



FINANCIAL HIGHLIGHTS

June 30, 2011

“Community Banking – Continuing to stand the test of time.”

As the second quarter closes, Allegiance Community Bank (“ACB”) continues to fight the good fight. ACB ended the six month period with total assets of \$126.4 million – an increase of \$9.0 million or 7.7% over the same period in 2010. Total loans increased approximately \$1.1 million – ending June 30, 2011 at \$84.0 million compared to \$82.9 million at June 30, 2010. Deposits for the period ended June 30, 2011 totaled \$104.6 million – an increase of \$8.7 million or 9.1%. In addition, net income was \$281,000 for the six months ended June 30, 2011. Compared to a similar period in 2010, this represents an increase of \$55,000 or 24.3%. The major impact to earnings resulted from a \$212,000 increase in the net interest income line compared to the prior period due to lower interest expense of \$158,000, which resulted primarily from market and economic conditions. Although we had a slight set back in the fourth quarter of 2010 due to an increase in our provision, we have maintained our profitable recovery since the third quarter of 2008 through the current period – 7 out of the last 8 quarters showed profits.

To better evaluate our earnings for the six months ended June 30, 2011, core earnings (as defined by the regulatory agencies) should be reviewed. Gains on the sale of securities are excluded from core earnings per the regulatory agencies. Keeping that in mind, net income for the six months ended 2010 would have been approximately \$165,000. In comparison, net income for the six months ended June 30, 2011 would have been approximately \$192,000 – an increase of \$26,000 or 15.7%.

Please note that in April of this year, we announced a merger with BCB Community Bank, which is expected to be consummated in late September or early October. For the six months ended June 30, 2011, we spent or accrued approximately \$66,000 related to the merger. If we add back the expenses related to the merger, our net income for June 30, 2011 would have been approximately \$258,000 or an increase of \$92,000, which amounts to a 55.8% increase in core earnings.

The economic recovery is still very fragile as seen in the fourth quarter of 2010, when we felt it prudent to increase our provision for loan losses by \$265,000 due to an increase in nonperforming loans, but in our opinion ACB has been successful in providing shareholders appreciation in their investment. Times continue to be difficult for all banks for many reasons. The regulatory landscape is expected to continue to change with the adoption of the Dodd-Frank bill by Congress. In addition, the Office of Thrift Supervision is being merged into the Office of the Controller of the Currency. As one regulatory body ceases to exist, the Consumer Protection Agency comes to life.

Update on Merger:

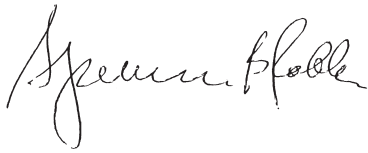
To review, on April 5, 2011, Allegiance Community Bank and BCB Community Bank entered into a definitive merger agreement (“Agreement”). Under the terms of the Agreement, ACB will merge with and into the BCB Bancorp, Inc. (Nasdaq GM: BCBP) subsidiary BCB Community Bank. ACB shareholders will receive 0.35 shares (“exchange ratio”) for each share of ACB stock. The exchange ratio can be adjusted under certain circumstances. As of the writing of this letter, BCB’s market value is approximately \$11.00 per share, which equates to a price of \$3.85 per share for each share of ACB stock (approximately 95% of book value, when stocks for banks our size are trading at approximately 83% of book value). As announced in our March 31, 2011 Shareholder Letter, the Board of Directors of BCBP and its subsidiary BCB Community Bank will be expanded by two seats for representation from ACB and members of ACB’s management team and staff are expected to join BCBP. The merger is subject to certain conditions, including shareholder and regulatory approval. At the end of the quarter we were informed that our merger application was substantially complete and once approval occurs, we will hold a special shareholder meeting for you to approve the merger. Again, the merger is expected to close in the late third quarter or early fourth quarter of 2011.

We would like to emphasize that this combination provides ACB with the additional capital and financial resources to better serve our customers and local markets. The additional capital will increase our lending capacity and allow us to continue to grow the franchise. Our customers will benefit from additional branches, products and services. BCBP shares our philosophy of customer

service and local decision making. In addition, our shareholders will benefit from the merger synergies, BCB's attractive cash dividend and stock liquidity.

We continue to make progress on many fronts – strategic growth in assets, loans and deposits; an increase of \$1,418,000 in profits from 2007 to 2010; and net income of \$281,000 in the six months ended June 30, 2011. Many challenges – regulatory and economic – will continue to face us and other community banks for the foreseeable future, which is why we continue to believe it is the right choice to merge with BCB Community Bank at this time. Through this combination, we are determined to serve the South Orange/Maplewood and Woodbridge Township areas, as well as to enhance and grow shareholder value. As a community bank, our goal is to serve our customers and remain committed to *“Investing in the hopes and dreams of our local communities.”*

At this time, the Board of Directors and Management of the Bank would like to take this opportunity to thank the staff for their contributions over the past year, our customers for maintaining their relationship with us and our shareholders for your continued confidence in our organization.



Spencer B. Robbins
Chairman of the Board of Directors



David J. Onderko
President and Chief Executive Officer

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Allegiance Community Bank
Financial Highlights
For the six months ended June 30, 2011 and 2010 and
the years ended December 31, 2010, 2009 and 2008

(dollars in thousands, except per share data)

	Six Months Ended		December 31,		
	June 30, 2011(2)	June 30, 2010(2)	2010	2009	2008
Net interest income	\$ 1,882	\$ 1,670	\$ 3,531	\$ 2,706	\$ 2,356
Non-interest income	\$ 163	\$ 157	\$ 408	\$ 837	\$ 146
Non-interest expense	\$ 1,764	\$ 1,601	\$ 3,189	\$ 3,413	\$ 3,090
Net income	\$ 281	\$ 226	\$ 380	\$ 11	\$ (795)
Earnings per share (1)	\$ 0.15	\$ 0.12	\$ 0.21	\$ 0.01	\$ (0.48)
Avg Shs issued and outstanding (1)	1,841,538	1,841,538	1,841,538	1,841,538	1,660,901
Efficiency ratio	86.26%	87.63%	87.15%	96.3%	123.5%
Total assets	\$ 126,438	\$ 117,405	\$121,348	\$112,719	\$109,922
Total loans	\$ 83,986	\$ 82,914	\$ 84,150	\$ 80,402	\$ 74,506
Total deposits	\$ 104,648	\$ 95,864	\$100,135	\$ 91,922	\$ 87,158
Other borrowings	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 15,500
Total equity	\$ 7,460	\$ 7,148	\$ 7,018	\$ 6,555	\$ 6,927
Book value per share (1)(3)	\$ 4.05	\$ 3.88	\$ 3.81	\$ 3.56	\$ 4.17
Annualized return on assets	0.44%	0.38%	0.31%	0.01%	-0.72%
Annualized return on equity	7.53%	6.32%	5.41%	0.17%	-11.48%
Total capital (to risk weighted assets)	11.24%	10.45%	10.53%	10.30%	10.16%
Tier I capital (to risk weighted assets)	9.98%	9.19%	9.28%	9.05%	8.92%
Tier I capital (to average assets)	5.51%	5.51%	5.56%	5.58%	5.89%

(1) Share and per share information includes 365,265 shares issued through the private placement offering on June 30, 2008 reflected in the average shares outstanding for December 31, 2008.

(2) Financial information for June 30, 2011 and June 30, 2010 is unaudited.

(3) Includes the effect of other comprehensive income.



South Orange Branch

*200 Valley Street
South Orange, New Jersey 07079
Phone – 973-761-5553 Fax – 973-761-5119*

Lobby Hours

*Monday through Thursday – 9:00 AM to 4:00 PM
Friday – 9:00 AM to 6:00 PM
Saturday – 9:00 AM to Noon*

Drive – up Hours

*Monday through Friday – 9:00 AM to 6:00 PM
Saturday – 9:00 AM to Noon*

Woodbridge Branch

*34 Main Street, Suite 1
Woodbridge, New Jersey 07095
Phone – 732-636-0077 Fax – 732-636-9108*

Lobby Hours

*Monday through Friday – 9:00 AM to 5:00 PM
Saturday – 9:00 AM to Noon*

***“Investing in the hopes and dreams
of our local communities.”***

24 Hour ATM Machines at all locations

www.allegiancebank.com