

ever upward

EXCELSIOR



FIRSTBANK

2021 ANNUAL REPORT

ever upward

EXCELSIOR

In 2021, First Bank delivered record earnings and profitability, balance sheet growth and continued solid asset quality metrics. We helped our clients and communities navigate the ongoing pandemic and we welcomed new employees and customers through a strategic branch acquisition during the year. As proud as we are of what our team accomplished in 2021, we are thoroughly focused on what lies up ahead.

In the 15 years since First Bank was founded, we have always sought continuous improvement. That means responsible growth centered on markets we know intimately and where we see great opportunities for organic and acquired expansion. It means high-quality growth, focused on customers that value our relationship-based approach to banking, and it means building a team that is united in its focus on delivering strong outcomes for those customers. Great companies are built every day, meaning that what we do every single day matters and lays the groundwork for what comes next. First Bank has been steadily climbing to this point for the past 15 years and with new markets, branches, products and technology to propel us forward, we are eager to accomplish even more for our customers and shareholders in the future.

▶ SEE SOME OF OUR LATEST PERFORMANCE HIGHLIGHTS ON THE RIGHT

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Record net income of **\$35.4 million** in 2021

Non-interest-bearing deposits grew by **\$134.7 million**, or **31.7%**, year-over-year

Diluted EPS of **\$1.79**, an **84.5%** increase from the prior year

Quarterly cash dividend raised by **100%** in Q4 2021 to **\$0.06** per share

Cost of deposits declined to **0.28%**—our lowest annual rate to date

Strong credit metrics, with net charge offs to average loans of **0.0%**



Adjusted ROAA of **1.48%**, excluding merger and acquisition expenses

To our shareholders, stakeholders, employees and friends:

2021: A year when opportunity knocked, we pushed through obstacles, and we answered.

Success in business can be oversimplified with this maxim: put yourself in a position to get opportunities; know how to recognize the real from the false; and move quickly to capitalize. Several *significant* and *real* opportunities emerged for First Bank in 2021. We took advantage and produced our best year ever.

To be sure, our industry enjoyed a few important tailwinds during the year. Low interest rates and significant liquidity in the markets helped keep deposit volumes high and costs low. A strong rebound in economic activity helped generate quality new lending opportunities and keep credit costs low. And, a second round of Paycheck Protection Program (PPP) loans opened the door to new commercial leads as well as additional PPP income. Hence, opportunities for strong revenue and earnings growth emerged.

Nevertheless, capitalizing on these opportunities was not easy. 2020 was so hard for so many of us that it can be difficult to draw comparisons. While 2021 was better in many ways, the prolonged nature of the pandemic created new difficulties. Remote and hybrid work conditions continued. Rising COVID-19 case counts at different points during the year produced unprecedented staffing difficulties. The “great resignation” drove higher employee turnover and higher wages.

Our team needed mental toughness and perseverance to overcome these obstacles. Once again, they delivered. Our team acknowledged the new realities and they discovered ways to find joy and achieve success. Our acquisition of two branches and \$101 million in low-cost deposits is a great example of opportunity and perseverance. Excess liquidity in the market allowed us to acquire those deposits at a low premium compared to historical standards, and our mental toughness allowed us to successfully complete the integration of those customers and employees despite the operational challenges mentioned above.

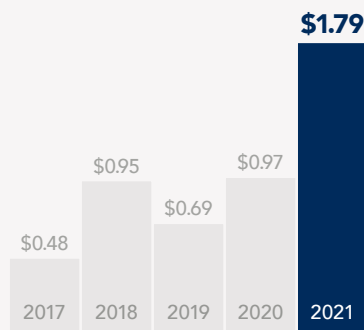
As a result of these incredible efforts, we achieved record earnings in 2021. Net income of \$35.4 million, or \$1.79 per diluted share, equates to an 84% increase in diluted earnings per share (EPS) from the prior year. Our double-digit net interest income and non-interest income growth, strong margin improvement, minimal credit costs and PPP income were important drivers of this improved EPS performance. Our strong expense control also contributed as we limited non-interest expense growth to just 5%, excluding merger and acquisition expenses, compared to 18% and 22% growth in net interest income and non-interest income, respectively.

Total assets grew 7% to \$2.5 billion during the year, led by an approximately \$150 million increase in non-PPP loans. Deposit growth of \$211 million generated more than enough funding to support loan growth. Core deposit growth generated through our branches, local commercial relationships and our branch acquisition allowed us to retire or run-off nearly \$133 million in time deposits. The lower interest rate environment, our concerted effort to hold loan yields, and efforts to reduce deposit costs helped drive our net interest margin up from 3.29% in 2020 to 3.56% in 2021.


On the heels of an incredibly challenging 2020, we saw opportunities emerge in 2021. Our team worked hard, stayed focused, and generated really great results.

Diluted Earnings Per Share

AT 12-31



5-YEAR CAGR = 24.0%

A woman with dark hair, wearing a blue blazer over a white collared shirt, is standing on an escalator. She is looking upwards and to the right, with her hands resting on the handrail. The background shows a modern, brightly lit interior space with white walls and ceiling.

Our double-digit net interest income and non-interest income growth, strong margin improvement, and PPP income were important drivers of our record 2021 performance.

First Bank Profile

New Jersey
state-chartered bank

Headquarters:
Hamilton, NJ

18 full-service branches
in New Jersey
and Pennsylvania

\$2.51 billion in assets
at 12-31-21

Traditional range of
deposit and
loan products

Bauer Financial
5-Star rated bank
(top ranking)

Kroll Bond Rating
Agency Investment
Grade Rating

Before we discuss our prospects moving forward, I'd like to provide a little more detail regarding our 2021 financial results

CREDIT QUALITY Credit quality improved during the year with negligible net charge offs and lower rates of delinquency. At year-end, our nonperforming loans came to 0.62% of total loans, up slightly from 0.50% at the end of 2020, but down significantly from 1.32% at year-end 2019. Net charge offs during the year were negligible, compared to \$2.8 million the prior year and \$1.9 million in 2019. Our allowance for loan losses was 183% of nonperforming loans by year-end, a very strong level when compared to peers.

After the required build up in reserve for loan losses in 2020, and the improved credit profile of the portfolio, our models produced a small, negative provision for loan losses during the year. As a result, our ratio of allowance to total loans moved down to 1.12% at year-end, from 1.17% at the end of 2020. Our loan loss coverage ratio at year-end 2021 increases to 1.36% when you add back the \$4.2 million in mark-to-market credit reductions made to acquired loans.

LOAN GROWTH Our loan portfolio grew \$64 million in 2021. Non-PPP loan growth of \$151 million was partially offset by an \$86 million net decline in PPP loans, as many of our clients successfully navigated the forgiveness process. \$51 million in PPP loans remained on the balance sheet at year-end. First Bank has been proud to support small businesses and we were eager to introduce our relationship-based banking philosophy to new customers through both rounds of the PPP. We issued a total of 1,934 PPP loans through both rounds of the PPP totaling nearly \$300 million. This included the support of our current customer base and hundreds of new customers.

Non-PPP loan growth of \$151 million included \$140 million of traditional organic loan growth and \$11 million of consumer loans acquired as part of the branch acquisition. Importantly, over 75% of our organic loan growth during the year came from C&I/business loans. It is also worth noting that our net loan growth for the year came despite historic pay offs and pay downs on existing non-PPP loans of approximately \$246 million during the year. In fact, while 2021 was not our best year ever for net organic loan growth, it was our best in terms of new loans booked. Our new loan production engine continues to be a strength. We produced approximately \$123 million in net organic loan growth in the fourth quarter alone and our pipelines remain at all-time high levels.

During the year, our yield on loans was 4.33%, a decrease of 15 basis points from 4.48% during 2020. While Treasury yields ticked higher during the year, they remained at levels well below historical yields, so new production came on at rates lower than the loans that matured or paid off. This low-rate environment, coupled with a competitive market for new loans, pushed average yields lower. We were able to offset this by continued improvements to our funding costs, which dropped much more than the yield on our loans.

DEPOSIT GROWTH Total deposits increased by \$211 million, or 11%, during 2021 and we continued to enhance our deposit mix during the year. Non-interest bearing (NIB) deposits increased by \$135 million, or 32%, to \$559 million at the end of 2021, making up 26% of total deposits. This is up from 22% at year-end 2020. Having achieved our previous goal of 25%, we're now focused on getting to 30%. NIB deposits support our ability to lower our cost of deposits, which were 0.28% for the full year 2021, reflecting a 58-basis-point improvement from 2020 and lower than our local peer group average of 0.31%.

Commercial deposit growth was another area where we achieved significant growth and surpassed our internal targets. Commercial deposits grew by \$135 million during 2021 and made up 42% of total deposits as of December 31, 2021. With our strategic focus on commercial/business relationships and cash management products and services, we are focused on moving this ratio higher over time.

So, how did those developments impact profitability in 2021?

NET INCOME AND EARNINGS PER SHARE 2021 net income was \$35.4 million and diluted EPS was \$1.79, compared to \$19.4 million and \$0.97 per diluted share in 2020. How did we grow earnings over 80%? First, net interest income (our largest revenue driver) was up 18% as loan growth, lower funding costs and PPP fee income of \$5.8 million more than offset the impact of declining loan yields. Second, non-interest income was up \$1.4 million, or 22% compared to the prior year. On the expense side, we did a nice job managing costs as non-interest expense only increased 7% for the year, even including \$643,000 in merger and acquisition costs. Our results were further supported by a small credit to the provision for loan losses for the year.

PRE-PROVISION NET REVENUE (PPNR) We look at this non-GAAP measure on a quarterly basis to get a sense of our core operating earnings trends. It is calculated by taking our net interest income (before the provision for loan losses), adding non-interest income excluding non-recurring items, and subtracting non-interest expense excluding non-recurring items (merger and acquisition expenses). You will find each of the components listed above broken out in our audited financial statements.

PPNR of \$47.1 million in 2021 was up from \$35.5 million in 2020. Because this metric controls for credit, non-recurring expenses and tax changes, it gives a closer look at just the impact from growth and the changing margin. It shows that our core business improved by \$11.6 million, or nearly 33%, in 2021.

BOOK VALUE We closed the year with book value of \$13.69 per share, an increase of \$1.61, or 13.3%, compared to year-end 2020. Tangible book value per share (TBV) reached \$12.67 at the end of 2021, an increase of \$1.50, or 13.4%, compared to year-end 2020. Continued growth of book value will be an important driver of future value creation for our shareholders. Since the end of 2016, tangible book value per share has increased \$4.89, which equates to a compound annual growth rate of 10%.

ROAA AND ROAE Our ROAA was 1.46% for the full year 2021, an increase of 59 basis points from 2020. We estimate that core ROAA for 2021 was closer to 1.20%, still a strong improvement from 0.87% in 2020. We remain laser-focused on driving our ROAA higher as the single most important metric to show the earnings power of the franchise.

Return on average equity (ROAE) followed a similar trend to ROAA in 2021 — with a ratio of 13.96% compared to 8.45% in 2020. Strong earnings coupled with stock repurchase activity in 2021 helped us push this key ratio higher.

2022: First Bank is poised to take advantage of a rising interest rate environment, as we continue to seek new commercial lending niches and M&A opportunities to enhance our growth

Looking back on 2021, we were able to capitalize on PPP opportunities, continue to drive operating leverage, and find ways to benefit from an improving economic landscape.

Looking ahead, I see opportunities for continued success. An improving economy should help keep credit quality strong and a rising interest environment could create an opportunity for margin expansion if the long end of the yield curve continues to move higher. And, as long as the interest rate environment doesn't create significant margin compression (which I do not expect), I believe we will continue to see revenue growth well in excess of expense growth.

While we may not be able to repeat our overall level of earnings success in 2022, given some one-time benefits realized in 2021, I think the core results will continue to show strong progress. Here is how we'll do it.

2021 Performance Highlights

2021 net income of \$35.4 million, up \$16.0 million, or 82.2%, from \$19.4 million in 2020

Full year total net revenue* of \$89.6 million increased \$13.7 million, or 18.1%, from 2020

Total loans of \$2.11 billion at 12-31-21, up \$64.4 million, or 3.1%, from one year prior

Total deposits of \$2.11 billion at year-end 2021 were up \$211.0 million, or 11.1%, from 12-31-20

Average interest-earning assets reached \$2.30 billion, increased \$188.5 million, or 8.9%, from 2020

Efficiency ratio below 50% for four consecutive quarters, at 49.57% for fourth quarter 2021

* Total net revenue is the sum of net interest income and non-interest income.

Strategic Objectives

Efficient funding cost resulting from core deposit growth

Stable net interest margin

Opportunistic M&A program

Strong organic growth in all markets

Providing superior customer service

EXPAND COMMERCIAL LENDING INTO NEW, NICHE AREAS TO DRIVE GROWTH

We have been and we will continue to be focused, commercial lenders. As we have grown, our legal lending limit has grown, and we have been able to attract quality commercial lending staff with unique experience. Our expansion into SBA lending is a good example of this strategy. We leveraged our strength in small business lending, hired staff with excellent SBA experience and the team is producing strong results. Our loan production and fee income generation were up three-fold in 2021 compared to 2020. Plus, with our recent approval as an SBA “preferred lender” and our hiring of another strong business development professional in this area, we expect even better results in 2022. Beyond SBA, we see opportunities to move into the higher end of the middle market, as well as other niches like fund banking and equipment financing. We think these areas can help us continue to build and grow our relationship banking model. It should be noted we are not planning to make “big bets” in any of these areas just yet. As always, we will be taking a cautious and thoughtful approach. If successful, we will explore ways to continue to build our presence in these areas.

OPPORTUNISTIC M&A Our acquisitions to date have been very successful. We are disciplined acquirers who focus on “buying right” and integrating effectively. Once again, our track record in this area speaks volumes. The consolidation of the community banking sector is destined to continue. We think accretive acquisitions create value in their own right, and we believe that larger banks get rewarded with better stock price multiples of earnings and book value. Therefore, smart M&A can be an effective way to “unlock” hidden value in the franchise.

FURTHER OPERATING LEVERAGE We expect that continued loan growth, stable-to-increasing earning asset yields and stable funding costs should translate to continued strong revenue growth during 2022. At the same time, we remain very focused on cost-containment efforts. While wage inflation in 2022 could create additional pressure, we continue to believe we can drive outsized revenue growth relative to expenses.

AN IMPROVING ECONOMIC LANDSCAPE If inflation can be managed effectively, continued strong economic growth should generate quality loan opportunities as well as a favorable asset-quality environment. At this point we have reasonable visibility into an economy that should continue to grow at an above-average rate (absent continued deterioration of the geopolitical situation). That alone will benefit banks. And, if the yield curve elongates, the outlook is even more positive.

So, despite the loss of PPP fees, and the prospects of a higher provision for loan losses in 2022, there is reason for optimism regarding 2022. Will we be able to match the ultra-high EPS generated last year? That could be tough. But, I like our chances to deliver really strong financial performance compared to peer and historical banking standards.

Key recent hires provide further reason for optimism for the future. Tony DeSenzo is our new Northern NJ Market Executive and Team Leader. Darlene Gillespie is our new Head of Retail. Ana Amaral is our new BSA Officer. We also added strength to our NJ and PA commercial lending and deposit teams and we’re getting great leadership from our Regional Presidents Dave DiStefano and Joe Calabro. We also had key promotions during the year. Andrew Hibshman stepped up to become our Chief Financial Officer with the retirement of long-time CFO Steve Carman, and he brought in Parwinder Virk to help as our new Chief Accounting Officer. Ramzi Dagher joined mid-year as a Team Leader helping to build out our presence in PA and across our commercial lending business lines. We have a great combination of experienced, community-bank professionals and really strong, up-and-coming bankers.

Excelsior: Ever Upward

Our Board Chairman, my father, Patrick M. Ryan, has always been fond of this saying. For a long time, I didn't focus on it. I figured it was a reminder of his roots growing up in Western New York, since it is the state motto for New York. However, as a manager and a leader here at First Bank, I have really come to appreciate the importance and significance of the words. *Excelsior! Ever Upward!* It's a reminder that despite our successes and accomplishments, there is more good work to be done. It's also a reminder that perfection doesn't exist. Perfection is not a destination or an outcome. The journey, the endeavor, the pursuit of growth and continual improvement is the goal. In honor of my father (the greatest community banker I've ever met), and the values he has instilled in me and our entire First Bank team, there seemed no better theme for this year's annual report. In 2022, and beyond, we will be pushing, striving, ever upward.

I'd like to thank the departing members of our Board of Directors: Elbert Basolis, Christopher Chandor, Patricia Costante, and Gary Hofing. Few can appreciate, if they have never done it, the amount of time and effort that goes into serving on a bank board. These individuals answered the call every week, month and year for committee meetings, board meetings, shareholder meetings and business development events. I personally am very thankful that I have had the opportunity to work with and learn from each of them over the years.

I'd also like to share a few thoughts about our departing CFO, Steve Carman. Steve was with us from the beginning here at First Bank. He helped do some of the heaviest lifting to get our new venture off the ground back in 2008 and 2009 and he was indispensable along the way — doing whatever was needed to keep our nascent organization moving forward. His knowledge, experience, and most importantly his "can do" team-spirit propelled us forward. As we grew, Steve built out his department and became a tremendous mentor to Andrew and the rest of the team. Our success as an organization, and the strength of the Finance area is a lasting testament to Steve and the amazing job he's done for us over the years. Steve — you are missed my friend. I'm glad you're sticking around to help us as needed, and I hope you're able to enjoy your well-earned retirement!

In closing, I'd like to personally thank our customers, employees, and shareholders. Without all three working together, the Bank cannot be successful. All of us here at First Bank appreciate your support and dedication and we look forward to sharing more good news with you as we move forward.

Sincerely,



Patrick L. Ryan
President and CEO

SAFE-HARBOR STATEMENT

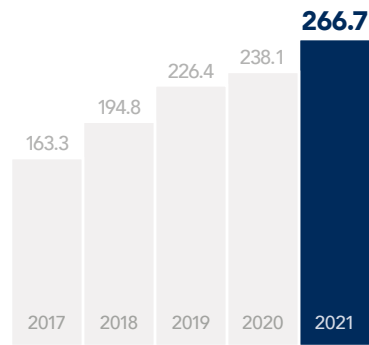
NOTE This document contains forward-looking statements concerning the financial condition, results of operations and business of the Bank. We caution that such statements are subject to a number of uncertainties, including but not limited to those set forth under the caption "Item 1A – Risk Factors" in the accompanying annual report on Form 10-K, as well as the continued effects of the COVID-19 pandemic, changes in economic activity in our markets, changes in interest rates and changes in regulation and the regulatory environment. If one or more events related to these or other risks or uncertainties materialize, or if First Bank's underlying assumptions prove to be incorrect, actual results may differ materially from what First Bank anticipates. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and First Bank does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All forward-looking statements, expressed or implied, included in this communication are expressly qualified in their entirety by this cautionary statement. 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.

"Excelsior! Ever Upward!
It's a reminder that
despite our successes and
accomplishments,
there is more good work
to be done."

Performance Overview

Total Stockholders' Equity

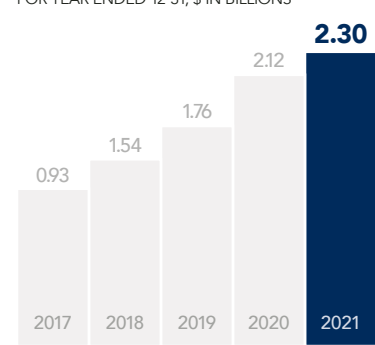
AT 12-31, \$ IN MILLIONS



5-YEAR CAGR = 24.6%

Average Total Earning Assets

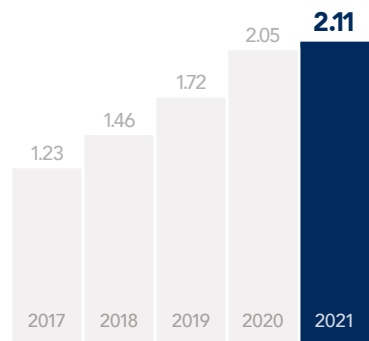
FOR YEAR ENDED 12-31, \$ IN BILLIONS



5-YEAR CAGR = 19.8%

Total Loans

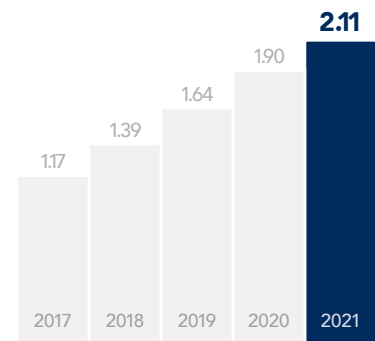
AT 12-31, \$ IN BILLIONS



5-YEAR CAGR = 18.6%

Total Deposits

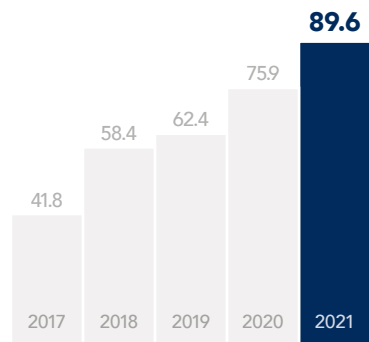
AT 12-31, \$ IN BILLIONS



5-YEAR CAGR = 18.8%

Total Net Revenue*

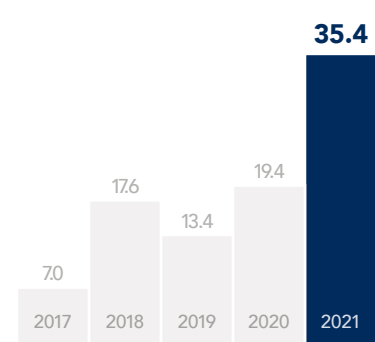
FOR YEAR ENDED 12-31, \$ IN MILLIONS



5-YEAR CAGR = 24.0%

Net Income

FOR YEAR ENDED 12-31, \$ IN MILLIONS



5-YEAR CAGR = 40.8%

* Total net revenue is the sum of net interest income and non-interest income.

Selected Financial Information

IN THOUSANDS, EXCEPT COMMON SHARE DATA

AT OR FOR THE YEAR ENDED DECEMBER 31,	2021	2016	5-YR CAGR
SELECTED BALANCE SHEET DATA			
Total assets	\$ 2,510,298	\$ 1,073,294	18.5%
Total loans	2,111,991	898,429	18.6%
Allowance for loan losses	23,746	9,826	19.3%
Total deposits	2,114,602	894,934	18.8%
Total borrowings	81,835	64,510	4.9%
Total subordinated debentures	29,620	21,641	6.5%
Total stockholders' equity	266,666	88,806	24.6%
Average total assets	2,420,517	963,448	20.2%
Average stockholders' equity	253,732	79,317	26.2%
SELECTED INCOME STATEMENT DATA			
Interest and dividend income	\$ 91,114	\$ 38,327	18.9%
Interest expense	9,224	9,424	(0.4%)
Net interest income	81,890	28,903	23.2%
Provision for loan losses	(232)	2,697	NM
Net interest income after provision for loan losses	82,122	26,206	25.7%
Non-interest income	7,754	1,630	36.6%
Non-interest expense	43,152	18,332	18.7%
Income before income taxes	46,724	9,504	37.5%
Income tax expense	11,295	3,098	29.5%
Net income	\$ 35,429	\$ 6,406	40.8%
COMMON SHARE DATA			
Diluted earnings per share	\$ 1.79	\$ 0.61	24.0%
Cash dividends paid	0.15	0.00	NM
Diluted weighted average common shares outstanding	19,815,747	10,580,040	13.4%
Book value per common share	13.69	7.78	12.0%
Common shares outstanding	19,472,364	11,410,274	11.3%
SELECTED PERFORMANCE RATIOS			
Return on average assets	1.46%	0.66%	
Adjusted return on average assets ¹	1.48%	0.66%	
Return on average equity	13.96%	8.08%	
Adjusted return on average equity ¹	14.16%	8.08%	
Net interest margin, tax equivalent ²	3.56%	3.11%	
Efficiency ratio ¹	47.42%	61.20%	
SELECTED ASSET QUALITY RATIOS			
Nonperforming loans to total loans ³	0.62%	0.66%	
Allowance for loan losses to nonperforming loans	182.65%	164.67%	
Net loan charge offs to average loans	0.00%	0.10%	
CAPITAL RATIOS			
Stockholders' equity to assets	10.62%	8.27%	
Tier 1 leverage capital	10.15%	8.56%	
Common equity tier 1 capital	10.65%	8.78%	
Tier 1 risk-based capital	10.65%	8.78%	
Total risk-based capital	12.97%	11.91%	

¹ This measure is not recognized under U.S. GAAP and is therefore a non-U.S. GAAP financial measure.

See our annual report on Form 10-K for a reconciliation of the 2021 calculation.

² The tax equivalent adjustment is calculated using a federal income tax rate of 21% in 2021 and 34% in 2016.

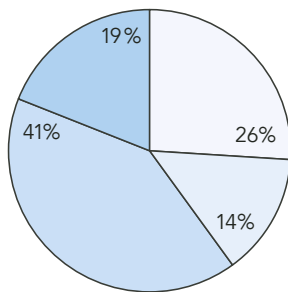
³ Nonperforming loans consist of nonaccrual loans and loans past due 90 days or more and still accruing.

Our full-year cost of deposits of 0.28% reflects a 58-basis-point improvement compared to 2020, as we continue to focus on enhancing our deposit mix.

Increased Momentum in Growing Deposits

Deposit Mix

\$2.11 billion AT 12-31-21



- NON-INTEREST BEARING DEMAND DEPOSITS
- INTEREST BEARING DEMAND DEPOSITS
- MONEY MARKET AND SAVINGS DEPOSITS
- TIME DEPOSITS

Deposit growth in 2021 remained solid, with good non-interest bearing growth, an improving mix and a continued reduction of our cost of funds. Total deposits of \$2.11 billion at December 31, 2021 were up \$211.0 million, or 11.1%, from December 31, 2020.

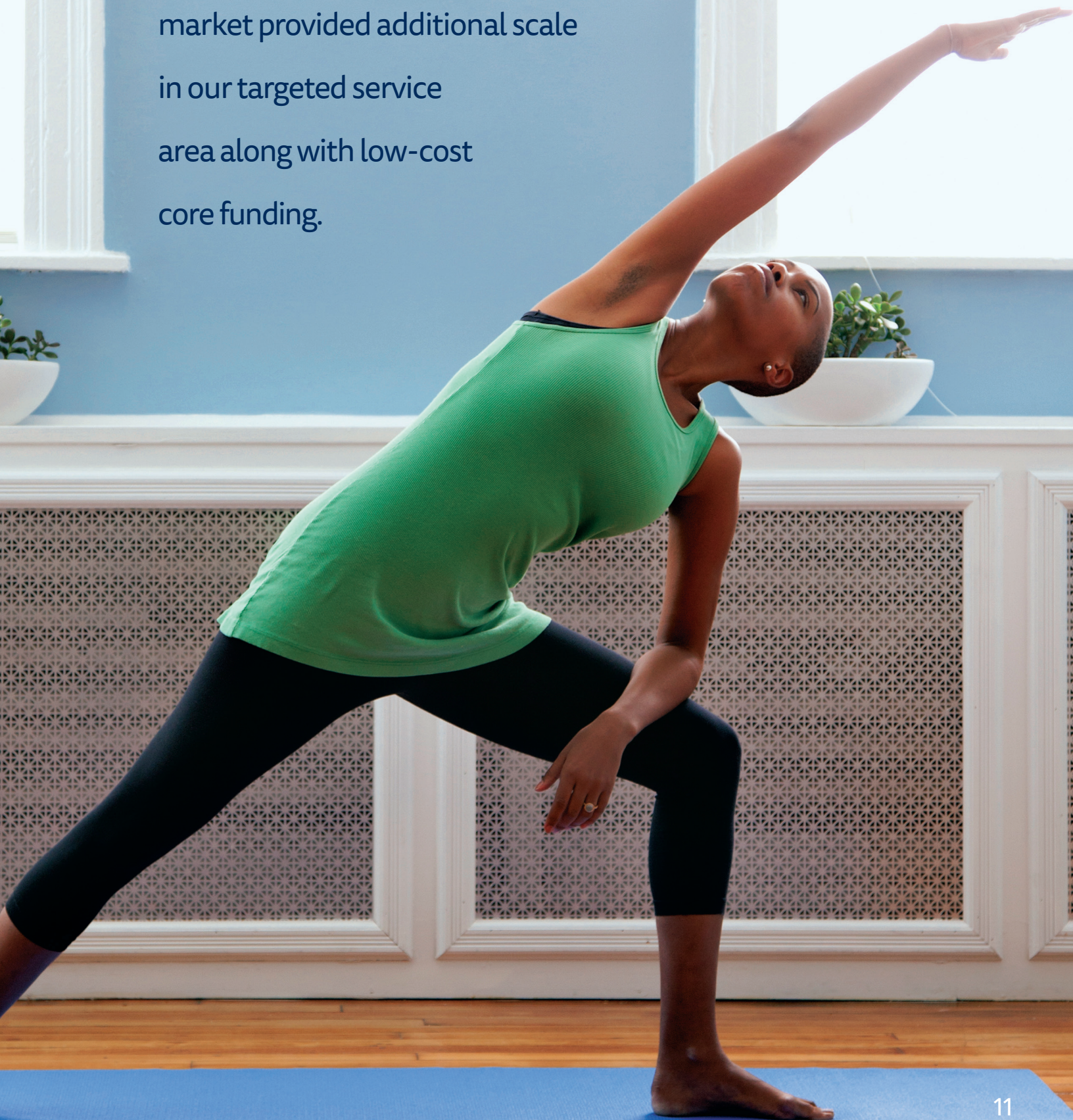
With the completion of our acquisition of two branch locations in early December 2021, we added over 2,000 new customers and \$101 million in new deposits. Combined with the ongoing momentum from our organic deposit gathering efforts, we have increased our average deposits per branch to more than \$95 million.

We continue to drive our cost of deposits lower, reducing them by 58 basis points in 2021 compared to the prior year through the combination of increased non-interest bearing deposits, which were up \$134.7 million, or 31.7%, in 2021, along with a decreased reliance on time deposits, which declined \$132.9 million, or 25.4%, since 2020 year-end.

Because of the Bank's organic initiatives, we now have a strong deposit pipeline driving growth which, along with the addition of new customers through our recent branch acquisition, strengthens our ability to continue to grow low-cost core deposits. In addition, we are leveraging the successful growth of our commercial deposit and cash management area to generate increased fees and increased services used per customer.

2021 was another very strong year for our efforts to generate cost-effective funding which supports a consistent net interest margin, and we are solidly positioned to carry this into 2022.

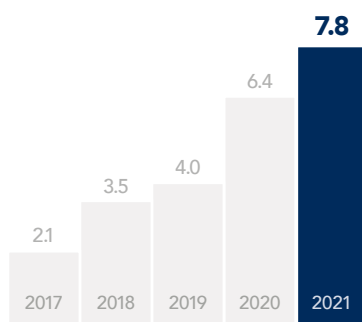
Our acquisition of two branches
in our central New Jersey
market provided additional scale
in our targeted service
area along with low-cost
core funding.



A Focused Approach to Lending

Non-interest Income

FOR YEAR ENDED 12-31, \$ IN MILLIONS



5-YEAR CAGR = 36.6%

Our ability to grow First Bank has been driven by our focus on business banking and commercial lending and our commitment to servicing this sector, remains very strong. This focus has enabled our team to punch above its weight when we compete with larger institutions within our market. The substantial growth we have realized in recent years has raised our profile with new and potential borrowers and enabled us to add additional capabilities to better meet the needs of area businesses.

During 2021, our lenders closed and funded approximately \$475 million in new non-PPP loans, an increase of 39% compared to last year. During the fourth quarter of 2021 our loan pipeline was near an all-time high which enabled a strong finish to the year and positioned our lending group for a solid start to 2022. The fourth quarter acquisition of two branches within our targeted service area introduced more than 2,000 new banking customers to our service platform, which is expected to contribute to near-term momentum.

To further support our business banking customers, we significantly expanded our U.S. Small Business Administration ("SBA") loan activity in 2021. We enhanced our position as an SBA lender with the 2019 acquisition of Grand Bank and in late 2021, we were also designated as a Preferred Lender by the SBA, which we believe will further enhance this business. We have a strong group of experienced SBA lenders with a detailed understanding of the program's requirements who help our customers navigate the process. This team produced strong results in 2021, and the success of this line of business is helping to drive our improved non-interest income.

Importantly, even with strong loan generation during a challenging economic period, the Bank's asset quality metrics have remained stable and compare well in relation to peers. This is a function of consistent strong underwriting, along with a portfolio that is well diversified by industry, asset class and geography.

Nonperforming Loans/Total Loans

AT 12-31



Net Loan Charge Offs/Average Loans

AT 12-31



Total new loan production
in 2021 was consistent with prior
years, with our pipeline near its
all-time high, while asset quality
remained favorable.



Top Tier Customer Service Builds Lasting Relationships

It's no secret that high-quality customer service has guided our approach to community banking. Our team provides quality customer service every day and we proved throughout the pandemic that we would go the extra mile to help our customers through a very challenging time. This approach attracts new customers to First Bank, promotes expanded relationships and has been the catalyst for consistent growth and increased revenue and profitability.

Over the past two years the importance of quality customer service for bank clients has been realized far beyond what was apparent prior to the COVID-19 pandemic. Under difficult and unprecedented conditions our team worked tirelessly to help both existing and new First Bank customers weather the economic challenges of COVID-19. We worked to deliver relief quickly and efficiently to small businesses through the Paycheck Protection Program ("PPP"). Our team supported local chambers of commerce and business associations with PPP loan processing and accepted referrals for small businesses in need of help with PPP loan processing. We assisted small business and personal lending customers with fee waivers and made accommodations and payment deferrals when it was appropriate.

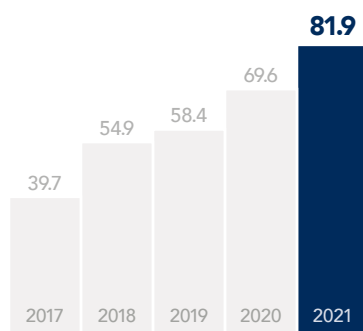
Lower interest expense of \$10.4 million and PPP-related loan fees of \$5.8 million in 2021 contributed to record net interest income during the year.

We have come to view the PPP as a logical extension of our core strength in small and mid-sized business lending. Through all phases of the PPP, our team submitted and received SBA approval for 1,934 loans, which totaled \$299.3 million. At 2021 year end, our loan portfolio had 324 PPP loans with outstanding balances of \$51.0 million.

Our decision to go all-in to support our customers and other businesses within our service area has paid dividends in the form of enhanced relationships, access to significant new commercial business opportunities, and increased interest income and loan fees that are reflected in our bottom-line performance.

Net Interest Income

FOR YEAR ENDED 12-31, \$ IN MILLIONS



5-YEAR CAGR = 23.2%

Our success in growing
First Bank has been driven by
our focus on business
banking and commercial lending
and our commitment to
servicing this sector remains
very strong.



Consistent Strategy Driving Enhanced Results

An effective business strategy doesn't have to be revised every couple of years. Our strategies are consistent, effective and have been driving growth and increasing profitability. Our results reflect a consistent focus on building scale within our footprint through a combination of organic growth and targeted acquisitions, enhancing the core deposit franchise. Our team works to develop profitable and sustained customer relationships, and we closely manage non-interest expenses to maximize profitability from the organic and acquired growth opportunities.

We continue to pursue appropriate acquisition opportunities which add critical mass within and around our service area, and which provide additional convenience to access products and services for customers. With a stronger presence in these markets, we believe that we will continue to grow our market share and elevate our profile.

Our consistent approach to business has tremendously improved our earnings capacity, reflected in our steady growth and increasing profitability over the past five years. It's also reflected in our very strong 2021 results, which were up substantially from prior years. Our full year return on assets was 1.46% and return on average tangible equity was 15.03%, both records for First Bank.

We believe that our business model is working as intended, enabling the Bank to grow assets, add customers, increase earnings, incentivize employees and return capital to shareholders through dividends and share repurchases. In August, the Kroll Bond Rating Agency once again affirmed our investment grade credit ratings, citing the continued successful execution of our strategic plan.

We expect that our bottom-line results will remain favorable in the near-term providing additional validation of our strategy while increasing value to our shareholders.

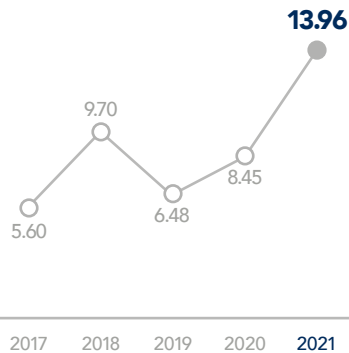
Return on Average Assets

% FOR YEAR ENDED 12-31



Return on Average Equity

% FOR YEAR ENDED 12-31





The significant increase to our cash dividend reflects the Bank's strong 2021 performance, our strong existing capital position, and the ongoing focus on rewarding our shareholders.

Investment Profile AT 12-31-21

First Bank Common Stock

LISTING	Nasdaq
SYMBOL	FRBA
SHARE PRICE	\$14.51
MARKET CAPITALIZATION	\$282.5M
PRICE/2021 EARNINGS	8.02 X
PRICE/TANGIBLE BOOK	1.15 X
ANNUALIZED DIVIDEND	\$0.24
DIVIDEND YIELD	1.7%
52-WEEK HIGH	\$15.90
52-WEEK LOW	\$8.78
AVERAGE 3M DAILY TRADING VOLUME	30,660
SHARES OUTSTANDING	19.5M
INSTITUTIONAL SHARES HELD	8.8M
INSTITUTIONAL SHARES (%)	45.0%
INSTITUTIONAL SHAREHOLDERS	92
INSIDER SHARES	1.6M
INSIDER SHARES (%)	8.1%
RETAIL SHARES (%)	46.9%

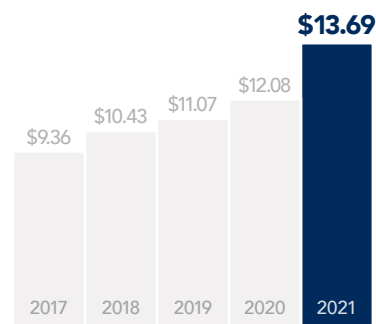
Investment Considerations

Solid and consistent book value per share growth

Revenue growth and non-interest expense control driving stronger operating leverage

Book Value Per Share

AT 12-31



5-YEAR CAGR = 12.0%

Record of organic and acquired growth with improved profit metrics

Significant improvement in core deposit mix

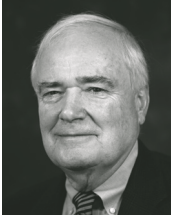
Strong presence in desirable New York City to Philadelphia corridor

Significant increase to the cash dividend in 2021

Strong balance sheet with very solid asset quality



Board of Directors



Patrick M. Ryan

CHAIRMAN

Owner of North Buffalo Advisors, LLC; former President and Chief Executive Officer of Yardville National Bank

DIRECTOR SINCE 2011

BOARD COMMITTEES
Asset/Liability, Compliance,
Information Technology



Deborah Paige Hanson

Principal, Executive Vice President and Fund Manager of The Hampshire Companies

DIRECTOR SINCE 2016

BOARD COMMITTEES
Compensation and Personnel (Chair),
Nominating and Governance,
Information Technology



Leslie E. Goodman

VICE CHAIRMAN

LEAD INDEPENDENT DIRECTOR

Principal of The Eagle Group of Princeton, Inc.; Director of Wawa, Inc.

DIRECTOR SINCE 2008

BOARD COMMITTEES
Asset/Liability (Chair), Compensation
and Personnel



Glenn M. Josephs

Partner of Friedman, LLP; former Partner, Bagell, Josephs, Levine and Company, LLC

DIRECTOR SINCE 2008

BOARD COMMITTEES
Audit and Risk Management (Chair),
Nominating and Governance, Compensation
and Personnel



Patrick L. Ryan

President and Chief Executive Officer of First Bank

DIRECTOR SINCE 2008

BOARD COMMITTEES
Asset/Liability, Compliance, Information
Technology



Peter Pantages

Former Chairman, President and Chief Executive Officer of Grand Bank

DIRECTOR SINCE 2019

BOARD COMMITTEES
Compliance, Information Technology



Douglas C. Borden

Northeast President of CBIZ Borden Perlman

DIRECTOR SINCE 2017

BOARD COMMITTEES
Nominating and Governance (Chair),
Compensation and Personnel,
Information Technology



Michael E. Salz

President of Linden Bulk Transportation Co., LLC

DIRECTOR SINCE 2017

BOARD COMMITTEES
Audit and Risk Management, Asset/Liability,
Compensation and Personnel



Scott R. Gamble

Principal of Patriot Financial Partners, LP

DIRECTOR SINCE 2020

BOARD COMMITTEES
Asset/Liability, Compensation and Personnel,
Audit and Risk Management, Compliance



John E. Strydesky

Certified Public Accountant; Owner of Strydesky & Company, CPAs/Business Consultants

DIRECTOR SINCE 2010

BOARD COMMITTEES
Compliance (Chair), Audit and Risk
Management, Asset/Liability

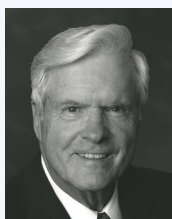
All directors also serve on the Strategic Planning and Board Loan Committees.

Sincerest Appreciation

First Bank would like to extend its sincere gratitude and appreciation to four directors who have provided exceptional guidance and service to our Company during their tenures, as they prepare to step down from their roles in April. Elbert G. Basolis, Jr., Christopher B. Chandor, Patricia A. Costante and Gary S. Hofing have been important leaders as First Bank has grown into the company it is today.



Elbert G. Basolis, Jr. Mr. Basolis has served as a director for 14 years. Most recently, he served as Chair of the Information Technology committee and a member of the Nominating and Governance, and the Compensation and Personnel committees. Mr. Basolis brought not only prior public board experience to First Bank, but strong business acumen and regulatory experience as the President and Owner of Garrison Enterprises, Inc.



Christopher B. Chandor Mr. Chandor joined the Board in 2017 through our acquisition of Bucks County Bank, where he had served as Vice Chairman. As CEO of Penn's Grant Corporation, his commercial real estate experience has been very valuable to First Bank. He most recently served on the Compliance, Audit and Risk Management, and Nominating and Governance committees.



Patricia A. Costante Ms. Costante has served as a director since 2019. As Chairman and CEO of MDAdvantage Insurance Company, she brought deep experience in the healthcare sector and board experience to our Company. Ms. Costante most recently served on the Asset/Liability, Audit and Risk Management, and Compliance committees.



Gary S. Hofing Mr. Hofing has served on the Board for six years, most recently as a member of the Asset/Liability, Compliance, and Information Technology committees. With more than 20 years of experience in business and real estate, Mr. Hofing was very important to our lending operations. He is currently the Principal of The Eagle Group of Princeton, Inc.

The entire First Bank team thanks Mr. Basolis, Mr. Chandor, Ms. Costante and Mr. Hofing for their years of service and commitment to this Company.

Executive Management Team



Patrick L. Ryan PRESIDENT | CHIEF EXECUTIVE OFFICER

Pat Ryan has served as President and Chief Executive Officer of First Bank since 2013. In 2008, Mr. Ryan worked with the investor group that recapitalized the Bank, joined the Bank's Board of Directors and was appointed Chief Operating Officer. Prior to this time he was First Senior Vice President, Emerging Markets Manager for Yardville National Bank. Mr. Ryan joined Yardville National Bank in 2005 as head of Strategic Planning and Corporate Development, responsible for strategy, mergers and acquisitions, branch expansion, investor relations, research and analysis.



Peter J. Cahill EXECUTIVE VICE PRESIDENT | CHIEF LENDING OFFICER

Peter Cahill has served as Chief Lending Officer of First Bank since 2008, when he joined the Bank, and was appointed an Executive Vice President in December 2013. Prior to joining First Bank he served as Senior Vice President/Sales Manager for PNC Financial Services Group from October 2007 to October 2008. In addition, Mr. Cahill held senior level positions with Midlantic National Bank, Fleet Boston and Yardville National Bank. Mr. Cahill has over 40 years of banking experience.



Andrew L. Hibshman EXECUTIVE VICE PRESIDENT | CHIEF FINANCIAL OFFICER

Andrew L. Hibshman has served as Executive Vice President and Chief Financial Officer of First Bank since July 2021. Mr. Hibshman joined First Bank in April 2016 as its Chief Accounting Officer. Outside of his experience with First Bank, Mr. Hibshman was the Chief Financial Officer of a community bank in Philadelphia and worked at Grant Thornton LLP in the company's financial institutions audit practice. Mr. Hibshman earned a B.S. Degree in Accounting from Drexel University and holds a Certified Public Accountant designation.



Maria E. Mayshura EXECUTIVE VICE PRESIDENT | CHIEF RISK OFFICER

Maria E. Mayshura, has served as head of Internal Audit and Chief Risk Officer for First Bank since 2020 and was appointed an Executive Vice President in January 2021. Ms. Mayshura has more than 30 years of experience in banking as an internal auditor, during which time she's been responsible for compliance regulations, Sarbanes Oxley implementation and most recently COSO implementation. She has been an active member of the New Jersey Banking Association and Institute of Internal Auditors since 1993. Maria earned a Master of Business Administration and Management from Thomas Edison State College, and holds a Bachelor of Science in Accounting degree from Caldwell College.



John F. Shepardson EXECUTIVE VICE PRESIDENT | CHIEF OPERATING OFFICER

John F. Shepardson has served as Executive Vice President and Chief Operating Officer of First Bank since January 2021, working directly with the Bank's Strategic Planning, Compliance, Information Technology, Retail, and Facilities teams. Mr. Shepardson joined First Bank in 2018 as its Chief Administrative Officer. Outside of his experience with First Bank, Mr. Shepardson worked in consulting, including roles as an Executive Director with Ernst & Young, and a Senior Consultant with Arthur Andersen. Mr. Shepardson earned a Master of Business Administration degree from the Carroll School of Management at Boston College, and holds a Bachelor of Science in Civil Engineering degree from the University of Michigan.

Bank Officers

FIRST SENIOR VICE PRESIDENTS

Joseph R. Calabro
Pennsylvania Regional President

Kimberly Cerasi
Director of Human Resources

Anthony F. DeSenzo
Market Executive

Marianne E. DeSimone
Lending Group Manager

David J. DiStefano
New Jersey Regional President

Gabriel K. Dragos
Chief Technology Officer

Darleen Gillespie
Chief Retail Banking Officer

Arlene S. Pedovitch
Chief Credit Officer

Parwinder Virk
Chief Accounting Officer

SENIOR VICE PRESIDENTS

Scott A. Bachman
Team Leader

Belinda L. Blazic
Loan Administration Manager

Joseph F. Browarski
Loan Workout Officer

Scott W. Civil
Market Executive

Michael B. Cook
Manager Investor Real Estate

Tiffany Craddock
Credit Officer

Ramzi Dagher
Team Leader

Jason Fischer
Team Leader

Lewis R. Fogg, Jr.
Market Sales Leader

Paula Huergo
Strategic Planning and Operations Officer

Sriramulu Krishnamurthy
SBA Manager

Larry F. Lee
Loan Workout Manager

Lauretta Lucchesi
Commercial Lending Relationship Manager I

David Hill Marx
Team Leader

Gregorio Perri, Jr.
Consumer Lending Manager

Frank P. Puleio
Business Development Officer/Government Banking

Michael Rist
Commercial Lending Relationship Manager III

Stacy L. Schwartz
Head of Deposit Operations

Donald Theobald, Jr.
Controller

Casi L. Tiernan
Head of Cash Management

Richard Tocci
Manager Investor Real Estate

Gregory Weckel
Director Information Technology Operations

Caryn Wilson
Head of Retail Branch Administration

FIRST VICE PRESIDENTS

Denise Goetting
Regional Branch Manager – New Jersey

Robert Goldzman
Commercial Lending Relationship Manager I

Christopher M. Kelly
Commercial Lending Relationship Manager II

VICE PRESIDENTS

Ana Amaral
Bank Secrecy Act Officer

Joseph Ball
Regional Branch Manager SNJ/PA

Brian W. Ballentine
Branch Manager

Nadine D. Barron
Senior Credit Underwriter

Thomas P. Bay
Commercial Lending Relationship Manager I

Donna Bencivengo
Executive Assistant and Corporate Secretary

Sharon E. Bokma
Branch Manager

Michael R. Borkowski
Branch Manager

Richard L. Burzynski
Commercial Lending Relationship Manager I

Matthew Cady
Internal Audit Manager

Michael P. Cahill
Commercial Lending Relationship Manager I

Marjorie A. Callahan
Commercial Lending Relationship Manager I

Edward Caporellie
Commercial Lending Relationship Manager I

Joseph Cavalchire
Commercial Lending Relationship Manager II

Louis A. Ciarlante
Commercial Lending Relationship Manager I

David A. Colby
Market Sales Leader

Karen J. Conway
Business Banker

Joan S. Costa
Loan Administration Assistant Manager

Cori Cubberley
Loan Accounting Manager

Kimberly Dargay
Branch Manager

Douglas D'Aulerio
Branch Manager

Ryan D. Earley
Business Banker

Derrick Futch
Branch Manager

Arnaldo F. Galassi
Lending Project Manager

Brent Gardner
Consumer Loan Officer

Michael Giacobello
Market Development Officer

Robert C. Gossenberger
Branch Manager

Michele M. Green
SBA Portfolio Manager/Senior Underwriter

Philip M. Heberling
Commercial Lending Relationship Manager I

Stephen Helhowski
Commercial Real Estate Administrator

Jason M. Koenigsberg
Branch Manager

Brett Lawrence
Commercial Lending Relationship Manager I

Darcy Lowe
Commercial Lending Relationship Manager I

Michelle Mack
Compliance Officer

William J. Mellon
Senior Credit Underwriter

Kahla Miscavage
SBA Relationship Manager

Carol Monaghan
Branch Manager

Sarah M. Pearson
CRA Officer

John C. Pettit
Branch Manager

Ruth Powell
Branch Manager

Adam Regnery
Commercial Lending Relationship Manager I

Katherine M. Rowley
Retail Escrow Rent Security Specialist

Sandra K. Ryan
Branch Manager

Patricia L. Schofield
Branch Manager

Elizabeth Scozzari
Branch Manager

Diane L. Smith
Senior Credit Underwriter

Kyle Smith
Commercial Lending Relationship Manager I

Traci L. Sundberg
Assistant Bank Secrecy Act Officer

John M. Thompson
Treasury Management Sales Officer

Jennifer Wallace-Dressner
Assistant Controller

Select Senior Hires and Promotions

Joseph Browarski
Senior Vice President,
Loan Workout Officer

Kimberly Cerasi
First Senior Vice President,
Director of Human Resources

Anthony DeSenzo
First Senior Vice President,
Market Executive

Jason Fischer
Senior Vice President,
Team Leader

Darleen Gillespie
First Senior Vice President,
Chief Retail Banking Officer

David Marx
Senior Vice President,
Team Leader

Arlene Pedovitch
First Senior Vice President,
Chief Credit Officer

Frank Puleio
Senior Vice President,
Business Development Officer
& Government Banking

Stacy Schwartz
Senior Vice President,
Head of Deposit Operations

First Bank Locations

ADMINISTRATIVE

2465 Kuser Road
Hamilton, NJ 08690
877 821 2265

1395 Yardville-Hamilton Square Rd
Hamilton, NJ 08691
877 821 2265

NEW JERSEY

CINNAMINSON
506 US Route 130 North
Suite #1
Cinnaminson, NJ 08077
856 303 8899

CRANBURY
2664 US Route 130
Cranbury, NJ 08512
609 642 1064

DELANCO
615 Burlington Avenue
Delanco, NJ 08075
856 461 0611

DENVILLE
530 East Main Street (Route 53)
Denville, NJ 07834
973 625 1407

EWING
1340 Parkway Avenue
Ewing, NJ 08628
609 643 0470

FLEMINGTON
334 Highway 31 North
Flemington, NJ 08822
908 751 0318

FLEMINGTON
224 South Main Street
Flemington, NJ 08822
908 751 1003

HAMILTON
2465 Kuser Road
Hamilton, NJ 08690
609 528 4400

LAWRENCE
590 Lawrence Square
Boulevard South
Lawrence, NJ 08648
609 587 3111

MONROE
1600 Perrineville Road
Concordia Shopping Center
Monroe Township, NJ 08831
609 642 1238

PENNINGTON
3 Tree Farm Road
Pennington, NJ 08534
609 281 5808

RANDOLPH
1206 Sussex Turnpike
Randolph, NJ 07869
973 895 5800

SOMERSET
225 DeMott Lane
Somerset, NJ 08873
732 649 1999

WILLIAMSTOWN
1020 North Black Horse Pike
Williamstown, NJ 08094
856 728 3400

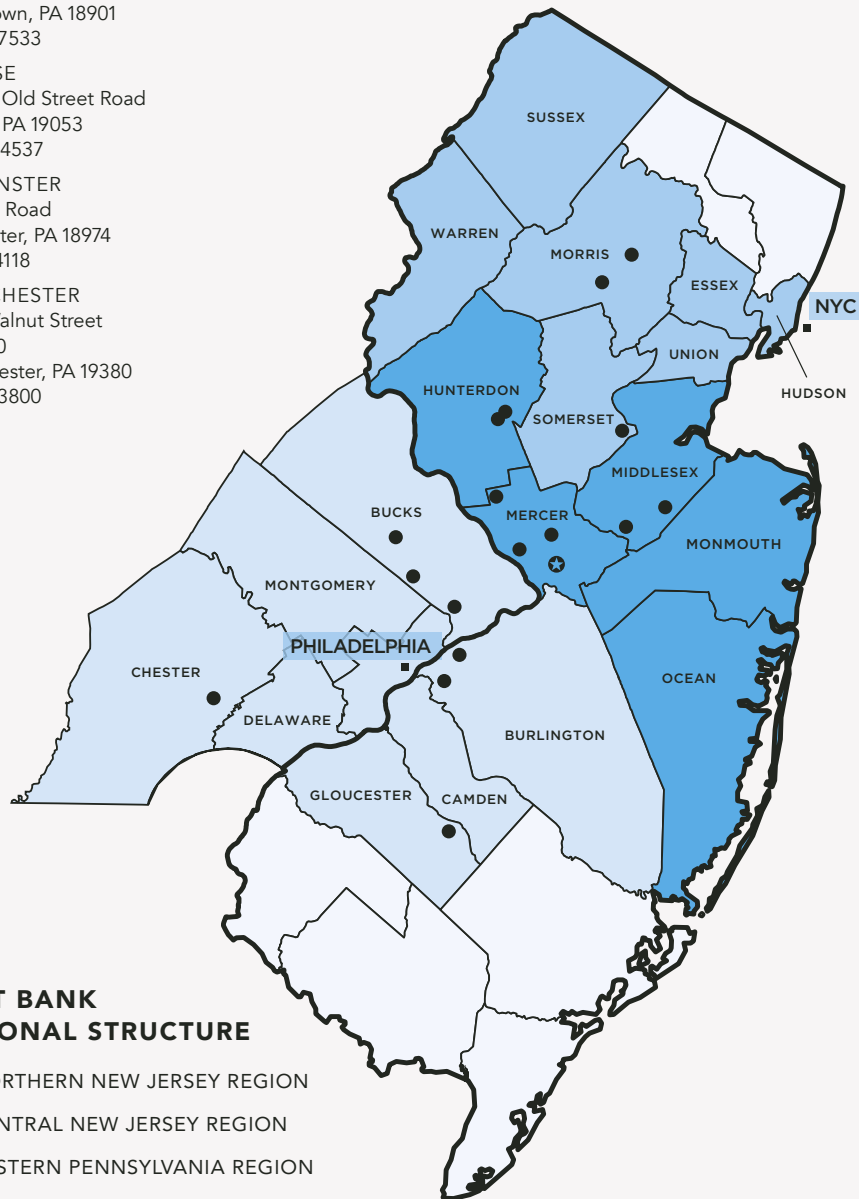
PENNSYLVANIA

DOYLESTOWN
200 South Main Street
Doylestown, PA 18901
215 230 7533

TREVOSE
4956-66 Old Street Road
Trevese, PA 19053
267 984 4537

WARMINSTER
356 York Road
Warminster, PA 18974
215 441 4118

WEST CHESTER
121 N. Walnut Street
Suite 320
West Chester, PA 19380
484 881 3800



FIRST BANK REGIONAL STRUCTURE

- NORTHERN NEW JERSEY REGION
- CENTRAL NEW JERSEY REGION
- EASTERN PENNSYLVANIA REGION
- ★ HEADQUARTERS & FIRST BANK BRANCH
- FIRST BANK BRANCH

First Bank Market Area

Our 18-branch banking franchise spans New Jersey and eastern Pennsylvania, serving highly desirable markets marked by strong business activity, with customers who have sophisticated banking needs and desire personalized service. With total assets of \$2.51 billion at year-end 2021, First Bank serves the attractive New York City to Philadelphia corridor, offering a full range of deposit and loan products to individuals and businesses. Our unique value proposition includes providing a superior customer experience, access to our decision makers, and competitive interest rates and fees.

Corporate and Shareholder Information

CORPORATE HEADQUARTERS

FIRST BANK
2465 Kuser Road
Hamilton, NJ 08690
877 821 2265
firstbanknj.com

ANNUAL SHAREHOLDER MEETING INFORMATION

The Annual Shareholders' Meeting will be held at 10:00 a.m. EST on April 27, 2022.

The Stone Terrace
2275 Kuser Road
Hamilton, NJ 08690

INVESTOR RELATIONS

Shareholders seeking information about us may obtain press releases and FDIC filings by visiting firstbanknj.com.

Additional inquiries can be directed to:
Chief Financial Officer
2465 Kuser Road
Hamilton, NJ 08690
or by calling 609 643 0058

SHAREHOLDER ACCOUNT INQUIRIES

Shareholders who wish to change the name, address or ownership of their stock or replace lost certificates or require additional services should contact our Stock Registrar and Transfer Agent.

STOCK REGISTRAR AND TRANSFER AGENT

FIRST CLASS/REGISTERED/
CERTIFIED MAIL
Computershare Investor Services
P.O. Box 505000
Louisville, KY 40233-5000

COURIER SERVICES
Computershare Investor Services
462 South 4th Street, Suite 1600
Louisville, KY 40202

SHAREHOLDER SERVICES NUMBER
1 800 368 5948

INVESTOR CENTER PORTAL
computershare.com/investor

STOCK LISTING

First Bank's common stock is traded on the NASDAQ Global Market under the symbol FRBA.

ANALYST COVERAGE

The following analysts published research on First Bank in 2021:

Bryce Rowe
Hovde Group, LLC
804 318 0969
browe@hovdegroup.com

Erik Zwick
Boenning & Scattergood, Inc.
610 862 5322
ezwick@boenninginc.com

Nicholas Cucharale
Piper Sandler
212 466 7922
nick.cucharale@psc.com

Manuel Navas
D.A. Davidson & Co.
212 223 5405
mnavas@dadco.com



First Bank is a member of the FDIC, an Equal Opportunity Employer and an Equal Housing Lender.





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