

A Pledge to Our Community

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The Monmouth Community

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Monmouth Community Bancorp

Message for 2002

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FINANCIAL

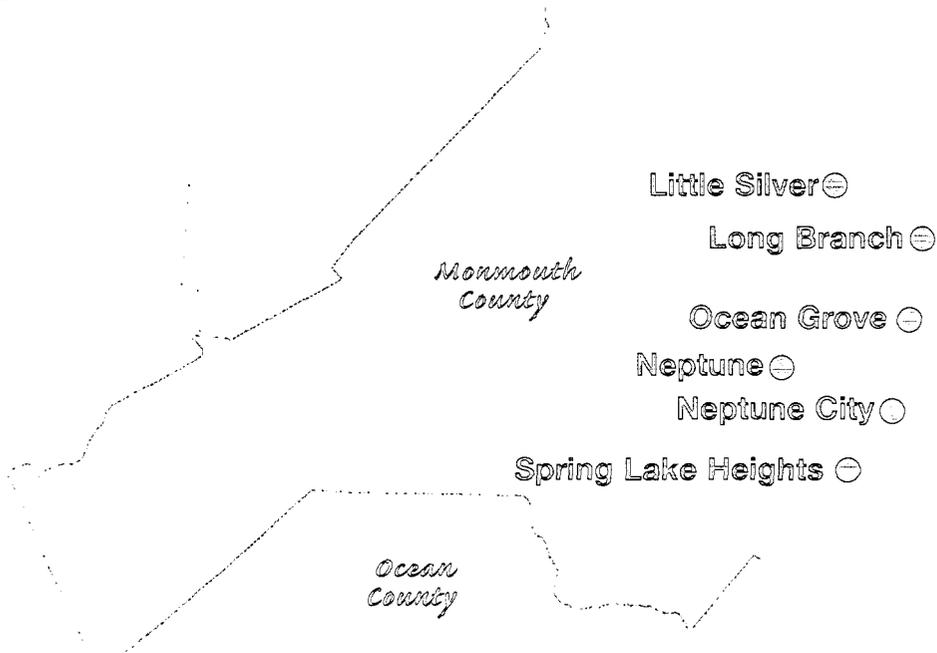
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# Our Pledge to you...

Monmouth Community Bank, N.A. will constantly strive to be the community bank of choice in all of the markets it serves. Our goal is to exceed the expectations of our customers, shareholders, employees and the community-at-large by delivering professionalism, respect and value to each of these constituencies.



## The Monmouth Community



## FINANCIAL HIGHLIGHTS

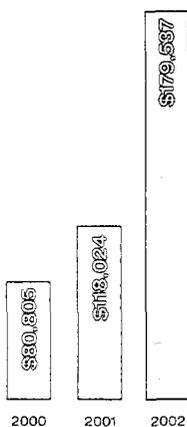
\$'s in thousands, except share data

FOR THE YEAR	2002	2001	Change
Net interest income	\$ 5,399	\$ 3,840	41%
Provision for loan losses	373	211	77%
Non-interest income	748	440	70%
Non-interest expense	4,920	3,531	39%
Net income	784	537	46%
<b>PER COMMON SHARE</b>			
Basic earnings	\$ 0.68	\$ 0.50	36%
Diluted earnings	\$ 0.67	\$ 0.50	34%
<b>AT YEAR-END</b>			
Total assets	\$ 179,537	\$ 118,024	52%
Loans, net	89,630	61,881	45%
Allowance for loan losses	1,228	855	44%
Total deposits	164,007	108,892	51%
Shareholders' equity	14,931	8,892	68%



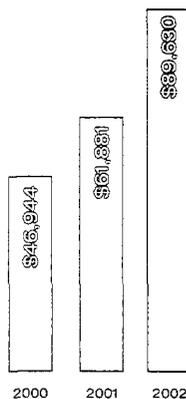
### OUR TOTAL ASSETS CLIMB STEADILY

(\$'s in thousands)



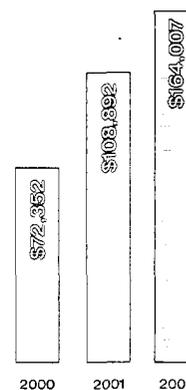
### NET LOANS REFLECT OUR EXPANDING ROLE

(\$'s in thousands)



### TOTAL DEPOSITS ENJOY DRAMATIC GROWTH

(\$'s in thousands)





**James S. Vaccaro**  
Chairman and CEO

## Our Point of View



We opened the doors to Monmouth Community Bank, N.A. in July 1998 convinced consumers and local business owners were starved for a community-based financial institution. Since then, we have listened and responded to the needs of these customers with banking services delivered in an environment that is both friendly and convenient by professionals with the ability to offer prompt, efficient and highly personalized service.

As we approach our fifth year of operation, we are more confident than ever that our instincts were right. The impressive growth and warm welcome we have experienced validates the strength of our community-focused model, which emphasizes one-on-one relationships between customers and locally empowered bank managers. The ability to make timely decisions in areas such as loan applications and being accessible well beyond traditional banking hours to accommodate the opening of new accounts puts us head and shoulders above the regional megabanks which, as the public realizes, are often sorely out of touch with local needs.

In a very brief period of time, Monmouth Community Bank, N.A., a wholly owned subsidiary of Monmouth Community Bancorp, has become a bigger, stronger

and increasingly visible presence in the markets we serve. Indeed, we are today a full-service retail and commercial institution with six branches and 75 banking professionals who are respected for what they do best – providing quality products and services geared to the needs of local individuals and businesses.

Our financial results reflect the reception we have received. Monmouth Community Bancorp's net income of \$784,000 for 2002 represents a 46% increase over the prior year, while basic and diluted earnings per share for 2002 were \$0.68 and \$0.67, respectively, compared to \$0.50 for both basic and diluted earnings per share for 2001. Fueled by the opening of our Neptune City and Little Silver branches in 2001, and our Ocean Grove branch in October 2002, deposits also grew dramatically from \$108.9 million at year-end 2001 to \$164 million at year-end 2002, an increase of 51%. At the same time, total assets jumped by 52% from \$118 million in 2001 to nearly \$180 million in 2002.

Making this growth all the more impressive is the fact it occurred in a difficult economic climate, both nationally and regionally. Interest rates fell to a 40-year low in 2002, creating significant margin compression throughout the banking industry. Still,

*As we approach our fifth year of operation, we are more confident than ever that our instincts were right.*



Monmouth Community Bank, N.A. remained focused on expanding its franchise, solidifying customer relationships and building shareholder value. To those ends, we completed a successful equity rights and common stock offering in November 2002, which raised \$5.2 million to help fund our Bank's future growth plans. We also formalized a strategic partnership with GMAC giving our customers access to residential mortgage services from one of the largest and most trusted providers in the field.

As for the year ahead, we will pursue the opening of additional branches in communities within our market that we feel are ready for traditional hometown banking. Based on our strong reception

to date, we are confident we can become the bank of choice in each of these targeted markets. Helping us to leave our imprint on the communities and customers we serve is the dedicated and knowledgeable staff we have assembled at Monmouth Community Bank, N.A. We are also grateful to you, our shareholders, for your loyalty and support, and pledge to work harder than ever in the coming year to enhance the value of your investment.

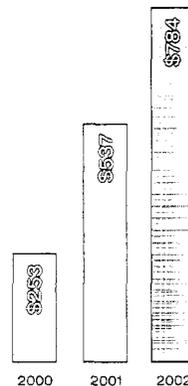
Sincerely,

**James S. Vaccaro**  
Chairman and CEO

**John A. Brockriede**  
Vice Chairman

**Richard O. Lindsey**  
President

**NET INCOME**  
(\$'s in thousands)



Dr. Robert Sica and  
Mrs. Anita Sica



## Convenience



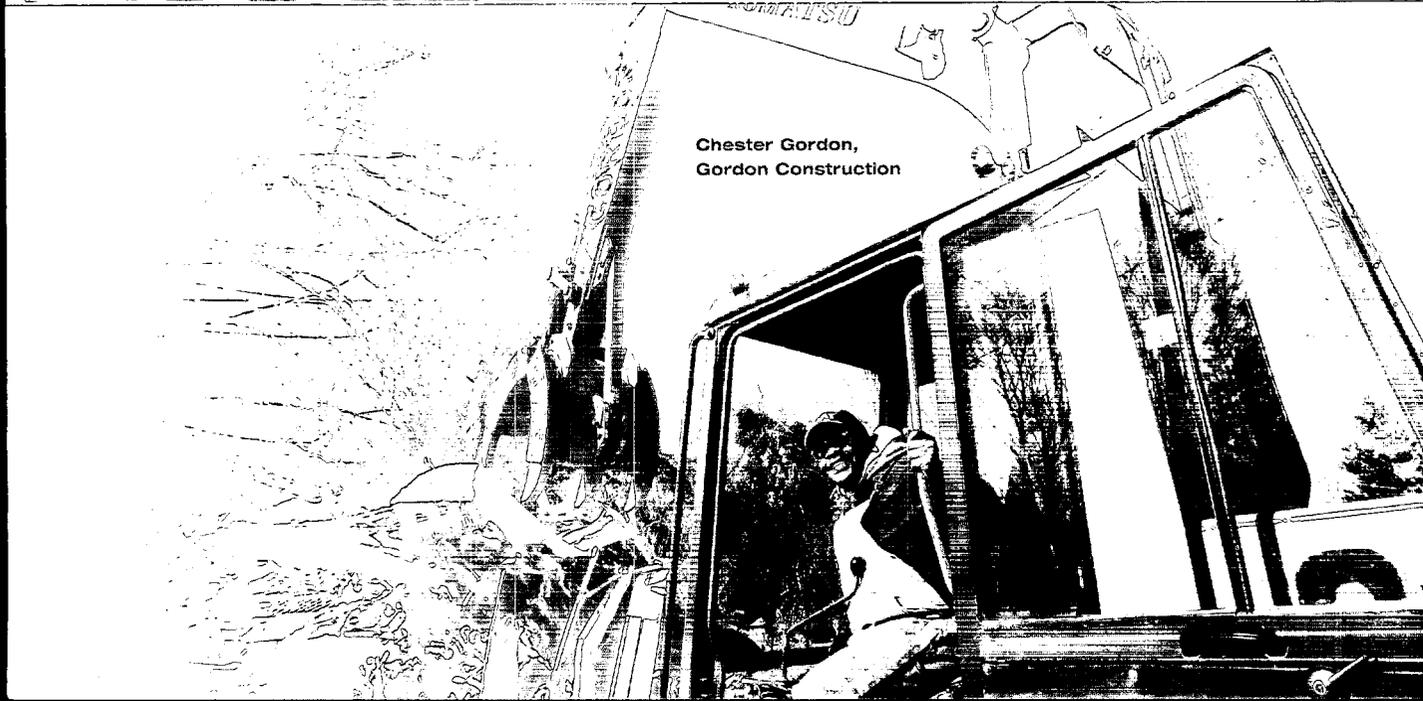
### PARTNERING WITH CONSUMERS

For many consumers, there is no greater banking advantage than the convenience and friendliness of a hometown institution. Monmouth Community Bank, N.A. is filling that void in a growing number of communities along the Jersey coast with extended hours, personalized service and access to our system through a host of portals, including in-person banking, ATM machines, the internet and telephone banking. We are

also responding to consumers through a full range of products, including free savings and checking accounts (with no minimum balance required), IRAs and consumer loans. Enhancing our relationship with customers is the ability to provide residential mortgages at competitive rates through our new partner, GMAC, one of the most respected names in the mortgage business.

# *The Monmouth Community...*

*At Monmouth Community Bank, N.A.,  
we believe firmly that consumers should  
not have to pay for convenience.*



**Chester Gordon,  
Gordon Construction**

## TAILORED SOLUTIONS FOR SMALL BUSINESSES

As a community bank, we are particularly attuned to the needs of smaller businesses - a sector that is often ignored by the large financial institutions. What we offer small business owners is responsiveness, flexibility and local decision-making for loan applications - qualities that can be critical in eliminating the delays and hassles these businesses often face in dealing with larger, out-of-town banks. Our staff

is experienced in tailoring solutions for small businesses around a broad spectrum of deposit and commercial loan products. We are also sensitive to the needs of professionals in the legal, medical, accounting, insurance and real estate industries, offering highly competitive commercial mortgages, term loans, time loans and lines of credit.

### Responsiveness



### WORKING ON BEHALF OF THE COMMUNITY

Our responsibilities go well beyond the walls of our institution. The people of Monmouth Community Bank, N.A. are playing increasingly active roles in the community through their work as volunteers and concerned citizens on behalf of a wide range of civic and charitable causes.

**Rena Levine Levy  
and Steven Levine,  
The Windmill Restaurant**





Rick Eyerman,  
Coast Hardware



*is more than just a slogan; it's a  
way of doing business at Monmouth  
Community Bank, N.A.*

## BOARD OF DIRECTORS

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Chairman

John A. Brockriede  
Vice Chairman

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Mark R. Aikins, Esq.  
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John F. McCann

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Carmen M. Penta, CPA

Mark G. Solow

## OFFICERS

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Chairman and CEO

Richard O. Lindsey  
President

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SVP and  
Chief Financial Officer

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SVP and  
Sr. Lending Officer

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Development Officer

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Lending Officer

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Human Resources

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Information Technology

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Vice President -  
Sr. Credit Officer

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Vice President  
and Controller

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Asst. Vice President and  
Auditor

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Asst. Vice President -  
Loan Administration

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Asst. Vice President -  
Loan Operations

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Vice President -  
Branch Administrator

Patricia Binkowski  
Vice President and  
Branch Manager

Linda L. Talbot  
Vice President and  
Branch Manager

Carol A. Feldman  
Asst. Vice President and  
Branch Manager

Lisa Carta  
Branch Manager

Caroline E. Glynn  
Branch Manager

Deborah A. Gellert  
Branch Manager

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## ADVISORY BOARDS

### Long Branch:

Gregory T. Aikins

Marci Ansell

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Anthony Camassa

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Jacob L. Jones

Todd Katz

Holly Sue Lapidus

Edward Lefkowitz

Edwin B. Lennon, Jr.

Kenneth F. Leposa

Vito Morgano

Edward Moses

Alfred Peskoe

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Dr. Irving D. Strouse

Alexis Tucci, Esq.

Howard Walter

Joseph Wenning

Allen W. Winters

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Warren G. Beyer

Christine Brown, CPA

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Susan Careatti

Robert Faccione, Esq.

Michael D. Fitzgerald, Esq.

C. Gavin Gatta

Roy Hall

Alan P. Hilla, Sr.

Vincent Hirsch

James T. Sabaitis, Esq.

### Little Silver Regional:

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James E. Berube, Jr., Esq.

Scott Caruso

John Caruso

Shawn M. Gatta

Neil Guiney

Joseph P. Luccarelli

Frank Monteforte

Bernard Natelson

James Pavlis

Sandy Santangelo

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AGENT**

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Cranford, NJ 07016  
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(732) 923-0101 (fax)

**BRANCH LOCATIONS**

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(732) 974-9822 (fax)

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(732) 774-3139 (fax)

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(732) 775-0100  
(732) 775-8645 (fax)

700 Branch Avenue  
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(732) 933-3500  
(732) 933-3504 (fax)

3636 Highway 33  
Neptune, NJ 07753  
(732) 643-9699  
(732) 643-0268 (fax)

**HOURS**

Monday through Friday:  
7:30 a.m. to 7:30 p.m.

Saturday:

9:00 a.m. to 4:00 p.m.

Sunday (Drive-up):

12:00 p.m. to 4:00 p.m.

**MARKET MAKERS**

Baird, Patrick & Co., Inc.

F.J. Morrissey & Co.

Hill Thompson  
Magid, L.P.

Monroe Securities, Inc.

Ryan, Beck & Co.

Sandler O'Neill &  
Partners, L.P.

Schwab Capital  
Markets, L.P.

Wedbush Morgan  
Securities, Inc.

Member FDIC  
Equal Opportunity Employer  
Equal Opportunity Lender



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[www.monmouthcommunitybank.com](http://www.monmouthcommunitybank.com)