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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 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 0-49925

Central Jersey Bancorp
(Exact name of registrant as specified in its charter)

New Jersey	22-3757709
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1903 Highway 35, Oakhurst, New Jersey 07755
(Address of principal executive offices, including zip code)

(732) 663-4000
(Registrant's telephone number, including area code)

627 Second Avenue, Long Branch, New Jersey 07740
(Former name, former address and formal fiscal year, if changed since last report)

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 [X] 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	[_]	Accelerated filer	[X]
Non-accelerated filer	[_]	Smaller reporting company	[X]

(Do not check if 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 [X].

As of October 30, 2008, there were 9,003,153 shares of the registrant's common stock, par value $.01 per share, outstanding.

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Central Jersey Bancorp
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Forward-Looking Statements

Certain information included in this Quarterly Report on Form 10-Q and other filings of the Registrant under the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as well as information communicated orally or in writing between the dates of such filings, contains or may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Such statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from expected results. Among these risks, trends and uncertainties are the effect of governmental regulation on Central Jersey Bank, National Association, a nationally chartered commercial bank and wholly-owned subsidiary of the Registrant, interest rate fluctuations, regional economic and other conditions, the availability of working capital, the cost of personnel and technology and the competitive markets in which Central Jersey Bank, N.A. operates.

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In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "could," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms or other comparable terminology. Although the Registrant believes that the expectations reflected in the forward-looking statements contained herein are reasonable, the Registrant cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither the Registrant, nor any other person, assumes responsibility for the accuracy and completeness of such statements. The Registrant is under no duty to update any of the forward-looking statements contained herein after the date of this Quarterly Report on Form 10-Q.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CENTRAL JERSEY BANCORP
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(unaudited)
(dollars in thousands, except share amounts)

	September 30,	December 31,

	2008	2007
<S>	<C>	<C>
ASSETS		
Cash and due from banks	$ 11,214	$ 11,198
Federal funds sold	1,164	3,679
Cash and cash equivalents	12,378	14,877
Investment securities available-for-sale, at fair value	136,521	114,824
Investment securities held-to-maturity (fair value of $14,893 and $17,379, respectively, at September 30, 2008 and December 31, 2007)	15,019	17,430
Federal Reserve Bank stock	1,960	1,960
Federal Home Loan Bank stock	2,549	550
Loans held-for-sale	--	658
Loans	347,043	315,173
Less: Allowance for loan losses	3,817	3,408
Loans, net	343,226	311,765
Accrued interest receivable	2,105	2,218
Premises and equipment	5,931	4,626
Bank owned life insurance	3,654	3,565
Goodwill	26,957	26,957
Core deposit intangible	1,564	1,926
Other assets	3,039	2,150
Total assets	$ 554,903	$ 503,506
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	$ 79,649	$ 73,955
Interest bearing	326,647	329,335
	406,296	403,290
Borrowings	72,504	24,564
Subordinated debentures	5,155	5,155
Accrued expenses and other liabilities	1,621	1,611
Total liabilities	485,576	434,620
Shareholders' equity:		
Common stock, par value $0.01 per share. Authorized 100,000,000 shares and issued and outstanding 9,037,598 and 9,183,290 shares, respectively, at September 30, 2008 and December 31, 2007	91	91
Additional paid-in capital	64,344	60,787
Accumulated other comprehensive income	360	848
Treasury stock - at cost, 174,903 and 0 shares, respectively, at September 30, 2008 and December 31, 2007	(1,328)	--
Retained earnings	5,860	7,160
Total shareholders' equity	69,327	68,886
Total liabilities and shareholders' equity	$ 554,903	$ 503,506

See accompanying notes to unaudited consolidated financial statements.

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CENTRAL JERSEY BANCORP
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)
(dollars in thousands, except per share amounts)

	Three months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2007
<S>	<C>	<C>	<C>	<C>
Interest and dividend income:				
Interest and fees on loans	$ 5,414	$ 5,731	$ 15,838	$ 17,320
Interest on securities available for sale	1,782	1,501	5,056	3,622
Interest on securities held to maturity	173	212	478	674
Interest on federal funds sold and due from banks	60	348	332	1,302

Total interest and dividend income	7,429	7,792	21,704	22,918
Interest expense:				
Interest expense on deposits	1,962	3,237	6,864	9,633
Interest expense on other borrowings	429	196	989	539
Interest expense on subordinated debentures	78	111	252	330
Total interest expense	2,469	3,544	8,105	10,502
Net interest income	4,960	4,248	13,599	12,416
Provision for loan losses	252	--	399	165
Net interest income after provision for loan losses	4,708	4,248	13,200	12,251
Other income (loss):				
Service charges on deposit accounts	393	373	1,157	1,093
Gain on the sale of securities available-for-sale	340	--	402	87
Gain on the sale of loans held-for-sale	81	14	348	47
Income on bank owned life insurance	30	30	89	88
Impairment on available-for-sale securities	--	--	--	(1,957)
Total other income (loss)	844	417	1,996	(642)
Operating expenses:				
Salaries and employee benefits	1,975	1,785	5,841	5,280
Net occupancy expenses	478	429	1,385	1,201
Data processing fees	272	219	708	663
Outside service fees	200	225	626	641
Premises and equipment depreciation	159	167	485	541
Audit and accounting services	145	90	305	355
Core deposit intangible amortization	121	138	362	414
Abandonment of leasehold improvements	--	137	--	137
Other operating expenses	641	513	1,978	1,566
Total other expenses	3,991	3,703	11,690	10,798
Income before provision for income taxes	1,561	962	3,506	811
Income taxes	536	331	1,189	707
Net income	$ 1,025	$ 631	$ 2,317	$ 104
Basic earnings per share	$ 0.11	$ 0.07	$ 0.25	$ 0.01
Diluted earnings per share	$ 0.11	$ 0.07	$ 0.24	$ 0.01

See accompanying notes to unaudited consolidated financial statements.

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CENTRAL JERSEY BANCORP
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(unaudited)
(dollars in thousands, except share amounts)

<S>	Common stock <C>	Additional paid-in capital <C>	Accumulated other comprehensive (loss) income <C>	Treasury stock <C>	Retained earnings <C>	
Balance at December 31, 2006	$ 91	$ 60,497	$ (1,409)	--	$ 6,316	$
Comprehensive income:						
Net income	--	--	--	--	104	
Unrealized loss on securities available-for-sale, net of tax of ($100)	--	--	(93)	--	--	
Reclassification adjustment for gains included in net income, net of tax of ($37)	--	--	50	--	--	
Impairment on securities available-for-sale, net of tax of ($646)	--	--	1,311	--	--	$
						--
Total comprehensive income	--	--	--	--	--	

Exercise of stock options - 82,134 shares, including tax benefit of $13	--	289	--	--	--	
Cash paid for fractional shares	--	(4)	--	--	--	
Balance at September 30, 2007	$ 91	$ 60,782	$ (141)	--	$ 6,420	$
Balance at December 31, 2007	$ 91	$ 60,787	$ 848	--	$ 7,160	$
Comprehensive income:						
Net income	--	--	--	--	2,317	
Unrealized loss on securities available-for-sale, net of tax of $306	--	--	(488)	--	--	$ --
Total comprehensive income	--	--	--	--	--	
Exercise of stock options - 29,699 shares, including tax benefit of $41	--	171	--	--	--	
Purchase of 174,903 shares outstanding stock; placed in treasury	--	--	--	(1,328)	--	
5% stock dividend	--	3,390	--	--	(3,390)	
Cash paid for fractional shares	--	(4)	--	--	--	
Cumulative effect adjustment adoption of EITF 06-4	--	--	--	--	(227)	
Balance at September 30, 2008	$ 91	$ 64,344	$ 360	$ (1,328)	$ 5,860	$

See accompanying notes to unaudited consolidated financial statements.

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CENTRAL JERSEY BANCORP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(dollars in thousands)

	Nine months ended September 30, 2008	2007
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	$ 2,317	$ 104
Adjustments to reconcile net income to net cash provided by operating activities:		
Increase in cash surrender value of life insurance	(89)	(88)
Deferred taxes	136	286
Provision for loan losses	399	165
Depreciation and amortization	485	541
Net discount accretion on held-to-maturity securities	(11)	(8)
Net (discount accretion) premium amortization on available-for-sale securities	(24)	43
Core deposit intangible amortization	362	414
Impairment on available-for-sale securities	--	1,957
Abandonment of leasehold improvements	--	137
Gain on sale of securities available-for-sale	(402)	(87)
Gain on the sale of loans held-for-sale	(348)	(47)
Originations of loans held-for-sale	(2,795)	(16,935)
Proceeds from the sale of loans held-for-sale	3,464	16,680
Decrease in accrued interest receivable	113	440
Increase in other assets	(3,024)	(311)
(Decrease) increase in accrued expenses and other liabilities	(217)	218
Net cash provided by operating activities	366	3,509
Cash flows from investing activities:		
Maturities of and paydowns on investment securities held-to-maturity	7,404	3,116
Maturities, sales of and paydowns on investment securities available-for-sale	54,137	93,747
Purchase of investment securities available-for-sale	(75,896)	(108,975)
Purchase of investment securities held-to-maturity	(4,982)	--
Decrease in due from broker	--	3,527
Net (increase) decrease in loans	(31,523)	7,865
Purchases of premises and equipment, net	(1,790)	(89)
Net cash used in investment activities	(52,650)	(809)

Cash flows from financing activities:		
Net proceeds from stock options exercised	171	289
Net increase (decrease) in non-interest bearing deposits	5,694	(6,835)
Net decrease in interest bearing deposits	(2,688)	(14,426)
Net increase in other borrowings	7,918	9,976
Proceeds from Federal Home Loan Bank advances	40,022	--
Purchase of outstanding stock; placed in treasury	(1,328)	--
Cash paid for fractional shares	(4)	(4)
Net cash provided by (used in) financing activities	49,785	(11,000)
Decrease in cash and cash equivalents	(2,499)	(8,300)
Cash and cash equivalents at beginning of period	14,877	37,796
Cash and cash equivalents at end of period	$ 12,378	$ 29,496
Cash paid during the period for:		
Interest	$ 8,162	$ 9,620
Income taxes	$ 1,755	$ 1,270

See accompanying notes to unaudited consolidated financial statements.

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Central Jersey Bancorp and Subsidiary

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The accompanying unaudited consolidated financial statements include the accounts of Central Jersey Bancorp and its wholly-owned subsidiary, Central Jersey Bank, N.A., which are sometimes collectively referred to herein as the "Company."

The interim unaudited consolidated financial statements reflect all normal and recurring adjustments that are, in the opinion of management, considered necessary for a fair presentation of the financial condition and results of operations for the periods presented. The results of operations for the three and nine months ended September 30, 2008 are not necessarily indicative of the results of operations that may be expected for all of 2008.

Certain information and note disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") have been condensed or omitted, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC").

Earnings per share, average shares outstanding, stock options, stock appreciation rights and related amounts set forth herein for all periods presented have been adjusted to reflect the 5% stock dividends, paid on July 1, 2008 and July 2, 2007.

These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in Central Jersey Bancorp's Annual Report on Form 10-K for the year ended December 31, 2007.

Certain prior period amounts have been reclassified to correspond with the current period presentation.

On January 1, 2008, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 157, Fair Value Measurements. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in GAAP and expands disclosures about fair value measurements (see Note 8 - Fair Value Measurements).

On January 1, 2008, the Company changed its accounting policy and recognized a cumulative-effect adjustment to retained earnings totaling $227,000. This adjustment, related to accounting for certain endorsements split-dollar insurance arrangements, was made in accordance with Emerging Issues Task Force ("EITF") Issue No. 06-4, Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements (see Note 9 - Post Retirement Benefits).

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Note 2. Earnings Per Share

The following tables reconcile shares outstanding for basic and diluted earnings per share for the three and nine months ended September 30, 2008 and 2007:

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(dollars in thousands, except for per share data)	Three months ended September 30, 2008 Income (numerator)	Average shares (denominator)	Per share amount
<S>	<C>	<C>	<C>
Basic EPS			
Income available to common shareholders	$ 1,025	9,075	$ 0.11
Effect of dilutive securities:			
Stock options	--	430	--
Diluted EPS			
Income available to common shareholders, plus assumed exercise of options	$ 1,025	9,505	$ 0.11

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(dollars in thousands, except for per share data)	Nine months ended September 30, 2008 Income (numerator)	Average shares (denominator)	Per share amount
<S>	<C>	<C>	<C>
Basic EPS			
Income available to common shareholders	$ 2,317	9,119	$ 0.25
Effect of dilutive securities:			
Stock options	--	426	--
Diluted EPS			
Income available to common shareholders, plus assumed exercise of options	$ 2,317	9,545	$ 0.24

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Central Jersey Bancorp and Subsidiary

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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(dollars in thousands, except for per share data)	Three months ended September 30, 2007 Income (numerator)	Average shares (denominator)	Per share amount
<S>	<C>	<C>	<C>
Basic EPS			
Income available to common shareholders	$ 631	9,182	$ 0.07
Effect of dilutive securities:			
Stock options	--	431	--
Diluted EPS			
Income available to common shareholders, plus assumed exercise of options	$ 631	9,613	$ 0.07

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(dollars in thousands, except for per share data)	Nine months ended September 30, 2007 Income (numerator)	Average shares (denominator)	Per share amount
<S>	<C>	<C>	<C>
Basic EPS			
Income available to common shareholders	$ 104	9,134	$ 0.01
Effect of dilutive securities:			
Stock options	--	453	--
Diluted EPS			
Income available to common shareholders, plus assumed exercise of options	$ 104	9,587	$ 0.01

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For the three months ended September 30, 2008, dilutive securities relating to the Company's employee and director stock option plans totaled 429,821, which, when added to the average basic shares outstanding of 9,074,977, resulted in average diluted shares outstanding of 9,504,798. For the nine months ended September 30, 2008, dilutive securities relating to the Company's employee and director stock option plans totaled 425,888, which, when added to the average basic shares outstanding of 9,118,884, resulted in average diluted shares outstanding of 9,554,772. For the three months ended September 30, 2007, dilutive securities relating to the Company's employee and director stock option plans totaled 430,957, which, when added to the average basic shares outstanding of 9,181,602 resulted in average diluted shares outstanding of 9,612,559. For the nine months ended September 30, 2007, dilutive securities relating to the Company's employee and director stock option plans totaled 452,758, which, when added to the average basic shares outstanding of 9,134,348, resulted in average diluted shares outstanding of 9,587,106.

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Stock Appreciation Rights

On January 31, 2006, the Company granted under its 2005 Equity Incentive Plan, 173,646 Stock Appreciation Rights ("SARS") (98,389 were granted to employees and 75,257 were granted to directors), each with an exercise price of $9.40. These SARS can only be settled in cash. The SARS vest over a four year period and expire February 1, 2016. The fair value of SARS granted was estimated on September 30, 2008 using the Black-Scholes option pricing model with the following weighted-average assumptions used: stock price $7.50; dividend yield of 0%; expected volatility of 46.50%; risk free interest rate of 2.98%; and expected lives of seven years. These SARS had a fair value of approximately $3.42 per share at September 30, 2008. The Company recorded no share based payment expense for the three months ended September 30, 2008 and a $68,700 (pre-tax) share based payment expense for the nine months ended September 30, 2008, related to the granting of SARS. As of September 30, 2008, total unvested compensation expense associated with the outstanding SARS was approximately $156,000 (pre-tax), which will vest over 16 months.

A summary of the status of the Company's SARS as of and for the nine months ended September 30, 2008 is presented below:

	As of and for the nine months ended September 30, 2008	
	SARS	Weighted average exercise price
Outstanding at beginning of year	167,857	$ 9.40
Granted	--	--
Forfeited	(31,258)	$ 9.40
Exercised	--	--
Outstanding at period end	136,599	$ 9.40
SARS exercisable at period end	68,299	$ 9.40
Weighted average fair value of SARS granted	$ 3.42	
Unvested SARS at period end	68,300	
Weighted average fair value of unvested SARS	$ 233,586	

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Stock Option Plan

In 2000, the Company established its Employee and Director Stock Option Plan (the "Plan"). The Plan currently provides for the granting of stock options to purchase in aggregate up to 1,410,349 shares of the Company's common stock, subject to adjustment for certain dilutive events such as stock distributions. During the nine months ended September 30, 2008, no options were granted. As a result of the January 1, 2005 combination with Allaire Community Bank, all outstanding options granted under the Plan became fully vested. In addition, options granted under the Allaire Community Bank Employee and Director Stock Option Plans (the "Allaire Plans") to purchase 841,814 shares of Allaire Community Bank common stock were converted into options to purchase 841,814 shares of Central Jersey Bancorp common stock, all of which are fully vested. The Company does not anticipate granting any additional stock options under the Plan or Allaire Plans.

A summary of the status of the Company's stock options as of and for the nine months ended September 30, 2008 is presented below:

	As of and for the nine months ended September 30, 2008	
	Shares	Weighted average exercise price
Outstanding at beginning of year	1,410,349	$ 4.77
Granted	--	--
Forfeited	(16,962)	$ 9.88
Exercised	(29,699)	$ 4.41
Outstanding at period end	1,363,688	$ 4.72
Options exercisable at period end	1,363,688	$ 4.72
Weighted average fair value of options granted		n/a

Stock Based Compensation

Effective January 1, 2006, the Company began recording compensation expense associated with stock options in accordance with SFAS No. 123(R), Share-Based Payment. Prior to January 1, 2006, the Company accounted for stock-based compensation related to stock options under the recognition and measurement principles of Accounting Principle Board Opinion No. 25; therefore, the Company measured compensation expense for its stock option plans using the intrinsic value method, that is, the excess, if any, of the fair market value of the Company's stock

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at the grant date over the amount required to be paid to acquire the stock, and provided the disclosures required by SFAS No. 123(R) and SFAS No. 148, Accounting for Stock-Based Compensation. The Company has adopted the modified prospective transition method provided by SFAS No. 123(R), and, as a result, has not retroactively adjusted results from prior periods.

As a result of the adoption of SFAS No. 123(R), the Company has incurred no compensation expense related to the Company's stock compensation plans for the nine months ended September 30, 2008 or years ended December 31, 2007 and 2006, as no stock options were granted during 2008, 2007 or 2006 and all stock options were fully vested prior to January 1, 2006.

Note 3. Loans Receivable, Net and Loans Held-for-Sale

Loans receivable, net and loans held-for-sale at September 30, 2008 and December 31, 2007, consisted of the following (in thousands):

Loan Type	September 30, 2008	December 31, 2007

Real estate loans - commercial	$ 259,685	$ 240,256
Home equity and second mortgages	46,933	37,832
Commercial and industrial loans	35,225	29,371
1-4 family real estate loans	2,692	3,822
Consumer loans	2,211	3,654
Total loans	$ 346,746	$ 314,935
Deferred origination costs, net	297	238
Allowance for loan losses	(3,817)	(3,408)
Loans receivable, net	$ 343,226	$ 311,765
Loans held-for-sale	$ --	$ 658

Non-Performing Loans

Loans are considered to be non-performing if they (a) are on a non-accrual basis, (b) are past due ninety days or more and still accruing interest, or (c) have been renegotiated to provide a reduction or deferral of interest because of a weakening in the financial position of the borrowers. A loan, which is past due ninety days or more and still accruing interest, remains on accrual status only when it is both adequately secured as to principal and is in the process of collection. The Company had non-accrual loans totaling $924,000 at September 30, 2008, as compared to $214,000 at December 31, 2007. Non-performing loans at September 30, 2008 included two commercial loans; one loan with a balance of $86,000, which was placed on non-accrual status as of June 30, 2006 with a risk rating of "substandard," and one loan with a balance of $838,000, which was placed on non-accrual status as of May 2008 with a risk rating of "substandard." It should be noted that the second loan had a balance of $1.8 million when it was placed on non-accrual status but a principal payment of $1.0 million was received in September 2008, which has reduced the loan balance to $838,000. These loans were considered impaired and were evaluated in

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accordance with SFAS No. 114, Accounting by Creditors for Impairment of a Loan. After evaluation, a specific reserve of approximately $15,000 was required for one of the impaired loans.

The allowance for loan losses, which began the year at $3.41 million, or 1.08% of total loans, increased to $3.82 million at September 30, 2008, or 1.10% of total loans. There were no loan charge-offs during the three and nine months ended September 30, 2008, as compared to $4,000 for both periods in 2007. Loan loss recoveries totaled $4,000 and $10,000, respectively, during the three and nine months ended September 30, 2008, as compared to $3,000 and $99,000, respectively, for the same periods in 2007.

Note 4. Deposits

The major types of deposits at September 30, 2008 and December 31, 2007 were as follows (in thousands):

Deposit Type	September 30, 2008	December 31, 2007
Demand deposits, non-interest bearing	$ 79,649	$ 73,955
Savings, N.O.W. and money market accounts	173,982	187,354
Certificates of deposit of less than $100	78,973	80,587
Certificates of deposit of $100 or more	73,692	61,394
Total	$ 406,296	$ 403,290

Note 5. Borrowings

Borrowed funds at September 30, 2008 and December 31, 2007 are summarized as follows (in thousands):

	September 30, 2008	December 31, 2007

Borrowings	$	72,504	$ 24,564
Total	$	72,504	$ 24,564

Borrowings were $72.5 million at September 30, 2008, as compared to $24.6 million at December 31, 2007. Borrowings typically include wholesale borrowing arrangements as well as arrangements with deposit customers of Central Jersey Bank, N.A. to sweep funds into short-term borrowings. As of September 30, 2008, borrowings included $32.5 million in bank sweep funds, $18.8 million in Federal Home Loan Bank overnight advances, $20.0 million in Federal Home Loan Bank callable advances and $1.2 million in Federal Home Loan Bank fixed rate advances. These borrowings were used to fund interest-earning assets. Central Jersey Bank, N.A. uses investment securities to pledge as collateral for repurchase agreements. At September

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30, 2008 and December 31, 2007, Central Jersey Bank, N.A. had unused lines of credit with the FHLB of $79.8 million and $8.9 million, respectively.

At September 30, 2008, Central Jersey Bank, N.A. had outstanding Federal Home Loan Bank callable advances as follows (in thousands):

Date	Amount	Rate	Term	Call Feature
1/24/2008	$ 10,000	2.710%	10 n/c 2	One Time
2/01/2008	5,000	2.380%	5 n/c 1	One Time
2/01/2008	5,000	2.903%	7 n/c 3	One Time
	$ 20,000	2.676%		

At September 30, 2008, Central Jersey Bank, N.A. had the following outstanding Federal Home Loan Bank fixed rate advance (in thousands):

Date	Amount	Rate	Term	Maturity
5/28/2008	$ 1,223	4.940%	13 years	5/28/2021

Note 6. Subordinated Debentures

In March 2004, MCBK Capital Trust I, a special purpose business trust of Central Jersey Bancorp, issued an aggregate of $5.0 million of trust preferred securities to ALESCO Preferred Funding III, a pooled investment vehicle. Sandler O'Neill & Partners, L.P. acted as placement agent in connection with the offering of the trust preferred securities. The securities issued by MCBK Capital Trust I are fully guaranteed by Central Jersey Bancorp with respect to distributions and amounts payable upon liquidation, redemption or repayment. These securities have a floating interest rate equal to the three-month LIBOR plus 285 basis points, which resets quarterly. The securities mature on April 7, 2034 and may be called at par by Central Jersey Bancorp any time after April 7, 2009. These securities were placed in a private transaction exempt from registration under the Securities Act.

The entire proceeds to MCBK Capital Trust I from the sale of the trust preferred securities were used by MCBK Capital Trust I in order to purchase $5.1 million of subordinated debentures from Central Jersey Bancorp. The subordinated debentures bear a variable interest rate equal to LIBOR plus 285 basis points. Although the subordinated debentures are treated as debt of Central Jersey Bancorp, they currently qualify as Tier I Capital investments, subject to the 25% limitation under risk-based capital guidelines of the Federal Reserve. The portion of the trust preferred securities that exceeds this limitation qualifies as Tier II Capital of Central Jersey Bancorp. At September 30, 2008, $5.0 million of the trust preferred securities qualified for treatment as Tier I Capital. Central Jersey Bancorp is using the proceeds it received from the subordinated debentures to support the general balance sheet growth of Central Jersey Bancorp and to help ensure that Central Jersey Bank, N.A. maintains the required regulatory capital ratios.

On March 1, 2005, the Federal Reserve adopted a final rule that allows the continued inclusion of outstanding and prospective issuances of trust preferred securities in the Tier I Capital of bank

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holding companies, subject to stricter quantitative limits and qualitative standards. The new quantitative limits become effective after a five-year transition period ending March 31, 2009. Under the final rules, trust preferred securities and other restricted core capital elements are limited to 25% of all core capital elements. Amounts of restricted core capital elements in excess of these limits may be included in Tier II Capital. At September 30, 2008, the only restricted core capital element owned by Central Jersey Bancorp is trust preferred securities. Central Jersey Bancorp believes that its trust preferred issues qualify as Tier I Capital. However, in the event that the trust preferred issues do not qualify as Tier I Capital, Central Jersey Bank, N.A. would remain well capitalized.

Note 7. Income Taxes

The Company recorded an income tax expense of $536,000 on income before taxes of $1.6 million for the three months ended September 30, 2008, resulting in an effective tax rate of 34.34%, as compared to an income tax expense of $331,000 on income before taxes of $962,000 for the three months ended September 30, 2007, resulting in an effective tax rate of 34.41%.

The Company recorded an income tax expense of $1.2 million on income before taxes of $3.5 million for the nine months ended September 30, 2008, resulting in an effective tax rate of 33.91%, as compared to an income tax expense of $707,000 on income before taxes of $811,000 for the nine months ended September 30, 2007, resulting in an effective tax rate of 87.18%. The lower than anticipated income tax rate for the nine months ended September 30, 2008 was due to the tax treatment applied to gains on the sale of investment securities by CJB Investment Company, a wholly-owned subsidiary of Central Jersey Bank, N.A. Since the gains were realized in CJB Investment Company, the gains are considered capital gains and are permitted to be offset against the remaining capital loss carry-forwards resulting from the 2007 balance sheet restructuring initiative.

The Company's effective tax rate of 87.18% for the nine months ended September 30, 2007, resulted from the fact that the majority of the investment securities for which the $1.96 million other-than-temporary impairment was recorded were held by CJB Investment Company. A full valuation allowance was recorded for the impairment of the investment securities sold by CJB Investment Company. The impairment of the investment securities at the investment company level was considered a capital loss for tax purposes while the impairment of the investment securities held by Central Jersey Bank, N.A. was considered an ordinary loss for tax purposes. CJB Investment Company did not, at the time, have the ability to generate capital gains and utilize the capital losses and thus a full valuation allowance was required for the investment company available-for-sale securities which were identified as other-than-temporarily impaired.

Note 8. 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 the Financial Accounting Standards Board (the "FASB") Staff Position No. 157-2, Effective Date of FASB Statement No. 157, the Company will delay application of SFAS No. 157 for non-financial assets and non-financial liabilities until January 1, 2009. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in GAAP and expands disclosures about fair value

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measurements. The adoption of SFAS No. 157 for financial assets and financial liabilities did not have a significant impact on the Company's consolidated financial condition or results of operations. The adoption of SFAS No. 157 for non-financial assets and non-financial liabilities is not expected to have a significant impact on the Company's consolidated financial condition or results of operations.

Beginning January 1, 2008, financial assets and financial liabilities recorded at fair value in the consolidated statement of financial condition are categorized based upon the level of judgment associated with the inputs used to measure their fair value. SFAS No. 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy under SFAS No. 157 are described below:

Basis of Fair Value Measurement

Level I — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level II — Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability;

Level III — Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

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, the Company's creditworthiness, among other things, as well as unobservable parameters. Any such valuation adjustments are applied consistently over time.

Investment securities available-for-sale - Investment securities classified as available-for-sale are reported at fair value utilizing Level II inputs. For these investment 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

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prepayment speeds, credit information and the investment security's terms and conditions, among other things.

Loans held-for-sale - The fair value of loans held-for-sale is determined, when possible, using quoted secondary-market prices. If no such quoted price exists, the fair value of a loan is determined using quoted prices for a similar asset or assets, adjusted for the specific attributes of that loan.

Impaired loans - Certain impaired loans are reported at the fair value of the underlying collateral if repayment is expected solely from the collateral. Collateral values are estimated using Level III inputs based on customized net present value discounting criteria.

Servicing rights - The fair value of mortgage servicing rights is based on a valuation model that calculates the present value of estimated net servicing income. The valuation model incorporates assumptions that market participants would use in estimating future net servicing income. The Company is able to compare the valuation model inputs and results to widely available published industry data for reasonableness.

The following table summarizes financial assets measured fair value on a recurring basis as of September 30, 2008, segregated by the level of valuation inputs within the fair value hierarchy utilized to measure fair value (in thousands):

	Level I	Level II	Level III	Total fair value
Investment securities available-for-sale	$ --	$ 136,521	$ --	$ 136,521
Impaired loans	--	--	974	974
Servicing rights	--	--	134	134
Total assets	$ --	$ 136,521	$ 1,108	$ 137,629

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). Financial assets and financial liabilities measured at fair value on a non-recurring basis were not significant at September 30, 2008.

Certain non-financial assets and non-financial liabilities measured at fair value on a recurring basis include reporting units measured at fair value in the first step of a goodwill impairment test. Certain non-financial assets measured at fair value on a non-recurring basis include non-financial assets and non-financial liabilities measured at fair value in the second step of a goodwill impairment test, as well as intangible assets and other non-financial, long-lived assets measured at fair value for impairment assessment. As stated above, SFAS 157 will be applicable to these fair value measurements beginning January 1, 2009.

Note 9. Post Retirement Benefits

In September 2006, the EITF of the FASB discussed public comments received on two issues: (1) EITF Issue No. 06-4, Accounting for Deferred Compensation and Post-Retirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements, and (2) EITF Issue 06-5, Accounting for Purchases of Life Insurance -- Determining the Amount that could be Realized in Accordance with FASB Technical Bulletin 85-4 (Accounting for Purchases of Life Insurance). On September 7, the EITF agreed to clarify certain points based on public comments. The EITF reached a consensus that an employer should recognize a liability for future benefits under SFAS No. 106, Employers' Accounting for Postretirement Benefits Other Than Pensions, or APB Opinion No. 12, Omnibus Opinion - 1967, for an endorsement split-dollar life insurance arrangement subject to the EITF Issue No. 06-4. This liability is to be based on the substantive agreement with the employee. The consensus is effective for fiscal years beginning after December 15, 2007. Entities should recognize the effects of applying the consensus on this issue as a change in accounting principle through a cumulative-effect adjustment to retained earnings or to other components of equity or net assets in the statement of financial position as of the beginning of the year of adoption. Retrospective application to all prior periods is permitted.

During the nine months ended September 30, 2008, Central Jersey Bancorp recognized and recorded a deferred compensation liability of $227,000 for future benefits related to an endorsement split-dollar life insurance arrangement subject to EITF Issue No. 06-4.

Note 10. Recent Accounting Pronouncements

In November 2007, the SEC issued Staff Accounting Bulletin ("SAB") No. 109, Written Loan Commitments Recorded at Fair Value through Earnings. This SAB expresses the views of the Staff regarding written loan commitments that are accounted for at fair value through earnings under GAAP. 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 SEC 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 on a prospective basis to derivative loan commitments issued or modified in fiscal quarters beginning after December 15, 2007. The implementation of this SAB did not have a material impact on the Company's consolidated financial condition or results of operations.

In December 2007, FASB Statement No. 141(R), Business Combinations, was issued. 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 noncontrolling 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.

In December 2007, FASB Statement No. 160, Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51, was issued. This Statement establishes accounting and reporting standards for the noncontrolling 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. The Company is currently evaluating the potential impact this new pronouncement will have on its consolidated financial condition and results of operations.

In February 2008, the FASB issued a FASB Staff Position ("FSP") FAS 140-3, Accounting for Transfers of Financial Assets and Repurchase Financing Transactions. This FSP addresses the issue of whether or not these transactions should be viewed as two separate transactions or as one "linked" transaction. The FSP includes a "rebuttable presumption" that presumes linkage of the two transactions unless the presumption can be overcome by meeting certain criteria. The FSP will be effective for fiscal years beginning after November 15, 2008 and will apply only to original transfers made after that date; early adoption will not be allowed. The Company is currently evaluating the potential impact this new pronouncement will have on its consolidated financial condition and results of operations.

In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities--an amendment of FASB Statement No. 133, (Statement 161). SFAS No. 161 requires entities that utilize derivative instruments to provide qualitative disclosures about their objectives and strategies for using such instruments, as well as any details of credit-risk-related contingent features contained within derivatives. SFAS No. 161 also requires entities to disclose additional information about the amounts and location of derivatives located within the financial statements, how the provisions of SFAS No. 133 has been applied, and the impact that hedges have on an entity's financial position, financial performance, and cash flows. SFAS No. 161 is effective for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Company is currently evaluating the potential impact this new pronouncement will have on its consolidated financial condition and results of operations.

In May 2008, the FASB issued SFAS No. 162, The Hierarchy of Generally Accepted Accounting Principles. SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with GAAP. The hierarchy of authoritative accounting guidance is not expected to change current practice but is expected to facilitate the FASB's plan to designate as authoritative its forthcoming codification of accounting standards. This Statement is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board's ("PCAOB") related amendments to AU Section 411, The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles, to remove the GAAP hierarchy from its auditing standards. The hierarchical guidance provided by SFAS No. 162 is not expected to have a significant impact on the Company's consolidated financial condition or results of operations.

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In May 2008, the FASB issued FSP APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement). FSP APB 14-1 requires issuers of convertible debt that may be settled wholly or partly in cash to account for the debt and equity components separately. The FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008 and interim periods within those years, and must be applied retrospectively to all periods presented. Early adoption is prohibited. The Company is currently evaluating the potential impact this new pronouncement will have on its consolidated financial condition and results of operations.

In June 2008, the EITF of the FASB discussed public comments received on EITF Issue No. 08-3, Accounting by Lessees for Nonrefundable Maintenance Deposits. The Task Force reached a consensus that lessees should account for nonrefundable maintenance deposits as deposit assets if it is probable that maintenance activities will occur and the deposit is therefore realizable. Amounts on deposit that are not probable of being used to fund future maintenance activities should be charged to expense. The consensus is effective for fiscal years beginning after December 15, 2008, and should be initially applied by recording a cumulative-effect adjustment to opening retained earnings in the period of adoption. Early application is not permitted. The Company is currently evaluating the potential impact this new pronouncement will have on its consolidated financial condition and results of operations.

In September 2008, the FASB issued FSP 133-1 and FIN 45-4, Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of

FASB Statement No. 161 (FSP 133-1 and FIN 45-4). FSP 133-1 and FIN 45-4 amends and enhances disclosure requirements for sellers of credit derivatives and financial guarantees. It also clarifies that the disclosure requirements of SFAS No. 161 are effective for quarterly periods beginning after November 15, 2008, and fiscal years that include those periods. FSP 133-1 and FIN 45-4 is effective for reporting periods (annual or interim) ending after November 15, 2008. The implementation of this standard will not have a material impact on the Company's consolidated financial condition or results of operations.

In September 2008, the FASB ratified EITF Issue No. 08-5, Issuer's Accounting for Liabilities Measured at Fair Value With a Third-Party Credit Enhancement (EITF 08-5). EITF 08-5 provides guidance for measuring liabilities issued with an attached third-party credit enhancement (such as a guarantee). It clarifies that the issuer of a liability with a third-party credit enhancement should not include the effect of the credit enhancement in the fair value measurement of the liability. EITF 08-5 is effective for the first reporting period beginning after December 15, 2008. The implementation of this standard will not have a material impact on the Company's consolidated financial condition or results of operations.

In October 2008, the FASB issued FSP SFAS No. 157-3, Determining the Fair Value of a Financial Asset When The Market for That Asset Is Not Active (FSP 157-3), to clarify the application of the provisions of SFAS 157 in an inactive market and how an entity would determine fair value in an inactive market. FSP 157-3 is effective immediately and applies to our September 30, 2008 financial statements. The application of the provisions of FSP 157-3 did

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not materially affect the Company's consolidated financial condition or results of operations as of and for the three and nine months ended September 30, 2008.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

The following discussion and analysis is intended to provide information about the Company's financial condition as of September 30, 2008 and results of operations for the three and nine months ended September 30, 2008 and 2007. The following information should be read in conjunction with the Company's unaudited consolidated financial statements for the three and nine months ended September 30, 2008 and 2007, including the related notes thereto, contained elsewhere in this document.

Critical Accounting Policies

"Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as disclosures found elsewhere in this quarterly report on Form 10-Q, are based upon the Company's unaudited consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these unaudited consolidated financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Note 1 to Central Jersey Bancorp's audited consolidated financial statements for the year ended December 31, 2007, included with Central Jersey Bancorp's annual report on Form 10-K for the year ended December 31, 2007, contains a summary of the Company's significant accounting policies. Management believes the Company's policy with respect to the methodology for the determination of the allowance for loan losses and the impairment of investment securities requires management to make difficult and subjective judgments that often require assumptions or estimates about uncertain matters. Changes in these judgments, assumptions or estimates could materially impact results of operations. This critical policy and its application are periodically reviewed with Central Jersey Bancorp's Audit Committee and its Board of Directors.

Additional critical accounting policies relate to judgments about other asset impairments, including goodwill, investment securities, servicing rights and deferred tax assets. Central Jersey Bancorp performs an annual analysis to test the aggregate balance of goodwill for impairment in accordance with SFAS No. 142, Goodwill and Other Intangible Assets. For purposes of the goodwill impairment evaluation, Central Jersey Bancorp is identified as the reporting unit. The fair value of goodwill is determined using standard valuation methodologies similar to those used to determine the fair value of goodwill in a business combination, including a review of comparable transactions. If the carrying amount of goodwill pursuant to this analysis were to exceed the implied fair value of goodwill, an impairment loss would be recognized. No impairment loss was required to be recognized for the years ended December 31, 2007, 2006 and 2005.

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks and overnight federal funds sold. Federal funds sold are generally sold for one-day periods.

Investment securities held-to-maturity are comprised of debt securities that Central Jersey Bank, N.A. has the positive intent and ability to hold to maturity. Such securities are stated at cost,

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adjusted for amortization of premiums and accretion of discounts over the estimated remaining lives of the investment securities utilizing the level-yield method. Investment securities to be held for indefinite periods of time and not intended to be held-to-maturity, including all equity securities, are classified as available-for-sale. Investment securities available-for-sale include investment securities that management intends to use as part of its asset/liability management strategy and that may be sold in response to changes in interest rates, resultant prepayment risk and other factors related to interest rate and resultant prepayment risk changes. Investment securities available-for-sale are carried at estimated fair value. Unrealized holding gains and losses on such investment securities available-for-sale are excluded from earnings and reported as a separate component of shareholders' equity. Gains and losses on sales of investment securities are based on the specific identification method and are accounted for on a trade date basis.

On a quarterly basis, Central Jersey Bank, N.A. evaluates investment securities for other-than-temporary impairment. For individual investment securities classified as either available-for-sale or held-to-maturity, a determination is made as to whether a decline in fair value below the amortized cost basis is other than temporary. If the decline in fair value is judged to be other than temporary, the cost basis of the individual investment security shall be written down to fair value and the amount of the write-down shall be recognized in earnings. Subsequent increases in the fair value of available-for-sale securities shall be included as a separate component of equity; subsequent decreases in fair value, if not an other-than-temporary impairment, also shall be included as a separate component of equity. After evaluation, as of September 30, 2008, Central Jersey Bank, N.A. noted no other-than-temporary impairment issues. The overall investment security portfolio is in an unrealized gain position and does not reflect any significant individual investment security losses.

Loans are stated at unpaid principal balances, less unearned income and deferred loan fees and costs.

Interest on loans is credited to operations based upon the principal amount outstanding.

Loan origination and commitment fees and certain direct loan origination costs are deferred, and the net amount is amortized over the estimated life of the loan as an adjustment to the loan's yield using the level-yield method.

A loan is considered impaired when, based on current information and events, it is probable that Central Jersey Bank, N.A. will be unable to collect all amounts due according to the contractual terms of the loan agreement. Impaired loans are measured based on the present value of expected future cash flows, or, as a practical expedient, at the loan's observable market price, or the fair value of the underlying collateral, if the loan is collateral dependent. Conforming residential mortgage loans, home equity and second mortgages and loans to individuals, are excluded from the definition of impaired loans as they are characterized as smaller balance, homogeneous loans and are collectively evaluated.

The accrual of income on loans, including impaired loans, is generally discontinued when a loan becomes more than ninety days delinquent as to principal or interest or when other circumstances indicate that collection is questionable, unless the loan is well secured and in the process of collection. Income on non-accrual loans, including impaired loans, is recognized only in the period in which it is collected, and only if management determines that the loan principal is fully collectible. Loans are returned to an accrual status when a loan is brought current as to principal

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and interest and reasons for doubtful collection no longer exist.

A loan is considered past due when a payment has not been received in accordance with the contractual terms. Generally, commercial loans are placed on non-accrual status when they are ninety days past due unless they are well secured and in the process of collection or, regardless of the past due status of the loan, when management determines that the complete recovery of principal and interest is in doubt. Commercial loans are generally charged off after an analysis is completed which indicates that collectibility of the full principal balance is in doubt. Consumer loans are generally charged off after they become one hundred twenty days past due. Mortgage loans are not generally placed on a non-accrual status unless the value of the real estate has deteriorated to the point that a potential loss of principal or interest exists. Subsequent payments are credited to income only if collection of principal is not in doubt. If principal and interest payments are brought contractually current and future collectibility is reasonably assured, loans are returned to accrual status. Mortgage loans are generally charged off when the value of the underlying collateral does not cover the outstanding principal balance. Loan origination and commitment fees less certain costs are deferred and the net amount amortized as an adjustment to the related loan's yield. Loans held-for-sale are recorded at the lower of aggregate cost or market value.

The allowance for loan losses is based upon the Interagency Policy Statement on the Allowance for Loan and Lease Losses issued jointly by the federal banking agencies on December 13, 2006 (OCC Bulletin 2006-47) and management's evaluation of the adequacy of the allowance, including an assessment of: (a) known and inherent risks in the loan portfolio, (b) the size and composition of the loan portfolio, (c) actual loan loss experience, (d) the level of delinquencies, (e) the individual loans for which full collectibility may not be assured, (f) the existence and estimated net realizable value of any underlying collateral and guarantees securing the loans, and (g) the current economic and market conditions. Although management uses the best information available, the level of the allowance for loan losses remains an estimate that is subject to significant judgment and short-term change. Various regulatory agencies, as an integral part of their examination process, periodically review Central Jersey Bank, N.A.'s allowance for loan losses. Such agencies may require Central Jersey Bank, N.A. to make additional provisions for loan losses based upon information available to them at the time of their examination. Furthermore, the majority of Central Jersey Bank, N.A.'s loans are secured by real estate in the State of New Jersey. Accordingly, the collectibility of a substantial portion of the carrying value of Central Jersey Bank, N.A.'s loan portfolio is susceptible to changes in local market conditions and may be adversely affected should real estate values decline or the Central New Jersey area experience an adverse economic climate. Future adjustments to the allowance for loan losses may be necessary due to economic, operating, regulatory and other conditions beyond Central Jersey Bank, N.A.'s control. Management believes that the allowance for loan losses is adequate as of September 30, 2008.

Income taxes are accounted for under the asset and liability method. Current income taxes are provided for based upon amounts estimated to be currently payable, for both federal and state income taxes. Deferred federal and state tax assets and liabilities are recognized for the expected future tax consequences of existing differences between financial statement and tax basis of existing assets and liabilities. Deferred tax assets are recognized for future deductible temporary differences and tax loss carry forwards if their realization is "more-likely-than-not." The effect of a change in the tax rate on deferred taxes is recognized in the period of the enactment date.

Comprehensive income is segregated into net income and other comprehensive income. Other comprehensive income includes items previously recorded directly to equity, such as unrealized gains and losses on securities available-for-sale. Comprehensive income is presented in the Statements of Changes in Shareholders' Equity.

Central Jersey Bank, N.A.'s operations are solely in the financial services industry and include traditional banking and other financial services. Central Jersey Bank, N.A. operates primarily in the geographical region of Central New Jersey. Management makes operating decisions and assesses performance based on an ongoing review of Central Jersey Bank, N.A.'s consolidated financial results. Therefore, Central Jersey Bancorp has a single operating segment for financial reporting purposes.

Intangible assets consist of goodwill, core deposit premiums and servicing rights. Goodwill represents the excess of the purchase price over the estimated fair value of identifiable net assets acquired through purchase acquisitions. In accordance with SFAS No. 142, goodwill with an indefinite useful life is not amortized, but is evaluated for impairment on an annual basis.

The Company originates SBA loans and typically sells up to 75% of the outstanding loan balance to investors, with servicing retained. Servicing rights fees, which are usually based on a percentage of the outstanding principal balance of the loan, are recorded for servicing functions. The Company accounts for its transfers and servicing of financial assets in accordance with SFAS No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. The Company records servicing rights based on the fair values at the date of sale.

Core deposit premiums represent the intangible value of depositor relationships assumed in purchase acquisitions and are amortized on an accelerated basis over a period of ten years. The amortization of the core deposit premiums is recorded in other operating expenses.

Long-lived assets including goodwill and certain identifiable intangibles are periodically evaluated for impairment in value. Long-lived assets and deferred costs are typically measured whenever events or circumstances indicate that the carrying amount may not be recoverable. No such events have occurred during the periods reported. Certain identifiable intangibles and goodwill are evaluated for impairment at least annually utilizing the "market approach" as prescribed by SFAS No. 142, Goodwill and Other Intangible Assets. Asset impairment is recorded when required.

The determination of whether deferred tax assets will be realizable is predicted on estimates of future taxable income. Such estimates are subject to management's judgment. A valuation reserve is established when management is unable to conclude that it is more likely than not that it will realize deferred tax assets based on the nature and timing of these items.

On January 7, 2008, the Company announced a common stock repurchase program. As authorized by Central Jersey Bancorp's Board of Directors, Central Jersey Bancorp may repurchase up to 5.7%, or 525,000 shares, of the 9,183,290 shares of common stock outstanding at the time the repurchase program was announced. Repurchases may be made from time to time, in the open market, in unsolicited negotiated transactions or in such other manner deemed appropriate by management, at prices not exceeding prevailing market prices, subject to availability of the shares, over twenty-four months ending December 31, 2009, or such shorter or longer period of time as Central Jersey Bancorp may determine. The acquired shares are to be

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held in treasury to be used for general corporate purposes. The Company's repurchase activities take into account SEC safe harbor rules and guidance for issuer repurchases. During the nine months ended September 30, 2008, the Company repurchased 174,903 shares of its common stock at an average price of $7.56 per share.

Overview

Central Jersey Bancorp reported net income of $1.03 million for the three months ended September 30, 2008, a $394,000, or 62.4%, increase over the $631,000 of net income reported for the same period in 2007. Basic and diluted earnings per share for the three months ended September 30, 2008 were $0.11, as compared to basic and diluted earnings per share of $0.07 for the same period in 2007. The reported net income of $1.03 million was the most ever recorded by Central Jersey Bancorp for a quarter. The significant increase in net income is primarily attributable to a number of key factors including: (a) net interest margin expansion, which is the result of the 2007 balance sheet restructuring initiative, lower funding costs and incremental growth in interest-earning assets; (b) the realization of gains in the available-for-sale investment securities portfolio; and (c) cost savings initiatives implemented in the latter part of 2007.

For the nine months ended September 30, 2008, Central Jersey Bancorp reported net income of $2.3 million, as compared to net income of $104,000 for the same period in 2007. Basic and diluted earnings per share for the nine months ended September 30, 2008 were $0.25 and $0.24, respectively, as compared to basic and diluted earnings per share of $0.01 for the same period in 2007. The modest net income reported for the nine months ended September 30, 2007 was due to the balance sheet restructuring initiative announced on April 30, 2007, which resulted in a one-time pre-tax charge of approximately $1.96 million and was reflected in Central Jersey Bancorp's first quarter 2007 unaudited consolidated financial statements.

Total assets of $554.9 million at September 30, 2008 were comprised primarily of $343.2 million in net loans, $151.5 million in investment securities and $12.4 million in cash and cash equivalents, as compared to total assets of $503.5 million at December 31, 2007, which primarily consisted of $311.8 million in net loans, $132.3 million in investment securities, $658,000 in residential loans held-for-sale and $14.9 million in cash and cash equivalents. Total assets at September 30, 2008 were funded primarily through deposits totaling $406.3 million and other borrowings totaling $72.5 million, as compared to $403.3 million and $24.6 million, respectively, at December 31, 2007.

At September 30, 2008 non-accrual loans totaled $924,000, as compared to $214,000 at December 31, 2007. The increase in non-performing loans was due primarily to one commercial loan totaling $838,000 which was placed on non-accrual status in May 2008. It should be noted that this loan had a balance of $1.8 million when it was placed on non-accrual status but a principal payment of $1.0 million was received in September 2008, which has reduced the loan balance to $838,000. There were no loan charge-offs during the three and nine months ended September 30, 2008, as compared to $4,000 for both periods in 2007. Recoveries, which are payments received on loans previously charged-off, totaled

$4,000 and $10,000, respectively, during the three and nine months ended September 30, 2008, as compared to $3,000 and $99,000, respectively, for the same periods in 2007.

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Results of Operations

General

Central Jersey Bancorp's principal source of revenue is derived from its bank subsidiary's net interest income, which is the difference between interest income on earning assets and interest expense on deposits and borrowed funds. Interest-earning assets consist principally of loans, investment securities and federal funds sold, while the sources used to fund such assets consist primarily of deposits. Central Jersey Bancorp's net income is also affected by its bank subsidiary's provision for loan losses, other-than-temporary impairment of investment securities, other income and other expenses. Other income consists primarily of service charges and fees. Other expenses consist primarily of salaries and employee benefits, occupancy costs and other operating related expenses.

During 2007, Central Jersey Bancorp executed a balance sheet restructuring strategy involving approximately $88.6 million of investment securities held in the available-for-sale investment portfolio. The restructuring resulted in a one-time pre-tax impairment charge of approximately $1.96 million, which was reflected in Central Jersey Bancorp's consolidated financial statements for the three months ended March 31, 2007. Available-for-sale investment securities, consisting primarily of lower yielding fixed rate callable agency investment securities were sold during the second quarter of 2007 and replaced with higher yielding investment securities with a comparable to modestly shorter aggregate weighted average life. The market value loss that these investment securities carried at March 31, 2007, was recorded as an other-than-temporary impairment since Central Jersey Bancorp did not have the intent to hold these securities to recovery. The investment securities Central Jersey Bancorp identified as impaired were primarily fixed rate government sponsored agency bonds that either had a below market interest rate coupon or a longer than desired maturity term. Central Jersey Bancorp realized a gain on the sale of available-for-sale securities of $87,000, pre-tax, in conjunction with the balance sheet restructuring during the year ended December 31, 2007.

For the Three Months Ended September 30, 2008 and 2007

Net Interest Income

Net interest income was $5.0 million for the three months ended September 30, 2008, as compared to $4.3 million for the same period in 2007. Net interest income for the three months ended September 30, 2008 was comprised of $5.4 million of interest and fees on loans, $2.0 million of interest on securities, and $60,000 of interest on federal funds sold and due from banks, less interest expense on deposits of $2.0 million, interest expense on other borrowed funds of $429,000 and interest expense on subordinated debentures of $78,000. The net interest margin for the three months ended September 30, 2008 was 3.99%, as compared to 3.62% for the same period in 2007.

Interest and dividend income was $7.4 million for the three months ended September 30, 2008, as compared to $7.8 million for the same period in 2007. This represents a decrease of $363,000, or 4.7%. The average yield on interest-earning assets decreased to 5.92% for the three months ended September 30, 2008, from 6.59% for the same period in 2007. The decrease in interest and dividend income and the average yield on interest-earning assets was primarily due to the over 300 basis point reduction in the general level of short term interest rates and the 325 basis point reduction in the Prime Rate of interest which occurred between September 2007 and April 2008.

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Average interest-earning assets, which were 91.3% of average total assets, totaled $494.4 million for the three months ended September 30, 2008, and were comprised of $337.5 million in loans, $151.5 million in investment securities, $688,000 in federal funds sold and $4.7 million in other interest bearing deposits.

Interest expense was $2.5 million for the three months ended September 30, 2008, as compared to $3.5 million for the same period in 2007. This represents a decrease of $1.0 million, or 30.3%. The decrease was due primarily to average cost of deposits and interest bearing liabilities which decreased to an average cost of 2.08% for the three months ended September 30, 2008 from an average cost of 3.15% for the same period in 2007, as a result of the previously-mentioned lower interest rate environment. Average interest-bearing deposits totaled $313.6 million for the three months ended September 30, 2008, as compared to $335.0 million for the same period in 2007, a decrease of $21.4 million, or 6.4%, and were comprised of $93.6 million in interest-bearing checking and money market deposits, $69.7 million in savings deposits and $150.3 million in time deposits. Interest expense associated with borrowings and subordinated debentures totaled $429,000 and $78,000, respectively, for the three months ended September 30, 2008, as compared to $196,000 and $111,000, respectively, for the same period in 2007. Borrowings for the three months ended September 30, 2008 averaged $74.4 million, as compared to $23.7 million for the same period in 2007. The increase was due to growth in the bank subsidiary's sweep account product for business customers and $40.0 million in Federal Home Loan Bank advances. The Federal Home Loan Bank advances were used to fund loan growth and the purchase of mortgage-backed securities during the period.

Provision for Loan Losses

For the three months ended September 30, 2008, the provision for loan losses was $252,000, as compared to no provision for the same period in 2007. The provision for loan losses recorded for each period is representative of the loan growth that occurred during the period and the risk profile of the loan portfolio. Included in the provision for loan losses for the three months ended September 30, 2008 was a $15,000 specific reserve for an impaired loan. This loan was evaluated in accordance with SFAS No. 114. There were no loan charge-offs during the three months ended September 30, 2008, as compared to $4,000 for the same period in 2007. Recoveries totaled $4,000 during the three months ended September 30, 2008, as compared to $3,000 for the same period in 2007.

Non-Interest Income

Non-interest income, which consists of service charges on deposit accounts, gains on the sale of investment securities available-for-sale, gains on the sale of loans held-for-sale, income from bank owned life insurance and the impairment on available-for-sale investment securities, was $844,000 for the three months ended September 30, 2008, as compared to $417,000 for the same period in 2007. Gains on the sale of investment securities available-for-sale totaled $340,000 for the three months ended September 30, 2008, as compared to no gains for the same period in 2007. The significant increase in gains on the sale of investment securities available-for-sale is the result of prudent balance sheet management. Gains on the sale of loans held-for-sale were $81,000 for the three months ended September 30, 2008, as compared to $14,000 for the three months ended September 30, 2007. The increase in gains on the sale of loans held-for-sale was due to fees realized from the sale and servicing of SBA loans. The servicing rights fees recorded in conjunction with SBA loans sold were $28,000 for the three months ended September 30, 2008, as

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compared to no servicing rights fees for the three months ended September 30, 2007. The origination of SBA loans, which are generally sold with servicing retained, commenced in the fourth quarter of 2007, with the initial SBA loan sales occurring during the first quarter of 2008.

Non-Interest Expense

Non-interest expense was $4.0 million for the three months ended September 30, 2008, as compared to $3.7 million for the same period in 2007. Non-interest expense generally includes costs associated with employee salaries and benefits, occupancy expenses, data processing fees, core deposit intangible amortization, and other operating expenses.

The table below presents non-interest expense, by major category, for the three months ended September 30, 2008 and 2007 (in thousands):

Non-Interest Expense	Three months ended September 30, 2008	Three months ended September 30, 2007
Salaries and employee benefits	$ 1,975	$ 1,785
Net occupancy expenses	478	429
Data processing fees	272	219
Outside service fees	200	225
Premises and equipment depreciation	159	167
Audit and tax fees	145	90
Core deposit intangible amortization	121	138
Printing, stationery and supplies	71	56
Legal expenses	55	58
Advertising and marketing expenses	52	41
Abandonment of leasehold improvements	--	137
Other operating expenses	463	358
Total	$ 3,991	$ 3,703

Income Tax Expense

The Company recorded an income tax expense of $536,000 on income before taxes of $1.6 million for the three months ended September 30, 2008, resulting in an effective tax rate of 34.34%, as compared to an income tax expense of $331,000 on income before taxes of $962,000 for the three months ended September 30, 2007, resulting in an effective tax rate of 34.41%. The lower than anticipated income tax rate for the three months ended September 30, 2008 was due to the tax treatment applied to gains on the sale of investment securities. Since the gains were realized in CJB Investment Company, the gains are considered capital gains and permitted to be offset against the remaining capital loss carry-forwards resulting from the 2007 balance sheet restructuring initiative.

For the Nine Months Ended September 30, 2008 and 2007

Net Interest Income

Net interest income was $13.6 million for the nine months ended September 30, 2008, as compared

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to $12.4 million for the same period in 2007. Net interest income for the nine months ended September 30, 2008 was comprised of $15.8 million of interest and fees on loans, $5.5 million of interest on securities, and $332,000 of interest on federal funds sold and due from banks, less interest expense on deposits of $6.9 million, interest expense on other borrowed funds of $989,000 and interest expense on subordinated debentures of $252,000. The net interest margin for the nine months ended September 30, 2008 was 3.78%, as compared to 3.54% for the same period in 2007.

Interest and dividend income was $21.7 million for the nine months ended September 30, 2008, as compared to $22.9 million for the same period in 2007. This represents a decrease of $1.2 million, or 5.2%. The average yield on interest-earning assets decreased to 5.96% for the nine months ended September 30, 2008, from 6.48% for the same period in 2007. The decrease in interest and dividend income and the average yield on interest-earning assets was primarily due to the over 300 basis point reduction in the general level of short term interest rates and the 325 basis point reduction in the Prime Rate of interest which occurred between September 2007 and April 2008. Average interest-earning assets, which were 90.9% of average total assets, totaled $481.1 million for the nine months ended September 30, 2008, and were comprised of $326.8 million in loans, $141.4 million in investment securities, $8.6 million in federal funds sold and $4.3 million in other interest bearing deposits.

Interest expense was $8.1 million for the nine months ended September 30, 2008, as compared to $10.5 million for the same period in 2007. This represents a decrease of $2.4 million, or 22.9%. The decrease was due primarily to average cost of deposits and interest bearing liabilities which decreased to an average cost of 2.36% for the nine months ended September 30, 2008 from an average cost of 3.14% for the same period in 2007, as a result of the previously-mentioned lower interest rate environment. Average interest-bearing deposits totaled $322.2 million for the nine months ended September 30, 2008, as compared to $339.9 million for the same period in 2007, a decrease of $17.7 million, or 5.2%, and were comprised of $106.3 million in interest-bearing checking and money market deposits, $69.4 million in savings deposits and $146.5 million in time deposits. Interest expense associated with borrowings and subordinated debentures totaled $989,000 and $252,000, respectively, for the nine months ended September 30, 2008, as compared to $539,000 and $330,000, respectively, for the same period in 2007. Borrowings for the nine months ended September 30, 2008 averaged $55.9 million, as compared to $20.8 million for the same period in 2007. The increase was due to growth in the bank subsidiary's sweep account product for business customers and $40.0 million in Federal Home Loan Bank advances. The Federal Home Loan Bank advances were used to fund loan growth and the purchase of mortgage-backed securities during the period.

Provision for Loan Losses

For the nine months ended September 30, 2008, the provision for loan losses was $399,000 as compared to $165,000 for the same period in 2007. The provision for loan losses recorded for the nine months ended September 30, 2008 was representative of the loan growth that occurred during the period and the changes in the risk profile of the loan portfolio for such period. Included in the provision for loan losses for the nine months ended September 30, 2008 was a $15,000 specific reserve for an impaired loan. This loan was evaluated in accordance with SFAS No. 114. There were no loan charge-offs during the nine months ended September 30, 2008 as compared to $4,000 for the same period in 2007. Recoveries totaled $10,000 during the nine months ended September 30, 2008, as compared to $99,000 for the same period in 2007.

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Non-Interest Income (Loss)

Non-interest income (loss), which consists of service charges on deposit accounts, gains on the sale of investment securities available-for-sale, gains on the sale of loans held-for-sale, income from bank owned life insurance and the impairment on available-for-sale investment securities was $2.0 million for the nine months ended September 30, 2008, as compared to ($642,000) for the same period in 2007. Gains on the sale of investment securities available-for-sale totaled $402,000 for the nine months ended September 30, 2008, as compared to $87,000 for the same period in 2007. The significant increase in gains on the sale of investment securities available-for-sale is the result of prudent balance sheet management. Gains on the sale of loans held-for-sale were $348,000 for the nine months ended September 30, 2008, as compared to $47,000 for the nine months ended September 30, 2007. The significant increase in gains on the sale of loans held-for-sale was due to fees realized from the sale and servicing of SBA loans. The gain on sale of SBA loans was $337,000 for the nine months ended September 30, 2008, as compared to no gain for the nine months ended September 30, 2007. The servicing rights fees recorded in conjunction with SBA loans sold were $135,000 for the nine months ended September 30, 2008, as compared to no servicing rights fees for the nine months ended September 30, 2007. The origination of SBA loans, which are generally sold with servicing retained, commenced in the fourth quarter of 2007, with the initial SBA loan sales occurring during the first quarter of 2008. The loss recorded in non-interest income for the nine months ended September 30, 2007 was directly related to the one-time balance sheet restructuring charge of $1.96 million, pre-tax.

Non-Interest Expense

Non-interest expense was $11.7 million for the nine months ended September 30, 2008, as compared to $10.8 million for the same period in 2007. Non-interest expense generally includes costs associated with employee salaries and benefits, occupancy expenses, data processing fees, core deposit intangible amortization, and other operating expenses.

The table below presents non-interest expense, by major category, for the nine months ended September 30, 2008 and 2007 (in thousands):

Non-Interest Expense	Nine months ended September 30, 2008	Nine months ended September 30, 2007
Salaries and employee benefits	$ 5,841	$ 5,280
Net occupancy expenses	1,385	1,201
Data processing fees	708	663
Outside service fees	626	641
Premises and equipment depreciation	485	541
Core deposit intangible amortization	362	414
Audit and tax fees	305	355
Advertising and marketing expenses	191	115
Printing, stationery and supplies	174	172
Legal expenses	165	240
Abandonment of leasehold improvements	--	137
Other operating expenses	1,448	1,039
Total	$ 11,690	$ 10,798

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Income Tax Expense

The Company recorded an income tax expense of $1.2 million on income before taxes of $3.5 million for the nine months ended September 30, 2008, resulting in an effective tax rate of 33.91%, as compared to an income tax expense of $707,000 on income before taxes of $811,000 for the nine months ended September 30, 2007, resulting in an effective tax rate of 87.18%. The lower than anticipated income tax rate for the nine months ended September 30, 2008 was due to the tax treatment applied to gains on the sale of investment securities by CJB Investment Company. Since the gains were realized in CJB Investment Company, the gains are considered capital gains and permitted to be offset against the remaining capital loss carry-forwards resulting from the 2007 balance sheet restructuring initiative.

The Company's effective tax rate of 87.18% for the nine months ended September 30, 2007, resulted from the fact that the majority of the investment securities for which the $1.96 million other-than-temporary impairment was recorded were held by CJB Investment Company. A full valuation allowance was recorded for the impairment of the investment securities sold by CJB Investment Company. The impairment of the investment securities at the investment company level was considered a capital loss for tax purposes while the impairment of the investment securities held by Central Jersey Bank, N.A. was considered an ordinary loss for tax purposes. CJB Investment Company did not, at the time, have the ability to generate capital gains and utilize the capital losses and thus a full valuation allowance was required for the investment company available-for-sale securities which were identified as other-than-temporarily impaired.

Financial Condition

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash on hand, due from banks and federal funds sold. At September 30, 2008, cash and cash equivalents were $12.4 million, a decrease of $2.5 million, or 16.8%, from the December 31, 2007 total of $14.9 million. This decrease was due primarily to the timing of cash flows related to the Company's business activities.

Investment Portfolio

Investment securities totaled $151.5 million at September 30, 2008, an increase of $19.2 million, or 14.5%, over the December 31, 2007 total of $132.3 million. The increase was attributable to the purchase of $80.2 million of mortgage-backed securities, and $707,000 of bond anticipation notes during the period. For the nine months ended September 30, 2008, principal pay downs of mortgage-backed securities have totaled $21.4 million, $6.4 million of government-sponsored agency securities, $1.0 million of mortgage-backed securities and $3.0 million in bond anticipation notes matured, and $29.1 million in mortgage-backed securities were sold. In addition, at September 30, 2008, the net change of the unrealized gain on available-for-sale securities decreased by $794,000 from December 31, 2007. Fannie Mae and Freddie Mac guarantee the contractual cash flows of these investment securities. Since the decrease in market value is attributable to changes in interest rates and not credit quality, and because the Company has the ability and intent to hold these investment securities until a market price recovery or maturity, these investment securities are not considered other-than-temporarily impaired.

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Loan Portfolio

Loans, net of the allowance for loan losses, closed the nine months ended September 30, 2008 at $343.2 million, an increase of $31.4 million, or 10.1%, over the $311.8 million balance at December 31, 2007. The increase in loans was due primarily to the origination of commercial real estate loans, consumer home equity loans and lines of credit during the period.

Loan portfolio composition remained consistent at September 30, 2008, as compared to December 31, 2007, with commercial loans comprising 85.1% of total loans outstanding at September 30, 2008, as compared to 85.6% at December 31, 2007. In addition, Central Jersey Bancorp had non-accrual loans totaling $924,000 at September 30, 2008, as compared to $214,000 at December 31, 2007. The increase in non-performing loans was due primarily to one commercial loan totaling $838,000 which was placed on non-accrual status in May 2008. It should be noted that this loan had a balance of $1.8 million when it was placed on non-accrual status but a principal payment of $1.0 million was received in September 2008, which has reduced the loan balance to $838,000. The allowance for loan losses increased to $3.82 million, or 1.10% of total gross loans, at September 30, 2008, as compared to $3.41 million, or 1.08% of total gross loans, at December 31, 2007.

There were no loans held-for-sale at September 30, 2008, as compared to $658,000 at December 31, 2007. The decrease in loans held-for-sale is due primarily to the timing of loan closings and sales.

Allowance for Loan Losses and Related Provision

The allowance for loan losses, which began the year at $3.41 million, or 1.08% of total loans, increased to $3.82 million at September 30, 2008, or 1.10% of total loans. Non-performing loans totaled $924,000 at September 30, 2008, as compared to $214,000 at December 31, 2007. The increase in non-performing loans was due primarily to one commercial loan totaling $838,000 which was placed on non-accrual status in May 2008. It should be noted that this loan had a balance of $1.8 million when it was placed on non-accrual status but a principal payment of $1.0 million was received in September 2008, which has reduced the loan balance to $838,000. There were no loan charge-offs during the three and nine months ended September 30, 2008 as compared to $4,000 for the same periods in 2007.

For the three and nine months ended September 30, 2008, the provision for loan losses was $252,000 and $399,000, respectively, as compared to no provision for the three months ended September 30, 2007 and $165,000 for the nine months ended September 30, 2007. The provision for loan losses recorded for each period is representative of the loan growth that occurred during the period and the risk profile of the loan portfolio.

Non-performing Loans

A loans is considered to be non-performing if it (1) is on a non-accrual basis, (2) is past due ninety days or more and still accruing interest, or (3) has been renegotiated to provide a reduction or deferral of interest because of a weakening in the financial position of the borrowers. A loan, which is past due ninety days or more and still accruing interest, remains on accrual status only when it is both adequately secured as to principal and is in the process of collection. Central Jersey

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Bancorp had non-accrual loans totaling $924,000 at September 30, 2008, as compared to $214,000 at December 31, 2007. Non-performing loans at September 30, 2008 included two commercial loans: one loan with a balance of $86,000, was placed on non-accrual status as of June 30, 2006 with a risk rating of "substandard;" and one commercial loan with a balance of $838,000, was placed on non-accrual status as of May 2008 with a risk rating of "substandard." It should be noted that the latter loan had a balance of $1.8 million when it was placed on non-accrual status but a principal payment of $1.0 million was received in September 2008. These loans are considered impaired and are evaluated in accordance with SFAS No. 114.

Impaired Loans

When necessary, Central Jersey Bancorp performs individual loan reviews in accordance with SFAS No. 114 to determine whether any individually reviewed loans are impaired and, if impaired, measures a SFAS No. 114 allowance allocation in accordance with the standard. A loan is recognized as impaired when it is probable that principal and/or interest are not collectible in accordance with the loan's contractual terms. The Company considers loans on non-accrual status or risk rated 8 or higher as impaired and automatically subject to SFAS No. 114 review. In addition, any other loan that management considers possibly impaired due to deteriorating conditions or for any other reasons, is, at management's discretion, subject to SFAS No. 114 review.

At September 30, 2008, Central Jersey Bancorp had impaired loans totaling $974,000, as compared to no impaired loans at December 31, 2007. Impaired loans included one loan, in particular, with a balance of $838,000 at September 30, 2008, which required a $15,000 specific reserve. This specific reserve was included in the Company's overall allowance for loan losses balance at September 30, 2008.

Potential Problem Loans

In addition to non-performing loans, Central Jersey Bancorp maintains a "watch list" of loans which are subject to heightened scrutiny and more frequent review by management. Loans may be placed on the "watch list" because of documentation deficiencies, or because management has identified "structural weakness" which potentially could cause such loans to become non-performing in future periods.

As of September 30, 2008, loans on the watch list totaled $17.8 million, as compared to $6.0 million at December 31, 2007. This increase was representative of the changes in the risk profile of the loan portfolio. Loans which were risk rated "special mention" increased by $11.2 million, to $16.6 million, at September 30, 2008 from $5.4 million at December 31, 2007. Loans which were risk rated "substandard" increased by $600,000, to $1.2 million, at September 30, 2008 from $581,000 at December 31, 2007. Loans which were risk rated "doubtful" increased to $50,000 at September 30, 2008 from no loans risk rated "doubtful" at December 31, 2007. A majority of the risk rating downgrades occurred in the commercial mortgage loan portfolio.

Commitments and Conditional Obligations

In the ordinary course of business to meet the financial needs of the Company's customers, the Company is party to financial instruments with off-balance sheet risk. These financial instruments include unused lines of credit and involve, to varying degrees, elements of credit risk

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in excess of the amount recognized in the consolidated financial statements. The contract or notional amounts of these instruments express the extent of involvement the Company has in each category of financial instruments.

The Company's exposure to credit loss from nonperformance by the other party to the above-mentioned financial instruments is represented by the contractual amount of those instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments. The contract or notional amount of financial instruments which represent credit risk at September 30, 2008 and December 31, 2007 is as follows (in thousands):

	September 30, 2008	December 31, 2007
Standby letters of credit	$ 1,326	$ 1,446
Outstanding loan and credit line commitments	$ 67,377	$ 78,464

Standby letters of credit are conditional commitments issued by the Company which guarantee performance by a customer to a third party. The credit risk and underwriting procedures involved in issuing letters of credit are essentially the same as that involved in extending loan facilities to customers. All of Central Jersey Bank, N.A.'s outstanding standby letters of credit are performance standby letters within the scope of the FASB Interpretation No. 45.

These are irrevocable undertakings by Central Jersey Bank, N.A., as guarantor, to make payments in the event a specified third party fails to perform under a non-financial contractual obligation. Most of Central Jersey Bank, N.A.'s performance standby letters of credit arise in connection with lending relationships and have terms of one year or less. The maximum potential future payments Central Jersey Bank, N.A. could be required to make equals the face amount of the letters of credit. Central Jersey Bank, N.A.'s liability for performance standby letters of credit was immaterial at September 30, 2008 and December 31, 2007.

Outstanding loan commitments represent the unused portion of loan commitments available to individuals and companies as long as there is no violation of any condition established in the contract. Outstanding loan commitments generally have a fixed expiration date of one year or less, except for home equity loan commitments which generally have an expiration date of up to fifteen years. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if any, upon extension of credit is based upon management's credit evaluation of the customer. Various types of collateral may be held, including property and marketable securities. The credit risk involved in these financial instruments is essentially the same as that involved in extending loan facilities to customers.

Deposits

One of Central Jersey Bancorp's primary strategies is the accumulation and retention of core deposits. Core deposits are defined as all deposits with the exception of certificates of deposits in excess of $100,000. Deposits, at September 30, 2008, totaled $406.3 million, an increase of $3.0 million, or 0.74%, from the December 31, 2007 total of $403.3 million. The modest increase in deposit balances was reflective of the competitive deposit pricing environment and general economic slowdown. Core deposits as a percentage of total deposits were 81.9% and 84.8%, respectively, at September 30, 2008 and December 31, 2007.

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Borrowings

Borrowings were $72.5 million at September 30, 2008, as compared to $24.6 million at December 31, 2007, representing an increase of $47.9 million, or 194.7%. Borrowings typically include wholesale borrowing arrangements as well as arrangements with deposit customers of Central Jersey Bank, N.A. to sweep funds into short-term borrowings. As of September 30, 2008, borrowings included $32.5 million bank sweep funds, $18.8 million in Federal Home Loan Bank overnight advances, $20.0 million in Federal Home Loan Bank callable advances and $1.2 million in Federal Home Loan Bank fixed rate advances. The increase was due to growth in the bank subsidiary's sweep account product for business customers and $40.0 million in Federal Home Loan Bank advances. The Federal Home Loan Bank advances were used to fund loan growth and the purchase of mortgage-backed securities during the period.

Liquidity and Capital Resources

Liquidity defines the ability of Central Jersey Bank, N.A. to generate funds to support asset growth, meet deposit withdrawals, maintain reserve requirements and otherwise operate on an ongoing basis. An important component of a bank's asset and liability management structure is the level of liquidity, which are net liquid assets available to meet the needs of its customers and regulatory requirements. The liquidity needs of Central Jersey Bank, N.A. have been primarily met by cash on hand, loan and investment amortizations and borrowings. Central Jersey Bank, N.A. invests funds not needed for operations (excess liquidity) primarily in daily federal funds sold. During the nine months ended September 30, 2008, Central Jersey Bank, N.A. continued to maintain a large secondary source of liquidity known as investment securities available-for-sale. The fair value of that portfolio was $136.5 million at September 30, 2008 and $114.8 million at December 31, 2007.

It has been Central Jersey Bank, N.A.'s experience that its core deposit base (which is defined as transaction accounts and term deposits of less than $100,000) is primarily relationship-driven. Non-core deposits (which are defined as term deposits of $100,000 or greater) are much more interest rate sensitive. In any event, adequate sources of reasonably priced on-balance sheet funds, such as overnight federal funds sold, due from banks and short-term investments maturing in less than one year, must be continually accessible for contingency purposes. This is accomplished primarily by the daily monitoring of certain accounts for sufficient balances to meet future loan commitments, as well as measuring Central Jersey Bank, N.A.'s liquidity position on a monthly basis.

Supplemental sources of liquidity include large certificates of deposit, wholesale and retail repurchase agreements, and lines of credit with correspondent banks. Correspondent banks, which are typically referred to as "banker's banks," offer essential services such as cash letter processing, investment services, loan participation support, wire transfer operations and other traditional banking services. Brokered deposits, which are deposits obtained, directly or indirectly, from or through the mediation or assistance of a deposit broker, may be utilized as supplemental sources of liquidity in accordance with Central Jersey Bank, N.A.'s balance sheet management policy. Contingent liquidity sources may include off-balance sheet funds, such as advances from both the FHLB and the Federal Reserve Bank, and federal funds purchase lines with "upstream" correspondents. An additional source of liquidity is made available by curtailing loan activity and instead using the available cash to fund short-term investments such

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as overnight federal funds sold or other approved investments maturing in less than one year. In addition, future expansion of Central Jersey Bank, N.A.'s retail banking network is expected to create additional sources of liquidity from new deposit customer relationships. Available liquidity and borrowing capacity is reviewed by management on a monthly basis. As of September 30, 2008, the Company's liquidity surplus was $90.7 million.

Central Jersey Bank, N.A. is subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on Central Jersey Bank, N.A.'s financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, Central Jersey Bank, N.A. must meet specific capital guidelines that involve quantitative measures of Central Jersey Bank, N.A.'s assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. Central Jersey Bank, N.A.'s capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require Central Jersey Bank, N.A. to maintain minimum amounts and ratios (set forth in the following table) of Total Capital and Tier 1 Capital to risk weighted assets and of Tier 1 Capital to average assets (leverage ratio). As of September 30, 2008, Central Jersey Bancorp and Central Jersey Bank, N.A. met all capital adequacy requirements to which they were subject.

The following is a summary of Central Jersey Bank, N.A.'s and Central Jersey Bancorp's actual capital ratios as of September 30, 2008 and December 31, 2007, compared to the minimum capital adequacy requirements and the requirements for classification as a "well-capitalized" institution:

<TABLE>
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	Tier I Capital to Average Assets Ratio (Leverage Ratio)		Tier I Capital to Risk Weighted Asset Ratio		Total Capital to Risk Weighted Asset Ratio	
Actual Ratios	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007	September 30, 2008	Decemb 20
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Central Jersey Bancorp	8.73%	9.08%	11.81%	12.74%	12.83%	13.
Central Jersey Bank, N.A.	8.87%	9.34%	11.98%	12.94%	12.99%	13.
Required Regulatory Ratios						
"Adequately capitalized" institution (under federal regulations)	4.00%	4.00%	4.00%	4.00%	8.00%	8.0
"Well capitalized" institution (under federal regulations)	5.00%	5.00%	6.00%	6.00%	10.00%	10.

</TABLE>

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Capital Purchase Program

On October 14, 2008, the U.S. government announced a series of initiatives to strengthen market stability, improve the strength of financial institutions and enhance market liquidity. In connection therewith, the U.S. Department of Treasury (the "Department of Treasury") announced its voluntary Capital Purchase Program (the "Program") in order to encourage U.S. financial institutions to build capital to increase the flow of financing to U.S. businesses and consumers and to support the U.S. economy. It is the intention of Central Jersey Bancorp to apply to participate in the Program.

Under the terms of the Program, the Department of Treasury will purchase up to $250 billion of senior preferred shares of stock on standardized terms (the "Senior Preferred Stock") from qualifying financial institutions. Central Jersey Bancorp, as a qualifying financial institution, may issue an amount of Senior Preferred Stock equal to not less than one percent, or approximately $3.7 million, of its risk-weighted assets, and not more than the lesser of (1) $25 billion and (2) three percent, or approximately $11.0 million, of its risk-weighted assets. It is anticipated that, if Central Jersey Bancorp is approved to participate in the Program, Central Jersey Bancorp will sell to the Department of Treasury approximately $11.0 million of Senior Preferred Stock. The per share purchase price of the Senior Preferred Stock has not been determined. The $11.0 million of Senior Preferred Stock would represent approximately twenty-one percent of Central Jersey Bancorp's tangible equity at September 30, 2008, after giving effect to the issuance of the Senior Preferred Stock. The Senior Preferred Stock will pay cumulative dividends at a rate of five percent per annum, or approximately $550,000 annually, and will reset to a rate of nine percent at the end of the fifth year. The Senior Preferred Stock may not be redeemed for a period of three years from the date of the investment, except under limited circumstances. After the third anniversary of the date of the investment, the Senior Preferred Stock may be redeemed, in whole or in part, at any time and from time to time, at the option of Central Jersey Bancorp.

In addition, as part of the Program, the Department of Treasury will also receive warrants to purchase shares of Central Jersey Bancorp's Common Stock with an aggregate market price equal to approximately $1,650,000, or fifteen percent of the Senior Preferred Stock. The warrants shall have a term of ten years and shall be immediately exercisable, in whole or part. The exercise price for the warrants will be the market price of Central Jersey Bancorp's Common Stock at the time of issuance calculated on a 20-trading day trailing average.

Central Jersey Bancorp's participation in the Program is completely voluntary. Central Jersey Bancorp is well-capitalized, profitable and has ample liquidity. The Board of Directors has carefully reviewed the Program and has determined that, additional Tier I capital, in the current and anticipated economic operating environment, is beneficial to Central Jersey Bancorp and its banking subsidiary, Central Jersey Bank, N.A. The cost of capital under the Program is attractively priced and provides distinct cost advantages as compared to other capital alternatives. It is the belief of the Board of Directors that participation in the Program by Central Jersey Bancorp provides flexibility for future balance sheet growth and franchise expansion opportunities.

In order to participate in the Program, Central Jersey Bancorp not only needs the approval of the applicable federal regulatory authorities, but also needs the approval of its shareholders to amend its Certificate of Incorporation to authorize for issuance 10,000,000 shares of preferred stock.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, as of the end of the period covered by this quarterly report, the Company carried out an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures. This evaluation was carried out under the supervision and with the participation of the Company's management, including its President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, who concluded that the Company's disclosure controls and procedures are effective. The Company's Internal Auditors also participated in this evaluation. There has been no change in the Company's internal controls during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in the Company's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the Company's reports filed under the Exchange Act is accumulated and communicated to management, including its President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, to allow timely decisions regarding required disclosure.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is not engaged in any legal proceedings of a material nature at the present time. From time to time, the Company is a party to routine legal proceedings within the normal course of business. Such routine legal proceedings in the aggregate are believed by management to be immaterial to the Company's financial condition or results of operations.

Item 1A. Risk Factors

Not Applicable.

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

Information regarding Central Jersey Bancorp's common stock repurchases for the three months ended September 30, 2008, is as follows:

<TABLE>
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Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased(1)	Average Price Paid Per Share(2)	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Number of Shares that May Yet Be Purchased Under the Program
<S>	<C>	<C>	<C>	<C>
July 1, 2008 through July 31, 2008	23,300	$ 7.94	125,953	399,047
August 1, 2008 through August 31, 2008	22,050	$ 7.90	148,003	376,997
September 1, 2008 through September 30,2008	26,900	$ 7.58	174,903	350,097
Total	72,250		174,903	

</TABLE>

(1) On January 7, 2008, Central Jersey Bancorp announced its intention to repurchase up to 5.7%, or 525,000 shares, of the 9,183,290 shares of common stock then outstanding. Repurchases may be made from time to time, in the open market, in unsolicited negotiated transactions or in such other manner deemed appropriate by management, at prices not exceeding prevailing market prices, subject to availability of the shares, over twenty-four months ending December 31, 2009, or such shorter or longer period of time as Central Jersey Bancorp may determine.

(2) Excludes the broker commission of $0.04 per share, or $2,890, that was paid by the Company with respect to the shares purchased through the common stock repurchase plan for the three months ended September 30, 2008.

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Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Submission of Matters to a Vote of Security Holders

Not Applicable.

Item 5. Other Information

Not Applicable.

Item 6. Exhibits

See Index of Exhibits commencing on page E-1.

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SIGNATURES

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

Central Jersey Bancorp
Registrant

Date: November 7, 2008 /s/ James S. Vaccaro
James S. Vaccaro
President and Chief Executive Officer
(Principal Executive Officer)

Date: November 7, 2008 /s/ Anthony Giordano, III
Anthony Giordano, III
Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary
(Principal Financial and Accounting Officer)

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INDEX OF EXHIBITS

Exhibit No.	Description of Exhibit
2.1	Plan of Acquisition of all of the outstanding stock of Monmouth Community Bank by the Registrant, entered into as of March 16, 2000 by Monmouth Community Bank and the Registrant (Incorporated by reference to Exhibit 2.1 to the Registrant's Registration Statement on Form SB-2 (Registration No. 333-87352), effective July 23, 2002).
2.2	Agreement and Plan of Acquisition, dated as of June 30, 2004, by and between the Registrant and Allaire Community Bank ("Allaire"): Upon the request of the Securities and Exchange Commission, the Registrant agrees to furnish a copy of Exhibit A - Voting Agreement of Allaire Stockholders and Voting Agreement of the Registrant's Shareholders; Exhibit B - Allaire Affiliate Agreement, Exhibit C - Opinion of Giordano, Halleran & Ciesla, P.C., as counsel to the Registrant, and Exhibit D - Opinion of Frieri Conroy & Lombardo, LLC, as counsel to Allaire, and the following Schedules: Schedule 1.10(a) - Composition of the Registrant's Board of Directors; Schedule 1.10(b) - Composition of Allaire and Monmouth Community Bank Boards of Directors; Schedule 1.10(c) - Executive Officers of the Registrant, Allaire and Monmouth Community Bank; Schedule 3.02(a) - Stock Options (Allaire); Schedule 3.02(b) - Subsidiaries (Allaire); Schedule 3.08 - Absence of Changes or Events (Allaire); Schedule 3.09 - Loan Portfolio (Allaire); Schedule 3.10 - Legal Proceedings (Allaire); Schedule 3.11 - Tax Information (Allaire); Schedule 3.12(a) - Employee Benefit Plans (Allaire); Schedule 3.12(b) - Defined Benefit Plans (Allaire); Schedule 3.12(h) - Payments or Obligations (Allaire); Schedule 3.12(m) - Grantor or "Rabbi" Trusts (Allaire); Schedule 3.12(n) - Retirement Benefits (Allaire); Schedule 3.13(c) - Buildings and Structures (Allaire); Schedule 3.14(a) - Real Estate (Allaire); Schedule 3.14(b) - Leases (Allaire); Schedule 3.16(a) - Material Contracts (Allaire); Schedule 3.16(c) - Certain Other Contracts (Allaire); Schedule 3.16(d) - Effect on Contracts and Consents (Allaire); Schedule 3.18 - Registration Obligations (Allaire); Schedule 3.20 - Insurance (Allaire); Schedule 3.21(b) - Benefit or Compensation Plans (Allaire); Schedule 3.21(d) - Labor Relations (Allaire); Schedule 3.22 - Compliance with Applicable Laws (Allaire); Schedule 3.23 - Transactions with Management (Allaire); Schedule 3.25 - Deposits (Allaire); Schedule 4.02(a) - Stock Options (Registrant); Schedule 4.02(b) - Subsidiaries (Registrant); Schedule 4.08 - Absence of Changes or Events (Registrant); Schedule 4.09 - Loan Portfolio (Registrant); Schedule 4.10 - Legal Proceedings (Registrant); Schedule 4.11 - Tax Information (Registrant); Schedule 4.12(a) - Employee Benefit Plans (Registrant); Schedule 4.12(b) - Defined Benefit Plans (Registrant); Schedule 4.12(g) - Payments or Obligations (Registrant); Schedule 4.12(l) - Grantor or "Rabbi" Trusts (Registrant); Schedule 4.12(m) - Retirement Benefits (Registrant); Schedule 4.13(c) - Buildings and Structures; (Registrant) Schedule 4.14(a) and 4.14(b) - Real Estate and

Leases (Registrant); Schedule 4.16(a) - Material Contracts

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(Registrant); Schedule 4.16(c) - Certain Other Contracts (Registrant); Schedule 4.16(d) - Effect on Contracts and Consents (Registrant); Schedule 4.18 - Registration Obligations (Registrant); Schedule 4.20 - Insurance (Registrant); Schedule 4.21(b) - Benefit or Compensation Plans (Registrant); Schedule 4.21(d) - Labor Relations (Registrant); Schedule 4.22 - Compliance with Applicable Laws (Registrant); Schedule 4.23 - Transactions with Management (Registrant); Schedule 4.25 - Deposits (Registrant); Schedule 6.18(a) - Notice of Deadlines (Allaire); and Schedule 6.18(b) - Notice of Deadlines (Registrant) (Incorporated by reference to Exhibit 2.2 to the Registrant's Quarterly Report on Form 10-QSB for the quarter ended June 30, 2004).

3.1 Certificate of Incorporation of the Registrant, as amended and restated on January 1, 2005 (Incorporated by reference to Exhibit 3.1 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 2004).

3.2 By-laws of the Registrant, as amended and restated on January 1, 2005 (Incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 2004).

4. Specimen certificate representing the Registrant's common stock, par value $0.01 per share (Incorporated by reference to Exhibit 4 to Amendment No. 1 to the Registrant's Registration Statement on Form SB-2 (Registration No. 333-87352), effective July 23, 2002).

10.1.1 Registrant's Stock Option Plan (Incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form SB-2 (Registration No. 333-87352), effective July 23, 2002).

10.1.2 The Allaire Community Bank 1999 Director Stock Option Plan (Incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-8 (Registration No. 333-122468), effective February 2, 2005).

10.1.3 The Allaire Community Bank 2000 Director Stock Option Plan (Incorporated by reference to Exhibit 4.5 to the Registrant's Registration Statement on Form S-8 (Registration No. 333-122468), effective February 2, 2005).

10.1.4 The Allaire Community Bank 2001 Director Stock Option Plan (Incorporated by reference to Exhibit 4.6 to the Registrant's Registration Statement on Form S-8 (Registration No. 333-122468), effective February 2, 2005).

10.2 Indenture between Registrant and Wilmington Trust Company, dated March 25, 2004 (Incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 2003).

10.3 Amended and Restated Declaration of Trust of MCBK Capital Trust I, dated March 25, 2004 (Incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 2003).

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10.4 Guarantee Agreement by Registrant and Wilmington Trust Company, dated March 25, 2004 (Incorporated by reference to Exhibit 10.12 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 2003).

10.5 Change of Control Agreement, dated as of August 1, 2006, by and between the Registrant and Robert S. Vuono (Incorporated by reference to Exhibit 10.13 to the Registrant's Current Report on Form 8-K dated August 1, 2006).

10.5.1 Amendment No. 1 to Change of Control Agreement, dated as of February 21, 2007, between the Registrant and Robert S. Vuono (Incorporated by reference to Exhibit 10.5.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006).

10.6 Change of Control Agreement, dated as of January 1, 2005, between the Registrant and Robert K. Wallace (Incorporated by reference to Exhibit 10.8 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 2004).

10.7	Severance Agreement, dated as of January 1, 2005, between the Registrant and Carl F. Chirico (Incorporated by reference to Exhibit 10.9 to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 2004).
10.8	Change of Control Agreement, dated as of August 1, 2006, by and between the Registrant and James S. Vaccaro (Incorporated by reference to Exhibit 10.11 to the Registrant's Current Report on Form 8-K dated August 1, 2006).
10.8.1	Amendment No. 1 to Change of Control Agreement, dated as of February 21, 2007, between the Registrant and James S. Vaccaro (Incorporated by reference to Exhibit 10.8.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006).
10.9	Change of Control Agreement, dated as of August 1, 2006, by and between the Registrant and Anthony Giordano, III (Incorporated by reference to Exhibit 10.12 to the Registrant's Current Report on Form 8-K dated August 1, 2006).
10.9.1	Amendment No. 1 to Change of Control Agreement, dated as of February 21, 2007, between the Registrant and Anthony Giordano, III (Incorporated by reference to Exhibit 10.9.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006).
10.10	Change of Control Agreement, dated as of February 21, 2007, between the Registrant and Thomas J. Garrity (Incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006).
10.11	Change of Control Agreement, dated as of February 21, 2007 between the Registrant and Lisa A. Borghese (Incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006).

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10.12	Central Jersey Bancorp 2005 Equity Incentive Plan (Incorporated by reference to Exhibit 10.10 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005).
10.13	Lease Agreement by and between FPN Prime, L.L.C., as Landlord, and Central Jersey Bank, N.A., as Tenant, dated October 4, 2007, for executive office space located at 1903 Highway 35, Oakhurst, New Jersey (Incorporated by reference to Exhibit 10.13 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008).
31.1	Section 302 Certification of Chief Executive Officer.
31.2	Section 302 Certification of Chief Financial Officer.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350.

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EXHIBIT 31.1

CERTIFICATION

I, James S. Vaccaro, certify that:

1. I have reviewed this report on Form 10-Q of Central Jersey Bancorp;

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(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(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

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5. The registrant's other certifying officer(s) 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: November 7, 2008

/s/ James S. Vaccaro

James S. Vaccaro
President and Chief Executive Officer

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EXHIBIT 31.2

CERTIFICATION

I, Anthony Giordano, III, certify that:

1. I have reviewed this report on Form 10-Q of Central Jersey Bancorp;

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(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(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

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5. The registrant's other certifying officer(s) 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: November 7, 2008

/s/ Anthony Giordano, III

Anthony Giordano, III
Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary

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EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTIONS 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Central Jersey Bancorp (the "Company") on Form 10-Q for the period ended September 30, 2008, as filed with the Securities and Exchange Commission (the "Report"), I, James S. Vaccaro, President and Chief Executive Officer of the Company, do hereby certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report fully complies with the requirements of ss.13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, 15 U.S.C. ss.78m or 78o(d), and,

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 7, 2008

/s/ James S. Vaccaro

James S. Vaccaro
President and Chief Executive Officer

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EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTIONS 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Central Jersey Bancorp (the "Company") on Form 10-Q for the period ended September 30, 2008, as filed with the Securities and Exchange Commission (the "Report"), I, Anthony Giordano, III, Executive Vice President, Chief Financial Officer, Treasurer and Secretary of the Company, do hereby certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report fully complies with the requirements of ss.13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, 15 U.S.C. ss.78m or 78o(d), and,

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 7, 2008

/s/ Anthony Giordano, III

Anthony Giordano, III
Executive Vice President, Chief
Financial Officer, Treasurer and
Assistant Secretary

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