



Dear Shareholders and Friends:

The following are the results of Pascack Community Bank's performance for the three months ending March 31, 2011.

Total assets at March 31, 2011 were \$308.8 million, a \$6.9 million, or 2.3%, increase over the \$302.0 million reported at March 31, 2010. The increase was primarily driven by growth in the Bank's loan portfolio which grew from \$206.1 million as of March 31, 2010 to \$244.3 million as of March 31, 2011, for an increase of \$38.3 million, or 18.6%.

The Bank's deposits grew to \$255.1 million as of March 31, 2011, a \$682 thousand, or .3%, increase from the \$254.4 million reported for the comparative period ending March 31, 2010. Excess liquidity was used to fund loan growth.

Total stockholders' equity increased \$4.1 million, or 20.3%, to \$24.5 million at March 31, 2011, from \$20.4 million at March 31, 2010. This resulted primarily from the Bank increasing its retained earnings by approximately \$2.1 million, plus \$1.7 million of Tier 1 capital being pushed down from our holding company during the comparative periods. The Bank also had a positive entry of approximately \$300 thousand in an AFS mark-to-market adjustment.

The Bank's net income for the three months ending March 31, 2011 was a profit of \$301 thousand, or \$.14 per share, an increase of approximately \$101 thousand from the \$200 thousand profit, or \$.09 per share, reported at March 31, 2010. The profitability was driven primarily by an increase in loan interest income, less the cost of federal and state income taxes.

We are projecting a mid-September opening of what will be our seventh branch at the intersection of Wyckoff and Crescent Avenues in Waldwick. At that time, all of the executive and administrative offices will be consolidated and relocated to our new Waldwick location when it opens.

Bruce M. Meisel

*President & CEO*

## STATEMENT OF CONDITION

(unaudited)

| (\$ 000 omitted)                       | Mar. 31,<br>2011 | Mar. 31,<br>2010 |
|----------------------------------------|------------------|------------------|
| <b>ASSETS</b>                          |                  |                  |
| Cash & Due from Banks                  | \$ 13,816        | \$ 12,810        |
| Investments                            | 30,118           | 50,405           |
| Federal Funds                          | 552              | 17,955           |
| Loans (net)                            | 244,319          | 206,066          |
| Fixed Assets                           | 14,021           | 10,541           |
| Other Assets                           | <u>6,008</u>     | <u>4,196</u>     |
| Total Assets                           | <u>308,834</u>   | <u>301,973</u>   |
| <b>LIABILITIES &amp; EQUITY</b>        |                  |                  |
| Deposits                               | 255,107          | 254,425          |
| Other Liabilities                      | <u>29,229</u>    | <u>27,181</u>    |
| Total Liabilities                      | 284,336          | 281,606          |
| Shareholder Equity                     | <u>24,498</u>    | <u>20,367</u>    |
| Total Liabilities & Shareholder Equity | <u>308,834</u>   | <u>301,973</u>   |

## INCOME STATEMENT

(unaudited)

| (\$ 000 omitted)                 | Mar. 31,<br>2011 | Mar. 31,<br>2010 |
|----------------------------------|------------------|------------------|
| <b>INCOME</b>                    |                  |                  |
| Interest Income                  | 3,813            | 3,445            |
| Interest Expense                 | <u>( 917)</u>    | <u>(1,185)</u>   |
| Net Interest Income              | 2,896            | 2,260            |
| Provision for Loan Losses        | (305)            | (225)            |
| Non Interest Income              | 86               | 120              |
| Gain on Sale of Securities/Loans | 1                | 0                |
| Non Interest Expense             | (2,208)          | (1,955)          |
| Income Tax Expense               | <u>(169)</u>     | <u>0</u>         |
| Net Income                       | <u>301</u>       | <u>200</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, 2011**

### **Executive Office**

21 Jefferson Avenue, Westwood

Phone: 201-722-4722

Fax: 201-722-4795

### **Branch Offices**

25 Main Street, Hackensack

Phone: 201-342-7950

Fax: 201-342-7908

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

210 Broadway, Hillsdale

Phone: 201-722-0020

Fax: 201-722-2870

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

Ticker Symbol: **PSBR**