ANNUAL REPORT 2008

Your Way Forward

NewBridge Bancorp

NEWBRIDGE BANCORP

NEWBRIDGE BANK

Dear Shareholder:

This past year will long be regarded as one of the most challenging years in the history of banking and NewBridge Bancorp ("NewBridge" or the "Company"). Financial institutions with almost legendary reputations failed as a result of a subprime crisis that was built upon greed and the excessive granting of credit. Money was too easy, and it fueled an onslaught of speculative investment, often by borrowers whose perceptions of risk had been distorted by a meteoric rise in real estate values. Those high returns prompted additional speculation, creating a cycle that continued to grow until it simply became unsustainable.

We now find ourselves operating in an environment of reaction. Asset values – not just in real estate but in almost every category – are slipping. Credit availability – a key driver of the economy – has contracted, as many capital-constrained institutions have been forced to shrink their balance sheets or tighten underwriting criteria to the point that lending activity has been greatly curtailed. Delinquencies have increased, consumers have pulled back, and businesses have retrenched by terminating employees, further frightening already highly traumatized consumers and investors.

Our Financial Results Reflected the Turmoil in the Economy

In this environment, it is not surprising that we struggled from a financial standpoint in 2008. Including a non-cash, after-tax charge of approximately $50.4 million for impairment of goodwill, our net loss available to common shareholders for 2008 was $57.1 million, or $3.64 per diluted share. Excluding the impairment charge, the Company's net loss available to common shareholders was $6.6 million, or $0.42 per diluted share, in 2008, which was only modestly worse than a corresponding figure of $5.7 million, or $0.49 per diluted share, for 2007. Apart from the impairment charge, the primary cause of our net loss in 2008 was the unusually high provision for credit losses, which was $25.3 million in 2008 versus $19.0 million in 2007. Another contributing factor was a tighter net interest margin, largely the result of the Federal Reserve's lowering of interest rates during the year. Earnings before the impairment charge and the provision for loan losses would have been positive, and an improvement from the comparable figure in 2007. A more detailed discussion of our financial results can be found on pages 27 to 46 of our Annual Report on Form 10-K under Management's Discussion and Analysis of Financial Condition and Results of Operations.

We Have Positioned Our Bank to Emerge From this Recession Stronger than Before

Succeeding in this challenging environment requires that we maintain a strong capital position, contain costs, continue to lend and increase our communication with our borrowers, both those who are current in their loan repayments and those who are not. We are doing all of these. For example, as is discussed more fully below, we recently strengthened the Company's capital position by participating in the U.S. Treasury's Troubled Assets Relief Program ("TARP"), solidifying the Bank's "well capitalized" regulatory standing. We also made tremendous strides in cutting costs by reducing full time equivalent employees from 594 at the end of 2007 to 520 at the end of 2008. We expanded our loan portfolio, and met with many borrowers throughout the year to better ensure that their loans remain current. We believe these steps will allow us to come out of this recession even stronger than before.

Our Capital Position Was Significantly Strengthened in 2008

One of the most significant achievements of the year was the strengthening of our capital position. In the fourth quarter of 2008, we issued $52,372,000 of Fixed Rate Cumulative Perpetual Preferred Stock and a related common stock warrant to the U.S. Treasury Department under its TARP Capital Purchase Program. The Treasury only allowed institutions it expects to be survivors of this crisis to participate in the Program, and we consider it a vote of confidence to have been one of the recipients of the Treasury's investments.

Including the approximately $52 million in TARP funds, tangible shareholders' equity grew to $173.2 million at December 31, 2008, a 27% increase from $136.4 million at December 31, 2007. NewBridge Bank's (the "Bank") capital ratios remain quite strong. At December 31, 2008, the Bank had a leverage ratio of 8.0%, a Tier 1 risk-based ratio of 9.5%, and a total risk-based ratio of 10.8%, versus minimum required ratios of 5%, 6%, and 10%, respectively, to meet the "well capitalized" regulatory classification. Additionally, as of year end 2008, the Bank had unused lines of credit exceeding $190 million. Moreover, at year end the Company had $26.4 million in funds from the Treasury's investment which could be used to further enhance the Bank's capital ratios.

We Took a Bold Step By Charging Off Goodwill

Another positive step we took in terms of capitalization was to eliminate goodwill from our financial statements. This goodwill, which was primarily associated with the July 2007 merger of FNB Financial Services Corporation into LSB Bancshares, Inc., was an intangible asset that was "tested" periodically to ensure that its value had not fallen below its original amount. After carefully considering numerous factors, including a valuation by an independent third party, we concluded that there were several advantages to proactively taking the step to write off this non-cash asset. Doing so more conservatively portrays our financial position, which remains quite strong, substantially eliminating the difference between stated book value and tangible book value. This non-cash accounting charge better aligns professional investors' perspectives of book value with what is reflected on our financial statements, and removes the uncertainty relating to the timing of such an impairment charge.

We Maintained Our Commitment to Growth, Particularly in Loans

While some banks participating in the TARP have been criticized for not making loans, we continue to finance sound projects of borrowers who have the credit worthiness, capacity to repay and character to justify our confidence in them. In fact, despite rapid paydowns, our total loan portfolio grew 8% to $1.60 billion at December 31, 2008 from $1.49 billion at December 31, 2007. We also achieved growth in other key areas of the balance sheet, such as deposits and total assets.

Improving Asset Quality Remains a Top Priority

While we continue to adhere to strict underwriting standards, we have not been immune to economic pressures affecting asset quality. Nonperforming assets, which include nonaccrual loans, accruing loans more than 90 days past due, OREO and renegotiated debt, totaled $48.6 million at December 31, 2008, versus $42.1 million at September 30, 2008 and $17.2 million at December 31, 2007. Although we are disappointed with this increase, one of our advantages in working through these credits, particularly relative to many of the larger banks, is the strength of our customer relationships, which allows us greater flexibility in structuring workouts. Furthermore, we have acted aggressively to boost reserves. At the end of 2008, the allowance for credit losses was $35.8 million, or 2.23% of outstanding loans, compared to $30.4 million, or 2.04% of outstanding loans, at December 31, 2007.

Our Outlook is One of Cautious Optimism

From a macroeconomic standpoint, there are still many challenges before us. As I write these words, unemployment continues to rise, consumer confidence is at an all time low and stock market valuations remain severely depressed. However, some good things are occurring as well. As a nation, we are beginning to save, and as consumer debt is paid down, emergency funds are being replenished. Spending will eventually recover, and when it does, it is likely to be at a more sustainable level. And we have also learned an important lesson about the dangers of a frenzy of speculation and the loss of perspective that often accompanies market bubbles. These are lessons that need to be learned and remembered.

As for NewBridge, we are positioned to succeed. We expect to emerge from this crisis in a stronger position and confronted by a less crowded market of competitors. A number of our competitors – particularly some of the larger banks – have been acquired or are no longer aggressively expanding in our markets. While banking will undoubtedly remain competitive, the exit of certain players is likely to result in a more rational assessment of risk and therefore, a healthier pricing environment for our products and services.

In closing, please know that I am fully aware of the erosion in the value of your investment. As a fellow shareholder, I have suffered just as many of you have. Your Board and Management are focused on returning our Company to profitability, regaining our earnings momentum and restoring the value of your investment.

We appreciate your support and look forward, as we hope you do, to 2009 as a year of recovery and success.

Very truly yours,

Pressley A. Ridgill
President and Chief Executive Officer

Board of Directors

Robert F. Lowe
Chairman, NewBridge Bancorp and NewBridge Bank.

Barry Z. Dodson
Vice Chairman, NewBridge Bancorp and NewBridge Bank; certified public accountant and owner of Barry Z. Dodson, CPA, PLLC.

Pressley A. Ridgill
President, Chief Executive Officer and Director, NewBridge Bancorp and NewBridge Bank.

Michael S. Albert
Vice President—Marketing/Consultant, Stanley Benefit Services, Inc.

Gary G. Blosser
President and co-owner, Shenandoah Landscape Services, Inc.; President and owner of Glen-Gary, Inc.

J. David Branch
Ophthalmologist in private practice.

C. Arnold Britt
President and owner, Carolina Apothecary, Inc., Belmont Pharmacy, Inc. and RxCare, Inc.

Robert C. Clark
President and owner, FTS/Leesona Corporation (manufacturer, textile machinery); member, Winston-Salem City Council.

Alex A. Diffey, Jr.
Independent banking consultant; previously Interim Chief Credit Officer of FNB Southeast between October 2005 and January 2007.

Joseph H. Kinnarney
Doctor of Veterinary Medicine; President and owner, Reidsville Veterinary Hospital, Inc., Bel-Air Veterinary Hospital, Mebane Veterinary Hospital and Greensboro Pet Spa & Resort, Inc.

Robert V. Perkins
President and co-owner, NAI Piedmont Triad (commercial real estate services); member, Greensboro City Council.

Mary E. Rittling
President, Davidson County Community College.

Burr W. Sullivan
Retired; former consultant, Graphic Printing Services; former President and owner, Dorsett Printing and Lithograph Corporation.

E. Reid Teague
President and owner, Eden Oil Co., Inc.

John W. Thomas, III
President, Riverwood, Inc. (specialty furniture manufacturer); former President and Chief Executive Officer, Thomas Built Buses, Inc.

Elizabeth S. Ward
Chief Financial Officer and Treasurer, The Moses H. Cone Memorial Hospital.

John F. Watts
Owner, Watts Realty.

G. Alfred Webster
Retired; Director and Chair of the Executive Committee, Unifi, Inc.; former Executive Vice President, Unifi, Inc.

Kenan C. Wright
President, The Wright Co. of N.C., Inc. (general contractor).

Julius S. Young, Jr.
President, Jay Young Management, Inc. (asset management).

Disclosures About Forward-Looking Statements

The discussions included in this document and its exhibits may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. For the purposes of these discussions, any statements that are not statements of historical fact may be deemed to be forward-looking statements. Such statements are often characterized by the use of qualifying words such as "expects," "anticipates," "believes," "estimates," "plans," "projects," or other statements concerning opinions or judgments of NewBridge and its management about future events. The accuracy of such forward-looking statements could be affected by factors including, but not limited to, changes in economic conditions, the financial condition of our customers, interest rate fluctuations, competitive product and pricing pressures within our markets, acquisitions and integrations of acquired businesses, technological changes, changes in law and regulations, changes in fiscal, monetary, regulatory and tax policies, monetary fluctuations, actions of government regulators, and the availability of capital and personnel. Additional factors that could cause actual results to differ materially from those anticipated by forward-looking statements are discussed in NewBridge's filings with the Securities and Exchange Commission, including without limitation its Annual Report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. NewBridge undertakes no obligation to revise or update these statements following the date of this document.

Annual Report on Form 10-K

Copies of the Company's Annual Report to the Securities and Exchange Commission on Form 10-K will be provided at no charge.
Contact: Angelika I. Gambetta, Vice President, Investor and Shareholder Relations, NewBridge Bank.

Common Stock Listing:

NASDAQ: NBBC

Many thanks to all of our dedicated employees (and bridge builders)*

Karen Adkins
Kim Allen
Jordan Allred
Kofi Amadi
Johanna Araque
Cathy Atkins
Melissa Atkins
Bryna Aydelotte
Janice Bacon
Ken Banner
Ben Barbee
Ed Barber
Pat Barker
David Barksdale
Amy Barnes
Vickie Barnhardt
Angelia Barnhill
Edgar Barrientos
Mindy Batchelor
Jennifer Bates
Amy Battle
Pattie Bayliff
Jerry Beasley
Dee Beck
Kent Beck
Wassila Bedja
Bonnie Belaj
Sonya Belcher
Amy Bell
Angela Bell
Samantha Benfield
Darlene Bennett
Cathy Berrier
Coretta Bigelow
Wendi Binkley
Stephanie Blair
Judy Blake
Samantha Blankenship
Pam Boles
Wanda Booth
Jennifer Bowers
Tammy Bowles
Deric Brady
Crystal Bragg
Stephanie Breeden
Ginger Bridges
Pattie Brinkle
Jason Brooks
Amy Brown
Kellie Brown
Melinda Brown
Rosetta Brown
Sabrina Brown
Tammy Brown
John Bruggman
Wes Budd
Susan Buffkin
Randy Bullin
Suzanne Bullotta
Susan Burke
Dennis Burnette
Morgan Bush
Rick Byrd
Janet Call
Amanda Callahan
Sara Camp
Theresa Campbell
Viva Campbell
Lisa Carpenter
Candi Carter
Gloria Carter
BJ Case
Leslie Cash
April Cassidy
Grace Castro
Robin Cecil
Jeff Chandler
Carolyn Charette
Aubrey Chatham
Traci Chisholm
Frank Chorpenning
Lisa Christensen
Barbara Clarke
Michelle Clarke
Jane Clodfelter
Dick Cobb
Kelly Coble
Amy Coe
Karen Coe
Megan Collins
Sharon Collins
Carol Columbus
Pamela Cook
Mia Cooper
Kay Cooper
Donna Cope
Robin Corum
Sue Cowan
Brian Cox
Crystal Cox
Wendy Cox
Donna Craigg
John Cranor
Vickie Craun
Lynn Creech
Chris Crockett
Cora Cunningham
Nan Dagenhardt
Cecil Dalton
Holly Daniels
Jenna Daniels
Angel Davis
Catherine Davis
Chad Davis
Kyle Ann Davis-Dunn
Stephanie DeJournette
Shannon Donathan
Holly Dorton
Helen Doss
Diana Dotson
Phyllis Dougherty
Ashley Driggers
Liz Dunican
Nicole Dunn
Pat Dunning
Debbie Durham
Kristen Durham
Linda Durham
Donna Durrett
Lauren Edmonds
Derek Edwards
JJ Elliott
Pam Ellis
Grant Emrick
Chris England
Christine England
Angela English
Frances Estes
Lakeisha Estes
Tim Evans
Clay Everett
Amy Everhart
Heidi Everhart
Kaley Everhart
Angel Ezzell
Natalie Faircloth
Vangie Farlow
Crystal Finley
Bailey Finney
Oneita Flanegin
Maureen Flannery
Amber Floyd
Pat Floyd
Joseph Forrest
Hope Fortune
Shaylen Foust
Lynn Fowler
Deb Frank
Eric Freeman
Whitney Freeman
Shirley French
Julie Frey
Julie Fricault
Ashley Fritts
Pat Fritts
Lola Fry
Jessica Frye
Linda Fulk
Angelika Gambetta
Sherry Garrett
Tanya Gatewood
Erica Gentry
Jillian Gibson
Phil Gibson
Rebecca Gibson
Brittany Ginn
Albert Gobble
Greg Godsey
Phil Grande
Danielle Graves
Eve Green
Serelyn Green
Melissa Gregory
Brenda Griffin
Doris Griffin
Mona Griffin
Dorothy Griffith
Shirley Gross
Robin Hager
Natalie Haire
Larry Hall
Cheryl Hancock
Sheila Handy
Lisa Hanks
Dee Harden
DeeDee Harper
Andrea Harris
Betty Hartman
Robin Hartman
Connie Hathaway
Barbara Hayes
Matt Hearn
Heidi Heath
Rebecca Heath
Amber Hedrick
Ashley Hedrick
Nissa Hegler
Donna Hench
Mike Hendricks
Jeff Hendrix
Sara Hensley
Chassidy Hepler
Chad Hester
Ronald Hewitt
Donna Hill
Holly Hill
Kelli Hill
Shaun Hill
Glenda Hobbs
Nathan Hockersmith
Deann Holmes
Debra Holmes
Alane Holste
Deborah Honeycutt
Robin Horn
Bill Hudson
Jerry Hudson
Rhonda Huffman
Tonya Hull
Robin Huneycutt
Gladys Hunt
Landa Hunt
Anita Hunter
Carrie Hutchens
Christy Hutchens
Jay Hutchens
Tony Hyde
Buzz Jackson
Katrina Jackson
Tracey James
Teresa Jankosky
Ryan Jenkins
Brandon Johnson
Mark Johnson
Joann Jordan
Betty Joyce
Tiffany Junious
Hannah Kallam
Dora Kanoy
Elizabeth Kearns
Lynn Kelley
Lacy Kennedy
Maxine Kennedy
Mike Kidd
David Kilpatrick
Wayne Kimbrell
Erica Kimsey
Cynthia Kistler
Gene Klump
John Knox
John Kolessar
Joretta Koontz
Bill Kosin
Irene Kyere
Carl Labonge
April Lackey
Sheryl Lambeth
Alex Lane
Missy Langley
Anna Lanier
Nathaniel Lanier
Kenny Lanning
Irene Law
Amanda Laws
Melanie Laws
Bukra Lazimi
Matt Leggett
Jerrie Leonard
Tracy Leonard
Brian Lewis
Tanya Lewis
Sharon Lindsey
Cynthia Lindsley
Robert Lineback
Toni Linker
Liz Livingston
Courtney Lollis
Alan Lomax
Leslie Long
Janell Lynch
Margaret Maddox
Donna Markowitz
Ryan Marks
Cindy Martin
Jennifer Martin
Kamelda Martin
Sterlin Martin
Steve Martin
Courtney Martiny
Terri Maxcy
Tracy May
Wendy Mayfield
Linda Maynard
Joel Maynor
Jesse McBride
Aundria McCandies
Jackie McClanahan
Nancy McCollum
Paul McCombie
John McDaniel
Andy McDowell
Deborah McDuffie
Jason McGath
Meg McGee
Jo Marie McKinney
Randy Mercer
Teresa Metcalf
Savanah Mick
Chris Mickey
Erin Miller
Michael Miller
Rebecca Miller
Kay Milliken
Laverne Miner
Missy Minor
Misty Mixon
Sherri Mize
Derek Mobley
Janet Mooney
Deborah Moore
Janice Moore
Deborah Morris
Ruby Morris
Eric Morrison
Andrew Morton
Kellie Mowbray
Bud Munnelly
Julie Murr
Christy Musgrave
Heather Myers
Patty Myers
Amy Nance
Tom Nance
Suzanne Nazim
Keith Neely
Dianne Nelson
Lynn Nelson
Tonya Nelson
Kathy Newbold
Lois Nichols
Cindy Norman
Cyenthia Nunn
Karen Oddon
Mickey Ogle
Stacy Oldham
Justin Oliver
Jed Orman
Beth Orman
Jimmy Orrell
Kevin Ott
Debbie Overby
Steve Owen
Julie Padon
Janet Pagans
Doug Page
Grace Parker
Justin Parker
Match Parker
Yates Parker
Ed Parrish
Ginger Patterson
Merriett Payne
Tammy Peace
Melanie Pearman
Jeff Peeler
Neris Pena
Michelle Pennington-Walker
Jo Peoples
Andy Perryman
Susette Pfannes
Evalyn Pheysey
Felita Phipps
Andrea Pierce
Glenda Pierce
Debbie Pitts
Cayce Poindexter
Sarah Poling
Melissa Pollock
Rhonda Potter
Eddie Potts
Ked Powell
Megan Pressley
Tammy Pressley
Jessica Price
Nicholas Priddy
Tammi Privott
Gail Proctor
Shirley Putnam
Judy Queen
Alison Raffetto
Dava Rayle
Lisa Reaser
Larry Reddick
Susan Reece
Gail Register
Tammy Reid
Bertha Reyes
Cassandra Rich
Ginger Richardson
Pressley Ridgill
Judy Rinere
Brooks Roach
Hall Roberts
Janet Roberts
Amy Robinson
Ashley Roe
Lee Rogers
Pam Rose
Amber Roseberry
Jessica Rudisill
Jennifer Russell
Wendy Russell
Kristin Salimeno
Elaine Salmons
Angie Sams
Melissa Sands
Pattie Satterfield
Helen Scales
Yvette Scales
Deanna Schipman
Pic Schrum
Teena Scott
Bryanne Scyphers
Cheryl Searles
Mary Segars
Tammy Sharpe
Mitzi Sharron
Robert Shaw
Lisa Shawver
Mike Shelton
Annita Shivdyal
Marilyn Silk
Tom Simms
Don Singleton
Christy Sink
Gerald Sink
Lisa Sink
Ron Sink
Zach Sink
Charles Skara
Sandra Slade
Sheila Slaydon
Angie Smith
Arthur Smith
Billy Smith
Candy Smith
Ella Smith
Jamie Smith
Jack Smith
Jessica Smith
Lenny Smith
Marcus Smith
Melissa Smith
Nikki Smith
Pat Smith
Rita Smith
Stan Smith
Wendy Smith
Nathan Snelling
Pete Snider
Mandy Sorge
Heather Southers
Rachel Steinhaus
Leigh Ann Sterling
Jennie Still
Jamie Stowe
Deana Strader
Robert Sullivan
James Taylor
Tammy Teeple
Sandy Thomas
Allison Thomason
Jody Thomasson
Tamika Thompson
Tom Thompson
Christine Thornburg
Aimee Tilley
Karen Tilley
Carlene Toler
Marcia Trantham
Amber Trotter
Natalie Troxler
Becky Tucker
Sandra Turner
Lisa Tussey
Donna Tuttle
Pam Tuttle
Angie Tysinger
Bernice Tysinger
Kristen Tysinger
Jill Vale
Laura Varner
Stuart Vaughn
Edna Wade
Melissa Walds
Lori Walker
Melissa Walker
Stacy Walker
Tara Walker
Judy Wall
Joe Wallace
Robert Walser
Rodney Walser
Ann Warren
Tammy Warren
Vickie Washburn
Warren Watts
Kris Weatherford
Sarah Weaver
Jennifer Weavil
Rick Webster
Kim Wehrle
Marshan Weifenbach
Jennifer Welch
Marsha Wells
Grayson Whitt
Julie Whitt
Phyllis Wicker
Cathy Wilkerson
Edgar Wilkerson
Debbie Williams
Dax Williamson
Dana Wilmouth
Angela Wilson
April Wilson
Belinda Wilson
Martha Wilson
Michelle Wilson
Katie Wittke
Judy Womble
Melinda Wood
Shannon Wright
Ellen Yahya
Kaitlan Yale
Jan Yates
Melissa Yates
Susan Yokeley
William Young
Tracy Younts

*Includes full-time and part-time employees

NEWBRIDGE BANCORP

1501 Highwoods Blvd., Suite 400
Greensboro, NC 27410
336-369-0900
www.newbridgebank.com