



## **PUBLIC DISCLOSURE**

December 05, 2016

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Northfield Bank  
Charter Number 718063

1731 Victory Boulevard  
Staten Island, NY 10314

Office of the Comptroller of the Currency

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4th Floor  
New York, NY 10017-2613

**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 Northfield Bank (“Northfield” or “the Bank”) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Northfield Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		<b>X</b>	<b>X</b>
Low Satisfactory	<b>X</b>		
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:

- Lending levels reflect good responsiveness to assessment area (“AA”) credit needs taking into consideration the level of competition faced by Northfield Bank in each of their AAs;
- The Bank’s distribution of loans to borrowers reflects excellent distribution among borrowers of different income levels;
- The Bank’s geographic distribution reflects reasonable distribution of loans and meets the standards for satisfactory performance based on its home mortgage lending in low- and moderate-income (“LMI”) census tracts;
- The Bank’s responsiveness to community development (“CD”) needs and opportunities in its AA is satisfactory, considering its capacity and AA opportunities. The level of CD loans (including multifamily loans) had a positive impact;
- Northfield has a good level of qualified investments, grants, and donations that benefit the AA; and
- Retail services and delivery systems are accessible to essentially all portions of the AA.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation. 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.

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. The U.S. Census Bureau has established BNAs in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the U.S. Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten- year census and an average population of 4,000.

**Community Development (CD)** - 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**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.

**Full-Scope Review** - Performance under the lending, investment, and service tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**Geography** - A census tract or a block numbering area delineated by the U.S. Census Bureau in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA)** - The statute that requires certain mortgage lenders that conduct 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 applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn, 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 and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Limited-Scope 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, branch distribution).

**Low-Income** - Income levels that are less than 50 percent of the median family income.

**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 Statistical Area (MSA)** - Area defined by the director of the U.S. Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** - Income levels that are at least 80 percent and less than 120 percent of the MFI.

**Moderate-Income** - Income levels that are at least 50 percent and less than 80 percent of the MFI.

**Small Loans to Businesses** - Loans with original amounts of \$1 million or less that are: (1) secured by non-farm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Loans to Farms** - Loans with original amounts of \$500,000 or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

**Tier 1 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** - Income levels that are 120 percent or more of the MFI.

## Description of Institution

Northfield Bank is a federally chartered savings bank that conducts business primarily from its headquarters located in Staten Island, New York, and its operations center located in Woodbridge, New Jersey. The Bank is owned by the holding company Northfield Bancorp Inc., a Delaware Corporation. As of September 30, 2016 Northfield Bank has approximately \$3.8 billion in assets. Currently, the Bank operates 38 branches in New York and New Jersey, with branches located in Kings (Brooklyn), Richmond (Staten Island), Union, Middlesex, Mercer, and Hunterdon counties.

Northfield subsidiaries and affiliates include NSB Insurance Agency, Inc., NSB Services, Corp., NSB Realty Trust, and the Northfield Foundation. NSB Realty Trust is a real estate investment trust and a subsidiary of NSB Services Corp. The Northfield Foundation promotes charitable purposes within the AA. During the evaluation period, dividends of \$1.2 million were paid on the foundation's shares from Northfield's holding company, and grants and donations of \$1.3 million were made from Northfield Foundation.

On January 8, 2016, Northfield acquired Hopewell Valley Bank, which resulted in the addition of nine branches with one located in a moderate-income tract, two in middle-income tracts and six in upper-income tracts. Since the acquisition, the Bank closed one Hopewell Valley branch located in an upper-income tract in Somerset County, NJ. The branches are not included in Table 11 in Appendix D, as six of the branches were in MSA 45940 (not part of our evaluation period) and three branches were in MSA 35620/MD 35084. In addition, the Bank closed one branch in Staten Island, which is part of Richmond County in NY.

The Bank provides an effective delivery system via 40 retail branches. The full service offices are readily accessible to all portions of the Bank's AA. Each branch offers an assortment of deposit and loan products. Automated teller machine ("ATM") services are available at all branch locations. The Bank also offers a transactional Internet website, on-line banking services, and mobile banking.

Competition in the AA is strong for both loans and deposits. There are a high amount of financial institutions, which consist of large money centers, regional banks, community banks, and credit unions.

<b>Northfield Bank's Investment in Loans 9/30/16 Uniform Bank Performance Report</b>			
<b>Loan Category</b>	<b>Amount \$(000's)</b>	<b>Percent of Total Loans</b>	<b>Percent of Total Assets</b>
Residential Loans	\$ 2,847,229	97.6%	75.2%
Commercial Loans	\$ 66,944	2.3%	1.8%
Consumer Loans	\$ 2,076	0.1%	0.05%
Total	\$ 2,916,249	100.0%	77.03%

As of September 30, 2016, Northfield has \$3.8 billion in assets, and a loan portfolio of \$2.9 billion. The loan portfolio is comprised of \$2.8 billion in real estate loans (98 percent), \$67 million in commercial loans (two percent), and \$2 million in consumer loans (0.10 percent). Total loans and leases represent 76 percent of total assets. Tier one capital was \$541.4 million as of September 30, 2016. Northfield's last Performance Evaluation ("PE") was dated August 19, 2013, where the overall CRA rating was "Satisfactory." There are no legal, financial, or other factors that impede the Bank's ability to help meet the credit needs in the AAs.

## **Scope of the Evaluation**

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

Northfield Bank's Community Reinvestment Act performance was evaluated under the large bank examination procedures, which consist of a lending test and a CD test. The lending test was completed using full-scope review procedures for its AAs located in Richmond and Kings Counties in New York and Union and Middlesex Counties in NJ. Our review covered the Bank's lending performance from January 1, 2014 to December 31, 2015. Residential mortgage loans were determined to be the Bank's primary loan product and were reviewed as part of this evaluation. We also reviewed small business loans during this evaluation.

The CD test evaluates the Bank's responsiveness to CD needs in its AAs through CD loans, investments, and services. The assessment period for Northfield's CD activities is August 19, 2013 to December 5, 2016.

### **Data Integrity**

Prior to and during this evaluation, the OCC conducted data integrity reviews, testing the accuracy of the Bank's HMDA and CRA loan data for the period of January 1, 2014 through December 31, 2015. The Bank's 2014 and 2015 HMDA data and its 2014 through 2015 CRA data were determined to be accurate and were used in this evaluation. In addition, the OCC reviewed all CD activities to ensure they met the regulatory definition for community development.

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

The Bank's AA consists of two contiguous Metropolitan Divisions ("MDs") that are both located within the New York- Northern New Jersey- Long Island, NY- NJ-PA MSA (35620). We completed a full-scope review of the AA including Kings and Richmond Counties in New York and Union and Middlesex Counties in New Jersey. Kings, Richmond, and Middlesex Counties are located in the New York-White Plains-Wayne, NY-NJ MD (35614) and Union County is located in the Newark-Union, NJ-PA MD (35084). The assessment area contains 1,234 geographies that were evaluated as one AA.

### **Ratings**

The Bank's overall rating is based primarily on the Bank's performance within the multi-state metropolitan area with more weight placed on the New York-White Plains-Wayne, NY-NJ MD (35614), which represents the portion of the AA where the significant majority of loans were originated during the evaluation period.

## **Fair Lending Review**

Pursuant to 12 C.F.R. 25.28(c) and 195.28(c), in determining a national bank's ("bank") or federal savings association's ("FSA") CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development ("HUD"), and the Consumer Financial Protection Bureau ("CFPB").

The OCC did not identify evidence of discriminatory or other illegal practices with respect to this institution.

The OCC will consider any evidence of discriminatory or other illegal credit practices relative to this institution that other regulators may provide to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information provided concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## ***Multi-State Metropolitan Statistical Area (“MMSA”) Rating***

**The CRA rating for the New York- Northern New Jersey – Long Island, New York – New Jersey- Pennsylvania MMSA (35620):**

**The Lending Test is rated: Low Satisfactory**

**The Investment Test is rated: High Satisfactory**

**The Service Test is rated: High Satisfactory**

The major factors that support this rating include:

- Lending levels in the Richmond, Kings, Middlesex, and Union Counties reflect adequate responsiveness to AA credit needs and Northfield’s performance meets the standards of satisfactory performance;
- Northfield Bank has a good number of qualified investments, grants and donations in the Bank’s AAs. The Bank displays significant evidence of serving and responding to the credit needs of LMI individuals and geographies through numerous investments, grants, and donations; and
- Retail services and delivery systems are accessible to essentially all portions of the assessment area.

### **Description of Institution’s Operations in New York- Northern New Jersey – Long Island, NY – NJ- PA MMSA**

Northfield has two AAs within the New York-Northern New Jersey-Long Island, NY-NJ-PA MMSA 35620. These AAs include the New York-White Plains-Wayne, NY-NJ MD AA (MD 35614) and the Newark, NJ PA (MD 35084). On January 8, 2016, Northfield acquired Hopewell Valley Community Bank via merger and amended the AA to include all of Mercer County and 14 census tracts in Hunterdon County; however, the Mercer and Hunterdon County AA was not a part of this evaluation. As presented above, the AA is the New York-White Plains-Wayne, NY-NJ MD (35614), and includes Richmond, Kings and Middlesex Counties, which are also part of the New York-Northern New Jersey-Long Island MMSA 35620. The AA meets regulatory guidelines, as it corresponds to accepted political subdivisions (counties) and does not arbitrarily exclude any low-income or moderate-income areas.

Refer to the market profile for the New York-Northern New Jersey-Long Island, NY-NJ-PA MMSA in Appendix C for detailed demographics and other performance context information.

## **LENDING TEST**

### **Lending Activity**

Refer to Table 1 in the “Multi-state Metropolitan Area(s)” section of Appendix D for the facts and data used to evaluate the Bank’s lending activity.

The Bank’s performance under the lending test is rated “Low Satisfactory.” Based on full-scope reviews, the Bank’s performance in the New York-Jersey City-White Plains, NY-NJ MD 35614 and Newark, NJ PA MD 35084 is good. The evaluation period covered home mortgage purchase loans, home improvement loans, home refinance loans reported under the Home Mortgage Disclosure Act (“HMDA”) and small loans to businesses reported under CRA from January 1, 2014 through December 31, 2015.

There is strong competition for mortgage loans and small business loans in the AA. In the Bank’s market area, Northfield faces competition from large banks, regional banks, credit unions, and mortgage banks. The strong competition makes it difficult for the Bank to meet the percentages of low- and moderate-income borrowers in their AA.

When aggregating the Bank’s performance in both MDs, Northfield meets aggregate peer lending data in home mortgage loans and small loans to businesses for both low- and moderate-income borrowers.

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

Lending levels in the MMSA reflect satisfactory responsiveness to AA credit needs and Northfield’s performance is good for geographic distribution of loans.

#### ***Home Mortgage Loans***

Refer to Tables 2, 3, and 4 in the “Multi-state Metropolitan Area” section of Appendix D for the facts and data used to evaluate the geographic distribution of the Bank’s home mortgage loan originations and purchases.

Northfield’s lending performance in regards to lending in different geographies is good given the credit needs within the AA, current lending opportunities, demographic changes, and a comparison of competitor performance. Geographic distribution reflects satisfactory distribution among residential real estate loans.

In reviewing the 2014-2015 HMDA data for the Bank’s primary lending area, MD 35614, the level of residential real estate loans that were originated were overall in line with aggregate peer lending and is good. Home purchase loan originations were significantly higher than peer within low-income and moderate-income geographies. However, the Bank did not originate any home improvement loans throughout the evaluation period to low- or moderate-income geographies within this MD. Home refinance loan originations were

higher than peer for low-income geographies and less than peer for moderate-income geographies.

In reviewing the 2014-2015 HMDA data for the Bank's secondary lending area, MD 35084, the level of residential real estate loans that were originated were in line or exceeded aggregate peer lending. Although the quantity of loans was low, totaling three loans, the Bank made significantly more home purchase loan originations within low- and moderate-income geographies compared to peer during the evaluation period. Home improvement loan originations were higher than peer for low-income geographies but lower than peer for moderate-income geographies. Home refinance loan originations were higher than peer for both low-income and moderate-income geographies.

### ***Small Loans to Businesses***

The Bank's distribution of loans to small businesses based on geographies in MD 35614 is inadequate and distribution in MD 35084 is good. Overall, the Bank did meet the equivalent to aggregate industry distribution.

The Bank's geographic distribution of small loans to businesses is inadequate in MD 35614. The percentage of loans to small businesses in low-income and moderate-income geographies is below the percentage of aggregate industry distribution in both income geographies. Loans to small businesses in low-income census tracts totaled 7.81 percent of Bank loans compared to 14.30 percent of small business lending performed by peers in low-income tracts within the MD. In addition, the Bank's lending in moderate-income census tracts is below peer at 23.44 percent of Bank loans compared to peer at 29.42 percent within the MD.

The Bank's geographic distribution of small loans to businesses in MD 35084 is good and the Bank exceeded the aggregate industry distribution. The percentage of small loans to businesses in low-income geographies and moderate-income geographies both exceeded the aggregate lending percentage within the respective geographies. Small loans to businesses in low-income geographies is at 11.32 percent exceeding peer average at 9.49 percent. Small loans to businesses in moderate-income geographies is at 23.79 percent exceeding peer average at 23.04 percent.

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

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

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

#### ***Home Mortgage Loans***

Refer to Tables 6, 7, and 8 in the “Multi-state Metropolitan Area” section of Appendix D for the facts and data used to evaluate the borrower distribution of the Bank’s home mortgage loan originations and purchases.

Northfield’s lending performance to borrowers of different incomes is good given their performance compared to aggregate industry distribution, credit needs within the AA, current lending opportunities, demographic changes, and a comparison of competitor performance. Borrower distribution reflects good distribution among residential real estate loans.

In reviewing the 2014-2015 HMDA data for the Bank’s primary lending area, MD 35614, the level of residential real estate loans originated were in line with aggregate industry distribution. Home purchase loan originations were higher than peer for low-income and moderate-income borrowers. Home improvement loan originations were in line with peer for low-income borrowers and slightly above peer for moderate-income borrowers. Home refinance loan originations were higher than peer for both low-income and moderate-income borrowers.

In reviewing the 2014-2015 HMDA data for the Bank’s secondary lending area, MD 35084, the level of residential real estate loans that were originated were in line with aggregate industry distribution. The Bank did not make any home purchase loan originations to low-income borrowers during the evaluation period, but made significantly more loans when compared to peer for moderate-income borrowers. Home improvement loan originations were slightly lower than peer for low-income borrowers but significantly higher than peer for moderate-income borrowers. Home refinance loan originations were higher than peer for both low-income and moderate-income borrowers.

### ***Small Loans to Businesses***

The Bank’s distribution of loans to small businesses based on income is adequate and the Bank’s performance is good. The Bank originated/purchased 81 small loans to businesses between January 1, 2014 and December 31, 2015. Of these loans, the Bank originated/purchased 65 loans to businesses between January 1, 2014 and December 31, 2015 in MD 35614. Of the 65 loans made in this MD, 52.31 percent were originated to small businesses with annual revenues of less than \$1 million, compared to 78.97 percent of small businesses within the MD. The Bank’s lending to small businesses is somewhat lower than the percentage of small businesses in the AA but the distribution by size of loans shows that a good percentage of the loan originations are for \$100,000 or less. However, the Bank’s borrower distribution of small loans to businesses is inadequate from 2014 through 2015 in MD 35084. The Bank originated/purchased 16 small loans to businesses between January 1, 2014 and December 31, 2015. Of these 16 loans originated in this MD, 31.25 percent were originated to small businesses with annual revenues of less than \$1 million, compared to 77.93 percent of small businesses within the MD. The Bank’s lending

to small businesses is lower than the percentage of small businesses in the AA but the distribution by size of loans shows that a good percentage of the loan originations are for \$100,000 or less.

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

The Bank's lending within its AA was analyzed at the Bank level as opposed to the AA area level. This analysis only includes Bank originations and purchases and does not include extensions of credit by affiliates that are being considered under other performance criteria. The Bank originated a majority of home mortgage loans inside their AA by volume but a majority outside by dollar amount. During the evaluation period, 50.91 percent of loan originations by volume and 27.45 percent by dollar amount were within the AA. This performance is reasonable.

### **Community Development Lending**

Refer to Table 1 – “Lending Volume” in Appendix D for the facts and data used to evaluate the Bank's level of community development lending.

Northfield originated a good level of CD loans and multifamily loans with affordable rents to low- and moderate-income borrowers during the evaluation period. These loans had a positive impact on the Lending Test. Opportunities continue to exist for CD lending, as evidenced through our community contacts. However, competition from large and community banks is strong for both CD and affordable housing multifamily loans.

During the evaluation period from January 1, 2014 to December 31, 2015, Northfield originated eight CD loans for \$3.18 million and 26 multifamily CD loans for \$44.41 million within the AA. Some examples of the CD loans that were originated during the evaluation period included the financing of the following causes:

- A \$3.6 million loan to a non-profit organization that provides economic development opportunities to small businesses;
- A \$100 thousand loan to a non-profit minority-owned community center providing social services including after-school literacy & anti-violence programs; and
- A \$500 thousand loan to non-profit health service provider for low and moderate-income individuals.

### **Product Innovation and Flexibility**

Northfield makes limited use of innovative and/or flexible lending practices in order to serve the AA's credit needs. Flexible loan programs had a positive impact on the lending performance. These loan programs are described below.

The Bank utilizes the Federal Home Loan Bank Community Investment Program advances to help fund the financing of loans secured by multifamily housing in low- and moderate-income census tracts with rents affordable to low- and moderate-income borrowers. The Program targets multifamily properties for which the rents for at least 51% of the units are affordable to families whose income does not exceed 115% of the area median income (i.e., affordable rents do not exceed 30% of 115% of the area median income.).

The Bank financed \$115 million of loans during the evaluation period using this program, which included \$70 million in 2014 and \$45 million in 2015.

## **INVESTMENT TEST**

The Bank's performance under the investment test is rated "High Satisfactory." Based on our full scope review, the Bank's performance in the New York- Jersey City – White Plains, NY-NJ and Newark, NJ-PA MD AAs is good. Refer to Table 10 in Appendix D for the facts and data used to evaluate the Bank's level of qualified investments.

Northfield Bank has a significant level of qualified investments, grants and donations in the AAs. The Bank displays a good record of serving and responding to the credit needs of LMI individuals and geographies through numerous investments, grants, and donation programs. Qualified investments include CRA Bonds, Small Business Association ("SBA") Loan Funds, CDs in minority owned banks, and Mortgage Backed Securities that financed loans to LMI borrowers. Qualified donations primarily focused on donations given to benefit low-income families and communities.

Northfield Bank made 16 qualified community development investments that totaled approximately \$14.59 million within the evaluation period consisting of CRA Bonds, SBA Loan Fund, Investment Funds, Community Loan Funds, CDs, and Mortgage Backed Securities. In addition, the Bank made 76 qualified donations and grants during the assessment period, which totaled approximately \$429 thousand. The Bank also held two investments that totaled \$984 thousand from a prior period that also qualify for CRA credit.

Highlights of donations, grants, and investments within the Bank's AA include:

- A \$2.6 million CRA Bond that financed home loans for LMI borrowers or loan secured within LMI tracts with the purpose of affordable housing;
- Two Certificates of Deposit that total \$250 thousand to a minority owned bank;
- A \$1 million investment in a CRA qualified investment fund. The fund financed mortgage loans to LMI borrowers;
- A \$250 thousand investment to a fund that finances various community and affordable housing related projects throughout the state and within the AA; and

- A \$50 thousand donation to a non-profit organization for community services to provide cancer screening services for people that do not have health insurance or have health insurance that does not cover the cost of screening, cannot pay for necessary screenings, or meet income eligibility requirements.

## **SERVICE TEST**

The Bank's performance under the Service Test is rated "High Satisfactory." Based on the full-scope review, the Bank's performance in the New York-White Plains-Wayne, NY-NJ MMSA is good.

### *Retail Banking Services*

Refer to Table 11 in Appendix D for the facts and data used to evaluate the distribution of the Bank's branch delivery system and branch openings and closings.

The Bank offers retail-banking services that are readily accessible to individuals of various income levels and in various geographies throughout the AA. The Bank currently has forty full-service branches in the AA. The Bank has two branches in low-income geographies, seven branches in moderate-income geographies, fourteen branches in middle-income geographies, and seventeen branches in upper-income geographies. The nine branches are not included in Table 11 in Appendix D as six of the branches are in MSA 45940 (not part of our evaluation period) and three branches are in MSA 35620/MD 35084. The Bank closed one branch since the last evaluation in an upper-income geography and this did not have an effect on accessibility to retail-banking services.

Services do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies and/or individuals. Services offered and hours of operations are comparable among locations regardless of the income level of the geography. Almost all of the branches have Saturday hours and some branches have Sunday hours. All branches have extended hours at least one evening between Monday and Friday.

All branches offer a full range of traditional deposit and loan products. The Bank's deposit products include basic personal and business checking accounts as well as a variety of loan products. ATM services are available at all branch locations. The Bank also offers free online banking and free online bill pay through their transactional Internet website and on-line banking services. The Bank also offers coin counting machines at most branches.

For the New York-Jersey City-White Plains, NY-NJ MD, there are twenty-seven branches in total with two located in low-income geographies and four in moderate-income geographies. For the Newark, NJ-PA MD, there are seven total branches. No branches were located in low-income geographies and two are located in moderate-income geographies. When compared to the percentage of the population in low and moderate-income census tracts, the branch distribution for moderate-income census tract is good.

The Bank offers services for The Special Supplemental Nutrition Program for Women, Infants, and Children (“WIC”). This program provides federal grants to states for supplemental foods, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five who are found to be at nutritional risk. The Bank accepts WIC checks for deposit, made payable to a merchant by WIC recipients and third-party endorsed to the Bank. The Bank has 21 commercial checking accounts into which WIC checks are deposited. The accounts are primarily located at the Boro Park Branch in Brooklyn, New York, which is in a low-income census tract.

#### *Community Development Services*

The Bank provides a good level of CD services. Bank management and employees have provided financial expertise to various qualified community development organizations or programs. Highlights of CD services activities in the AA include:

- A Board member/executive officer serves on the Board of Directors of an economic development organization. This organization serves Richmond County in New York;
- An executive officer serves on the Board of Directors for a not-for-profit organization that serves the Bank’s market area providing affordable housing options. This organization serves Middlesex County in New Jersey;
- A Bank officer serves on the Board of Directors for a not-for-profit organization that provides homeless shelters and clothing needs for low-income individuals. This organization serves Union County in New Jersey;
- A Bank officer serves on the Board of Directors of an organization that provides emergency food programs for low-income individuals and families. This organization serves Kings County in New York; and
- A member of the Board of Directors serves on the Board of Directors of an organization with programs to develop and manage affordable housing needs. This organization serves Richmond County, New York.

## ***Metropolitan Division (MD) Rating***

### **CRA rating for the New York-White Plains-Wayne, NY-NJ MD - 35614**

**The Lending test is rated: Low Satisfactory**

**The Investment test is rated: High Satisfactory**

**The Service test is rated: High Satisfactory**

The major factors that support this rating include:

- Lending levels in the Richmond, Kings, and Middlesex counties reflect adequate responsiveness to assessment area credit needs and Northfield's performance meets the standards of satisfactory performance;
- Northfield Bank has a good number of qualified investments, grants, and donations in the Bank's AAs. The Bank displays significant evidence of serving and responding to the credit needs of LMI individuals and geographies through numerous investments, grants, and donations; and
- Retail services and delivery systems are accessible to essentially all portions of the AA.

### **Description of Institution's Operations in the New York-White Plains-Wayne, NY-NJ MD AA - 35614**

Northfield's primary business focus includes originating residential real estate loans, multifamily loans, commercial real estate loans, and accepting deposits. Deposits are Northfield Bank's primary source of funds for its lending and investing activities. The Bank has 25 branches and two standalone ATMs within Richmond, Kings, and Middlesex counties. As of June 30, 2016, Northfield is 14<sup>th</sup> in the MD, with 2.03 percent market share for deposits. The Bank's top three competitors for deposits are J.P. Morgan Chase, Santander Bank, N.A., and PNC Bank, National Association.

Refer to the market profile for the New York-Northern New Jersey-Long Island, NY-NJ-PA MSA in Appendix C for detailed demographics and other performance context information.

### **Scope of Evaluation in the New York-White Plains-Wayne, NY-NJ MD AA - 35614**

We performed a full-scope review for the MD 35614 including Richmond, Kings, and Middlesex counties. Individual and overall ratings are based off the results of the full scope review. We contacted several community contacts within Richmond County and Kings

County. We spoke to a non-profit community organization in Richmond County that provides home rehabilitation for low-income residents and provides affordable housing for LMI families. The contact identified needs for rehabilitation of housing for older residents, affordable housing, and housing counseling. The contact stated that local financial institutions have provided support by participating on the nonprofits' boards, providing grants and donations, and providing loans throughout the community.

### ***Conclusions With Respect to Performance Tests***

#### **LENDING TEST**

##### **Lending Activity**

Refer to Appendix D for the facts and data used to evaluate the Bank's lending activity.

##### **New York-White Plains-Wayne, NY-NJ MD AA – 35614**

Lending levels in the New York-Wayne-White Plains, NY-NJ MD reflect satisfactory responsiveness to the AA's credit needs. Loans reported under HMDA represent a majority of the Bank's lending in the MD and was weighted more heavily than small business loans. Home purchase, home improvement, and refinance loans represented 33 percent, 29 percent, and 38 percent, respectively, of all mortgages originated in this MD.

Northfield has 25 full service retail branches and two additional stand-alone ATMs in this MD. As of July 30, 2015, Northfield ranked 13<sup>th</sup> in deposits with 1.80 percent deposit market share in the MD.

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

Lending levels in the MD reflect adequate responsiveness to AA credit needs and Northfield's performance met with equivalent to aggregate industry distribution.

##### *Home Purchase*

Northfield has a satisfactory distribution of low-income and moderate-income tracts for home purchase loans in MD 35614 by significantly exceeding the aggregate industry distribution. The Bank's performance in LMI tracts is good. In 2014 and 2015, the Bank originated 12.96 percent of home purchase loans to borrowers in low-income geographies compared to 4.53 percent for peers. This indicates a good distribution for low-income tracts. During 2014 and 2015, the Bank originated 27.78 percent of home purchase loans to borrowers in moderate-income geographies compared to peer at 17.72 percent. This also indicates a good distribution for moderate-income geographies.

##### *Home Improvement*

Northfield has an inadequate distribution of low-income and moderate-income tracts for

home improvement loans in MD 35614, as the Bank did not originate any home improvement loans in low-income or moderate-income geographies in 2014 and 2015. Comparatively, peer originated 4.63 percent in low-income geographies and 18.42 percent in moderate-income geographies during the same time period.

### *Home Refinance*

Northfield has a satisfactory distribution of low-income and moderate-income tracts for home refinance loans in MD 35614, as the Bank's performance met with equivalent to aggregate industry distribution. The Bank's performance in low-income and moderate-income tracts is good. During 2014 and 2015, the Bank originated 9.33 percent of home refinance loans to borrowers in low-income geographies compared to 4.21 percent for peers. This demonstrates good performance for low-income geographies. In 2014 and 2015, the Bank originated 13.33 percent of home refinance loans to borrowers in moderate-income geographies, compared to peer at 15.26 percent. This indicates satisfactory distribution for moderate-income geographies.

### *Small Loans to Businesses*

The Bank's geographic distribution of small loans to businesses in MD 35614 is inadequate. Refer to Table 5 in Appendix D for the data used to evaluate the geographic distribution of the Bank's origination/purchase of loans to small businesses.

The Bank's geographic distribution of small loans to businesses is inadequate, as the Bank's performance did not meet with equivalent to aggregate industry distribution. The percentage of loans to small businesses in LMI geographies is below the percentage of aggregate peer lending in both income geographies. The Bank's percentage of small loans to businesses made in LMI geographies is lower than the percentage of businesses in low-income tracts. Loans to small businesses in low-income census tracts loans totaled 7.81 percent of Bank loans compared to 14.30 percent of small business lending performed by peers in low-income tracts within the MD. In addition, the Bank's lending in moderate-income census tracts is lower than peer at 23.44 percent of Bank loans compared to 29.42 percent compared to peer within the MD. The Bank did not meet the equivalent to aggregate distribution.

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

### *Home Purchase Loans*

Northfield Bank's performance in MD 35614 represents a good distribution in LMI tracts for home purchase loans compared to the equivalent to aggregate industry distribution. The Bank's performance in low-income tracts is good. The Bank originated 5.41 percent of home purchase loans to low-income borrowers, which doubles peer average at 2.12 percent. Bank origination to moderate-income borrowers is 21.62 percent, which also doubles the peer average at 9.81 percent. This indicates that the Bank represents good

distribution of moderate- income tracts within the MD.

### *Home Improvement Loans*

Northfield Bank's performance in the MD 35614 represents good distribution to LMI borrowers for home improvement loans, as the Bank's performance met with equivalent to aggregate industry distribution. The Bank's performance in low-income tracts is inadequate. The Bank originated 3.13 percent of home improvement loans to low-income borrowers, which is below the peer average at 4.22 percent. However, the Bank originated 12.5 percent of home improvement loans to moderate-income borrowers, exceeding the peer average of 12.04 percent.

### *Home Refinance Loans*

Northfield Bank's performance in the MD 35614 represents a good distribution to LMI borrowers for home refinance loans, as the Bank's performance met with equivalent to aggregate industry distribution. The Bank's performance to low-income borrowers is good. The Bank originated 6.85 percent of home refinance loans to low-income borrowers, which exceeds peer average at 3.07 percent. The Bank origination for moderate-income tracts is also good at 19.18 percent, which exceeds peer average at 7.93 percent.

### *Loans to Small Businesses*

The Bank's distribution of loans to small businesses based on income is satisfactory, as the Bank's performance met with equivalent to aggregate industry distribution. Refer to Table 9 in Appendix D for the data used to evaluate the borrower distribution of the Bank's origination/purchase of small loans to businesses.

The Bank's borrower distribution of small loans to businesses is adequate. The Bank originated/purchased 65 loans to businesses between January 1, 2014 and December 31, 2015. Of these 65 loans, 52.31 percent were originated to small businesses with annual revenues of less than \$1 million, compared to 78.97 percent of small businesses within the MD. The Bank's lending to small businesses is somewhat lower than the percentage of small businesses in the AA but the distribution by size of loans shows that a good percentage of the loan originations are for \$100,000 or less.

### ***Investment Test***

The Bank's performance for the investment test in the MD 35614 is rated High Satisfactory. Northfield Bank has a significant level of qualified investments, grants, and donations within the AA. Qualified investments include CRA Bonds, SBA Loan Funds, CDs in minority owned banks, and Mortgage Backed Securities that financed loans to LMI borrowers. Qualified donations primarily focused on donations given to benefit low-income families and communities.

Within the MD 35614, the Bank made 10 new investments totaling \$11.26 million during the evaluation period that benefited the MD. Qualified investments included CRA Bonds, SBA Loan Fund, Investment Funds, Community Loan Funds, CDs, and Mortgage Backed Securities qualifying within the MD. In addition, the Bank had an additional two investments totaling \$984 thousand from the prior evaluation period. In addition, the Bank made 72 qualified donations and grants during the assessment period, which totaled approximately \$383 thousand.

### ***Community Development Lending***

Northfield originated a good level of community development loans in MD 35614 during the evaluation period. The Bank originated 11 multifamily loans totaling \$11.94 million.

Northfield Bank's CD loans included:

- \$1.7 million loan to a non-profit to provide permanent housing for special needs and low income populations;
- \$500 thousand loan to a non-profit health service provider for LMI individuals; and
- \$100 thousand loan to a non-profit that provides housing, economic development, and social services to senior citizens.

## ***Metropolitan Division (MD) Rating***

### **CRA rating for the Newark, NJ PA MD 35084**

**The Lending test is rated: Low Satisfactory**

**The Investment test is rated: High Satisfactory**

**The Service test is rated: High Satisfactory**

The major factors that support this rating include:

- Lending levels in Union county reflect satisfactory responsiveness to assessment area credit needs and Northfield's performance meets the standards of satisfactory performance;
- Northfield Bank has a good number of qualified investments, grants and donations in the Bank's AAs. The bank displays significant evidence of serving and responding to the credit needs of LMI individuals and geographies through numerous investments, grants, and donations; and
- Retail services and delivery systems are accessible to essentially all portions of the AA.

### **Description of Institution's Operations in the Newark, NJ PA MD 35084**

Northfield Bank has four branch offices in Union County. The strategic focus consists of originating multifamily and commercial real estate loans and accepting deposits. Total multifamily loans originated inside the AA is 8.0 percent of the Bank's total multifamily loans. The Bank considers J.P. Morgan Chase and New York Community Bank as some of the primary competitors for multifamily loans. As of June 30, 2016, the Bank is 14<sup>th</sup> in deposit shares inside of the market with about \$250 million or 0.97 percent of the market share. The lead competitors inside the market are Wells Fargo Bank at 29.5 percent, New York Community Bank at 12.85 percent, and Bank of America at 11.32 percent. The weighted average of median family income in the AA is \$90.5 thousand.

### **Scope of Evaluation in the Newark, NJ PA MD 35084**

We performed a full-scope review for the MD 35084, which includes Union County. Our evaluation heavily weighed evidence of the Bank serving and responding to credit needs of LMI borrowers and geographies. We contacted a non-profit community organization in Union County that provides social services to victims of domestic violence. These social services include residential assistance, support and outreach, and children's services. The contact occurred over the phone and continued to email. According to the contact, Northfield Bank has been providing good support of the community through financial and human resources/volunteer support.

## **LENDING TEST**

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

#### **Lending Activity**

Refer to Appendix D for the facts and data used to evaluate the Bank's lending activity.

Lending activity in the Newark-Union, NJ-PA MD reflects satisfactory responsiveness to the area's credit needs. For 2014 and 2015, approximately 11 percent of all home mortgage originations were made in this MD. HMDA loans represent a majority of the Bank's lending in the MD and will be weighed more heavily than small business loans. Home purchase, home improvement, and refinance loans represented 25 percent, 23 percent, and 52 percent, respectively, of all mortgages originated in this MD. Small business loans are a secondary credit need of the MD.

Northfield has four branches in this MD. As of July 30, 2015, Northfield ranked 14<sup>th</sup> in deposits with 0.97 percent deposit market share in MD.

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

Lending levels in Union County reflect satisfactory responsiveness to AA credit needs and Northfield's performance for home loans met with equivalent to aggregate industry distribution.

##### *Home Purchase*

Northfield has a good distribution of LMI tracts for home purchase loans in MD 35084, as the Bank's performance met with equivalent to aggregate industry distribution. Although the quantity of loans was low, totaling three loans, the Bank made significantly more home purchase loan originations in LMI geographies compared to peer during the evaluation period. During 2014 and 2015, the Bank originated 33.33 percent of home purchase loans to borrowers in low-income geographies compared to 5.08 percent for peers. During 2014 and 2015, the Bank originated 33.33 percent of home-purchase loans to borrowers in moderate-income geographies compared to 21.92 percent for peers. This indicates a good distribution for low- and moderate-income tracts.

##### *Home Refinance*

Northfield has a satisfactory distribution of LMI tracts for home refinance loans in MD 35084, as the Bank's performance in LMI tracts is good. During 2014 and 2015, the Bank originated 9.52 percent of home refinance loans to borrowers in low-income geographies compared to 3.40 percent for peers. During 2014 and 2015, the Bank originated 23.81 percent of home refinance loans to borrowers in moderate-income geographies, compared to peer of 16.30 percent.

### *Home Improvement*

Northfield's performance in MD 35084 represents a satisfactory distribution for home improvement loans, as the Bank's performance did meet with equivalent to aggregate industry distribution. In 2014 and 2015, the Bank originated 9.09 percent of home improvement loans to borrowers in low-income geographies, compared to peer at 4.63 percent. During the same time period, the Bank originated 9.09 percent of loans to borrowers in moderate-income geographies, compared to peer at 18.42 percent.

### *Loans to Small Businesses*

The Bank's geographic distribution of small loans to businesses in MD 35084 is excellent, as the Bank's performance exceeds the aggregate industry distribution. Refer to Table 5 in Appendix D for the data used to evaluate the geographic distribution of the Bank's origination/purchase of loans to small businesses.

Overall, the Bank's geographic distribution of small loans to businesses in this MD is excellent, as the Bank's performance significantly exceeded the aggregate industry distribution. The percentage of small loans to businesses in low-income geographies and moderate-income geographies both exceeded the aggregate lending percentage within the respective geographies. Small loans to businesses in low-income geographies is at 11.32 percent exceeding peer average at 9.49 percent. Small loans to businesses in moderate-income geographies is at 23.79 exceeding peer average at 23.04.

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

### *Home Purchase Loans*

Northfield Bank's performance in MD 35084 represents satisfactory distribution in LMI tracts for home purchase loans, as the Bank's performance met with equivalent to aggregate industry distribution. The Bank's performance in the distribution of loans to low-income borrowers is inadequate. The Bank did not originate any home purchase loans for low-income borrowers within 2014 and 2015. However, the number of loans generated to moderate-income borrowers helps to mitigate the low number of low-income loans. The Bank origination for moderate-income borrowers is 50.00 percent, which is very high compared to peers at 28.13 percent.

### *Home Improvement Loans*

Northfield Bank's performance in MD 35084 represents satisfactory distribution in LMI tracts for home improvement loans, as the Bank's performance met with equivalent to aggregate industry distribution. The Bank's performance in the distribution of loans to low-income borrowers is satisfactory. The Bank originated 9.09 percent of home improvement loans to low-income borrowers, which is below peer average at 10.68 percent. However,

this is mitigated due to the percent of family distribution at 26.12 and the number of moderate-income borrower loans. The Bank origination for moderate-income borrowers is 63.64 percent, which is very high compared to peer average at 17.45 percent.

### *Home Refinance Loans*

Northfield Bank's performance in MD 35084 represents satisfactory distribution in LMI tracts for home refinance loans, as the Bank's performance exceeds the aggregate industry distribution. The Bank's performance in the distribution of loans to low-income borrowers is satisfactory. The Bank originated 9.52 percent of home refinance loans to low-income borrowers, which is above peer average at 6.1 percent. The Bank's performance in the distribution of loans to moderate-income borrowers is good at 33.33 percent, which doubles the peer average of 16.33 percent. The Bank's performance represents excellent distribution in home refinance loans for LMI tracts.

### *Small Loans to Businesses*

The Bank's distribution of loans to small businesses based on income is inadequate. Refer to Table 9 in Appendix D for the data used to evaluate the borrower distribution of the Bank's origination/purchase of small loans to businesses.

The Bank's borrower distribution of small loans to businesses is inadequate from 2014 through 2015, as the Bank's performance did not meet with equivalent to aggregate industry distribution MD 35084. The Bank originated/purchased 16 business loans between January 1, 2014 and December 31, 2015. Of these 16 loans, 31.25 percent were made originated to small businesses with annual revenues of less than \$1 million, compared to 77.93 percent of small businesses within the MD. The Bank's lending to small businesses is lower than the percentage of small businesses in the AA but the distribution by size of loans shows that a good percentage of the loan originations are for \$100,000 or less.

### ***Community Development Lending***

Northfield originated a good level of community development loans in MD 35084 during the evaluation period. The Bank originated one loan totaling to about \$130 thousand from during the evaluation period from January 1, 2014 to December 31, 2015 and 13 multifamily CD loans for \$32.46 million within the AA. All qualified CD loans in the AA were used to finance affordable housing or help provide community services to LMI individuals. Northfield Bank's community development loans included:

- A \$7 million loan to a housing developer to finance multifamily loans in a LMI tract;
- A \$130 thousand loan to a local YMCA that provides health and well-being activities, adult day care, child day care, homeless shelter, sports and aquatics for LMI individuals; and

- A \$4.45 million loan to a local housing contractor to finance multifamily loans in a low or moderate income tract.

### ***Investment Test***

The Bank's performance for the investment test in the MD 35084 is rated "High Satisfactory." Northfield Bank has a good level of qualified investments, grants, and donations in the NY-NJ and Newark, NJ-PA MD. Total investments, donations, and grants qualified during assessment period in MD 35084 equaled to about \$9.52 million.

Qualified investments in the MD totaled approximately \$9.46 million consisting of six CRA bonds, which also benefited the MD 35614. For reporting purposes, the number and dollar volume of investments will be reported only under MD 35614 to avoid duplication. The purpose of the CRA bonds were to provide affordable housing for LMI individuals. The SBA loan fund is meant to revitalize or stabilize LMI areas.

Qualified donations in the Union County area totaled to approximately \$64 thousand consisting of 16 donations. The donations provided various services LMI individuals and communities. Services include affordable housing, community services, and promoting economic development.

## 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 non-metropolitan 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 (includes CD loans): (01/01/14 to 12/31/15) Investment and Service Tests: (08/19/13 to 12/05/16)	
<b>Financial Institution</b>		<b>Products Reviewed</b>
Northfield Bank Woodbridge, NJ		Home Mortgages, Small Loans to Businesses, and CD Loans
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
<i>None</i>		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
New York-Northern New Jersey-Long Island, NY-NJ-PA (MSA #35620)	Full-Scope	N/A
Union County, NJ (MSA-MD #35084)	Full-Scope	
Kings and Richmond Counties, NY and Middlesex County, NJ (MSA-MD #35614)	Full-Scope	

## Appendix B: Summary of Multi-state Metropolitan Area and State Ratings

RATINGS NORTHFIELD BANK				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
NORTHFIELD	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Multi-state Metropolitan Area or State:				
MSA #35620	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
MSA-MD #35614 Kings, Richmond, and Middlesex Counties	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
MSA-MD #35084 Union County	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

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

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#### Market Profiles for Areas Receiving Full-Scope Reviews

New York-White Plains-Wayne, NY-NJ MD #35614 .....	31
Newark, NJ PA MD #35084 .....	33

**Table 1 - New York-White Plains-Wayne, NY-NJ MD AA - 35614**

Demographic Information for Full Scope Area: Richmond, Kings and Middlesex Counties						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1,036	12.36	31.18	26.93	28.09	1.45
Population by Geography	3,740,607	13.95	32.70	23.57	29.71	0.07
Owner-Occupied Housing by Geography	564,982	4.11	18.34	28.13	49.42	0.00
Business by Geography	207,413	10.47	28.17	24.21	36.34	0.82
Farms by Geography	1,586	3.85	13.87	22.19	59.58	0.50
Family Distribution by Income Level	891,891	28.32	16.49	17.06	38.13	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	399,607	22.76	41.92	20.88	14.43	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2015 Households Below Poverty Level		68,006 71,300 17%	Median Housing Value Unemployment Rate (2015 Annual per Bureau of Labor Statistics)		505,233 5.3%	

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

Source: 2010 US Census and 2015 FFIEC updated MFI

Northfield Bank has two assessment areas within the New York-Northern New Jersey-Long Island, NY-NJ-PA MSA #35620. They are the New York-White Plains-Wayne, NY-NJ MD AA (#35614) and the Newark, NJ PA (#35084). In January 8, 2016, the Bank acquired Hopewell Valley Community by a merger and amended the assessment area to include all of Mercer County and 14 census tracts in Hunterdon County. Mercer and Hunterdon County assessment area will not be evaluated in this examination. As presented above, the AA is the New York-White Plains-Wayne, NY-NJ MD (#35614), includes Richmond, Kings and Middlesex Counties, which is also part of the New York-Northern New Jersey-Long Island MSA #35620. The AA meets regulatory guidelines as it corresponds to accepted political subdivisions (counties) and does not arbitrarily exclude any low- or moderate-income areas.

The Bank provides banking services throughout its New York-White Plains-Wayne, NY-NJ AA with 25 full service retail branches and 27 ATMs (2 stand-alone), of which 12 are located in Richmond County, nine Kings County and six are located in Middlesex County. All the branches are located in the assessment area. As presented above, the AA is comprised of 1,036 census tracts in the Richmond, Kings and Middlesex Counties. The AA census tracts are spread among 128 low income (12.36 percent), 323 moderate-income (31.18 percent), 279 middle-income (26.93 percent), 291 upper-income (28.09 percent), and 15 NA (1.45 percent) listed as unknown by the US Census Bureau. Total population within the assessment is 3,740,607. The median family income is \$68,006. The assessment area consists of 891,891 families of which 394,926 or 64.68 percent are low-to-moderate income families.

Based on data from the US Bureau of Labor Statistics, the September 2016 unemployment rate for the New York State was 5.0, and the unemployment rate for the New York-White Plains-Wayne, NY-NJ AA was 5.2 percent, compared to the national rate of 5.0 percent. The New York-White Plains-Wayne, NY-NJ AA banking market is highly competitive. The deposit market is dominated by large multi-national institutions. In this area, Northfield's major competitors include JPMorgan Chase, National Association (N.A.); Wells Fargo Bank, National Association; Santander Bank, N.A.; PNC Bank, National Association; TD Bank, National Association; Bank of America, National Association; Citibank, N.A.; New York Community Bank; and Capital One, National Association. Northfield's deposit market share is 1.80 percent, which makes the Bank the 13<sup>th</sup> largest institution in the area (out of 81). The Bank's strategy is to continue to grow and expand its market area by increasing its branch and lending network.

With two of its key catalysts slumping, New York City-Jersey City- White Plains is no longer growing at a breakneck pace. Gains in construction have ground to a halt, and financial services are again moving in the wrong direction. The unemployment rate has settled in at just above 5%, not much different from a year ago, but labor force participation has plummeted in 2016. On the bright side, hospitals are still hiring at a robust clip, and employment in leisure/hospitality has picked up. The jump in the latter, however, is tilting hiring back toward low-wage industries, putting downward pressure on income. The housing market, meanwhile, has slowed, with permits and prices slumping. Even as growth slows, there are reasons to believe that expectations could be exceeded. Although builders face weaker fundamentals, numerous infrastructure projects are under way or in the pipeline. Major renovations at LaGuardia Airport and the Port Authority Bus Terminal will give construction a lift and promote long-term competitiveness. Finally, high-tech employment is getting back on track, indicating that Silicon Alley will remain a magnet for high-wage jobs and young people.

Moody's Analytics report the strengths of the White Plains-Wayne, NY-NJ AA is the financial capital of the world, strong international immigration and high per capita income and limited exposure to manufacturing. However, among the area's weaknesses are high business

costs, especially office rents and energy, costly housing and high tax burdens, and overreliance on wealthy overseas buyers to support real estate. Moody's Analytics believe that New York City-Jersey City-White Plains will settle into a more sustainable growth path in the near term. Numerous drivers, including real estate and finance, will prove less potent, and consumption will disappoint as tourism slows. Longer term, solid demographics are an advantage, but a mature economy and stressed infrastructure will hold back growth.

**Table 2 - Newark, NJ PA MD AA #35084**

Demographic Information for Full Scope Area: Union County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	107	14.95	32.71	29.91	22.43	0.00
Population by Geography	533,108	13.11	30.62	30.74	25.53	0.00
Owner-Occupied Housing by Geography	112,352	3.90	21.85	38.89	35.36	0.00
Business by Geography	34,780	11.38	23.91	35.16	29.55	0.00
Farms by Geography	570	4.21	17.02	37.72	41.05	0.00
Family Distribution by Income Level	129,036	26.12	18.86	19.53	35.50	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	58,030	20.08	40.84	27.23	11.85	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2015 Households Below Poverty Level		90,123 97,900 9%		Median Housing Value Unemployment Rate (2015 Annual per Bureau of Labor Statistics)	408,748 5.6%	

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

Source: 2010 US Census and 2015 FFIEC updated MFI

As presented above, the AA is the Newark, NJ PA MD (#35084), includes Union County, which is also part of the New York-Northern New Jersey-Long Island MSA #35620. The Union County AA is comprised of 107 census tracts in the Union County. The AA census tracts are spread among 16 low income (14.95 percent), 35 moderate-income (32.71

percent), 32 middle-income (29.91 percent), 24 upper-income (22.43 percent), and zero percent listed as unknown by the US Census Bureau. Total population within the assessment is 533,108. The median family income is \$90,123. The assessment area consists of 129,036 families of which 51,632 or 44.98 percent are low-to-moderate income families.

The Newark, NJ PA AA banking market is highly competitive. In this area, Northfield 's major competitors include Wells Fargo Bank, National Association, New York Community Bank; Bank of American, National Association; TD Bank, National Association; and Investors Bank. Northfield's deposit market share is 0.97 percent, which makes the Bank the 14<sup>th</sup> largest institution in the area (out of 30).

Based on data from the US Bureau of Labor Statistics, the September 2016 unemployment rate for the New Jersey State was 5.3 percent, and the unemployment rate for the Newark, NJ PA AA was 5.3 percent, compared to the national rate of 5.0 percent. Major employers in Newark International Airport, Verizon Communications, University of medicine/Dentistry, Merck and Co. Inc. and New Jersey Transit. Top industry sectors are professional and business services, education and health services, government, and leisure and hospital services.

Newark's economy is strengthening, and this is especially evident in the labor market. Job growth has accelerated significantly over the last six months, outpacing that in the rest of New Jersey and the nation. However, Newark got off to a poor start this year, and as a result job gains year to date are running only slightly ahead of last year's total. Construction is benefiting from a new wave of commercial development, while in professional/business services there has been a noticeable uptick in lucrative management jobs. Logistics firms are also expanding aggressively. On the downside, Job growth is less broad-based than this time last year, and labor force trends are weak with participation at a multi-year low. Meanwhile, after reaching a cyclical low of 4.4% earlier this year, the unemployment rate has risen to 5.2%. The slack has kept pay increases at bay: Average hourly earnings are little changed since 2012.

The near-term outlook for single-family housing in Newark is positive. Because of long foreclosure timelines, foreclosure inventories in Newark are more prevalent than almost everywhere else, but they are no longer rising. Stronger income growth will generate more homebuyers, and as higher sales start to reduce the supply of distressed properties, house prices will climb and increase the incentive to build. More residential building will support construction job gains as major commercial projects reach completion.

Moody's Analytics report the strengths of the Newark, NJ PA AA to be well educated and highly productive work force, abundance of high-value added industries, including financial services, pharmaceuticals and high tech, and an important transportation hub with well-developed infrastructure. However, among the area's weaknesses are weak population

growth and high costs of living and doing business. Moody's Analytics believe that the Newark, NJ PA AA Newark's recovery will remain rocky late this year and in 2017. Construction and professional/ business services will lead employment higher, but job growth will be modest as transportation/warehousing diminishes as a support. Employment will not return to its prerecession peak until 2018. Longer term, poor population trends and high business costs will constrain Newark's prospects to below the U.S. average.

## Appendix D: Tables of Performance Data

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## **Content of Standardized Tables**

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A separate set of tables is provided for each state. All multi-state metropolitan areas are presented in one set of 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: 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 MSA/assessment area.

The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- 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 owner-occupied housing 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 Refinance Loans** - See Table 2.
- Table 5. 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.
- Table 6. 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 MSA/assessment area. The table also presents market share information based on the most recent aggregate market data available.

**Table 7. Borrower Distribution of Home Improvement Loans** - See Table 7.

**Table 8. Borrower Distribution of Refinance Loans** - See Table 7.

**Table 9. 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 10. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/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 have been reported on schedule RC-L of the call reports as an off- balance-sheet item.

**Table 11. 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 MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

Institution ID: Northfield

**Table 1. Lending Volume**

LENDING VOLUME													Geography: NORTHFIELD		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015	
Assessment Area (2015):	% 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)					
<b>Full Review:</b>																
Northfield -35614 AA	80.90	223	107,080	65	13,610	0	0	54	98,600	342	219,290	77.40				
Northfield -35084 AA	19.10	52	42,830	16	1,758	0	0	0	0	68	44,588	22.60				

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2015.  
 \*\*\* Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE 2015														Geography: NORTHFIELD				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015			
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*										
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
Northfield -35614 AA	54	94.74	4.11	12.96	18.34	27.78	28.13	25.93	49.42	33.33	4.53	17.72	25.72	52.04							
Northfield -35084 AA	3	5.26	3.85	33.33	21.60	33.33	39.60	33.33	34.95	0.00	5.04	21.77	39.58	33.61							

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* 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.

\*\*\* 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.

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

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

Geographic Distribution: HOME IMPROVEMENT 31, 2015													Geography: NORTHFIELD				Evaluation Period: JANUARY 1, 2014 TO DECEMBER			
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*									
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp						
<b>Full Review:</b>																				
Northfield -35614 AA	65	85.53	4.11	0.00	18.34	0.00	28.13	21.54	49.42	78.46	4.63	18.42	22.70	54.25						
Northfield -35084 AA	11	14.47	3.85	9.09	21.60	9.09	39.60	45.45	34.95	36.36	2.49	18.33	38.69	40.50						

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* 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.

\*\*\* 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.

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

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

Geographic Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2015												Geography: NORTHFIELD				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015			
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*								
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp					
<b>Full Review:</b>																			
Northfield -35614 AA	75	78.13	4.11	9.33	18.34	13.33	28.13	18.67	49.42	58.67	4.21	15.26	22.06	58.47					
Northfield -35084 AA	21	21.88	3.85	9.52	21.60	23.81	39.60	23.81	34.95	42.86	3.40	16.30	38.25	42.05					

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* 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.

\*\*\* 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.

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

**Table 5a. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2015														Geography: NORTHFIELD				Evaluation Period: JANUARY 1, 2014 TO			
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income <sup>*</sup>										
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>**</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	% of Businesses <sup>***</sup>	% BANK Loans	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
Northfield -35614 AA	64	80.00	10.47	7.81	28.17	23.44	24.21	23.44	36.34	45.31	14.30	29.42	23.43	32.85							
Northfield -35084 AA	16	20.00	11.32	12.50	23.79	31.25	35.49	50.00	29.40	6.25	9.49	23.04	36.15	31.32							

<sup>\*</sup> Based on 2015 Peer Small Business Data -- US and PR

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Source Data - Dun and Bradstreet (2015).

**Table 6a. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE														Geography: NORTHFIELD				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015			
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*										
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>1</sup>	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
Northfield -35614 AA	54	94.74	28.32	5.41	16.49	21.62	17.06	8.11	38.13	64.86	2.12	9.81	21.74	66.33							
Northfield -35084 AA	3	5.26	26.08	0.00	18.81	50.00	19.54	0.00	35.57	50.00	6.65	28.13	25.79	39.43							

\* Based on 2015 Peer Mortgage Data -- US and PR

\*\* 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.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 31.6% 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)

**Table 7a. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT 2015														Geography: NORTHFIELD				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015			
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*										
	#	% of Total**	% Families**	% BANK Loans****	% Families <sup>2</sup>	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
Northfield -35614 AA	65	85.53	28.32	3.13	16.49	12.50	17.06	18.75	38.13	65.63	4.22	12.04	19.48	64.25							
Northfield -35084 AA	11	14.47	26.08	9.09	18.81	63.64	19.54	27.27	35.57	0.00	10.57	17.53	25.77	46.13							

\* Based on 2015 Peer Mortgage Data -- US and PR  
 \*\* 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.  
 \*\*\* Percentage of Families is based on the 2010 Census information.  
 \*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.3% 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)

**Table 8a. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE														Geography: NORTHFIELD				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*										
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>3</sup>	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp							
<b>Full Review:</b>																					
Northfield -35614 AA	75	78.13	28.32	6.85	16.49	19.18	17.06	19.18	38.13	54.79	3.07	7.93	19.88	69.13							
Northfield -35084 AA	21	21.88	26.08	9.52	18.81	33.33	19.54	19.05	35.57	38.10	6.09	16.34	24.97	52.60							

\* Based on 2015 Peer Mortgage Data -- US and PR  
 \*\* 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.  
 \*\*\* Percentage of Families is based on the 2010 Census information.  
 \*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.1% 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)

**Table 9 Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES 31, 2015									
Geography: NORTHFIELD									
Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015									
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 <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$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>									
Northfield -35614 AA	65	80.25	78.97	52.31	67.69	12.31	20.00	98,859	52,119
Northfield -35084 AA	16	19.75	77.93	31.25	75.00	18.75	6.25	12,254	5,776

<sup>\*</sup> Based on 2015 Peer Small Business Data -- US and PR

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

<sup>\*\*\*\*</sup> 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 24.69% of small loans to businesses originated and purchased by the bank.

Institution ID: Northfield

**Table 10. Qualified Investments**

QUALIFIED INVESTMENTS									
				Geography: NORTHFIELD		Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Northfield -35614 AA	2	984	70	1489	72	2473	100.00	0	0
Northfield -35084 AA	0	0	22	64*	22	64*	100.00	0	0

\*The six community development investments that benefited MD #35804 also benefited MD #35614. In order to avoid duplication, the total number of investments will be reported under MD #35614 and the dollar volume reported in this table is the MD donation total.

\*\*In addition to the ten community development investments reported above, the bank also had an additional 3 investments totaling \$2.62 million that benefited a regional area including and beyond their AAs.

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

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

**Table 11. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
										Geography: NORTHFIELD				Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015			
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>																	
Northfield -35614 AA	77.40	27	0.00	7.41	18.52	33.33	40.74	0	1	0	0	0	-1	13.95	32.70	23.57	29.71
Northfield- 35084 AA	22.60	7	0.00	0.00	28.57	42.86	28.57	0	0	0	0	0	0	13.11	30.62	30.74	25.53

**Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH and ATM DELIVERY SYSTEM																	
Geography: NORTHFIELD								Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2015									
Assessment Area:	Deposits	Branches						ATMs						Population			
	% of Total Bank Deposits	# of BANK Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				# of Bank ATMs	# of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Northfield -35614 AA	77.40	27	0.00	7.41	18.52	33.33	40.74	27	100.00	7.41	18.52	33.33	40.74	13.95	32.70	23.57	29.71
Northfield- 35084 AA	22.60	7	0.00	0.00	28.57	42.86	28.57	7	100.00	0.00	28.57	42.86	28.57	13.11	30.62	30.74	25.53