



Merger



October 18, 2017

Forward-Looking Statements

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

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

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

Important Additional Information and Where to Find It

In connection with the proposed Merger, First Bank will file with the FDIC an offering circular that will include a proxy statement of Delanco Bancorp, Inc. and a prospectus of First Bank, as well as other relevant documents concerning the proposed transaction. The proposed Merger will be submitted to Delanco Bancorp, Inc.’s shareholders for their consideration. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. **SHAREHOLDERS OF DELANCO BANCORP, INC. ARE URGED TO READ THE OFFERING CIRCULAR AND THE PROXY STATEMENT/PROSPECTUS REGARDING THE MERGER WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE FDIC BY FIRST BANK, AND FILED WITH THE SEC BY DELANCO BANCORP, INC., AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.**

A free copy of the proxy statement/prospectus, as well as other filings containing information about First Bank, may be obtained at the FDIC’s Internet site (<https://efr.fdic.gov/fcxweb/efr/index.html>), when they are filed by First Bank. A free copy of the proxy statement/prospectus, as well as other filings containing information about Delanco Bancorp, Inc., may be obtained at the SEC’s website (<http://www.sec.gov>), when they are filed by Delanco Bancorp, Inc. You will also be able to obtain the offering circular which will include the proxy statement/prospectus, when it is filed, and the filings with the FDIC, for First Bank, and the SEC, for Delanco Bancorp, Inc., that will be incorporated by reference into the proxy statement/prospectus free of charge, from First Bank at www.firstbanknj.com under the heading “Investor Relations” and from Delanco Bancorp, Inc. at www.delancofsb.com under the heading “Investor Relations.” Copies of the proxy statement/prospectus can also be obtained, when it becomes available, free of charge, by directing a request to First Bank, 2465 Kuser Road, Hamilton, NJ 08690, Attention: Patrick L. Ryan, President and CEO, Telephone: (609) 643-0168 or to Delanco Bancorp, Inc., 615 Burlington Avenue, Burlington, NJ 08075, Attention: James Igo, Telephone: (856) 461-0611.

Delanco Bancorp, Inc., and its directors and executive officers and certain other members of their management and employees may be deemed to be participants in the solicitation of proxies from the shareholders of Delanco Bancorp, Inc., in connection with the proposed Merger. Information about the directors and executive officers of Delanco Bancorp, Inc., and their respective ownership of Delanco Bancorp, Inc. common stock, is set forth in the proxy statement for Delanco Bancorp, Inc.’s 2017 annual meeting of shareholders, filed with the SEC on Schedule 14A on or about July 21, 2017. Additional information regarding all of the participants in the solicitation may be obtained by reading the proxy statement/prospectus regarding the proposed Merger when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.

The merger brings strategic and financial benefits to the combined franchise

- **Strategic benefits:**

- Complements FRBA's strong organic growth throughout New Jersey
- DLNO low-cost funding base with a June 30, 2017 average cost of deposits of 0.45%
- Loan portfolio diversification (1-4 Family lending)
- DLNO low loan to deposit ratio of 76.3%
- Reduces regulatory CRE concentration
- Residential mortgage assets may create balance sheet flexibility through potential loan sales or securitizations

- **Financial benefits:**

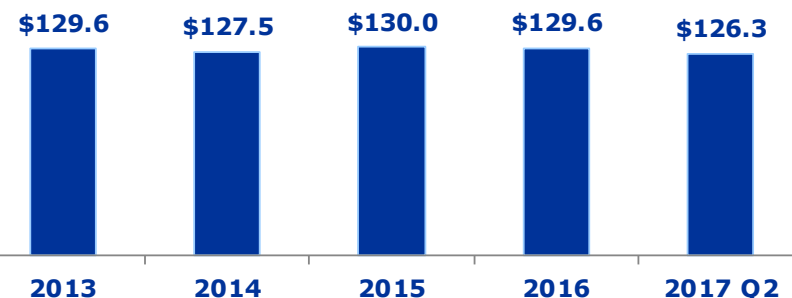
- Disciplined pricing
 - Immediate EPS accretion
 - Minimal Tangible Book Value dilution at close
- Earnings benefits from economies of scale and cost savings

Delanco Bancorp, Inc. Overview

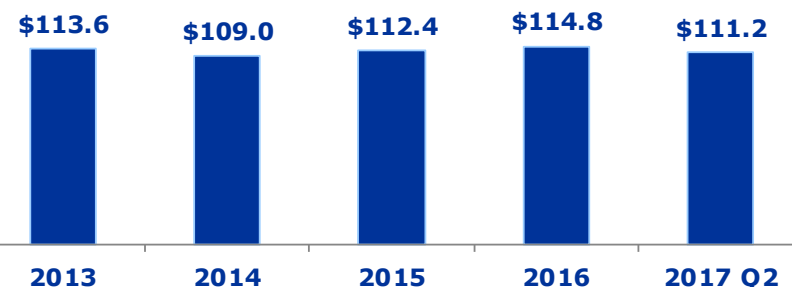
Financial Summary (June 30, 2017)

• Total Assets (\$mm):	\$126.3
• Total Equity (\$mm):	\$13.6
• Total Loans (\$mm):	\$84.8
• Total Deposits (\$mm):	\$111.2
• Book Value Per Share:	\$14.34
• Risk Based Capital Ratio:	17.78%
• LTM Return on Average Assets:	0.09%
• LTM Net Interest Margin:	3.05%
• NPAs / Assets¹:	4.15%

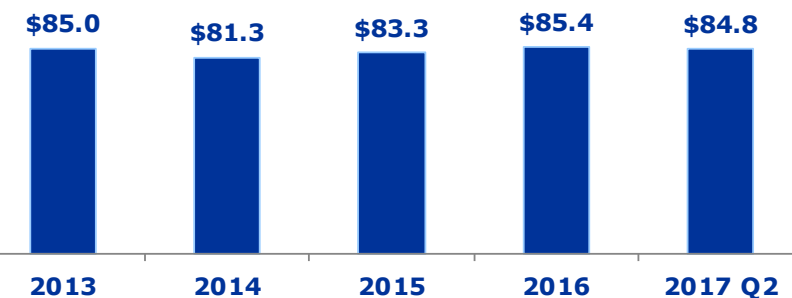
Assets (\$mm)



Deposits (\$mm)



Total Loans (\$mm)



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

Source: SNL Financial

Transaction Overview

Consideration

- \$14.15 per DLNO Share¹
- Fixed 1.11 exchange ratio
- 100% stock consideration
- DLNO stock options cashed out

Transaction Pricing

- Approximately \$13.5 million deal value¹
- Price / DLNO June 30, 2017 TBV: 99%
- Mid-single digit accretion to 2018 EPS
- TBV dilution of about 1.0% earned back in under 2.5 years

Other Key Pro Forma Assumptions

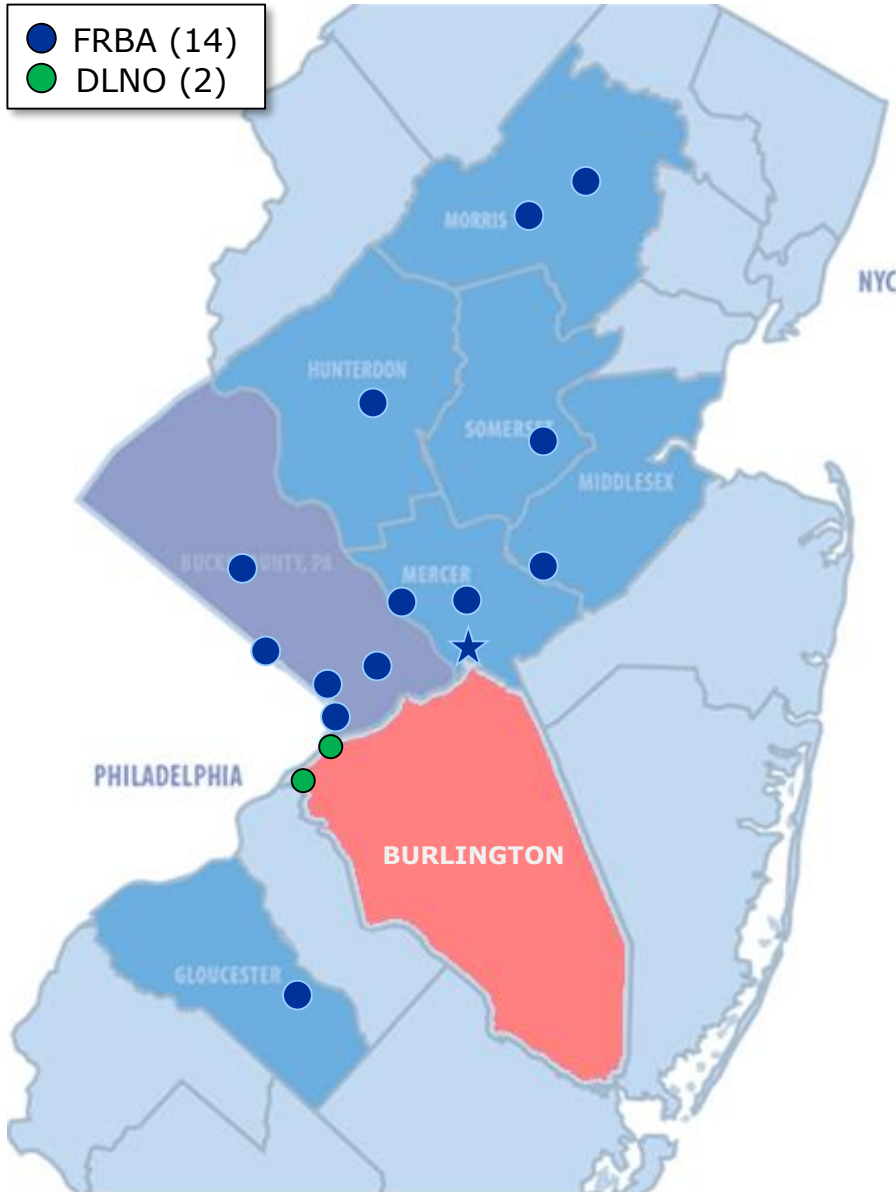
- Cost savings estimated at 40% of DLNO's non-interest expense
- Gross loan mark of \$3.0 million (3.4% of estimated gross loans at close)
- Expected Closing: First Quarter 2018

Required Approvals

- Customary regulatory approvals
- DLNO shareholder approval

(1) Based on FRBA's October 17, 2017 closing price of \$12.75

Combined franchise creates added strength in target market with strong demographics



• Pro Forma FRBA (6/30/2017)¹

- Total Assets of \$1.6 billion
- Total Loans of \$1.3 billion
- Total Deposits of \$1.3 billion
- Market Capitalization of approximately \$235.5 million²
- 16 Branches

• Burlington County Demographics³

County	Median HH Income 2018 (\$)	Projected HH Income Change 2018-2023 (%)
Burlington	80,809	4.06
Aggregate: State of NJ	78,317	8.08
Aggregate: National	61,045	8.86

(1) Pro forma for recently closed BKCS acquisition using regulatory financial data as of June 30, 2017

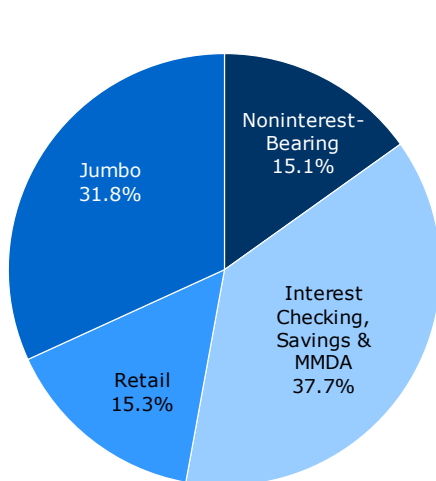
(2) Based on FRBA's October 17, 2017 closing price of \$12.75

(3) Source: SNL Financial

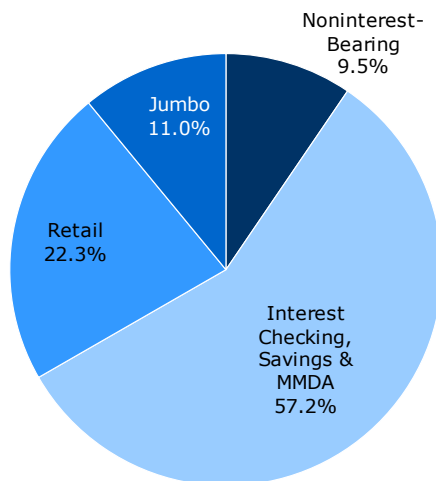
Delanco Bancorp, Inc. brings quality, low-cost deposits

(Dollar values in thousands)

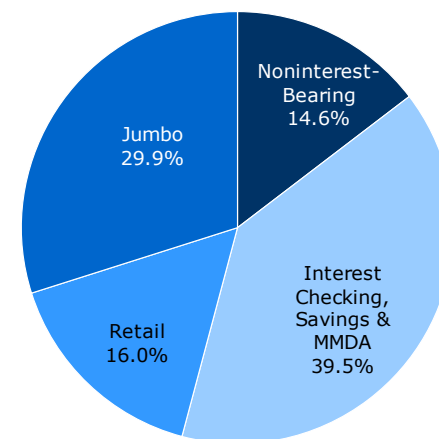
First Bank ¹			Delanco Bancorp, Inc.			Pro Forma Company		
Deposit Type	Balance	% Total	Deposit Type	Balance	% Total	Deposit Type	Balance	% Total
Noninterest-Bearing	\$167,355	15.1%	Noninterest-Bearing	\$10,673	9.5%	Noninterest-Bearing	\$178,028	14.6%
Interest Checking, Savings & MMDA	417,149	37.7%	Interest Checking, Savings & MMDA	64,161	57.2%	Interest Checking, Savings & MMDA	481,310	39.5%
Retail	169,329	15.3%	Retail	25,070	22.3%	Retail	194,399	16.0%
Jumbo	351,827	31.8%	Jumbo	12,305	11.0%	Jumbo	364,132	29.9%
Total	\$1,105,660	100.0%	Total	\$112,209	100.0%	Total	\$1,217,869	100.0%



Cost of Deposits: 0.84%



Cost of Deposits: 0.45%



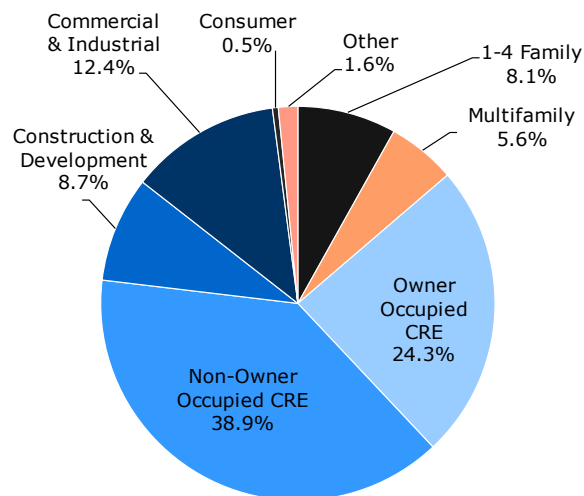
Cost of Deposits: 0.80%

(1) Pro forma for recently closed BKCS acquisition using regulatory financial data as of June 30, 2017
Regulatory financial data as of June 30, 2017, does not include impact of fair value adjustments
Source: SNL Financial

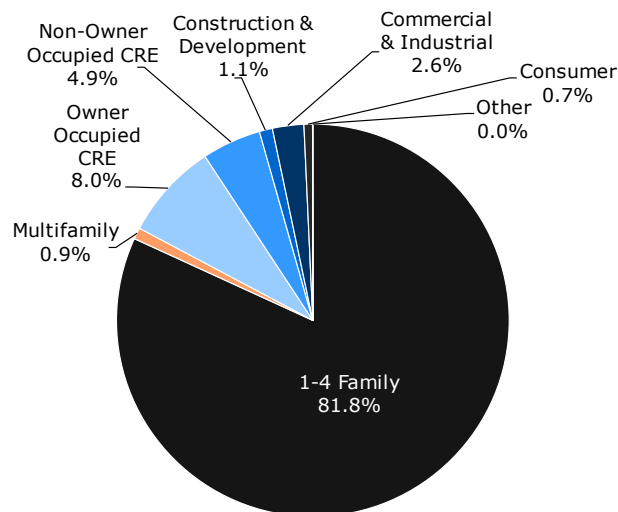
Pro forma loan composition

(Dollar values in thousands)

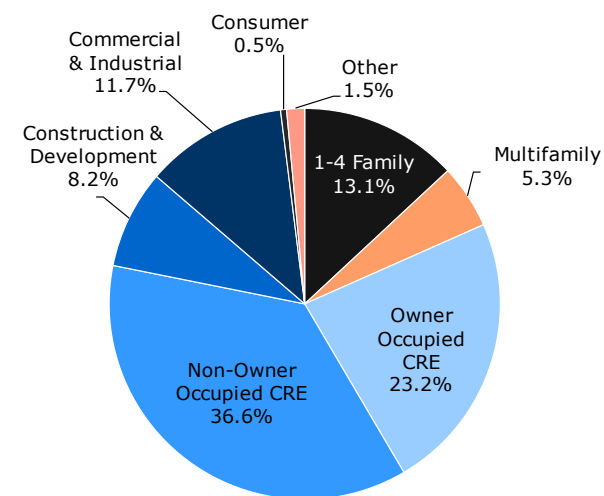
First Bank ¹			Delanco Bancorp, Inc.			Pro Forma Company		
Loan Type	Balance	% Total	Loan Type	Balance	% Total	Loan Type	Balance	% Total
1-4 Family	\$95,369	8.1%	1-4 Family	\$69,491	81.8%	1-4 Family	\$164,860	13.1%
Multifamily	65,980	5.6%	Multifamily	798	0.9%	Multifamily	66,778	5.3%
Owner Occupied CRE	285,642	24.3%	Owner Occupied CRE	6,765	8.0%	Owner Occupied CRE	292,407	23.2%
Non-Owner Occupied CRE	457,817	38.9%	Non-Owner Occupied CRE	4,134	4.9%	Non-Owner Occupied CRE	461,951	36.6%
Construction & Development	101,964	8.7%	Construction & Development	916	1.1%	Construction & Development	102,880	8.2%
Commercial & Industrial	145,552	12.4%	Commercial & Industrial	2,194	2.6%	Commercial & Industrial	147,746	11.7%
Consumer	5,667	0.5%	Consumer	597	0.7%	Consumer	6,264	0.5%
Other	18,695	1.6%	Other	19	0.0%	Other	18,714	1.5%
Total	\$1,176,686	100.0%	Total	\$84,914	100.0%	Total	\$1,261,600	100.0%



Yield on Loans: 4.63%



Yield on Loans: 4.24%



Yield on Loans: 4.60%

(1) Pro forma for recently closed BKCS acquisition using regulatory financial data as of June 30, 2017
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 Source: SNL Financial