

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.

THIRD QUARTER RESULTS

September 30, 2009

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

www.pascackbank.com

Ticker Symbol: **PCCB**



Dear Shareholders and Friends:

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

Total assets at September 30, 2009 were \$267.8 million, a \$93.9 million, or 54.0%, increase over the \$173.9 million reported at September 30, 2008. The increase was primarily fueled by growth in the Bank's loan portfolio which grew from \$106.0 as of September 30, 2008 to \$168.5 as of September 30, 2009, for an increase of \$62.5 million, or 59%. Equally as important, our loan portfolio continues to be of high quality.

The Bank's deposits grew to \$221.6 million as of September 30, 2009, a \$92.3 million, or 71.4%, increase from the \$129.2 million reported for the comparative period ending September 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, respectively, the deposits have grown to \$44.4 and \$40.5 million, again respectively, as of September 30, 2009.

Total stockholders' equity increased \$4.6 million, or 32.5%, to \$18.8 million at September 30, 2009, from \$14.2 million at September 30, 2008. The increase is due primarily to the Bank receiving approximately \$3.8 million through the sale of preferred stock from the U.S. Treasury, and \$3.0 million through a stock offering, less a shortfall in income of approximately \$2.2 million.

The Bank's net income for the nine months ending September 30, 2009 was a loss of \$2.0 million, a decrease of \$2.4 million from the \$335 thousand profit reported at September 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.

The substantial growth of our core assets, deposits and loans, demonstrates the early success of our current strategic plan which is still not yet fully implemented. In 2010, we will be opening two new branches, one in Rochelle Park in January, and the other Hillsdale in the summer of 2010. Our ability to place loans at an impressive rate, which is our main source of income and the early success of our branching strategy, in a challenging economic environment, bodes well for our future.

Bruce M. Meisel

President & CEO

STATEMENT OF CONDITION (unaudited)

	Sep. 30, 2009	Sep. 30, 2008
(\$ 000 omitted)		
ASSETS		
Cash & Due from Banks	\$ 23,446	\$ 7,573
Investments	43,006	44,188
Federal Funds	21,112	9,550
Loans (net)	168,509	105,991
Fixed Assets	8,856	3,486
Other Assets	<u>2,874</u>	<u>3,123</u>
Total Assets	<u>267,803</u>	<u>173,911</u>
LIABILITIES & EQUITY		
Deposits	221,562	129,237
Other Liabilities	<u>27,476</u>	<u>30,509</u>
Total Liabilities	249,038	159,746
Shareholder Equity	<u>18,765</u>	<u>14,165</u>
Total Liabilities & Shareholder Equity	<u>267,803</u>	<u>173,911</u>

INCOME STATEMENT (unaudited)

	Sep. 30, 2009	Sep. 30, 2008
(\$ 000 omitted)		
INCOME		
Interest Income	7,842	6,923
Interest Expense	<u>(4,155)</u>	<u>(3,283)</u>
Net Interest Income	3,687	3,640
Provision for Loan Losses	(850)	(570)
Non Interest Income	110	128
Loss on Sale of OREO	(167)	-
Gain on Sale of Securities	281	217
Branch Develop. Costs Reimb.	-	355
Non Interest Expense	<u>(5,098)</u>	<u>(3,435)</u>
Net Income	<u>(2,037)</u>	<u>335</u>