, equipment and real estate



## SMALL BUSINESS LENDING

- Over \$110 million in Small Business Loan portfolio
- 48% deposit to loan ratio in small Business loan portfolio
- “Preferred lender” status with the Small Business Administration (SBA) accelerates SBA loan decisions



## PRIVATE EQUITY BANKING

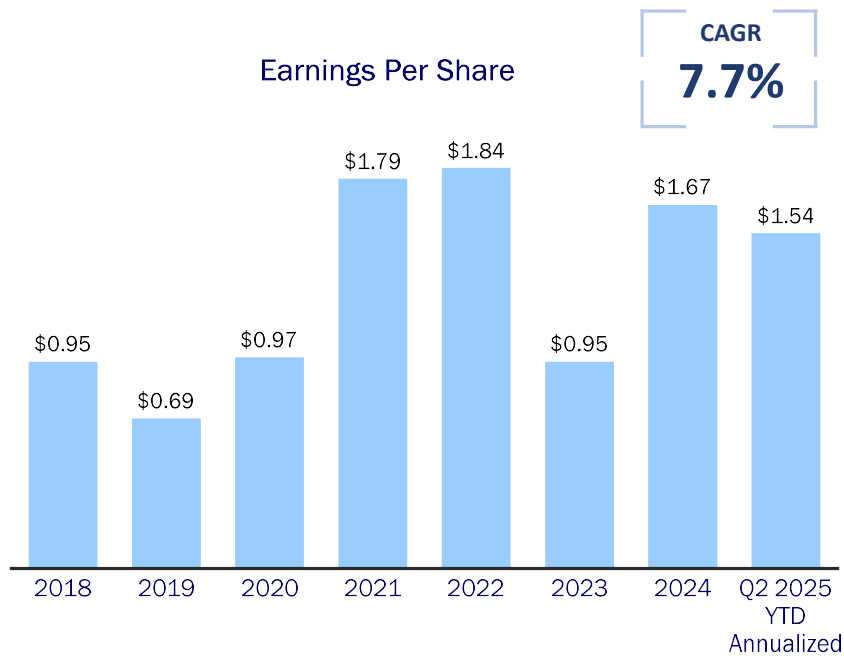
- Providing resources and solutions for private equity funds and their portfolio companies
- Offering financing and comprehensive cash management products and deposit accounts
- Loans primarily based on max cash flow leverage of 2.5x to 3.0x or lower



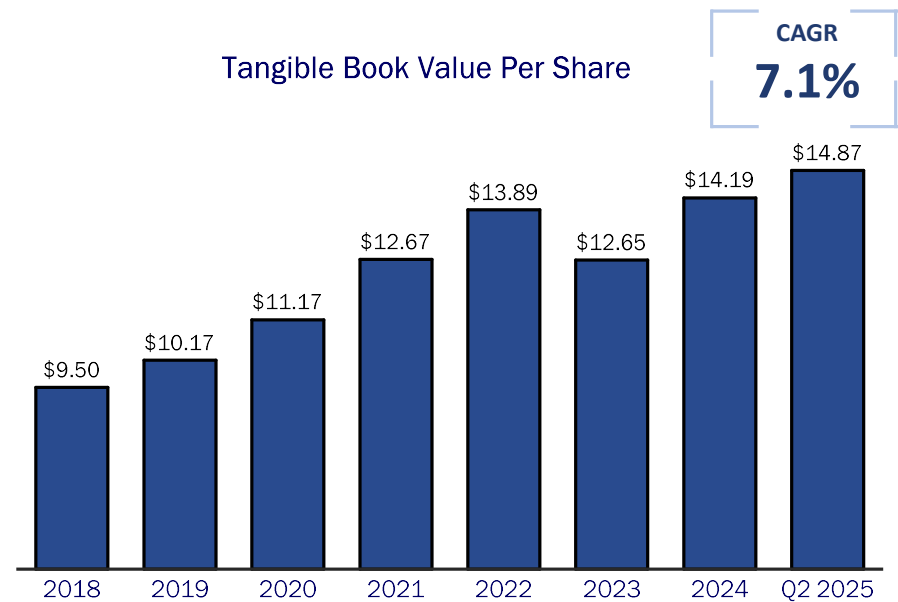
## CONSUMER/RESIDENTIAL LENDING

- Providing lending resources and solutions for consumers
- Offering comprehensive cash management products to individuals

# Continued Strong EPS Drove TBV Expansion During Q2 2025



EPS is 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 outperformed our peers in 5 of the last 7 years and in Q1 2025

First Bank results were impacted by merger-related expenses in both years in which peers outperformed

## DRIVERS OF PERFORMANCE

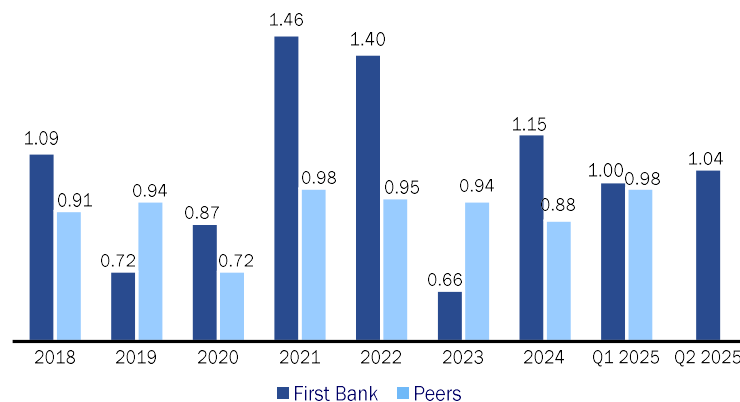
Exceptional expense management

Superior net interest margin

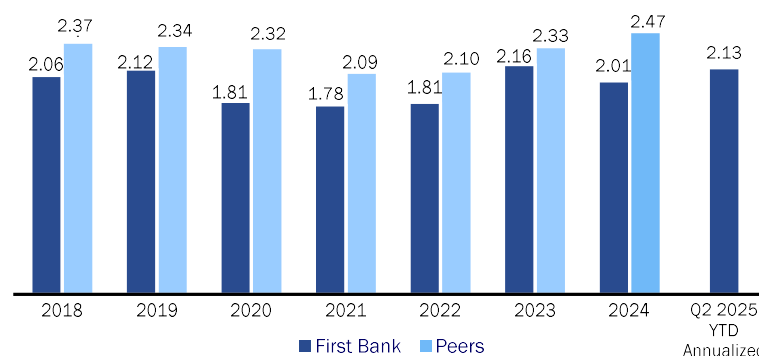
Consistently low credit costs

2018, 2019 and 2023 results impacted by acquisition costs

ROAA

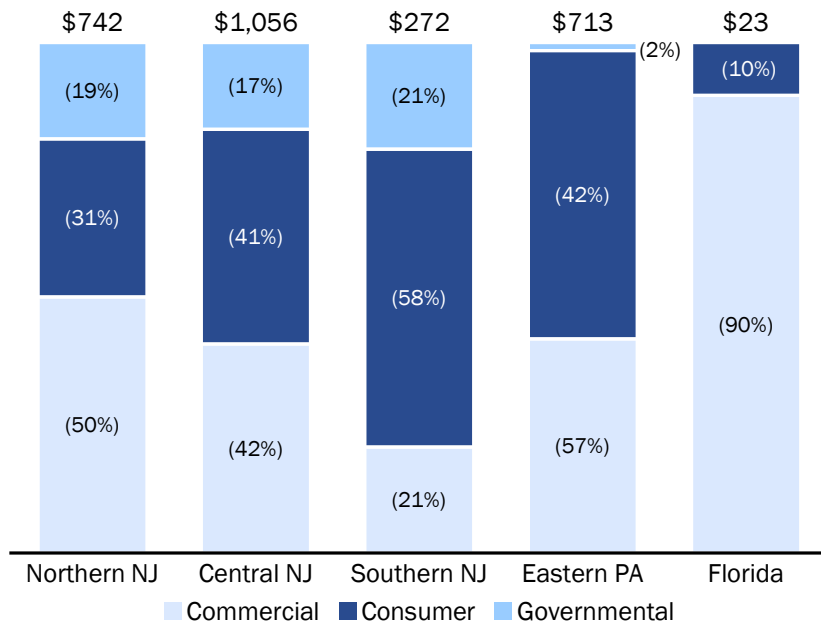


Non-Interest Expense/Average Assets



# Solid Geographic Diversification Within Our Footprint

Total Deposits By Geography  
As of June 30, 2025 (\$ in Millions)



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

Tremendous opportunities for growth in our markets

One of the most attractive markets for small businesses in the country

Footprint offers the potential to reach over 5 million new customers

		Market Rank	Branches	Deposits in Market 6/30/2025 (\$000)	Deposit Market Share (%)	Market Population (Actual)	Median HHI (\$)
NJ	Mercer	6	5	772,640	5.38	381,870	98,025
	Morris	17	3	407,965	1.27	518,793	136,627
	Somerset	12	1	216,297	1.32	351,557	137,931
	Hunterdon	8	1	181,500	3.13	130,941	146,648
	Burlington	13	2	154,542	1.08	473,928	103,385
	Middlesex	29	1	103,728	0.21	866,972	106,408
	Gloucester	14	1	117,016	1.05	311,766	99,890
	Essex	28	1	108,916	0.27	850,910	77,978
PA	Union	29	1	8,844	0.00	574,569	100,028
	Chester	12	6	499,327	2.82	557,019	122,404
	Bucks	23	3	168,451	0.63	647,007	110,468
FL	Delaware	21	1	45,564	0.22	578,207	86,402
	Palm Beach	47	1	23,050	0.01	1,555,331	83,321

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



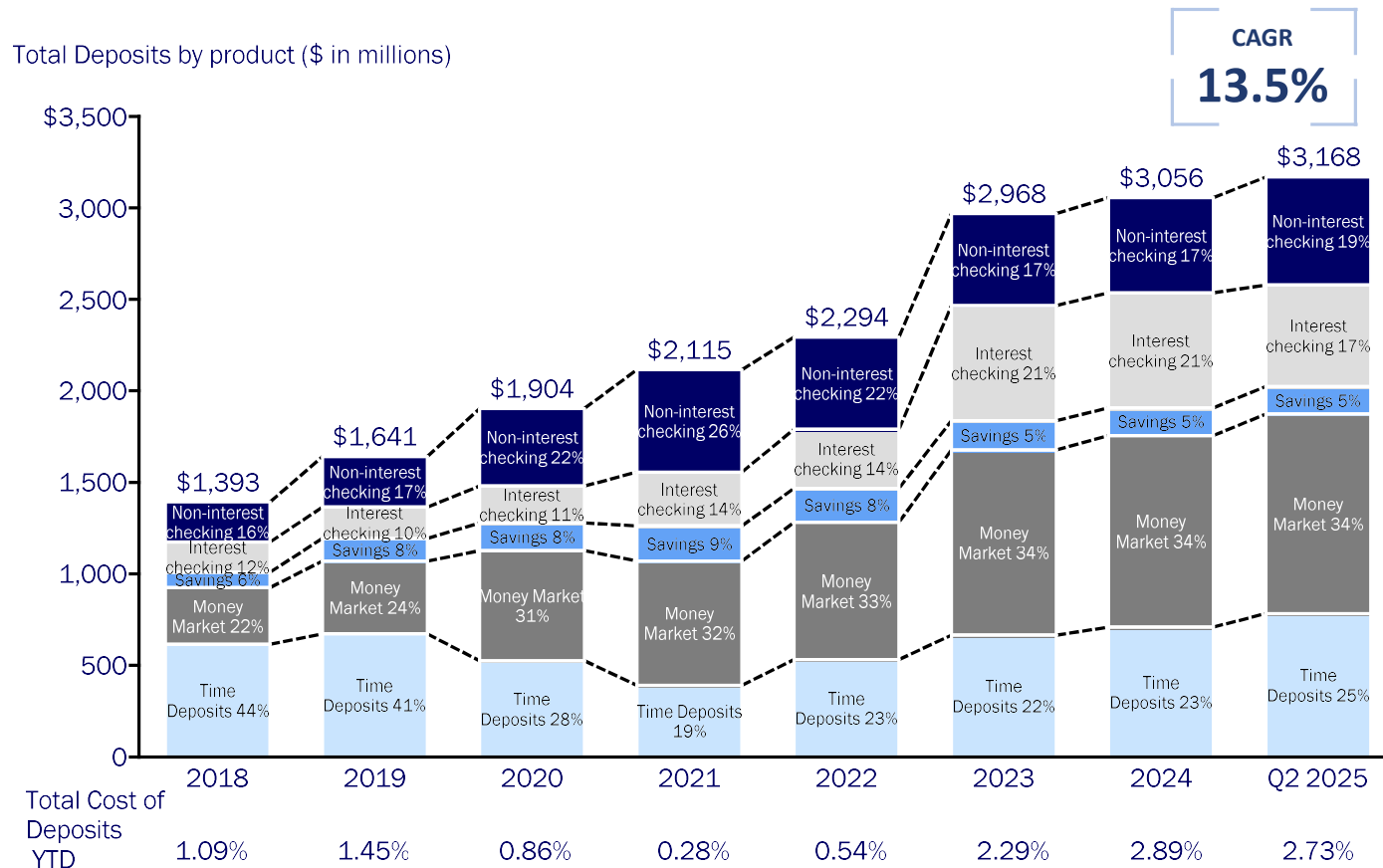
# Growing Core Deposits

Deposit initiatives are at the forefront of our growth strategy, with sales teams focused on core deposit generation

Deposits increased \$48 million during Q2 2025 as we continued to focus on building new deposit relationships and optimizing the existing portfolio

The percentage of non-interest bearing deposits to total deposits increased during Q2 2025

Total Deposits by product (\$ in millions)



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

# Stable and Relationship-Driven Core Deposit Base



## AVERAGE DEPOSIT ACCOUNT SIZE BY CUSTOMER TYPE

As of June 30, 2025

Commercial: \$125,000

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Consumer: \$43,000

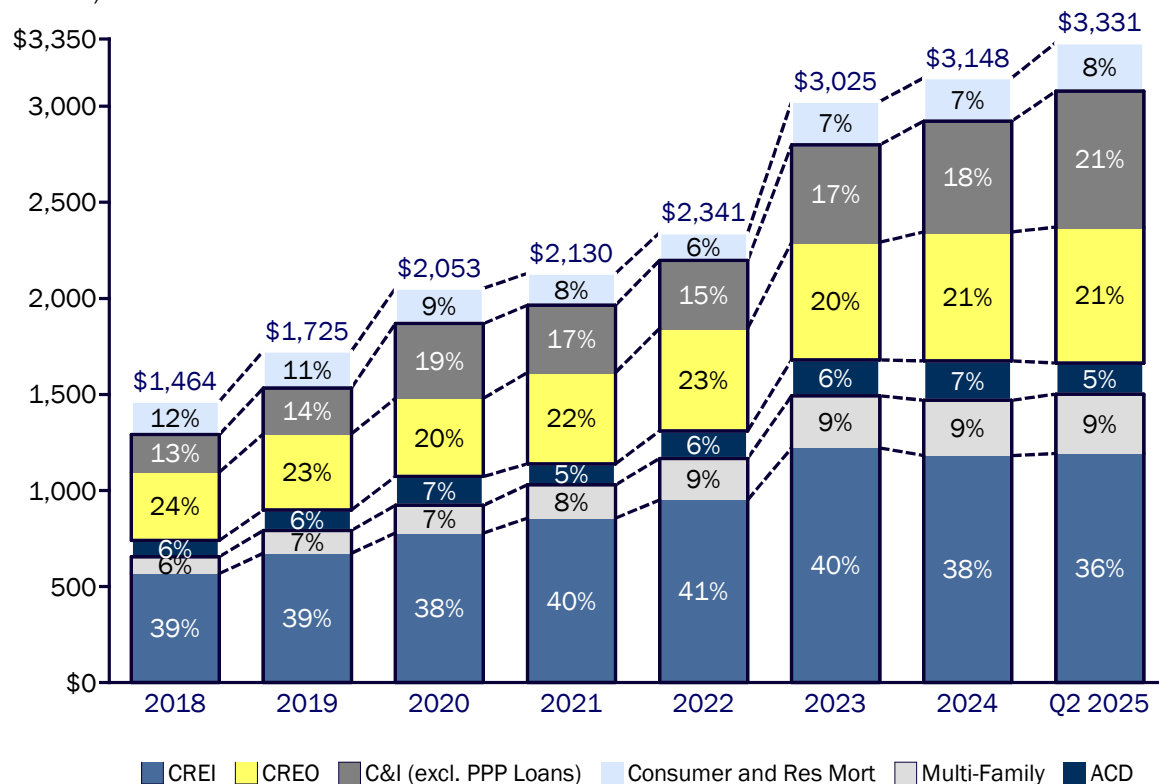
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Government Banking: \$1.4 million

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# Portfolio Is Well Diversified Across Key Commercial Categories

Loan Portfolio Composition  
(in Millions)



Growing C&I loans to further diversify the loan portfolio, creating new deposit growth channels

Continually building out enterprise risk management function, including enhanced stress testing capabilities

Commitment to proven lending model has resulted in steady and stable growth

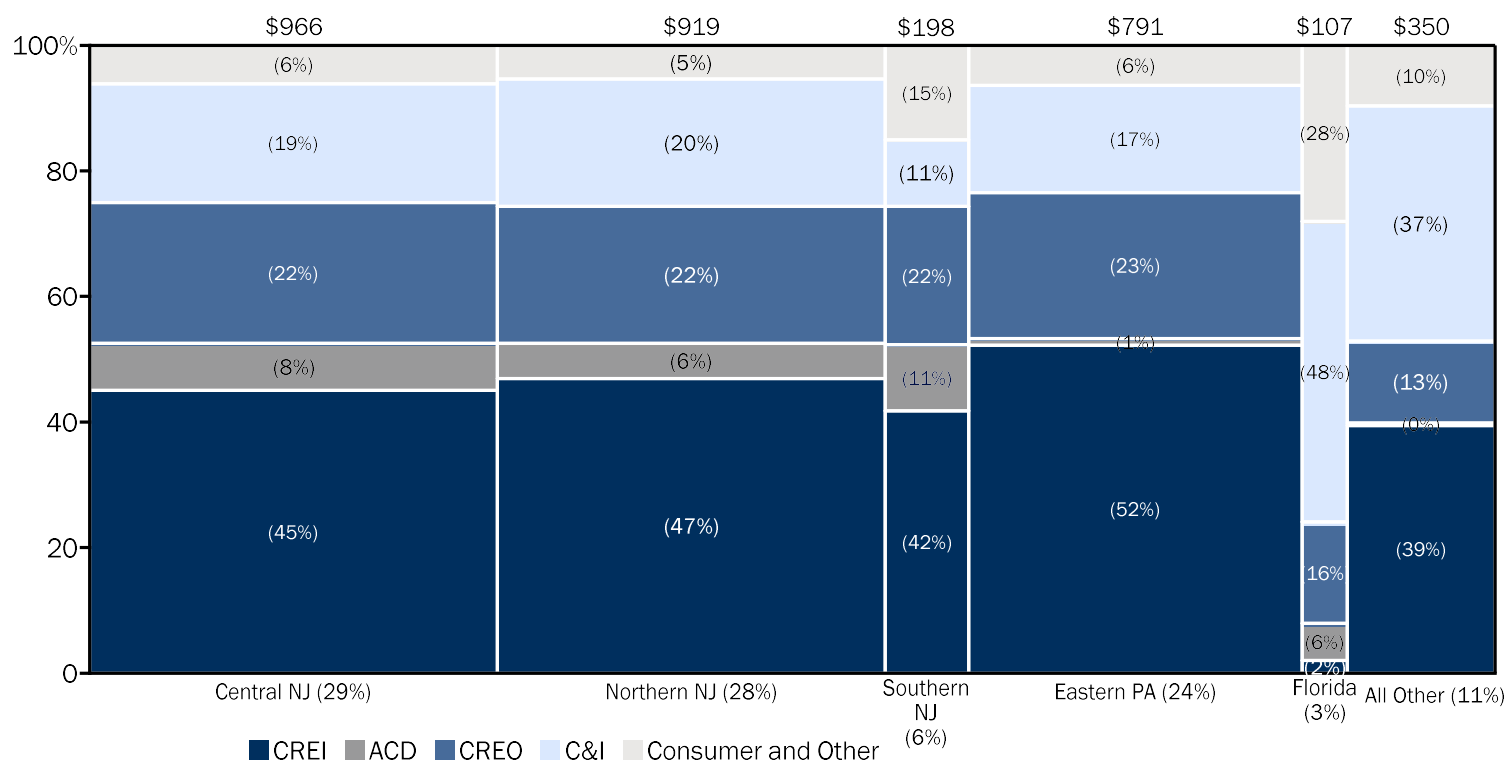
\*Total loans excluding deferred loan fees and costs. Certain percentage totals may not total 100% due to rounding.



# Balanced Geographic Diversification Within Our Footprint

## TOTAL LOANS BY GEOGRAPHY

As of June 30, 2025 (\$ in Millions)



Total Loans  
**\$3,331**

\*CREI includes multi-family. Consumer and other includes residential, consumer and all other loans. Geographic diversification is based on the location of business for C&I. Certain percentage totals may not total 100% due to rounding. Total loans excluding deferred loan fees and costs.

# Strong Credit Quality Despite Acquired Non-Performing Loans

## CREDIT QUALITY HIGHLIGHTS

NPAs/Assets below peers in 7 of the last 9 years and in Q1 2025

NCOs/Average Loans below peers in 7 of the last 9 years

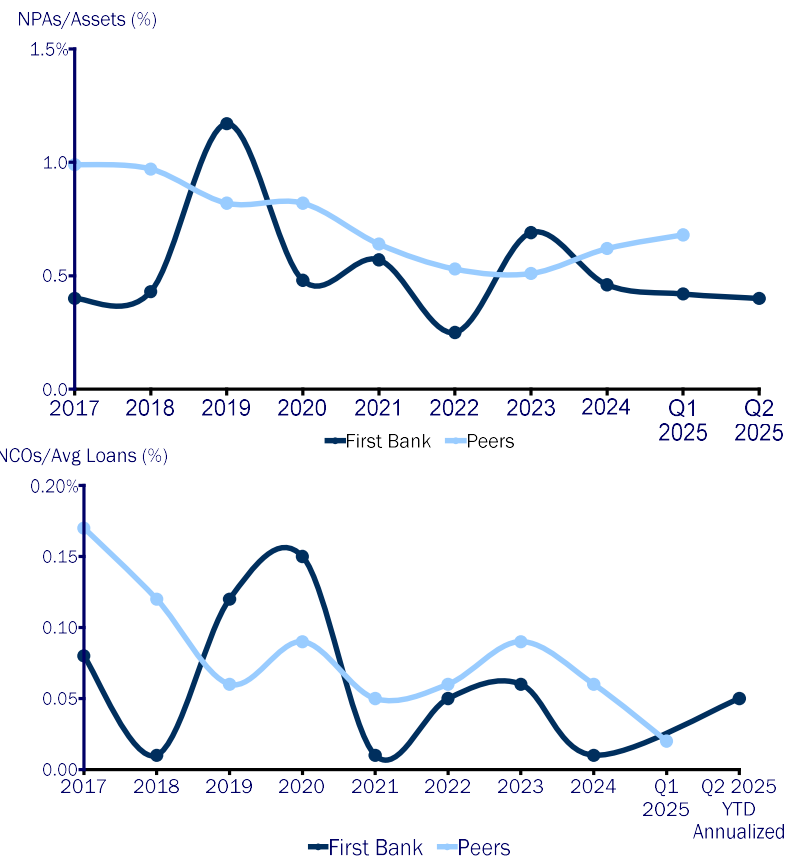
NCOs/Average Loans YTD annualized returned to a normalized rate of 5 basis points

## DRIVERS OF CREDIT QUALITY

Conservative underwriting continues to result in pristine credit quality

Minimal exposure to highest risk industries

Strong portfolio management identifies early warning indicators and proactively engages the loan workout group early in the credit review process



Peers include 25 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.

# Well Diversified Across Industry Segments

Commercial (C&I and CREO) Loan Segments	(\$ in millions)
Real Estate, Rental and Leasing	191
Manufacturing	160
Retail Trade	124
Accommodations and Food Services	115
Wholesale Trade	111
Transportation and Warehousing	101
Other Services, Except Public Admin	97
Finance and Insurance	92
Construction	88
Professional, Scientific, Tech	76
Arts, Entertainment, and Recreation	62
Healthcare	56
Administrative and Support	49
Educational Services	41
All other Sectors	15
Agriculture, Forestry, Fishing and Hunting	15
Information	11
Public Administration	4
Management of Companies	4
Mining	3
<b>Total</b>	<b>\$ 1,415</b>

C&I and CREO loans represent 42% of total loans

Business loan breakdown:

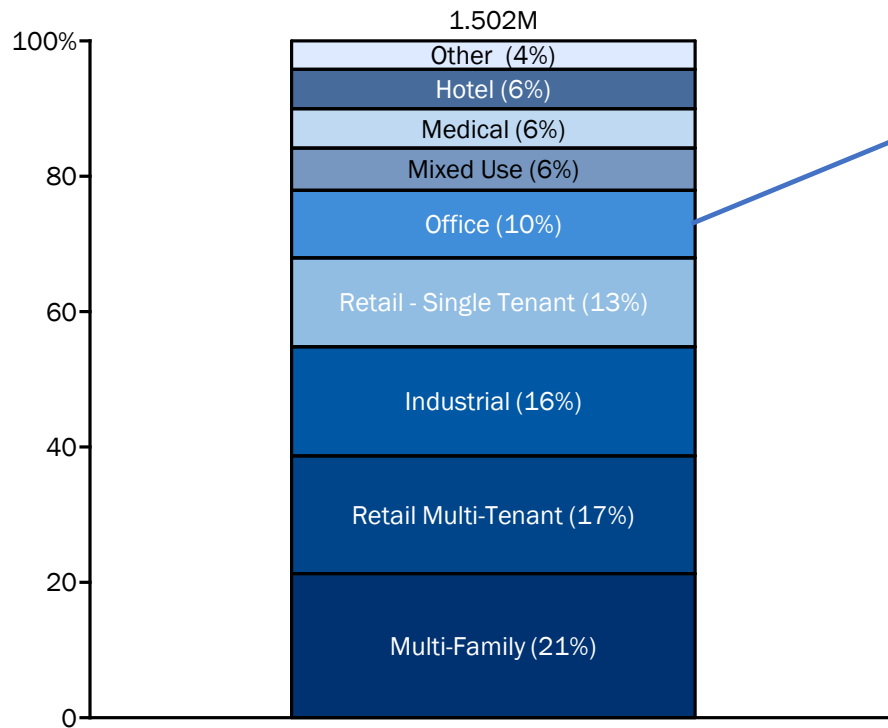
50% CREO vs. 50% C&I

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.)

# Well Diversified CREI Portfolio

Retail, Multi-Family and Industrial Comprise the Largest Segments



Office Loans By Region	\$ in millions
Eastern PA	78.4
Central New Jersey	48.5
Northern New Jersey	19.5
Southern New Jersey	2.2
All Other Areas	0.8
<b>Total</b>	<b>\$149.4</b>

No direct office exposure in downtown business districts in NYC or Philadelphia

No NYC rent-controlled multi-family

Loans as of 6/30/25. "Other" include loans to restaurants (only \$12.4 million in outstanding balances at 6/30/25). Percentage total may not agree to 100% due to rounding.

# Ample Available Liquidity

Rigorous stress testing is performed quarterly and includes both systemic and bank-specific scenarios

Recent stress testing demonstrates a strong liquidity position with sufficient liquidity in the most severe scenarios

Malvern acquisition added balance sheet management flexibility, improved our ability to manage margin pressures and provided opportunities for efficiency gains

Additional commercial loans available to be pledged at the FHLB and FRB if needed to boost available liquidity

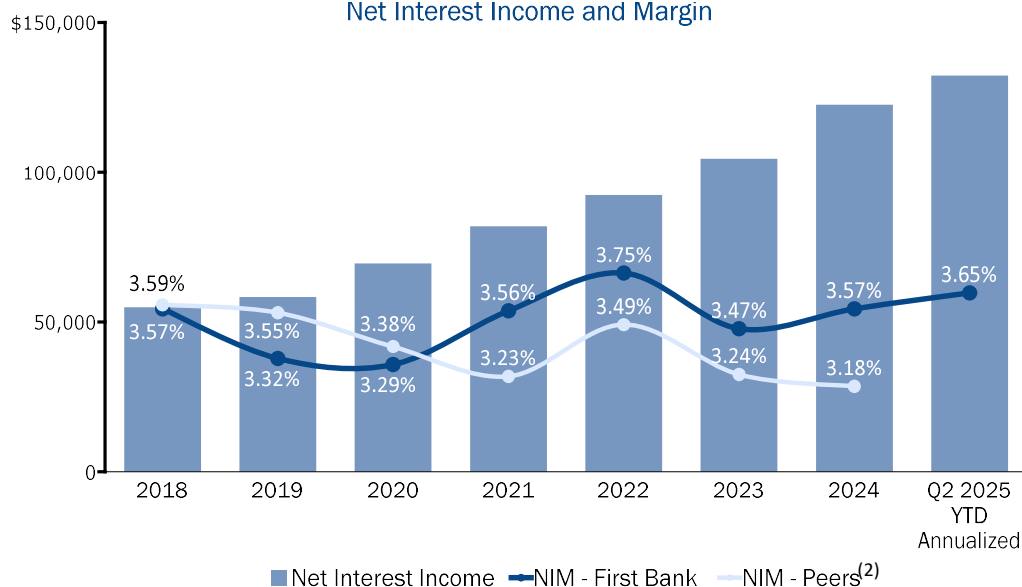
## AVAILABLE LIQUIDITY

	June 30, 2025	December 31, 2024
	(\$ in thousands)	
Cash and cash equivalents <sup>1</sup>	\$334,991	\$257,645
Borrowing capacity with FHLBNY	\$181,153	\$234,786
Borrowing capacity with FRB	\$38,013	\$40,667
Borrowing capacity with other banks	\$85,000	\$85,000
Unpledged securities (market value)	\$77,131	\$64,190
Available liquidity	\$716,288	\$682,287

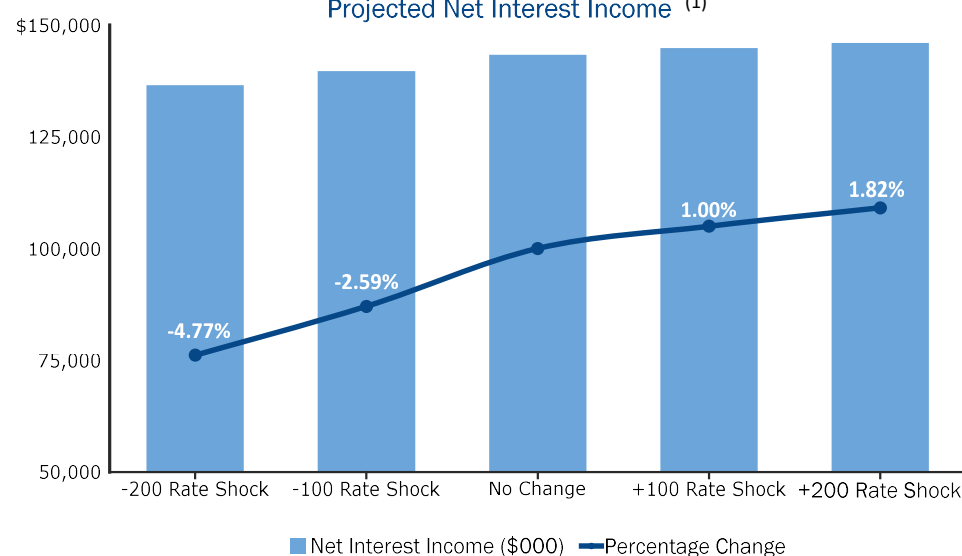
1. Cash and cash equivalents exclude restricted cash.

# Strong and Stable Net Interest Margin in Varying Rate Environments

Net Interest Income and Margin



Projected Net Interest Income <sup>(1)</sup>



<sup>(1)</sup> Net interest income has limited exposure to changes in interest rates

(1) 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 June 30, 2025. (2) Peers include 25 public NJ and PA banks under \$10B in assets, source S&P Capital IQ Pro.

# Risk Mitigation is an Integral Part of Our Strategy

Prudent underwriting is resulting in limited credit issues and credit metrics remain strong

- NPAs are down over the last five quarters
- Recent third-party loan review rated credit quality and risk assessment as excellent

Limited interest rate risk

- Q2 2025 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

Subordinated Debt Issuance enhanced capital levels

- Successfully completed a new \$35 million Subordinated Debt issuance at a coupon rate of 7.125%



# Appendix

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# Non-GAAP Financial Measures

(Dollars in thousands, except per share amounts)

	6/30/2025
<b>Tangible Book Value Per Share</b>	
Stockholders' equity	\$ 422,379
Less: Goodwill and other intangible assets, net	52,026
Tangible stockholders' equity (numerator)	<u>\$ 370,353</u>
Common shares outstanding (denominator)	24,905,790
Tangible book value per share	\$ 14.87

	6/30/2025
<b>Efficiency Ratio</b>	
Non-interest expense	\$ 20,867
Less: Other real estate owned write-down	-
Adjusted non-interest expense (numerator)	<u>\$ 20,867</u>
Net interest income	\$ 34,009
Non-interest income	2,702
Total revenue	<u>36,711</u>
Add: Losses on sale of investment securities, net	-
(Subtract) Add: (Gains) losses on sale of loans, net	(75)
(Subtract): Gain on sale of other assets	(397)
Less: Bank Owned Life Insurance Incentive	-
Add: Executive Officer Severance Benefits	863
Adjusted total revenue (denominator)	<u>\$ 37,102</u>

Efficiency ratio 56.24%

	6/30/2025
<b>Return on Average Tangible Equity</b>	
Net income (numerator)	\$ 10,239
Average stockholders' equity	\$ 420,443
Less: Average Goodwill and other intangible assets, net	52,301
Average Tangible stockholders' equity (denominator)	<u>\$ 368,142</u>
Return on average tangible equity <sup>(1)</sup>	11.16%

# Non-GAAP Financial Measures

	<b>Year Ended</b>
	<b>12/31/2023</b>
(Dollars in thousands, except per share amounts)	
<b>Adjusted diluted earnings per share, Adjusted return on average assets, and Adjusted return on average equity</b>	
Net income	\$ 20,897
Add: Merger-related expenses <sup>(1)</sup>	6,358
Add: Credit loss expense on acquired loan portfolio <sup>(1)</sup>	4,323
Add (subtract): Losses (gains) on sale of loans, net <sup>(1)</sup>	3,312
Add: Losses on sale of investment securities, net <sup>(1)</sup>	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%