Q2 2023 Earnings Release Supplement

July 26, 2023

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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, 2022, and updates to those risk factors in subsequent Quarterly Reports on Form 10-Q, 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. 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.

Malvern Merger Announcement

<u>On 7/17/2023 First Bank acquired Malvern Bank</u>

- **$130 million** valued transaction
- **$3.8 billion** in combined company assets
- **8** new branches, making **26** in total
- **$792 million** in new loans, with a combined total of **$3.2 billion**
- **$676 million** in new deposits, with a combined total of **$3.1 billion**
- Enhanced presence in Southeastern PA market and provides balance sheet flexibility moving forward

Positioned for Continued Success

Proven Business Model	• 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
Strategic M&A	• Steadily rising Tangible Book Value per Share (TBVS) with 9.7% CAGR over the last 5.5 years[1] • Disciplined and successful acquisition strategy – ability to successfully integrate while growing EPS and TBVS • Earnings benefits from economies of scale and cost savings
Top performer	• Top quartile performer in: TE/TA, Yield on Assets, Yield on Securities, NPL/L, Liquidity Ratio[2] • Above peer average performance in other key areas: TE/TA, Yield on Loans, Efficiency ratio, NIM, NII/Avg Assets, NPA/A, Reserves/NPL, • Over the past 5.5 years, EPS has a 19.4% CAGR and ROAA has increased by 40 bps

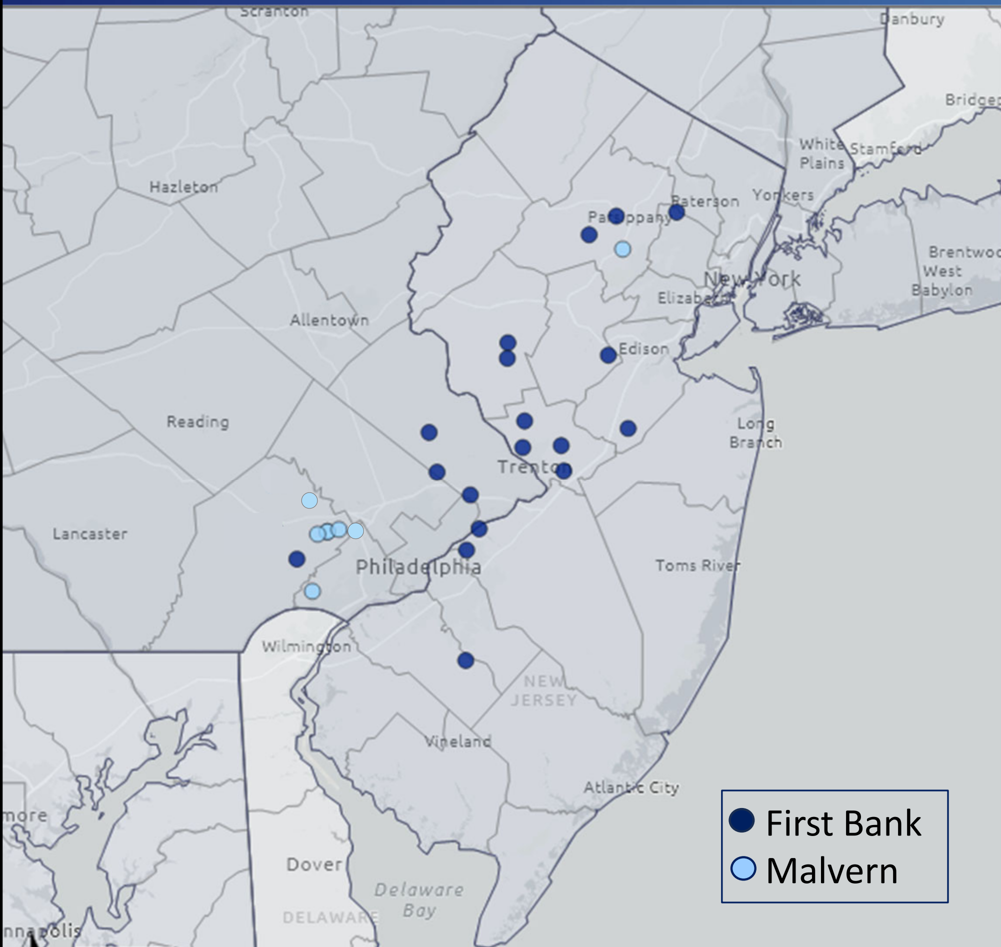
1. Non-U.S. GAAP financial measure that we believe provides management and investors with information that is useful in understanding our financial performance and condition. See accompanying table, "Non-U.S. GAAP Financial Measures," for calculation and reconciliation. 2. Based on NJ and PA public banks under $10B in assets S&P Capital IQ Pro data, Q1 2023.

Disciplined M&A strategy has driven growth and franchise value

GROWTH + PROGRESS

	Heritage Community Bank	Bucks County Bank	Delanco Federal Savings Bank	Grand Bank	Malvern Bank
Date Closed	3/7/2014	9/15/2017	4/30/2018	9/30/2019	7/17/2023
Assets Acquired ($000)	$134,542	$212,325	$128,179	$190,004	$970,471
Branches Acquired	3	4	2	2	8
Primary Market Location	Morris County, NJ	Bucks County, PA	Burlington County	Mercer County, NJ	Eastern PA, Northern NJ

First Bank Q2 2023 Snapshot



$2.87
Billion in Assets

$2.44
Billion in Loans

$2.40
Billion in Deposits

ROAA	0.97%[1]
ROAE	9.23%[1]
Net Income	$6.8M
TBVS	$14.44[2]
Diluted EPS	$0.35
NIM	3.28%[1,3]
CET 1 Ratio	10.20%

- 26 Branches between Philadelphia and New York, which includes the newly acquired Malvern branches
- $294.2 Million in Equity
- High wealth, densely populated market
- Investment grade credit ratings from Kroll Bond Rating Agency

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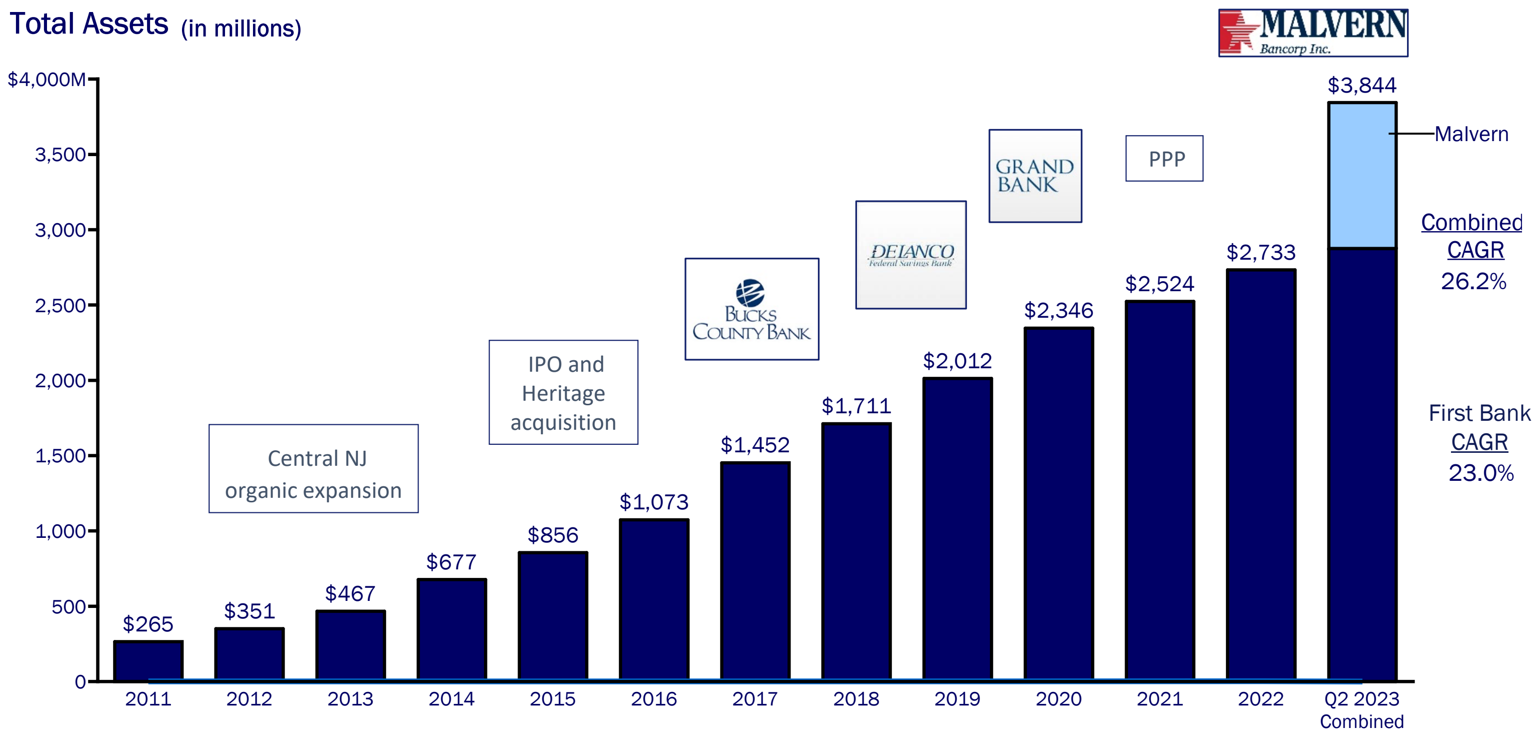
*Palm Beach, FL branch not shown on map. 1. Annualized 2. Non-U.S. GAAP financial measure that we believe provides management and investors with information that is useful in understanding our financial performance and condition. See accompanying table, "Non-U.S. GAAP Financial Measures," for calculation and reconciliation. 3. Tax equivalent using a federal income tax rate of 21%.

Our story: track record of profitable organic growth and accretive M&A



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Q2 2023 Combined
Employees	44	48	59	94	99	108	150	186	216	204	217	238	251
Net Income	$2,103	$2,588	$1,708	$5,836	$3,887	$6,406	$6,993	$17,589	$13,445	$19,448	$35,429	$36,287	$6,799
Diluted EPS	$0.54	$0.63	$0.33	$0.63	$0.41	$0.61	$0.48	$0.95	$0.69	$0.97	$1.79	$1.84	$0.35

Note: Employees shown as full-time equivalents (FTEs), just for First Bank as of 6/30/23.
Note: Net Income and Diluted EPS are only First Bank financials.

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Our Core Business – Deposits & Loans

<u>Core Values</u>

- ✓ Customer Focused
- ✓ Integrity
- ✓ Dedication to Results

Community Bank

Lending
- C&I and CREO
- CREI/ACD
- Multi-Family
- Consumer/Residential Mortgage

Deposits
- Savings, Money Market, Checking, CDs
- BDO
- Lending Relationship Managers

Specialized Business Units

Lending
- SBA
- Small/Micro Business
- PE-Fund Banking
- Asset-Based Lending

Deposits
- Cash Management
- Government Banking

Ancillary Products and Services

- Merchant Services
- Mobile/Online Banking
- Credit Cards
- Escrow
- Zelle
- IOLTA

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Our evolution from small community bank to a middle market commercial bank

2008-2012
Start-up mode
- Traditional community bank model
- Reconnected with banking network
- Established solid foundation
- Strong loan growth

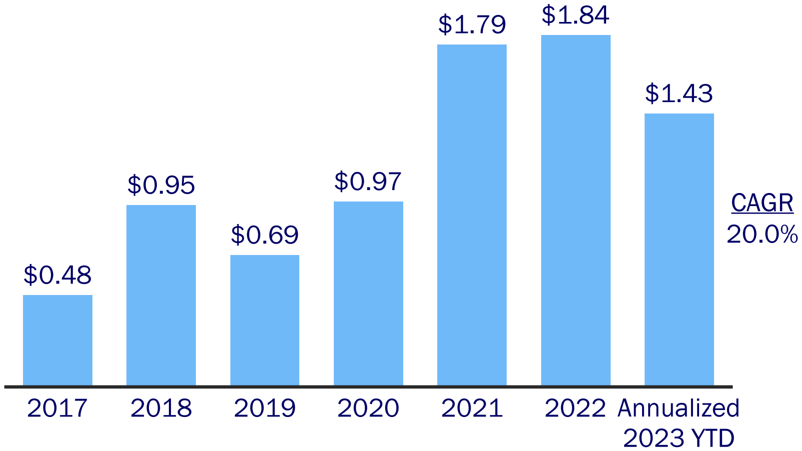
2013-2018
The quest for improved scale
- Maintained traditional community banking model
- Geographic expansion
- Disciplined M&A

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

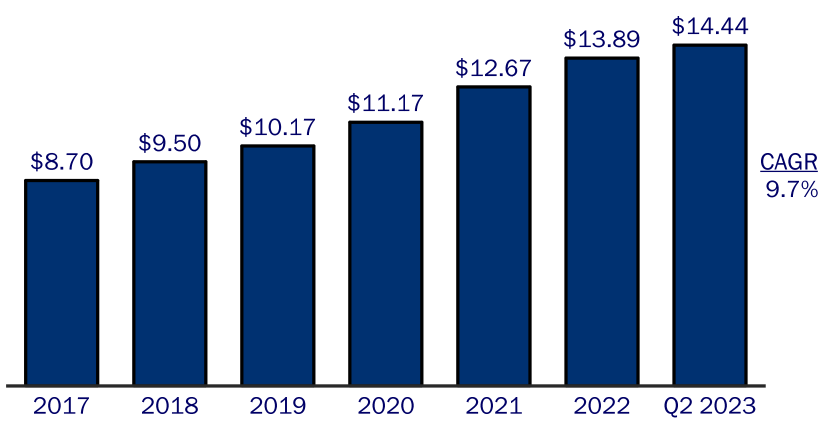
2023 and Beyond
Evolution into Middle Market Commercial Bank
- Continue with commercial focus
- Achievable goals for valuation and stock trading liquidity
- Follow-through on important strategic investments, such as our new business lines
- Grow technology expertise with digital banking

Record EPS in 2022 and TBV CAGR is about 10% since 2017

Earnings Per Share



Tangible book value per share

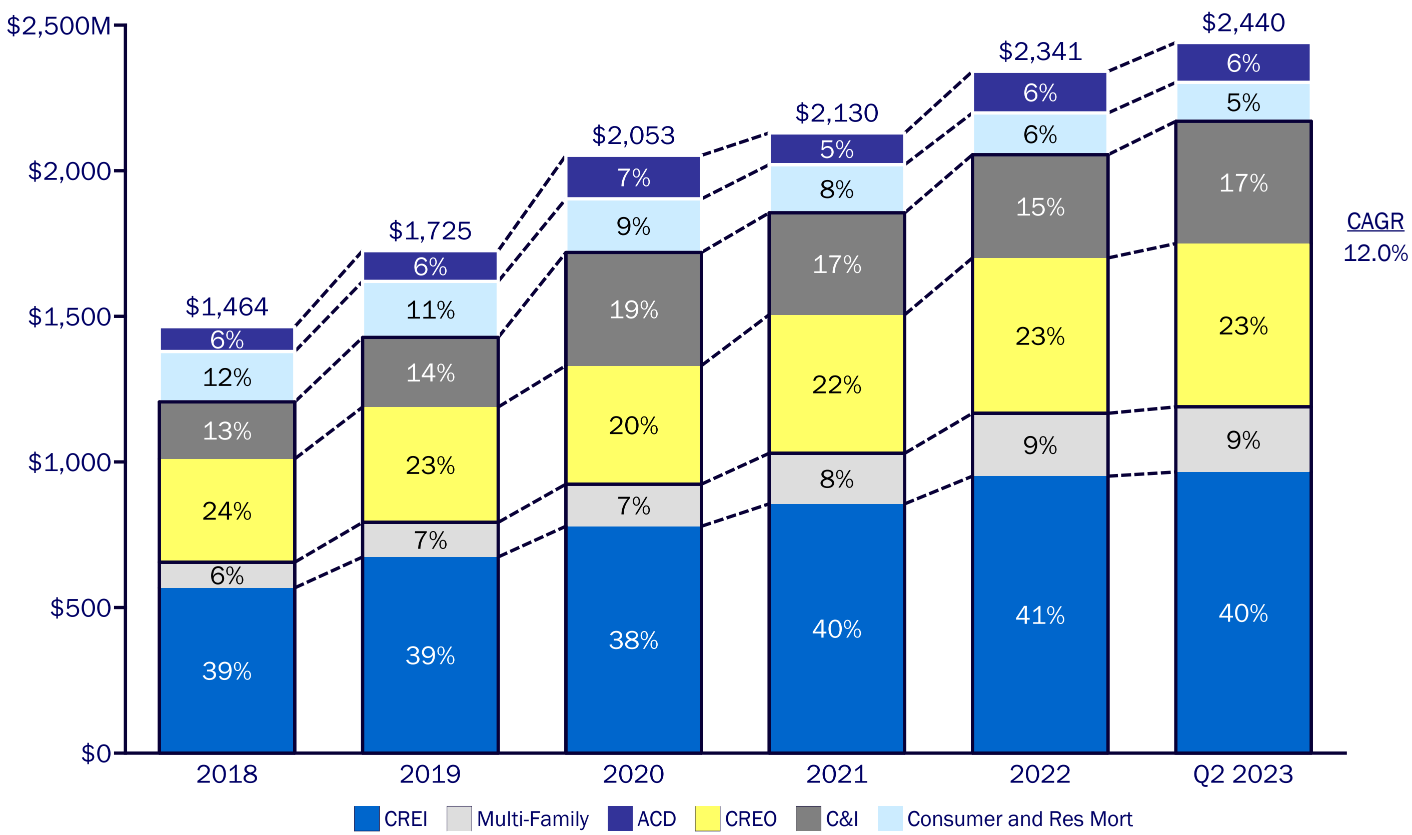


Consistent Strategy Driving Enhanced Results

*EPS are basic earnings per share

We are commercially-focused lenders, but the portfolio is well diversified across commercial categories

Q2 2023 Loan Portfolio Composition
(in Millions)



- Expanded C&I loans for further diversification in the loan portfolio, creating new deposit growth channels
- Top quartile performer for yield on earning assets[1]
- 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
- Loan growth has moderated, and credit quality remained stable

1. Peers include public NJ and PA banks under $10B in assets, source S&P Capital IQ Pro, peer data available through Q1 2023

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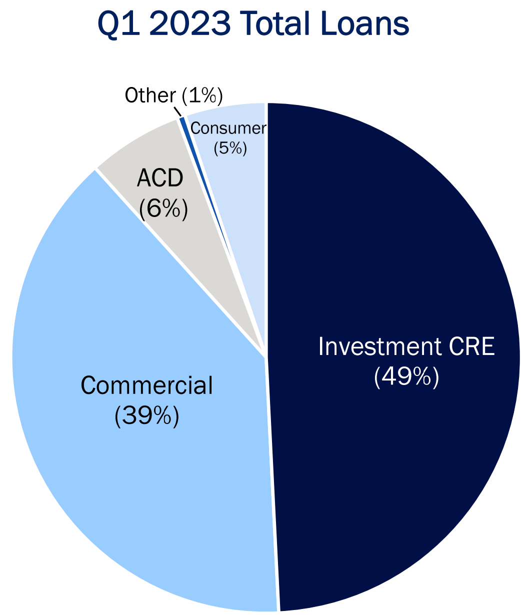
Well diversified within the major loan segments

Commercial (C&I and CREO)	933,846
Real Estate, Rental and Leasing	130,278
Manufacturing	107,884
Accomodations and Food Services	95,897
Retail Trade	90,996
Wholesale Trade	78,429
Other Services, Except Public Admin	72,502
Professional, Scientific, Tech	63,194
Administrative and Support	49,381
Arts, Entertainment, and Recreation	45,916
Transportation and Warehousing	40,655
Construction	38,470
Healthcare	25,558
Finance and Insurance	25,430
Educational Services	24,190
All other Sectors	24,147
Information	10,654
Agriculture, Forestry, Fishing and Hunting	3,755
Mining	3,338
Management of Companies	3,100
Public Administration	72

Investment CRE	1,178,675
Retail Multi-Tenant	238,716
Multi-Family	220,101
Industrial	187,652
Mixed Use	108,540
Office	99,661
Retail - Single Tenant, Credit Rated	95,101
Hotel	76,203
Medical	73,652
Retail - Single Tenant, Non Credit Rated	60,426
All Other	11,787
Restaurant	6,836
Acquisition, Construction & Development	143,955
Consumer	127,729
Consumer - Real Estate	123,787
Consumer - Non Real Estate	3,345
Consumer - Manufactured Housing	597
Other	12,060



- C&I includes working capital lines of credit, machinery and equipment loans, acquisition financing, commercial mortgages, among others
- Commercial loan breakdown is 57.9% CREO vs 42.1% C&I

*Loan data as of 3/31/23

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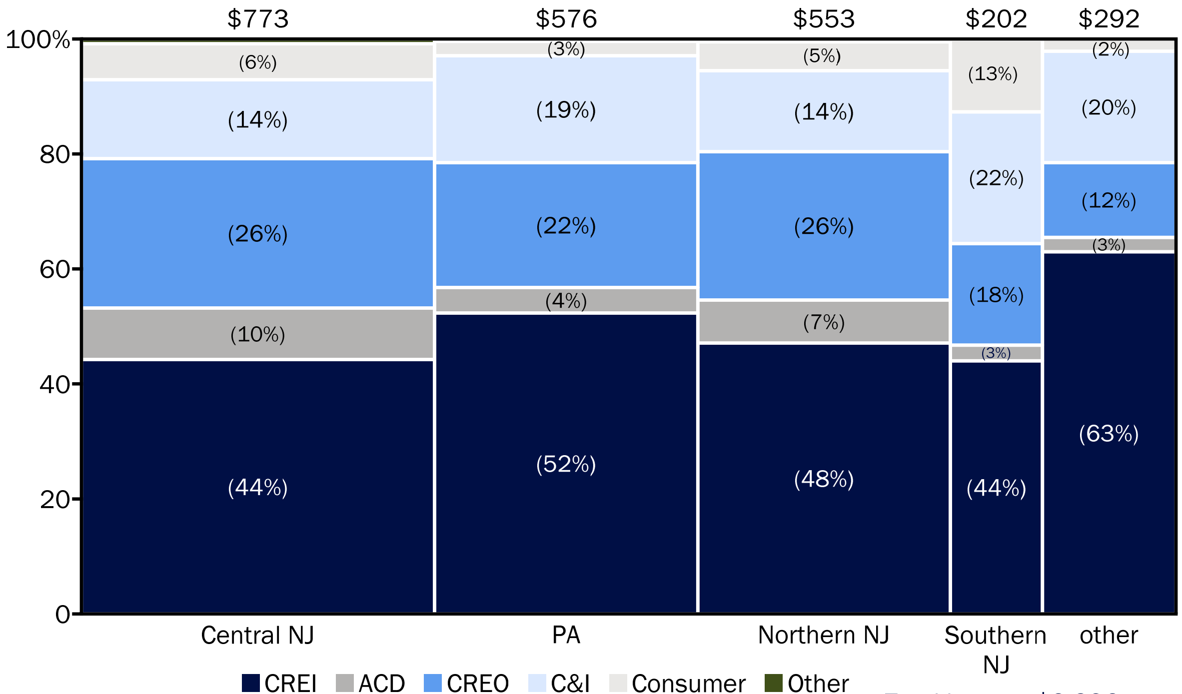
Conservative and stable loan growth with geographic diversification

Total Loans by Geography as of Q1 – 23 (in $Millions)



Total loans = $2,396

CREI Collateral Details

	WA DSCR	WA LTV
Industrial	2.58	57.58
Restaurant	1.33	51.28
Office	1.77	64.32
Retail	1.81	59.73
Medical	1.66	62.22
Hotel	1.88	62.55
Multi-Family	1.60	62.78
Mixed Use	2.08	60.05

Underlying collateral is highly diversified and focused in low risk collateral types

*Loan data as of 3/31/23

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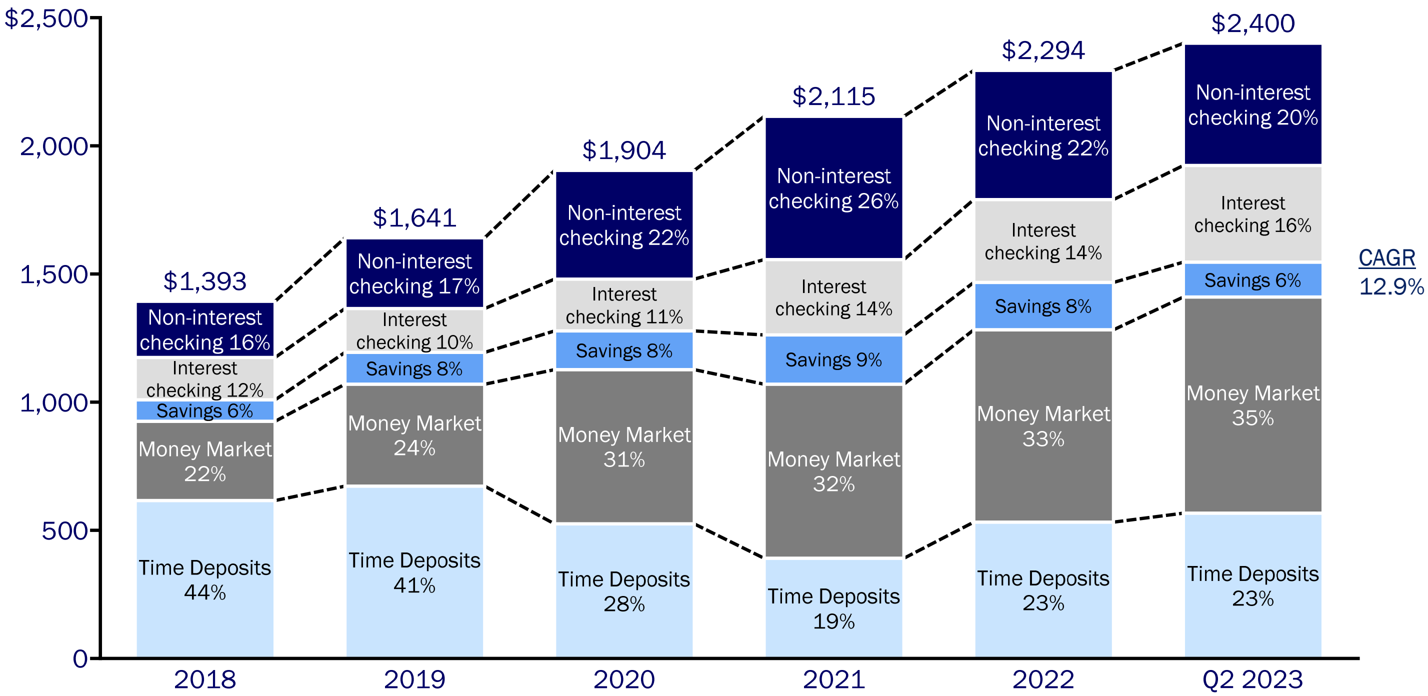
Growing Core Deposits

Total Deposits by product ($ in millions; average balances)



Total Cost of Deposits	1.09%	1.45%	0.86%	0.28%	0.54%	2.19%

- Deposits increased by $158.1 million during the second quarter of 2023
- Despite some migration to interest bearing accounts, one-fifth of all deposits remain non-interest bearing
- Almost half of our customers have more than one account and one-fifth have three or more

*For the quarter end 6/30/23

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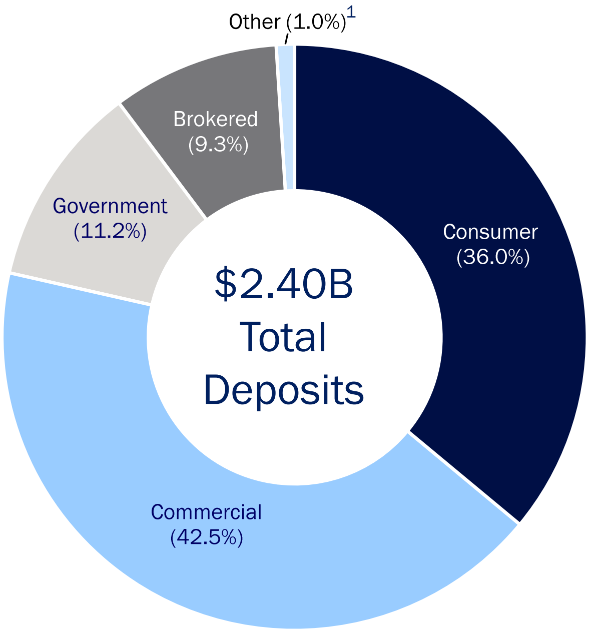
Our successful relationship-driven business model creates customer loyalty



Q2 2023 Average Account Balances

Consumer: $43,100

Commercial: $89,000

Government: $1,714,000

Q2 2023 Average Current Tenure

Consumer: 10.2 years

Commercial: 5.6 years

Government: 7.8 years

- Consumer average current tenure is over 10 years
- 60.4% of customers have tenure of 5 or more years, 34.5% have 10 or more years, and 28.7% have 12 or more years
- Average CD relationship is almost 10 years

1. Other includes internal accounts, listing service deposits, loan escrow balances, and deposits pledged for swap collateral.

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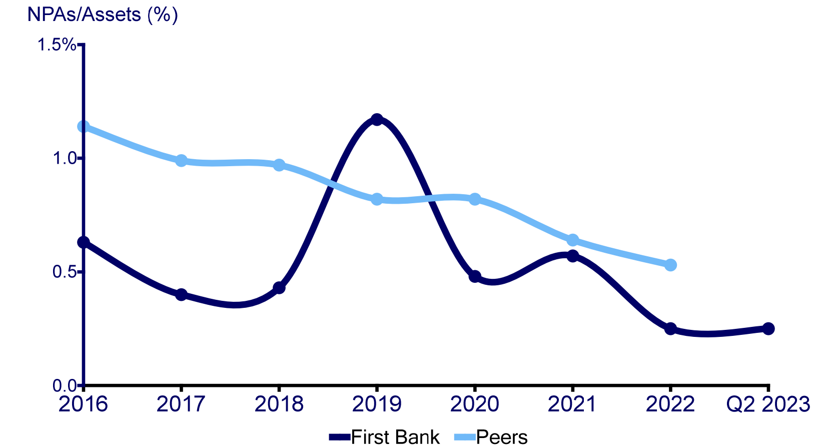
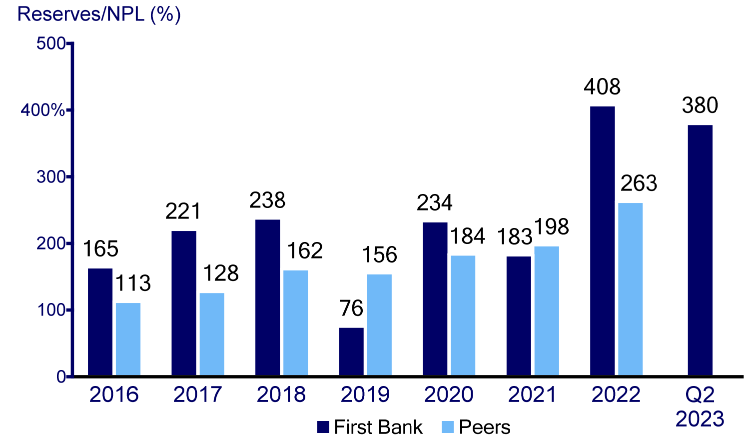
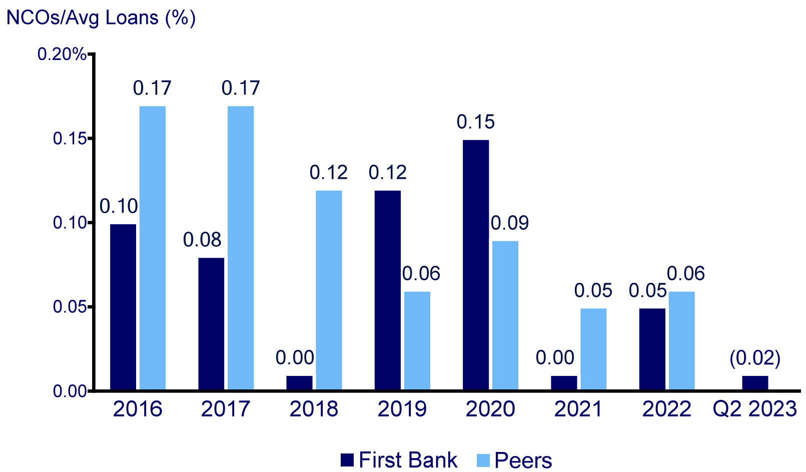
Strong History of Credit Discipline







- 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
- Net charge-offs continues to trend better than peers

*Peers include public NJ and PA banks under $10B in assets, source S&P Capital IQ Pro

Ample Available Liquidity

- Rigorous stress testing is performed quarterly and includes both systemic and idiosyncratic scenarios
- Testing completed at the end of first quarter demonstrates a strong liquidity position with sufficient liquidity in the most severe scenarios
- Malvern acquisition will add balance sheet management flexibility, which should assist in managing margin pressures and provide opportunities for efficiency gains

Contingent Liquidity to Uninsured Deposits[1]

Net cash and cash equivalents	169,484
Borrowing capacity with FHLBNY	305,831
Borrowing capacity with Fed Res	80,986
Borrowing capacity with other banks	60,000
Unpledged securities (market value)	41,926
Immediate available liquidity	658,227
Adjusted uninsured deposits[2]	560,203
Immediate available liquidity/uninsured deposits	**117.50%**

1. In thousands, as of 6/30/23. 2. Adjusted estimated uninsured deposits are estimated uninsured deposits minus uninsured deposits of states and political subdivisions which are secured or collateralized as required by state law.

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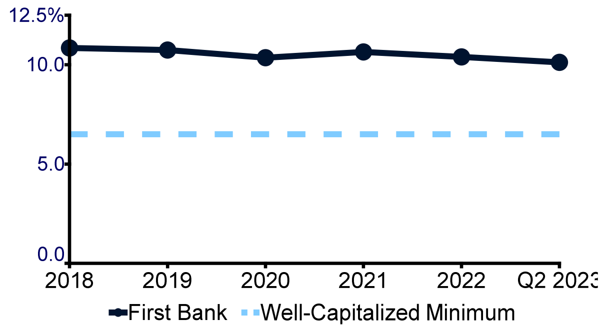
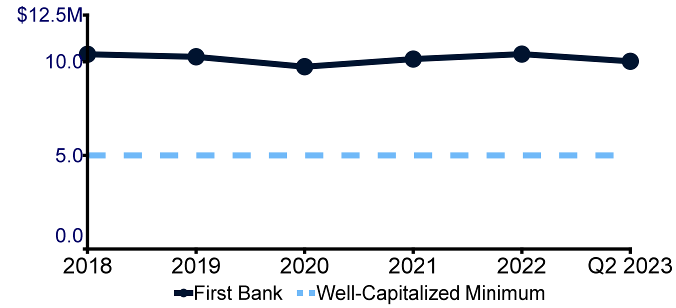
We continue to operate from a position of capital strength

- We manage capital prudently, prioritizing returns over growth
- Capital position allows for strong capital returns to shareholders, resulting in dividends for 26 consecutive quarters
- Our notable capital position allowed us to repurchase 550,000 shares while many of our peers were unable to make buybacks

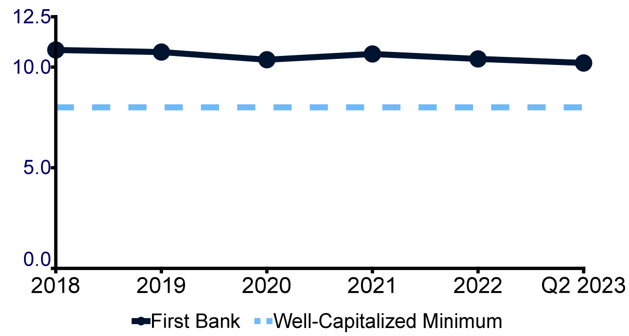
CET 1 Capital Ratio



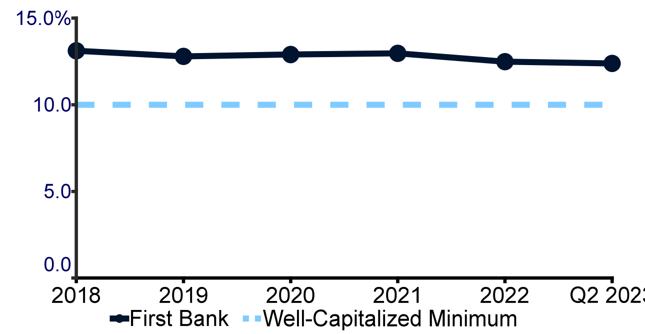
Tier 1 Leverage Ratio



Tier 1 Risk-Based Capital Ratio



Total Risk-Based Capital Ratio



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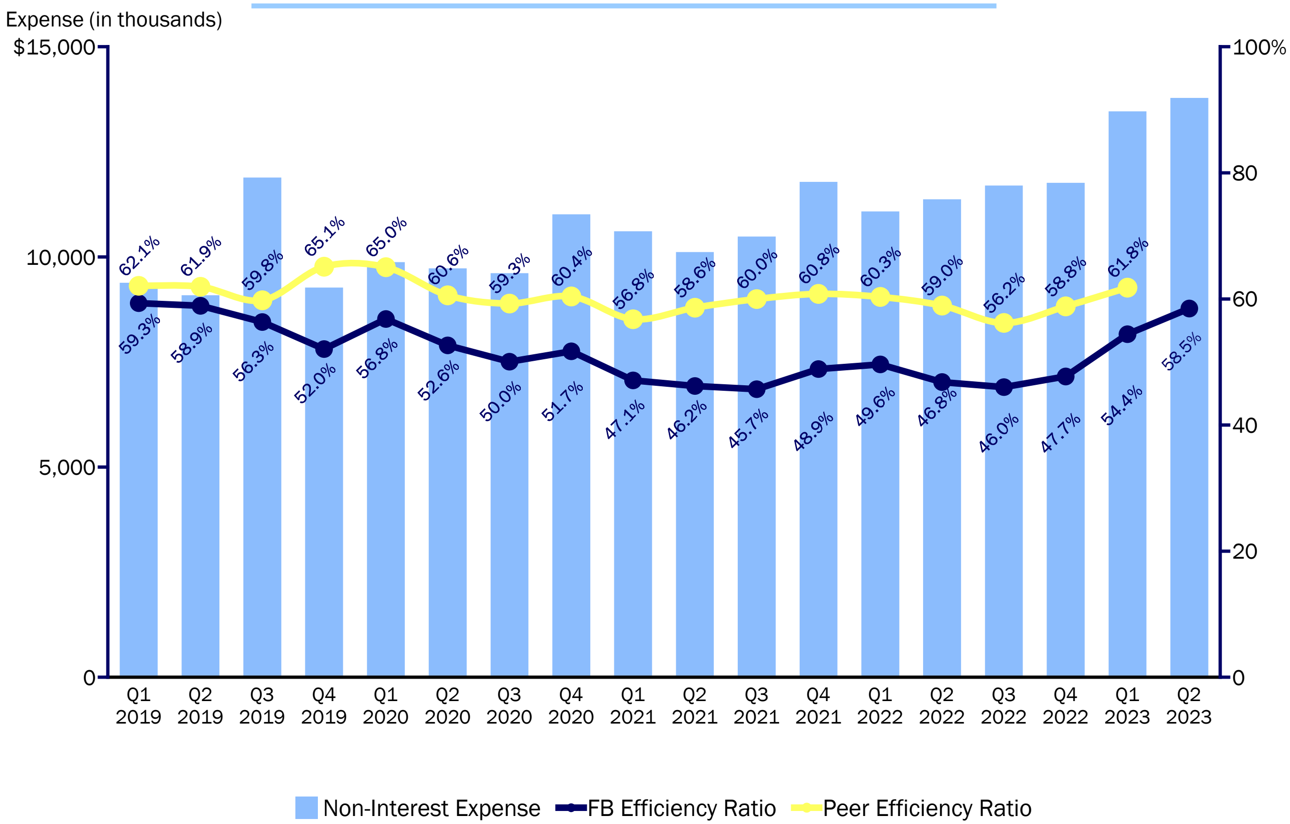
Expense Discipline and Focused Investments

Outperforming Peers in Efficiency



Lean Operating Strategy

- Recent investments in new lines of business (Asset-based lending, Private Equity, Small Business Express) create opportunities to increase revenue without departing from our lean operating model
- The proactive investments scale the business and position us for more profitable longer-term growth
- We identify opportunities to manage discretionary spending, aligning expense growth to a slower pace than asset/revenue growth

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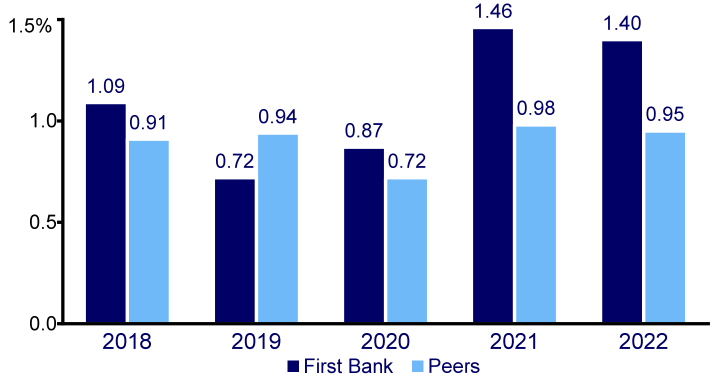
*Peer banks include public NJ and PA banks under $10 Billion in assets, source S&P Capital IQ Pro, peer data available through Q1 2023

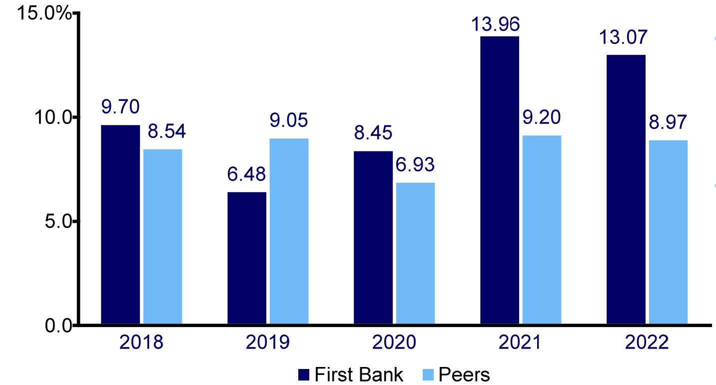
Continued high performance

ROAA



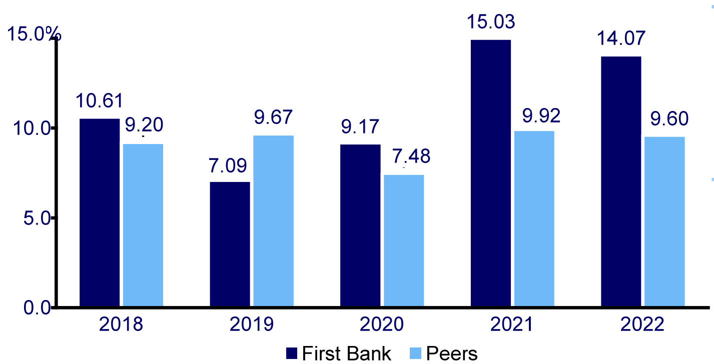
Averaging yearly outperformance of 21 bps above peers

ROAE



Averaging yearly outperformance of 179 bps above peers

ROATCE



Averaging yearly outperformance of 202 bps above peers

Drivers of Performance

- Exceptional expense management
- Superior net interest margin
- Consistently low credit costs

*Peer banks include public NJ and PA public banks under $10 Billion in assets, source S&P Capital IQ Pro

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Appendix

Non-U.S. GAAP Financial Measures

Tangible Book Value Per Share		
Stockholders'equity	$	294,161
Less: Goodwill and other intangile assets, net		19,289
Tangible stockholders' equity (numberator)	$	274,872
Common shares outstanding (denomintor)	$	19,041,343
Tangible Book Value Per Share	$	14.44

Return on Average Tangible Equity		
Net income (numerator)	$	6,799
Average stockholders' equity	$	295,560
Less: Average Goodwill and other intangible assets, net		19,324
Average Tangible stockholders' equity (denominator)	$	276,236
Return on Average Tangible equity (1)		9.87%

* For the quarter end 6/30/2023

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