



3441 Route Nine North, Freehold, New Jersey 07728
(732) 431-2265 Fax (732) 303-1831
www.njcbk.com

FOR IMMEDIATE RELEASE

New Jersey Community Bank Reports Increased Third Quarter and Nine Months 2011 Results

FREEHOLD, NJ, October 19, 2011 – New Jersey Community Bank (OTCBB: NJCB) (the “Bank”) reported net income of \$113 thousand, or \$0.07 per common share for the three months ended September 30, 2011, compared to the third quarter 2010 earnings of \$101 thousand, or \$0.06 per common share. For the first nine months of 2011, the Bank reported net income of \$414 thousand, or \$0.24 per common share compared to a breakeven point for the same period in the prior year.

Robert D. O’Donnell, Chairman and CEO commented that, “Our third quarter 2011 earnings reflect slight improvement over the prior year in a challenging environment. The outlook for the banking industry remains cloudy and complex, affecting both our customers and competitors, and the economic uncertainty will continue to pressure consumers. Our new loan demand has softened; however, we continue to explore ways to diversify our earnings sources. Our non-interest expense increased year over year in part due to the addition of the new branch office, offset by a decrease in provision for loan loss in the same period.”

“On a more positive note, we are very excited about our newest branch location in Cranbury, New Jersey, which further expands our customer base. Thanks to our staff at that location for gathering a record number of deposits in its first four months of operations” added Mr. O’Donnell.

All common share data presented in this press release including earnings per common share data was adjusted to reflect a five percent stock dividend issued on May 31, 2011.

Balance Sheet Summary

At September 30, 2011, total assets were \$129.4 million, an increase of \$16.8 million, or 15.0%, over total assets of \$112.6 million reported at December 31, 2010. The increase was primarily in total cash and cash equivalents and due from banks time deposits. Total cash and cash equivalents and due from banks time deposits increased \$10.5 million, or 146.1% and \$2.8 million, or 60.1%, respectively, from the levels reported at December 31, 2010, primarily due to increases in total deposits in excess of funds needed for new loan demand.

Investment securities increased \$1.7 million, or 13.3% at September 30, 2011 when compared to December 31, 2010. Total loans receivable grew approximately \$2.2 million to \$86.9 million at September 30, 2011, from December 31, 2010. These increases were funded utilizing the liquidity arising from the growth in deposits.

Total deposits grew by \$16.0 million, or 16.3%, to \$113.8 million during the first nine months of 2011. Of the total increase, time deposits increased \$11.2 million or 70.0%, while savings, NOW and money market deposits increased \$4.8

million, or 30.0%. The increase in deposits was in part fueled by the grand opening deposit promotions at the Cranbury branch. Shareholders' equity totaled \$15.2 million as of September 30, 2011. The Bank's capital ratios remain strong and exceed the regulatory requirements to be deemed a well capitalized financial institution.

Results of Operations

For the quarter ended September 30, 2011, net interest income totaled \$1.1 million, increasing \$215 thousand over the same period in the prior year. The increase in net interest income was primarily due to an \$18.3 million increase in average earning assets. During the same period, average interest bearing liabilities increased \$15.3 million and the yield on the interest bearing liabilities declined 26 basis points. Net interest margin improved to 3.58% for the quarter ended September 30, 2011, an increase of 17 basis points over the comparable quarter in 2010.

The provision for loan loss was \$30 thousand for the third quarter 2011, a decrease of \$85 thousand compared to a year-ago quarter, due to a stable level of non-performing loans. The allowance for loan loss at period-end was \$1.1 million, or 1.30% of total loans, 15 basis points higher than 1.15% at year-end 2010.

Non-interest income was \$99 thousand for the quarter ended September 30, 2011, comparable to the year ago quarter. Non-interest expense totaled \$989 thousand for the quarter ended September 30, 2011, an increase of \$198 thousand from year-ago quarter, primarily due to the overhead expenses stemming from the opening of the new branch and the overall growth of the bank. Of the total increase, salaries and employee benefits increased \$138 thousand, while the head count increased by 4, occupancy and equipment expense increased \$38 thousand and all other expenses combined increased \$22 thousand.

Personnel Appointments

Robert D. O'Donnell, Chairman and Chief Executive Officer, was appointed as the acting President effective July 7, 2011.

Effective October 3, 2011, Terry Thompson was appointed as Executive Vice President and Chief Operating Officer of New Jersey Community Bank. In this role, Mr. Thompson will oversee lending function, retail banking and manage bank operations. Mr. Thompson joined the bank in July 2011 as a consultant.

Mr. Thompson brings to the bank over 40 years of experience in community banking. Previously Terry was the President, Chief Operating Officer and Director at Sussex Bank where he managed the human resources, facilities, information technology, security and retail banking. Mr. O'Donnell said, "Terry brings to the Bank tremendous experience in managing bank operations and a trusted partner to operating executives. I am pleased to welcome such an accomplished executive to our institution."

Both Mr. O'Donnell and Mr. Thompson will jointly assume the responsibilities of Mr. James A. Kinghorn, whose service with the Bank terminated during the third quarter 2011.

About the Bank

New Jersey Community Bank is a state-chartered commercial bank headquartered in Freehold, New Jersey. The Bank opened for business in July 2008 and operates three full-service banking offices in the central New Jersey counties of Monmouth and Middlesex. The Bank provides traditional commercial and retail banking services to small businesses and consumers. For additional information about New Jersey Community Bank, please visit www.njcbk.com or call 732-431-2265.

Forward-Looking Statements

This release contains forward-looking statements relating to present or future trends or factors affecting the banking industry, and specifically the financial condition and results of operations, including without limitation, statements relating to the earnings outlook of the Bank, as well as its

operations, markets and products. Actual results could differ materially from those indicated. Among the important factors that could cause results to differ materially are interest rate changes, change in economic climate, which could materially impact credit quality trends and the ability to generate loans, changes in the mix of the Bank's business, competitive pressures, changes in accounting, tax or regulatory practices or requirements, resolution of tax reviews, and those risk factors detailed in the Bank's periodic reports. The Bank undertakes no obligation to release revisions to these forward-looking statements or reflect events or circumstances after the date of this release.

Contacts at New Jersey Community Bank:

Robert D. O'Donnell
Chairman and CEO
rodonnell@njcbk.com

Naqi A. Naqvi
SVP & CFO
nnaqvi@njcbk.com

Source: New Jersey Community Bank

New Jersey Community Bank

Selected Financial Highlights

(unaudited)

<i>(in thousands, except per share and percentage data)</i>	As of or for the Quarters Ended					
	9/30/2011	6/30/2011	3/31/2011	12/31/2010	9/30/2010	6/30/2010
Summary of Operations:						
Interest income	\$ 1,509	\$ 1,517	\$ 1,439	\$ 1,383	\$ 1,294	\$ 1,177
Interest expense	382	362	335	355	388	364
Net interest income	1,127	1,155	1,104	1,027	906	813
Provision for loan loss	30	84	95	141	115	103
Net interest income after provision for loan loss	1,097	1,071	1,009	886	791	710
Non-interest income	99	99	94	124	101	96
Non-interest expense	989	884	849	864	790	795
Income before income tax (benefit) expense	207	286	254	147	101	11
Income tax (benefit) expense	94	126	112	(1,190)	-	-
Net income (loss)	\$ 113	\$ 159	\$ 142	\$ 1,337	\$ 101	\$ 11
Earnings (loss) per share:						
Basic	\$ 0.07	\$ 0.09	\$ 0.08	\$ 0.77	\$ 0.06	\$ 0.01
Diluted	0.07	0.09	0.08	0.77	0.06	0.01
Book value per share	8.80	8.68	8.94	8.83	8.05	7.95
Average shares outstanding	1,731	1,731	1,731	1,731	1,731	1,731
Average diluted shares outstanding	1,731	1,731	1,731	1,731	1,731	1,731
Selected Financial Ratios:						
Return on average assets	0.35%	0.52%	0.49%	4.89%	0.37%	0.04%
Return on average common equity	3.00%	4.29%	3.86%	39.99%	3.07%	0.34%
Average equity to average assets	11.70%	12.03%	12.74%	12.23%	11.99%	13.00%
Risk-based capital:						
Total risk-based capital ratio	16.35%	15.80%	15.80%	15.65%	16.14%	17.04%
Tier 1 risk-based capital ratio	15.16%	14.68%	14.68%	14.61%	15.10%	15.97%
Tier 1 leverage capital ratio	11.17%	12.19%	12.19%	12.69%	12.02%	13.04%
Financial Condition:						
Total assets	\$ 129,402	\$ 125,826	\$ 122,898	\$ 112,565	\$ 112,173	\$ 105,244
Loans, net of unearned income	86,938	89,678	87,713	84,693	78,600	73,534
Deposits	113,821	110,518	107,984	97,855	98,730	91,938
Shareholder's equity	15,231	15,024	14,738	14,554	13,267	13,114

New Jersey Community Bank

Statements of Financial Condition

(dollars in thousands)

	September 30,	December 31,
	2011	2010
Assets		
	(unaudited)	
Cash and due from banks - non-interest bearing	\$ 1,509	\$ 1,341
Federal funds sold and interest-bearing deposits with banks	16,224	5,865
Total Cash and Cash Equivalents	17,733	7,206
Due from banks - time deposits	7,458	4,659
Investment Securities:		
Available-for-sale	13,061	11,381
Held-to-maturity	1,221	1,220
Total Investment Securities	14,282	12,601
Loans Receivable, net of unearned income	86,938	84,693
Less: Allowance for loan losses	(1,126)	(975)
Net Loans	85,812	83,718
Premises and equipment, net	2,659	2,534
Accrued interest receivable	305	304
Deferred tax assets	859	1,190
Other assets	294	353
Total Assets	\$ 129,402	\$ 112,565
Liabilities and Shareholders' Equity		
Liabilities		
Deposits:		
Non-interest bearing	\$ 5,695	\$ 5,709
Savings, NOW and money market	34,537	29,740
Time deposits \$100M and over	49,751	41,110
Time deposits, other	23,838	21,296
Total Deposits	113,821	97,855
Accrued interest payable	10	12
Other liabilities	340	144
Total Liabilities	114,171	98,011
Shareholders' Equity		
Common stock, \$2 par value; authorized 10,000,000 shares; issued and outstanding 1,731,204 and 1,648,783 shares, respectively	3,462	3,298
Surplus	13,981	13,519
Accumulated Deficit	(2,285)	(2,201)
Accumulated other comprehensive income (loss)	73	(62)
Total Shareholders' Equity	15,231	14,554
Total Liabilities and Shareholders' Equity	\$ 129,402	\$ 112,565

New Jersey Community Bank

Statements of Operations

(in thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Interest Income	(unaudited)		(unaudited)	
Loans receivable, including fees	\$ 1,399	\$ 1,208	\$ 4,159	\$ 3,283
Investment securities	92	68	261	163
Federal funds sold and interest-bearing deposits with banks	8	7	16	22
Due from banks - interest bearing	10	11	28	25
Total Interest Income	1,509	1,294	4,464	3,493
Interest Expense				
Deposits	382	388	1,079	1,101
Total Interest Expense	382	388	1,079	1,101
Net Interest Income before Provision for Loan Loss	1,127	906	3,385	2,392
Provision for Loan Loss	30	115	208	331
Net Interest Income after Provision for Loan Loss	1,097	791	3,177	2,061
Non-Interest Income				
Fees and service charges on deposit accounts	80	88	247	240
Loan fee income	9	5	20	16
All other income	10	8	25	32
Total Non-Interest Income	99	101	292	288
Non-Interest Expense				
Salaries and employee benefits	600	463	1,618	1,375
Occupancy and equipment	184	146	498	432
Data processing services	38	28	104	86
Professional and other fees	57	46	163	119
Advertising and promotion	3	6	21	14
Federal insurance assessment	27	42	99	113
Other operating expenses	80	59	219	209
Total Non-Interest Expenses	989	790	2,722	2,348
Income Before Income Tax Benefit	207	101	747	0
Income tax expense	94	-	333	-
Net Income	\$ 113	\$ 101	\$ 414	\$ 0
Income per share:				
Basic and diluted	\$ 0.07	\$ 0.06	\$ 0.24	\$ 0.00
Weighted average number of common shares outstanding				
Basic and diluted	1,731	1,731	1,731	1,731