



**FINANCIAL HIGHLIGHTS**  
**As of March 31, 2011**

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

Through prudent banking practices and conservative growth strategies, Allegiance Community Bank (“ACB”) has withstood the test of time since its inception in May 2000. Indeed, we have weathered significant regulatory changes following 9/11, three leadership changes, declining commercial and residential real estate values, and the unprecedented financial meltdown that began in 2008. Notwithstanding these events, ACB ended 2010 with its best results since 2004 – net income of \$380,000, total assets of \$121.3 million, total loans of \$84.2 million and total deposits of \$100.1 million. Looking back to 2007, we reached our low point with a loss of \$1,038,000. From 2008 through 2010, we focused on stabilizing our earnings, restructuring our balance sheet, and remaining well capitalized. The cumulative effect of these efforts together with other sound strategies led to a \$1,418,000 increase in earnings over that three year period.

The economic recovery is still very fragile. As a result and given an increase in nonperforming loans, in the fourth quarter of 2010, we increased our reserves for loan losses by \$265,000. Times continue to be difficult for banks for many reasons. The regulatory landscape is expected to continue to change with Congress’ adoption of the Dodd Frank bill. In addition, the Office of Thrift Supervision is being merged in the Office of the Controller of the Currency. As one regulatory body ceases to exist, the Consumer Protection Agency comes to life.

***Merger with BCB Community Bank***

As you may be aware from recent news reports, as of April 5, 2011, ACB and BCB Community Bank (“BCB”) entered into a merger agreement (the “Agreement”), under which ACB agreed to merge with and into BCB, a wholly-owned subsidiary of BCB Bancorp, Inc. (Nasdaq GM: BCBP). The merger is subject to certain conditions, including shareholder and regulatory approval, and is expected to close in the third quarter of 2011. In the near future, you will be given information about the proposed merger and an opportunity to vote on the transaction. Attached is a copy of a joint press release describing the proposed transaction in greater detail.

***First Quarter 2011 Results:***

As discussed in our year-end 2010 shareholder letter, in 2009 we recorded our first profitable year since 2005 and have continued this trend forward. For the first quarter 2011, we recorded net income of \$100,000, which was equal to net income in the first quarter of 2010. Total assets for the first quarter ending March 31, 2011 totaled \$124.6 million – increasing \$7.3 million or 6.2% over the same period in 2010. Total loans for the first quarter ending March 31, 2011 amounted to \$84.0 million – increasing \$4.0 million or 5.1% over the same period in 2010. The investment portfolio for the first quarter of this year was \$31.2 million – increasing \$3.1 million or 10.9%. Total deposits for the first quarter of this year were \$103.2 million – increasing \$7.0 million or 7.2%.

Comparing the statement of income from March 31, 2011 to March 31, 2010, net interest income increased approximately \$66,000 or 7.8% primarily due to decreased interest expense. In addition, due to a \$16,000 recovery on a previously charged-off loan, additional reserves taken at the end of the year, reclassification of \$2.4 million of adversely classified assets to pass from previously lower grades due to consistent payment history, and an increase in our portfolio of fully guaranteed USDA and SBA loans (\$4.5 million), we decreased our reserve by \$5,000 quarter over quarter. As of the end of the first quarter, the allowance for loan loss as a percentage of total loans excluding the fully guaranteed USDA and SBA loans was 1.35%. Other income decreased \$21,000 or 28.7% primarily due to recording a gain on OREO property (\$8,000) in the first quarter of 2010 compared to a loss on OREO property (\$10,000) in the first quarter of 2011. Noninterest expenses increased \$50,000 or 6.3% year over year primarily due to the added staffing of our Chief Financial Officer in March of 2010 and our Branch Manager/Coordinator in February of 2011. Overall, salaries and benefits increased \$64,000 or 19.4% year over year due to only one month of the Chief Financial Officer’s salary in the

first quarter of 2010 compared to three months in the first quarter 2011. In addition, we hired a new branch manager/coordinator for our branch network in February 2011, adding a new expense from 2010.

Our loan pipeline decreased in the fourth quarter due to expanded competition, but has picked up again in the first quarter of this year. As of March 31, 2011, ACB's pipeline consists of \$3.4 million in loans committed and \$2.0 million of loans in underwriting.

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 \$100,000 in the three months ended March 31, 2011. Many challenges – regulatory and economic – will continue to face us and other community banks for the foreseeable future, which is why we are excited about the proposed merger with BCB. Through this combination, we are determined to continue to serve the South Orange/Maplewood and Woodbridge Township areas, as well as to enhance and grow shareholder value. 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.

### **Forward-Looking Statements**


This report contains certain forward-looking statements about the proposed merger of BCB and ACB. These statements include statements regarding the anticipated closing date of the transaction and anticipated future results. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like "believe," "expect," "anticipate," "estimate," and "intend" or future or conditional verbs such as "will," "would," "should," "could" or "may." Certain factors that could cause actual results to differ materially from expected results include delays in completing the merger, difficulties in achieving cost savings from the merger or in achieving such cost savings within the expected time frame, difficulties in integrating ACB, increased competitive pressures, changes in the interest rate environment, changes in general economic conditions, legislative and regulatory changes that adversely affect the business in which BCBP and ACB are engaged, changes in the securities markets and other risks and uncertainties disclosed from time to time in documents that BCBP files with the Securities and Exchange Commission.

### **Additional Information about the Merger and Where to Find It**


This report may be deemed to be solicitation material with respect to the proposed transaction. In connection with the proposed merger, BCB will file a prospectus with the SEC to be distributed to the shareholders of ACB as ACB's proxy statement in connection with their vote on the proposed merger. **SHAREHOLDERS OF ACB ARE ENCOURAGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED BY BCB WITH THE SEC, WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER.**

The definitive proxy statement will be mailed to shareholders of ACB, and shareholders will be able to obtain the documents, when they become available, free of charge at the SEC's website, [www.sec.gov](http://www.sec.gov). In addition, shareholders may obtain free copies of the documents filed by BCB with the SEC by written request directed to the Corporate Secretary, BCB Bancorp, Inc., 104-110 Avenue C, Bayonne, New Jersey 07002 or by visiting the BCBP website at [www.bccbancorp.com](http://www.bccbancorp.com), with respect to documents filed by BCBP.

*ACB shareholders should read the proxy statement, which is also BCBP's prospectus, carefully before making a decision concerning the merger.*



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 nine months ended March 31, 2011 and 2010 and**  
**the years ended December 31, 2010, 2009 and 2008**

*(dollars in thousands, except per share data)*

	Three Months Ended		December 31,		
	March 31, 2011(2)	March 31, 2010(2)	2010	2009	2008
Net interest income	\$ 912	\$ 846	\$ 3,531	\$ 2,706	\$ 2,356
Non-interest income	\$ 51	\$ 72	\$ 408	\$ 837	\$ 146
Non-interest expense	\$ 838	\$ 788	\$ 3,189	\$ 3,413	\$ 3,090
Net income	\$ 100	\$ 100	\$ 380	\$ 11	\$ (795)
Earnings per share (1)	\$ 0.05	\$ 0.05	\$ 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	87.02%	80.98%	87.15%	96.3%	123.5%
Total assets	\$ 124,581	\$ 117,325	\$121,348	\$112,719	\$109,922
Total loans	\$ 83,961	\$ 79,911	\$ 84,150	\$ 80,402	\$ 74,506
Total deposits	\$ 103,170	\$ 96,200	\$100,135	\$ 91,922	\$ 87,158
Other borrowings	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 15,500
Total equity	\$ 7,018	\$ 6,832	\$ 7,018	\$ 6,555	\$ 6,927
Book value per share (1)(3)	\$ 3.81	\$ 3.71	\$ 3.81	\$ 3.56	\$ 4.17
Annualized return on assets	0.32%	0.34%	0.31%	0.01%	-0.72%
Annualized return on equity	5.70%	5.85%	5.41%	0.17%	-11.48%
Total capital (to risk weighted assets)	11.02%	10.39%	10.53%	10.30%	10.16%
Tier I capital ( to risk weighted assets)	9.77%	9.14%	9.28%	9.05%	8.92%
Tier I capital ( to average assets)	5.60%	5.55%	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 March 31, 2011 and March 31, 2010 is unaudited.

(3) Includes the effect of other comprehensive income.

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## Press Release

**\* FOR IMMEDIATE RELEASE \***

### **BCB COMMUNITY BANK AND ALLEGIANCE COMMUNITY BANK TO MERGE**

Bayonne and South Orange, New Jersey, April 4, 2011 — BCB Bancorp, Inc. (Nasdaq GM: BCBP) (“BCBP”) and Allegiance Community Bank (“ACB”) jointly announced today the signing of a definitive merger agreement (“agreement”). Under the terms of the agreement ACB will merge with and into BCBP’s subsidiary BCB Community Bank. ACB stockholders will receive 0.35 shares (“Exchange Ratio”) of BCBP for each share of ACB. The Exchange Ratio may be adjusted under certain circumstances.

The Board of Directors of BCBP and its subsidiary BCB Community Bank will be expanded by two seats for representation from ACB. Members of the ACB management team are expected to join BCBP.

The merger will add approximately \$120 million in assets to BCBP’s \$1.1 billion asset base and will add two branch locations to BCBP’s branch network. Management expects the merger to be accretive to BCBP’s 2012 earnings per share.

Mark Hogan, Chairman of BCBP stated, “The combination will expand our franchise into two new markets. We expect to be able to increase lending and deposits in the markets presently served by Allegiance as a result of BCBP’s higher capital base and the broader products and services provided by BCBP. We will continue to emphasize Allegiance’s service-oriented community bank culture.”

David Onderko, President and Chief Executive Officer of ACB said, “This combination provides ACB with 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 grow the franchise. Our customers will benefit from additional branches, products and services. BCBP shares our philosophy of customer service and local decision making. Our shareholders will benefit from the merger synergies, BCB’s attractive cash dividend and stock liquidity.”

Both parties have completed due diligence, paying particular attention to credit matters. The merger is subject to certain conditions, including the approval of the shareholders of ACB and receipt of regulatory approvals. The merger is expected to be completed in the third quarter of 2011.

In connection with this transaction, FinPro, Inc. acted as financial advisor to BCBP and RP Financial, LC. acted as financial advisor to ACB. Luse Gorman Pomerenk & Schick, P.C. provided legal representation to BCBP, while Saiber LLC provided legal representation to ACB.

BCBP currently operates ten retail branches in Hudson and Middlesex Counties in New Jersey and its executive office located at 104-110 Avenue C, Bayonne, New Jersey 07002.

ACB is headquartered in South Orange, New Jersey and operates a branch in Woodbridge, New Jersey.

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*ACB shareholders should read the proxy statement, which is also BCBP’s prospectus, carefully before making a decision concerning the merger.*

For further information contact:

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**South Orange Branch**

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South Orange, New Jersey 07079  
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**Woodbridge Branch**

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

**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*

**Lobby Hours**

*Monday through Friday – 9:00 AM to 5:00 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*

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

**24 Hour ATM Machines at all locations**

**[www.allegiancebank.com](http://www.allegiancebank.com)**