

Spreading Our Roots.
Staying True to Our Values.



FIRSTBANK
2018 ANNUAL REPORT

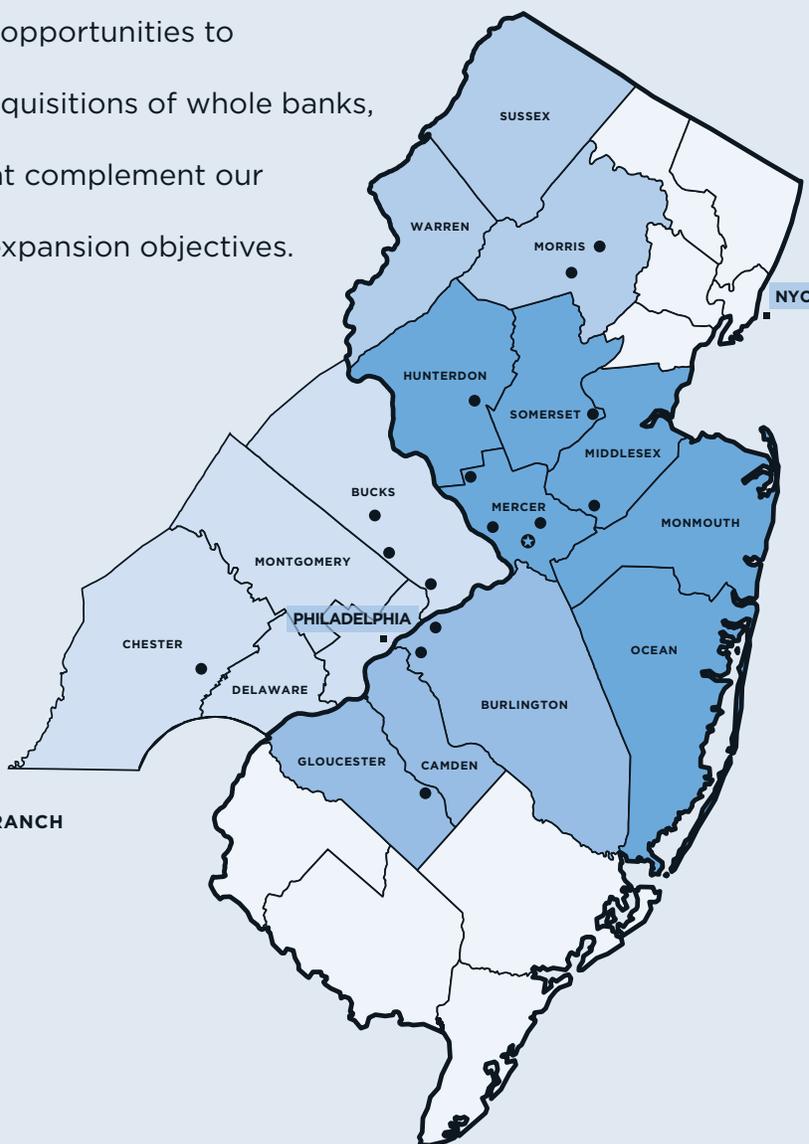
Spreading our Roots Our central New Jersey market area has an affluent economy, a strong, diverse array of employers and ties to New York City’s well-paying financial industries. In fact, the New York City to Philadelphia corridor is one of the more desirable banking markets in the country. We grow our business organically by providing a superior customer experience, including access to our decision makers.

We also continue to consider opportunities to grow our business through acquisitions of whole banks, business lines or branches that complement our growth strategy and market expansion objectives.

FIRST BANK REGIONAL STRUCTURE

- NORTHERN NEW JERSEY
- CENTRAL NEW JERSEY
- SOUTHERN NEW JERSEY
- EASTERN PENNSYLVANIA

- ★ HEADQUARTERS AND FIRST BANK BRANCH
- FIRST BANK BRANCH



CONTENTS

STAYING TRUE TO OUR VALUES	1	FIRST BANK PROFILE	18
LETTER TO SHAREHOLDERS	2	FIRST BANK LOCATIONS	19
5-YEAR PERFORMANCE CHARTS	8	BOARD OF DIRECTORS	20
SELECTED FINANCIAL INFORMATION	9	EXECUTIVE MANAGEMENT	22
OPERATIONS REVIEW - NORTHERN NEW JERSEY	10	BANK OFFICERS	23
OPERATIONS REVIEW - CENTRAL NEW JERSEY	12	INVESTOR PROFILE	24
OPERATIONS REVIEW - SOUTHERN NEW JERSEY	14	CORPORATE AND SHAREHOLDER INFORMATION	25
OPERATIONS REVIEW - PENNSYLVANIA	16		



Staying True to Our Values Our goal is to create a high-performing, truly-differentiated community bank that delivers an exceptional customer experience, superior shareholder returns and a unique and rewarding work environment for our employees.

There is a sizable and underserved market niche of customers looking for a direct and meaningful relationship with their banker. We provide direct and easy access to personal bankers that solve problems and meet customer needs. Everything we do works to facilitate this goal.

Our customer value proposition: Life is better with a personal banker.

ON THE COVER

The Eolith
at Grounds for Sculpture
HAMILTON, NJ

ON THIS PAGE

Footbridge and Lily Pond
at Grounds for Sculpture
HAMILTON, NJ

TO OUR SHAREHOLDERS, STAKEHOLDERS,
EMPLOYEES AND FRIENDS:

2018: ANOTHER GOOD YEAR OF CONTINUED, PROFITABLE GROWTH

Strategic and operating results were very good in 2018. After a year of strong growth and profitability in 2017, we followed that with an even better performance in 2018. Loan and deposit growth continued, net income and earnings per share improved, return on assets (ROA) and return on equity (ROE) moved higher, and we successfully integrated two acquisitions.

We earned record profits in 2018. A better federal tax rate certainly helped, but make no mistake, 2018 would have been a record year under the old or the new tax system. To help illustrate this point, pre-tax profit was up over \$7 million in 2018 compared to 2017, an increase of 50%. Net income for the year was \$17.6 million compared to \$7.0 million in the prior year. If 2017 income is adjusted for the one-time adjustment to our deferred tax asset and certain merger-related items, we would have earned \$10.5 million in 2017. That equates to a \$7.1 million increase in earnings year over year, an increase of 67%. Adjusted diluted earnings per share in 2018 were \$0.95, a 32% increase over adjusted diluted earnings per share of \$0.72 in 2017.

As we sit here today, we have sixteen branches across nine counties, \$1.8 billion in assets, a legal lending limit exceeding \$30 million, almost \$200 million in equity capital, over 180 employees, and teams operating in four distinct and attractive markets: Central NJ, Northern NJ, Southern NJ, and Eastern PA. To put that in context, just five short years ago, we had eight branches, under \$500 million in assets, a legal lending limit of \$9 million, about \$53 million in equity capital, 59 FTE employees, and one regional team in Central NJ.

Growth by itself does not necessarily create value. Importantly, over that same time period, we've seen core or adjusted ROA improve from 0.43% to 1.10%, core ROE has improved from 4.97% to 9.78%, tangible book value per share has increased from \$6.16 to \$9.50, annual pre-provision earnings per share have grown from \$0.55 to \$1.08, and core diluted earnings per share have increased from \$0.33 to \$0.95. Asset quality metrics have also improved and our annual cash dividend of \$0.12 per share reflects a 50% increase over the prior year cash dividend. Our stock price has almost doubled over this five-year period of significant growth. In short, we have a lot to be proud of.

Even with our significant growth and geographic expansion, we've been extremely focused on maintaining our community bank roots and culture. In fact, it is so important to who we are as an organization, we've chosen it as the theme for this year's annual report: Spreading Our Roots. Staying True to Our Values.

Every year brings new challenges and we believe our team is well equipped to deal with what the rapidly changing business environment hands us. The stock market correction and the flattening yield curve in the second half of 2018, along with the ongoing uncertain corporate tax environment in New Jersey are presenting new challenges that we will work to address in 2019. These challenges require further discussion and I'll revisit them in the discussion that follows.

FIRST, I'D LIKE TO PROVIDE SOME ADDITIONAL DETAILS REGARDING OUR PROGRESS IN 2018.

KEY ADDITIONS TO THE TEAM Early in 2018 we further enhanced our senior management strength with the addition of John Shepardson as our Chief Administrative Officer. John hit the ground running, working closely with the department managers in Human Resources (Kimberly Cerasi), Compliance (Michelle Mack), and BSA/Anti-Money Laundering (Brendan Ryan). Thanks to their collective

Our top-line growth continued at a double-digit pace and flowed through to strong earnings improvement

great efforts, we received positive feedback from the regulators during our Compliance and Safety and Soundness exams during the year. Later in the year, we brought in Emilio Cooper to be our Chief Deposits Officer. Building off the investment we made in 2017 with the creation of our Commercial Deposits Division, Emilio is working closely with the team to help enhance our product and service offerings and drive core, low-cost funding growth. He is also working closely with Susan Paglione (Chief Retail Operations Officer) on the branch side to expand our growth initiatives in that area. Lastly, we opened new branch locations and added great new teams in Pennington, NJ and West Chester, PA during the year. Both new branches are off to strong starts.

OPERATIONS AND TECHNOLOGY ACCOMPLISHMENTS 2018 was a very big year for our Technology and Operations teams. The group, with support from all parts of the organization, successfully completed not one, but two system integrations related to acquisitions (Bucks County Bank and Delanco Federal Savings). Then, without much time to rest, they quickly shifted gears to an incredibly important strategic project: the selection of a new IT core vendor. After a painstakingly thorough diligence process, we entered into a new technology contract with Fiserv. In the end, we felt very comfortable that we selected the right partner, with the best technology and most efficient cost structure to meet our growth needs. And, if that wasn't enough, we successfully completed several improvements to our internal management information systems giving us better visibility into real-time performance and results by geographic region. I can't say enough good things about the amazing job done by our Chief Technology Officer (Dave Lidster), and his entire team.

In hindsight, it was truly a year of great strategic and operational progress, leaving us well positioned for 2019 and beyond.

BEFORE WE DISCUSS OUR PROSPECTS FOR 2019, I'D LIKE TO PROVIDE A LITTLE MORE DETAIL REGARDING OUR FINANCIAL RESULTS FOR 2018

Our strong financial performance in 2018 was driven by several factors: high-quality loan growth, strategic deposit pricing, and controlled expense growth.

LOAN GROWTH The loan portfolio grew \$235 million in 2018. About three quarters of that growth came from internally-generated organic loan growth. The remainder of the growth came from the merger with Delanco, which closed in April of 2018. We also made continued progress toward our goal of diversifying our loan portfolio, as investor CRE loans declined from 52.7% of the loan portfolio at the end of 2017 to 50.6% at the end of 2018.

Not only did our loan portfolio grow at a nice clip during the year, our average yield on loans improved nicely as well. During the year, our yield on loans was 5.02%, an increase over the 4.72% loan yield during 2017.

Our asset quality profile remained strong throughout the year. By year-end, our non-performing loans were 0.44% of total loans, basically flat compared to 0.43% at year-end 2017. Net charge-offs during the year were negligible, amounting to \$9,000. Our allowance for loan losses had risen to 238% of non-performing loans by year end, a level that compares favorably to local and national peers.

DEPOSIT GROWTH Our total deposits increased by \$226 million, or 19% during 2018. Importantly, our non-interest bearing (NIB) deposits increased to \$219 million at the end of 2018, up from \$199 million at the end of 2017, an increase of \$20 million. While this is respectable growth, we are focused on our three-year goal of having NIB deposits equal 20% of total deposits, up from 15.7% at the end of 2018.

Patricia Schofield
Cinnaminson
Branch Operations Manager
Southern NJ Region



Average earning assets grew by \$365.3 million, or 31.1%, in 2018

Strategically, with the close of the Delanco acquisition in April of 2018, we gained some excess liquidity that allowed us to effectively manage deposit price increases for much of the year. As such, despite a rising interest rate environment, our deposit costs were well controlled for much of the year and only moved up later in the year when a return of some promotional pricing cut into our margin a bit. Overall for the year, our cost of interest bearing deposits increased 0.25%, compared to a 0.30% increase in the yield on our loans discussed above. Considering the flattening yield curve during the year, maintaining the relationship between deposit costs and loan yields was a better outcome than we might have expected.

Most of our deposit growth during the year came from our commercial deposit product categories. This was consistent with our expectations, given the early stages of development for our commercial deposits group. In 2018 the group focused on shifting the culture and working closely with Lending Relationship Managers to help drive additional deposit business with existing borrowers. Heading into 2019, we are looking for our new direct sales group to help drive bigger deposit growth numbers.

NET INTEREST MARGIN As a result of rising loan rates and disciplined deposit pricing, our tax equivalent net interest margin for the year in 2018 was 3.57%, up from 3.39% in 2017. These improvements in 2018 came despite our expectation of a more competitive and lower-margin operating environment. As I've indicated in the past, we want to make sure we can produce solid profitability in difficult margin environments. And, of course, if the environment turns out better than expected, we want to be positioned to benefit from it, as happened in 2018.

ADDITION OF DELANCO FEDERAL SAVINGS BANK Our merger with Delanco closed on April 30, 2018. The conversion took place over the summer, and our two newest Southern NJ locations have assimilated nicely. Customer attrition has been limited and we've fully executed our cost-savings plan. Former Delanco CEO Jim Igo will be retiring in March, but we're lucky to have had his guidance during this transition period. The process has certainly worked much smoother thanks to his hard work and dedication to the bank and our customers.

SO, HOW DID THOSE DEVELOPMENTS IMPACT PROFITABILITY IN 2018?

NET INCOME AND EARNINGS PER SHARE As mentioned earlier, we delivered record profitability in 2018. Net income was \$17.6 million, and adjusted diluted earnings per share were \$0.95, a 32% increase over adjusted diluted earnings per share of \$0.72 in 2017.

PRE-PROVISION, NET REVENUE (PPNR) This is a metric we follow to see how we're progressing when you extract some of the non-operating components of profitability. The metric is calculated by taking our net interest income (before the provision for loan losses), adding non-interest income excluding non-recurring items (gains or losses on sales or securities, bargain purchase gains, and gains on recovery of acquired loans), and subtracting non-interest expense excluding non-recurring items (merger-related expenses). We look at this non-GAAP measure on a quarterly basis to get a sense of our core operating earnings trends. You will find each of the components listed above broken out in our audited financial statements.

PPNR of \$25.3 million in 2018 increased \$6.7 million (36%) compared to PPNR of \$18.5 million in 2017. The strong growth in this metric relates to core profit improvement and the inclusion of the Bucks County Bank and Delanco franchises.

Terrance Howard

SVP/Market Executive
Central NJ Region



BOOK VALUE We closed the year with book value of \$10.43 per share, an increase of \$1.07, or 11.4%, compared to year-end 2017. Tangible book value per share reached \$9.50 at the end of 2018, an increase of \$0.80, or 9.2%, compared to year-end 2017. Continued growth of book value will be an important driver of future value creation for our shareholders. Over the past five years, book value per share has increased \$4.27 (69%), and tangible book value per share has increased \$3.34 (54%). We believe that tangible book value per share growth should continue to improve as the benefits of the Bucks County Bank and Delanco acquisitions are fully realized.

ROA AND ROE Our core or adjusted ROA for 2018 was 1.10%, up from 0.86% in 2017 and 0.43% in 2013. Our core ROE was 9.78% in 2018, up from 8.42% in 2017 and 4.97% in 2013. We are pleased by the steady progress and improvement of these ratios over the years and we're working hard to keep moving them higher.

2019: PUSHING THROUGH HEADWINDS TO CREATE ADDITIONAL VALUE

After a few years of strong asset growth, margin expansion, operating efficiencies and tax savings leading to significant earnings growth, we expect the sledding to get a bit tougher in 2019. Specifically, a flattening yield curve will pressure our margin and uncertainty regarding tax policy in New Jersey could create potential headwinds. Nevertheless, opportunities remain, we'll just need to pedal a little harder to get up that hill.

CONTINUED GROWTH IN OUR CORE MARKETS As we make acquisitions and enter new markets, we need to make sure we maintain a strong core. Our regional structure, with dedicated teams in each market, is one way to accomplish this. Throughout the remainder of this year's annual report you'll be hearing and seeing more about our great teams in each of our markets. We are fortunate to be operating in some of the largest, densest and most affluent markets in the country. We have just started to scratch the surface of market share gains within our New York City to Philadelphia corridor.

COMMERCIAL DEPOSIT GROWTH Having achieved some early success with the first phase of our growth plan with the commercial deposits group, 2019 will be a year focused on our direct sales effort. We can, and will, continue to expand borrowing relationships into full banking relationships. In addition, our direct deposits sales force will be targeting deposit-rich industries and other non-borrowing bank customers to tap into new opportunities. This group will be critical in helping us meet our deposit growth goals, improving our deposit mix, controlling our cost of funds, and working toward our goal of having non-interest bearing deposits at 20% of total deposits.

CONTINUED REBALANCING OF THE LOAN PORTFOLIO We intend to make continued progress in 2019 on our goal of modestly expanding business lending in our loan portfolio. We made good progress last year and our pipelines show the potential to continue with our success toward this goal.

PRUDENT EXPENSE MANAGEMENT We have always been focused on the bottom line through smart growth and by carefully managing non-interest expenses. With a tougher NIM environment for banks, we intend to remain extremely cost conscious. To that end, we recently announced the consolidation of two branches. One branch closed in October of 2018, and the second will be closing in March of 2019. Consolidations are never easy, but the trends in banking are undeniable: while the branch remains an important factor when choosing a bank, reduced usage of physical locations reduces the need for a branch to be right around the corner. In the past, many banks won customers based upon the number of locations and the convenience that created. Going forward, we believe quality technology in an "omni-channel" distribution environment together with access to personal bankers providing superior service will be the winning formula for community banks.

The cash dividend for First Bank common stock was increased by 50% in 2018, reflecting the Bank's continued strong performance

Total loans of \$1.5 billion at yearend,
a 19.2% increase from 2017

19.2

2018 Performance Highlights

1.7

Total assets reach \$1.7 billion,
up \$258.8 million, or 17.8%,
from 2017 yearend

Net income for 2018
of \$17.6 million, or \$0.95
per diluted share

0.95

39.8

Total net revenue (net interest
income + non-interest income)
grew 39.8% to \$58.4 million

19.4

Total deposits grew
by 19.4% to \$1.4 billion
at 2018 yearend

50.0

Pretax earnings
increased by 50.0%

Continued strong asset
quality metrics with
nonperforming loans to total
loans of 0.44% at 12-31-18

0.44

Therefore, we want our investments to focus on people and technology rather than bricks and mortar. Thankfully we have access to many great technology solutions (customer facing solutions and tech that drives internal operating efficiencies) from a vast universe of high-quality vendors. This helps with our cost structure by reducing the need for a large and expensive technology research and development team.

One key measure of expense control is our efficiency ratio (non-interest expense divided by revenue), which came in at 56% for 2018. That was up slightly from 55% in 2017, but still down significantly from 68% in 2014. For those not familiar with this ratio, a lower number is better since you have fewer expense dollars at work to earn your revenue. Another key measure of expense control is our non-interest expense to our average assets (NIE/AA). Our NIE/AA ratio was 2.06% in 2018, down from 2.65% in 2014. Both our efficiency ratio and NIE/AA ratios compare favorably to peer averages.

SPREADING OUR ROOTS. STAYING TRUE TO OUR VALUES.

Our continued success will come from a variety of factors: grassroots growth in each region, continued quality loan growth, enhanced low-cost deposit generation, and prudent acquisitions. Growth will drive continued operating leverage and efficiencies, quality loans will help protect us if there is an economic downturn, low-cost deposit growth will help margins and enhance franchise value, and accretive M&A can drive EPS growth.

The shape of the yield curve and federal and state tax systems are outside of our control. But there are still many factors that we do control. We must remain focused on improving and optimizing the factors we can influence.

Ten years ago, we created a bank that we hoped would provide great customer service, an enjoyable and rewarding work environment, and a good return for shareholders. I am confident that we've built an organization that is delivering and will continue to deliver on those objectives. We have a tremendous opportunity in front of us, and we have the management team and Board of Directors capable of seizing the opportunity.

Before closing, I'd like to take a minute to thank two amazing directors that will be stepping down in April - Sam Marrazzo and Raymond Nisivoccia. Sam, a founding shareholder and director, has been an outstanding customer, shareholder, booster, and director from the very beginning. We will miss his business acumen, sense of humor, and muffins! Ray joined us after the merger with Heritage Community Bank, and boy are we lucky that he stayed with us. Ray has helped open doors in Northern New Jersey for the past five years, and his insights have been invaluable, especially as a critical member of our Audit Committee. It's with deep gratitude and respect that I say thank you to Sam and Ray.

Lastly, a special thanks to our customers, employees, and shareholders. Without all three working together the Bank cannot be successful. We 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

Thomas Fehn, Jr.

**SVP/Retail Market Manager
Central/Northern
NJ Regions**



After a year of strong growth and profitability in 2017, we followed that with an even better performance in 2018. Loan and deposit growth continued, net income and earnings per share improved, and we successfully integrated two acquisitions.

Total Assets

AT 12-31, \$ IN BILLIONS



Total Loans

AT 12-31, \$ IN BILLIONS



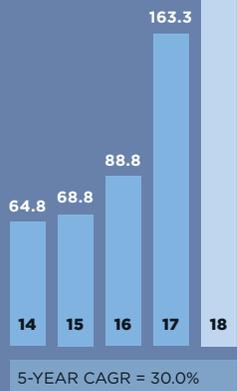
Total Deposits

AT 12-31, \$ IN BILLIONS



Total Stockholders' Equity

AT 12-31, \$ IN MILLIONS



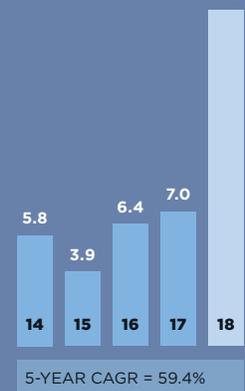
Net Interest Income

FOR YEAR ENDED 12-31, \$ IN MILLIONS



Net Income

FOR YEAR ENDED 12-31, \$ IN MILLIONS



Book Value Per Share

AT 12-31



Return on Average Assets

% FOR YEAR ENDED 12-31



Return on Average Equity

% FOR YEAR ENDED 12-31



Diluted Earnings Per Share

FOR YEAR ENDED 12-31



SELECTED FINANCIAL INFORMATION

IN THOUSANDS, EXCEPT COMMON SHARE DATA

AT OR FOR THE YEAR ENDED DECEMBER 31, 2018 2013 5-YEAR CAGR

Selected Balance Sheet Data

Total assets	\$ 1,711,159	\$ 466,792	29.7%
Total loans	1,462,516	339,975	33.9%
Allowance for loan losses	15,135	4,675	26.5%
Total deposits	1,393,204	399,113	28.4%
Total borrowings	93,351	14,000	46.2%
Total subordinated debentures	21,856	—	N/M
Total stockholders' equity	194,836	52,507	30.0%
Average total assets	1,617,614	396,974	32.4%
Average stockholders' equity	181,273	34,107	39.7%

Selected Income Statement Data

Interest and dividend income	\$ 72,738	\$ 16,620	34.4%
Interest expense	17,794	3,414	39.1%

Net interest income	54,944	13,206	33.0%
Provision for loan losses	3,447	1,543	17.4%

Net interest income after provision for loan losses	51,497	11,663	34.6%
Non-interest income	3,452	512	46.5%
Non-interest expense	33,314	9,388	28.8%

Income before income taxes	21,635	2,787	50.7%
Income tax expense	4,046	1,079	30.3%

Net income	\$ 17,589	\$ 1,708	59.4%
------------	-----------	----------	-------

Common Share Data

Diluted earnings per share	\$ 0.95	\$ 0.33
Cash dividends paid	0.12	—
Diluted weighted average common shares outstanding	18,571,537	5,172,233
Book value per common share	\$ 10.43	\$ 6.16
Common shares outstanding	18,676,056	8,520,299

Selected Performance Ratios

Return on average assets	1.09%	0.43%
Adjusted return on average assets ¹	1.10%	0.43%
Return on average equity	9.70%	5.01%
Adjusted return on average equity ¹	9.78%	4.97%
Net interest margin, tax equivalent ²	3.57%	3.47%
Efficiency ratio ²	56.13%	67.88%

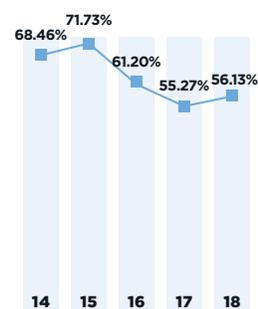
Selected Asset Quality Ratios

Nonperforming loans to total loans ³	0.44%	0.98%
Allowance for loan losses to nonperforming loans	237.90%	140.14%
Net loan charge offs to average loans	0.00%	0.32%

Capital Ratios

Stockholders' equity to assets	11.39%	11.25%
Tier 1 leverage capital	10.40%	11.89%
Common equity tier 1 capital ⁴	10.85%	—
Tier 1 risk-based capital	10.85%	14.11%
Total risk-based capital	13.12%	15.35%

Efficiency Ratio²



Nonperforming Loans/Total Loans

AT 12-31



Net Loan Charge-Offs/Average Loans

AT 12-31



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 2018 calculation.

² The tax equivalent adjustment is calculated using a federal income tax rate of 21% in 2018 and 34% in 2013.

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

⁴ New regulatory capital measure calculated under Basel III rules which became effective January 1, 2015.

MARKET SUMMARY

MARKET AREA	1,380 sq. miles
POPULATION	772,000
BUSINESS UNITS	73,000+
ANNUAL BUSINESS REVENUES	\$128 billion+
TOTAL MARKET AREA DEPOSITS	\$30.5 billion

COUNTIES

Warren, Sussex and Morris

A photograph of the High Point Monument, a tall, slender stone tower with a pointed top, situated on a hill covered in dense forest with autumn foliage. The monument is set against a sky with soft, white clouds. In the foreground, a calm body of water reflects the scene, with some trees and foliage visible on the left side.

High Point Monument
WANTAGE AND MONTAGUE
TOWNSHIPS, NJ

Finding Opportunities in Northern New Jersey

Our flat organizational structure means our clients have access to local decision makers who can respond in real time. This efficiency is mutually beneficial and key to our ability to develop full banking relationships.

David DiStefano

FSVP/Regional President

LEFT TO RIGHT

Dan McAdams

**VP/Denville
Branch Sales Manager**

David DiStefano

**FSVP/Northern NJ
Regional President**

First Bank's size and enterprising approach enables us to provide personalized banking services which satisfy the needs of both individual and business customers. Our relationship-oriented approach is key to the Bank's organic growth and reflected in the success we have realized in positioning our business for long-term growth and profitability.

In addition to planned organic growth, we believe that it's important to consider opportunities to grow our business through acquisitions that provide scale, market expansion and that bolster our talent pool. Our acquisition of Heritage Community Bank in 2014 had all of these characteristics. This transaction expanded our service area into affluent Morris County, provided a solid market presence with two locations in larger municipalities — Randolph and Denville — and added staffing with a shared customer service culture. These Morris County locations also help to expand our commercial banking market reach into neighboring Warren and Sussex counties.

All three of these counties have compelling demographics and offer the opportunity for significant organic growth. Morris County's median household income of \$114,700 is roughly twice the average for the whole U.S. There are 33 Fortune 500 businesses that have headquarters, offices or a major facility in Morris County reflecting its proximity to New York City which is 25 miles to the east. Its strategic location in relation to New York has attracted companies from a wide variety of industries including: pharmaceuticals, health services, research and development, technology, finance, insurance and real estate.

While Morris County is more economically vibrant, Sussex and Warren counties offer interesting potential for growth. Sussex County, with a population of nearly 150,000, is the northernmost county in the state but still only about 40 miles from New York City, and its 12,000+ businesses generate more than \$5 billion in revenues annually. The more rural Warren County shares a border with the Lehigh Valley of Pennsylvania, has a population of 108,000 and estimated annual business activity of \$10.8 billion.



Lower Trenton Bridge

TRENTON, NJ
AND MORRISVILLE, PA

A photograph of the Lower Trenton Bridge at dusk. The bridge's steel truss structure is silhouetted against a dark blue sky. Large, illuminated red letters spelling "TRENTON MAKES" are mounted on the bridge's framework. The bridge spans over a body of water, with concrete piers visible. The water reflects the ambient light and the bridge's structure.

TRENTON MAKES

MARKET SUMMARY

MARKET AREA	1,294 sq. miles
POPULATION	1.6 million
BUSINESS UNITS	144,000+
ANNUAL BUSINESS REVENUES	\$307 billion+
TOTAL MARKET AREA DEPOSITS	\$69.5 billion

COUNTIES

Mercer, Hunterdon, Somerset
and Middlesex

Deep Roots in Central New Jersey

Our size uniquely positions us in Central New Jersey – we are small enough to provide a high-touch, personal approach to banking and large enough to support our commercial clients through the lifecycle of their business.

Gene McCarthy
FSVP/Regional President

Though First Bank first opened its doors in 2007, we have made effective use of this time by creating a growing, profitable and solid institution. An important first step was selecting a financially vibrant market and developing a highly productive business model that facilitates growth. Central New Jersey has an affluent economy, with a strong and diverse array of employers, a highly educated labor force and reasonable business costs by East Coast standards. These factors provide an excellent environment for growing a strong business over the long term, which First Bank is thriving in.

The largest concentration of First Bank branches is located in the four counties that make up our Central New Jersey region. These affluent counties — Mercer, Middlesex, Somerset and Hunterdon — have median household incomes ranging from 26% greater than the U.S. median income to more than 90% greater. Coupled with a total population of 1.6 million for the region — larger than the population of 11 U.S. States — the economic strength and potential business opportunity of this area is undeniable.

The seven First Bank branches located in these four counties are de novo locations that we developed using a low-cost strategy of entering previously-occupied bank locations and re-opening with minimal cost and capital investment. The hub of our banking franchise is Mercer County, where our corporate headquarters and four retail locations service the county's more than 366,000 residents. With one branch in each of the other counties, we have a foothold in three additional markets offering compelling demographics and significant growth potential.

The region is home to approximately 144,000 businesses with estimated annual revenues that exceed \$307 billion, and the four county area is home to more than \$69 billion in bank deposits. Monmouth and Ocean counties offer intriguing opportunities to expand our Central Region with a combined population of more than 1.2 million, nearly 109,000 businesses and annual business revenues of more than \$80 billion.

With consolidation of other local community banks in recent years by larger financial institutions, we see opportunity to out-manuever competitors that are not intimately familiar with the needs of individuals and businesses in our service areas.

LEFT TO RIGHT

Gregory Kay
VP/Hamilton
Branch Sales Manager

Gene McCarthy
FSVP/Central NJ
Regional President



MARKET SUMMARY

MARKET AREA	1,384 sq. miles
POPULATION	1.2 million
BUSINESS UNITS	87,000+
ANNUAL BUSINESS REVENUES	\$127 billion+
TOTAL MARKET AREA DEPOSITS	\$27.9 billion

COUNTIES

Burlington, Gloucester and Camden

Keystone Watch Case Co.
RIVERSIDE, NJ

An Improved Southern Exposure

Looking out in any direction from our Mercer County headquarters, we see potential for market expansion, earning-asset growth and demand for high-touch personalized banking services. The southern portion of New Jersey is no exception. Recent demographic trends in New Jersey are better than many other Mid-Atlantic markets and are strongly influenced by our ties to the New York and Philadelphia metropolitan areas. New Jersey is one of the country's richest states, with median annual income of more than \$80,000; in fact, only Maryland and the District of Columbia have higher median incomes. In addition, one in eight New Jersey households have income equal to or greater than \$200,000 annually. Clearly, there are strong demographics in every direction.

With access to capital for expansion and another attractive market conveniently located to the south, 2018 was the perfect time for First Bank to build scale in its Southern Region. In April 2018, we acquired Delanco Bancorp, Inc., which expanded our banking footprint into Burlington County through the addition of two quality full-service locations in Delanco and Cinnaminson, New Jersey. This transaction expanded and strengthened our Southern Region service footprint and bridged the gap between Mercer County and our single Gloucester County location. The acquisition also immediately increased our funding base and strengthened our liquidity profile, consistent with our deposit strategy of continuously generating deposits sufficient to fund loan growth.

Similar to the counties that make up our other New Jersey banking regions, Burlington, Gloucester and Camden counties have attractive market demographics and business activity. The median household income for Burlington and Gloucester counties is above the statewide average, and businesses in the three-county region have payrolls of approximately \$22 billion and generate annual revenues in excess of \$127 billion.

First Bank is well positioned for growth in our Southern New Jersey region because of the investments we've made in experienced and capable local bankers. We are ready to capitalize on the tremendous opportunity we see in this market.

Emilio Cooper
EVP & Chief Deposits Officer

LEFT TO RIGHT

Susan Okun

**VP/Delanco
Branch Sales
Manager**

John Pettit

**VP/Williamstown
Branch Sales
Manager**





MARKET SUMMARY

MARKET AREA **2,201 sq. miles**

POPULATION **4.0 million**

BUSINESS UNITS **347,000+**

ANNUAL BUSINESS REVENUES **\$523 billion+**

TOTAL MARKET AREA DEPOSITS **\$126.7 billion**

COUNTIES

Bucks, Chester, Montgomery,
Philadelphia and Delaware

Longwood Gardens
KENNETT SQUARE, PA

In a market with many financial institutions to choose from, our customers appreciate that they can call First Bank and speak to a banker who is well established in this market and cares just as much about this community as they do.

Joseph Calabro
FSVP/PA Regional President

Our Values Drive Opportunity in Pennsylvania

A market with more than \$125 billion in deposits, nearly 350,000 businesses generating over \$520 billion in annual revenue and exceptional customer demographics, just 50 miles from the front door, is simply too compelling to ignore. This was the case with the five-county Metropolitan Philadelphia area, which would become First Bank's Eastern Pennsylvania Region.

In May 2015, we entered Eastern Pennsylvania through a de novo branch location in Trevose, Pennsylvania in Bucks County. Trevose was First Bank's 10th customer location and targeted the area's vibrant business community and individual customers in the affluent surrounding municipalities. This move into Eastern Pennsylvania was consistent with other new branch and merger activity that First Bank used to propel asset growth of 140% from second quarter 2012 through the same period in 2015.

In September 2017, First Bank completed the acquisition of Bucks County Bank, adding significant scale to its presence in this market. This transaction added locations in other affluent suburban communities northeast of Philadelphia along with just under \$200 million in assets and \$155 million in deposits. Later that year, First Bank added a team of senior lenders focused on expanding our commercial lending presence in the southeastern Pennsylvania counties of Chester, Delaware and Philadelphia. This team brought more than 90 combined years of commercial banking experience, providing a clear demonstration of the Bank's elevated commitment to driving business activity in the Philadelphia metropolitan area. In the second half of 2018 we opened a new retail branch location in West Chester to complement the Bank's commercial lending activity.

First Bank's comprehensive set of lending, deposit and other financial products and services with an emphasis on commercial real estate and commercial and industrial loans to small to mid-sized businesses and individuals, continues to drive our growing presence in this and other markets.



LEFT TO RIGHT

Joe Calabro

**FSVP/PA Regional
President**

Scott Civil

**SVP/Market
Executive**

Sandra Ryan

VP/Randolph Branch Sales Manager
Northern NJ Region



New Jersey state-chartered bank
(Headquarters - Hamilton, NJ)

Bauer Financial 5-Star
rated bank (Top Ranking)



SNL Top 100 Community Bank Award

Three-time NJ Biz Fast
50 Award Recipient **3**

First Bank Profile

Complete range of deposit
and loan products and services

16 full-service
branches in
New Jersey and
Pennsylvania

Market area — New York City
to Philadelphia corridor

Population	7.7 million
Businesses	653,000+
Annual Sales/Revenues	\$1.1 trillion
Total Bank Deposits	\$294.5 billion

firstbanknj.com

firstbankpa.com

FIRST BANK LOCATIONS

ADMINISTRATIVE

2465 Kuser Road
Hamilton, NJ 08690
877.821.2265

1395 Yardville-Hamilton Square Road
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

HAMILTON
2465 Kuser Road
Hamilton, NJ 08690
609.528.4400

LAWRENCE
590 Lawrence Square Boulevard South
Lawrence, NJ 08648
609.587.3111

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

WARMINSTER
356 York Road
Warminster, PA 18974
215.441.4118

TREVOSE
4956-66 Old Street Road
Trevose, PA 19053
267.984.4537

WEST CHESTER
121 N. Walnut Street
Suite 320
West Chester, PA 19380
484.881.3800

Brent Cronnell

SVP/Retail Market Manager
Southern NJ/PA Regions

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



DOUGLAS C. BORDEN

Partner of Borden Perlman Insurance Agency

DIRECTOR SINCE 2017

BOARD COMMITTEES

Compensation and Personnel, Nominating and Governance (Chair), 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

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



CHRISTOPHER B. CHANDOR

Chief Executive Officer of Penn's Grant Corporation; former Vice Chairman of Bucks County Bank

DIRECTOR SINCE 2017

BOARD COMMITTEES

Audit and Risk Management, Compliance



PATRICK L. RYAN

President and Chief Executive Officer of First Bank

DIRECTOR SINCE 2008

BOARD COMMITTEES

Asset/Liability, Compliance, Information Technology



GARY S. HOFING

Principal of The Eagle Group of Princeton, Inc.; former Vice President of Hofing Management, LLC

DIRECTOR SINCE 2016

BOARD COMMITTEES

Asset/Liability, Compliance, Information Technology



ELBERT G. BASOLIS, JR.

President and Owner of Garrison Enterprises Inc.

DIRECTOR SINCE 2008

BOARD COMMITTEES

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



DEBORAH PAIGE HANSON

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

DIRECTOR SINCE 2016

BOARD COMMITTEES

Asset / Liability, Nominating and Governance, Compensation and Personnel, Information Technology

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



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



MICHAEL E. SALZ

President of Linden Bulk Transportation Co., LLC

DIRECTOR SINCE 2017

BOARD COMMITTEES

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



JOHN E. STRYDESKY

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

DIRECTOR SINCE 2010

BOARD COMMITTEES

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



The Board of Directors would like to express its thanks and appreciation to two retiring directors, **Mr. Samuel D. Marrazzo** and **Mr. Raymond F. Nisivoccia**, for their dedicated service and valuable guidance to First Bank. Mr. Marrazzo, who is President and Founder of Marrazzo's Thriftway and Serenity Point, LLC, joined the Board in 2011 and most recently served on its nominating and governance and compliance committees. Mr. Nisivoccia is the founding partner of Nisivoccia LLP. He joined First Bank's board in 2014 and recently served on the audit and risk management, nominating and governance, and information technology committees.

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 almost 40 years of banking experience.



STEPHEN F. CARMAN

EXECUTIVE VICE PRESIDENT | CHIEF FINANCIAL OFFICER

Steve Carman has served as Chief Financial Officer of First Bank since 2008, when he joined the Bank, and was appointed an Executive Vice President in December 2013. Mr. Carman served as Executive Vice President and Chief Financial Officer of Yardville National Bank from 1992 until 2007. Mr. Carman spent his entire 30-year banking career prior to joining First Bank at Yardville National Bank. Mr. Carman has 40 years of banking experience.



EMILIO COOPER

EXECUTIVE VICE PRESIDENT | CHIEF DEPOSITS OFFICER

Emilio Cooper has served as Chief Deposits Officer of First Bank since joining the Bank in October 2018. He is responsible for leading the Retail and Commercial Deposit areas and accelerating the Bank's core deposit growth. Mr. Cooper has over 20 years of banking experience, both locally and in the Midwest. Most recently, he was the Head of Sales and Distribution for US Retail Banking at BMO Harris Bank, a \$110 billion asset bank with over 500 locations. Prior to BMO, he held the role of Retail Director for Citizens Bank in the Greater Philadelphia area and Community Bank President for Wells Fargo/Wachovia.

BANK OFFICERS

FIRST SENIOR VICE PRESIDENTS

Joseph R. Calabro
Pennsylvania Regional President

David J. DiStefano
Northern New Jersey Regional President

Andrew L. Hibshman
Chief Accounting Officer

David D. Lidster
Chief Technology Officer

Gene C. McCarthy
Central New Jersey Regional President

Susan M. Paglione
Chief Retail Operations Officer

John F. Shepardson
Chief Administrative Officer

SENIOR VICE PRESIDENTS

Belinda L. Blazic
Loan Administration Manager

Kimberly Cerasi
Human Resources

Scott W. Civil
Market Executive

Michael B. Cook
Commercial Lending Relationship Manager

Brent Cronnell
Retail Market Manager

Marianne E. DeSimone
Lending Group Manager

Gabriel K. Dragos
Head of Operations

Thomas P. Fehn, Jr.
Retail Market Manager

Nancy C. German
Deposit Operations Officer

Terrance R. Howard
Market Executive

Mark E. Kabakow
Construction Lending Manager

David Hill Marx
Commercial Lending Relationship Manager

Maria E. Mayshura
Internal Audit & Risk Officer

Gregorio Perri, Jr.
Consumer Lending Manager

Donald Theobald, Jr.
Controller

Richard Tocci
Commercial Lending Relationship Manager

VICE PRESIDENTS

Joseph F. Browarski
Loan Workout Officer

Jeremy M. Bucci
Commercial Lending Relationship Manager I

Richard L. Burzynski
Commercial Lending Relationship Manager

Michael P. Cahill
Commercial Lending Relationship Manager I

Elizabeth F. Camishion
Systems Application Administrator

Edward Caporellie, Jr.
Branch Sales Manager - West Chester

Joseph Cavalchire
Commercial Lending Relationship Manager II

Karen J. Conway
Business Banker

Kimberly Dargay
Branch Operations Manager - Ewing

Ryan D. Earley
Business Banker

Jason Fischer
Commercial Lending Relationship Manager

J. Michael Fischer, Jr.
Commercial Lending Relationship Manager

Robert Goldzman
Commercial Lending Relationship Manager

Robert C. Gossenberger
Branch Sales Manager - Trevoise

Philip M. Heberling
Commercial Lending Relationship Manager

Gregory S. Kay
Branch Sales Manager - Hamilton

Christopher M. Kelly
Commercial Lending Relationship Manager II

Todd C. Kelly
Branch Sales Manager - Ewing

Brett Lawrence
Commercial Lending Relationship Manager

Larry F. Lee
Loan Workout Manager

Michelle Mack
Compliance & CRA Officer

Daniel C. McAdams
Branch Sales Manager - Denville

Tina Middleton
Commercial Lending Relationship Manager

Carol Monaghan
Branch Sales Manager - Somerset

James F. Monaghan III
Senior Financial Projects Manager

James T. Muller
Branch Sales Manager - Flemington

Thao P. Nguyen
Credit Officer

Susan K. Okun
Branch Sales Manager - Delanco

John C. Pettit
Branch Sales Manager - Williamstown

Frank P. Puleio
Business Development Officer

Katherine M. Rowley
Branch Operations Manager - Lawrence

Brendan P. Ryan
Bank Secrecy Act Officer

Sandra K. Ryan
Branch Sales Manager - Randolph

Joseph Sandoli
Credit Manager

Casi L. Smith
Treasury Management Sales Officer

Kyle Smith
Commercial Lending Relationship Manager

Jared E. Utz
Commercial Lending Relationship Manager

Gregory Weckel
Information Technology Manager

Mark F. Wrobel
Commercial Lending Relationship Manager

ASSISTANT VICE PRESIDENTS

Alexandra Acevedo
Treasury Management Sales Support

Brian W. Ballentine
Branch Operations Manager - Flemington

Sharon E. Bokma
Branch Operations Manager - Hamilton

Michael R. Borkowski
Branch Sales Manager - Warminster

Jo Ann W. Cackowski
Commercial Real Estate Loan Administrator

Joan S. Costa
Commercial Loan Administrator

Cori Cubberley
Loan Accounting Manager

Brent Gardner
Consumer Loan Officer

Jonathan O. Jacobs
Private Banker

Veena Jain
Branch Operations Manager - Somerset

Keith M. Jolliffe
Senior Credit Analyst

Jason M. Koenigsberg
Branch Sales Manager - Cranbury

Ruth Powell
Branch Sales Manager - Pennington

Patricia L. Schofield
Branch Operations Manager - Cinnaminson

Stacy L. Schwartz
Deposit Operations Supervisor

Traci L. Sundberg
Financial Investigations & AML Manager

Sharon A. Unger
Deposit Operations Analyst II

Andrew K. Varsallona
IT Support Specialist

Jennifer Wallace-Dressner
Assistant Controller

Marie G. Wanat
Branch Sales Manager - Doylestown

Caryn Wilson
Retail Administrative Assistant and Training Administrator

ASSISTANT TREASURERS

Donna Bencivengo
Executive Assistant and Corporate Secretary

Samantha K. Dayton
Loan Accounting Assistant Manager

Gwendelyn C. Fisher
Marketing Coordinator

Cynthia Huber
Branch Operations Manager

Maria A. Tramo
Branch Operations Manager II

Kelly L. Valenza
Benefits and Payroll Coordinator

Carrie M. Walchko
Bank Secrecy Act Specialist

Michelle Zimmerman
Branch Operations Manager

INVESTMENT PROFILE AT 2-28-19

Closing Share Price	\$11.57
Market Capitalization	\$216.1M
Price/Earnings (LTM)	12.2 X
Price/Tangible Book	1.22 X
Forward Dividend Yield	1.04%
52-week High	\$15.00
52-week Low	\$10.95
Average daily trading volume <small>3 MO AVG</small>	68,700
Shares Outstanding	18.7M
Float	14.8M

INVESTMENT RATIONALE

A track record of growth coupled with improved profit metrics

Recent investments will drive core deposit improvement

Our Board and management team thinks and manages like owners

Strong balance sheet — excellent asset quality and bank acquisitions with conservative credit marks

One of only a few, strong community banks in the high wealth, densely-populated New York to Philadelphia corridor

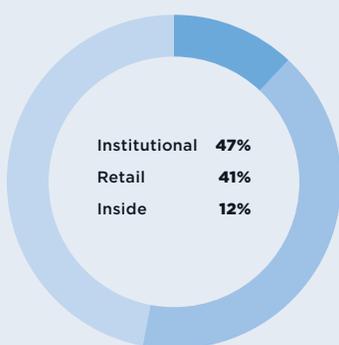
Continued M&A opportunities should drive significant future growth; moving FRBA into the highly valued \$2B-\$5B asset segment

Attractive entry point for investors

Russell 3000 Index component

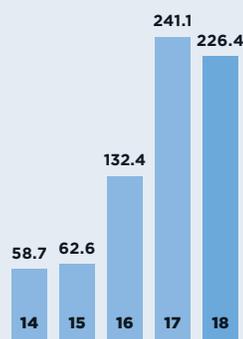
Stock Ownership

AT 12-31-18



Market Capitalization

FOR YEAR ENDED 12-31, \$ IN MILLIONS



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. on April 23, 2019 at:
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
1395 Yardville-Hamilton Square Road
Hamilton, NJ 08691
or by calling 609.643.0136

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 CENTRE PORTAL:
computershare.com/investor

STOCK LISTING

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

SAFE-HARBOR STATEMENT

Note: The foregoing material 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 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.



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



Jim Muller
VP/Branch Sales Manager
Central NJ Region





2465 KUSER ROAD HAMILTON, NEW JERSEY 08690 877.821.BANK
FIRSTBANKNJ.COM NASDAQ: FRBA