

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.

SECOND QUARTER RESULTS

June 30, 2009

Main 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

www.pascackbank.com

Ticker Symbol: **PCCB**

MEMBER
FDIC





Dear Shareholders and Friends:

We are pleased to present the results of Pascack Community Bank's performance for the six months ending June 30, 2009.

Total assets at June 30, 2009 were \$252.4 million, an \$89.6 million, or 55.0%, increase over the \$162.8 million reported at June 30, 2008. The increase was primarily fueled by growth in the Bank's loan portfolio which grew from \$92.9 as of June 30, 2008 to \$151.3 as of June 30, 2009, for an increase of \$58.4 million, or 62.9%. Our loan portfolio continues to be of high quality.

The Bank's deposits grew to \$206.5 million as of June 30, 2009, an \$81.9 million, or 65.8%, increase from the \$124.6 million reported for the comparative period ending June 30, 2008. The increase was primarily due to the growth of our two new branches located at 356 Franklin Avenue, Nutley and 9 Polifly Road, Hackensack. Since the Nutley and Hackensack branches opened in August, 2008 and January, 2009, the deposits have grown to \$37.1 and \$32.9 million, respectively, as of June 30, 2009.

Total stockholders' equity increased \$3.0 million, or 21.9%, to \$16.7 million at June 30, 2009, from \$13.7 million at June 30, 2008. The increase is due primarily to the Bank receiving approximately \$3.8 million on February 06, 2009 through the sale of preferred stock to the U.S. Treasury as part of the Treasury's TARP/Capital Purchase Program. This program was designed to strengthen the balance sheet of healthy financial institutions, including regional and community banks.

The Bank's net income for the six months ending June 30, 2009 was a loss of \$1.2 million, a decrease of \$1.2 million from the \$18 thousand profit reported at June 30, 2008. The loss is primarily due to the costs incurred by the Bank's aggressive expansion from one to six branches over a relatively compressed time period and therefore represents an investment in our future. As we continue to book loans, which we are doing at an impressive rate, and the income from our loan portfolio grows, our short term loss will be offset and ultimately reversed by long term profits.

Our Nutley and Hackensack offices are open and we are on schedule for a late 2009 opening of our location in Rochelle Park and an early 2010 opening for our location in Hillsdale. We are excited about the prospect of implementing our growth strategy and appreciate your continued confidence and support.

Bruce M. Meisel
President & CEO

STATEMENT OF CONDITION
(unaudited)

(\$ 000 omitted)	Jun. 30, <u>2009</u>	Jun. 30, <u>2008</u>
ASSETS		
Cash & Due from Banks	\$ 29,545	\$ 4,059
Investments	50,387	53,893
Federal Funds	9,762	7,385
Loans (net)	151,348	92,915
Fixed Assets	8,232	2,029
Other Assets	<u>3,097</u>	<u>2,499</u>
Total Assets	<u>252,371</u>	<u>162,780</u>
LIABILITIES & EQUITY		
Deposits	206,500	124,582
Other Liabilities	<u>29,163</u>	<u>24,487</u>
Total Liabilities	235,663	149,069
Shareholder Equity	<u>16,708</u>	<u>13,711</u>
Total Liabilities & Shareholder Equity	<u>252,371</u>	<u>162,780</u>

INCOME STATEMENT
(unaudited)

(\$ 000 omitted)	Jun. 30, <u>2009</u>	Jun. 30, <u>2008</u>
INCOME		
Interest Income	4,807	4,541
Interest Expense	<u>(2,684)</u>	<u>(2,254)</u>
Net Interest Income	2,123	2,287
Provision for Loan Losses	(300)	(440)
Non Interest Income	93	87
Gain on Sale of Securities	136	157
Branch Development Costs	-	(65)
Non Interest Expense	<u>(3,279)</u>	<u>(2,008)</u>
Net Income	<u>(1,227)</u>	<u>18</u>