



Dear Shareholders and Friends:

The following are the results of Pascack Community Bank's performance for the three months ending March 31, 2010.

Total assets at March 31, 2010 were \$302.0 million, a \$75.7 million, or 33.5%, increase over the \$226.3 million reported at March 31, 2009. The increase was primarily fueled by growth in the Bank's loan portfolio which grew from \$128.1 million as of March 31, 2009 to \$206.1 million as of March 31, 2010, for an increase of \$78.0 million, or 60.9%. Equally as important, our loan portfolio continues to be of high quality.

The Bank's deposits grew to \$254.4 million as of March 31, 2010, a \$73.0 million, or 40.3%, increase from the \$181.4 million reported for the comparative period ending March 31, 2009. The increase was primarily due to the growth of our existing branches and our fifth branch which opened January 11, 2010 at 1 East Passaic Street in Rochelle Park.

Total stockholders' equity increased \$3.0 million, or 17.4%, to \$20.4 million at March 31, 2010, from \$17.4 million at March 31, 2009. The increase is due primarily to the Bank receiving approximately \$3.0 million through a stock offering plus \$2.0 of Tier 1 capital from our holding company, less a shortfall of approximately \$2.0 million primarily due to recorded losses for 2009.

The Bank's net income for the three months ending March 31, 2010 was a profit of \$200 thousand, an increase of approximately \$700 thousand from the \$471 thousand loss reported at March 31, 2009. The profitable turnaround is primarily due to the substantial increase in loan interest income.

In the fall of 2010, we will open our sixth branch in Hillsdale and break ground for our seventh branch on the Waldwick/Wyckoff border. We believe the Hillsdale branch will help solidify our position as the pre-eminent community bank in the Pascack Valley area while the Waldwick branch will enable us to extend our community bank brand into the affluent western Bergen County market.

The substantial year over year and quarter over quarter growth in our assets, loans, and deposits demonstrates that our strategic plan, although not yet fully implemented, is beginning to realize results that are, and will be, accretive to our bottom line and, by extension, will increase equity value for our loyal shareholders.

Bruce M. Meisel

*President & CEO*

## STATEMENT OF CONDITION

(unaudited)

	Mar. 31, 2010	Mar. 31, 2009
(\$ 000 omitted)		
<b>ASSETS</b>		
Cash & Due from Banks	\$ 12,810	\$ 20,472
Investments	50,405	39,360
Federal Funds	17,955	27,401
Loans (net)	206,066	128,068
Fixed Assets	10,541	7,879
Other Assets	<u>4,196</u>	<u>3,104</u>
Total Assets	<u>301,973</u>	<u>226,284</u>
<b>LIABILITIES &amp; EQUITY</b>		
Deposits	254,425	181,404
Other Liabilities	<u>27,181</u>	<u>27,530</u>
Total Liabilities	281,606	208,934
Shareholder Equity	<u>20,367</u>	<u>17,350</u>
Total Liabilities & Shareholder Equity	<u>301,973</u>	<u>226,284</u>

## INCOME STATEMENT

(unaudited)

	Mar. 31, 2010	Mar. 31, 2009
(\$ 000 omitted)		
<b>INCOME</b>		
Interest Income	3,445	2,346
Interest Expense	<u>(1,185)</u>	<u>(1,228)</u>
Net Interest Income	2,260	1,118
Provision for Loan Losses	(225)	(150)
Non Interest Income	120	31
Gain on Sale of Securities	0	130
Non Interest Expense	<u>(1,955)</u>	<u>(1,600)</u>
Net Income	<u>200</u>	<u>(471)</u>

## PRODUCTS AND SERVICES

### CHECKING ACCOUNTS

Personal Regular Checking  
NOW Checking  
Basic Checking  
Business Checking  
Senior Citizen Checking

### SAVINGS ACCOUNTS

Money Market Savings  
Statement Savings  
Passbook Savings  
Pascack Power Savings  
IRA Accounts  
Holiday Club  
Certificates of Deposit

### CONSUMER LOANS

Fixed and Variable Rate  
Home Equity Loans  
Revolving Lines of Credit  
Auto Loans  
Personal Loans  
Residential Mortgages

### BUSINESS LOANS

Commercial Loans  
Mortgage Loans  
Construction Loans  
Lines of Credit

### OTHER SERVICES

Commercial Capture Xpress  
Cash Management Services  
Lockbox  
Domestic and Foreign Wire Transfers  
Travelers Checks  
Money Orders  
Attorney Escrow Accounting  
Apartment Security Accounting  
24-hour Telephone & Internet Banking  
Bill Payment Service  
Drive-Up/Walk-Up ATM(s)



**PASCACK**  
COMMUNITY BANK  
*Expect the exceptional.*

## FIRST QUARTER RESULTS

March 31, 2010

### Executive Office

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### Branch Offices

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356 Franklin Avenue, Nutley

Phone: 973-562-0032

Fax: 973-562-0028

9 Polifly Road, Hackensack

Phone: 201-457-0400

Fax: 201-457-1150

1 East Passaic Street, Rochelle Park

Phone: 201-587-0100

Fax: 201-587-0115

[www.pascackbank.com](http://www.pascackbank.com)

Ticker Symbol: **PSBR**