PASCACK BANCORP INC

FIRST QUARTER 2015
SHAREHOLDERS REPORT

April 1, 2015

Board of Directors:

Jon F. Hanson
Chairman of the Board

Bruce M. Meisel
Vice Chairman

Nancy E. Graves
President & CEO

Paul C. Baker

Salvatore Cocco, Jr.

Daniel J. Geltrude

Jerrold B. Grossman

Mary Jane Hekemian

Lawrence R. Inserra, Jr.

Martin J. Levine

Jerome Lombardo

James M. Piro, Esq.

Dear Shareholders,

The first three months of 2015 have produced strong results for the Bank and our Shareholders. We continue to focus on relationship-based, high quality loan and deposit growth that provide for a healthy balance sheet and strong earnings. With a unified effort from our Board and Bank Management, we originated in excess of $38 million in new loans resulting in 11% loan growth.

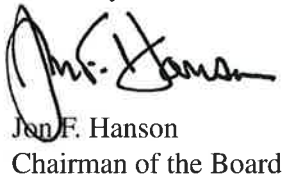
Financial highlights for the first three months of 2015 include:

- Increase in total loans by 11.0% to $328,426,770 for the period ended March 31, 2015 as compared to $295,809,952 at December 31, 2014.
- Increase in total deposits by 3.3% to 301,335,999 for the period ended March 31, 2015 as compared to $291,762,042 at December 31, 2014.
- Increase in borrowings by $30,000,000 to $56,500,000 for the period ended March 31, 2015, to fund loan growth.
- Increase in the book value per common share by $0.14 to $8.62 at March 31, 2015, as compared to $8.48 at December 31, 2014.
- Increase in net income attributed to common shareholders by 25.19% to $473,441 for the three-month period ended March 31, 2015, as compared to $378,183 for the same period last year.
- Decrease in earnings per share by $0.03 to $0.13 for the three-month period ended March 31, 2015, as compared to $0.16 for the same period last year, as a result of an increase in the number of common shares from converting preferred stock shares to common shares.

We also launched our stock on the OTCQX Best Marketplace platform. We welcome the enhanced visibility OTCQX offers Pascack Bancorp. OTCQX is a platform for us to tell our story as a community bank. The higher reporting requirements, greater transparency and addition of a dedicated Corporate Broker will build confidence with stockholders and potential investors. Joining OTCQX is expected to increase the liquidity of our shares and ultimately improve shareholder value, consistent with our commitment to our shareholders.

On behalf of our Board of Directors and our employees, we thank you for your continued support.

Sincerely,



Jon F. Hanson
Chairman of the Board

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FIRST QUARTER 2015
SHAREHOLDERS REPORT

Financial Results

Consolidated Balance Sheets

Unaudited

(dollars in thousands)

	March 31, 2015	December 31, 2014
Assets		
Cash and due from banks	$ 13,180	$ 12,239
Federal funds sold	22,054	16,254
Cash and Cash Equivalents	35,234	28,493
Interest-bearing deposits	1,201	1,201
Securities	4,420	4,687
Restricted stock	2,873	1,523
Loans, net of allowance for loan losses of $4,528 and $4,510 respectively	323,899	291,300
Premises and equipment, net	23,924	24,105
Accrued interest receivable	1,260	1,194
Other assets	1,042	1,426
Total Assets	**$ 393,853**	**$ 353,929**
Liabilities & Stockholders' Equity		
Liabilities		
Deposits: non-interest bearing	$ 66,094	$ 65,132
Deposits: interest bearing	235,242	226,630
Total Deposits	301,336	291,762
Borrowings	56,500	26,500
Subordinated notes payable	1,600	1,600
Capital lease obligation	907	913
Accrued interest payable	292	263
Other liabilities	458	630
Total Liabilities	**361,093**	**321,668**
Stockholders' Equity		
Preferred stock, Series C, no par value, liquidation preference $20 per share; authorized 1,000,000 shares; issued and outstanding 86,250 shares for 2015; 86,250 shares for 2014	1,725	1,725
Common stock, no par value; authorized 10,000,000 shares; issued and outstanding 3,598,832 shares for 2015; 3,598,832 shares for 2014 (includes Surplus)	26,262	26,236
Retained earnings	4,773	4,300
Total Stockholders' Equity	**32,760**	**32,261**
Total Liabilities & Stockholders' Equity	**$ 393,853**	**$ 353,929**

Consolidated Statements of Income - Year to Date

Unaudited

(dollars in thousands)

	March 31, 2015	March 31, 2014
Interest Income		
Loans receivable, including fees	$ 3,931	$ 4,214
Securities and other	46	39
Total Interest Income	**3,977**	**4,253**
Interest Expense		
Deposits	339	347
Borrowings	341	313
Total Interest Expense	**680**	**660**
Net Interest Income	**3,297**	**3,593**
Provision for loan losses	-	-
Net Interest Income After Provision for Loan Losses	**3,297**	**3,593**
Non-Interest Income		
Service charges on deposit accounts	39	30
Other income	56	52
Total Non-Interest Income	**95**	**82**
Non-Interest Expense		
Salary and employee benefits	1,160	1,082
Occupancy	493	499
Data processing	228	249
Furniture, fixtures and equipment	136	155
FDIC insurance	56	116
Advertising and public relations	43	30
Other operating expenses	436	658
Total Non-Interest Expense	**2,552**	**2,789**
Income Before Income Tax Expense	**840**	**886**
Provision for income taxes	342	371
Net Income	**498**	**515**
Preferred stock dividends and accretions	(25)	(137)
Net Income Attributed to Common Stockholders	**$ 473**	**$ 378**
Earnings Per Share (Basic)	**$ 0.13**	**$ 0.16**