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## New Millennium Bank Reports First Quarter Loss but Retains Commitment to Long-Term Strategies

Prudent management principles not abandoned for short-term gains

NEW BRUNSWICK, N.J., May 10 /PRNewswire-FirstCall/ -- **New Millennium Bank** (OTC Bulletin Board: NMNB) today announced a first quarter loss of \$903,000 largely attributable to prudent provisions taken for loans that have not realized their potential largely due to the economy, according to Michael Ross, Chairman of the Board, and Chris Van Der Stad, President and CEO.

"The Bank's performance in the last five quarters has been disappointing for shareholders, the Board of Directors and Management," Van Der Stad said. "However, rather than abandon our conservative management practices in exchange for short-term benefits, we have remained committed to a prudent strategy we believe will see the Bank through this challenging period and result in a stronger bank going forward."

New Millennium Bank lost \$903,000 in the first quarter of 2010, compared to a profit of \$71,000 in the first quarter 2009. At March 31, 2010, New Millennium Bank's total assets increased 2.1 percent to \$237.2 million; net loans increased 7.4 percent to \$175.7 million; and deposits increased 7.5 percent to \$194.9 million, when compared to March 31, 2009. On March 31, 2010, the Total Risk Based Capital Ratio, Tier 1 Risk Based Capital Ratio and Tier 1 Leverage Ratio for the Bank were 12.9 percent, 11.6 percent and 8.4 percent, respectively. A bank is considered well capitalized if these ratios are equal to or greater than 10.0 percent, 6.0 percent and 5.0 percent, respectively, according to Van Der Stad.

"Non-performing loans continue to be the most significant drag on earnings," according to Van Der Stad, a direct result of the down economy and its impact on the commercial sector. "Compounding this issue is the provisions the Bank prudently makes for these loans," he added.

In response to the ongoing under-performance of loans and to protect the interests of shareholders, New Millennium Bank has



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constricted its lending parameters in the commercial sector. However, the Bank has not abandoned the business community, according to Van Der Stad. New Millennium Bank is also a Small Business Administration preferred lender.

"Businesses play a vital role in the local and state economy," Van Der Stad said. "A healthy local and state economy is good for not only the community we serve but also for our business. At the same time, we have strengthened oversight in the lending area and increased staff in the collections area."

Mr. Ross noted that the Bank expects to see a temporary reduction in its income from its credit card program due to certain recent regulatory developments. Certain concerns were raised by the Bank's regulators regarding its consumer disclosure and compliance program in its credit card programs. As a result, the bank has agreed with the FDIC that it will temporarily stop accepting or processing applications or issuing new cards through third party marketing vendors. The Bank has also agreed to stop accepting applications and as of May 15 stop processing applications and issuing new cards directly by the Bank.

These actions will remain in effect until the FDIC is satisfied that the Bank has addressed their concerns. Mr. Ross noted the Bank is devoting the proper time, effort and resources to this issue, and is seeking to satisfy the FDIC as quickly as possible.

However, in the event the Bank is prohibited from accepting new credit card applications for an extended period of time, the loss of credit card application fee income could have a material adverse impact on the Bank's results of operations.

Continuing its strategy of expanding its market and business opportunities, New Millennium plans to open a fourth branch in Somerville in the late summer of 2010.

"This represents our ongoing commitment to expanding our market for new customer relationships and business opportunities, and positioning the Bank for growth and success as the economy strengthens," he said. "New branches widen our customer base, expand our market area and build shareholder value."

#### **About New Millennium Bank**

New Millennium Bank currently has three offices to serve its customers at 57 Livingston Avenue, New Brunswick, NJ; 695 Hamilton Street, Somerset, NJ; and 464B Elizabeth Avenue, Franklin Township, NJ. The Bank offers a full range of Internet banking services to support its retail and commercial customers. In addition to its commercial lending department, New Millennium Bank is a Nationwide Preferred Small Business Administration (SBA) Lender, lending primarily in New Jersey, New York and Pennsylvania. New Millennium Bank also offers secured credit cards throughout the United States to help individuals re-establish their credit. The bank is an equal housing lender and a member of the FDIC. Visit us at [www.nmbonline.com](http://www.nmbonline.com).

**The foregoing contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are not historical facts and include expressions about management's confidence and strategies and management's expectations about new and existing programs and products, relationships, opportunities, taxation, technology and market conditions. These statements may be identified by such forward-looking terminology as "expect," "believe," "view," "opportunity," "allow," "continues," "reflects," "typically," "usually," "anticipate," or similar statements or variations of such terms. Such forward-looking statements involve certain risks and uncertainties. Actual results may differ materially from such forward-looking statements. New Millennium Bank assumes no obligation for updating any such forward-looking statement at any time.**

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