



Personal Bankers. Real Relationships.

Strategic Merger



March 19, 2019

Forward-Looking Statements

Certain statements contained in this communication may not be based on historical facts and are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may be identified by reference to a future period(s) or by the use of forward-looking terminology, such as "anticipate," "estimate," "expect," "foresee," "may," "might," "will," "would," "could" or "intend," future or conditional verb tenses, and variations or negatives of such terms. These forward-looking statements include, without limitation, those relating to First Bank's and Grand Bank, NA's ("Grand") future growth and management's outlook or expectations for revenue, assets, asset quality, profitability, business prospects, net interest margin, non-interest revenue, allowance for loan losses, the level of credit losses from lending, liquidity levels, capital levels, or other future financial or business performance strategies or expectations.

Readers are cautioned not to place undue reliance on the forward-looking statements contained in this document in that actual results could differ materially from those indicated in such forward-looking statements, due to a variety of factors. In addition to factors disclosed in First Bank's reports filed with the Federal Deposit Insurance Corporation (the "FDIC") and those identified elsewhere in this document, the following factors among others, could cause actual results to differ materially from forward-looking statements or historical performance: changes in First Bank's operating or expansion strategy, availability of and costs associated with obtaining adequate and timely sources of liquidity, the ability to maintain credit quality, possible adverse rulings, judgments, settlements and other outcomes of pending litigation, the ability of First Bank and Grand Bank, NA. to collect amounts due under loan agreements, changes in consumer preferences, effectiveness of First Bank's interest rate risk management strategies, laws and regulations affecting financial institutions in general or relating to taxes, the effect of pending or future legislation, the ability to obtain regulatory approvals and meet other closing conditions to the Merger, including approval by Grand Bank, NA's shareholders on the expected terms and schedule, delay in closing the Merger, difficulties and delays in integrating the Grand Bank, NA business or fully realizing cost savings and other benefits of the Merger, business disruption following the Merger, changes in interest rates and capital markets, inflation, customer acceptance of First Bank's products and services, customer borrowing, repayment, investment and deposit practices; customer disintermediation; the introduction, withdrawal, success and timing of business initiatives; competitive conditions and other risk factors. Any forward-looking statement speaks only as of the date of this document, and we undertake no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date of this document.

Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts, and may not reflect actual results.

Important Additional Information and Where to Find It

In connection with the proposed merger, First Bank will file with the FDIC an offering circular that will include a joint proxy statement/prospectus of Grand Bank N.A. and First Bank and a prospectus of First Bank, as well as other relevant documents concerning the proposed transaction. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. **SHAREHOLDERS OF GRAND BANK N.A. AND FIRST BANK ARE URGED TO READ THE OFFERING CIRCULAR AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE MERGER WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE FDIC BY FIRST BANK, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.**

A free copy of the joint proxy statement/prospectus, as well as other filings containing information about First Bank, may be obtained at the FDIC's Internet site (<https://efr.fdic.gov/fcxweb/efr/index.html>), when they are filed by First Bank. You will also be able to obtain the offering circular which will include the joint proxy statement/prospectus, when it is filed, free of charge, from First Bank at www.firstbanknj.com under the heading "Investor Relations." Copies of the proxy statement/prospectus can also be obtained, when it becomes available, free of charge, by directing a request to First Bank, 2465 Kuser Road, Hamilton, NJ 08690, Attention: Patrick L. Ryan, President and CEO, Telephone: (609) 643-0168 or to Grand Bank, N.A., 2297 State Highway 33, Hamilton Square, NJ 08690, Attention: Peter Pantages, Chairman, President and CEO Telephone: (609) 514-3900.

First Bank, Grand Bank N.A., and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of First Bank or Grand Bank N.A., respectively, in connection with the proposed merger. Information about the directors and executive officers of First Bank who may be deemed participants in the proxy solicitation, and their direct and indirect interests, by security holdings or otherwise, will be set forth in the proxy statement for First Bank's 2019 annual meeting of shareholders, to be filed with the FDIC on Schedule 14A on or about March 22, 2019. Additional information regarding all of the participants in the solicitation may be obtained by reading the joint proxy statement/prospectus regarding the proposed merger when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.

The merger brings strategic and financial benefits to the combined franchise

- **Strategic Benefits:**

- Enhances FRBA's market presence in Mercer County, making FRBA the #2 ranked community bank⁽¹⁾ in the county by deposits
- Continued execution of FRBA's acquisition strategy
- Complements FRBA's strong organic growth throughout NJ and Eastern PA
- Diversified, high-yielding loan portfolio
- Continued expansion of FRBA's local, core deposit franchise

- **Financial Benefits:**

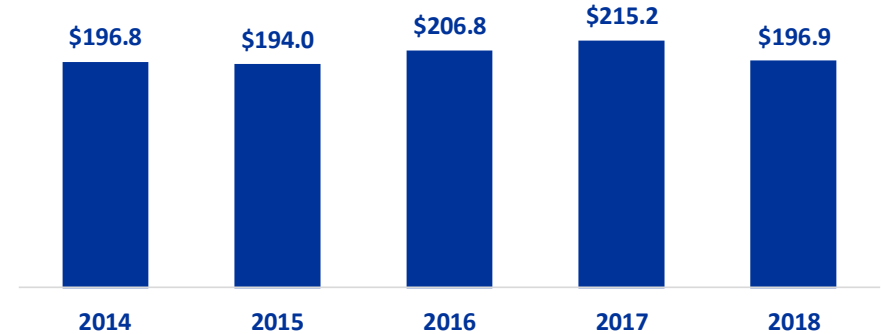
- Disciplined pricing
 - Immediate high single digit EPS accretion
 - Minimal Tangible Book Value dilution at close
- Earnings benefits from economies of scale and cost savings

Grand Bank – Financial Overview

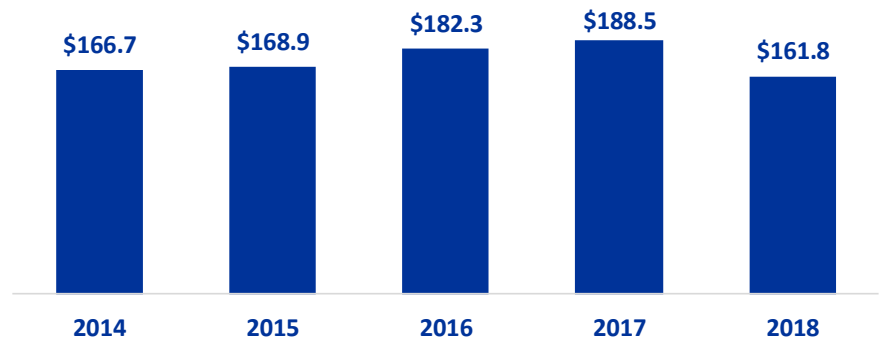
Financial Summary (December 31, 2018)

- **Total Assets (\$mm):** \$196.9
- **Total Equity (\$mm):** \$22.2
- **Total Loans (\$mm):** \$162.6
- **Total Deposits (\$mm):** \$161.8
- **Risk Based Capital Ratio:** 16.60%
- **LTM Return on Average Assets:** 0.49%
- **LTM Net Interest Margin:** 4.24%
- **NPAs / Assets⁽¹⁾:** 4.15%

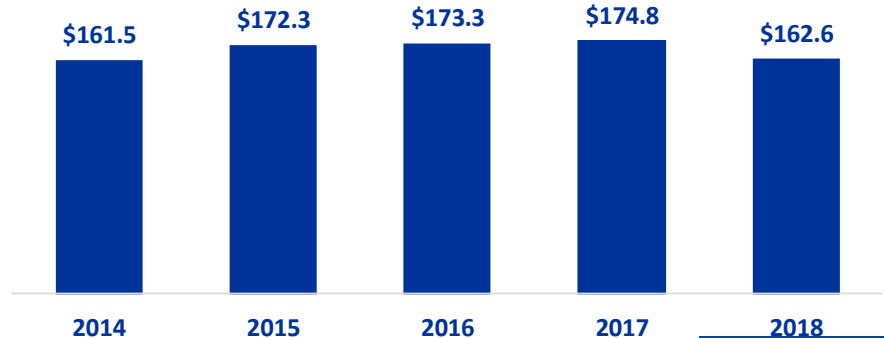
Assets (\$mm)



Deposits (\$mm)



Total Loans (\$mm)



(1) Nonperforming assets defined as nonaccrual loans, loans past due 90 days or more and still accruing, troubled debt restructurings and other real estate owned as a percent of total assets

Transaction Overview

Consideration

- Approximately \$19.4 million deal value¹
- \$37,295.59 per Grand Share¹
- Fixed 1,700,000 FRBA shares issued
- Fixed 3,262.956 exchange ratio
- 100% stock consideration

Transaction Pricing

- Price / Grand December 31, 2018 TBV: 87.5%
- Price / LTM EPS + Cost Savings²: 4.9x
- High-single digit accretion to 2020 EPS
- TBV dilution of approximately 3%
- Earn-back period of approximately 3 years

Other Key Pro Forma Assumptions

- Cost savings estimated at 45% of Grand's non-interest expense
- Gross loan mark of \$7.4 million (4.6% of gross loans)
- Gross asset mark of \$12.3 million (6.3% of total assets)
- Expected Closing: Second Half 2019

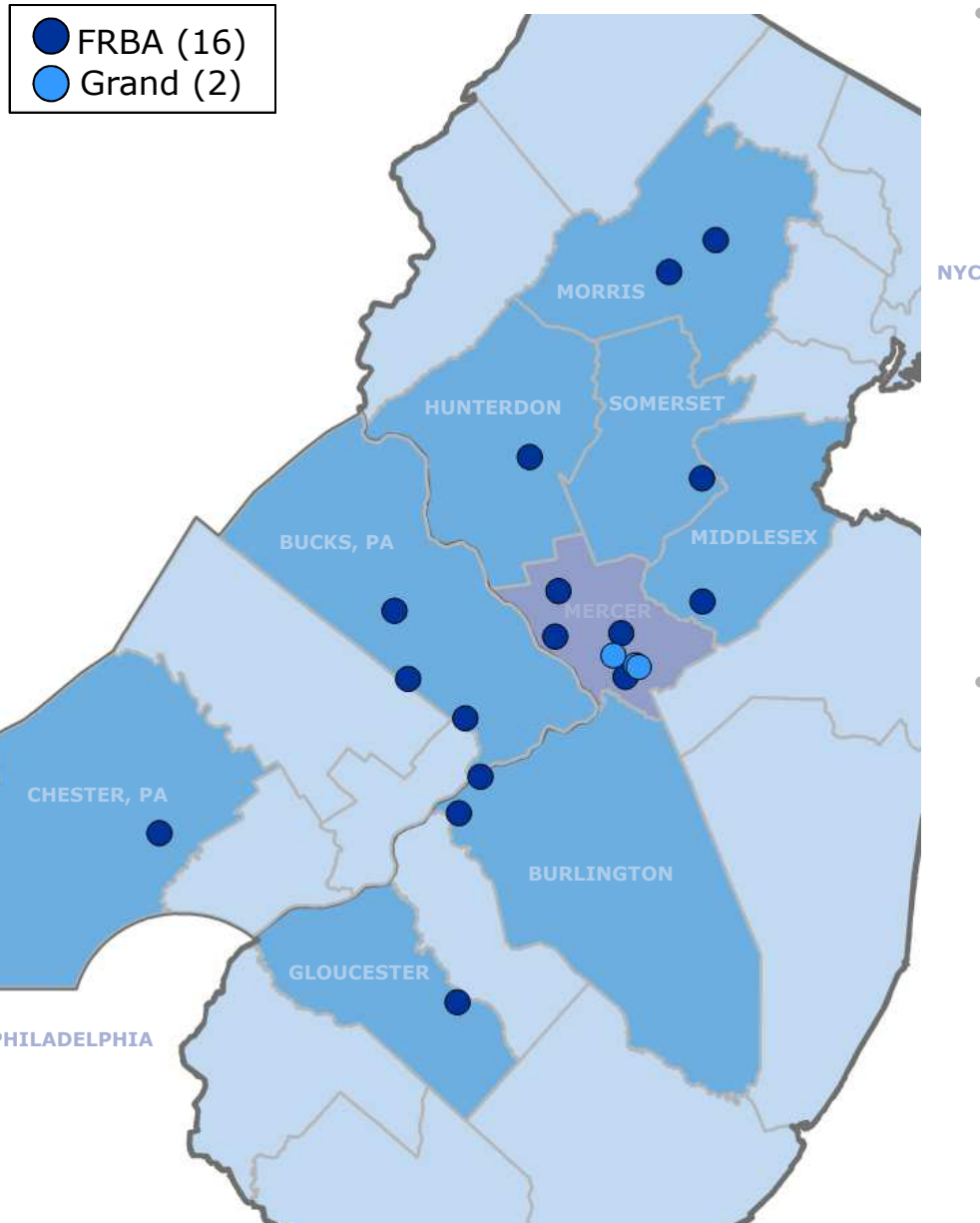
Required Approvals

- Customary regulatory approvals
- Grand Bank shareholder approval
- FRBA shareholder approval

(1)Based on FRBA's March 19, 2019 closing price of \$11.43 excluding post-closing contingent consideration. Post-closing contingent consideration consists of the net proceeds from the potential sale of an OREO property held by Grand Bank, which shall be paid in shares of First Bank common stock. See First Bank filings with the FDIC for more detail.

(2)Assumes illustrative cost savings of 45% on Grand LTM noninterest expense

Solidifies our position as the top community bank with expansion plans for Central NJ and Eastern PA



Pro Forma FRBA (12/31/2018)

- Total Assets of \$1.9 billion
- Total Loans of \$1.6 billion
- Total Deposits of \$1.6 billion
- Market Capitalization of approximately \$233 million⁽¹⁾
- 18 Branches

Mercer County Demographics

County	Median HH Income (\$)	Projected HH Income Change 2019-2024 (%)
Mercer	\$83,451	7.16%
Aggregate: State of NJ	\$82,517	9.51%
Aggregate: National	\$63,174	8.82%

(1) Based on FRBA's March 19, 2019 closing price of \$11.43

Note: Branch count excludes administrative facilities

Source: S&P Global Market Intelligence

Continued track record of success as a disciplined acquiror and integrator

Target	Heritage	Bucks	Delanco	Grand	Combined
Date Closed	3/7/2014	9/15/2017	4/30/2018	Estimated 2H2019	
Assets (\$000)	\$134,542	\$212,325	\$128,179	\$196,935	\$671,981 <i>(Total)</i>
P/TBV (%)	49.7%	124%	99%	87.5%	90.1% <i>(Average)</i>
EPS Accretion (%)	~9%	~8%	~5%	~8%	7.5% <i>(Average)</i>
TBV Dilution (%)	6% accretive	~(2%)	~(1%)	~(3%)	(0.0%) <i>(Average)</i>
TBV Earn-back (Years)	Immediate	3 Years	2.3 Years	3 Years	2.1 Years <i>(Average)</i>

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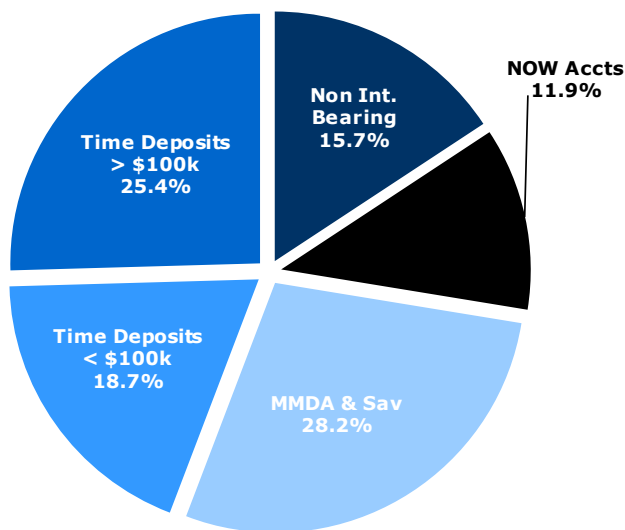
Note: Grand pricing metrics based upon FRBA's March 19, 2019 closing price of \$11.43

Continued expansion of core deposit franchise

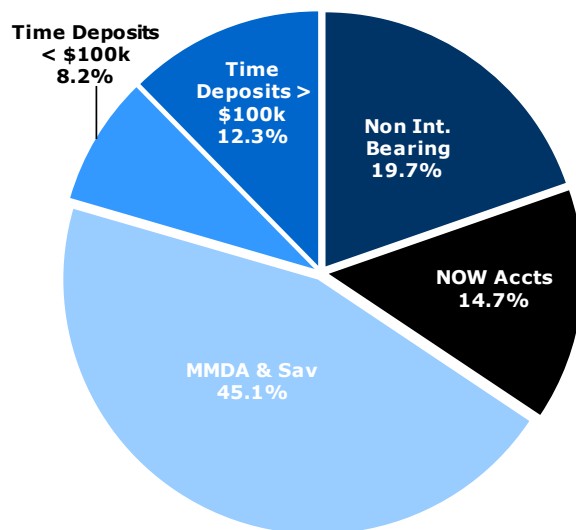
First Bank		
Deposit Type	Composition	
	(\$000)	% of Total
Non Interest Bearing	219,034	15.7%
NOW & Other Trans	165,248	11.9%
MMDA & Sav	393,282	28.2%
Time Deposits < \$100k	261,151	18.7%
Time Deposits > \$100k	354,489	25.4%
Total Deposits	\$1,393,204	100.0%

Grand Bank, NA		
Deposit Type	Composition	
	(\$000)	% of Total
Non Interest Bearing	31,821	19.7%
NOW & Other Trans	23,782	14.7%
MMDA & Sav	73,004	45.1%
Time Deposits < \$100k	13,206	8.2%
Time Deposits > \$100k	19,948	12.3%
Total Deposits	\$161,761	100.0%

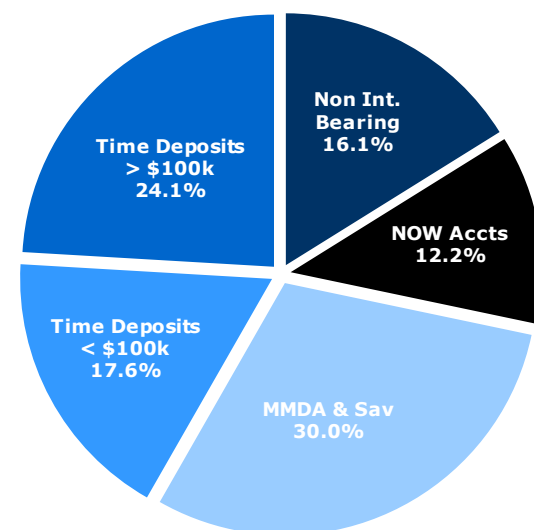
Pro Forma		
Deposit Type	Composition	
	(\$000)	% of Total
Non Interest Bearing	250,855	16.1%
NOW & Other Trans	189,030	12.2%
MMDA & Sav	466,286	30.0%
Time Deposits < \$100k	274,357	17.6%
Time Deposits > \$100k	374,437	24.1%
Total Deposits	\$1,554,965	100.0%



MRQ Cost of Deposits: 1.28%



MRQ Cost of Deposits: 0.99%



MRQ Cost of Deposits: 1.25%

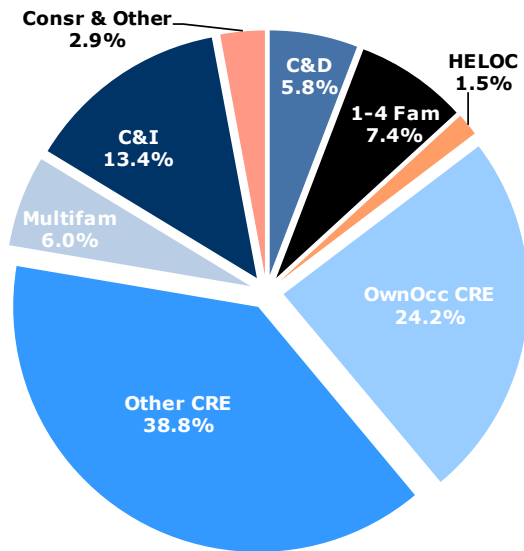


Modest diversification of loan portfolio

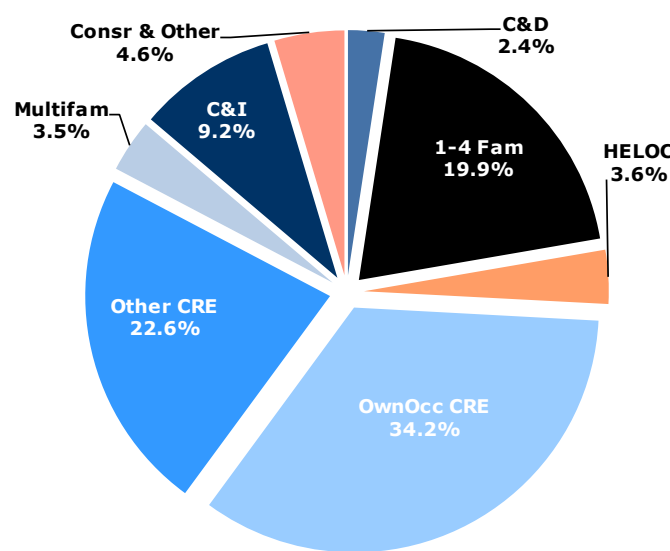
Loan Type	First Bank	
	(\$000)	% of Total
Constr & Dev	85,064	5.8%
1-4 Family Residential	108,189	7.4%
Home Equity	21,716	1.5%
Owner - Occ CRE	355,062	24.2%
Other CRE	567,407	38.8%
Multifamily	87,929	6.0%
Commercial & Industrial	195,785	13.4%
Consr & Other	43,072	2.9%
Total Loans	\$1,462,516	100.0%

Loan Type	Grand Bank, NA	
	(\$000)	% of Total
Constr & Dev	3,894	2.4%
1-4 Family Residential	32,358	19.9%
Home Equity	5,775	3.6%
Owner - Occ CRE	55,689	34.2%
Other CRE	36,790	22.6%
Multifamily	5,662	3.5%
Commercial & Industrial	14,939	9.2%
Consr & Other	7,512	4.6%
Total Loans	\$162,619	100.0%

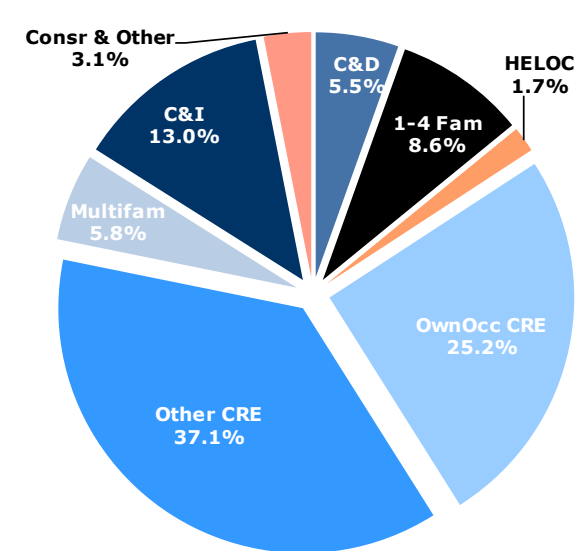
Loan Type	Pro Forma	
	(\$000)	% of Total
Constr & Dev	88,958	5.5%
1-4 Family Residential	140,547	8.6%
Home Equity	27,491	1.7%
Owner - Occ CRE	410,751	25.2%
Other CRE	604,197	37.1%
Multifamily	93,591	5.8%
Commercial & Industrial	210,724	13.0%
Consr & Other	50,584	3.1%
Total Loans	\$1,626,843	100.0%



MRQ Yield on Loans: 5.05%



MRQ Yield on Loans: 5.67%



MRQ Yield on Loans: 5.11%

