

Clifton Savings Bancorp, Inc. Announces

4th Quarter and Year End Results

Clifton, New Jersey – April 27, 2011 -- Clifton Savings Bancorp, Inc. (Nasdaq Global Select Market: CSBK) (the “Company”), the holding company of Clifton Savings Bank (the “Bank”), today announced the results of its operations for the three months and year ended March 31, 2011. Net income was \$2.46 million for the three months ended March 31, 2011, an increase of \$307,000, or 14.3%, as compared to \$2.15 million for the three months ended March 31, 2010. Net income was \$8.81 million for the year ended March 31, 2011, an increase of \$2.51 million, or 39.9%, as compared to \$6.30 million for the year ended March 31, 2010. Net income increased slightly for the three months ended March 31, 2011 primarily as a result of an increase in net interest income of \$300,000, or 4.8%, a gain on the sale of securities of \$872,000, and a recovery in the provision for loan losses of \$148,000, partially offset by an increase of \$726,000, or 22.5%, in noninterest expenses and an increase of \$288,000, or 23.9%, in income tax expense. Net income significantly increased for the year ended March 31, 2011 primarily as a result of an increase in net interest income of \$3.7 million, or 16.8%, a gain of \$872,000 on the sale of securities, and a \$327,000 net gain on the sale and disposal of premises and equipment, coupled with a decrease of \$331,000, or 76.4%, in provision for loan losses, which was partially offset by a \$397,000 loss on the write-down of land held for sale, an increase of \$564,000, or 4.3%, in noninterest expenses and an increase of \$1.7 million, or 55.0%, in income tax expense. Both basic and diluted earnings per common share were \$0.10 for the three months ended March 31, 2011 an increase of \$0.02, or 25.0%, as compared to \$0.08 for the three months ended 2010. Both basic and diluted earnings per common share were \$0.34 for the year ended March 31, 2011, an

increase of \$0.10, or 41.7%, as compared to \$0.24 for the year ended March 31, 2010. Cash dividends paid per common share were \$0.06 for the three months ended March 31, 2011, an increase of \$0.01, or 20.0%, as compared to \$0.05 for the three months ended March 31, 2010, and \$0.24 for the year ended March 31, 2011, an increase of \$0.04, or 20.0%, as compared to \$0.20 for the year ended March 31, 2010.

Net interest income increased \$300,000, or 4.8%, for the three months ended March 31, 2011, to \$6.61 million as compared to \$6.31 million for three months ended March 31, 2010, reflecting an increase of \$1.1 million in average net interest-earning assets partially offset by a 2 basis point decrease in the net interest margin. Average interest-earning assets increased \$53.8 million, or 5.4%, during the three months ended March 31, 2011, which consisted of increases of \$95.9 million in investment securities and \$371,000 in mortgage-backed securities partially offset by decreases of \$40.0 million in loans and \$2.5 million in other interest-earning assets. The average balance of investment and mortgage-backed securities portfolios increased primarily due to the redeployment of funds resulting from growth in deposits into these types of assets. The Company's investments consist of only U.S. government-sponsored or guaranteed enterprises. Loans decreased as repayment levels were well in excess of origination volume as demand for loan products remains low, and other interest-earning assets decreased as the balance of interest-bearing deposits and Federal Home Loan Bank stock both slightly declined. Average interest-bearing liabilities increased \$52.7 million, or 6.0%, during the three months ended March 31, 2011, as a result of an increase of \$80.7 million in interest-bearing deposits, as the Bank continued to offer competitive rates on its deposit products and opened two new branch offices during fiscal 2011, partially offset by a decrease of \$28.0 million in borrowings. Net interest margin decreased to 2.50% for the quarter ended March 31, 2011 from 2.52% for the quarter ended

March 31, 2010. The net interest rate spread increased 6 basis points to 2.27% for the quarter ended March 31, 2011, as the 40 basis point decrease to 4.16% in the average yield earned on interest-earning assets was more than offset by the 46 basis point decrease to 1.89% in the average rate paid on interest-bearing liabilities.

Net interest income increased \$3.7 million, or 16.8%, for the year ended March 31, 2011, to \$25.7 million as compared to \$22.0 million for year ended March 31, 2010, reflecting a 15 basis point increase in the net interest margin coupled with an increase of \$8.6 million in average net interest-earning assets. Average interest-earning assets increased \$93.0 million, or 9.8%, during the year ended March 31, 2011, as a result of increases of \$4.5 million in mortgage-backed securities and \$110.2 million in investment securities, partially offset by decreases of \$20.3 million in loans and \$1.4 million in other interest-earning assets. Mortgage-backed and investment securities increased primarily due to the redeployment of funds resulting from growth in deposits into these types of interest-earning assets. Loans decreased as repayment levels on loans were well in excess of origination volume as demand for loan products remains low. Average interest-bearing liabilities increased \$84.4 million, or 10.1%, during the year ended March 31, 2011, reflecting an increase of \$108.6 million in interest-bearing deposits, as the Bank continued to offer competitive rates on its deposit products and opened two new branch offices during fiscal 2011. This increase was partially offset by a decrease of \$24.2 million in borrowings during the year ended March 31, 2011. Net interest margin increased to 2.46% for the year ended March 31, 2011 from 2.31% for the year ended March 31, 2010. The net interest rate spread increased 24 basis points to 2.20% for the year ended March 31, 2011 as the 42 basis point decrease to 4.30% in the average yield earned on interest-earning assets was more than offset by the 66 basis point decrease to 2.10% in the average rate paid on interest-bearing liabilities.

There was a recovery of provision for loan losses of \$148,000 recorded during the three months ended March 31, 2011. No provision was recorded during the three months ended March 31, 2010. The provision for loan losses decreased \$331,000, or 76.4%, to \$102,000, during the year ended March 31, 2011, as compared to \$433,000 during the year ended March 31, 2010. The entire recovery of the provision during the three months ended March 31, 2011 was the result of a loss on the restructuring of a previously non-performing loan being less than the specific reserve that had been established for that loan. During the quarter ended March 31, 2011, there was a \$112,000 charge-off recorded as a loss from the restructuring of this residential real estate loan. During the year ended March 31, 2011, in addition to this restructuring charge, there was a \$160,000 charge-off which represented a write-down to fair value on one multi-family residential real estate loan which was repossessed in December 2010 and is classified as real estate owned as of March 31, 2011. During the year ended March 31, 2011 charge-offs increased \$189,000, or 227.7 %, from \$83,000 during the year ended March 31, 2010 to \$272,000 during the year ended March 31, 2011. Non-performing loans increased \$749,000, or 30.0%, from \$2.5 million at March 31, 2010 to \$3.2 million at March 31, 2011. At March 31, 2011, non-performing loans consisted of fourteen loans secured by one- to four-family residential real estate, and two loans secured by commercial real estate. At March 31, 2010, non-performing loans consisted of eleven loans secured by one- to four-family residential real estate, one loan secured by commercial real estate, and one loan secured by a multi-family dwelling. The percentage of non-performing loans to total loans rose from 0.51% at March 31, 2010 to 0.72% at March 31, 2011. Despite the increase in non-performing loans, the provision for loan losses decreased for the year ended March 31, 2011 partially due to the recovery recorded during the current quarter as noted above, coupled with the decrease in loans outstanding. Management's

evaluation of the adequacy of the allowance has resulted in the determination that the allowance for loan losses is reasonably stated as of March 31, 2011.

The Bank recorded a net gain on the sale and disposal of premises and equipment of \$327,000 for the year ended March 31, 2011. The Bank sold its Botany branch facility in August 2010 and recognized a \$339,000 gain on the sale of land, buildings and improvements, net of \$12,000 in losses recognized on the disposal of net furnishings and equipment throughout the year. A loss of \$397,000 on the write-down of land held for sale was recorded during the year ended March 31, 2011. The Bank had previously acquired a property for the purpose of building a branch office on the land but subsequently decided not to proceed with the construction of the branch. The balance was transferred from premises and equipment to land held for sale in September 2010, and a write-down on the property to fair value less costs to sell was recorded in December 2010 as a result of obtaining a current appraisal on the property. No gain or loss on the sale of premises and equipment or loss on the write-down of land held for sale was recorded during the year ended March 31, 2010. During the quarter and year ended March 31, 2011, the Bank recorded a gain of \$872,000 resulting from the sale of mortgage-backed securities from the available for sale portfolio. There were no gains or losses on the sale of securities recorded during the corresponding 2010 periods.

Non-interest expense increased \$726,000, or 22.5%, to \$3.95 million for the three months ended March 31, 2011 as compared to \$3.22 million for the three months ended March 31, 2010. The increase was primarily the result of increases of \$157,000, or 9.6%, in salaries and employee benefits, \$225,000, or 236.8%, in legal expenses, and \$182,000, or 39.8% in other expenses. The increase in salaries and employee benefits was mainly due to an increase in costs associated with health insurance and employee stock ownership expense.

The increase in legal expense was due to the expensing of \$248,000 in costs incurred in connection with the postponement of the Company's second-step conversion and related stock offering which was announced in February 2011. The increase in other expenses was also due to the accounting and consulting costs of \$141,000 expensed as a result of the postponement of the second-step conversion.

Non-interest expense increased \$564,000, or 4.3%, to \$13.81 million for the year ended March 31, 2011 from \$13.25 million for the year ended March 31, 2010. The increase was primarily the result of increases of \$394,000, or 31.6%, in occupancy expense of premises, \$240,000, or 94.5%, in legal expenses, and \$177,000, or 10.1%, in other expenses, partially offset by a decrease of \$299,000 in federal deposit insurance premiums. The increase in occupancy expense of premises was mainly due to costs associated with the Company's new Fair Lawn, Lyndhurst and Woodland Park branch locations, along with the renovation and repairs of other branch premises. The increase in legal and other expenses, which consisted of accounting and consulting costs, was mostly due to the expensing of \$248,000 and \$141,000, respectively in costs incurred in connection with the postponement of the Company's second-step conversion and related stock offering. The decrease in federal deposit insurance premiums in the 2011 period was due to increased Federal Deposit Insurance Corporation's assessments in the fiscal 2010 period that resulted from a special emergency assessment imposed to increase the Deposit Insurance Fund in order to cover losses incurred from failed financial institutions, as well as anticipated future losses.

Income taxes increased \$288,000, or 23.9%, to \$1.49 million for the three months ended March 31, 2011, as compared to \$1.20 million for the three months ended March 31, 2010 as a result of higher pre-tax income, coupled with a slight increase in the effective income tax rate which was 37.8% in the 2011 period compared with 35.9% for the 2010

period. Income taxes increased \$1.73 million, or 54.9%, to \$4.88 million for the year ended March 31, 2011, as compared to \$3.15 million for the year ended March 31, 2010 as a result of higher pre-tax income, coupled with an increase in the effective income tax rate which was 35.6% for fiscal 2011 compared with 33.3% for fiscal 2010. The Company's effective tax rate increases when overall income increases, as tax exempt income recognized from the cash surrender value of bank owned life insurance accounts for a smaller percentage of overall income.

The Company's total assets increased \$54.9 million, or 5.1%, to \$1.12 billion at March 31, 2011, from \$1.07 billion at March 31, 2010. Net loans decreased \$35.8 million, or 7.5%, to \$441.7 million at March 31, 2011 from \$477.5 million at March 31, 2010. Securities, including both available for sale and held to maturity issues, increased \$63.2 million, or 12.4%, to \$571.1 million at March 31, 2011, from \$507.9 million at March 31, 2010, as the funds generated from the increase in deposits were mainly invested into these types of securities. Cash and cash equivalents increased \$24.6 million, or 73.4%, to \$58.1 million at March 31, 2011 from \$33.5 million at March 31, 2010, as the funds received from the growth in deposits were also maintained in cash in banks and interest bearing deposits.

Total liabilities increased \$51.0 million, or 5.7%, to \$942.7 million at March 31, 2011 from \$891.7 million at March 31, 2010. Deposits increased \$79.2 million, or 10.5%, from \$758.2 million at March 31, 2010 to \$837.4 million at March 31, 2011. Borrowed funds decreased \$28.0 million, or 22.7%, to \$95.7 million at March 31, 2011 as compared to \$123.7 million at March 31, 2010. During the year ended March 31, 2011, \$28.0 million of long-term borrowings were repaid in accordance with their original terms, and one \$5.0 million borrowing was restructured. The average rate of outstanding borrowings as of March 31, 2011 was 3.82%.

Total stockholders' equity increased \$4.0 million, or 2.3%, to \$180.0 million at March 31, 2011 from \$176.0 million at March 31, 2010. The increase resulted primarily from net income of \$8.81 million, employee stock ownership plan shares committed to be released of \$706,000, and \$221,000 for stock options and restricted stock awards earned under the Company's 2005 Equity Incentive Plan and related tax benefits, partially offset by the repurchase of approximately 298,000 shares of Company common stock for an aggregate cost of \$2.7 million, cash dividends paid of \$2.1 million and a net decrease in unrealized gains, net of income taxes of \$892,000, on the available for sale securities portfolios. At March 31, 2011, there were 26,137,248 shares of Company common stock outstanding.

John A. Celentano, Jr., the Company's Chairman and Chief Executive Officer, stated, "We are pleased to report the following highlights of our operations for our fourth quarter ended March 31, 2011 over the corresponding period in 2010:

- an increase of 4.8% in net interest income;
- an increase of 14.3% in net income;
- an increase of 20% in cash dividends paid; and
- an increase of 25% in basic and diluted earnings per common share.

For the year ended March 31, 2011, we also report:

- an increase of 5.1% in total assets;
- an increase of 9.8% in average interest-earning assets;
- an increase of 16.8% in net interest income;
- an increase of 39.9% in net income;
- an increase of 20% in cash dividends paid; and
- an increase of 41.7% in basic and diluted earnings per common share.

We are proud that our non performing assets are 0.30% of our total assets as of March 31, 2011, one of the lowest in New Jersey. In a Sterne Agee report on publicly traded New Jersey depository institutions dated January 2011, the New Jersey average was 3.17% and the median was 2.53%.”

The Company is the holding company of the Bank, a federally chartered savings bank headquartered in Clifton, New Jersey. The Bank currently operates a total of 12 full-service banking offices in northeast New Jersey. The Company’s majority stockholder is Clifton MHC, a federally chartered mutual holding company.

This release contains “forward-looking statements” which may describe future plans and strategies, including our expectations of future financial results. Management’s ability to predict results or the effect of future plans or strategies is inherently uncertain. Factors that could affect our actual results include market interest rate trends, the general regional and national economic climate, our ability to control costs and expenses, actions by our competitors and federal and state regulation. As we have no control over these factors, they should be considered in evaluating any forward-looking statements and undue reliance should not be placed on such statements.

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Selected Consolidated Financial and Other Data

	At March 31,	
	2011	2010
	(Dollars in thousands)	
Financial Condition Data:		
Total assets	\$1,122,633	\$1,067,707
Loans receivable, net	441,746	477,516
Cash and cash equivalents	58,068	33,461
Securities	571,059	507,913
Deposits	837,385	758,152
FHLB advances	95,668	123,737
Total stockholders' equity	179,966	175,992

	Year Ended March 31,	
	2011	2010
	(Dollars in thousands)	
Operating Data:		
Interest income	\$44,940	\$44,956
Interest expense	19,245	22,966
Net interest income	25,695	21,990
Provision for loan losses	102	433
Net interest income after provision for loan losses	25,593	21,557
Noninterest income	1,107	1,136
Net gain on sale and disposal of premises and equipment	327	-
Loss on write-down of land held for sale	(397)	-
Gain on sale of securities	872	-
Noninterest expense	13,814	13,250
Income before income taxes	13,688	9,443
Income taxes	4,876	3,146
Net income	<u>\$8,812</u>	<u>\$6,297</u>
Basic and diluted earnings per share	<u>\$0.34</u>	<u>\$0.24</u>

	Three Months Ended March 31,	
	2011	2010
	(Dollars in thousands)	
Operating Data:		
Interest income	\$10,974	\$11,438
Interest expense	4,364	5,128
Net interest income	6,610	6,310
(Recovery of) loan losses	(148)	-
Net interest income after (recovery of) loan losses	6,758	6,310
Noninterest income	266	265
Gain on sale of securities	872	-
Noninterest expense	3,948	3,222
Income before income taxes	3,948	3,353
Income taxes	1,491	1,203
Net income	<u>\$2,457</u>	<u>\$2,150</u>
Basic and diluted earnings per share	<u>\$0.10</u>	<u>\$0.08</u>

	At or For the Year Ended March 31,		At or For the Three Months Ended March 31,	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Performance Ratios (1):				
Return on average assets	0.79%	0.62%	0.88%	0.81%
Return on average equity	4.97%	3.60%	5.48%	4.89%
Interest rate spread (2)	2.20%	1.96%	2.27%	2.21%
Net interest margin (3)	2.46%	2.31%	2.50%	2.52%
Noninterest expense to average assets	1.24%	1.30%	1.41%	1.21%
Efficiency ratio (4)	50.04%	57.29%	50.96%	49.00%
Average interest-earning assets to average interest-bearing liabilities	1.14x	1.14x	1.14x	1.15x
Average equity to average assets	15.96%	17.10%	16.00%	16.54%
Basic and diluted earnings per share	\$0.34	\$0.24	\$0.10	\$0.08
Dividends per share (5)	\$0.24	\$0.20	\$0.06	\$0.05
Dividend payout ratio (5)	23.90%	28.98%	21.41%	20.98%
Capital Ratios (6):				
Core (tier 1) capital	14.12%	14.52%	14.12%	14.52%
Tier 1 risk-based capital	41.37%	40.91%	41.37%	40.91%
Total risk-based capital	41.86%	41.45%	41.86%	41.45%
Asset Quality Ratios:				
Allowance for loan losses as a percent of total gross loans	0.42%	0.43%	0.42%	0.43%
Allowance for loan losses as a percent of nonperforming loans	58.55%	83.27%	58.55%	83.27%
Net charge-offs to average outstanding loans during the period	0.06%	0.02%	0.06%	0.00%
Nonperforming loans as a percent of total gross loans	0.72%	0.51%	0.72%	0.51%
Nonperforming assets as a percent of total assets	0.30%	0.23%	0.30%	0.23%
Other Data:				
Number of:				
Real estate loans outstanding	2,248	2,376	2,248	2,376
Deposit accounts	33,368	33,277	33,368	33,277
Full service customer service facilities	12	11	12	11

(1) Performance ratios for the three month periods presented are annualized.

(2) Represents the difference between the weighted average yield on average interest-earning assets and the weighted average cost of interest-bearing liabilities.

(3) Represents net interest income as a percent of average interest-earning assets.

(4) Represents noninterest expense divided by the sum of net interest income and noninterest income.

(5) Reflects only shares of common stock held by stockholders other than Clifton MHC.

(6) Ratios are for Clifton Savings Bank and subsidiary only.

At or For the Year Ended		At or For the Three	
March 31,		Months Ended	
March 31,		March 31,	
<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>