

**First Banks, Inc.
St. Louis, Missouri**

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Traded: NYSE

Symbol: FBSPrA – (First Preferred Capital Trust IV, an affiliated trust of First Banks, Inc.)

FOR IMMEDIATE RELEASE:

**First Bank and The Peoples State Bank of Newton Jointly Announce
Signing of Branch Purchase and Assumption Agreement**

St. Louis, Missouri, August 28, 2009. First Bank, a subsidiary of First Banks, Inc. (“First Banks”), headquartered in St. Louis, Missouri, and The Peoples State Bank of Newton (“Peoples State Bank”), headquartered in Newton, Illinois, jointly announce the signing of a Branch Purchase and Assumption Agreement (the “Agreement”) on August 27, 2009 providing for the sale of First Bank’s Lawrenceville branch office located at 1805 State Street in Lawrenceville, Illinois to Peoples State Bank.

Under the terms of the Agreement, Peoples State Bank is to assume approximately \$25.7 million of deposits as well as certain other liabilities. Peoples State Bank will also purchase approximately \$15.4 million of loans as well as certain other assets, including premises and equipment. The transaction, which is subject to regulatory approvals and certain closing conditions, is expected to be completed in the fourth quarter of 2009.

Douglas R. Distler, President of First Bank’s Southern Illinois Region, said, “We are grateful for the opportunity to have served the Lawrenceville community through our highly talented local management team over many years. We have enjoyed the relationships we have developed with our customers and wish each of our customers and our employees much continued success in the future as they join a fine organization focused on community-oriented banking in Jasper and Lawrence counties.”

Gregory Ikemire, President of Peoples State Bank, said, “We look forward to expanding our presence in the Lawrence County market. This market is very similar to the market that our bank has served for 134 years. We are also especially eager to work with the existing staff. We anticipate no personnel changes and are confident that the transition will be very customer friendly.”

Peoples State Bank had assets of \$252.2 million at June 30, 2009 and currently operates three branch banking offices in Illinois. Visit Peoples State Bank on the web at www.psbnewton.com.

First Banks had assets of \$10.40 billion at June 30, 2009 and currently operates 210 branch banking offices in California, Florida, Illinois, Missouri and Texas. Visit First Banks on the web at www.firstbanks.com. Stifel Nicolaus & Company, Inc. served as financial adviser to First Banks.

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This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements about First Banks’ plans, objectives, estimates or projections with respect to our future financial condition, expected or anticipated revenues with respect to our results of operations and our business, expectations and intentions and other statements that are not historical facts. Such statements are based upon the current beliefs and expectations of First Banks’ management and are subject to significant risks and uncertainties which may cause actual results to differ materially from those contemplated in the forward-looking statements. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: increased competition and its effect on pricing, spending, third-party relationships and revenues; changes in interest rates and overall economic conditions; and the risk of new and changing regulation. Additional factors which may cause First Banks’ results to differ materially from those described in the forward-looking statements may be found in First Banks’ Annual Report on Form 10-K and Quarterly Report on Form 10-Q, as filed with the Securities and Exchange Commission (“SEC”) and available at the SEC’s internet site (<http://www.sec.gov>). The forward-looking statements in this press release speak only as of the date of the press release, and First Banks does not assume any obligation to update the forward-looking statements or to update the reasons why actual results could differ from those contained in the forward-looking statements.