



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 Second Quarter 2010 Results Posts First Profitable Quarter since Inception Exceeds \$100 Million in Assets

FREEHOLD, NJ, July 21, 2010 – New Jersey Community Bank (OTCBB: NJCB) (the “Bank”) reported net income of \$11 thousand, or \$0.01 per common share for the three months ended June 30, 2010, compared with a net loss of \$378 thousand, or (\$0.23) per common share for the same period in the prior year.

“Despite a challenging marketplace and the current economic conditions, this was our first profitable quarter since our inception in July 2008 and we surpassed \$100 million in total assets,” commented Robert D. O’Donnell, Chairman and CEO. “I am extremely grateful to our dedicated employees and our shareholders who helped us to achieve these milestones. We remain steadfast on our business plan of accepting deposits and making loans to qualified customers in the communities that we serve. We remain cautiously optimistic (as we steer through these difficult times) on continued expansion of our franchise and build shareholder value.”

James A. Kinghorn, President and COO added that, “We are pleased with the Bank’s operating performance. Most notably, we see an overall growth in our core business, continued growth of deposits and loans. Much of the improvement in our earnings is attributed to increase in loan interest income coupled with our ongoing efforts to manage our funding costs and overhead expenses.” Mr. Kinghorn continued, “We believe our commitment to quality loans and consistent underwriting standards should allow us to prevail as the economy continues to work through the recession.”

Balance Sheet Summary

At June 30, 2010, total assets were \$105.2 million, an increase of \$17.0 million, or 19.3%, over \$88.2 million reported at December 31, 2009, primarily as a result of increases in interest-bearing due from banks, investment securities and loans, partially offset by a decrease in cash and cash equivalents. Cash and cash equivalents decreased \$2.0 million, or 11.4%, to \$15.9 million at June 30, 2010, from \$17.9 million at December 31, 2009. The reduction in cash balances was used in part to fund the increase in interest-bearing due from banks.

Investment securities increased \$2.8 million, or 35.8%, to \$10.5 million at June 30, 2010, from \$7.8 million reported at December 31, 2009. Total loans increased \$15.1 million, or 25.9%, to \$73.5 million at June 30, 2010, from \$58.4 million reported at December 31, 2009. The increases in both the investment securities and the loans were funded utilizing the liquidity arising from the growth in deposits.

Total deposits grew by \$16.9 million, or 22.6%, to \$91.9 million during the first six months of the year 2010. Core deposits, consisting of savings, NOW, money market and demand deposit accounts increased \$7.8 million or 48.2%. Time deposits increased \$9.1 million or 15.5%. Shareholders' equity totaled \$13.1 million as of June 30, 2010. The Bank’s capital ratios exceed the regulatory requirements of a well capitalized financial institution.

Results of Operations

For the quarter ended June 30, 2010, net interest income totaled \$813 thousand, increasing \$459 thousand over the same period in the prior year. The increase in net interest income was primarily due to a combination of both a 66 basis points decrease in

cost of average interest bearing liabilities and a 40 basis points increase in yield on earning assets. Interest income for the quarter ended June 30, 2010 totaled \$1.2 million while the interest expense totaled \$364 thousand. Net interest margin was 3.36% for the quarter ended June 30, 2010, an increase of 66 basis points over the comparable quarter in 2009, an increase of 28 basis points from 3.08% for the linked quarter ended March 31, 2010.

The provision for loan loss was \$103 thousand for the quarter ended June 30, 2010, compared with \$155 thousand in the year-ago quarter, a decline of \$52 thousand. Mr. O'Donnell and Mr. Kinghorn also noted, "Given our loan portfolio mix and the level of our non-performing loans, we believe that we have provided adequate reserves." At June 30, 2010, non-performing loans totaled \$162 thousand and there were no charge-offs during the quarter. The allowance for loan loss at period-end was \$880 thousand, or 1.20% of total loans.

Non-interest income increased \$62 thousand, to \$96 thousand for the quarter ended June 30, 2010 compared with \$34 thousand for the same quarter in the prior year. Majority of such increase is directly related to the increase in fees and service charges on deposit accounts.

Non-interest expense totaled \$795 thousand for the quarter ended June 30, 2010, an increase of \$185 thousand from year-ago quarter, primarily due to the growth of the bank. Of the total increase, salaries and employee benefits increased \$130 thousand due to addition of personnel.

About the Bank

New Jersey Community Bank is a state-chartered commercial bank headquartered in Freehold, New Jersey. The Bank operates two full-service banking offices in the central New Jersey county of Monmouth. 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

James A. Kinghorn
President and COO
jkinghorn@njcbk.com

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

Source: New Jersey Community Bank

New Jersey Community Bank

Selected Financial Highlights

(unaudited)

	For the Quarter Ended				
	6/30/2010	3/31/2010	12/31/2009	9/30/2009	6/30/2009
<i>(\$s in thousands, except per share data)</i>					
SUMMARY of OPERATIONS:					
Interest income	\$ 1,177	\$ 1,022	\$ 928	\$ 767	\$ 584
Interest expense	364	349	327	296	231
Net interest income	813	673	601	471	353
Provision for loan loss	103	113	382	114	155
Non-interest income	96	91	64	53	34
Non-interest expense	795	763	700	629	610
Net income	11	(112)	(417)	(219)	(378)
Average shares outstanding	1,649	1,649	1,649	1,649	1,649
Average diluted shares outstanding	1,649	1,649	1,649	1,649	1,649
Earnings (loss) per share:					
Basic	\$ 0.01	\$ (0.07)	\$ (0.25)	\$ (0.13)	\$ (0.23)
Diluted	0.01	(0.07)	(0.25)	(0.13)	(0.23)
Book value per share	\$ 7.95	\$ 7.90	\$ 7.96	\$ 8.20	\$ 8.33
SELECTED FINANCIAL RATIOS:					
Return on average assets	0.04%	-0.49%	-2.00%	-1.25%	-2.72%
Return on average common equity	0.34%	-3.41%	-10.64%	-5.70%	-10.06%
Net interest margin	3.36%	3.08%	3.01%	2.83%	2.70%
Efficiency ratio	87.47%	99.85%	105.26%	120.04%	157.62%
Loan to deposit ratio	79.98%	84.38%	77.84%	80.35%	89.12%
CAPITAL RATIOS:					
Average equity to average assets	13.00%	14.40%	18.79%	21.88%	27.00%
Tier 1 leverage capital ratio	13.04%	14.32%	15.71%	19.22%	24.62%
Tier 1 risk-based capital ratio	16.36%	17.22%	19.76%	22.90%	26.99%
Total risk-based capital ratio	17.46%	18.24%	20.76%	23.89%	27.91%
As of					
	6/30/2010	3/31/2010	12/31/2009	9/30/2009	6/30/2009
FINANCIAL CONDITION:					
End of period balances:					
Investment securities	\$ 10,529	\$ 7,215	\$ 7,750	\$ 7,491	\$ 1,973
Loans, net of unearned income	73,534	68,421	58,393	51,948	43,375
Total earning assets (before allowance)	101,539	90,526	81,252	74,499	57,080
Total assets	105,244	94,210	88,209	78,272	62,543
Deposits	91,938	81,085	75,014	64,652	48,668
Shareholder's equity	13,114	13,034	13,127	13,526	13,733
Average balances:					
Investment securities	\$ 8,413	\$ 7,718	\$ 7,456	\$ 2,692	\$ 1,518
Loans	71,798	63,516	56,574	46,901	35,399
Total earning assets (before allowance)	96,783	87,352	79,975	66,656	52,403
Total assets	100,425	91,027	83,413	70,196	55,685
Deposits	87,194	77,731	65,193	52,228	41,641
Shareholder's equity	13,059	13,106	15,672	15,356	15,033
ASSET QUALITY:					
Gross loan charge-offs	\$ -	\$ -	\$ 300	\$ -	\$ -
Net loan charge-offs	-	-	300	-	-
Allowance for loan losses	880	777	664	582	468
Past due and nonaccrual loans	162	83	117	-	-
Allowance for loan losses to total loans	1.20%	1.14%	1.14%	1.12%	1.08%
Past due and nonaccrual loans to total loans	0.22%	0.12%	0.20%	0.00%	0.00%
Net loan charge-offs to average loans	0.00%	0.00%	0.53%	0.00%	0.00%