



Rumson-Fair Haven Bank & Trust Company - Second Quarter Report 2010

Letter to Shareholders

RUMSON, NEW JERSEY, July 22, 2010, (OTCBB: RFHB; RFHBW) – We are pleased to report net income for the three months ended June 30, 2010 amounting to \$170,000 which compares with \$100,000 for the comparable period in 2009. On a year-to-date basis, net income amounted to \$278,000 and compares with \$197,000 a year ago. Basic and fully diluted earnings per share amounted to \$.06 and \$.04 per share for the three months ended June 30, 2010 and 2009, and year to date per share amounts were \$.10 and \$.07, respectively. The Board of Directors has declared a seventh 10 percent stock dividend which is payable on August 18th to shareholders of record on August 4th. Per share amounts have been restated to reflect this dividend.

Robert E. Davis, President and CEO, noted that core earnings approximated \$100,000 for the current quarter and attributed the earnings increase to continued deposit growth, up \$24 Million since December 31, 2009, and successful deployment of those funds via expansion of the investment portfolio. Pre-tax securities gains amounting to \$137,000 were recognized during the second quarter and the unrealized gain in the available for sale category amounted to \$1.1 Million at June 30th, also pre-tax.

Non-performing loans currently amount to \$1.9 Million and represent 2.21% of total loans, and 1.01% of total assets, well below our peer numbers. Further decreases in non-performing assets are anticipated during subsequent periods. The allowance for loan losses currently amounts to \$1.4 Million and equates to 1.56% of total loans. Loan growth continues to be stagnant as the economy sputters. The Bank is well-capitalized and has the funds to lend and will take advantage of new loan opportunities as the economy begins to expand.

Total assets at June 30, 2010 amounted to \$192 Million with loans at \$88 Million and deposits of \$162 Million. Book value amounted to \$5.42 per share, as adjusted for the 10% stock dividend.

We appreciate your continued support and welcome any questions.

William J. Barrett
Chairman of the Board

Robert E. Davis, Jr.
President and Chief Executive Officer

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Stock Symbols: Common: RFHB

Warrants: RFHBW