

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: **000-52749**

**BANCORP OF NEW JERSEY, INC.**

(Exact name of registrant as specified in its charter)

**New Jersey**

**20-8444387**

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer Identification No.)

**1365 Palisade Ave, Fort Lee, New Jersey**

**07024**

(Address of principal executive offices)

(Zip Code)

**(201) 944-8600**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.): Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of August 5, 2008 there were 5,036,747 outstanding shares of the issuer's class of common stock, no par value.

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**BANCORP OF NEW JERSEY, INC.**  
**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**  
(Dollars in thousands, except share data)

	June 30, 2008	December 31, 2007
<b>ASSETS</b>		
Cash and due from banks	\$1,382	\$ 8,481
Interest bearing deposits	654	543
Federal funds sold	16,238	57,091
<b>Total cash and cash equivalents</b>	<b>18,274</b>	<b>66,115</b>
Restricted investment in bank stock, at cost	346	328
Securities available for sale	23,780	—
Securities held to maturity (fair value of \$2,014 at December 31, 2007)	—	1,996
Loans receivable	206,917	183,460
Deferred loan fees and unamortized costs, net	99	76
Less: allowance for loan losses	(2,137)	(1,912)
Net loans	204,879	181,624
Premises and equipment, net	8,238	8,300
Accrued interest receivable	1,161	613
Other assets	1,626	1,269
<b>TOTAL ASSETS</b>	<b>\$258,304</b>	<b>\$260,245</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES:</b>		
Deposits:		
Non-interest bearing	\$26,663	\$ 23,292
Savings and interest-bearing transaction accounts	65,157	55,645
Time deposits under \$100	39,334	41,303
Time deposits \$100 and over	79,423	92,701
<b>Total deposits</b>	<b>210,577</b>	<b>212,941</b>
Accrued interest payable and other liabilities	1,180	1,464
<b>TOTAL LIABILITIES</b>	<b>211,757</b>	<b>214,405</b>
Commitments and contingencies		
Stockholders' equity:		
Common stock, no par value, authorized 20,000,000 shares; issued and outstanding 5,019,269 shares at June 30, 2008; and 4,970,090 shares at December 31, 2007	46,412	45,689
Retained earnings	265	151
Accumulated other comprehensive loss	(130)	---
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>46,547</b>	<b>45,840</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$258,304</b>	<b>\$260,245</b>

See accompanying notes to unaudited consolidated financial statements



**BANCORP OF NEW JERSEY, INC.**  
**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS**

	For the Six Months Ended June 30,	
	2008	2007
	(In thousands, except per share data)	
<b>INTEREST INCOME</b>		
Loans, including fees	\$ 6,301	\$ 4,077
Securities	319	215
Federal funds sold	639	64
<b>TOTAL INTEREST INCOME</b>	<b>7,259</b>	<b>4,356</b>
<b>INTEREST EXPENSE</b>		
Savings and money markets	738	916
Time deposits	3,339	510
Short term borrowings	---	118
<b>TOTAL INTEREST EXPENSE</b>	<b>4,077</b>	<b>1,544</b>
<b>NET INTEREST INCOME</b>	<b>3,182</b>	<b>2,812</b>
Provision for loan losses	225	628
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>2,957</b>	<b>2,184</b>
<b>NONINTEREST INCOME</b> - principally fees and service charges	<b>145</b>	<b>60</b>
<b>NONINTEREST EXPENSE</b>		
Salaries and employee benefits	1,658	1,031
Occupancy and equipment expense	549	322
Data processing	147	75
Professional fees	208	364
Other expenses	672	111
<b>TOTAL NONINTEREST EXPENSE</b>	<b>2,879</b>	<b>1,903</b>
Income before provision for income taxes	223	341
Income tax expense	109	107
<b>NET INCOME</b>	<b>\$ 114</b>	<b>\$ 234</b>
<b>PER SHARE OF COMMON STOCK</b>		
Basic earnings	\$0.02	\$0.05
Diluted earnings	\$0.02	\$0.05

Share data has been adjusted to reflect the 10% stock distribution paid during January, 2007 and the 2 for 1 stock split effective December 31, 2007.

See accompanying notes to unaudited consolidated financial statements.

**BANCORP OF NEW JERSEY, INC.**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	For the Six Months Ended	
	June 30,	
	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	(in thousands)	
Net income	\$ 114	\$ 234
Adjustments to reconcile net income to net cash		
Provided by (used in) operating activities:		
Depreciation and amortization	170	69
Provision for loan losses	225	628
Recognition of stock option expense	193	43
Fees earned from mortgage referrals	(9)	---
Changes in operating assets and liabilities:		
Increase in accrued interest receivable	(548)	(49)
Increase in other assets	(357)	(187)
Decrease in other liabilities	(284)	(371)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(496)</b>	<b>367</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of securities available for sale, net	(23,905)	---
Purchases of investment in bank stock	(18)	---
Sales of securities available for sale		9,560
Maturities of securities held to maturity	2,000	---
Net increase in loans	(23,480)	(60,484)
Purchases of premises and equipment	(108)	(2,361)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(45,511)</b>	<b>(53,285)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net (decrease)increase in deposits	(2,364)	38,841
Increase in federal funds purchased	---	7,127
Exercise of stock options	---	200
Exercise of warrants	530	56
<b>NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES</b>	<b>(1,834)</b>	<b>46,224</b>
Net decrease in cash and cash equivalents	(47,841)	(6,694)
Cash and cash equivalents, beginning of year	66,115	8,839
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$18,274</b>	<b>\$ 2,145</b>
<b>Cash paid during the period for:</b>		
<b>Interest</b>	<b>\$ 4,149</b>	<b>\$ 1,403</b>
<b>Income taxes</b>	<b>\$ 263</b>	<b>\$ 342</b>

See accompanying notes to unaudited consolidated financial statements

**BANCORP OF NEW JERSEY, INC.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1. Significant Accounting Policies**

***Basis of Financial Statement Presentation***

The accompanying unaudited consolidated financial statements include the accounts of Bancorp of New Jersey, Inc., (the “Company”) and its direct wholly-owned subsidiary, Bank of New Jersey (the “Bank”). These financial statements include the effect of the holding company reorganization which took place on July 31, 2007 pursuant to a plan of acquisition that was approved by the boards of directors of the Company and the Bank and adopted by the shareholders of the Bank at a special meeting held on July 19, 2007.

The holding company reorganization is accounted for as a reorganization under common control and the assets, liabilities, and stockholders’ equity of the Bank immediately prior to the holding company reorganization have been carried forward on the Company’s consolidated financial statements at the amounts carried on the Bank’s books at the effective date of the holding company reorganization. The consolidated capitalization, assets, liabilities, results of operations and other financial data of the Company immediately following the reorganization were substantially the same as those of the Bank immediately prior to the holding company reorganization. Accordingly, these unaudited consolidated financial statements of the Company include the Bank’s historical recorded values.

The Company’s class of common stock has no par value. As a result of the holding company reorganization, amounts previously recognized as additional paid in capital on the Bank’s financial statements have been reclassified into the Company’s consolidated financial statements.

These financial statements reflect all adjustments and disclosures which management believes are necessary for a fair presentation of interim results. All significant inter-company accounts and transactions have been eliminated in consolidation. The results of operations for the three month and the six month periods presented do not necessarily indicate the results that the Company will achieve for the 2008 fiscal year. You should read these consolidated unaudited interim financial statements in conjunction with the financial statements and accompanying notes that are presented in the Company’s Annual Report on Form 10-K for the year ended December 31, 2007 as filed with the Securities and Exchange Commission.

The financial information in this quarterly report has been prepared in accordance with U.S. generally accepted accounting principles; these financial statements have not been audited. Certain information and footnote disclosures required under generally accepted accounting principles have been condensed or omitted, as permitted by rules and regulations of the Securities and Exchange Commission.

Certain reclassifications have been made to the prior period financial statements to conform to the June 30, 2008 presentation.

On January 1, 2008, the Company adopted Statement of Financial Accounting Standards (“SFAS”) No. 157, “Fair Value Measurements.” SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. (See Note 9. Fair Value Measurements.)

### ***Organization***

The Company is a New Jersey corporation and bank holding company registered with the Board of Governors of the Federal Reserve System (the “Federal Reserve Board”). The Bank is a community bank which provides a full range of banking services to individuals and corporate customers in New Jersey. Both the Company and the Bank are subject to competition from other financial institutions. The Bank is regulated by state and federal agencies and is subject to periodic examinations by those regulatory authorities. The Bank conducts a traditional commercial banking business, accepting deposits from the general public, including individuals, businesses, non-profit organizations, and governmental units. The Bank makes commercial loans, consumer loans, and both residential and commercial real estate loans. In addition, the Bank provides other customer services and makes investments in securities, as permitted by law. The Bank has sought to offer an alternative, community-oriented style of banking in an area, that is presently dominated by larger, statewide and national institutions. The Bank’s focus is on establishing and retaining customer relationships by offering a broad range of traditional financial services and products, competitively-priced and delivered in a responsive manner to small businesses, professionals and individuals in the local market. As a community bank, the Bank endeavors to provide superior customer service that is highly personalized, efficient and responsive to local needs. To better serve its customers and expand its market reach, the Bank provides for the delivery of certain of its financial products and services to its local customers and to a broader market through the use of mail, telephone and internet banking. The Bank seeks to deliver these products and services with the care and professionalism expected of a community bank and with a special dedication to personalized customer service.

### **Note 2. Stockholders’ Equity and related transactions**

The Company declared a 2 for 1 stock split during the fourth quarter of 2007 (the “2007 stock split”). This split was payable on December 31, 2007. Earnings per share and all share data have been restated to reflect the effect of the 2007 stock split.

A 10% stock distribution was made during January, 2007 (the “2007 stock distribution”). Earnings per share and all share data have been restated to reflect the effect of the 2007 stock distribution.

During 2007, the Company sold 43,478 shares of common stock at \$11.50 per share, as adjusted for the 10% stock distribution and the 2 for 1 stock split, to one of its directors and certain of his family members for total proceeds of \$500,000.

During the six month periods ended June 30, 2008, approximately \$1.1 million of warrants were exercised. During the six months ended June 30, 2007, approximately \$27 thousand of warrants were exercised.

### **Note 3. Benefit Plans and Stock-Based Compensation**

#### ***2006 Stock Option Plan***

During 2006, the Bank’s stockholders approved the 2006 Stock Option Plan. At the time of the holding company reorganization, the 2006 Stock Option Plan was assumed by the Company. The plan allows directors and employees of the Company to purchase up to 239,984 shares of the Company’s common stock, in each case as adjusted for the 2007 stock split and the 2007 stock distribution. The option price per share is the market value of the Bank’s stock on the date of grant. The option price and number of shares underlying options outstanding on the date of the 2007 stock split and the 2007 stock distribution have been equitably adjusted to account for such events. At

June 30, 2008, incentive stock options to purchase 220,300 shares have been issued to employees of the Bank, of which options to purchase 188,900 shares are outstanding at June 30, 2008.

Under the 2006 Stock Option Plan, there were a total of 110,800 unvested options at June 30, 2008, and approximately \$295,000 remained to be recognized in expense over approximately the next four years. Under the 2006 Stock Option Plan, no options were granted or exercised during the first six months of 2008. There were approximately 9,400 options forfeited during the period. During the six months ended June 30, 2007, there were 22,000 options exercised for total proceeds of \$200,000. There were no options granted or forfeited during the first six months of 2007.

***2007 Director Plan***

During 2007, the Bank's stockholders approved the 2007 Non-Qualified Stock Option Plan for Directors. At the time of the holding company reorganization, the 2007 Non-Qualified Stock Option Plan was assumed by the Company. This plan provides for 480,000 options to purchase shares of the Company's common stock to be issued to non-employee directors of the Company. At June 30, 2008, non-qualified options to purchase 460,000 shares of the Company's stock have been issued and are outstanding to non-employee directors of the Company at June 30, 2008.

Under the 2007 Director Plan, there were a total of 460,000 unvested options at June 30, 2008, and approximately \$925,000 remained to be recognized in expense over approximately four remaining years. No stock options were granted, exercised, or forfeited during the first six months of 2008 under the 2007 Director Plan.

In connection with both the 2006 Stock Option Plan and the 2007 Director Plan, share based compensation totaled \$90,000 and \$18,000 for the three months ended June 30, 2008 and 2007, respectively. For the six months ended June 30, 2008 and 2007, respectively, share based compensation totaled \$193,000 and \$24,000.

**Note 4. Earnings Per Share.**

*Basic earnings per share* is calculated by dividing net income by the weighted average number of common shares outstanding during that period.

*Diluted earnings per share* is calculated by dividing net income by the weighted average number of outstanding common shares and common share equivalents. Outstanding “common share equivalents” include options and warrants to purchase the Company’s common stock.

All weighted average, actual shares and per share information have been adjusted retroactively for the effects of the 2007 stock distribution and the 2007 stock split. The following schedule shows earnings per share for the three month periods presented:

(In thousands except per share data)	For the Three Months Ended	
	June 30,	
	2008	2007
Net income applicable to common stock	\$ 102	\$ 206
Weighted average number of common shares outstanding – basic	4,995	4,826
<b>Basic earnings per share</b>	<b>\$0.02</b>	<b>\$ 0.04</b>
Net income applicable to common stock	\$ 102	\$ 206
Weighted average number of common shares and common share equivalents – diluted	5,351	4,878
<b>Diluted earnings per share</b>	<b>\$0.02</b>	<b>\$ 0.04</b>

Non-qualified options to purchase 460,000 shares of common stock at a weighted average price of \$11.50; 804,832 warrants to purchase shares of common stock at a weighted average price of \$10.91 per share; and 198,300 incentive stock options were included in the computation of diluted earnings per share for the second quarter of 2008.

Options to purchase 102,300 shares of common stock at a weighted average price of \$9.09 and 873,472 warrants to purchase shares of common stock at a weighted average price of \$10.91 per share were included in the computation of diluted earnings per share for the second quarter of 2007.

The following schedule shows earnings per share for the six month periods presented:

(In thousands except per share data)	For the Six Months Ended June 30,	
	2008	2007
Net income applicable to common stock	\$ 114	\$ 234
Weighted average number of common shares outstanding – basic	4,988	4,816
<b>Basic earnings per share</b>	<b>\$0.02</b>	<b>\$ 0.05</b>
Net income applicable to common stock	\$ 114	\$ 234
Weighted average number of common shares and common share equivalents – diluted	5,267	4,888
<b>Diluted earnings per share</b>	<b>\$0.02</b>	<b>\$ 0.05</b>

Non-qualified options to purchase 460,000 shares of common stock at a weighted average price of \$11.50; 804,832 warrants to purchase shares of common stock at a weighted average price of \$10.91 per share; and 198,300 incentive stock options were included in the computation of diluted earnings per share for the six months ended June 30, 2008.

Options to purchase 102,300 shares of common stock at a weighted average price of \$9.09 and 873,472 warrants to purchase shares of common stock at a weighted average price of \$10.91 per share were included in the computation of diluted earnings per share for the six months ended June 30, 2007.

**Note 5. Comprehensive Income**

SFAS 130, "Reporting Comprehensive Income" requires the reporting of comprehensive income, which includes net income as well as certain other items, which result in changes to equity during the period. Total comprehensive income is presented for the period ended June 30, 2008(in thousands) as follows:

<b>Comprehensive Income</b>	Six months ended June 30,	
	<u>2008</u>	<u>2007</u>
Net income	\$ 114	\$ 234
Unrealized holding loss on securities available for sale, net of taxes of \$90 and \$15 for 2008 and 2007, respectively	(130)	(39)
Total comprehensive (loss)income	<u>\$ (16)</u>	<u>\$ 195</u>

**Note 6. Securities Available for Sale and Investment Securities**

A summary of securities available for sale at June 30, 2008 is as follows (in thousands):

<b><u>June 30, 2008</u></b>	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Government Sponsored Enterprise obligations	\$ 24,000	\$ 13	\$ (233)	\$ 23,780

Management has evaluated the securities in the table above and has concluded that none of the securities with losses has impairments that are other-than-temporary. In its evaluation, management considered the types of securities including if the securities were US government issued and the credit ratings of the securities. The securities that are in an unrealized loss position are in a loss position because of a change in interest rates since the securities were purchased. These securities consist only of US government sponsored agencies obligations.

The Company held no securities in the available for sale category at December 31, 2007.

The Company held no securities in the held to maturity category at June 30, 2008. A summary of held to maturity securities at December 31, 2007 is as follows (in thousands):

<b><u>December 31, 2007</u></b>	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Obligations of U.S. Treasury	\$ 1,996	\$ 18	–	\$ 2,014

Available for sale securities with an amortized cost of \$2.0 million, and a fair value of \$1.96 million, were pledged to secure public funds on deposit at June 30, 2008. Held to maturity securities with an amortized cost of \$1.9 million, and a fair value of \$2.0 million, were pledged to secure public funds on deposit at December 31, 2007.

**Note 7. Loans.**

The components of the loan portfolio at June 30, 2008 and December 31, 2007 are summarized as follows (in thousands):

	<u>June 30,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
Real estate	\$ 136,795	\$ 123,335
Commercial	31,891	27,056
Credit lines	33,520	28,133
Consumer	<u>4,711</u>	<u>4,936</u>
	<u>\$ 206,917</u>	<u>\$ 183,460</u>

The Bank grants commercial, mortgage and installment loans primarily to New Jersey residents and businesses within its local trading area. Its borrowers' abilities to repay or otherwise satisfy their obligations are dependent upon various factors, including the borrowers' income and net worth, cash flows generated by the underlying collateral, value of the underlying collateral and priority of the Bank's lien on the collateral. Such factors are dependent upon various economic conditions and individual circumstances beyond the Bank's control; the Bank is therefore subject to risk of loss. The Bank believes its lending policies and procedures reasonably account for the potential exposure to such risks and that adequate provisions for loan losses are provided for all known and inherent risks. Management believes that the allowance for loan losses is maintained at a level adequate to provide for losses inherent in the loan portfolio.

The following tables present the activity in the allowance for loan losses during the periods indicated (in thousands):

	Three months ended June 30,2008	Three months ended June 30, 2007
Balance at beginning of period	\$ 2,070	\$ 1,255
Provision charged to expense	67	239
Loans charged off	0	0
Recoveries	0	0
	<u>0</u>	<u>0</u>
Balance at end of period	<u>\$ 2,137</u>	<u>\$ 1,494</u>

	Six months ended June 30,2008	Six months ended June 30,2007
Balance at beginning of period	\$ 1,912	\$ 866
Provision charged to expense	225	628
Loans charged off	0	0
Recoveries	0	0
	<u>0</u>	<u>0</u>
Balance at end of period	<u>\$ 2,137</u>	<u>\$ 1,494</u>

There were no impaired loans at June 30, 2008 and December 31, 2007. As of June 30, 2008 and December 31, 2007, the Bank also had no non-accrual loans or non-performing loans.

## **Note 8. Guarantees**

The Company does not issue any guarantees that would require liability recognition or disclosure, other than the Bank's standby letters of credit. Standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Generally, all letters of credit, when issued have expiration dates within one year. The credit risk involved in issuing letters of credit is essentially the same as those that are involved in extending loan facilities to customers. The Bank generally holds collateral and/or personal guarantees supporting these commitments. As of June 30, 2008, the Bank had \$940 thousand of commercial and similar letters of credit. Management believes that the proceeds obtained through a liquidation of collateral and the enforcement of guarantees would be sufficient to cover the potential amount of future payment required under the corresponding guarantees. Management believes that the current amount of the liability as of June 30, 2008 for guarantees under standby letters of credit issued is not material.

## **Note 9. Fair Value Measurements**

Effective January 1, 2008, the Company adopted the provisions of SFAS No. 157, "Fair Value Measurements," for financial assets and financial liabilities. In accordance with Financial Accounting Standards Board Staff Position (FSP) No. 157-2, "Effective Date of FASB Statement No. 157," the Company will delay application of SFAS 157 for non-financial assets and non-financial liabilities until January 1, 2009. SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements.

SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. The price in the principal (or most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact and (iv) willing to transact.

SFAS 157 requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost). Valuation techniques should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, SFAS 157 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- *Level 1 Inputs* - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

- *Level 2 Inputs* - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by correlation or other means.
- *Level 3 Inputs* - Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. These valuation methodologies were applied to all of the Company's financial assets and financial liabilities carried at fair value effective January 1, 2008.

In general, fair value is based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality, creditworthiness, among other things, as well as unobservable parameters. Any such valuation adjustments are applied consistently over time. The Company's valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the Company's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

*Securities Available for Sale.* Securities classified as available for sale are reported at fair value utilizing Level 2 inputs. For these securities, the Company obtains fair value measurements from an independent pricing service. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the bond's terms and conditions, among other things.

At June 30, 2008, the Company did not have any trading securities, derivative financial instruments, or impaired loans which would require measurement at fair value.

The following table summarizes financial assets and financial liabilities measured at fair value on a recurring basis as of June 30, 2008, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	<b>Level 1 Inputs</b>	<b>Level 2 Inputs</b>	<b>Level 3 Inputs</b>	<b>Total Fair Value</b>
Securities available for sale	\$ -	\$ 23,780	\$ -	\$ 23,780

Certain financial assets and financial liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment). The Company had no financial assets and financial liabilities measured at fair value on a non-recurring basis at June 30, 2008.

Effective January 1, 2008, the Company adopted the provisions of SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115." SFAS 159 permits the Corporation to choose to measure eligible items at fair value at specified election dates. Unrealized gains and losses on items for which the fair value measurement option has been elected are reported in earnings at each subsequent reporting date. The fair value option (i) may be applied instrument by instrument, with certain exceptions, thus the Company may record identical financial assets and liabilities at fair value or by another measurement basis permitted under generally accepted accounting principals, (ii) is irrevocable (unless a new election date occurs) and (iii) is applied only to entire instruments and not to portions of instruments. Adoption of SFAS 159 on January 1, 2008 did not impact the Company's financial statements.

#### **Note 10. Recent Accounting Pronouncements**

FASB statement No. 141 (R) "Business Combinations" was issued in December of 2007. This Statement establishes principles and requirements for how the acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree. The Statement also provides guidance for recognizing and measuring the goodwill acquired in the business combination and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The guidance will become effective as of the beginning of a company's fiscal year beginning after December 15, 2008. This new pronouncement will impact the Company's accounting for business combinations completed beginning January 1, 2009.

FASB statement No. 160 "Non-controlling Interests in Consolidated Financial Statements—an amendment of ARB No. 51" was issued in December of 2007. This Statement establishes accounting and reporting standards for the non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary. The guidance will become effective as of the beginning of a company's fiscal year beginning after December 15, 2008. Although it is not expected to have a material impact, the Company is currently evaluating the potential impact the new pronouncement will have on its consolidated financial statements.

Staff Accounting Bulletin No. 110 (SAB 110) amends and replaces Question 6 of Section D.2 of Topic 14, "Share-Based Payment," of the Staff Accounting Bulletin series. Question 6 of Section D.2 of Topic 14 expresses the views of the staff regarding the use of the "simplified" method in developing an estimate of expected term of "plain vanilla" share options and allows usage of the "simplified" method for share option grants prior to December 31, 2007. SAB 110 allows public companies which do not have historically sufficient experience to provide a reasonable estimate to continue use of the "simplified" method for estimating the expected term of "plain vanilla" share option grants after December 31, 2007. SAB 110 became effective January 1, 2008 and did not have a material impact on the consolidated financial statements.

Staff Accounting Bulletin No. 109 (SAB 109), "Written Loan Commitments Recorded at Fair Value Through Earnings" expresses the views of the staff regarding written loan commitments that are accounted for at fair value through earnings under generally accepted accounting principles. To make the staff's views consistent with current authoritative accounting guidance, the SAB revises and rescinds portions of SAB No. 105, "Application of Accounting Principles to Loan Commitments." Specifically, the SAB revises the Securities and Exchange Commission staff's views on incorporating expected net future cash flows related to loan servicing activities in the fair value measurement of a written loan commitment. The SAB retains the staff's views on incorporating expected net future cash flows related to internally-developed intangible assets in the fair value measurement of a written loan commitment. The staff expects registrants to apply the views in Question 1 of SAB 109 to derivative loan commitments issued or modified in fiscal quarters beginning after December 15, 2007. The guidance in SAB 109 became effective on January 1, 2008 and did not have a material impact on the Company's financial statements.

#### **Note 11. Subsequent Event**

On July 24, 2008, the Bank acquired a bank location at 320 Haworth Avenue, Haworth, NJ. The purchase price was approximately \$1.85 million. This location will be the Bank's fifth location.

**ITEM 2**  
**Management's Discussion and Analysis of**  
**Financial Condition and Results of Operations**

You should read this discussion and analysis in conjunction with the consolidated unaudited interim financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q, and with our audited consolidated financial statements for the year ended December 31, 2007 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" presented in our Annual Report on Form 10-K for the year ended December 31, 2007, as filed with the Securities and Exchange Commission. All weighted average, actual shares and per share information set forth in this quarterly report on Form 10-Q has been adjusted for the effect of the 2007 stock distribution and the 2007 stock split.

**Statements Regarding Forward Looking Information**

The information disclosed in this document includes various forward-looking statements with respect to credit quality, corporate objectives, and other financial and business matters. The words "anticipates," "projects," "intends," "estimates," "expects," "believes," "plans," "may," "will," "should," "could," and other similar expressions are intended to identify such forward-looking statements. We caution that these forward-looking statements are necessarily speculative and speak only as of the date made, and are subject to numerous assumptions, risks and uncertainties, all of which may change over time. Actual results could differ materially from such forward-looking statements.

In addition to the factors we disclose elsewhere in this document, the following factors, among others, could cause our actual results to differ materially and adversely from such forward-looking statements: pricing pressures on loan and deposit products; competition; changes in economic conditions nationally, regionally and in our markets; the extent and timing of actions of the Federal Reserve Board; changes in levels of market interest rates; customer acceptance of our products and services; credit risks of lending activities; changes in the conditions of the capital markets in general and in the capital markets for financial institutions; and the extent and timing of legislative and regulatory actions and reforms; and other risks and uncertainties detailed from time to time in our filings with the Securities and Exchange Commission or in other generally disseminated documents.

The above-listed risk factors are not necessarily exhaustive, particularly as to possible future events, and new risk factors may emerge from time to time. Certain events may occur that could cause our actual results to be materially different than those described in forward-looking statements. Any statements made that are not historical facts should be considered to be forward-looking statements. You should not place undue reliance on any forward-looking statements, which only reflect management's analysis as of the date of this quarterly report. We undertake no obligation to update forward-looking statements or to make any public announcement when we consider forward-looking statements in this quarterly report to no longer be accurate, whether as a result of new information of future events, except as may be required by applicable law or regulation.

## **Critical Accounting Policies, Judgments and Estimates**

The financial statements have been prepared in conformity with U.S. generally accepted accounting principles. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of financial condition and revenues and expenses for the period indicated. Actual results could differ significantly from those estimates. Management believes the following critical accounting policies encompass the more significant judgments and estimates used in the preparation of the consolidated financial statements.

### ***Allowance for Loan Losses***

Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses. Losses on loans are charged to the allowance for loan losses. Additions to this allowance are made by recoveries of loans previously charged off and by a provision charged to expense. The determination of the balance of the allowance for loan losses is based on an analysis of the loan portfolio, economic conditions and other factors warranting recognition. Management believes that the allowance for loan losses is maintained at an adequate level to provide for losses inherent in the loan portfolio. While management uses available information to recognize losses on loans, future additions may be necessary based on changes in economic conditions, particularly in New Jersey. In addition, various regulatory agencies, as an integral part of their examination process, periodically review our allowance for loan losses. Such agencies may require us to recognize additions to the allowance based on their judgments about information available to them at the time of their examinations.

### ***Deferred Income Taxes***

We recognize deferred tax assets and liabilities for future tax effects of temporary differences between financial and tax reporting. Deferred tax assets are subject to management's judgment based upon available evidence that future realization is more likely than not. If management determines that we may be unable to realize all of part of net deferred tax assets in the future, a direct charge to income tax expense may be required to reduce the value of the net deferred tax asset to the expected realizable amount.

## **Results of Operations**

### **Three Months Ended June 30, 2008 and 2007 and Six Months Ended June 30, 2008 and 2007**

Our results of operations depend primarily on net interest income, which is the difference between interest income on interest earning assets and interest expense on interest bearing liabilities. Interest earning assets consist principally of loans and investment securities, while interest bearing liabilities consist primarily of deposits and borrowings. Net income is also affected by the provision for loan losses and the level of non-interest income as well as by non-interest expenses, including salaries and employee benefits, occupancy and equipment expense, and other expenses.

#### **Net Income**

Net income for the second quarter of 2008 was \$102 thousand compared to net income of \$206 thousand for the second quarter of 2007. In comparison to the second quarter of 2007, the second quarter of 2008 included an increase in interest expense of approximately \$959 thousand and an increase in non-interest expense of approximately \$499 thousand. These increases reflect increased interest bearing deposit accounts and balances, resulting from continued growth of the Bank and the expansion of our branch network by opening of 3 branches during the second half of 2007.

Net income for the six months ended June 30, 2008 was \$114 compared to net income of \$234 thousand for the six months ended June 30, 2007. The first six months of 2008 included an additional \$2.5 million of interest expense related to interest bearing deposit growth and an additional \$976 of non-interest expense related to the expansion of our branch network.

On a per share basis, basic and diluted earnings per share were \$0.02 for the second quarter of 2008 as compared to basic and diluted earnings per share of \$0.04 for the second quarter of 2007. Basic and diluted earnings per share were \$0.02 for the six months ended June 30, 2008 as compared to basic and diluted earnings per share of \$0.05 for the six months ended June 30, 2007. All per share data has been restated to reflect the 2007 stock distribution and the 2007 stock split.

#### **Net Interest Income**

Net interest income represents the difference between income on interest-earning assets and expense on interest-bearing liabilities. Net interest income depends upon the volume of interest-earning assets and interest bearing liabilities and the interest rate earned or paid on them. For both the three month period and the six month period, the growth in net interest income has been, primarily, driven by increased interest income from loans, including fees. During the second quarter of 2008, net interest income reached \$1.7 million from \$1.5 million during the second quarter of 2007 primarily as a result of loan growth during the period. Interest income from loans, including fees, related to loans increased by approximately 47.6% to \$3.5 million for the quarter ended June 30, 2008 from \$2.4 million for the quarter ended June 30, 2007.

During the six months ended June 30, 2008, net interest income reached \$3.1 million compared to \$2.8 million for the six months ended June 30, 2007. This increase is also attributable to the 66.6% increase in interest income from loans, including fees. Interest income from loans, including fees, reached \$7.3 million for the six months ended June 30, 2008 from \$4.4 million for the six months ended June 30, 2007.

### **Provision for Loan Losses**

The provision for loan losses was \$67 thousand for the three months ended June 30, 2008 as compared to \$239 thousand for the three months ended June 30, 2007. During the six months ended June 30, 2008, the provision for loan losses was \$225 thousand as compared to \$628 thousand during the six months ended June 30, 2007. For both the three month and the six month periods, the decreased provision is reflective of continued, but slower, loan growth.

### **Non-interest Income**

Non-interest income, which was primarily attributable to service fees, reached \$81 thousand during the quarter ended June 30, 2008 compared to \$41 thousand for the quarter ended June 30, 2007. For the six months ended June 30, 2008, non-interest income reached \$145 thousand as compared to \$60 thousand for the six months ended June 30, 2007. As these fees are related, primarily, to deposits accounts, the increase between periods is reflective of increased customer activity and a greater focus on our part to increase non-interest income.

### **Non-interest Expense**

Non-interest expense reached \$1.5 million during the second quarter of 2008 compared to \$1.0 million in the second quarter of 2007, an increase of approximately \$500 thousand. During the six months ended June 30, 2008, non-interest expense reached approximately \$2.9 million from approximately \$1.9 million for the six months ended June 30, 2007. These increases during the three month period and the six month period are reflective of salaries and employee benefits costs increasing as well as occupancy and equipment expense increasing as a result of the opening of 3 additional branch locations in Bergen County, NJ during the second half of 2007.

### **Income Tax Expense**

The income tax provision reached \$77 thousand for the quarter ended June 30, 2008 as compared to \$80 thousand for the quarter ended June 30, 2007. For the six months ended June 30, 2008, income tax expense reached \$109 thousand as compared to \$107 thousand for the six months ended June 30, 2007. The income tax provisioning is reflective of our pre-tax income and the effect of permanent differences between financial and tax reporting. These permanent tax differences include the recognition of non-deductible stock option expense as required under SFAS 123-R.

## **FINANCIAL CONDITION**

Total consolidated assets decreased \$1.9 million, or less than 1%, from \$260.2 million at December 31, 2007 to \$258.3 million at June 30, 2008. Total deposits decreased from \$212.9 million on December 31, 2007 to \$210.6 million on June 30, 2008, a decrease of \$2.4 million, or 1.1%. Loans receivable, or "total loans," increased from \$183.5 million at December 31, 2007 to \$206.9 million at June 30, 2008, an increase of \$23.4 million, or 12.8%.

## **Loans**

Our loan portfolio is the primary component of our assets. Total loans increased by 12.8% since year end to reach \$206.9 million at June 30, 2008. At December 31, 2007, our total loans were approximately \$183.5 million. While we have focused on conservative lending practices, the growth in the loan portfolio continues to be supported by recommendations and referrals from members of our board of directors, our shareholders, our executive officers, and selective marketing by our management and staff. We believe that we will continue to have similar opportunities for loan growth within the Bergen County market of northern New Jersey, due in part, to continued and recent consolidation of banking institutions within our market. We maintain that it is not cost-efficient for large institutions, many of which are headquartered out of state, to provide the level of personal service to small business borrowers that these customers seek and that we intend to provide.

Our loan portfolio consists of commercial loans, real estate loans, and consumer loans. Commercial loans are made for the purpose of providing working capital, financing the purchase of equipment or inventory, as well as for other business purposes. Real estate loans consist of loans secured by commercial or residential real property and loans for the construction of commercial or residential property. Consumer loans are made for the purpose of financing the purchase of consumer goods, home improvements, and other personal needs, and are generally secured by the personal property owned or being purchased by the borrowers.

Our loans are primarily to businesses and individuals located in Bergen County, New Jersey. We have not made loans to borrowers outside of the United States. We continue to focus on conservative lending practices. We have not made any sub-prime loans. Commercial lending activities are focused primarily on lending to small business borrowers. We believe that our strategy of prudent lending, customer service, competitive rate structures, and selective marketing have enabled us to gain market entry to local loans. Further, we believe that bank mergers and lending restrictions at larger financial institutions with which we compete have also contributed to the success of our efforts to attract borrowers.

For more information on the loan portfolio, see Note 7 in Notes to the Financial Statements in this Quarterly Report on Form 10-Q.

## **Loan Quality**

As mentioned above, our principal assets are our loans. Inherent in the lending function is the risk of the borrower's inability to repay a loan, either under its existing terms or at all. Risk elements include non-accrual loans, past due and restructured loans, potential problem loans, loan concentrations, and other real estate owned.

Non-performing assets include loans that are not accruing interest (non-accrual loans) as a result of principal or interest being in default for a period of 90 days or more, accruing loans that are 90 days past due, and other real estate owned. When a loan is classified as non-accrual, interest accruals discontinue and all past due interest, including interest applicable to prior years, is reversed and charged against current income. Until the loan becomes current, any payments received from the borrower are applied to outstanding principal until such time as management determines that the financial condition of the borrower and other factors merit recognition of such payments as interest.

We attempt to minimize overall credit risk through loan diversification and our loan approval procedures. Due diligence begins at the time we begin to discuss the origination of a loan with a borrower. Documentation, including a borrower's credit history, materials establishing the value and liquidity of potential collateral, the purpose of the loan, the source and timing of the repayment of the loan, and other

factors are analyzed before a loan is submitted for approval. Loans made are also subject to periodic audit and review.

At June 30, 2008 and December 31, 2007, we had no non-performing assets and no information about possible credit problems of borrowers which would cause us to have serious doubts as to the ultimate ability to collect their loans. While we do attempt to minimize credit risk, these conditions are primarily attributable to our limited operating history.

As of June 30, 2008 and December 31, 2007, there were no concentrations of loans exceeding 10% of our total loans and we had no foreign loans. Furthermore, our loan portfolio does not contain any sub-prime loans. Our loans are primarily to businesses and individuals located in Bergen County, New Jersey.

### **Investment Securities**

Securities held as available for sale (“AFS”) were approximately \$23.8 million at June 30, 2008 compared to no AFS securities at December 31, 2007. This increase in the AFS category represented the purchase of securities during the period with funds in excess of federal funds sold. Securities held to maturity which represented approximately \$1.9 million at December 31, 2007 decreased by that amount due to maturity during the period. At June 30, 2008, there were no held to maturity securities.

### **Deposits**

Deposits remain our primary source of funds. Total deposits decreased from \$212.9 million on December 31, 2007 to \$210.6 million on June 30, 2008, a decrease of \$2.4 million, or 1.1%. This decrease is directly attributable to a decrease in high-yield certificates of deposit, which we priced and marketed less aggressively, as we focused on deposit products with a lower cost.

### **Liquidity**

Our liquidity is a measure of our ability to fund loans, withdrawals or maturities of deposits, and other cash outflows in a cost-effective manner. Our principal sources of funds are deposits, scheduled amortization and prepayments of loan principal, maturities of investment securities, and funds provided by operations. While scheduled loan payments and maturing investments are relatively predictable sources of funds, deposit flows and loan prepayments are greatly influenced by general interest rates, economic conditions, and competition. We also have the ability to use overnight lines of credit with our correspondent banks.

Our total deposits equaled \$210.6 million at June 30, 2008 as compared to \$212.9 million at December 31, 2007.

Through the investment portfolio, we will seek to obtain a safe, yet slightly higher yield than would have been available to us as a net seller of overnight federal funds, while maintaining liquidity. Through our investment portfolio, we also attempt to manage our maturity gap by seeking maturities of investments which coincide with maturities of deposits. The investment portfolio also includes securities available for sale to provide liquidity for anticipated loan demand and liquidity needs.

We were a seller of federal funds for the six-month period ended June 30, 2008. As of June 30, 2008, we have a \$12 million overnight line of credit with First Tennessee Bank and a \$10 million overnight line of credit with Atlantic Central Bankers Bank for the purchase of federal funds in the event that temporary liquidity needs arise. There are no amounts outstanding under either facility at June 30, 2008.

## Capital Resources

A significant measure of the strength of a financial institution is its capital base. Our federal regulators have classified and defined our capital into the following components: Tier 1 Capital, which includes tangible shareholders' equity for common stock and qualifying preferred stock, and Tier 2 Capital, which includes a portion of the allowance for possible loan losses, certain qualifying long-term debt, and preferred stock which does not qualify for Tier 1 Capital. Minimum capital levels are regulated by risk-based capital adequacy guidelines, which require certain capital as a percent of our assets and certain off-balance sheet items, adjusted for predefined credit risk factors, referred to as "risk-adjusted assets."

We are required to maintain, at a minimum, Tier 1 Capital as a percentage of risk-adjusted assets of 4.0% and combined Tier 1 and Tier 2 Capital, or "Total Capital," as a percentage of risk-adjusted assets of 8.0%.

In addition to the risk-based guidelines, our regulators require that an institution which meets the regulator's highest performance and operation standards maintain a minimum leverage ratio (Tier 1 Capital as a percentage of tangible assets) of 3.0%. For those institutions with higher levels of risk or that are experiencing or anticipating significant growth, the minimum leverage ratio will be evaluated through the ongoing regulatory examination process.

The following table summarizes the Bank's risk-based capital and leverage ratios at June 30, 2008, as well as the applicable minimum ratios:

	June 30, 2008 -----	Minimum Regulatory Requirements -----
Risk-Based Capital :		
Tier 1 Capital Ratio	23.17%	4.0%
Total Capital Ratio	24.24%	8.0%
Leverage Ratio	17.48%	8.0%

In addition to the above, as part of the Bank's application for deposit insurance with the FDIC and as part of the bank charter approval by the New Jersey Department of Banking, the Bank is required to maintain not less than 8% Tier 1 Capital to total assets, as defined, throughout the first three years of operation.

The capital levels detailed above reflect the success of our initial stock offering as well as our results of operations. As we employ our capital and continue to grow our operations, we expect that our capital levels will decrease, but that we will remain a "well-capitalized" institution.

### **ITEM 3. Quantitative and Qualitative Disclosures about Market/Interest Risk**

As a smaller reporting company, the Company is not required to provide the information otherwise required by this Item.

### **ITEM 4. Controls and Procedures**

#### **Evaluation of disclosure controls and procedures.**

We maintain disclosure controls and procedures that are designed to ensure that information we are required to disclose in our reports filed or submitted pursuant to the Securities Exchange Act of 1934, as amended, the "Exchange Act", is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that information we are required to disclose in our Exchange Act reports is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of June 30, 2008. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2008.

#### **Changes in internal controls over financial reporting.**

There was no change in our internal control over financial reporting identified during the quarter ended June 30, 2008 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

## **PART II OTHER INFORMATION**

### **Item 1. Legal Proceedings**

None.

### **Item 1A. Risk Factors**

As a smaller reporting company, the Company is not required to provide the information otherwise required by this Item.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

None

### **Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Submission of Matters to a Vote of Securities Holders**

At the Company's Annual Meeting held on May 22, 2008, the election of directors was voted upon by the stockholders of the Company. The directors were elected to hold offices until the 2009, 2010, and 2011 annual meetings. The results of the elections were as follows:

<u>DIRECTOR NAME</u>	<u>YEAR TERM EXPIRES</u>	<u>VOTES FOR</u>	<u>WITHHELD</u>
Michael Bello	2009	3,061,608	0
Jay Blau	2009	3,061,608	0
Albert F. Buzzetti	2009	3,061,608	0
Albert L. Buzzetti	2009	3,061,608	0
Gerald A. Calabrese, Jr.	2009	3,055,998	5,610
Stephen Crevani	2009	3,061,058	550
John K. Daily	2010	3,061,608	0
Armand Leone, Jr	2010	3,061,608	0
Anthony LoConte	2010	3,061,608	0
Carmelo Luppino	2010	3,058,198	3,410
Rosario Luppino	2010	3,057,098	4,510
Howard Mann	2010	3,061,168	440
Josephine Mauro	2011	3,061,168	440
Joel P. Paritz	2011	3,061,058	550
Christopher Shaari	2011	3,061,608	0
Anthony Siniscalchi	2011	3,056,658	4,950
Mark Sokolich	2011	3,055,558	6,050
Diane M. Spinner	2011	3,061,608	0

At the Annual Meeting, there were 1,925,961 shares which were not voted. There were no broker non-votes.

**Item 5. Other Information**

None.

**Item 6. Exhibits**

The exhibits filed or incorporated by reference as part of this report are listed in the Exhibit Index, which appears at page 30.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Bancorp of New Jersey, Inc.

Date: August 14, 2008

By: /s/ Albert F. Buzzetti

Albert F. Buzzetti

President and Chief Executive Officer

By: /s/ Michael Lesler

Michael Lesler

Executive Vice President and

Chief Financial Officer

## **EXHIBIT INDEX**

Exhibit Number	Description
31.1	Rule 13a-14(a) Certification of the Principal Executive Officer
31.2	Rule 13a-14(a) Certification of the Principal Financial Officer
32	Section 1350 Certifications

**RULE 13a-14(a) CERTIFICATION  
OF THE PRINCIPAL EXECUTIVE OFFICER**

I, Albert F. Buzzetti, President and Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bancorp of New Jersey, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) [Intentionally omitted.];
  - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2008

/s/ Albert F. Buzzetti  
Albert F. Buzzetti  
President and Chief Executive Officer

**RULE 13a-14(a) CERTIFICATION  
OF THE PRINCIPAL FINANCIAL OFFICER**

I, Michael Lesler, Executive Vice President and Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bancorp of New Jersey, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) [Intentionally omitted.];
  - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2008

/s/ Michael Lesler  
Executive Vice President and  
Chief Financial Officer

## SECTION 1350 CERTIFICATIONS

In connection with the Quarterly Report of Bancorp of New Jersey, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Albert F. Buzzetti  
Albert F. Buzzetti  
President and Chief Executive Officer

/s/ Michael Lesler  
Michael Lesler  
Executive Vice President  
and Chief Financial Officer

August 14, 2008