



First Bank reports quarterly profitability; Regulatory Order terminated

February 18, 2011

Fellow Shareholders:

We are very pleased to share two pieces of excellent news:

- First Bank reported a profit in the fourth quarter of 2010
- On January 28th, 2011 the regulatory Order entered into by the Bank on September 30, 2009 was terminated

While we certainly anticipated these events, we take great pleasure in reporting this important information. As shareholders, we are excited by our prospects and excited to enter the next phase in our development. Our bank is very well positioned to take advantage of the numerous opportunities in front of us. As we report to you today, we are a healthy, profitable bank, free from exceptional regulatory restrictions. We have done a great job competing and succeeding in the face of significant headwinds. With a growing wind at our back, we're excited to see how great First Bank can become.

Strategic update: loan demand was steady during the fourth quarter. Loan growth of \$9.2 million in the quarter equates to a 25% annualized growth rate. As you might expect, in an economy when many banks are not lending, 25% annualized loan growth compares very favorably to average growth rates for other NJ banks. Generating quality loan growth will remain our top strategic priority in 2011.

We are also pleased to report that we moved into new corporate office space in the former Yardville National Bank headquarters building at 2465 Kuser Road in Hamilton, NJ. In addition to providing space for the majority of our senior management team to work together under one roof, the lease also provides an option on the bank branch located in the same building. While the timing has not been finalized, we certainly expect to have that branch and remote drive thru open at some point in 2011, subject to regulatory approval. It is worth noting that the branch housed over \$100 million in deposits back when it was an operating branch location.

Financial update: the net interest margin of 3.74% for the fourth quarter of 2010 is a significant increase over the 3.27% margin for the quarter ended September 30, 2010. We believe the Bank will enjoy continued net interest income and margin expansion in the first quarter of 2011 as loan balances increase and funds are deployed out of low-yielding investments into higher-yielding loans. Continued margin expansion would be noteworthy given that many banks are reporting margin compression in this low-interest rate environment.

In the fourth quarter, First Bank reported its first quarterly profit, earning \$208,800, including \$275,800 from the gain on sale of investment securities. We expect the trend of improved operations to continue in the first quarter of 2011.

Net interest income for the quarter equaled \$1.91 million, an increase of \$234,300 (14%) from the previous quarter. Non-interest expense for the quarter equaled \$1.60 million, an increase of \$133,000 (9%) compared to the third quarter of 2010. This continued trend of net interest income growth significantly exceeding non-interest expense growth will help drive future profitability.

Regulatory update: as mentioned above, our Order with the FDIC and NJ Department of Banking and Insurance has been terminated. This is excellent news for a number of reasons. First, the bank will enjoy a significant cost savings from lower insurance premiums in 2011. Second, significant time and effort spent preparing regulatory reports can now be reallocated to growth and profit-enhancement projects. Third, we know our competitors have been active in the market using the news of the Order to try and damage our reputation. We expect this behavior should stop.

Our significant efforts to drive improved regulatory relations should pay dividends going forward. Importantly, while many banks will need to invest and reorganize to prepare for the additional regulatory scrutiny required by the Dodd Frank legislation, the investments we have made over the past 18 months leave us better prepared to handle these regulatory developments.

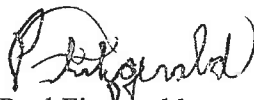
Conclusion: as we reflect on the passage of 2010, it is worth thinking back to the recapitalization offering in the fall of 2008. At that time, we hoped and projected we would be a growing, profitable community bank within two years. We have achieved that goal. We acknowledge that the challenges faced along the way have been much greater than we anticipated. Nevertheless, as we think about the next couple of years, our banking platform leaves us in a great position to take advantage of the opportunities ahead. We have capital, customers, management bench strength, local relationships, and an experienced and knowledgeable Board of Directors: all the ingredients necessary to be successful.

Thank you again for your continued support. We would not have been able to achieve so much in such a short period of time without your help and guidance along the way.

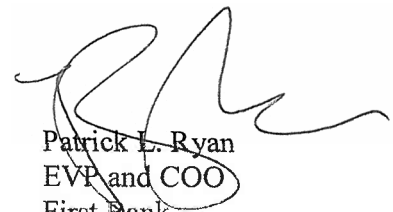
Sincerely,



Leslie E. Goodman
Chairman of the Board
First Bank



Paul Fitzgerald
President and CEO
First Bank



Patrick L. Ryan
EVP and COO
First Bank

Note: The foregoing material contains forward-looking statements concerning the financial condition, results of operations and business of the Company. We caution that such statements are subject to a number of uncertainties and actual results could differ materially, and, therefore, readers should not place undue reliance on any forward-looking statements. The Company does not undertake, and specifically disclaims, any obligation to publicly release the results of any revisions that may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.