



Dear Shareholders and Friends:

The following are the results of Pascack Community Bank's performance for the six months ending June 30, 2010.

Total assets at June 30, 2010 were \$290.4 million, a \$38.1 million, or 15.15%, increase over the \$252.4 million reported at June 30, 2009. The increase was primarily fueled by growth in the Bank's loan portfolio which grew from \$151.3 million as of June 30, 2009 to \$210.2 million as of June 30, 2010, for an increase of \$58.9 million, or 38.9%. Equally as important, our loan portfolio continues to be of high quality.

The Bank's deposits grew to \$241.8 million as of June 30, 2010, a \$35.3 million, or 17.1%, increase from the \$206.5 million reported for the comparative period ending June 30, 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 \$4.6 million, or 27.7%, to \$21.3 million at June 30, 2010, from \$16.7 million at June 30, 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 \$400 thousand primarily due to recorded losses for 2009.

The Bank's net income for the six months ending June 30, 2010 was a profit of \$891 thousand, an increase of approximately \$2.1 million from the \$1.2 million loss reported at June 30, 2009. The profitable turnaround is primarily due to the substantial increase in loan interest income.

The June 30, 2010 numbers reflect a substantial quarter over quarter increase in the Bank's net income from \$200 thousand in the first quarter of 2010 to \$691 thousand in the second quarter. This income growth, based on strong core earnings, provides a solid platform as we move into the second half of 2010.

Finally, with regard to branching, in early September, we will simultaneously open our sixth branch in Hillsdale and break ground for our seventh branch in Waldwick which will house our administrative offices.

Bruce M. Meisel

President & CEO

STATEMENT OF CONDITION

(unaudited)

	Jun. 30, 2010	Jun. 30, 2009
(\$ 000 omitted)		
ASSETS		
Cash & Due from Banks	\$ 5,847	\$ 29,545
Investments	39,763	50,387
Federal Funds	19,050	9,762
Loans (net)	210,209	151,348
Fixed Assets	11,016	8,232
Other Assets	<u>4,539</u>	<u>3,097</u>
Total Assets	<u>290,424</u>	<u>252,371</u>
LIABILITIES & EQUITY		
Deposits	241,839	206,500
Other Liabilities	<u>27,256</u>	<u>29,163</u>
Total Liabilities	269,095	235,663
Shareholder Equity	<u>21,329</u>	<u>16,708</u>
Total Liabilities & Shareholder Equity	<u>290,424</u>	<u>252,371</u>

INCOME STATEMENT

(unaudited)

	Jun. 30, 2010	Jun. 30, 2009
(\$ 000 omitted)		
INCOME		
Interest Income	7,065	4,807
Interest Expense	<u>(2,238)</u>	<u>(2,684)</u>
Net Interest Income	4,827	2,123
Provision for Loan Losses	(450)	(300)
Non Interest Income	201	93
Gain on Sale of Securities/Loans	257	136
Non Interest Expense	<u>(3,944)</u>	<u>(3,279)</u>
Net Income	<u>891</u>	<u>(1,227)</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.

SECOND QUARTER RESULTS

June 30, 2010

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

www.pascackbank.com

Ticker Symbol: **PSBR**

MEMBER
FDIC

