



BCSB BANCORP, INC.

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BCSB BANCORP, INC. REPORTS RESULTS FOR QUARTER ENDING MARCH 31, 2009

BCSB Bancorp, Inc. (NASDAQ: BCSB), the holding company for Baltimore County Savings Bank, FSB, reported net income of \$102,000 or (\$0.02 loss) per basic and diluted common share for the three month period ended March 31, 2009, which represents the second quarter of its 2009 fiscal year. This compares to net income of \$55,000 or \$.02 per basic and diluted common share for the three months ended March 31, 2008.

Net income for the six months ended March 31, 2009 was \$342,000 or \$.06 per basic and diluted common share, as compared to net income of \$148,000 or \$.05 per basic and diluted common share for the six months ended March 31, 2008.

During the three and six months ended March 31, 2009, the Company benefited from increases in net interest income and non-interest income as compared to corresponding periods during the prior fiscal year. These improvements in earnings were partially offset by increases in FDIC insurance premiums on deposits and loan loss provisions during the three and six months ended March 31, 2009 of \$150,000 and \$300,000, respectively. Loan loss provisions during the current fiscal year were necessary to address continued declines in general economic conditions. Basic and diluted earnings per common share during the current fiscal year were negatively impacted by dividends payable on preferred shares issued under the U.S. Treasury's TARP Capital Purchase Program.

President and Chief Executive Officer Joseph J. Bouffard commented "We are encouraged by the Company's continued profitability despite challenging conditions within the financial services industry". He also noted that the Bank's loan portfolio continues to demonstrate strong asset quality, with no foreclosed real estate and a ratio of nonperforming assets to total assets of only .32% as of March 31, 2009.

Stockholders' equity increased by \$10.1 million during the six months ended March 31, 2009. This increase is primarily due to the \$10.8 million sale of preferred stock in December 2008

related to the U.S. Treasury's TARP Capital Purchase Program as well as earnings during the period. Stockholders' equity was negatively impacted by accumulated other comprehensive loss (net of taxes) which was (\$3.5) million at March 31, 2009 compared to (\$2.5) million as of September 30, 2008. Most of this loss relates to the Company's \$24.0 million in collateralized mortgage obligation securities portfolio, for which the gross market value declined by \$4.4 million over the past six months. This is reflective of turmoil in the mortgage backed securities market and the price decline in market value of these securities. The Company has the ability and the intent to hold these securities to maturity and to date, the securities have performed in accordance with their terms. If in the future it is determined that declines in market values or credit losses with respect to these or any other securities are other than temporary, the Company would be required to recognize losses in its consolidated statement of operations. The Company is currently analyzing how the recent accounting guidance regarding the recognition of other-than-temporary impairments may affect how these unrealized losses are treated in the future.

Period Ending March 31, 2009 Highlights

- The Company has reported six consecutive quarters of profitable operating results.
- Net interest income, interest rate spread and net interest margin for the three and six months ended March 31, 2009 increased in comparison to corresponding periods during the previous fiscal year.
- Deposits have increased by \$10.4 million and \$12.9 million over the three and six month periods ended March 31, 2009, respectively.
- The ratio of nonperforming assets to total assets remained very low at .32% as of March 31, 2009.

This press release contains statements that are forward-looking, as that term is defined by the Private Securities Litigation Reform Act of 1995 or the Securities and Exchange Commission in its rules, regulations and releases. The Company intends that such forward-looking statements be subject to the safe harbors created thereby. All forward-looking statements are based on current expectations regarding important risk factors, including but not limited to real estate values, market conditions, the impact of interest rates on financing, and local and national economic factors. Accordingly, actual results may differ from those expressed in the forward-looking statements, and the making of such statements should not be regarded as a representation by the Company or any other person that results expressed herein will be achieved.

BCSB Bancorp, Inc.
Consolidated Statements of Financial Condition
(Unaudited)

	<u>March 31,</u> <u>2009</u>	<u>September 30,</u> <u>2008</u>
	(Dollars in thousands)	
ASSETS		
Cash equivalents and time deposits	\$ 61,560	\$ 35,083
Investment Securities, available for sale	1,000	994
Loans Receivable, net	395,665	400,469
Mortgage-backed Securities, available for sale	92,353	89,956
Foreclosed Real Estate	-	1,244
Premises and Equipment, net	9,451	9,762
Bank Owned Life Insurance	14,587	14,389
Other Assets	16,023	15,185
Total Assets	<u><u>\$ 590,639</u></u>	<u><u>\$ 567,082</u></u>
LIABILITIES		
Deposits	\$ 497,670	\$ 484,791
Borrowings	10,000	10,000
Junior Subordinated Debentures	17,011	17,011
Other Liabilities	6,057	5,525
Total Liabilities	<u>530,738</u>	<u>517,327</u>
Total Stockholders' Equity	<u>59,901</u>	<u>49,755</u>
Total Liabilities & Stockholders' Equity	<u><u>\$ 590,639</u></u>	<u><u>\$ 567,082</u></u>

Consolidated Statements of Operations
(Unaudited)

	<u>Six Months ended March 31,</u> <u>2009</u>	<u>2008</u>	<u>Three Months ended March 31,</u> <u>2009</u>	<u>2008</u>
	(Dollars in thousands except per share data)		(Dollars in thousands except per share data)	
Interest Income	\$ 15,169	\$ 17,864	\$ 7,495	\$ 8,602
Interest Expense	7,482	10,839	3,515	5,239
Net Interest Income	<u>7,687</u>	<u>7,025</u>	<u>3,980</u>	<u>3,363</u>
Provision for Loan Losses	300	-	150	-
Net Interest Income After Provision for Loan Losses	<u>7,387</u>	<u>7,025</u>	<u>3,830</u>	<u>3,363</u>
Total Non-Interest Income	1,054	894	451	429
Total Non-Interest Expenses	<u>7,908</u>	<u>7,822</u>	<u>4,161</u>	<u>3,726</u>
Income Before Tax (Benefit) Expense	533	97	120	66
Income Tax (Benefit) Expense	191	(51)	18	11
Net Income	<u>342</u>	<u>148</u>	<u>102</u>	<u>55</u>
Preferred Stock dividends and discount accretion	(165)	-	(154)	-
Net Income (Loss) available to common shareholders	<u><u>\$ 177</u></u>	<u><u>\$ 148</u></u>	<u><u>\$ (52)</u></u>	<u><u>\$ 55</u></u>
Basic and Diluted Earnings (Loss) Per Common Share ¹	<u><u>\$.06</u></u>	<u><u>\$.05</u></u>	<u><u>\$ (.02)</u></u>	<u><u>\$.02</u></u>

¹ - Per share amounts have been adjusted by the exchange rate of .5264 as a result of the second step conversion that occurred on April 10, 2008.

Summary of Financial Highlights
(Unaudited)

	Three Months ended March 31,		Six Months ended March 31,	
	2009	2008	2009	2008
Return on Average Assets (Annualized)	.07%	.04%	0.12%	.05%
Return on Average Equity (Annualized)	.68%	.60%	1.21%	.83%
Interest Rate Spread	2.85%	2.36%	2.78%	2.42%
Net Interest Margin	2.95%	2.34%	2.88%	2.40%
Efficiency Ratio	93.91%	98.26%	90.47%	98.78%
Ratio of Average Interest Earnings Assets/Interest Bearing Liabilities	104.01%	99.31%	103.58%	99.53%

Allowance for Loan Losses
(Unaudited)

	Three Months ended March 31,		Six Months ended March 31,	
	2009	2008	2009	2008
	(Dollars in thousands)		(Dollars in thousands)	
Allowance at Beginning of Period	\$ 2,832	\$ 2,632	\$ 2,672	\$ 2,650
Provision for Loan Loss	150	--	300	--
Recoveries	39	78	130	169
Charge-Offs	(48)	(36)	(129)	(145)
Allowance at End of Period	\$ <u>2,973</u>	\$ <u>2,674</u>	\$ <u>2,973</u>	\$ <u>2,674</u>
Allowance for Loan Losses as a Percentage of Gross Loans	0.75%	0.65%	0.75%	0.65%
Allowance for Loan Losses as a Percentage of Nonperforming Loans	158.2%	1437.6%	158.2%	1437.6%

Non-Performing Assets
(Unaudited)

	At March 31, 2009	At September 30, 2008	At March 31, 2008
		(Dollars in thousands)	
Nonperforming Loans:			
Commercial	\$ 857	\$ 542	\$ 184
Real Estate	1,021	291	--
Consumer	1	2	2
Total Nonperforming Loans	<u>1,879</u>	<u>835</u>	<u>186</u>
Foreclosed Real Estate	--	1,230	59
Other Nonperforming Assets	--	14	--
Total Nonperforming Assets	<u>\$ 1,879</u>	<u>\$ 2,079</u>	<u>\$ 245</u>
Nonperforming Loans to Loans Receivable	0.47%	0.21%	0.04%
Nonperforming Assets to Total Assets	0.32%	0.37%	0.04%