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Founded 1928

Member FDIC and
Federal Reserve System

"Small Bank, Big Service"

Dear Community Bank of Bergen County Customers and Shareholders,

As Community Bank of Bergen County, NJ celebrates its 81st Anniversary of serving our local communities, we find ourselves still navigating through the most difficult economic period since the Great Depression. The past year has been one of the most challenging periods in the history of the financial services industry. Governments around the world, including the United States, took unprecedented measures to restore confidence in the banking system and to unfreeze credit markets. However, despite these coordinated efforts, we still face some tough economic times in the coming year. Community Bank has not been immune to this economic downturn.

While Community Bank has always maintained conservative loan underwriting practices, these extraordinary times have produced a significant downturn in the residential housing market and the commercial real estate market. This slowdown has impacted our loan portfolio, resulting in increased charge-offs and non-performing loans. We believe that our strong capital position will allow us to weather the storm as things slowly improve. Looking ahead, we still face a challenging job market and real estate market in 2010, and we expect our loan-loss provisions to remain higher than average for Community Bank. While the Bank's 2009 earnings will be much lower than last year, Community Bank is still profitable. We continue to monitor our operations in an effort to reduce expenses and operate more efficiently. In addition to the economic challenges, our FDIC insurance premiums have increased approximately \$650,000 over last year, directly reducing net income. Unfortunately, the existing banks must replenish the FDIC fund that has been greatly diminished by all the failed banks in the country. Even though the lack of sufficient earnings will negatively affect capital in the short term, we have not cut or eliminated our dividend. Although future dividend payments can not be guaranteed, we are confident that next year we can earn enough to cover the dividend.

On a positive note, the economic downturn has provided Community Bank with an opportunity to attract new business from customers who previously banked with larger financial institutions and mortgage brokers. Over the past year, we have seen a renewed interest from families and businesses looking to deal with a local community bank. Since being founded in 1928, Community Bank has witnessed many difficult economic times including the Great Depression, the Stock Market Crash of the 1980s, and the Savings & Loan crisis. Through it all, Community Bank has continued to grow and prosper, providing families with mortgage loans to buy their dream home, and small businesses with the financing they need to grow their business. We remain confident that we are ready for the many changes that are still to come for the banking industry, and continue to build long-term value for our shareholders.

In closing, I'd like to thank you for your investment and confidence in Community Bank of Bergen County. All of our Officers and Employees remain committed to providing seven-day convenience, unparalleled service, and a powerful mix of banking products and services to Bergen County and the surrounding areas. If you are not currently a Community Bank customer, I encourage you to become one and enjoy our **"Small Bank, Big Service"** experience.

Wishing you and your families a Happy and Healthy Holiday Season,

A handwritten signature in black ink, appearing to read 'Peter A. Michelotti'.

Peter A. Michelotti
President & Chief Executive Officer