



## ANNUAL USE OF CAPITAL SURVEY - 2009

### NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Pascack Community Bank

Person to be contacted regarding this report:	GEORGE NIEMCZYK	RSSD: (For Bank Holding Companies)	
UST Sequence Number:	691	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Received:	3,756,000	FDIC Certificate Number: (For Depository Institutions)	
CPP Funds Repaid to Date:	0	City:	WESTWOOD
Date Funded (first funding):	Feb 6, 2009	State:	New Jersey
Date Repaid <sup>1</sup> :	N/A		

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

*American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.*

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Between 1/31/09 and 12/31/09, the Bank's gross loans increased by \$74,566,365, or 62.1%.
<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	The breakdown of the aforesaid increase in gross loans is as follows: Residential \$19,012,180 Commercial \$52,133,116 Other \$3,421,069
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	Securities, for the same time frame, increased \$10,880,943, which equated to an even mix of agency securities and mortgage-backed securities.

<input type="checkbox"/> Make other investments	
<input type="checkbox"/> Increase reserves for non-performing assets	
<input type="checkbox"/> Reduce borrowings	
<input type="checkbox"/> Increase charge-offs	
<input type="checkbox"/> Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/> Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

Because of the receipt of CPP funds, the Bank grew its assets to \$277,581,000 from \$189,331,000, an increase of \$88,250,000 or 46.6%. Also, due to expansion, the Bank's deposits grew to \$232,008,000 from \$148,521,000, an increase of \$83,487,000 or 56.2%.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

With the capital infusion of CPP funds, we were able to increase our branch network to five branches from three and increase our assets and deposits as previously mentioned.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

With the capital infusion of CPP funds, we were also in a position to do a capital offering in 2009 and start the formation of a holding c