



## **PUBLIC DISCLOSURE**

September 23, 2013

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Columbia Bank  
Charter Number 702454

19-01 Route 208 North  
Fair Lawn, NJ 07410

Office of the Comptroller of the Currency

New York - Jersey City  
Harborside Financial Center - Plaza Five  
Jersey City, NJ 07311

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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# Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **Satisfactory**.

The following table indicates the performance level of **Columbia Bank** with respect to the Lending, Investment, and Service Tests:

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	X
High Satisfactory			
Low Satisfactory	X		
Needs to Improve			
Substantial Noncompliance			

\* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- A majority of the home mortgages and small business loans were made within the assessment areas with no lending gaps identified;
- The geographic distribution of home mortgage loans is good and small loans to businesses by income level of the geography is adequate;
- The borrower distribution of home mortgage loans by income level is good and the borrower distribution of small loans to businesses is poor;
- Positive consideration was given to the lending test based on the excellent level of community development loans made;
- The level of qualified investments was significant and exhibited excellent responsiveness to community needs; and
- Delivery systems are readily accessible and the institution provides an excellent level of community development services.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine

the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in ‘loans to small farms’ as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders’ equity, perpetual preferred shareholders’ equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Description of Institution

Columbia Bank is an intrastate bank headquartered in Fair Lawn, NJ. As of June 30, 2013, assets totaled \$4.4 billion, deposits totaled \$3.2 billion, and the bank's Tier 1 Capital ratio was 10.11 percent. The bank is a wholly owned subsidiary of Columbia Bank MHC a mutual holding company. The bank operates 44 full-service branches in New Jersey. The branches are all located within its CRA assessment area located throughout the following full nine counties: Bergen, Passaic, Essex, Union, Middlesex, Monmouth, Burlington, Camden, and Gloucester and parts of Morris County. Automated Teller Machines (ATMs) are conveniently located in 42 of the branch sites, with an additional four off-site ATMs dispersed throughout their assessment areas. There were no opening or closing of branches since the previous CRA evaluation.

Columbia offers a full range of credit and deposit services throughout its assessment areas (AAs). Lending products include real estate loans, commercial loans as well as consumer loans. Deposit services provided by the bank include Savings, Checking and Money Market accounts. As of June 30, 2013, Columbia's loan portfolio approximated 73 percent of assets and was centered in residential mortgages at 56 percent followed by commercial loans at 44 percent of total loans. Deposits account for 73 percent of bank assets. The bank's principal vision is to meet the financial needs of businesses and individuals residing in their local communities.

There are no impediments, legal or otherwise, which would hinder the bank's ability to help meet the credit needs of its assessment area. The last CRA exam was rated "Satisfactory" on November 16, 2009.



## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

This Performance Evaluation assesses Columbia's performance under the Lending, Investment, and Service Tests. For the lending evaluation, we covered the period from January 1, 2010 to December 31, 2012. We evaluated residential real estate lending subject to HMDA reporting, small loans to businesses subject to reporting under the CRA, and community development loans. We also reviewed community development investments and services.

Community development loans and the investment and services tests cover the period from April 16, 2010, to September 16, 2013. All qualified investments originated within the evaluation period, and still outstanding as September 16, 2013, were also considered. We based our conclusions related to community development loans and qualified investments on the number and dollar amounts made during the evaluation period. In addition, we considered the level of innovation, complexity, responsiveness to community credit needs, and the degree to which these instruments are not routinely provided by private investors.

Small loans to farms reported and consumer loans under the CRA are not evaluated because the bank does not originate a volume large enough to provide any meaningful analysis.

For the period from January 1, 2010 through December 31, 2011, the data from the 2000 U.S. Census was used. For the period from January 1, 2012 through December 31, 2012, data from the 2010 U.S. Census was used.

### **Data Integrity**

This evaluation is based on accurate data. Prior to this evaluation, we conducted a data integrity review in March 2013. We reviewed HMDA data, data reported under the CRA regulatory requirements and community development activities to determine accuracy of lending-related data supplied by the bank. Recorded data for HMDA and small loans to businesses was considered accurate and was used in this evaluation.

In addition, during the CRA exam we verified that all of the community development loans, qualified investments, and community development services met the definitions and standards of community development activities.

### **Selection of Areas for Full-Scope Review**

Columbia has four AA (Metropolitan Divisions-MD) that meets the technical and regulatory requirements as defined by the regulation. We conducted a full scope review of the four AA. The AA does not arbitrarily exclude any low- or moderate-income geographies and do not reflect illegal discrimination.

### **Ratings**

The bank's overall rating is based on the Lending Test more heavily weighted than the Investment Test or the Service Test. For the Lending Test, home mortgage loans received more weight than small loans to businesses. During the evaluation period, home mortgage loans represented 84% of the total loans

originated and purchased and small loans to businesses represented 16%. In the full-scope AA's, performance in the Bergen-Passaic, NJ MD AA was weighted more heavily than the remaining three full-scope AA's which were equally weighted. The bank generated 46% each of home mortgage loans and small loans to businesses in the Bergen-Passaic, NJ MD AA.

## **Other**

Community credit needs in the AAs were determined by reviewing recent housing and demographic information, and by community contacts conducted by the OCC in conjunction with CRA evaluations for banks operating in the same AAs. An interview was not conducted during this evaluation, we utilized information recorded from an earlier interview with one of the local community groups within the bank's AA's in identifying local community needs.

Refer to Appendix C for more details on specific needs of the markets that are reviewed using full-scope procedures.

## **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated Low Satisfactory. The bank's performance in the Bergen – Passaic, NJ MD AA, and Newark, NJ MD AA is adequate. Performance in the Edison, NJ MD AA and Camden, NJ MD AA is good.

#### Lending Activity

Refer to Tables 1 Lending Volume and Table 1 Other in Appendix C for the facts and data used to evaluate the bank's lending activity.

Lending levels reflect adequate responsiveness to assessment area credit needs taking into consideration the significant level of competition faced by Columbia in each of the AAs.

#### **Bergen – Passaic, NJ MD (MD 35644)**

Lending levels in this AA reflect adequate responsiveness to assessment area credit needs.

##### *Home Mortgage Loans*

Columbia's mortgage lending penetration was adequate in the Bergen-Passaic, NJ MD when taking into consideration the competition from numerous other lenders active in this area.

The bank's lending levels reflect adequate responsiveness to the credit needs of the community. Home mortgage loans and small loans to businesses originated in this AA represented 42 and 44 percent, respectively of all loans originated within the bank's combined AA's. Home mortgage loan originations, by count, consisted of 9 percent home purchase loans, 14 percent home improvement loans and 77 percent home refinances.

Columbia ranked 8<sup>th</sup> in deposit market share in this AA capturing 5.72 percent of the market.

Columbia ranked 14<sup>th</sup> of 431 lenders in the Bergen – Passaic, NJ MD based on 2012 market share data for all home mortgage lending with a market share of 1.71 percent.

Columbia ranked 41<sup>st</sup> of 289 lenders in the MD with 0.44 percent market share in home purchase lending, 4<sup>th</sup> of 102 lenders in the MD with 6.68 percent market share in home improvement lending and 10<sup>th</sup> of 385 lenders in the MD with 1.99 percent market share in home refinance lending. All market share data is based on the 2011 HMDA aggregate data.

##### *Small Loans to Businesses*

Columbia's performance in this MD is adequate. Columbia ranked 22<sup>nd</sup> of 114 lenders in the MD with 0.38 percent market share based on 2011 CRA aggregate data for 2010-2011 and ranked 23<sup>rd</sup> of 111 lenders with a 0.30 percent market share based on 2012 CRA aggregate data for 2012. The top two lenders captured 50 percent of the market.

**Newark, NJ MD (MD 35084)**

Lending levels in this AA reflect adequate responsiveness to assessment area credit needs.

*Home Mortgage Loans*

Columbia's mortgage lending penetration was adequate in the Newark, NJ MD when taking into consideration the competition from nationwide lenders active in this area.

The bank's lending levels reflect adequate responsiveness to the credit needs of the community. Home mortgage loans and small loans to businesses originated in this AA represented 14 and 17 percent, respectively, of all loans originated within the bank's combined AA's. Home mortgage loan originations, by count, consisted of 10 percent home purchase loans, 15 percent home improvement loans and 75 percent home refinances.

Columbia ranked 17<sup>th</sup> in deposit market share in this AA capturing 0.67 percent of the market. Columbia ranked 32<sup>nd</sup> of 473 lenders in the Newark, NJ MD based on 2012 market share data for all home mortgage lending with a market share of 0.51 percent.

Columbia ranked 74<sup>th</sup> of 324 lenders in the MD with 0.16 percent market share in home purchase lending, 9<sup>th</sup> of 128 lenders in the MD with 2.45 percent market share in home improvement lending and 26<sup>th</sup> of 414 lenders in the MD with 0.58 percent market share in home refinance lending. All market share data is based on the 2011 HMDA aggregate data.

*Small Loans to Businesses*

Columbia's performance in this MD is adequate. Columbia ranked 30<sup>th</sup> of 110 lenders in the MD with 0.15 percent market share based on 2011 CRA aggregate data for 2010-2011 and ranked 29<sup>th</sup> of 119 lenders with a 0.12 market share based on 2012 CRA aggregate data for 2012. The top two lenders captured 50 percent of the market.

**Camden, NJ MD (MD 15804)**

Lending levels in this AA reflect good responsiveness to assessment area credit needs.

*Home Mortgage Loans*

Columbia's mortgage lending penetration was good in the Camden, NJ MD when taking into consideration the competition from nationwide lenders active in this area.

The bank's lending levels reflect adequate responsiveness to the credit needs of the community. Home mortgage loans and small loans to businesses originated in this AA represented 19 and 16 percent, respectively of all loans originated within the bank's combined AA's. Home mortgage loan originations, by count, consisted of 6 percent home purchase loans, 21 percent home improvement loans and 73 percent home refinances.

Columbia ranked 12<sup>th</sup> in deposit market share in this AA capturing 1.94 percent of the market share.

Columbia ranked 30<sup>th</sup> of 498 lenders in the Camden, NJ MD based on 2011 market share data for all home mortgage lending with a market share of 0.66 percent.

Columbia ranked 69<sup>th</sup> of 277 lenders in the MD with 0.13 percent market share in home purchase lending, 13<sup>th</sup> of 125 lenders in the MD with 1.88 percent market share in home improvement lending and

15<sup>th</sup> of 371 lenders in the MD with 1 percent market share in home refinance lending. All market share data is based on the 2011 HMDA aggregate data.

### *Small Loans to Businesses*

Columbia's performance in this MD is adequate. Columbia ranked 21<sup>st</sup> of 95 lenders in the MD with a 0.36 percent market share based on 2011 CRA aggregate data for 2010-2011 and ranked 28<sup>th</sup> of 89 lenders with a 0.22 percent market share based on 2012 CRA aggregate data for 2012. The top lender captured 31 percent of the market.

### **Edison, NJ MD (MD 20764)**

Lending levels in this AA reflect good responsiveness to assessment area credit needs.

### *Home Mortgage Loans*

Columbia's mortgage lending penetration was good in the Edison, NJ MD when taking into consideration the competition from nationwide lenders active in this area.

The bank's lending levels reflect good responsiveness to the credit needs of the community. Home mortgage loans and small loans to businesses originated in this AA represented 14 and 15 percent, respectively of all loans originated within the bank's combined AA's. Home mortgage loan originations, by count, consisted of 8 percent home purchase loans, 17 percent home improvement loans and 75 percent home refinances.

Columbia ranked 14<sup>th</sup> in deposit market share in this AA capturing 1.22 percent of the market.

Columbia ranked 37<sup>th</sup> of 478 lenders in the Edison, NJ MD based on 2012 market share data for all home mortgage lending with a market share of 0.47 percent.

Columbia ranked 95<sup>th</sup> of 325 lenders in the MD with 0.11 percent market share in home purchase lending, 12<sup>th</sup> of 127 lenders in the MD with 2.09 percent market share in home improvement lending and 31<sup>st</sup> of 417 lenders in the MD with 0.53 percent market share in home refinance lending. All market share data is based on the 2011 HMDA aggregate data.

### *Small Loans to Businesses*

Columbia's performance in this MD is adequate. Columbia ranked 30<sup>th</sup> of 101 lenders in the MD with 0.13 percent market share based on 2011 CRA aggregate data for 2010-2011 and ranked 29<sup>th</sup> of 113 lenders with a 0.16 market share based on 2012 CRA aggregate data for 2012. The top lender captured 38 percent of the market.

## **Distribution of Loans by Income Level of the Geography**

The overall geographic distribution of loans reflects good penetration throughout the assessment areas. The overall geographic distribution of home mortgage loans is good. The overall geographic distribution of small loans to businesses is adequate.

### **Bergen – Passaic, NJ MD (MD 35644)**

The overall geographic distribution of loans in this AA reflects good penetration throughout the assessment area.

*Home Mortgage Loans*

Refer to Tables 2, 3, 4, and 5 of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage lending.

The geographic distribution of loans in MD 35644 reflects good penetration throughout the assessment area, particularly to low- or moderate-income geographies in the assessment area. The bank is competing against much larger institutions and numerous mortgage brokers within this market, which presents a challenge to compete with other lenders in low- and moderate- income geographies. Additionally, the percentage of aggregate peer lending levels in low-income geographies is minimal at 0.14 percent of aggregate peer lending levels.

*Home Purchase Lending*

The geographic distribution of home purchase loans is excellent. The percentage of lending in low- and moderate-income geographies exceeds the percentage of aggregate peer lending levels. in these geographies. Columbia's market share in the low-income geographies is exceeds its overall market share. Columbia's market share in the moderate-income geographies exceeds its overall market share.

*Home Improvement Lending*

The geographic distribution of home improvement loans is good. The percentage of lending in low-income geographies is near to the percentage of aggregate peer lending levels. in these geographies. The percentage of lending in moderate-income geographies is near to the percentage of aggregate peer lending levels. in these geographies. Columbia's market share in the low-income geographies is near to its overall market share. Columbia's market share in the moderate-income geographies is near to the overall market share.

*Home Refinance Lending*

The geographic distribution of home refinance loans is good. The percentage of lending in low- and moderate-income geographies is near to than the percentage of aggregate peer lending levels. in these geographies. Columbia's market share in the low-income geographies is near to its overall market share. Columbia's market share in moderate-income geographies is near to its overall market share.

*Small Loans to Businesses*

Refer to Table 6 of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's small loans to businesses.

The geographic distribution of small loans to businesses is adequate. The percentage of small loans to businesses in low- and moderate- income geographies is somewhat lower of the percentages in these geographies. Columbia's market share in low- and moderate-income geographies is somewhat lower than the overall market share.

**Newark, NJ MD (MD 35084)**

The overall geographic distribution of loans in this AA reflects poor penetration throughout the assessment area.

*Home Mortgage Loans*

Refer to Tables 2, 3, 4, and 5 of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage lending.

The geographic distribution of loans in MD 35084 reflects poor penetration throughout the assessment area, particularly to low- or moderate-income geographies in the assessment area. There is significant competition taken into consideration from the numerous other lenders and mortgage brokers active in this area as well as the limited number of owner-occupied housing.

#### *Home Purchase Lending*

The geographic distribution of home purchase loans is poor. The percentage of lending in low-income geographies is somewhat lower than the percentage of aggregate peer lending levels. in these geographies. The percentage of lending in moderate-income geographies is lower than the percentage of aggregate peer lending levels. in these geographies. Columbia's market share in the low-income geographies is somewhat lower than its overall market share. Columbia's market share in the moderate-income geographies is lower than its overall market share.

#### *Home Improvement Lending*

The geographic distribution of home improvement loans is poor. The percentage of lending in low-income geographies is lower than the percentage of aggregate peer lending levels. in these geographies. The percentage of lending in moderate-income geographies is lower than the percentage of aggregate peer lending levels. in these geographies. Columbia's market share in the low- and moderate-income geographies is lower than its overall market share.

#### *Home Refinance Lending*

The geographic distribution of home refinance loans is adequate. The percentage of lending in low-income geographies is somewhat lower than the percentage of aggregate peer lending levels. in these geographies. The percentage of lending in moderate-income geographies is somewhat lower than the percentage of aggregate peer lending levels. in these geographies. Columbia's market share in the low-income geographies is somewhat lower than its overall market share. Columbia's market share in the moderate-income geographies is somewhat lower than its overall market share.

#### *Small Loans to Businesses*

Refer to Table 6 of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's small loans to businesses.

The geographic distribution of small loans to businesses is poor. The percentage of small loans to businesses in low- and moderate-income geographies is lower than the percentage of businesses in these geographies. Columbia's market share in low- and moderate-income geographies is lower than its overall market share.

#### **Camden, NJ MD (MD 15804)**

The overall geographic distribution of loans in this AA reflects good penetration throughout the assessment area.

#### *Home Mortgage Loans*

Refer to Tables 2, 3, 4, and 5 of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage lending.

The geographic distribution of loans in MD 15804 reflects good penetration throughout the assessment area, particularly to low- or moderate-income geographies in the assessment area.



*Home Purchase Lending*

The geographic distribution of home purchase loans excellent. The percentage of lending in low- and moderate-income geographies exceeds the percentage of aggregate peer lending levels. in these geographies. Columbia's market share in the low-income geographies is somewhat lower than its overall market share. Columbia's market share in the moderate-income geographies is exceeds its overall market share.

*Home Improvement Lending*

The geographic distribution of home improvement loans is good. The percentage of lending in low-income geographies is somewhat lower than the percentage of aggregate peer lending levels. in these geographies. The percentage of lending in moderate-income geographies exceeds the percentage of aggregate peer lending levels. in these geographies. Columbia's market share in the low-income geographies is somewhat lower than its overall market share. Columbia's market share in the moderate-income geographies exceeds it overall market share.

*Home Refinance Lending*

The geographic distribution of home refinance loans is good. The percentage of lending in low- income geographies is near or equal to the percentage of aggregate peer lending levels. in these geographies. The percentage of lending in moderate-income geographies is near or equal to the percentage of aggregate peer lending levels. in these geographies. Columbia's market share in the low-income geographies is near or equal to its overall market share. Columbia's market share in moderate-income geographies is near to its overall market share.

*Small Loans to Businesses*

Refer to Table 6 of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's small loans to businesses.

The geographic distribution of small loans to businesses is good. The percentage of small loans to businesses in low- and moderate- income geographies is near to the percentages in these geographies. Columbia's market share in low-income geographies is somewhat lower than its overall market share. Columbia's market share in moderate-income geographies exceeds its overall market share.

**Edison, NJ MD (MD 20764)**

The overall geographic distribution of loans in this AA reflects good penetration throughout the assessment area.

*Home Mortgage Loans*

Refer to Tables 2, 3, 4, and 5 of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage lending.

The geographic distribution of loans in MD 20764 reflects good penetration throughout the assessment area, particularly to low- or moderate-income geographies in the assessment area.

*Home Purchase Lending*

The geographic distribution of home purchase loans is excellent. The percentage of lending in low-income geographies exceeds the percentage of aggregate peer lending levels. in these geographies. The percentage of lending in moderate-income geographies exceeds the percentage of aggregate peer lending levels. in these geographies. Columbia's market share in the low-income geographies is exceeds its

overall market share. Columbia's market share in the moderate-income geographies exceeds its overall market share.

### *Home Improvement Lending*

The geographic distribution of home improvement loans is adequate. The percentage of lending in low-income geographies is near to the percentage of aggregate peer lending levels. in these geographies. The percentage of lending in moderate-income geographies is somewhat lower than the percentage of aggregate peer lending levels. in these geographies. Columbia's market share in the low-income geographies is near to its overall market share. Columbia's market share in the moderate-income geographies is somewhat lower than its overall market share.

### *Home Refinance Lending*

The geographic distribution of home refinance loans is good. The percentage of lending in low-income geographies exceeds the percentage of aggregate peer lending levels. in these geographies. The percentage of lending in moderate-income geographies is near to or equal to the percentage of aggregate peer lending levels. in these geographies. Columbia's market share in the low- and moderate-income geographies is near to or equal to its overall market share.

### *Small Loans to Businesses*

Refer to Table 6 of Appendix C for the facts and data used to evaluate the geographic distribution of the bank's small loans to businesses.

The geographic distribution of small loans to businesses is excellent. The percentage of small loans to businesses in low-income geographies is near to the percentage of businesses in these geographies. The percentage of small loans to businesses in moderate-income geographies exceeds the percentage of businesses in these geographies. Columbia's market share in low-income geographies is near to its overall market share. Columbia's market share in moderate-income geographies exceeds its overall market share.

### ***Lending Gap Analysis***

Our review of the geographic distribution of loans did not detect any conspicuous or unexplained gaps in lending patterns.

### ***Inside/Outside Ratio***

Lending inside the AA analysis is performed at the bank level rather than the state or AA level. For the evaluation period, Columbia has a substantial level of reported loans within its AAs, with 89 percent of the number of loans and 84 percent of the dollar amounts loaned within the defined AAs. By loan type, 88 percent by number and 83 percent by dollar are within the AAs for home mortgage loans, and 95 percent by number and by dollar are within the AAs for loans to small businesses.

### **Distribution of Loans by Income Level of the Borrower**

The distribution of loans to borrowers reflects good penetration among retail customers of different income levels and business customers of different size. The overall distribution of home mortgage loans to borrowers of different income levels is good. The overall distribution of loans to businesses of

different sizes is poor. More weight was given to the home mortgage loans as they represent a larger percentage of overall loans.

### **Bergen – Passaic, NJ MD (MD 35644)**

The overall distribution of loans to borrowers of different income levels and businesses of different sizes in this AA reflects adequate penetration.

#### *Home Mortgage Loans*

Refer to Tables 8, 9, and 10 of Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage lending.

The distribution of home mortgage loans to borrowers of different income levels in MD 35644 reflects adequate penetration.

#### *Home Purchase Lending*

The borrower distribution of home purchase loans is good. The percentage of loans to low-income borrowers is near to the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families. Columbia's market share for both low- and moderate-income borrowers exceeds its overall market share.

#### *Home Improvement Lending*

The borrower distribution of home improvement loans is adequate. The percentage of loans to low-income borrowers is near to the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers is somewhat lower than the percentage of moderate-income families. Columbia's market share for low-income borrowers is near to the overall market share. Columbia's market share for moderate-income borrowers is somewhat lower than its overall market share.

#### *Home Refinance Lending*

The borrower distribution of home refinance loans is good. The percentage of loans to low-income borrowers is near to the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families. Columbia's market share for both low- and moderate-income borrowers is near to its overall market share.

#### *Small Loans to Businesses*

Refer to Table 11 of Appendix C for the facts and data used to evaluate the bank's distribution of loans to businesses of different sizes.

The distribution of loans to businesses of different sizes is poor. The percentage of small loans to businesses is lower than the percentage of small businesses in the MD. Columbia's market share of lending to small businesses is lower than its overall market share.

### **Newark, NJ MD (MD 35084)**

The overall distribution of loans to borrowers of different income levels and businesses of different sizes in this AA reflects good penetration.

#### *Home Mortgage Loans*

Refer to Tables 8, 9, and 10 of Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage lending.

The distribution of home mortgage loans to borrowers of different income levels in MD 35084 reflects good penetration.

#### *Home Purchase Lending*

The borrower distribution of home purchase loans is good. The percentage of loans to low-income borrowers exceeds the percentage of low-income families. The percentage of loans to moderate-income borrowers is lower than the percentage of moderate-income families. Columbia's market share for low-income borrowers is exceeds its overall market share. Columbia's market share for moderate-income borrowers is lower than its overall market share.

#### *Home Improvement Lending*

The borrower distribution of home improvement loans is good. The percentage of loans to low-income borrowers is near to the percentage of low-income families. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families. Columbia's market share for both low- and moderate-income borrowers is near to its overall market share.

#### *Home Refinance Lending*

The borrower distribution of home refinance loans is good. The percentage of loans to low-income borrowers is near to the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers is somewhat lower than the percentage of moderate-income families. Columbia's market share for low-income borrowers is near to its overall market share. Columbia's market share for moderate-income borrowers is somewhat lower than its overall market share.

#### *Small Loans to Businesses*

Refer to Table 11 of Appendix C for the facts and data used to evaluate the bank's distribution of loans to businesses of different sizes.

The distribution of loans to businesses of different sizes is poor. The percentage of small loans to businesses is lower than the percentage of small businesses in the MD. Columbia's market share of lending to small businesses is lower than its overall market share.

#### **Camden, NJ MD (MD 15804)**

The overall distribution of loans to borrowers of different income levels and businesses of different sizes in this AA reflects adequate penetration.

#### *Home Mortgage Loans*

Refer to Tables 8, 9, and 10 of Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage lending.

The distribution of home mortgage loans to borrowers of different income levels in MD 15804 reflects adequate penetration.

#### *Home Purchase Lending*

The borrower distribution of home purchase loans is poor. The percentage of loans to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers is lower than the percentage of moderate-income families. Columbia's market share for both low- and moderate-income borrowers is lower than its overall market share.

### *Home Improvement Lending*

The borrower distribution of home improvement loans is good. The percentage of loans to low- and moderate-income borrowers is near to and exceeds the percentage of low- and moderate-income families, respectively. Columbia's market share for low- and moderate-income borrowers is near to and exceeds its overall market share, respectively.

### *Home Refinance Lending*

The borrower distribution of home refinance loans is good. The percentage of loans to low-income borrowers is near to the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families. Columbia's market share for both low- and moderate-income borrowers is near to its overall market share.

### *Small Loans to Businesses*

Refer to Table 11 of Appendix C for the facts and data used to evaluate the bank's distribution of loans to businesses of different sizes.

The distribution of loans to businesses of different sizes is poor. The percentage of small loans to businesses is lower than to the percentage of small businesses in the MD. Columbia's market share of lending to small businesses is lower than its overall market share.

### **Edison, NJ MD (MD 20764)**

The overall distribution of loans to borrowers of different income levels and businesses of different sizes in this AA reflects adequate penetration.

### *Home Mortgage Loans*

Refer to Tables 8, 9, and 10 of Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage lending.

The distribution of home mortgage loans to borrowers of different income levels in MD 20764 reflects adequate penetration.

### *Home Purchase Lending*

The borrower distribution of home purchase loans is adequate. The percentage of loans to low- and moderate-income borrowers exceeds and is lower than the percentage of low- and moderate-income families, respectively. Columbia's market share for both low- and moderate-income borrowers exceeds and is lower than its overall market share, respectively.

### *Home Improvement Lending*

The borrower distribution of home improvement loans is good. The percentage of loans to low-income borrowers is near to the percentage of low-income families. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families. Columbia's market share for both low- and moderate-income borrowers is near to its overall market share.

### *Home Refinance Lending*

The borrower distribution of home refinance loans is good. The percentage of loans to low-income borrowers is near to the percentage of low-income families in the AA. The percentage of loans to

moderate-income borrowers is near to the percentage of moderate-income families. Columbia's market share for both low- and moderate-income borrowers is near to its overall market share.

### *Small Loans to Businesses*

Refer to Table 11 of Appendix C for the facts and data used to evaluate the bank's distribution of loans to businesses of different sizes.

The distribution of loans to businesses of different sizes is poor. The percentage of small loans to businesses is lower than the percentage of small businesses in the MD. Columbia's market share of lending to small businesses is lower than its overall market share.

## **Community Development Lending**

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Columbia has made a high level of community development loans in the Bergen-Passaic, NJ MD AA, Newark, NJ MD AA and Edison, NJ MD AA, which had a positive impact on the Lending Test rating. While the bank did not make any CD loans in the Camden, NJ MD AA, this did not negatively impact the MD as the bank did demonstrate good responsiveness to credit needs concerning home mortgage and small loans to businesses.

Highlights of CD lending activities include:

- A \$6 million construction loan to finance a 48 unit multi-family housing project located in an LMI geography in Union County (Newark, NJ MD).
- A \$4.5 million loan to finance a 128 multi-family unit housing in an LMI geography with a location in the Edison, NJ MD (Middlesex County).
- A \$2.8 million permanent financing for 58 units of housing in an LMI geography in Passaic County.

## **Product Innovation and Flexibility**

Columbia offers a variety of innovative and flexible loan programs that provide additional opportunities for LMI families and first time homebuyers to purchase or refinance their homes. Services are provided in English and Spanish to more effectively serve the multi-ethnic community in all of the AA's. Multi-lingual employees at the branches and in the lending area assist the customer base in securing banking services. The bank is an approved FHA loan applications processor.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test is rated Outstanding. Based on full-scope reviews, the bank's performance in the Bergen-Passaic, NJ MD AA, Newark, NJ MD AA, Camden, NJ MD AA, and Edison, NJ MD AA, is outstanding. The bank had 14 Mortgage Backed Securities totaling \$51.4 million during the review period. This comprised 305 mortgages dispersed among the 4 MD AA's.

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Highlights of investment activities in the 4 MD's include:

#### **Bergen – Passaic, NJ MD (MD 35644)**

Columbia has an adequate level of qualified investments and grants and exhibits adequate responsiveness to meeting the identified needs of the AA. There were 7 mortgages in the MBS investments totaling \$1.18 million or 2.3%.

#### **Newark, NJ MD (MD 35084)**

Columbia has an outstanding level of qualified investments and grants and excellent responsiveness to meeting the identified needs of the AA. There were 63 mortgages in the MBS investments totaling \$10.6 million or 20.7%.

#### **Camden, NJ MD (MD 15804)**

Columbia has an outstanding level of qualified investments and grants and exhibits excellent responsiveness to meeting the identified needs of the AA. There were 164 mortgages in the MBS investments totaling \$27.7 million or 53.8%.

#### **Edison, NJ MD (MD 20764)**

Columbia has an outstanding level of qualified investments and grants and exhibits excellent responsiveness to meeting the identified needs of the AA. There were 71 mortgages in the MBS investments totaling \$12 million or 23.3%.

Other qualified investments made during the evaluation period spread out among the bank's 4 MD AA's included the following:

- As part of the Federal Home Loan Bank's Affordable Housing Program, the bank's participation in this program resulting in \$2.2 million in investments for five projects in the MD AA's.
- The Columbia Bank Foundation Program donated \$496.8 thousand among 33 different grants during the evaluation period.
- During the evaluation period, the bank made 115 charitable donations and contributions totaling \$125.8 thousand.
- In the bank's AA, floods have occurred during the evaluation period and through the bank's Flood Appliance Purchase Program; the bank purchased and replaced 103 appliances totaling \$77.2 thousand.

- As a result of the devastation caused by Super Storm Sandy, the bank made a \$22 thousand donation to assist families impacted by the storm within the bank's AA.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test is rated Outstanding. Based on full-scope reviews, the bank's performance in the Bergen – Passaic, NJ MD AA, Newark, NJ MD AA, Camden, NJ MD AA and the Edison, NJ MD AA is excellent.

### **Retail Banking Services**

Refer to Table 15 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

The bank provides a strong service component based on the products and services offered, reasonability and accessibility of delivery systems, and the extent of community development services

The bank operates 44 full-service branches in New Jersey. The branches are all located within its CRA assessment area located throughout the following full nine counties: Bergen, Passaic, Essex, Union, Middlesex, Monmouth, Burlington, Camden, and Gloucester and parts of Morris County. Automated Teller Machines (ATMs) are conveniently located in 42 of the branch sites, with an additional four off-site ATMs dispersed throughout their assessment areas. There were no opening or closing of branches since the previous CRA evaluation.

Services do not vary in a way that inconveniences certain portions of the AA, particularly low- and moderate-income geographies and/or individuals. Banking hours and services are provided Monday through Saturday at almost of the branches while hours are extended on Thursday and/or Friday at almost all of the locations. Drive-thru facilities are available at almost all of the offices, generally having hours extended hours each day of the week and on Saturdays.

The offers a full range of credit and deposit services throughout its AA's. Lending products include real estate loans, commercial loans as well as consumer loans. Deposit services provided by the bank include Savings, Checking and Money Market accounts.

### **Community Development Services**

#### **Bergen – Passaic, NJ MD (MD 35644)**

- The President/CEO of the bank served on the Finance Committee of a local organization that provides affordable housing for families in need in the Paterson area. Applicants are those individuals who would not be able to obtain mortgage financing through conventional programs. Mortgages are priced to be affordable with 0% interest, while covering as much of the construction costs as possible.



- The bank's CRA Officer served on the Board of an organization that is responsible for managing a supportive housing program for women.
- A bank officer served on the Board of Supportive Housing Association of New Jersey. This organization provides affordable housing initiatives for low income disabled adults living independently.

#### **Newark, NJ MD (MD 35084)**

- A bank officer serves on a foundation that is the fundraising arm with a mission to provide needed programs and services in schools in Union County including the cities of Elizabeth and Plainfield. Both cities are considered either low- or moderate-income.
- The CRA Officer serves on the Board of a non-profit service organization that supports quality affordable, permanent housing that fosters freedom, independence and community integration to low income individuals.

#### **Camden, NJ MD (MD 15804)**

- A bank officer serves on the Board of a service organization that gives guidance to a non-profit organization that provides housing, jobs and job-training skills to developmentally challenged low-income adults.
- A bank officer serves on the finance committee of an organization that provides support to non-profits that deal directly and assist needy families in low and moderate-income communities.

#### **Edison, NJ MD (MD 20764)**

- A bank officer sits on the Board of a non-profit that works with a low-income client base promoting social independence, quality of life job skill training and provides maximum vocational potential for people with special needs.
- A bank officer serves as an advisor to an organization that provides support to low income young people. This support includes back to school and job training programs.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): January 1, 2010 to December 31, 2012  Investment and Service Tests and CD Loans: April 16, 2010 to September 16, 2013	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Columbia Bank Fair Lawn, NJ	Home Mortgage Loans (includes home purchase, home improvement, home mortgage refinance, and multifamily loans) as reported on the HMDA Loan Application Register, as well as small loans to businesses as reported on the CRA Loan Register.  Community development loans, investments, and services.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Not Applicable		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Camden, NJ MD 15804 Edison, NJ MD 20764 Newark, NJ MD 35084 Bergen-Passaic, NJ MD 35644	Full Scope Full Scope Full Scope Full Scope	

## Appendix B: Market Profiles for Full-Scope Areas

### Columbia Bank 15804 Camden, NJ MD

Demographic Information for Full Scope Area: 15804 Camden MD- 2012						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	304	4.93	19.74	50.00	25.00	0.33
Population by Geography	1,250,679	5.18	17.13	48.03	29.41	0.25
Aggregate peer lending levels. by Geography	346,532	2.50	14.41	51.18	31.91	0.00
Business by Geography	94,190	2.87	14.24	47.20	35.68	0.00
Farms by Geography	2,141	0.47	8.92	52.87	37.74	0.00
Family Distribution by Income Level	320,697	19.91	17.96	23.10	39.02	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	121,472	10.59	25.00	47.55	16.87	0.00
Median Family Income		83,092	Median Housing Value	243,798		
HUD Adjusted Median Family Income for 2012		87,200	Unemployment Rate (2010 US Census)	4.40%		
Households Below Poverty Level		8%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2012 HUD updated MFI

The Camden, NJ MD consists of the Burlington, Camden, and Gloucester counties in south New Jersey. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

The 2010 Census reports median family income of \$83,092 and the 2012 HUD updated median family income is \$87,200. Approximately 8% of the households are below the poverty level. Approximately 20% of the families in the AA are low-income, 18% are moderate-income, 23% are middle-income, and 39% are upper-income. The median housing value was \$243,798.

Top employers in Burlington County include Virtua Memorial Hospital, Lockheed Martin, and Burlington Coat Factory. The top employer in Camden County is the Kings Bay Naval Submarine Base. The top employers in Gloucester County include Underwood Memorial Hospital, Kennedy Memorial Hospital and Rowan University.

There are a total of eight branches located in the Camden, NJ MD, accounting for 18% of the total number of branches. A full line of traditional banking products and services are offered at all branches.

This AA is in a highly competitive banking environment, served by several national and large regional banks. Based on the June 30, 2012 FDIC Summary of Deposits, the bank ranks 12<sup>th</sup> out of 37 institutions in the Camden, NJ MD AA with a 1.94 percent deposit market share. According to the June 30, 2012 deposit data, major competitors are TD Bank, N. A. (29.38% market share), Wells Fargo Bank N. A. (12.11% market share), and PNC Financial (10.49% market share).

The unemployment rate in the Camden, NJ MD, as of August 2013 was higher than the national unemployment rate of 7.6% and NJ rate of 8.5%. Camden County has the highest unemployment rate in the MD of 9.3% compared to Gloucester County of 8.6% and Burlington County 8.2%.

**Columbia Bank 35644 Bergen-Passaic, NJ MD**

Demographic Information for Full Scope Area: 35644 Bergen Passaic MD- 2012						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	279	7.17	8.60	21.15	62.72	0.36
Population by Geography	1,406,342	5.57	8.91	21.50	63.99	0.03
Aggregate peer lending levels. by Geography	314,447	0.98	3.78	16.93	78.31	0.00
Business by Geography	133,061	3.71	5.39	21.61	69.21	0.08
Farms by Geography	2,060	1.02	3.35	15.53	80.10	0.00
Family Distribution by Income Level	350,760	15.11	11.81	15.83	57.24	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	94,441	12.47	17.52	28.56	41.45	0.00
Median Family Income		64,171	Median Housing Value		455,759	
HUD Adjusted Median Family Income for 2012		68,300	Unemployment Rate (2010 US Census)		3.31%	
Households Below Poverty Level		9%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2012 HUD updated MFI

The Bergen-Passaic, NJ MD consists of Bergen and Passaic counties in north New Jersey. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

The 2010 Census reports median family income of \$64,171 and the 2012 HUD updated median family income is \$68,300. Approximately 9% of the households are below the poverty level. Approximately 15% of the families in the AA are low-income, 12% are moderate-income, 16% are middle-income, and 57% are upper-income. The median housing value was \$455,759.

The top employer in Bergen County is Hackensack University Medical Center and the top employer in Passaic County is Saint Joseph Healthcare System.

There are a total of 19 branches located in the Bergen-Passaic, NJ MD, accounting for 43% of the total number of branches. A full line of traditional banking products and services are offered at all branches.

This AA is in a highly competitive banking environment, served by several national and large regional banks. Based on the June 30, 2012 FDIC Summary of Deposits, the bank ranks 8<sup>th</sup> out of 57 institutions in the Bergen-Passaic NJ MD AA with a 5.7 percent deposit market share. According to the June 30, 2012 deposit data, major competitors are Hudson City Savings Bank (14% market share), TD Bank, N. A. (13.57% market share) and Bank of America, N. A. (11.53% market share).

The unemployment rate in the Bergen-Passaic, NJ MD, as of August 2013 for Bergen County was 7.3% and Passaic County was 10.2%. Bergen was lower than higher than both the national unemployment rate of 7.6% and NJ rate of 8.5%, while Passaic was higher than both rates.

**Columbia Bank 35084 Newark, NJ MD**

Demographic Information for Full Scope Area: 35084 Newark MD- 2012						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	395	20.25	27.59	21.77	29.87	0.51
Population by Geography	1,697,964	16.01	25.67	23.05	34.99	0.28
Aggregate peer lending levels. by Geography	350,622	5.14	16.08	28.26	50.52	0.00
Business by Geography	147,173	12.14	18.90	24.09	44.52	0.35
Farms by Geography	2,049	4.05	9.81	29.87	56.27	0.00
Family Distribution by Income Level	413,257	25.49	17.12	18.75	38.63	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	176,109	26.31	36.19	20.62	16.86	0.01
Median Family Income HUD Adjusted Median Family Income for 2012 Households Below Poverty Level		87,598 91,900 11%	Median Housing Value Unemployment Rate (2010 US Census)		401,639 4.52%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2012 HUD updated MFI

The Newark, NJ MD consists of the Essex, Union and Morris counties in north New Jersey. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

The 2010 Census reports median family income of \$87,598 and the 2012 HUD updated median family income is \$91,900. Approximately 11% of the households are below the poverty level. Approximately 25% of the families in the AA are low-income, 17% are moderate-income, 19% are middle-income, and 39% are upper-income. The median housing value was \$401,639.

Top employers in Essex County include St. Barnabas Health Care System and New Jersey Transit. The top employer in Union County is the Merck & Company. The top employer in Morris County is Novartis Life Sciences.

There are a total of six branches located in the Newark, NJ MD, accounting for 14% of the total number of branches. A full line of traditional banking products and services are offered at all branches.

This AA is in a highly competitive banking environment, served by several national and large regional banks. Based on the June 30, 2012 FDIC Summary of Deposits, the bank ranks 17<sup>th</sup> out of 55 institutions in the Newark, NJ MD AA with a 0.67 percent deposit market share. According to the June 30, 2012 deposit data, major competitors Wells Fargo Bank N. A. (16.6% market share), New York Community Bank (11.07% market share) and Bank of America, N.A. (8.14% market share).

The unemployment rate in the Newark, NJ MD, as of August 2013 was Essex County at 10.1%, Union County at 8.5% and Morris County at 6.3%. Essex is higher than both the national and NJ rate, Union is higher than the national and the same as the NJ rate, and Morris is lower than both rates. The national unemployment rate is 7.6% and the NJ rate is 8.5%.

**Columbia Bank 20764 Edison, NJ MD**

Demographic Information for Full Scope Area: 20764 Edison MD- 2012						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	318	6.60	14.15	51.57	27.36	0.31
Population by Geography	1,440,238	6.18	13.84	51.14	28.83	0.02
Aggregate peer lending levels. by Geography	362,185	2.01	10.53	53.56	33.91	0.00
Business by Geography	124,373	4.81	11.33	50.13	33.72	0.01
Farms by Geography	2,405	2.41	5.74	49.27	42.58	0.00
Family Distribution by Income Level	361,543	19.14	16.85	22.23	41.78	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	130,117	9.76	22.03	50.92	17.29	0.01
Median Family Income		91,959	Median Housing Value		400,698	
HUD Adjusted Median Family Income for 2012		96,600	Unemployment Rate (2010 US Census)		3.67%	
Households Below Poverty Level		7%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2012 HUD updated MFI

The Edison, NJ MD consists of the Monmouth and Middlesex counties in central New Jersey. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

The 2010 Census reports median family income of \$91,959 and the 2012 HUD updated median family income is \$96,600. Approximately 7% of the households are below the poverty level. Approximately 19% of the families in the AA are low-income, 17% are moderate-income, 22% are middle-income, and 42% are upper-income. The median housing value was \$400,698.

Top employers in Monmouth County include Meridian Health Systems and Saker ShopRite, Inc. The top employers in Middlesex County are Robert Wood Johnson University Hospital and Novo Nordisk.

There are a total of eleven branches located in the Edison, NJ MD, accounting for 25% of the total number of branches. A full line of traditional banking products and services are offered at all branches.

This AA is in a highly competitive banking environment, served by several national and large regional banks. Based on the June 30, 2012 FDIC Summary of Deposits, the bank ranks 14<sup>th</sup> out of 53 institutions in the Edison, NJ MD AA with a 1.22 percent deposit market share. According to the June 30, 2012 deposit data, major competitors are PNC Financial (15.89% market share), Wells Fargo Bank N. A. (14.54% market share), and Bank of America, N.A. (10.46% market share).

The unemployment rate in the Edison, NJ MD, as of August 2013 for Monmouth County was 7.4% and in Middlesex County was at 7.9%. Both counties were lower than the NJ rate and Monmouth was lower than the national rate with Middlesex slightly higher. The national unemployment rate was 7.6% and the NJ rate was 8.5%.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - This table is not applicable and not included.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of aggregate peer lending levels. units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size)

throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table 7. Geographic Distribution of Small Loans to Farms** - This table is not applicable and not included.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - This table is not applicable and not included.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - This table is not applicable and not included.
- Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.



**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Institution ID: COLUMBIA BANK

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: COLUMBIA BANK												
Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2012												
	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
Assessment Area (2012):												
Full Review:												
15804 Camden MD- 2012	19.11	363	58,148	47	14,704	0	0	0	0	410	72,852	0.00
20764 Edison MD- 2012	15.70	276	80,512	61	13,946	0	0	2	7,258	339	101,716	0.00
35084 Newark MD- 2012	15.05	273	92,065	50	14,540	0	0	7	21,970	330	128,575	0.00
35644 Bergen Passaic MD- 2012	50.14	959	295,425	117	27,886	0	0	0	949	1,078	324,260	51.40

\* Loan Data as of December 31, 2012. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from April 16, 2010 to September 16, 2013.

\*\*\* Deposit Data as of June 30, 2012. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Full Review:												
15804 Camden MD 2010-2011	21.00	654	112,309	116	27,476	0	0	0	0	770	139,785	0.00
20764 Edison MD 2010-2011	15.77	464	139,181	114	37,690	0	0	0	4,959	583	181,830	18.10
35084 Newark MD 2010-2011	16.20	476	161,091	118	32,690	0	0	5	13,600	599	207,381	15.70
35644 Bergen Passaic MD 2010-2011	47.03	1,404	467,559	320	72,732	0	0	0	4,270	1,731	544,561	51.40

Institution ID: COLUMBIA BANK

**Table 2a. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: COLUMBIA BANK				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2012								
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>*</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
15804 Camden MD- 2012	24	15.79	2.50	0.00	14.42	16.67	51.18	37.50	31.91	45.83	0.00	0.00	0.00	0.00
20764 Edison MD- 2012	12	7.89	2.01	8.33	10.53	16.67	53.56	41.67	33.91	33.33	0.00	0.00	0.00	0.00
35084 Newark MD- 2012	26	17.11	5.14	0.00	16.08	3.85	28.26	19.23	50.52	76.92	0.00	0.00	0.00	0.00
35644 Bergen Passaic MD- 2012	90	59.21	0.98	32.22	3.78	14.44	16.93	4.44	78.31	48.89	0.00	0.00	0.00	0.00

<b>Full Review:</b>														
15804 Camden MD 2010-2011	30	13.39	3.02	0.00	9.38	16.67	62.69	43.33	24.91	40.00	1.42	7.83	63.30	27.44
20764 Edison MD 2010-2011	38	16.96	0.75	5.26	10.72	42.11	54.43	21.05	34.09	31.58	1.51	10.96	51.04	36.49
35084 Newark MD 2010-2011	50	22.32	4.14	2.00	14.99	2.00	34.68	16.00	46.18	80.00	7.94	16.69	32.75	42.62
35644 Bergen Passaic MD 2010-2011	106	47.32	0.17	0.00	2.85	0.94	14.38	12.26	82.60	86.79	0.63	4.60	16.01	78.75

<sup>\*</sup> Based on 2011 Peer Mortgage Data (USPR)

<sup>\*\*</sup> Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

<sup>\*\*\*\*</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: COLUMBIA BANK

**Table 3a. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT														Geography: COLUMBIA BANK				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2012			
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>*</sup>										
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
15804 Camden MD- 2012	65	23.13	2.50	0.00	14.42	18.46	51.18	46.15	31.91	35.38	0.00	0.00	0.00	0.00							
20764 Edison MD- 2012	51	18.15	2.01	0.00	10.53	3.92	53.56	50.98	33.91	45.10	0.00	0.00	0.00	0.00							
35084 Newark MD- 2012	34	12.10	5.14	0.00	16.08	2.94	28.26	35.29	50.52	61.76	0.00	0.00	0.00	0.00							
35644 Bergen Passaic MD- 2012	131	46.62	0.98	0.76	3.78	0.76	16.93	7.63	78.31	90.84	0.00	0.00	0.00	0.00							

<b>Full Review:</b>																	
15804 Camden MD 2010-2011	129	27.04	3.02	0.00	9.38	6.20	62.69	63.57	24.91	30.23	1.48	7.63	63.81	27.08			
20764 Edison MD 2010-2011	76	15.93	0.75	0.00	10.72	6.58	54.43	55.26	34.09	38.16	0.55	7.95	54.62	36.87			
35084 Newark MD 2010-2011	73	15.30	4.14	0.00	14.99	4.11	34.68	49.32	46.18	46.58	3.55	14.27	32.10	50.08			
35644 Bergen Passaic MD 2010-2011	199	41.72	0.17	0.00	2.85	1.01	14.38	7.54	82.60	91.46	0.14	1.44	12.79	85.63			

<sup>\*</sup> Based on 2011 Peer Mortgage Data (USPR)

<sup>\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

<sup>\*\*\*\*</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: COLUMBIA BANK

**Table 4a. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: COLUMBIA BANK				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2012							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income <sup>*</sup>			
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
15804 Camden MD- 2012	272	19.28	2.50	0.00	14.42	7.35	51.18	44.12	31.91	48.53	0.00	0.00	0.00	0.00
20764 Edison MD- 2012	209	14.81	2.01	0.96	10.53	3.35	53.56	45.93	33.91	49.76	0.00	0.00	0.00	0.00
35084 Newark MD- 2012	208	14.74	5.14	0.48	16.08	3.85	28.26	26.44	50.52	69.23	0.00	0.00	0.00	0.00
35644 Bergen Passaic MD- 2012	722	51.17	0.98	0.14	3.78	1.11	16.93	4.99	78.31	93.77	0.00	0.00	0.00	0.00
<b>Full Review:</b>														
15804 Camden MD 2010-2011	493	21.67	3.02	0.00	9.38	4.26	62.69	52.33	24.91	43.41	0.36	4.96	59.40	35.28
20764 Edison MD 2010-2011	343	15.08	0.75	0.58	10.72	7.00	54.43	46.94	34.09	45.48	0.45	6.33	49.11	44.12
35084 Newark MD 2010-2011	347	15.25	4.14	0.00	14.99	6.34	34.68	28.24	46.18	65.42	1.60	6.63	30.76	61.00
35644 Bergen Passaic MD 2010-2011	1,092	48.00	0.17	0.09	2.85	0.46	14.38	4.58	82.60	94.87	0.07	0.91	9.30	89.72

<sup>\*</sup> Based on 2011 Peer Mortgage Data (USPR)

<sup>\*\*</sup> Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

<sup>\*\*\*\*</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: COLUMBIA BANK

**Table 5a. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: COLUMBIA BANK					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2012							
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full Review:</b>														
15804 Camden MD-2012	2	7.41	6.02	0.00	31.61	0.00	45.07	50.00	17.30	50.00	0.00	0.00	0.00	0.00
20764 Edison MD-2012	4	14.81	11.39	0.00	22.86	50.00	51.57	50.00	14.18	0.00	0.00	0.00	0.00	0.00
35084 Newark MD-2012	5	18.52	31.17	40.00	32.29	20.00	21.07	0.00	15.46	40.00	0.00	0.00	0.00	0.00
35644 Bergen Passaic MD-2012	16	59.26	9.60	0.00	10.10	0.00	27.34	31.25	52.97	68.75	0.00	0.00	0.00	0.00

<b>Full Review:</b>														
15804 Camden MD 2010-2011	2	9.09	6.64	0.00	24.73	0.00	57.35	50.00	11.28	50.00	9.09	27.27	63.64	0.00
20764 Edison MD 2010-2011	7	31.82	8.24	14.29	23.97	28.57	55.01	57.14	12.79	0.00	13.51	40.54	40.54	5.41
35084 Newark MD 2010-2011	6	27.27	27.54	0.00	35.55	50.00	23.55	50.00	13.35	0.00	20.67	48.04	22.35	8.94
35644 Bergen Passaic MD 2010-2011	7	31.82	4.45	0.00	11.07	28.57	32.13	14.29	52.36	57.14	3.50	20.28	44.06	32.17

\* Based on 2011 Peer Mortgage Data (USPR)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Institution ID: COLUMBIA BANK

**Table 6a. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES														Geography: COLUMBIA BANK				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2012			
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*										
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
15804 Camden MD- 2012	47	17.22	2.87	0.00	14.24	19.15	47.20	40.43	35.68	40.43	1.29	12.21	45.82	40.67							
20764 Edison MD- 2012	61	22.34	4.81	4.92	11.33	19.67	50.13	44.26	33.72	31.15	3.17	9.98	48.23	38.63							
35084 Newark MD- 2012	48	17.58	12.14	0.00	18.90	4.17	24.09	29.17	44.52	66.67	7.38	13.00	23.23	56.39							
35644 Bergen Passaic MD- 2012	117	42.86	3.71	0.85	5.39	2.56	21.61	11.11	69.21	85.47	2.15	4.07	22.51	71.27							
<b>Full Review:</b>																					
15804 Camden MD 2010-2011	112	16.87	3.82	0.00	9.81	2.68	58.79	61.61	27.33	35.71	1.77	7.92	55.09	35.23							
20764 Edison MD 2010-2011	114	17.17	2.87	1.75	11.89	7.02	50.55	64.91	34.52	26.32	1.70	9.11	48.12	41.07							
35084 Newark MD 2010-2011	118	17.77	11.09	0.85	19.06	7.63	31.46	38.14	38.39	53.39	4.88	11.07	29.31	54.75							
35644 Bergen Passaic MD 2010-2011	320	48.19	1.54	1.25	5.39	1.88	19.83	14.37	73.17	82.50	0.79	3.26	17.65	78.30							

\* Based on 2012 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2012).



Institution ID: COLUMBIA BANK

**Table 8a. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: COLUMBIA BANK					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2012							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>*</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>1</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
15804 Camden MD-2012	24	15.79	19.91	4.35	17.96	26.09	23.10	13.04	39.02	56.52	0.00	0.00	0.00	0.00
20764 Edison MD-2012	12	7.89	19.14	0.00	16.85	10.00	22.23	10.00	41.78	80.00	0.00	0.00	0.00	0.00
35084 Newark MD-2012	26	17.11	25.49	3.85	17.12	15.38	18.75	19.23	38.63	61.54	0.00	0.00	0.00	0.00
35644 Bergen Passaic MD- 2012	90	59.21	15.11	0.00	11.81	4.35	15.83	19.57	57.24	76.09	0.00	0.00	0.00	0.00

<b>Full Review:</b>														
15804 Camden MD 2010-2011	30	13.39	18.85	3.33	18.50	16.67	24.62	16.67	38.03	63.33	12.61	32.64	27.41	27.33
20764 Edison MD 2010-2011	38	16.96	18.03	20.00	17.48	17.14	22.85	11.43	41.64	51.43	6.68	25.07	30.39	37.86
35084 Newark MD 2010-2011	50	22.32	24.71	8.16	17.09	4.08	19.84	14.29	38.36	73.47	4.35	24.86	28.78	42.00
35644 Bergen Passaic MD 2010-2011	106	47.32	12.34	2.97	12.29	5.94	16.63	13.86	58.74	77.23	0.58	6.68	22.85	69.89

<sup>\*</sup> Based on 2011 Peer Mortgage Data (USPR)

<sup>\*\*</sup> Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Families is based on the 2010 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 30.9% of loans originated and purchased by BANK.

<sup>1</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: COLUMBIA BANK

**Table 9a. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: COLUMBIA BANK					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2012							
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>*</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>2</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
15804 Camden MD-2012	65	23.13	19.91	12.31	17.96	26.15	23.10	27.69	39.02	33.85	0.00	0.00	0.00	0.00
20764 Edison MD-2012	51	18.15	19.14	10.00	16.85	16.00	22.23	20.00	41.78	54.00	0.00	0.00	0.00	0.00
35084 Newark MD-2012	34	12.10	25.49	5.88	17.12	20.59	18.75	17.65	38.63	55.88	0.00	0.00	0.00	0.00
35644 Bergen Passaic MD- 2012	131	46.62	15.11	0.78	11.81	5.47	15.83	15.63	57.24	78.13	0.00	0.00	0.00	0.00

<b>Full Review:</b>														
15804 Camden MD 2010-2011	129	27.04	18.85	4.65	18.50	26.36	24.62	33.33	38.03	35.66	11.78	21.29	30.22	36.71
20764 Edison MD 2010-2011	76	15.93	18.03	5.56	17.48	22.22	22.85	27.78	41.64	44.44	9.15	21.35	29.35	40.15
35084 Newark MD 2010-2011	73	15.30	24.71	8.22	17.09	15.07	19.84	27.40	38.36	49.32	6.27	19.48	26.25	48.01
35644 Bergen Passaic MD 2010-2011	199	41.72	12.34	2.14	12.29	3.21	16.63	16.58	58.74	78.07	2.62	6.96	16.54	73.88

<sup>\*</sup> Based on 2011 Peer Mortgage Data (USPR)

<sup>\*\*</sup> Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Families is based on the 2010 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 1.4% of loans originated and purchased by BANK.

<sup>2</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: COLUMBIA BANK

**Table 10a. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: COLUMBIA BANK					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2012							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data <sup>*</sup>			
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>3</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Low	Mod	Mid	Upp
<b>Full Review:</b>														
15804 Camden MD-2012	272	19.28	19.91	7.01	17.96	15.87	23.10	25.09	39.02	52.03	0.00	0.00	0.00	0.00
20764 Edison MD-2012	209	14.81	19.14	4.90	16.85	14.22	22.23	23.53	41.78	57.35	0.00	0.00	0.00	0.00
35084 Newark MD-2012	208	14.74	25.49	2.90	17.12	8.21	18.75	21.26	38.63	67.63	0.00	0.00	0.00	0.00
35644 Bergen Passaic MD-2012	722	51.17	15.11	0.86	11.81	4.01	15.83	12.75	57.24	82.38	0.00	0.00	0.00	0.00

<b>Full Review:</b>														
15804 Camden MD 2010-2011	493	21.67	18.85	5.31	18.50	17.35	24.62	23.06	38.03	54.29	6.31	20.41	29.60	43.68
20764 Edison MD 2010-2011	343	15.08	18.03	4.78	17.48	15.22	22.85	22.09	41.64	57.91	4.21	15.37	29.22	51.20
35084 Newark MD 2010-2011	347	15.25	24.71	3.83	17.09	9.73	19.84	16.22	38.36	70.21	2.75	11.83	23.36	62.06
35644 Bergen Passaic MD 2010-2011	1,092	48.00	12.34	1.03	12.29	3.76	16.63	11.01	58.74	84.20	0.77	3.71	13.63	81.89

<sup>\*</sup> Based on 2011 Peer Mortgage Data (USPR)

<sup>\*\*</sup> Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Families is based on the 2010 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 2.2% of loans originated and purchased by BANK.

<sup>3</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: COLUMBIA BANK

**Table 11a. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: COLUMBIA BANK			Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2012				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
15804 Camden MD- 2012	47	17.09	70.96	29.79	31.91	23.40	44.68	21,395	8,486
20764 Edison MD- 2012	61	22.18	71.62	36.07	39.34	29.51	31.15	38,132	15,108
35084 Newark MD- 2012	50	18.18	71.27	48.00	40.00	18.00	42.00	41,946	16,298
35644 Bergen Passaic MD- 2012	117	42.55	71.69	35.04	45.30	21.37	33.33	39,359	15,782

<b>Full Review:</b>									
15804 Camden MD 2010-2011	116	17.37	67.46	31.03	46.55	23.28	30.17	16,005	4,909
20764 Edison MD 2010-2011	114	17.07	67.91	42.11	30.70	25.44	43.86	27,379	6,689
35084 Newark MD 2010-2011	118	17.66	67.27	23.73	40.68	20.34	38.98	32,926	7,789
35644 Bergen Passaic MD 2010-2011	320	47.90	68.01	42.50	50.94	20.00	29.06	31,294	7,493

\* Based on 2012 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2012).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 2.55% of small loans to businesses originated and purchased by the bank.

## Institution ID: COLUMBIA BANK

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: COLUMBIA BANK									
Evaluation Period: APRIL 16, 2010 TO SEPTEMBER 16, 2013									
Assessment Area:	Prior Period Investments <sup>*</sup>		Current Period Investments		Total Investments			Unfunded Commitments <sup>**</sup>	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
15804 Camden MD	0	0	0	0	305	0	53.77	0	0
20764 Edison MD	0	0	71	11,971	71	11,971	23.28	0	0
35084 Newark MD	0	0	63	10,622	63	10,622	20.66	0	0
35644 Bergen Passaic MD	0	0	0	1,180	7	1,180	2.29	0	0

The amounts reflected in the table above were part of 14 MBS investments totaling \$51.4 million.

An additional 257 investments, grants, donations, and charitable contributions totaling \$2,921.8 thousand of qualified investments were made dispersed among the 4 MD AA's.

The total qualified investments for the period were \$54.35 million.

<sup>\*</sup> 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

<sup>\*\*</sup> 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Institution ID: COLUMBIA BANK

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: COLUMBIA BANK				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2012									
Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
15804 Camden MD 2010-2011	0.00	8	18.18	0.00	0.00	75.00	25.00	0	0	0	0	0	0	5.18	17.13	48.03	29.41
20764 Edison MD 2010-2011	0.00	11	25.00	0.00	18.18	63.64	18.18	0	0	0	0	0	0	6.18	13.84	51.14	28.83
35084 Newark MD 2010-2011	0.00	6	13.64	0.00	0.00	33.33	66.67	0	0	0	0	0	0	16.01	25.67	23.05	34.99
35644 Bergen Passaic MD 2010-2011	0.00	19	43.18	0.00	0.00	0.00	100.00	0	0	0	0	0	0	5.57	8.91	21.50	63.99

