

## **Pascack Community Bank Selected to Participate in the U.S. Treasury's Capital Purchase Program; to Receive \$3,756,000 Million Investment**

**For Immediate Release: February 13, 2009**

WESTWOOD, NJ – Pascack Community Bank (stock is traded on the OTC Bulletin Board "OTCBB" under the symbol "PCCB") announced today that it issued \$3,756,000 in preferred stock to the U.S. Department of Treasury under the Treasury's Capital Purchase Program implemented under the Emergency Economic Stabilization Act of 2008. As part of the transaction, the Bank also issued warrants to the Treasury to purchase 188 shares of common stock of the Bank with an exercise price of One Cent (\$.01)

President and CEO, Bruce M. Meisel, stated that "because the Bank continues to experience strong loan demand, adding the Treasury funds to its capital will enable it to increase the already significant number of loans it is currently making to individuals, professionals and businesses in the local communities serviced by Pascack Community Bank. In this manner, the Bank will not only be deploying these funds for the exact purpose envisioned by the Federal government, but will play a pivotal role in helping the local economies in the communities we serve not only weather, but recover from, the recent economic dislocations."

Founded in 2002, Pascack Community Bank provides friendly, personalized banking services to consumers and businesses located in the Bergen and Essex County, NJ areas. Pascack Community Bank's lending activities are geared toward small and medium-sized business customers, professional practices and consumer and retail customers. Its products include term loans, residential and commercial mortgages, working capital and home equity lines of credit. Deposit services offered include various types of personal and business checking accounts, savings accounts and certificates of deposit in addition to 24/7 telephone banking, online banking with bill pay, and 24-hour drive-up/walk-up ATMs.

In addition to its headquarters located at 21 Jefferson Avenue in Westwood, NJ, the Bank also has branches at 25 Main Street in Hackensack; the Bank of Hackensack, a division of Pascack Community Bank, at 9 Polifly Road in Hackensack, and the Bank of Nutley, a division of Pascack Community Bank, located at 356 Franklin Avenue in Nutley. Two additional branches, one in Rochelle Park is scheduled to open in September, 2009 and another in Hillsdale is scheduled to open in January, 2010.

Under the CPP, the preferred stock has a dividend rate of 5% for the first five (5) years that the preferred stock is outstanding. After the fifth anniversary of the Treasury's investment, the preferred stock will have a dividend rate of 9%, if it has

not been redeemed. The preferred stock may be redeemed during the first three years it is outstanding with the proceeds of another capital offering qualifying as tier 1 capital, or from any capital source after three years, with the consent of the Company's primary federal regulator. The warrants have a term of ten years.

At December 31, 2008, the Company's leverage ratio, tier 1 and total risk based capital ratios were 8.22%, 10.48% and 11.41%, respectively. These regulatory capital ratios exceed those necessary to be considered a well-capitalized institution. Each of the regulatory capital ratios is expected to increase by approximately 200-300 basis points from the sale of the preferred stock.

The Bank is a member of the Federal Deposit Insurance Corporation and is an Equal Housing/Equal Opportunity Lender. For more information and convenient bank hours call 201-722-4722 or visit the bank's web site at [www.pascackbank.com](http://www.pascackbank.com).

#### Forward-Looking Statements

This news release contains certain forward-looking statements which are based on certain assumptions and describe future plans, strategies and expectations of the Bank. These forward-looking statements are generally identified by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project," or similar expressions. The Bank's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on the operations of the Bank are not limited to, changes in interest rates, general economic conditions, legislative/regulatory changes, monetary and fiscal policies of the U.S. Government, including policies of the U.S. Treasury and the Federal Reserve Board, the quality or composition of the loan or investment portfolios, demand for loan products, deposit flows, competition, demand for financial services in the Bank's market area and accounting principles and guidelines. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. The Bank does not undertake -- and specifically disclaims any obligation -- to publicly release the result of any revisions which may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.