



PUBLIC DISCLOSURE

October 29, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

OceanFirst Bank, NA
Charter Number 25150

975 Hooper Avenue
Toms River, New Jersey 08753

Office of the Comptroller of the Currency

New York Field Office
340 Madison Avenue, 4th Floor
New York, New York 10173

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 **OceanFirst Bank, NA** with respect to the Lending, Investment, and Service Tests:

Performance Levels	OceanFirst Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- The bank’s lending activity is good and the inside/outside ratio of the bank’s originations and purchases of loans is excellent.
- An overall good geographic distribution, as evidenced by a:
 - good geographic distribution of home mortgage loan originations and purchases, and
 - good geographic distribution of originations and purchases of small loans to businesses in its assessment areas (AAs).
- An overall good borrower distribution, as evidenced by a:
 - good borrower distribution of originations and purchases of home mortgage loans, and
 - good distribution of originations, and purchases of small loans to businesses by revenue.
- Community development (CD) loans offered were effective and responsive in helping the bank address community credit needs. The bank originated an adequate number of CD loans.
- Flexible loan programs offered were effective in helping the bank address community credit needs. The bank originated an adequate number of loans under these programs.
- Qualified investments were effective and responsive in helping the bank address credit and CD needs. The bank made an adequate number of investments, grants and donations under its programs.

- The bank's retail service performance is good. The bank's branches and alternative delivery systems were effective and responsive in helping the bank provide services across the community.
- The bank's provision of CD service is good.
 - CD services were effective and responsive in helping the bank address community needs.
 - The bank conducted or supported an adequate number of CD services, consistent with its capacity and expertise to conduct specific activities.

Definitions and Common Abbreviations

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

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

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

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development (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 AA(s) or outside the AA(s) provided the bank has adequately addressed the CD needs of its AA(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.

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also

include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that 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, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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

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

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

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

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

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

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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.

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

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

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

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

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

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

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

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

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

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

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

Description of Institution

OceanFirst Bank, N.A. (OFB or the bank) is an intrastate, community-oriented financial institution headquartered in Toms River, New Jersey. The bank was founded in 1902 and is the principal subsidiary of OceanFirst Financial Corp., also headquartered in Toms River, New Jersey. Effective January 30, 2018, OFB converted from a stock thrift to a national bank, and OceanFirst Financial Corp. converted from a savings and loan to a bank holding company. As of December 31, 2017, the end date of this performance evaluation, the bank had total assets of \$5.4 billion and 46 branches located in seven central and southern New Jersey counties, including Ocean, Monmouth, Middlesex, Atlantic, Cape May, Cumberland, and Gloucester Counties.

OFB offers various deposit products to retail, government, and business customers, including money market accounts, savings accounts, interest-bearing checking accounts, non-interest-bearing accounts, and time deposits. It also provides commercial real estate, multi-family mortgage, and land loans; fixed-rate and adjustable-rate mortgage loans that are secured by one-to-four family residences; consumer loans, such as home equity loans and lines of credit, overdraft line of credit, loans on savings accounts, and other consumer loans; and commercial and industrial loans, and lines of credit. In addition, the bank offers trust and asset management services, as well as alternative investment products such as mutual funds, annuities, and life insurance. The bank also offers a transactional Internet website and on-line banking services.

The loan portfolio consists predominately of one-to-four family residential mortgages and commercial mortgages. Historically, OFB has been a one-to-four family residential mortgage lender, but in recent years, the bank has focused more heavily on commercial loan growth. As of December 31, 2017, the loan portfolio totaled \$3.97 billion, total deposits were \$4.36 billion, and tier one capital was \$459.0 million.

During this evaluation period, the bank acquired three financial institutions, expanding its central New Jersey footprint to include southern New Jersey. On July 31, 2015, the bank acquired Colonial American Bank, a \$150 million thrift with two branches within the bank's original footprint, in Monmouth County, New Jersey. On May 2, 2016, the bank acquired Cape Bank, a \$1.5 billion bank with 22 branches in southern New Jersey, thereby expanding its market area. On November 30, 2016, the bank acquired Ocean City Home Bank, a \$1.0 billion bank, with 11 branches in southern New Jersey, further increasing its market share in southern New Jersey.

There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its AAs. The bank received an overall Outstanding rating in its previous CRA performance evaluation, dated October 13, 2015.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation assesses the bank's performance under the lending, investment, and service tests. To evaluate the bank's lending performance, we reviewed home mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA), small loans to businesses subject to filing under the CRA, and CD loans. The Investment Test included a review of investments, grants, and donations made in the bank's AAs that met the definition of CD investments. The Service Test included a review of retail banking and CD services provided in the bank's AAs.

The evaluation period for the lending test, except for CD loans, is January 1, 2015 through December 31, 2017. Due to changes in census data effective in 2017, we evaluated the bank's 2017 lending performance separately from the bank's 2015 and 2016 lending performance. For the Investment Test, the Service Test, and CD loans, the evaluation period is October 14, 2015 through December 31, 2017.

During the evaluation, we contacted a CD organization that provides community services to low- and moderate-income (LMI) individuals living in OFB's AA. The organization indicated that affordable housing and living wage jobs are priorities for this region. Since Superstorm Sandy, the organization has seen a shift in the population served from unemployed individuals, or those on disability benefits, to more working families whose income cannot compete with rising expenses. The contact indicated that although outreach and support by financial institutions, including OFB, has been encouraging, local financial institutions could provide further assistance through more investment in the community, targeting LMI individuals, and supporting long-term efforts which go beyond fulfilling their immediate needs.

Data Integrity

Prior to this evaluation, the OCC conducted a data integrity review, testing the accuracy of the bank's HMDA and CRA loan data for the period of January 1, 2015 through December 31, 2017. The bank's data was determined to be accurate and reliable for analysis. The OCC also validated all CD loans, investments, and services included in this performance evaluation met the regulatory definitions for CD.

Selection of Areas for Full-Scope Review

We completed a full scope review for the New York-Jersey City-White Plains, NY-NJ Metropolitan Division (MD 35614) for the years 2015, 2016, and 2017, and a full scope review for the Philadelphia-Reading-Camden, PA-NJ-DE-MD Combined Statistical Area (CSA 428) for the year 2017.

In 2015 and 2016, the bank's AA consisted of Ocean County, Monmouth County, and ten geographies in Middlesex County. These counties are part of the New York-Jersey City-White Plains, NY-NJ MD (35614) located in the New York-Newark-Jersey City, NY-NJ-PA MSA (35620) and the New York-Newark, NY-NJ-CT-PA CSA (408).

In 2017, due to its acquisitions, the bank expanded its AA to include Atlantic, Cape May, Cumberland, and Gloucester Counties. These counties are all located in CSA 428. Atlantic County forms the Atlantic City-Hammonton, NJ MSA (12100) and is part of CSA 428. Cape May County is part of the Ocean City, NJ MSA (36140) as well as CSA 428. Cumberland County is part of the Vineland-Bridgeton, NJ MSA (47220) as well as CSA 428. Gloucester County is part of the Camden, NJ MD (15804) as well as CSA 428.

The six counties and ten geographies identified above are contiguous and comprise one AA for the bank. The AA complies with the CRA guidelines and does not arbitrarily exclude low- or moderate-income (LMI) geographies.

Ratings

The bank's overall rating is based on its performance in the two areas that received full-scope reviews and which also comprise its entire AA.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank'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, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

Lending Activity

Based on the data in Lending Volume Table 1 and the following performance context considerations, lending activity is good. The bank originated an adequate volume of loans in the AA relative to its capacity based on deposits, competition and market presence.

We evaluated the bank's performance for the period January 1, 2015 through December 31, 2016 using 2016 Peer Mortgage Data and 2016 Peer Small Business Data, and we evaluated the bank's performance from January 1, 2017 through December 31, 2017 using 2017 Peer Mortgage Data and 2017 Peer Small Business Data.

MD 35614

The bank's market share and rank in loans is comparable to the bank's share and rank in deposits.

Based on 2016 Peer Mortgage Data, the bank achieved a 1.23 percent market share of home mortgage loans, ranking 17th of the 571 reporting lenders. Based on 2017 Peer Mortgage Data, the bank achieved a 1.59 percent market share of home mortgage loans, ranking 13th of the 562 reporting lenders.

As indicated by the large number of reporting lenders, this is a competitive market which also includes large national financial institutions and major mortgage companies. The top five mortgage lenders are either large national financial institutions or national mortgage companies and have a combined total market share of 26 percent. Consequently, the bank's higher lender rankings are viewed positively.

Based on 2016 Peer Small Business Data, the bank achieved a 0.33 percent market share for small loans to businesses, ranking 21 of 136 reporting lenders. Based on 2017 Peer Small Business Data, the bank achieved a 0.33 percent market share for small loans to businesses, ranking 22 of 143 reporting lenders. The small business loan market is dominated by credit card lenders. The number one lender has a 30 percent market share and average loan size of \$15 thousand. While the market share may appear low, the bank ranked in the top five lenders for more traditional small business loan products.

According to the Federal Deposit Insurance Corporation's Deposit Market Share Report as of June 30, 2017, out of 52 institutions operating in Middlesex, Monmouth, and Ocean Counties, OFB ranked 10th in deposit market share with 2.97 percent of the market. The institutions with a greater deposit market share were either large national or regional financial institutions.

CSA 428

The bank's market share and rank in loans is weaker than the bank's share and rank in deposits.

The bank has a high ranking in deposit market share because the large national financial institutions do not have significant branch presence in this market. Nonetheless, the large national financial institutions are still major lenders in the market. The market conditions for lending in this AA are similar to the conditions noted above, in MD 35614, with large national financial institutions and national mortgage companies dominating the home mortgage market and credit card lenders dominating the small business loan market.

Based on 2017 Peer Mortgage Data, the bank achieved a 1.62 percent market share of home mortgage loans, ranking 14th of the 475 reporting lenders. Based on 2017 Peer Small Business Data, the bank achieved a 0.77 percent market share for small loans to businesses, ranking 20 of 105 reporting lenders.

According to the Federal Deposit Insurance Corporation's Deposit Market Share Report as of June 30, 2017, out of 30 institutions operating in Atlantic, Cape May, Cumberland and Gloucester Counties, OFB ranked second in deposit market share with 11.73 percent of the market.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Based on the data in Tables O 2015-2016, and 2017 and the following performance context considerations, the geographic distribution of the bank's home mortgage loan originations and purchases is good.

2015-2016

MD 35614

The distribution of the bank's home mortgage loans in LMI geographies is adequate. The percentage of bank loans was below the percentage of owner-occupied housing units in low-income geographies and below the percentage of owner-occupied housing units in moderate-income geographies. The bank's home mortgage lending was below the aggregate distribution of loans in low-income geographies and near the aggregate distribution of loans in moderate-income geographies.

2017

MD 35614

The distribution of the bank's home mortgage loans in LMI geographies is good. The percentage of bank loans was exceeded the percentage of owner-occupied housing units in low-income geographies and below the percentage of owner-occupied housing units in moderate-income geographies. The bank's home mortgage lending exceeded the aggregate distribution of loans in low-income geographies, and was comparable to the aggregate distribution of loans in moderate-income geographies.

CSA 428

The distribution of the bank's home mortgage loans in LMI geographies is excellent. The percentage of bank loans in low-income geographies exceeded the percentage of owner-occupied housing units, and the percentage of bank loans in moderate-income geographies was comparable to the percentage of owner-occupied housing units in moderate-income geographies. The bank's home mortgage lending exceeded the aggregate distribution of loans in low-income geographies, and was comparable to the aggregate distribution of loans in moderate-income geographies.

Small Loans to Businesses

Based on the data in Tables Q 2015-2016 and 2017 and the following performance context considerations, the geographic distribution of the bank's originations and purchases of small loans to businesses is good.

2015-2016**MD 35614**

The distribution of the bank's small loans to businesses in LMI geographies is adequate. The percentage of small loans to businesses was below the percentage of businesses in low-income geographies and comparable to the proportion of business in moderate-income geographies. The bank's small business lending was below the aggregate distribution of loans in low-income geographies and below the aggregate distribution of loans in moderate-income geographies.

Although the bank's performance was weaker than aggregate industry performance, this was largely due to competition from large financial institutions such as American Express (30 percent market share), Citibank (17 percent market share), Chase Bank (9 percent market share), and Capital One (5 percent market share) that dominate the small business lending market. The majority of those lenders small business loans are made through credit cards, often to multiple employees of the same businesses. Consequently, the aggregate distribution does not reflect the performance of more traditional small business loan products offered by Ocean First.

2017**MD 35614**

The distribution of the bank's small loans to businesses in LMI geographies is generally adequate. The percentage of bank loans was below the percentage of businesses in low-income geographies and below the percentage of business in moderate-income geographies. The bank's small business lending was below the aggregate distribution of loans in low-income geographies and significantly below the aggregate distribution of loans in moderate-income geographies.

Although the bank's performance was weaker than aggregate industry performance, this was largely due to competition from large financial institutions such as American Express (30 percent market share), Chase Bank (12 percent market share), Citibank (7 percent market share), and Capital One (6 percent market share) that dominate the small business lending market. The majority of those lenders small business loans are made through credit cards,

often to multiple employees of the same businesses. Thus, the aggregate distribution does not reflect the performance of more traditional small business loan products offered by the bank.

CSA 428

The distribution of the bank's small loans to businesses in LMI geographies is excellent. The percentage of bank loans exceeded the percentage of businesses in low-income geographies, and exceeded the proportion of business in moderate-income geographies. The bank's small business lending exceeded the aggregate distribution of loans in low-income geographies and significantly exceeded the aggregate distribution of loans in moderate-income geographies. The credit card lenders identified above, in MD 35614, do not have the same dominant market presence in this AA.

Lending Gap Analysis

We reviewed the geographic distribution of loans to identify any gaps in lending activity over the evaluation period. We did not detect any conspicuous or unexplained gaps in the bank's lending patterns.

Inside/Outside Ratio

Based on the following performance context considerations, we concluded the inside/outside ratio of the bank's originations and purchases of loans is excellent.

The bank originates or purchases a substantial majority of loans within its AAs. During the evaluation period, 91 percent of the number and 84 percent of the dollar amount of total home mortgage and small loans to businesses were within the bank's AAs. For home mortgage loans, 91 percent of the number and 84 percent of the dollar amount were within the bank's AAs. For small loans to businesses, 90 percent of the number and 84 percent of the dollar amount were within the AAs.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Based on the data in Tables P 2015-2016 and 2017 and the following performance context considerations, the borrower distribution of the bank's originations and purchases of home mortgage loans is good.

2015-2016

MD 35614

The distribution of the bank's home mortgage loans to LMI borrowers is excellent. The bank's home mortgage lending exceeded the aggregate distribution of loans to low-income borrowers, and the aggregate distribution of loans to moderate-income borrowers in the AA. The proportion of loans was significantly weaker than the proportion of low-income families, and weaker than the proportion of moderate-income families.

Although the proportion of loans to LMI borrowers is lower than the proportion of LMI families, the bank and industry performance was impacted by the ratio of median housing value to

income in the AA. The high median housing value constrains lending opportunities to LMI borrowers, as the proportion of properties affordable to LMI borrowers is limited.

The AA's median housing value is \$363 thousand. The maximum income level for low-income borrowers is under \$37 thousand, making the median housing value greater than nine times over the maximum low-income level. The maximum income level for moderate-income borrowers is under \$59 thousand making the median housing value greater than six times over the maximum moderate-income level. Please refer to the AA Market Profile Table for further details.

2017

MD 35614

The distribution of the bank's home mortgage loans to LMI borrowers is excellent. The bank's home mortgage lending to low-income borrowers exceeded the aggregate distribution of loans to low-income borrowers, but is well-below the percentage of low-income families in the AA.

The bank's home mortgage lending to moderate income borrowers was stronger than the aggregate distribution of loans to moderate-income borrowers. However, the percentage of bank loans to moderate income-borrowers was below the proportion of moderate-income families in the AA.

Although the proportion of loans to LMI borrowers is below the proportion of LMI families, the bank and industry performance was impacted by the ratio of median housing value to income in the AA. The high median housing value constrains lending opportunities to LMI borrowers, as the proportion of properties affordable to LMI borrowers is limited. Please see comment above for this AA in 2015-2016.

CSA 428

The distribution of the bank's home mortgage loans to LMI borrowers is generally adequate. The bank's home mortgage lending was below the aggregate distribution of loans to low-income borrowers and below the aggregate distribution of loans to moderate-income borrowers in the AA. The proportion of bank loans to low-income borrowers was well-below the proportion of low-income families and well-below the proportion of moderate-income families in the AA.

With respect to low-income borrowers, both the bank and industry performance was impacted by the ratio of median housing value to maximum income level of low-income borrowers. The median housing value constrains lending opportunities to low-income borrowers, as the proportion of properties affordable to low-income borrowers is limited. However, this is not the case for moderate-income borrowers, and the aggregate distribution of loans was only slightly weaker than the proportion of moderate-income families.

The AA's median housing value is \$275 thousand. Using the highest median family income (MFI) for the AA, the maximum income level for low-income borrowers is under \$46 thousand, making the median housing value six times over the maximum low-income level. The maximum income level for moderate-income borrowers is \$73 thousand, making the median housing value less than four times over the maximum moderate-income level. Nonetheless, using the lowest MFI for the AA, the maximum income level for moderate-income borrowers is

\$43 thousand, making the median housing value greater than six times over the maximum moderate-income level. Please refer to the AA Market Profile Table for further details.

Small Loans to Businesses

Based on the data in Tables R 2015-2016 and 2017 and the following performance context considerations, we concluded the distribution of the bank's originations and purchases of small loans to businesses by revenue is good.

2015-2016

MD 35614

The distribution of the bank's small loans to businesses by revenue is good. The percentage of bank loans to small businesses exceeded the aggregate distribution of loans to those businesses in the AA, but was below the percentage of small businesses in the AA. .

2017

MD 35614

The distribution of the bank's small loans to businesses by revenue is good. The proportion of bank loans was stronger than the aggregate distribution of loans to those businesses, but below than the proportion of small businesses in the AA.

CSA 428

The distribution of the bank's small loans to businesses by revenue is generally good. The percentage of bank loans significantly exceeded the aggregate distribution of loans to small businesses, but was below the proportion of small businesses in the AA. .

Community Development Lending

Based on the data in Table 1 and the following performance context considerations, the CD lending is adequate. CD loans offered were effective and responsive in helping the bank address community credit needs. The bank originated an adequate number of loans under these programs.

MD 35614

The bank originated one loan totaling \$2.3 million to refinance a mortgage for a building that provides 184 affordable housing units for seniors.

CSA 428

The bank renewed two loans totaling \$3.2 million that provide funding for community services targeted to LMI individuals.

The bank originated two loans totaling \$319 thousand to purchase properties that will help revitalize or stabilize LMI geographies.

Product Innovation and Flexibility

Innovative or flexible loan programs offered were effective in helping the bank address community credit needs. The bank originated an adequate number of loans under these programs.

The bank offered flexible home loan products under FHA, VA, First Home Club, and its own First-Time Homebuyer Program and Wealthsaver 105 percent Loan-to-Value Mortgage Program that included first time homebuyer programs oriented primarily to LMI residents. The bank originated 44 FHA loans totaling \$10.0 million and 10 VA loans totaling \$2.0 million.

The bank originated 30 First Home Club loans totaling \$5.2 million. The First Home Club is a Federal Home Loan Bank program that offers incentives for LMI households to save towards the purchase of their first home.

The bank originated three loans totaling \$303 thousand under its First-Time Homebuyer Program. This program offers financing at a reduced rate, lower closing costs, and has more flexible credit requirements.

The bank originated three loans totaling \$830 thousand under its Wealthsaver 105 percent Mortgage Program. The Wealthsaver program is intended to provide borrowers with a no down payment – no closing cost solution to finance a home. To substitute the traditional down payment requirement, the bank will allow the borrower or a family member to pledge assets either in the form of a deposit to a specific OFB product or an alternative investment. This program is offered with no premium add-on to the mortgage rate or costs. The maximum loan-to-value is 105 percent including closing costs.

INVESTMENT TEST

Based on the data in Table 14 and the following performance context considerations, we concluded the bank's qualified investment performance is adequate.

Qualified investments were effective and responsive in helping the bank address credit and CD needs. The bank made an adequate number of investments, grants and donations under its programs. During the evaluation period, the bank made investments and donations totaling \$10.1 million, representing 2.2 percent of tier one capital.

MD 35614

During the evaluation period, the bank made 166 donations totaling \$1.1 million to organizations that provide community services and affordable housing for LMI individuals in the AA. Examples of the bank's donations include:

- \$200 thousand to a food bank that provides food for LMI individuals
- \$80 thousand to an organization that provides disaster recovery to victims of flooding and hurricanes, such as Superstorm Sandy
- \$60 thousand to an organization that provides affordable housing for LMI individuals
- \$50 thousand to an organization that provides health services for LMI individuals
- \$30 thousand to an organization that provides housing and services to victims of Superstorm Sandy

OFB also invested \$540 thousand into the CRA Qualified Investment Fund, an institutional mutual fund that invests in CRA-qualified investments in the bank's AA.

CSA 428

OFB invested \$718 thousand into the CRA Qualified Investment Fund and had \$5.2 million in prior period investments still outstanding with the fund.

The bank also invested in three municipal bonds totaling \$1.4 million that promoted economic development in a moderate-income area.

During the evaluation period, the bank made 49 donations totaling \$226 thousand to organizations that provide community services and affordable housing for LMI individuals in the AA. Examples of the bank's donations include:

- \$55 thousand to three organizations that provide community services to LMI individuals
- \$40 thousand to a food bank that provides food for LMI individuals
- \$30 thousand to two organizations that provide affordable housing for LMI individuals

Statewide

The bank invested \$1.0 million in a municipal bond used to fund NJ healthcare facilities.

SERVICE TEST

Retail Banking Services

Based on the data in Table 15 and the following performance context considerations, the bank's retail service performance is good.

MD 35614

The bank's branches and alternative delivery systems were effective and responsive in helping the bank provide reasonably accessible services across the community. The bank had an adequate number of branches, reflected in Table 15, in LMI areas compared to the population distribution. The bank operates 23 of its 46 branches within this AA. Of these branches, none are located in a low-income geography, two are located in moderate-income geographies, nine are in middle-income geographies, and twelve are in upper-income geographies. As a percentage of the total number of branches, there are no branches located in low-income geographies where 1.63 percent of the population lives; and 8.70 percent of the branches are located in moderate-income geographies where 13.77 percent of the population lives.

The bank's branch closings have not adversely affected the accessibility of its delivery systems in LMI geographies and to LMI individuals. The opening and closing of branches, reflected in Table 15, had no impact on the delivery of service across the community. During the evaluation period, the bank closed four branches in middle-income geographies, and one branch in an upper-income geography. Additionally, the bank opened two ATMs in moderate-income geographies during the scope of the examination.

OFB's services do not vary in a way that inconveniences portions of the AA, particularly LMI geographies and/or individuals. All of the branches are full-service branches with ATMs and similar business hours. 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 free checking account product. The bank offers a variety of loan products including mortgages for first-time homebuyers and reverse mortgages that serve a large senior population in the bank's market area. The bank also offers free online banking and online bill pay through their transactional Internet website and on-line banking services.

CSA 428

The bank's branches and alternative delivery systems were effective and responsive in helping the bank provide services across the community. These systems are accessible to geographies and individuals of different income levels in the AA. The bank had a significant number of branches, reflected in Table 15, in LMI areas compared to the population distribution. The bank operates 23 of its 46 branches within this AA. Of these branches, two are located in low-income geographies, four are located in moderate-income geographies, nine are in middle-income geographies, and eight are in upper-income geographies. As a percentage of the total number of branches, 8.70 percent of the branches are located in low-income geographies where 5.29 percent of the population lives; and 17.39 percent of the branches are located in moderate-income geographies where 16.25 percent of the population lives.

The opening and closing of branches, reflected in Table 15, had no impact on the delivery of service across the community. Through the acquisitions of Cape Bank and Ocean City Home Bank during the evaluation period, the bank acquired thirty-three branches in this AA: two in low-income geographies, five in moderate-income geographies, twelve in middle-income geographies, and fourteen in upper-income geographies. With the objective of consolidating branches serving the same market area, the bank closed one branch in a moderate-income geography, three branches in middle-income geographies, and six branches in upper-income geographies. The branch operating in the moderate-income geography was consolidated into another branch located in the same moderate-income level census tract.

The opening and closing of branches has not adversely affected the accessibility of the bank's delivery systems, or services in LMI geographies. OFB's services do not vary in a way that inconveniences portions of the AA, particularly LMI geographies and/or individuals. All of the branches are full-service branches with ATMs and similar business hours. 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 free checking account product. The bank offers a variety of loan products including mortgages for first-time homebuyers and reverse mortgages that serve a large senior population in the bank's market area. The bank also offers free online banking and online bill pay through their transactional Internet website and on-line banking services.

Community Development Services

Based on the level of CD services and the following performance context considerations, the provision of CD service is good.

MD 35614

CD services were effective and responsive in helping the bank address community needs. The bank conducted or supported a significant number of CD services, consistent with its capacity and expertise to conduct specific activities.

Employees provided their financial services and technical expertise to community organizations offering affordable housing, small business development, and other community services in the AA. Highlights of CD services provided in the AA during the evaluation period include:

- One employee served as the trustee and secretary to an organization that provides a support network to children from LMI families.
- One employee served as the secretary to the Board of Directors for a charitable organization whose services include providing support to victims of natural disasters, transitional housing, and community services to the homeless and at-risk children.
- One employee served as a member of the Board of Directors to an organization that helps alleviate hunger and build food security in at-risk communities, and provides support in enrolling in government assistance programs for LMI individuals.
- One employee served as a member of the family selection committee for an affordable housing organization, providing technical expertise in reviewing applications and making recommendations regarding applicants' qualifications for the home buying program.
- One employee served as a member of the Board of Directors to an organization that provides community services to at-risk youth from LMI families.
- Three employees conducted financial counseling workshops for first-time homebuyers, in conjunction with a community action agency which aims to expand access to affordable housing for low-income households.

CSA 428

CD services were effective and responsive in helping the bank address community needs. The bank conducted or supported an adequate number of CD services, consistent with its capacity and expertise to conduct specific activities.

Employees provided their financial services and technical expertise to community organizations offering affordable housing, small business development, and other community services in the AA. The following is a list of CD services provided in the AA during the evaluation period:

- One employee serves as a member of the Board of Directors on a community organization that helps address financial shortfalls that overpopulation and cuts in state aid have created in public schools, providing funds to enhance and expand education programs and extracurricular activities for students within the community.
- One employee serves as the finance auditor for a local organization that provides monthly food banks and an annual donation drive for at-risk members of the community.
- One employee served as a member on the Board of Directors to a community partnership organization that helps LMI residents overcome barriers to self-sufficiency.
- One employee served on the Board of Directors for an affordable housing organization which sells homes to low-income families and offers zero percent interest loans with no down payment required.

- One employee serves as a member of the Board of Directors for a non-profit organization that provides grants and scholarships to area students, and operates entirely in low-income geographies.
- One employee serves as a Board member, treasurer, and auditor for a community organization that provides affordable housing and community services to individuals with intellectual and developmental disabilities.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans): 01/01/15 to 12/31/17 Investment and Service Tests and CD Loans: 10/14/15 to 12/31/17	
Financial Institution	Products Reviewed	
OceanFirst Bank, NA (OFB) Toms River, New Jersey	Home Mortgage Loans Small Loans to Businesses	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
New York-Jersey City-White Plains, NY-NJ MD (MD 35614)	Full-Scope	Ocean County, Monmouth County, and ten geographies in Middlesex County
Philadelphia-Reading-Camden, PA-NJ-DE-MD CSA (CSA 428)	Full-Scope	Atlantic, Cape May, Cumberland, and Gloucester Counties

Appendix B: Community Profiles for Full-Scope Areas

New York-Jersey City-White Plains, NY-NJ Metropolitan Division (MD 35614)

Table A – Demographic Information of the Assessment Area						
Assessment Area: OceanFirst AA 35614 MD 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	280	1.8	12.9	30.7	52.9	1.8
Population by Geography	1,266,881	1.6	13.8	30.3	54.3	0.0
Housing Units by Geography	562,595	1.0	13.7	33.3	51.9	0.0
Owner-Occupied Units by Geography	371,154	0.2	10.7	31.5	57.6	0.0
Occupied Rental Units by Geography	106,151	4.3	26.0	36.4	33.2	0.0
Vacant Units by Geography	85,290	0.5	11.6	37.0	50.8	0.1
Businesses by Geography	88,127	1.2	11.7	25.1	62.0	0.0
Farms by Geography	2,434	0.6	5.3	23.7	70.3	0.0
Family Distribution by Income Level	326,838	15.7	13.6	17.4	53.4	0.0
Household Distribution by Income Level	477,305	21.1	13.6	15.9	49.4	0.0
Median Family Income MSA - 35614 New York-Jersey City-White Plains, NY-NJ MD		\$72,047	Median Housing Value			\$363,385
			Median Gross Rent			\$1,302
			Families Below Poverty Level			6.3%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The bank's operations in this AA are located in Ocean County, Monmouth County, and ten geographies in Middlesex County. These counties are located in central New Jersey and are part of the New York-Jersey City-White Plains, NY-NJ MD (35614) located in the New York-Newark-Jersey City, NY-NJ-PA MSA (35620) and the New York-Newark, NY-NJ-CT-PA CSA (408).

There are a total of 280 census tracts in this AA, consisting of five low-income tracts, 36 moderate-income tracts, 86 middle-income tracts, 148 upper-income tracts, and five that have not been assigned an income classification.

The overall population of the AA is 1,266,881, comprising 477,305 households and 326,838 families. Of this population, 20,603 (1.6 percent) people reside in low-income geographies, 174,438 (13.8 percent) reside in moderate-income geographies, 383,379 (30.3 percent) reside in middle-income geographies, 688,408 (54.3 percent) reside in upper-income geographies, and 53 (0.0 percent) reside in geographies where income data was not available.

The MFI in this AA is \$72,047. With respect to family distribution by income level, 15.7 percent of families in the AA are low-income, 13.6 percent are moderate-income, 17.4 percent are middle-income, and 53.4 percent are upper-income. Within this AA, 6.3 percent of families are below poverty level.

The median housing value in this AA is \$363,385. This high median housing value constrains lending opportunities to LMI borrowers, as the proportion of properties affordable to LMI borrowers is limited. The maximum income level for low-income borrowers is under \$37 thousand, making the median housing value greater than nine times over the maximum low-income level. The maximum income level for moderate-income borrowers is under \$59 thousand making the median housing value greater than six times over the maximum moderate-income level.

Competition within the AA is strong with the market dominated by large national and regional financial institutions and national mortgage companies. OFB has 23 branches in this AA, representing 50 percent of the bank's total branches. According to the Federal Deposit Insurance Corporation's Deposit Market Share Report as of June 30, 2017, out of 52 institutions operating in Middlesex, Monmouth, and Ocean Counties, OFB ranked 10th in deposit market share with 2.97 percent of the market. The top five financial institutions have a combined deposit market share of 59.26 percent, and include PNC Bank, N. A. (16.99 percent market share), Wells Fargo Bank, N. A. (12.46 percent market share), Bank of America, N. A. (11.33 percent), TD Bank, N. A. (11.18 percent market share), and Santander Bank, N. A. (7.3 percent).

Based on 2017 Peer Mortgage Data, the bank achieved a 1.59 percent market share of home mortgage loans, ranking 13th of the 562 reporting lenders. The top five mortgage lenders in this AA have a combined total market share of 25.26 percent, and include Wells Fargo Bank, N. A. (11.08 percent market share), Quicken Loans (5.22 percent market share), JPMorgan Chase Bank, N. A. (4.55 percent market share), Caliber Home Loans, Inc. (2.49 percent market share), and Homebridge Financial Services (2.28 percent market share).

According to the 2017 Business Demographic Data, there are a total of 88,127 businesses in the AA. The primary industries in the AA are Services, which account for 44.84 percent of the total industries, followed by Retail Trade and Construction at 13.90 percent and 10.79 percent respectively. Approximately 1.2 percent of the businesses are located in low-income geographies, 11.7 percent are located in moderate-income geographies, 25.1 percent are located in middle-income geographies, and 62.0 percent are located in upper-income geographies. Approximately 86.34 percent of the businesses reporting have revenues of less than \$1 million.

The top employers in Ocean County are Six Flags Theme Parks, Inc., Meridian Health Systems, and Joint Base McGuire-Dix-Lakehurst Military Base. The top employers in Monmouth County are Meridian Health Systems, Saker ShopRites Inc., and CentraState Healthcare Inc. The top employers in Middlesex County are Robert Wood Johnson University Hospital, Novo Nordisk, and Wakefern Food Corp.

As of December 2017, the U.S. Bureau of Labor Statistics (BLS) reported the unemployment rate for Ocean County as 4.5 percent, for Monmouth County as 3.6 percent, and for Middlesex

County as 3.5 percent. For the same time, the BLS reported the unemployment rate for New Jersey as 4.2 percent and the national unemployment rate as 4.1 percent.¹

Philadelphia-Reading-Camden, PA-NJ-DE-MD CSA (CSA 428)

Table A – Demographic Information of the Assessment Area						
Assessment Area: OceanFirst AA 428 CSA 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	201	6.0	17.4	46.3	26.9	3.5
Population by Geography	818,514	5.3	16.2	47.9	29.4	1.2
Housing Units by Geography	393,843	5.9	17.5	47.1	29.2	0.4
Owner-Occupied Units by Geography	215,247	1.8	12.7	52.5	32.7	0.3
Occupied Rental Units by Geography	81,619	13.7	27.1	40.6	18.2	0.4
Vacant Units by Geography	96,977	8.1	20.0	40.7	30.8	0.4
Businesses by Geography	45,897	5.4	15.2	47.4	31.7	0.3
Farms by Geography	1,618	0.8	7.8	51.5	39.5	0.4
Family Distribution by Income Level	204,737	20.4	17.4	20.4	41.8	0.0
Household Distribution by Income Level	296,866	23.7	15.5	17.8	43.0	0.0
Median Family Income MSA - 12100 Atlantic City-Hammonton, NJ MSA		\$66,523	Median Housing Value			\$275,272
Median Family Income MSA - 15804 Camden, NJ MD		\$87,133	Median Gross Rent			\$1,024
Median Family Income MSA - 36140 Ocean City, NJ MSA		\$74,509	Families Below Poverty Level			9.4%
Median Family Income MSA - 47220 Vineland-Bridgeton, NJ MSA		\$57,550				
Source: 2010 U.S. Census & 2015 ACS Census and 2017 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 bank's operations in this AA are located in Atlantic, Cape May, Cumberland, and Gloucester Counties. These counties are located in southern New Jersey and are all part of the Philadelphia-Reading-Camden, PA-NJ-DE-MD Combined Statistical Area (CSA 428). Atlantic County forms the Atlantic City-Hammonton, NJ MSA (12100) and is part of CSA 428. Cape May County is part of the Ocean City, NJ MSA (36140) as well as CSA 428. Cumberland County is part of the Vineland-Bridgeton, NJ MSA (47220) as well as CSA 428. Gloucester County is part of the Camden, NJ MD (15804) as well as CSA 428.

There are a total of 201 census tracts in this AA, consisting of 12 low-income tracts, 35 moderate-income tracts, 93 middle-income tracts, 54 upper-income tracts, and 7 that have not been assigned an income classification.

¹ The national unemployment rate is seasonally adjusted. The unemployment rates for the counties and the state are not seasonally adjusted.

The overall population of the AA is 818,514, comprising 296,866 households and 204,737 families. Of this population, 43,319 (5.3 percent) people reside in low-income geographies, 132,969 (16.2 percent) reside in moderate-income geographies, 391,746 (47.9 percent) reside in middle-income geographies, 240,518 (29.4 percent) reside in upper-income geographies, and 9,962 (1.2 percent) reside in geographies where income data was not available.

The MFI in the Atlantic City-Hammonton, NJ MSA (12100) is \$66,523. The MFI in the Ocean City, NJ MSA (36140) is \$74,509. The MFI in the Vineland-Bridgeton, NJ MSA (47220) is \$57,550. The MFI in the Camden, NJ MD (15804) is \$87,133. With respect to family distribution by income level, 20.4 percent of families in the AA are low-income, 17.4 percent are moderate-income, 20.4 percent are middle-income, and 41.8 percent are upper-income. Within this AA, 9.4 percent of families are below poverty level.

The median housing value in this AA is \$275,272. The median housing value constrains lending opportunities to low-income borrowers, as the proportion of properties affordable to low-income borrowers is limited. However, this is not the case for moderate-income borrowers. Using the highest MFI for the AA, the maximum income level for low-income borrowers is under \$46 thousand, making the median housing value six times over the maximum low-income level. The maximum income level for moderate-income borrowers is \$73 thousand, making the median housing value less than four times over the maximum moderate-income level. Nonetheless, using the lowest MFI for the AA, the maximum income level for moderate-income borrowers is \$43 thousand, making the median housing value greater than six times over the maximum moderate-income level.

OFB has 23 branches in this AA, representing 50 percent of the bank's total branches. According to the Federal Deposit Insurance Corporation's Deposit Market Share Report as of June 30, 2017, out of 30 institutions operating in Atlantic, Cape May, Cumberland and Gloucester Counties, OFB ranked second in deposit market share with 11.73 percent of the market. TD Bank, N. A. ranked first with a deposit market share of 21.28 percent.

While OFB has a relatively significant branch presence in this AA, competition for loans is strong. Based on 2017 Peer Mortgage Data, the bank achieved a 1.62 percent market share of home mortgage loans, ranking 14th of the 475 reporting lenders. The top five mortgage lenders in this AA have a combined total market share of 25.55 percent and include Wells Fargo Bank, N. A. (9.86 percent market share), Caliber Home Loans, Inc. (4.40 percent market share), Quicken Loans (3.95 percent market share), Pennymac Loan Services LLC (3.82 percent market share), and Greentree Mortgage Company (3.52 percent market share).

According to the 2017 Business Demographic Data, there are a total of 45,987 businesses in the AA. The primary industries in the MD are Services, which account for 42.79 percent of the total industries, followed by Retail Trade and Construction at 16.85 percent and 10.58 percent respectively. Approximately 5.4 percent of the businesses are located in low-income geographies, 15.2 percent are located in moderate-income geographies, 47.4 percent are located in middle-income geographies, and 31.7 percent are located in upper-income geographies. Approximately 82.83 percent of the businesses reporting have revenues of less than \$1 million.

The top employers in Atlantic County are Trump Entertainment, Borgata Hotel Casino & Spa, and FAA Technical Center. The top employers in Cape May County are Morey Organization (Entertainment Industry), Woodbine Development Center, and U.S. Coast Guard. The top employers in Cumberland County are Inspira Health Network, Durand Glass Manufacturing, and Walmart. The top employers in Gloucester are Inspira Health Network, Kennedy Health Alliance, and Rowan University.

As of December 2017, the U.S. Bureau of Labor Statistics (BLS) reported the unemployment rate for Atlantic County as 6.7 percent, for Cape May County as 12.2 percent, for Cumberland County as 6.9 percent, and for Gloucester County as 4.2 percent. For the same time, the BLS reported the unemployment rate for New Jersey as 4.2 percent and the national unemployment rate as 4.1 percent.²

² The national unemployment rate is seasonally adjusted. The unemployment rates for the counties and the state are not seasonally adjusted.

Appendix C: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate 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: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems. The following is a listing and brief description of the tables:

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. CD loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - 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 aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - 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. Because small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank's assessment area.

- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - 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. The table also presents aggregate peer data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms 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 farm. The table also presents aggregate peer data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** – 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 households throughout those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - 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 households by income level in each MA/assessment area.
- Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents

investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

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

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

Table 1. Lending Volume

LENDING VOLUME		Geography: NEW JERSEY						Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2017				
MA/Assessment Area:	% 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)	
Full Review:												
OFB AA MD 35614 2015-2016	100.00	1,252	333,308	488	108,014	0	0	0	0	1740	441,322	100.00
OFB AA MD 35614 2017	62.40	685	190,286	215	45,967	0	0	1	2,300	901	238,553	52.64
OFB AA CSA 428 2017	37.60	409	128,680	130	25,463	0	0	4	3,544	543	157,687	47.36

* Loan Data as of December 31, 2016 and December 31, 2017. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is October 14, 2015 to December 31, 2017.

*** Deposit Data as of June 30, 2017. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2015-16	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
OFB AA MD 35614 2016	1,252	333,308	100.0	49,023	1.0	0.6	1.8	10.5	6.6	8.7	26.5	37.0	24.6	62.1	55.8	64.9	0.0	0.0	0.0	
Total	1,252	333,308	100.0	49,023	1.0	0.6	1.8	10.5	6.6	8.7	26.5	37.0	24.6	62.1	55.8	64.9	0.0	0.0	0.0	

*Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
OFB AA MD 35614 2017	685	190,286	62.6	42,869	0.2	0.4	0.3	10.7	8.6	10.0	31.5	40.3	32.7	57.6	50.7	57.0	0.0	0.0	0.0	
OFB AA CSA 428 2017	409	128,680	37.4	25,044	1.8	2.7	1.8	12.7	12.0	12.8	52.5	43.5	51.2	32.7	41.6	33.9	0.3	0.2	0.3	
Total	1,094	318,966	100.0	67,913	0.8	1.3	0.9	11.4	9.9	11.0	39.2	41.5	39.5	48.4	47.3	48.4	0.1	0.1	0.1	

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2015-16	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
OFB AA MD 35614 2016	1,252	333,308	100.0	49,023	14.3	4.0	2.5	14.0	11.1	9.1	17.8	19.0	16.8	53.9	61.9	53.9	0.0	4.0	17.6	
Total	1,252	333,308	100.0	49,023	14.3	4.0	2.5	14.0	11.1	9.1	17.8	19.0	16.8	53.9	61.9	53.9	0.0	4.0	17.6	

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
OFB AA MD 35614 2017	685	190,286	62.6	42,869	15.7	3.5	2.7	13.6	11.4	9.9	17.4	19.9	18.0	53.4	55.5	52.9	0.0	9.8	16.4	
OFB AA CSA 428 2017	409	128,680	37.4	25,044	20.4	2.4	4.8	17.4	7.6	15.2	20.4	15.2	18.9	41.8	70.4	41.2	0.0	4.4	20.0	
Total	1,094	318,966	100.0	67,913	17.5	3.1	3.5	15.0	10.0	11.9	18.5	18.1	18.3	48.9	61.1	48.6	0.0	7.8	17.7	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2015-16		
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts					
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate			
OFB AA MD 35614 2016	488	108,014	100.0	52,781	2.9	0.2	5.9	8.2	8.0	17.4	22.2	28.5	17.4	66.6	63.3	59.3	0.0	0.0	0.0			
Total	488	108,014	100.0	52,781	2.9	0.2	5.9	8.2	8.0	17.4	22.2	28.5	17.4	66.6	63.3	59.3	0.0	0.0	0.0			

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	2017 Businesses	% Bank Loans	Aggregate
OFB AA MD 35614 2017	215	45,967	62.3	44,529	1.2	0.0	2.2	11.7	6.0	20.7	25.1	28.4	20.7	62.0	65.6	56.4	0.0	0.0	0.0
OFB AA CSA 428 2017	130	25,463	37.7	16,820	5.4	7.7	6.9	15.2	23.1	14.5	47.4	37.7	44.5	31.7	31.5	33.6	0.3	0.0	0.4
Total	345	71,430	100.0	61,349	2.7	2.9	3.5	12.9	12.5	19.0	32.7	31.9	27.2	51.6	52.8	50.1	0.1	0.0	0.1

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2015-16
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
OFB AA MD 35614 2016	488	108,014	100.0	52,781	85.9	55.7	46.7	5.8	33.8	8.3	10.5	
Total	488	108,014	100.0	52,781	85.9	55.7	46.7	5.8	33.8	8.3	10.5	
<i>Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>												

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2017
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
OFB AA MD 35614 2017	215	45,967	62.3	44,529	86.3	57.7	50.4	5.7	36.7	8.0	5.6	
OFB AA CSA 428 2017	130	25,463	37.7	16,820	82.8	61.5	44.7	6.0	37.7	11.2	0.8	
Total	345	71,430	100.0	61,349	85.1	59.1	48.8	5.8	37.1	9.1	3.8	
<i>Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>												

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: NEW JERSEY			Evaluation Period: OCTOBER 14, 2015 TO DECEMBER 31, 2017				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
OFB AA MD 35614			169	1,647	169	1,647	16.30	0	0
OFB AA CSA 428	31	5,153	56	2,304	87	7,457	73.80	0	0
Statewide			1	1,000	1	1,000	9.90	0	0

* 'Prior Period Investments' means investments made in a previous evaluation 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 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: NEW JERSEY																	
Evaluation Period: OCT. 14, 2015 TO DEC. 31, 2017																	
MA/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
Full Review:																	
OFB AA MD 35614	52.64	23	50.00	0.00	8.70	39.13	52.17	0	5	0	0	-4	-1	1.63	13.77	30.26	54.34
OFB AA CSA 428	47.36	23	50.00	8.70	17.39	39.13	34.78	0	10	0	-1	-3	-6	5.29	16.25	47.86	29.38