

PUBLIC DISCLOSURE

September 20, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

BCB Community Bank
Certificate Number: 35541

860 Broadway
Bayonne, New Jersey 07002

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office

350 Fifth Avenue, Suite 1200
New York, New York 10118

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, nor should it 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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INSTITUTION RATING

INSTITUTION’S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			X
High Satisfactory	X	X	
Low Satisfactory			
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 Lending Test is rated High Satisfactory.

- Lending levels reflect adequate responsiveness to assessment area credit needs.
- The bank made a substantial majority of loans in its assessment area.
- The geographic distribution of loans reflects good penetration throughout the assessment area.
- The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different sizes.
- The institution uses innovative and/or flexible lending practices in order to serve assessment area credit needs.
- The bank is a leader in making community development loans.

The Investment Test is rated High Satisfactory.

- The institution has a significant level of qualified community development investment and grants, often in a leadership position, particularly those that are not routinely provided by private investors.
- The institution exhibit good responsiveness to credit and community development needs.

- The institution rarely uses innovative and/or complex investments to support community development initiatives.

The Service Test is rated Outstanding.

- Delivery systems are accessible to essentially all portions of the institution's assessment area.
- To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.
- Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals.
- The institution is a leader in providing community development services.

DESCRIPTION OF INSTITUTION

Background

BCB Community Bank (BCB) is a New Jersey state non-member bank headquartered in Bayonne, New Jersey. BCB is wholly owned by BCB Bancorp, Inc., a one-bank holding company also located in Bayonne, New Jersey. BCB maintains one active subsidiary, BCB Holding Company Investment Corporation, established to hold securities and investments. BCB received a Satisfactory CRA rating at the previous FDIC Performance Evaluation dated July 9, 2018, based on Interagency Large Institution Examination Procedures.

Operations

BCB operates 29 branches, 25 in New Jersey and 4 are in New York. The New Jersey branches are located throughout Bergen, Hudson, Essex, Morris, Passaic, Middlesex, Monmouth, Union, and Ocean Counties. The New York branches are located throughout Richmond, Kings, and Nassau Counties. BCB opened three branches during the review period and closed two branches, one in Colonia, New Jersey and one in Lodi, New Jersey. The Colonia branch was located in a middle-income census tract and the Lodi branch was located in a moderate-income census tract. BCB also closed two loan production offices during the review period. The bank did not engage in any merger or acquisition activities since the previous evaluation.

BCB offers a variety of personal and business loan and deposit products. Deposit products include checking, savings, money market, and certificate of deposit accounts. Loan products include residential and commercial real estate, Small Business Administration (SBA), construction, and commercial loans and lines of credit. Alternative banking services include online banking, mobile banking, remote deposit capture, bill pay, person-to-person payments, and bank owned automated teller machines (ATMs) located at each branch.

Ability and Capacity

As of June 30, 2021, BCB's assets totaled \$2.9 billion, including total loans of approximately \$2.4 billion and total securities of \$83.5 million. Since the last evaluation, total assets grew 39.1 percent, total loans increased 32.0 percent, and total securities decreased 29.9 percent.

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the credit needs of its assessment area.

The following table details the bank's loan portfolio.

Loan Portfolio Distribution as of 06/30/2021		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	209,430	8.9
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	553,182	23.5
Secured by Multifamily (5 or more) Residential Properties	305,914	13.0
Secured by Nonfarm Nonresidential Properties	1,168,031	49.6
Total Real Estate Loans	2,236,557	95.0
Commercial and Industrial Loans	116,091	4.9
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	416	0.0
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	121	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	2,353,185	100.0
<i>Source: Reports of Condition and Income. Due to rounding, totals may not equal 100.0%</i>		

DESCRIPTION OF ASSESSMENT AREA

The Community Reinvestment Act (CRA) requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. BCB designated a single assessment area that includes all census tracts in Bergen, Hudson, Essex, Morris, Passaic, Middlesex, Monmouth, Union and Ocean Counties in New Jersey and Richmond, Kings, and Nassau Counties in New York. Middlesex, Monmouth, and Ocean Counties are located in Metropolitan Division (MD) 35154 (New Brunswick-Lakewood, NJ). Essex, Morris, and Union Counties are located in MD 35084 (Newark, NJ-PA). Bergen, Hudson, Passaic, Kings, and Richmond Counties are located in MD 35614 (New York-Jersey City-White Plains, NY-NJ). Nassau County is located in MD 35004 (Nassau County-Suffolk County, NY). The MD's are part of the larger multi-state Metropolitan Statistical Area (MSA) 35620 (New York-Newark-Jersey City, NY-NJ-PA). BCB added Ocean County to its assessment area in 2021.

Economic and Demographic Data

Following the previous CRA examination, the Office of Management and Budget made changes to the delineation of MSA 35620. This affected the tract income distribution in MDs 35614 and 35084. The assessment area's 2,463 census tracts reflect the following income designations according to the 2015 American Community Survey (ACS) Data:

- 288 low-income tracts,
- 545 moderate-income tracts,
- 822 middle-income tracts,

- 771 upper-income tracts, and
- 37 tracts with no income designation.

There are eight cities in the assessment area that the New Jersey state government designated as Urban Enterprise Zones (UEZs). The UEZ Program, enacted in 1983, serves to revitalize deteriorating urban communities and stimulates growth by encouraging businesses to develop and create private sector jobs through public and private investment. UEZ Program-approved businesses benefit from reduced sales taxes and tax-free purchases on capital equipment. Additional benefits include financial assistance from the state economic development authority, subsidized unemployment insurance, energy sales tax exemption for qualified manufacturing firms, and certain tax credit options.

The following table illustrates select demographic information for the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,463	11.7	22.1	33.4	31.3	1.5
Population by Geography	10,400,355	11.4	22.3	33.2	33.1	0.2
Housing Units by Geography	4,010,557	11.0	22.3	33.6	33.0	0.1
Owner-Occupied Units by Geography	2,025,596	3.7	14.2	37.5	44.7	0.0
Occupied Rental Units by Geography	1,641,076	19.2	31.6	28.7	20.4	0.1
Vacant Units by Geography	343,885	14.6	26.4	34.1	24.8	0.1
Businesses by Geography	922,441	8.3	17.4	34.0	39.9	0.3
Farms by Geography	12,281	4.1	12.7	35.8	47.1	0.2
Family Distribution by Income Level	2,520,817	24.2	15.2	17.4	43.3	0.0
Household Distribution by Income Level	3,666,672	26.7	14.3	15.9	43.2	0.0
Median Family Income MSA - 35004 Nassau County-Suffolk County, NY		\$108,193	Median Housing Value			\$438,188
Median Family Income MSA - 35084 Newark, NJ-PA		\$90,570	Median Gross Rent			\$1,269
Median Family Income MSA - 35154 New Brunswick-Lakewood, NJ		\$95,564	Families Below Poverty Level			10.7%
Median Family Income MSA - 35614 New York-Jersey City-White Plains, NY-NJ		\$67,560				

Source: 2015 ACS and 2020 D&B Data. Due to rounding, totals may not equal 100.0%
 (*) The NA category consists of geographies that have not been assigned an income classification.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. Of the housing units in the assessment area, 50.5 percent are owner-

occupied, 40.9 percent are occupied rental units, and 8.6 percent are vacant. Owner-occupied housing units reflect the opportunity institutions have to originate 1-4 family residential mortgage loans. As shown in the table above, only 3.7 percent and 14.2 percent of the assessment area’s owner-occupied housing units are located in low- and moderate-income geographies. This indicates limited opportunity for originating mortgage loans in these geographies, particularly those designated as low-income.

Also shown in the table above, 24.2 percent of assessment area families are low-income and 15.2 percent are moderate-income. In addition, 10.7 percent have incomes below the poverty threshold. This data suggests it would be difficult for these families to qualify for a home mortgage loan or to support a monthly mortgage payment, especially considering the assessment area’s median housing value of \$438,188. This data supports the significant challenges lenders face in originating loans to low- or moderate-income applicants.

Examiners used the FFIEC-updated median family income data to analyze the bank’s home mortgage lending under the Borrower Profile criterion. The following table reflects the median family income ranges for the low-, moderate-, middle-, and upper-income categories of the MDs that compose the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Nassau County-Suffolk County, NY MD Median Family Income (35004)				
2019 (\$124,000)	<\$62,000	\$62,000 to <\$99,200	\$99,200 to <\$148,800	≥\$148,800
2020 (\$126,600)	<\$63,300	\$63,300 to <\$101,280	\$101,280 to <\$151,920	≥\$151,920
Newark, NJ-PA MD Median Family Income (35084)				
2019 (\$98,600)	<\$49,300	\$49,300 to <\$78,880	\$78,880 to <\$118,320	≥\$118,320
2020 (\$103,200)	<\$51,600	\$51,600 to <\$82,560	\$82,560 to <\$123,840	≥\$123,840
New Brunswick-Lakewood, NJ Median Family Income (35154)				
2019 (\$108,100)	<\$54,050	\$54,050 to <\$86,480	\$86,480 to <\$129,720	≥\$129,720
2020 (\$112,500)	<\$56,250	\$56,250 to <\$90,000	\$90,000 to <\$135,000	≥\$135,000
New York-Jersey City-White Plains, NY-NJ MD Median Family Income (35614)				
2019 (\$79,300)	<\$39,650	\$39,650 to <\$63,440	\$63,440 to <\$95,160	≥\$95,160
2020 (\$81,800)	<\$40,900	\$40,900 to <\$65,440	\$65,440 to <\$98,160	≥\$98,160
<i>Source: FFIEC</i>				

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue (GAR) level. According to 2020 D&B data, there were 922,441 non-farm businesses operating in the assessment area. GARs for these businesses are as follows:

- 90.0 percent have GARs of \$1.0 million or less,
- 5.0 percent have GARs of more than \$1.0 million, and

- 5.0 percent have unknown revenues.

Service industries represent the largest portion of businesses (38.5 percent), followed by non-classifiable establishments (23.1 percent), retail trade (12.2 percent), and finance, insurance, and real estate (8.4 percent). Within the assessment area, 65.4 percent of businesses have four or fewer employees and 94.5 percent operate from a single location.

Data obtained from the U.S. Bureau of Labor Statistics shows that unemployment rates at the county, state, and national levels remained generally stable during the evaluation period, until the COVID-19 pandemic in March 2020. The August 2021 unemployment rates reflect the effects of the COVID-19 pandemic, which notes a decline since the pandemic started in March 2020. The following table presents annual and current unemployment rates for the assessment area counties as well as the state and national levels since 2018.

Unemployment Rates				
Area	2018	2019	2020	August 2021
	%	%	%	%
Bergen County	3.3	2.8	9.6	6.6
Essex County	4.3	4.5	11.7	8.4
Hudson County	3.2	3.2	10.6	7.3
Kings County	3.1	4.0	12.5	10.1
Middlesex County	2.9	3.0	8.7	6.0
Monmouth County	3.1	3.2	8.8	5.9
Morris County	2.7	2.8	7.8	5.3
Nassau County	3.2	3.3	8.4	5.0
Ocean County	3.7	3.8	9.5	6.3
Passaic County	4.2	4.3	12.6	8.9
Richmond County	4.0	3.8	10.6	9.0
Union County	3.6	3.7	9.9	7.1
State of New Jersey	3.5	3.6	9.8	7.2
State of New York	4.0	3.7	10.0	7.4
National Average	3.7	3.4	8.1	5.2

Source: U.S. Bureau of Labor Statistics

Competition

The assessment area is highly competitive in the market for financial services. According to 2021 FDIC Deposit Market Share data, 112 financial institutions operated 2,657 full-service branches within the assessment area. Of these institutions, BCB ranked 29th with a 0.5 percent deposit market share.

There is a high level of competition for home mortgage loans within the area. According to 2020 aggregate Home Mortgage Disclosure Act (HMDA) data, 789 lenders originated or purchased 379,933 HMDA-reportable loans in the assessment area. Wells Fargo Bank, Quicken Loans, J.P. Morgan Chase Bank, Loandepot.com, LLC, and United Wholesale Mortgage controlled residential

mortgage lending in the assessment area in 2020. These five top lenders captured 26.0 percent of the market share by number of loans. BCB ranked 166th with a 0.07 percent market share.

There is also a high level of competition for small business loans in the assessment area. According to the 2019 aggregate small business data, 250 lenders originated or purchased 372,568 small business loans in the assessment area. This reflects a high degree of competition for this product. The five most prominent small business lenders in the assessment area, American Express, J.P. Morgan Chase Bank, Bank of America, Citibank, and Capital One Bank accounted for 70.8 percent of the total market share. BCB ranked 71st out of this group with a 0.03 percent market share.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information indicates what credit and community development opportunities may be available. It also helps examiners determine if local financial institutions are responsive to those needs.

Examiners contacted the director of a Passaic County government office that promotes the development of local communities by supporting employment, affordable housing, and transportation needs. The contact stated that the primary needs for small businesses are grants, low interest loans, and working capital. The contact also noted that, despite the large number of vacant positions, businesses are unable to find candidates. Additionally, the contact stated that low- and moderate-income families need rental assistance programs and safe and secure housing, noting that the majority of the area's housing stock is old and in short supply. Lastly, the contact noted opportunities for banks to collaborate with government agencies to support affordable housing initiatives, provide funding for small businesses, and provide small business mentorship opportunities.

Examiners also contacted the executive director of an economic development company that provides training, workforce development programs, economic revitalization programs, and employment placement services in Union County and northern New Jersey. The contact stated that the primary credit need is working capital loans for small businesses. The contact also identified an opportunity for local banks to collaborate with local community development organizations.

Credit and Community Development Needs and Opportunities

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that affordable housing and economic development are primary community development needs, and flexible loan programs are the primary credit needs in the assessment area. Economic and demographic data supports the housing affordability issue that the community contact identified. Innovative programs offering principal reduction, mortgage modifications, or down payment assistance would benefit low- and moderate-income individuals and families in the assessment area. Small business micro-loans and technical assistance for small business owners and entrepreneurs represent additional assessment area needs.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated July 9, 2018, to the current evaluation dated September 20, 2021. Examiners used the FFIEC's Large Institution CRA Examination Procedures to evaluate BCB's CRA performance. These procedures include the Lending, Investment, and Service Tests (see Appendices for complete description). Examiners used full-scope procedures to assess BCB's performance in its single assessment area.

Activities Reviewed

BCB's major product lines, considering its business strategy and the number and dollar volume of loans originated during the evaluation period, are home mortgage and small business loans. BCB's record of originating home mortgage loans contributed more weight to overall conclusions, due to the larger loan volume when compared to small business lending. As of June 30, 2021, home mortgage (1-4 family and multi-family residential loans) and commercial loans represented a combined 91.0 percent of the bank's loan portfolio. No other loan types, such as small farm or consumer loans, represent a major product line or provide material support for conclusions or ratings; therefore, examiners did not present these products.

This evaluation considered all home mortgage loans reported on BCB's 2018, 2019, and 2020 HMDA Loan Application Registers (LARs). BCB reported 453 home mortgage loans totaling \$310.9 million in 2018, 235 home mortgage loans totaling \$69.2 million in 2019, and 317 home mortgage loans totaling \$193.3 million in 2020. This evaluation also considered all small business loans that the bank reported on its 2018, 2019, and 2020 CRA Loan Registers. The bank reported 173 small business loans totaling \$70.6 million in 2018, 107 small business loans totaling \$41.5 million in 2019, and 1,115 small business loans totaling \$122.0 million in 2020. Management attributes the significant increase in 2020 small business loan volume to the bank's participation in the SBA's PPP program, a SBA-backed loan program designed to help businesses keep workforces employed during the COVID-19 pandemic.

Examiners compared the bank's 2019 and 2020 HMDA loan data to aggregate lending data. Examiners also compared the 2019 small business loan data to aggregate data; aggregate data for 2020 was not yet available at the time of this evaluation. Examiners also used the 2015 ACS data and D&B demographic data to provide additional standards of comparison.

For the Lending Test, the Assessment Area Concentration criterion includes loan data for each of the three years analyzed; however, the other rating criteria only include loan data for 2019 and 2020, as the bank's performance throughout the rating period was generally consistent with the years presented.

The Lending Test also considered community development loans and loans originated under the bank's innovative and flexible lending programs since the prior evaluation. The Investment Test includes both qualified investments purchased prior to the last evaluation that remain outstanding,

as well as investments purchased during the current evaluation period. The Service Test includes all community development services since the last evaluation. Additionally, the Service Test considers retail banking products and services targeted to low- and moderate-income individuals and small businesses, and the bank's delivery systems for providing retail banking services during the evaluation period.

Examiners reviewed the number and dollar volume of loans; however, examiners emphasized performance by number of loans since that is a better indicator of the number of individuals and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending Test is rated "High Satisfactory." The following sections outline BCB's performance under each criterion.

Lending Activity

The bank's home mortgage and small business lending levels reflect adequate responsiveness to assessment area credit needs.

Inside the assessment area, BCB originated 223 home mortgage loans totaling \$65.8 million in 2019 and 282 home mortgage loans totaling \$159.2 million in 2020. In 2020, 789 lenders originated or purchased at least one home mortgage loan inside the assessment area. BCB ranked 166th with 0.07 percent and 0.08 percent of the market share by number and dollar volume of loans, respectively. Most lenders ranked higher than BCB are larger national, regional, or statewide financial institutions and mortgage companies including Wells Fargo Bank, Quicken Loans, J.P. Morgan Chase Bank, LoanDepot.com, LLC, and United Wholesale Mortgage. These five institutions captured 26.0 percent of the total market share in 2020 in the assessment area, further reflecting the highly competitive nature of the home mortgage market.

Inside the assessment area, BCB originated 96 small business loans totaling \$36.7 million in 2019 and 1,009 small business loans totaling \$106.6 million in 2020. In 2019 (the most recent year for which aggregate small business data is available), 250 lenders originated or purchased at least one small business loan in the assessment area. BCB ranked 71st with a 0.03 percent and 0.34 percent market share by number and dollar volume of loans, respectively. Several of the institutions that ranked above BCB with larger loan volumes, by number, originated a significant number of business credit cards with average loan amounts less than \$30,000. Credit card lenders typically generate loans in a larger volume for smaller average dollar amounts. For example, the top five small business lenders, accounting for 70.8 percent of the total market, are primarily small business credit card lenders. These lenders, including American Express National Bank, J.P. Morgan Chase Bank, Bank of America, CitiBank, and Capital One Bank made between 18,000 and 110,000 loans in average loan amounts of \$7,000 to \$28,000. In comparison, BCB had an average loan amount of \$376,000.

Assessment Area Concentration

BCB made a substantial majority of home mortgage and small business loans within its assessment area. Please refer to the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2018	395	87.2	58	12.8	453	219,594	70.6	91,309	29.4	310,903
2019	223	94.9	12	5.1	235	65,848	95.2	3,315	4.8	69,164
2020	282	89.0	35	11.0	317	159,165	82.3	34,149	17.7	193,314
Subtotal	900	89.6	105	10.4	1,005	444,608	77.5	128,773	22.5	573,381
Small Business										
2018	139	80.3	34	19.7	173	53,535	75.8	17,088	24.2	70,623
2019	96	89.7	11	10.3	107	36,662	88.4	4,815	11.6	41,477
2020	1,009	90.5	106	9.5	1,115	106,581	87.3	15,436	12.7	122,017
Subtotal	1,244	89.2	151	10.8	1,395	196,778	84.1	37,339	15.9	234,117
Total	2,144	89.3	256	10.7	2,400	641,386	79.4	166,112	20.6	807,498

Source: Bank Data. Due to rounding, totals may not equal 100.0%

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the assessment area. The bank’s excellent distribution of home mortgage lending and adequate performance in small business lending primarily support this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent penetration throughout the assessment area. Examiners focused on the percentage, by number, of loans in low- and moderate-income census tracts. While BCB’s lending in low- and moderate-income census tracts was slightly below aggregate performance in 2019, the bank exceeded aggregate performance and area demographics in 2020. In low-income tracts, the bank’s performance was more than double the aggregate performance and area demographics for 2020. Furthermore, aggregate performance decreased in low- and moderate-income tracts from 2019 to 2020, while BCB’s lending increased and outperformed the aggregate and area demographics. Given the high level of competition in low- and moderate-income tracts, examiners considered the bank’s performance in these tracts excellent.

The following table displays the distribution of home mortgage loans by census tract income level.

Geographic Distribution of Home Mortgage Loans							
Tract Income Level		% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2019	3.7	4.8	9	4.0	2,554	3.9
	2020	3.7	3.9	26	9.2	13,094	8.2
Moderate							
	2019	14.2	14.6	26	11.7	7,078	10.7
	2020	14.2	12.7	42	14.9	28,152	17.7
Middle							
	2019	37.5	36.1	97	43.5	26,594	40.4
	2020	37.5	35.1	94	33.3	58,265	36.6
Upper							
	2019	44.7	44.4	91	40.8	29,623	45.0
	2020	44.7	48.2	120	42.6	59,655	37.5
Not Available							
	2019	0.0	0.1	0	0.0	0	0.0
	2020	0.0	0.1	0	0.0	0	0.0
Totals							
	2019	100.0	100.0	223	100.0	65,848	100.0
	2020	100.0	100.0	282	100.0	159,165	100.0

Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Small Business Loans

The distribution of small business loans reflects adequate penetration throughout the assessment area. Examiners compared BCB's percentage, by number of loans, to small business aggregate performance and the percentage of businesses operating in the area.

In 2019, the bank's lending in low- and moderate-income tracts trailed aggregate performance and demographic data. In 2020, BCB's lending in low- and moderate-income tracts increased significantly by number of loans. The increase is primarily attributable to the bank's participation in the PPP. In 2020, the bank's performance in moderate-income tracts was consistent with the percent of businesses in those tracts. These comparisons reflects adequate performance.

The following table reflects the distribution of small business loans by census tract income level.

Geographic Distribution of Small Business Loans						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	8.1	8.9	6	6.2	2,055	5.6
2020	8.3	--	49	4.9	6,271	5.9
Moderate						
2019	16.8	17.3	10	10.4	4,029	11.0
2020	17.4	--	175	17.3	18,054	16.9
Middle						
2019	33.8	32.5	43	44.8	14,420	39.3
2020	34.0	--	368	36.5	46,551	43.7
Upper						
2019	40.9	40.8	36	37.5	16,008	43.7
2020	39.9	--	414	41.0	35,157	33.0
Not Available						
2019	0.3	0.5	1	1.0	150	0.4
2020	0.3	--	3	0.3	548	0.5
Totals						
2019	100.0	100.0	96	100.0	36,662	100.0
2020	100.0	--	1,009	100.0	106,581	100.0
<i>Source: 2019 & 2020 D&B Data; Bank Data; 2019 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects adequate penetration among individuals of different income levels and businesses of different revenue sizes in the assessment area. The bank's adequate home mortgage lending and good small business lending performance support this conclusion.

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among borrowers of different income levels, including low- and moderate-income borrowers. Examiners compared BCB's home mortgage lending performance to applicable demographic and aggregate data.

In 2019 and 2020, BCB's lending to low-income borrowers was below aggregate performance and area demographics. Demographic data suggests that there is limited opportunity to lend to low-income families in the assessment area. Specifically, a low-income family in the assessment area, with an income below \$63,300, would likely not qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$438,188. Therefore, the demand and opportunity for lending to low-income families is relatively limited. This helps

explain the difference between the aggregate performance of lending to low-income borrowers and the percentage of families that earn this income level. BCB’s lending to moderate-income borrowers was in line with aggregate performance and slightly below area demographics in 2019. However, the bank’s level of lending to moderate-income borrowers decreased in 2020. Aggregate performance also decreased from 2019 to 2020 in both low- and moderate-income tracts.

Market share data for 2020 further supports BCB’s adequate performance in making loans to low- and moderate-income borrowers. BCB ranked 101st with a 0.2 percent market share lending to low-income borrowers, and 159th with 0.1 percent market share lending to moderate-income borrowers. These market rankings are consistent with the bank’s overall market rank of 166th and a market share of 0.07 percent. This further reflects the high level of competition for home mortgage loans in the bank’s assessment area.

The following table illustrates the distribution of home mortgage loans based on borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	24.2	4.1	5	2.2	505	0.8
2020	24.2	3.0	4	1.4	546	0.3
Moderate						
2019	15.2	12.6	27	12.1	4,952	7.5
2020	15.2	11.8	20	7.1	3,960	2.5
Middle						
2019	17.4	20.6	41	18.4	8,705	13.2
2020	17.4	20.2	56	19.9	17,632	11.1
Upper						
2019	43.3	46.5	124	55.6	37,589	57.1
2020	43.3	47.7	137	48.6	58,471	36.7
Not Available						
2019	0.0	16.2	26	11.7	14,097	21.4
2020	0.0	17.4	65	23.1	78,557	49.4
Totals						
2019	100.0	100.0	223	100.0	65,848	100.0
2020	100.0	100.0	282	100.0	159,165	100.0

Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Small Business Loans

The distribution of small business loans reflects good penetration among businesses with GARs of \$1.0 million or less. While BCB’s performance trailed area demographics in 2019, it exceeded aggregate performance. Market share data also supports the bank’s good performance. In 2019, the bank ranked 12th with a 0.07 percent market share in lending to businesses with GARs of \$1.0 million or less. This performance exceeds the bank’s overall market rank (71st) and market share (0.03 percent).

In 2020, lending to businesses with GARs of \$1.0 million or less decreased significantly as a percentage of total loans; however, this decrease is primarily due to the large number of PPP loans the bank originated in 2020. Since the PPP does not require lenders to collect revenues, many of the bank’s small business loans do not include revenue information. When excluding PPP loans, the bank made 46 of 71 small business loans, or 64.8 percent, to businesses with GARs of \$1.0 million or less. Overall, the bank’s record of lending to small businesses is good.

The following table reflects the distribution of small business loans by revenue category.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2019	88.4	45.3	53	55.2	18,160	49.5
2020	89.6	--	46	4.6	17,304	16.2
>\$1,000,000						
2019	5.2	--	40	41.7	17,319	47.2
2020	4.5	--	25	2.5	7,187	6.7
Revenue Not Available						
2019	6.5	--	3	3.1	1,183	3.2
2020	5.9	--	938	93.0	82,090	77.0
Totals						
2019	100.0	100.0	96	100.0	36,662	100.0
2020	100.0	--	1,009	100.0	106,581	100.0
<i>Source: 2019 & 2020 D&B Data; Bank Data; 2019 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Innovative or Flexible Lending Practices

BCB uses innovative or flexible lending practices to serve assessment area credit needs. The bank originated 46 loans totaling approximately \$43.0 million using innovative and flexible loan programs during the evaluation period.

The following table reflects the number and dollar volume of activity under each flexible lending product or program.

Innovative or Flexible Lending Programs										
Type of Program	2018		2019		2020		YTD 2021		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
American Dream Program	0	0	0	0	0	0	1	285	1	285
Dream Home Initiative	1	144	1	215	0	0	1	300	3	659
FHA Loans	12	4,596	9	2,777	0	0	2	553	23	7,926
Credit Rebuild Pilot Program	0	0	0	0	1	334	0	0	1	334
SBA Loans	11	25,326	6	7,450	0	0	1	1,000	18	33,776
Totals	24	30,066	16	10,442	1	334	5	2,138	46	42,980
<i>Source: Bank Data</i>										

Below are descriptions of the bank’s flexible lending programs.

- American Dream Program:** BCB is a partner in the American Dream first-time homebuyer program as of March 2020. The American Dream Home program is designed to educate first time low- and moderate- income homebuyers on the purchase of their first home. The program also provides an interest-free, deferred payback loan and matching down payment assistance. The no-interest loan becomes a second mortgage with payments deferred until the sale of the house. The bank originated one loan for \$285,000 under this program.
- Dream Home Initiative:** BCB’s dream home initiative provides creditworthy low- and moderate-income borrowers expanded access to credit within the bank’s assessment area. The program provides a streamlined process for applicants to obtain a home purchase loan or refinance their existing loan at a reduced interest rate with no application fee. The program also provides homeownership education and post-purchase support to help ensure sustainable homeownership. The bank originated three residential mortgage loans totaling approximately \$659,000 under this program.
- Federal Housing Administration (FHA) Loan Program:** BCB is a Department of Housing and Urban Development (HUD)-approved FHA lender. FHA loans are designed for first-time homebuyers and provide more flexible underwriting standards compared to conventional mortgage loan products, including lower down payments and lower qualifying credit scores. During the evaluation period, the bank originated 23 loans totaling \$7.9 million under this program.
- Credit Rebuild Pilot Program:** This program is designed to help individuals repair or establish credit and primarily benefits low- and moderate-income individuals. In general, the bank will require 6 months of principal, interest, taxes, and insurance reserves to be held

in escrow. The funds are released after the borrower(s) make 12 timely mortgage payments. This program is open to individuals with low credit scores, previous bankruptcies, and individuals with insufficient credit profiles. The bank allocated approximately \$3.0 million to the program and originated one loan in 2020 for \$334,000.

- **Small Business Administration Loan Programs:** SBA-guaranteed loans provide small business financing through more flexible terms than traditional business loans. The bank offers two SBA loan products, which feature flexible underwriting standards. The bank participates in both the SBA 504 Program and the 7(a) Standard Loan Program. Both programs provide business loan assistance to businesses for which credit may not otherwise be available. The bank originated 18 SBA loans totaling approximately \$33.8 million during the evaluation period.
- **COVID-19 Pandemic Relief:** In response to the COVID-19 pandemic, BCB implemented a loan forbearance program and offered a suspension/waiver of late payment fees on residential and commercial loans. The bank granted COVID-19 deferrals for both commercial and consumer customers, generally for a period of six months, with the option to extend. As of December 31, 2020, the bank deferred payments for 677 customers adversely impacted by the pandemic.

Community Development Loans

BCB is a leader in making community development loans. The bank originated 153 community development loans totaling \$183.1 million during the evaluation period. This represents 6.5 percent of average total assets and 8.0 percent of average total loans since the prior evaluation. Of the total number of loans, 54.9 percent benefitted affordable housing, which the community contact identified as a primary community development need in the assessment area. Similarly situated institutions originated between 59 and 149 loans during their evaluation periods. BCB's performance compared favorably to similarly situated institutions.

BCB also participated in the SBA PPP. Eligible PPP recipients include small businesses that meet the SBA's size standards, as well as sole proprietors, independent contractors, and self-employed persons. These loans provided an incentive for businesses to keep employees on their payrolls as part of federal government response to the COVID-19 pandemic. The SBA will forgive the loans if businesses meet employee retention criteria and the funds are used for eligible expenses. Examiners considered PPP loans in amounts greater than \$1.0 million under community development lending. BCB originated 24 PPP loans totaling \$40.6 million.

The following table illustrates the community development lending activity by year and purpose.

Community Development Lending										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	18	14,796	1	900	16	39,804	0	0	35	55,500
2019	12	6,251	3	3,030	5	6,120	1	1,365	21	16,766
2020	27	27,169	4	5,851	3	4,290	25	35,332	59	72,642
YTD 2021	27	28,195	1	630	6	4,350	4	5,023	38	38,198
Total	84	76,411	9	10,411	30	54,564	30	41,720	153	183,106

Source: Bank Data

The following are examples of qualified community development loans.

- In 2019, BCB made a \$1.0 million line of credit to a non-profit community services organization in a low-income census tract and a UEZ in Union County, New Jersey. The non-profit organization provides more than 250 affordable housing units, and transitional living programs.
- In 2019, the bank made a \$1.3 million loan to purchase a property located in a moderate-income census tract and a UEZ in Hudson County, New Jersey. The loan proceeds will be used to demolish the existing building and erect an 84-unit mixed-use, multi-family building. The loan will help revitalize the area by attracting new businesses and creating new housing.
- In 2020, the bank made a \$1.0 million loan to purchase a five-unit residential building in a moderate-income census tract in Bergen County, New Jersey. All units are rent-controlled and offer rents below HUD’s Fair Market Rent (FMR) guidelines.

INVESTMENT TEST

The Investment Test is rated “High Satisfactory.” The following sections outline BCB’s performance under each criterion.

Investment and Grant Activity

BCB has a significant level of qualified community development investments and grants. The bank made 216 qualified investments totaling approximately \$19.8 million during the evaluation period. This total includes 19 new equity investments totaling \$12.9 million, 185 qualified grants and donations totaling \$253,000, and 12 prior period equity investments totaling \$6.6 million. Qualified investments and grants represent 0.7 percent of average total assets and 19.1 percent of average total securities since the previous evaluation. These ratios compare favorably to the prior evaluation’s ratios of 0.8 percent of total assets and 6.6 percent of total securities.

The following table illustrates qualified investments and donations by year and community development purpose.

Qualified Investments by Year										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	10	6,114	0	0	2	490	0	0	12	6,604
2018	1	505	0	0	3	735	0	0	4	1,240
2019	1	780	0	0	3	735	0	0	4	1,515
2020	4	5,710	0	0	3	735	0	0	7	6,445
YTD 2021	2	3,203	0	0	2	490	0	0	4	3,693
Subtotal	18	16,312	0	0	13	3,185	0	0	31	19,497
Qualified Grants & Donations	12	23	173	230	0	0	0	0	185	253
Total	30	16,335	173	230	13	3,185	0	0	216	19,750

Source: Bank Data

Below are examples of the bank’s qualified investments.

- In 2020, BCB purchased a \$2.4 million Fannie Mae mortgage-backed security collateralized by mortgage loans to low- and moderate-income borrowers within the assessment area.
- In 2020, BCB purchased a \$1.0 million share of a Freddie Mac multi-family security collateralized by a low-income HUD apartment building.
- In 2018, 2019, and 2020, BCB made three investments totaling \$735,000 each year in local minority-owned depository institutions.
- In 2020, BCB donated \$10,000 to an organization that provides health services, food support, including a mobile food pantry, and social support services to improve low- and moderate-income people’s health and wellness within the assessment area.

Responsiveness to Credit and Community Development Needs

BCB’s qualified investments and donations exhibit good responsiveness to credit and community development needs. Of the \$19.8 million in qualified investments, grants and donations, 82.7 percent benefited affordable housing efforts in the assessment area, which the community contact identified as a community development need. Furthermore, in response to the COVID-19 pandemic, BCB donated over \$5,000 to support local area businesses and small business owners to promote economic development and stabilize areas affected by the pandemic.

Community Development Initiatives

BCB rarely uses innovative or complex investments to support community development initiatives. While the bank’s qualified investments were responsive to community development needs, they were not particularly innovative or complex.

SERVICE TEST

The Service Test is rated “Outstanding.” The following sections outline the bank’s performance under each criterion.

Accessibility of Delivery Systems

BCB’s delivery systems are accessible to essentially all portions of the institution’s assessment area. While BCB does not operate branches in low-income tracts, the bank operates four branches in moderate-income tracts. In addition, 13 bank branches are in close proximity to, and can reasonably serve, low- and moderate-income tracts. Furthermore, eight of BCB’s full service branches are located across two New Jersey designated UEZs, further providing access and services to residents and businesses in need of economic development.

The following table illustrates the distribution of branches and ATMs by census tract income designation.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	288	11.7	1,185,640	11.4	0	0	0	0
Moderate	545	22.1	2,319,279	22.3	4	13.8	6	18.8
Middle	822	33.4	3,452,917	33.2	10	34.5	11	34.3
Upper	771	31.3	3,442,517	33.1	15	51.7	15	46.9
NA	37	1.5	2	0.2	0	0	0	0
Total	2,463	100.0	10,400,355	100.0	29	100.0	32	100.0
<i>Source: 2015 ACS Data; Bank Data</i>								

BCB also offers several alternative delivery systems beyond the branch structure to increase availability of retail banking services throughout the assessment area. Alternative delivery systems include ATMs at each bank location, online banking, telephone banking, and mobile banking. The bank does not charge customers a fee to use bank-owned ATMs, nor does the bank charge an annual debit card fee. Additionally, the bank offers free online and mobile banking with bill-pay features, person to person payment options, and mobile deposit options. The bank also offers 24-hour telephone banking allowing customers to access account history information, transfer funds, make payments, activate or deactivate ATM cards, place stop payments, obtain loan payoff information, and obtain branch hours and locations.

Changes in Branch Locations

To the extent that changes have been made, the institution’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals. BCB opened three new branches during the review period. The new branches consist of two branches in upper-income

tracts and one branch in a moderate-income tract. The branch located in the moderate-income census tract is surrounded by adjacent low- and moderate-income tracts, further providing accessibility to individuals and businesses located in the surrounding areas.

BCB also closed two branches, including one branch in a middle-income census tract and one branch in a moderate-income census tract. The branch located in the moderate-income tract was primarily surrounded by middle-income tracts. Additionally, the closure of the branch in the moderate-income census tract did not negatively affect overall branch accessibility in the area, particularly to low- and moderate-income areas. There are more than 10 full service branches and ATMs within the 2-miles immediately surrounding the bank’s closed branch.

The following table reflects the net distribution of branch openings/closings by area during the evaluation period.

Net Distribution of Branch Openings/Closings						
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)			
			Low	Moderate	Middle	Upper
MD #35614	2	1	0	-1	0	+2
MD #35154	0	1	0	0	-1	0
MD #35084	1	0	0	+1	0	0
Total	3	2	0	0	-1	+2

Reasonableness of Business Hours and Services

Services offered and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. All BCB branches provide the same loan and deposit products and services, with the exception of five branches located in middle- and upper-income tracts that do not have night depositories.

All BCB branches offer extended service hours throughout the assessment area. Generally, all branches are open from 8:00am – 6:00pm, Monday through Wednesday, with evening hours extended to 7:00pm on Thursdays and Fridays. BCB branches also offer extended Saturday hours from 8:00am – 2:00pm. All branches in moderate-income census tracts offer Saturday hours. Similarly situated institutions within and surrounding low- and moderate-income tracts in the banks assessment area generally offer service hours from 9:00am – 6:00pm, Monday through Friday, and 10:00am – 2:00pm on Saturdays. Furthermore, larger national, regional, or statewide financial institutions offer service hours from 9:00am – 5:00pm, Monday through Friday, and 9:00am – 12:00pm on Saturday. BCB’s extended business hours, especially in and around low- and moderate-income tracts, provide further access to the bank’s services.

BCB offers a free “Easy Checking” account that requires no minimum balance, no daily balance, and does not assess any per check or monthly service charges. The product also provides access to all of the bank’s alternative delivery systems including mobile and online bill pay services. In response to the financial hardships caused by the COVID-19 pandemic, BCB offered a 6-month loan payment deferral for its consumer, residential, and commercial customers.

Community Development Services

BCB is a leader in providing community development services within the assessment area. Since the prior evaluation, directors, officers, and employees provided 184 instances of financial expertise or technical assistance to 70 different community development-related organizations, often on an ongoing basis. The bank’s performance represents a 58.6 percent increase, by number of services provided since the prior evaluation, consistent with their outstanding performance. The bank’s performance compares favorably to similarly situated institutions. Similarly situated institutions provided between 18 and 116 services over their evaluation period.

Bank representatives served on boards and committees of various community groups providing services to low- and moderate -income individuals, as well as organizations providing affordable housing and fostering economic development. These activities are consistent with the needs that the community contacts identified.

The following table reflects the qualifying services by year and community development purpose during the evaluation period.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2018	0	32	7	0	39
2019	8	63	7	0	78
2020	4	24	12	0	40
YTD 2021	1	16	9	1	27
Total	13	135	35	1	184
<i>Source: Bank Data</i>					

Below are notable examples of the bank’s community development services.

- Two bank employees work with a non-profit organization that provides community outreach services to help low- and moderate-income individuals prepare to enter the workforce. Both employees provided weekly counselling to groups of up to nine people during 2019. The employees provided presentations on the basic fundamentals of banking. Most of the individuals that participated in the counseling are unbanked or have had issues with bank accounts the past.
- A bank employee worked with the Rutgers School of Business to present a program with the Development of Angel Investors Network Program. This program assists minority-owned and women-owned business in urban markets in the bank’s assessment area. This program consists of venture capitalist and other investors who will invest in startup minority- and women-owned businesses.

- A bank employee serves on the board of a non-profit social services organization located in a moderate-income tract, which serves low- and moderate-income families. The employee provided the service throughout the evaluation period.
- A bank employee serves on the board of a homeless shelter that provides social services to low- and moderate-income families and children. The employee also provided banking and financial advice to individuals in attendance. The employee provided the service throughout the evaluation period.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

APPENDICES

LARGE BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

BCB Bank	
Scope of Examination: Examiners performed a full scope review on the following assessment area: MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA) Assessment Area	
Time Period Reviewed:	7/9/2018 to 9/20/2021
Products Reviewed: Home Mortgage Loans: 1/1/2018 to 12/31/2020 Small Business Loans: 1/1/2018 to 12/31/2020 Community Development Activities: 7/9/2018 to 9/20/2021	

List of Assessment Areas and Type of Evaluation			
Rated Area/Assessment Area	Type of Evaluation	Branches Visited	Other Information
MSA 35620 Assessment Area	Full-scope	None	None

GLOSSARY

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 metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.