UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

☒ **Annual Report Pursuant To Section 13 or 15(d) Of The Securities Exchange Act of 1934**
For the fiscal ended December 31, 2012.

or

☐ **Transition Report Pursuant To Section 13 or 15(d) Of The Securities Exchange Act of 1934**
For the transition period from ______________ to ______________.

Commission file number: **000-50275**

BCB BANCORP, INC.
(Exact name of registrant as specified in its charter)

New Jersey	**26-0065262**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
104-110 Avenue C, Bayonne, New Jersey	**07002**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(201) 823-0700**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, no par value	The NASDAQ Stock Market, LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
YES ☐ NO ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
YES ☐ NO ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the Registrant was required to submit and post such files).
YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, computed by reference to the last sale price on June 30, 2012, as reported by the Nasdaq Capital Market, was approximately $75.9 million.

As of March 1, 2013, there were issued 8,473,583 shares of the Registrant's Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:
(1) Proxy Statement for the 2013 Annual Meeting of Stockholders of the Registrant (Part III).

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This report on Form 10-K contains forward-looking statements that are based on assumptions and may describe future plans, strategies and expectations of BCB Bancorp, Inc. and subsidiaries. This document may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements, which are based on certain assumptions and describe future plans, strategies, and expectations of the Company, are generally identified by use of the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “project,” “seek,” “strive,” “try,” or future or conditional verbs such as “will,” “would,” “should,” “could,” “may,” or similar expressions. Although we believe that our plans, intentions and expectations, as reflected in these forward-looking statements are reasonable, we can give no assurance that these plans, intentions or expectations will be achieved or realized. By identifying these statements for you in this manner, we are alerting you to the possibility that our actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Important factors that could cause our actual results and financial condition to differ from those indicated in the forward-looking statements include, among others, those discussed below and under “Risk Factors” in Part I, Item 1A of this Annual Report on Form 10-K. You should not place undue reliance on these forward-looking statements, which reflect our expectations only as of the date of this report. We do not assume any obligation to revise forward-looking statements except as may be required by law.

PART I

ITEM 1. BUSINESS

BCB Bancorp, Inc.

BCB Bancorp, Inc. (the "Company") is a New Jersey corporation, and is the holding company parent of BCB Community Bank (the "Bank"). The Company has not engaged in any significant business activity other than owning all of the outstanding common stock of BCB Community Bank. Our executive office is located at 104-110 Avenue C, Bayonne, New Jersey 07002. Our telephone number is (201) 823-0700. At December 31, 2012 we had $1.17 billion in consolidated assets, $940.8 million in deposits and $91.6 million in consolidated stockholders' equity. The Company is subject to extensive regulation by the Board of Governors of the Federal Reserve System.

BCB Community Bank

BCB Community Bank opened for business on November 1, 2000 as Bayonne Community Bank, a New Jersey chartered commercial bank. We changed our name from Bayonne Community Bank to BCB Community Bank in April of 2007. On October 14, 2011, the Bank completed its acquisition of Allegiance Community Bank. At December 31, 2012, we operated through eleven branches in Bayonne, Jersey City, Hoboken, Monroe Township, South Orange, and Woodbridge, New Jersey and through our executive office located at 104-110 Avenue C and our administrative office located at 591-595 Avenue C, Bayonne, New Jersey 07002. Our deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) and we are a member of the Federal Home Loan Bank System.

We are a community-oriented financial institution. Our business is to offer FDIC-insured deposit products and to invest funds held in deposit accounts at the Bank, together with funds generated from operations, in investment securities and loans. We offer our customers:

- loans, including commercial and multi-family real estate loans, one- to four-family mortgage loans, home equity loans, construction loans, consumer loans and commercial business loans. In recent years the primary growth in our loan portfolio has been in loans secured by commercial real estate and multi-family properties;
- FDIC-insured deposit products, including savings and club accounts, non-interest bearing accounts, money market accounts, certificates of deposit and individual retirement accounts; and
- retail and commercial banking services including wire transfers, money orders, traveler's checks, safe deposit boxes, a night depository, bond coupon redemption and automated teller services.

Recent Development

On October 29 th and 30 th , 2012, Hurricane Sandy struck the Northeast section of the country. The Bank's market area was significantly impacted by the storm which resulted in widespread flooding, wind damage and power outages. The storm temporarily disrupted our branch network and our ability to service our customers, however within one week all of our offices were fully functional. Our assessment of the underlying collateral of our loan facilities we have in those areas affected by the storm that may have suffered damage and possible loss of value has resulted in a preliminary conclusion that while our qualitative and quantitative analysis is progressing, initial indications are that asset balances of the Bank in the affected area are approximately $41.6 million, which encompasses roughly one hundred six properties. Additionally, we are in the process of determining whether or not the storm has impacted our borrowers' ability to repay their obligations to the Bank. The Bank is generally named as a loss payee on hazard and flood insurance policies covering collateral properties and carries both mortgage impairment and business interruption insurance. These policies should mitigate losses that the Bank may sustain due to the effects of the hurricane. Presently, that process remains on-going and it is premature to determine what, if any impact this may have on our level of loan losses or non-performing loans. Predicated upon the completion of the aforementioned, the Company may experience increased levels of non-performing loans and losses which may negatively impact future operating results.

At December 31, 2012, the Company closed a private placement of its Series A noncumulative perpetual preferred stock, par value $0.01 per share ("preferred stock"). The Company sold $8.65 million to certain investors at a purchase price of $10,000 per share. The net proceeds of the private placement are expected to be used primarily to support the capital of BCB Community Bank.

Business Strategy

Our business strategy is to operate as a well-capitalized, profitable and independent community-oriented financial institution dedicated to providing quality customer service. Management's and the Board of Directors' extensive knowledge of the Hudson County market differentiates us from our competitors. Our business strategy incorporates the following elements: maintaining a community focus, focusing on profitability, continuing our growth, concentrating on real estate based lending, capitalizing on market dynamics, providing attentive and personalized service and attracting highly qualified and experienced personnel. As a result, our decision to sell a portion of our non-performing loan portfolio allowed us to significantly reduce our non-performing loan balances compared to prior periods. Management's efforts to reduce these balances remain on-going and we continue to research and implement initiatives to further mitigate those risks associated with elevated levels of non-performing loans.

Maintaining a community focus. Our management and Board of Directors have strong ties to the communities we serve. Many members of the management team are Bayonne natives and are active in the community through non-profit board membership, local business development organizations, and industry associations. In addition, our board members are well established professionals and business people in the communities we serve. Management and the Board are interested in making a lasting contribution to these communities and have succeeded in attracting deposits and loans through attentive and personalized service.

Strengthening our balance sheet while returning to profitability. For the year ended December 31, 2012, our loss on average equity was 2.26% and our loss on average assets was 0.17%. Our loss per diluted share was $0.23 for the year ended December 31, 2012 compared to earnings per diluted share of $0.64 for the year ended December 31, 2011. Earnings per share results have come under pressure recently, primarily as a result of the pervasive economic downturn in both the national and local economy as well as several unusual events, including the sale of non-performing loans during 2012 to strengthen our statements of financial condition, and the effects of Hurricane Sandy. During 2012, we sold $25.9 million in non-performing loans in an effort to reduce the overhang and cost associated with these non-performing assets. Management is committed to strengthening the Bank's statements of financial condition and returning to profitability by diversifying the products, pricing and services we offer. As a result of our efforts, our loans delinquent over 90 days have decreased from $39.6 million at December 31, 2011 to $14.8 million at December 31, 2012.

Concentrating on real estate-based lending. A primary focus of our business strategy is to originate loans secured by commercial and multi-family properties. Such loans provide higher returns than loans secured by one- to four-family real estate. As a result of our underwriting practices, including debt service requirements for commercial real estate and multi-family loans, management believes that such loans offer us an opportunity to obtain higher returns, in the absence of a measurable increased level of risk.

Capitalizing on market dynamics. The consolidation of the banking industry in Hudson County, New Jersey has provided a unique opportunity for a customer focused banking institution, such as the Bank. We believe our local roots and community focus provides the Bank with an opportunity to capitalize on the consolidation in our market area. This consolidation has moved decision making away from local, community-based banks to much larger banks headquartered outside of New Jersey. We believe our local roots and community focus provides the Bank with an opportunity to capitalize on the consolidation in our market area.

Providing attentive and personalized service. Management believes that providing attentive and personalized service is the key to gaining deposit and loan relationships in Bayonne and its surrounding communities. Since we began operations, our branches have been open seven (7) days a week.

Attracting highly experienced and qualified personnel. An important part of our strategy is to hire bankers who have prior experience in the markets we serve, as well as pre-existing business relationships. Our management team has an average of over 27 years of banking experience, while our lenders and branch personnel have significant prior experience at community banks and regional banks throughout New Jersey. Management believes that its knowledge of these markets has been a critical element in the success of BCB Community Bank. Management's extensive knowledge of the local communities has allowed us to develop and implement a highly focused and disciplined approach to lending and has enabled the Bank to attract a high percentage of low cost deposits.

Our Market Area

We are located in the City of Bayonne, Jersey City and Hoboken in Hudson County, Monroe Township and Woodbridge in Middlesex County, and South Orange in Essex County, New Jersey. The Bank's locations are easily accessible and provide convenient services to businesses and individuals throughout our market area. Following our acquisition of Allegiance Community Bank in 2011 our market area expanded to include branch offices in South Orange and Woodbridge, New Jersey.

Our market area includes the City of Bayonne, Jersey City, portions of Hoboken, South Orange, Woodbridge, and Monroe Township, New Jersey. These areas are all considered "bedroom" or "commuter" communities to Manhattan. Our market area is well-served by a network of arterial roadways including Route 440 and the New Jersey Turnpike.

Our market area has a high level of commercial business activity. Businesses are concentrated in the service sector and retail trade areas. Major employers in our market area include certain medical centers and local boards of education. As a result of Hurricane Sandy, a significant number of businesses in our market area sustained losses which resulted in reduced economic activity during the last two months of 2012 and into 2013.

Competition

The banking business in New Jersey is extremely competitive. We compete for deposits and loans with existing New Jersey and out-of-state financial institutions that have longer operating histories, larger capital reserves and more established customer bases. Our competition includes large financial service companies and other entities in addition to traditional banking institutions such as savings and loan associations, savings banks, commercial banks and credit unions. Our larger competitors have a greater ability to finance wide-ranging advertising campaigns through their greater capital resources. Our marketing efforts depend heavily upon referrals from officers, directors, stockholders, selective advertising in local media and direct mail solicitations. We compete for business principally on the basis of personal service to customers, customer access to our officers and directors and competitive interest rates and fees.

In the financial services industry in recent years, intense market demands, technological and regulatory changes and economic pressures have eroded industry classifications that were once clearly defined. Banks have diversified their services, increased rates paid on deposits and become more cost effective as a result of competition with one another and with new types of financial service companies, including non-banking competitors. Some of the results of these market dynamics in the financial services industry have been a number of new bank and non-bank competitors, increased merger activity, and increased customer awareness of product and service differences among competitors.

Lending Activities

Analysis of Loan Portfolio . Set forth below is selected data relating to the composition of our loan portfolio by type of loan as a percentage of the respective portfolio.

	At December 31,									
	2012		2011		2010		2009		2008	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Type of loans:					(Dollars in Thousands)					
Real estate loans:										
One- to four-family	$ 202,926	21.68%	$ 218,085	25.58%	$ 234,435	29.98%	$ 76,490	18.70%	$ 74,039	17.94%
Construction	23,310	2.49	17,000	1.99	17,848	2.28	51,330	12.55	62,483	15.14
Commercial and multi-family	588,268	62.84	472,424	55.42	410,212	52.45	223,792	54.71	223,179	54.07
Home equity (2)	60,393	6.45	69,075	8.10	63,603	8.13	34,298	8.39	38,065	9.22
Commercial business (1)	59,668	6.37	74,573	8.75	54,160	6.93	22,487	5.50	14,098	3.42
Consumer	1,634	0.17	1,308	0.16	1,816	0.23	641	0.15	920	0.21
Total	936,199	100.00%	852,465	100.00%	782,074	100.00%	409,038	100.00%	412,784	100.00%
Less:										
Deferred loan fees, net	1,535		1,193		556		522		654	
Allowance for loan losses	12,363		10,509		8,417		6,644		5,304	
Total loans, net	$ 922,301		$ 840,763		$ 773,101		$ 401,872		$ 406,826	

(1) Includes business lines of credit.
(2) Includes home equity lines of credit.

Loan Maturities. The following table sets forth the contractual maturity of our loan portfolio at December 31, 2012. The amount shown represents outstanding principal balances. Demand loans, loans having no stated schedule of repayments and no stated maturity and overdrafts are reported as being due in one year or less. Variable-rate loans are shown as due at the time of repricing. The table does not include prepayments or scheduled principal repayments.

	Due within 1 Year	Due after 1 through 5 Years	Due After 5 Years	Total
		(In Thousands)		
One- to four-family	$ 75	$ 4,132	$ 198,719	$ 202,926
Construction	14,070	6,045	3,195	23,310
Commercial business [(1)]	24,688	15,559	19,421	59,668
Commercial and multi-family	9,970	41,300	536,998	588,268
Home equity [(2)]	282	8,728	51,383	60,393
Consumer	327	406	901	1,634
Total amount due	$ 49,412	$ 76,170	$ 810,617	$ 936,199

(1) Includes business lines of credit.
(2) Includes home equity lines of credit.

Loans with Predetermined or Floating or Adjustable Rates of Interest . The following table sets forth the dollar amount of all loans at December 31, 2012 that are due after December 31, 2013, and have predetermined interest rates and that have floating or adjustable interest rates.

	Fixed Rates	Floating or Adjustable Rates	Total
		(In Thousands)	
One- to four-family	$ 184,365	$ 18,486	$ 202,851
Construction	1,697	7,543	9,240
Commercial business [(1)]	13,410	21,570	34,980
Commercial and multi-family	165,946	412,352	578,298
Home equity [(2)]	41,928	18,183	60,111
Consumer	1,026	281	1,307
Total amount due	$ 408,372	$ 478,415	$ 886,787

(1) Includes business lines of credit.
(2) Includes home equity lines of credit.

Commercial and Multi-family Real Estate Loans . Our commercial and multi-family real estate loans are secured by commercial real estate (for example, shopping centers, medical buildings, retail offices) and multi-family residential units, consisting of five or more units. Permanent loans on commercial and multi-family properties are generally originated in amounts up to 75% of the appraised value of the property. Our commercial real estate loans are secured by improved property such as office buildings, retail stores, warehouses, church buildings and other non-residential buildings. Commercial and multi-family real estate loans are generally made at rates that adjust above the five year U.S. Treasury interest rate, with terms of up to 25 years, or are balloon loans with fixed interest rates which generally mature in three to five years with principal amortization for a period of up to 30 years. Our largest commercial loan had a principal balance of $12.9 million at December 31, 2012, was secured by commercial property and was performing in accordance with its terms on that date. Our largest multi-family loan had a principal balance of $8.0 million at December 31, 2012. This loan was performing in accordance with its terms on that date.

Loans secured by commercial and multi-family real estate are generally larger and involve a greater degree of risk than one- to four-family residential mortgage loans. The borrower's creditworthiness and the feasibility and cash flow potential of the project is of primary concern in commercial and multi-family real estate lending. Loans secured by income properties are generally larger and involve greater risks than residential mortgage loans because payments on loans secured by income properties are often dependent on the successful operation or management of the properties. As a result, repayment of such loans may be subject to a greater extent than residential real estate loans to adverse conditions in the real estate market or the economy. As a result of Hurricane Sandy, a number of our commercial borrowers have had diminished cash flows which may continue over a period of time and which may impair the ability of these borrowers to comply with the terms of their commercial loans. We are monitoring these loans to identify weaknesses, including a higher level of delinquencies. We intend to continue emphasizing the origination of loans secured by commercial real estate and multi-family properties.

One- to Four-Family Lending . Our one- to four-family residential mortgage loans are secured by property located primarily in the State of New Jersey. We generally originate one- to four-family residential mortgage loans in amounts up to 80% of the lesser of the appraised value or selling price of the mortgaged property without requiring mortgage insurance. We will originate loans with loan to value ratios up to 90% provided the borrowers obtain private mortgage insurance. We originate both fixed rate and adjustable rate loans. One- to four-family loans may have terms of up to 30 years. The majority of one- to four-family loans we originate for retention in our portfolio have terms no greater than 15 years. We offer adjustable rate loans with fixed rate periods of up to five years, with principal and interest calculated using a maximum 30-year amortization period. We offer these loans with a fixed rate for the first five years with repricing every year after the initial period. Adjustable rate loans may adjust up to 200 basis points annually and 600 basis points over the term of the loan. We also broker for a third party lender one- to four-family residential loans, which are primarily fixed rate loans with terms of 30 years. Our loan brokerage activities permit us to offer customers longer-term fixed rate loans we would not otherwise originate while providing a source of fee income. During 2012, we originated for sale $31.5 million in one- to four-family loans and recognized gains of $665,000 from the sale of such loans.

As a result of Hurricane Sandy, the homes collateralizing a number of our one-to four-family loans have been severely damaged. We are assessing the impact of the hurricane on our borrowers' ability to service their loans in accordance with their terms, and the impaired value of the underlying collateral. All of our one- to four-family mortgages include "due on sale" clauses, which are provisions giving us the right to declare a loan immediately payable if the borrower sells or otherwise transfers an interest in the property to a third party.

Property appraisals on real estate securing our single-family residential loans are made by state certified and licensed independent appraisers approved by our Board of Directors. Appraisals are performed in accordance with applicable regulations and policies. As a result of Hurricane Sandy, we anticipate that appraised home values in our market area will be significantly lower than would otherwise be the case. At our discretion, we obtain either title insurance policies or attorneys' certificates of title on all first mortgage real estate loans originated. We also require fire and casualty insurance on all properties securing our one- to four-family loans. We also require the borrower to obtain flood insurance where appropriate. In some instances, we charge a fee equal to a percentage of the loan amount commonly referred to as points.

Construction Loans . We offer loans to finance the construction of various types of commercial and residential property. Construction loans to builders generally are offered with terms of up to eighteen months and interest rates are tied to the prime rate plus a margin. These loans generally are offered as adjustable rate loans. We will originate residential construction loans for individual borrowers and builders, provided all necessary plans and permits are in order. Construction loan funds are disbursed as the project progresses. As of December 31, 2012, our largest construction loan was $4.3 million, of which $1.6 million was disbursed. This construction loan has been made for the construction of eleven condominium units. As of December 31, 2012, this loan was performing in accordance with its terms.

Construction financing is generally considered to involve a higher degree of risk of loss than long-term financing on improved, occupied real estate. Risk of loss on a construction loan is dependent largely upon the accuracy of the initial estimate of the property's value at completion of construction and development and the estimated cost (including interest) of construction. During the construction phase, a number of factors could result in delays and cost overruns. If the estimate of construction costs proves to be inaccurate, we may be required to advance funds beyond the amount originally committed to permit completion of the project. Additionally, if the estimate of value proves to be inaccurate, we may be confronted, at or prior to the maturity of the loan, with a project having a value which is insufficient to assure full repayment.

Home Equity Loans and Home Equity Lines of Credit . We offer home equity loans and lines of credit that are secured by the borrower's primary residence. Our home equity loans can be structured as loans that are disbursed in full at closing or as lines of credit. Home equity loans and lines of credit are offered with terms up to 15 years. Virtually all of our home equity loans are originated with fixed rates of interest and home equity lines of credit are originated with adjustable interest rates tied to the prime rate. Home equity loans and lines of credit are underwritten under the same criteria that we use to underwrite one- to four-family loans. Home equity loans and lines of credit may be underwritten with a loan-to-value ratio of 80% when combined with the principal balance of the existing mortgage loan. At the time we close a home equity loan or line of credit, we file a mortgage to perfect our security interest in the underlying collateral. At December 31, 2012, the outstanding balances of home equity loans and lines of credit totaled $60.4 million, or 6.45% of total loans.

Commercial Business Loans . Our commercial business loans are underwritten on the basis of the borrower's ability to service such debt from income. Our underwriting standards for commercial business loans include a review of the applicant's tax returns, financial statements, credit history and an assessment of the applicant's ability to meet existing obligations and payments on the proposed loan based on cash flow generated by the applicant's business. Commercial business loans are generally made to small and mid-sized companies located within the State of New Jersey. In most cases, we require collateral of real estate, equipment, accounts receivable, inventory, chattel or other assets before making a commercial business loan. Our largest commercial business loan at December 31, 2012 was an unsecured line of credit loan to a local Board of Education for $15.0 million, of which $7.3 million was dispersed. This loan was performing in accordance with its terms as of that date.

Commercial business loans generally have higher rates and shorter terms than one- to four-family residential loans, but they may also involve higher average balances and a higher risk of default since their repayment generally depends on the successful operation of the borrower's business. As a result of Hurricane Sandy, economic activity in our market area has been disrupted and many of our commercial business borrowers have had their businesses impaired. Until our business borrowers recover from the effects of Hurricane Sandy we may experience higher than customary levels of delinquencies and losses.

Consumer Loans . We make various types of secured and unsecured consumer loans and loans that are collateralized by new and used automobiles. Consumer loans generally have terms of three years to ten years.

Consumer loans are advantageous to us because of their interest rate sensitivity, but they also involve more credit risk than residential mortgage loans because of the higher potential for default, the nature of the collateral and the difficulty in disposing of the collateral.

Loan Approval Authority and Underwriting . We establish various lending limits for executive management and also maintain a loan committee. The loan committee is comprised of the Chairman of the Board, the President, the Senior Lending Officer and a minimum of five non-employee members of the Board of Directors. The President or the Senior Lending Officer, together with one other loan officer, have authority to approve applications for real estate loans up to $500,000, other secured loans up to $500,000 and unsecured loans up to $25,000. The loan committee considers all applications in excess of the above lending limits and the entire board of directors ratifies all such loans.

Upon receipt of a completed loan application from a prospective borrower, a credit report is ordered. Income and certain other information is verified. If necessary, additional financial information may be requested. An appraisal is required for the underwriting of all one- to four-family loans. We may rely on an estimate of value of real estate performed by our Senior Lending Officer for home equity loans or lines of credit of up to $250,000. Appraisals are processed by state certified independent appraisers approved by the Board of Directors.

An attorney's certificate of title is required on all newly originated real estate mortgage loans. In connection with refinancing and home equity loans or lines of credit in amounts up to $250,000, we will obtain a record owner's search in lieu of an attorney's certificate of title. Borrowers also must obtain fire and casualty insurance. Flood insurance is also required on loans secured by property that is located in a flood zone.

Loan Commitments . Written commitments are given to prospective borrowers on all approved real estate loans. Generally, we honor commitments for up to 90 days from the date of issuance. At December 31, 2012, our outstanding loan origination commitments totaled $39.1 million, standby letters of credit totaled $2.4 million, outstanding construction loans in progress totaled $13.8 million and undisbursed lines of credit totaled $41.8 million.

Loan Delinquencies . We send a notice of nonpayment to borrowers when their loan becomes 15 days past due. If such payment is not received by month end, an additional notice of nonpayment is sent to the borrower. After 60 days, if payment is still delinquent, a notice of right to cure default is sent to the borrower giving 30 additional days to bring the loan current before foreclosure is commenced. If the loan continues in a delinquent status for 90 days past due and no repayment plan is in effect, foreclosure proceedings will be initiated. In an effort to more closely monitor the performance of our loan portfolio and asset quality, the Bank has created various concentration of credit reports, specifically as it relates to our construction and commercial real estate portfolios. These reports stress test declining property values up to and including a 25% value deprecation to the original appraised value to determine our potential exposure.

Loans are reviewed and are placed on a non-accrual status when the loan becomes more than 90 days delinquent or when, in our opinion, the collection of additional interest is doubtful. Once placed on non-accrual status, the accrual of interest income is discontinued. Income is subsequently recognized only to the extent that cash payments are received until delinquency status is reduced to less than ninety days, in which case the loan is returned to accrual status. At December 31, 2012, we had $20.1 million in non-accruing loans. Our largest exposure of non-performing loans consisted of a relationship with one borrowing entity which is collateralized by two commercial strip malls whose balance at December 31, 2012 was $1.6 million. Presently, there is a pending contract for sale on one of the properties, which upon consummation, will reduce the outstanding balance to approximately $600,000.00. This facility will remain in foreclosure until such time as the property is sold. While there has been a certain level of depreciation of the underlying collateral, the Bank believes that upon conveyance and ultimate disposition of these two properties, the Bank will not incur a loss on these facilities.

A loan is considered impaired when it is probable the borrower will not repay the loan according to the original contractual terms of the loan agreement. We have determined that first mortgage loans on one- to four-family properties and all consumer loans represent large groups of smaller-balance homogeneous loans that are collectively evaluated. Additionally, we have determined that an insignificant delay (less than 90 days) will not cause a loan to be classified as impaired if we expect to collect all amounts due including interest accrued at the contractual interest rate for the period of delay. We independently evaluate all loans identified as impaired. We estimate credit losses on impaired loans based on the present value of expected cash flows or the fair value of the underlying collateral if the loan repayment will be derived from the sale or operation of such collateral. Impaired loans, or portions of such loans, are charged off when we determine that a realized loss has occurred. Until such time, an allowance for loan losses is maintained for estimated losses. Cash receipts on impaired loans are applied first to accrued interest receivable unless otherwise required by the loan terms, except when an impaired loan is also a nonaccrual loan, in which case the portion of the receipts related to interest is recognized as income. At December 31, 2012, we had one hundred forty-five loans with an unpaid principal balance totaling $47.6 million which are classified as impaired and on which loan loss allowances totaling $2.1 million have been established. During 2012, interest income of $2.1 million was recognized on impaired loans during the time of impairment.

The following table sets forth delinquencies in our loan portfolio as of the dates indicated:

	At December 31, 2012				At December 31, 2011			
	60-90 Days		Greater than 90 Days		60-90 Days		Greater than 90 Days	
	Number of Loans	Principal Balance of Loans	Number of Loans	Principal Balance of Loans	Number of Loans	Principal Balance of Loans	Number of Loans	Principal Balance of Loans
	(Dollars in Thousands)							
Real estate mortgage:								
One- to four-family residential	10	$ 1,941	10	$ 2,348	8	$ 2,495	38	$ 11,847
Construction	1	1,174	1	130	1	130	8	3,660
Home equity	7	717	12	1,516	13	1,018	19	1,181
Commercial and multi-family	11	5,245	22	9,275	14	6,340	56	21,080
Total	29	9,077	45	13,269	36	9,983	121	37,768
Commercial business	2	152	9	1,514	—	—	11	1,785
Consumer	—	—	—	—	1	10	—	—
Total delinquent loans	31	$ 9,229	54	$ 14,783	37	$ 9,993	132	$ 39,553
Delinquent loans to total loans		0.99%		1.58%		1.17%		4.64%

	At December 31, 2010				At December 31, 2009			
	60-90 Days		Greater than 90 Days		60-90 Days		Greater than 90 Days	
	Number of Loans	Principal Balance of Loans	Number of Loans	Principal Balance of Loans	Number of Loans	Principal Balance of Loans	Number of Loans	Principal Balance of Loans
	(Dollars in Thousands)							
Real estate mortgage:								
One- to four-family residential	9	$ 3,706	48	$ 15,115	3	$ 3,973	5	$ 1,559
Construction	—	—	7	2,773	—	—	7	4,343
Home equity	7	694	20	1,632	2	517	2	251
Commercial and multi-family	9	5,391	64	21,147	5	2,729	8	5,280
Total	25	9,791	139	40,667	10	7,219	22	11,433
Commercial business	4	456	5	861	1	369	1	500
Consumer	1	5	4	283	—	—	—	—
Total delinquent loans	30	$ 10,252	148	$ 41,811	11	$ 7,588	23	$ 11,933
Delinquent loans to total loans		1.31%		5.35%		1.86%		2.92%

	At December 31, 2008			
	60-90 Days		Greater Than 90 Days	
	Number of Loans	**Principal Balance of Loans**	**Number of Loans**	**Principal Balance of Loans**
	(Dollars in Thousands)			
Real estate mortgage:				
One- to four- family residential	3	$ 1,507	4	$ 1,213
Construction	1	360	—	—
Home equity	—	—	—	—
Commercial and multi-family	2	265	5	2,515
Total	6	2,132	9	3,728
Commercial business	—	—	—	—
Consumer	—	—	—	—
Total delinquent loans	6	$ 2,132	9	$ 3,728
Delinquent loans to total loans		0.51%		0.90%

The table below sets forth the amounts and categories of non-performing assets in the Bank's loan portfolio. Loans are placed on non-accrual status when delinquent more than 90 days or when the collection of principal and/or interest become doubtful. Foreclosed assets include assets acquired in settlement of loans.

	At December 31,				
	2012	2011	2010	2009	2008
	(Dollars in Thousands)				
Non-accruing loans:					
One-to four-family residential	$ 2,163	$ 15,511	$ 15,115	$ 1,559	$ 1,213
Construction	130	4,040	2,773	4,343	—
Home equity	1,564	1,729	1,632	251	—
Commercial and multi-family	13,043	22,280	21,147	5,280	2,515
Commercial business	3,159	4,265	861	500	—
Consumer	—	—	283	—	—
Total	20,059	47,825	41,811	11,933	3,728
Accruing loans delinquent more than 90 days:					
One-to four-family residential	1,223	—	—	—	—
Construction	—	—	—	—	—
Home equity	227	—	—	—	—
Commercial and multi-family	1,386	—	—	—	—
Commercial business	—	—	—	—	—
Consumer	—	—	—	—	—
Total	2,836	—	—	—	—
Total non-performing loans	22,895	47,825	41,811	11,933	3,728
Foreclosed assets	3,274	6,570	3,602	1,270	1,435
Total non-performing assets	$ 26,169	$ 54,395	$ 45,413	$ 13,203	$ 5,163
Total non-performing assets as a percentage of total assets	2.23%	4.47%	4.10%	2.09%	0.89%
Total non-performing loans as a percentage of total loans	2.45%	5.61%	5.35%	2.92%	0.90%

For the year ended December 31, 2012, gross interest income which would have been recorded had our non-accruing loans been current in accordance with their original terms amounted to $1.06 million. We received and recorded $649,000 in interest income for such loans for the year ended December 31, 2012.

Classified Assets . Our policies provide for a classification system for problem assets. When we classify problem assets, we may establish general allowances for loan losses in an amount deemed prudent by management. General allowances represent loss allowances which have been established to recognize the inherent risk associated with lending activities, but which, unlike specific allowances, have not been allocated to particular problem assets. A portion of general loss allowances established to cover possible losses related to assets classified as substandard or doubtful may be included in determining our regulatory capital. Specific valuation allowances for loan losses generally do not qualify as regulatory capital. At December 31, 2012, we had $5.7 million in assets classified as doubtful, of which $5.7 million were classified as impaired, $22.2 million in assets classified as substandard, of which $18.6 million were classified as impaired and $25.1 million in assets classified as special mention, of which $17.3 million were classified as impaired. The loans classified as substandard represent primarily commercial loans secured either by residential real estate, commercial real estate or heavy equipment. The loans that have been classified substandard were classified as such primarily because either updated financial information has not been timely provided, or the collateral underlying the loan is in the process of being revalued. As a result of Hurricane Sandy, our levels of classified assets are expected to remain elevated through at least the first half of 2013.

The Company's internal credit risk grades are based on the definitions currently utilized by the banking regulatory agencies. The grades assigned and definitions are as follows, and loans graded excellent, above average, good and watch list (risk ratings 1-4) are treated as "pass" for grading purposes:

5 – Special Mention- Loans currently performing but with potential weaknesses including adverse trends in borrower's operations, credit quality, financial strength, or possible collateral deficiency.

6 – Substandard - Loans that are inadequately protected by current sound worth, paying capacity, and collateral support. Loans on "nonaccrual" status. The loan needs special and corrective attention.

7 – Doubtful - Weaknesses in credit quality and collateral support make full collection improbable, but pending reasonable factors remain sufficient to defer the loss status.

8 – Loss - Continuance as a bankable asset is not warranted. However, this does not preclude future attempts at partial recovery.

Allowances for Loan Losses . A provision for loan losses is charged to operations based on management's evaluation of the losses that may be incurred in our loan portfolio. In addition, our determination of the amount of the allowance for loan losses is subject to review by the New Jersey Department of Banking and Insurance and the FDIC, as part of their examination process. After a review of the information available, our regulators might require the establishment of an additional allowance. Any increase in the loan loss allowance required by regulators would have a negative impact on our earnings. Management reviews the adequacy of the allowance on at least a quarterly basis to ensure that the provision for loan losses has been charged against earnings in an amount necessary to maintain the allowance at a level that is adequate based on management's assessment of probable estimated losses. The Company's methodology for assessing the adequacy of the allowance for loan losses consists of several key elements. These elements include a general allocated allowance for impaired loans, a specific allowance for impaired loans, and an unallocated portion.

The Company consistently applies the following comprehensive methodology. During the quarterly review of the allowance for loan losses, the Company considers a variety of factors that include:

- General economic conditions.
- Trends in charge-offs.
- Trends and levels of delinquent loans.
- Trends and levels of non-performing loans, including loans over 90 days delinquent.
- Trends in volume and terms of loans.
- Levels of allowance for specific classified loans.
- Credit concentrations

The methodology includes the segregation of the loan portfolio into two divisions. Loans that are performing and loans that are impaired. Loans which are performing are evaluated homogeneously by loan class or loan type. The allowance of performing loans is evaluated based on historical loan experience, including consideration of peer loss analysis, with an adjustment for qualitative factors due to economic conditions in the market. Impaired loans are loans which are more than 60 days delinquent or troubled debt restructured. These loans are individually evaluated for loan loss either by current appraisal, estimated economic factor, or net present value. Management reviews the overall estimate for feasibility and bases the loan loss provision accordingly. As of December 31, 2012, non-accrual loans differed from the amount of total loans past due greater than 90 days due to troubled debt restructuring of loans which are maintained on non-accrual status for a minimum of six months until the borrower has demonstrated their ability to satisfy the terms of the restructured loan. The Company also maintains an unallocated allowance. The unallocated allowance is used to cover any factors or conditions which may cause a potential loan loss but are not specifically identifiable. It is prudent to maintain an unallocated portion of the allowance because no matter how detailed an analysis of potential loan losses is performed, these estimates lack some element of precision. Management must make estimates using assumptions and information that is often subjective and subject to change.

The following table sets forth an analysis of the Bank's allowance for loan losses.

	Years Ended December 31,				
	2012	2011	2010	2009	2008
	(Dollars in Thousands)				
Balance at beginning of period	$ 10,509	$ 8,417	$ 6,644	$ 5,304	$ 4,065
Charge-offs:					
One- to four-family residential	793	122	—	—	—
Construction	292	687	15	—	90
Commercial business (1)	612	24	351	—	3
Commercial and multi-family	1,360	1,173	323	205	—
Home equity (2)	24	—	—	—	—
Consumer	—	27	—	7	8
Total charge-offs	3,081	2,033	689	212	101
Recoveries	35	25	12	2	40
Net charge-offs	3,046	2,008	677	210	61
Provisions charge to operations	4,900	4,100	2,450	1,550	1,300
Ending balance	$ 12,363	$ 10,509	$ 8,417	$ 6,644	$ 5,304
Ratio of non-performing assets to total assets at the end of period	2.23%	4.47%	4.10%	2.09%	0.89%
Allowance for loan losses as a percent of total loans outstanding	1.32%	1.23%	1.08%	1.62%	1.28%
Ratio of net charge-offs during the period to total loans outstanding at end of the period	0.33%	0.24%	0.09%	0.05%	0.01%
Ratio of net charge-offs during the period to non-performing loans	13.30%	4.20%	1.62%	1.79%	1.64%

(1) Includes business lines of credit.
(2) Includes home equity lines of credit.

Allocation of the Allowance for Loan Losses . The following table illustrates the allocation of the allowance for loan losses for each category of loan. The allocation of the allowance to each category is not necessarily indicative of future loss in any particular category and does not restrict our use of the allowance to absorb losses in other loan categories.

	At December 31,									
	2012		2011		2010		2009		2008	
	Amount	Percent of Loans in each Category in Total Loans	Amount	Percent of Loans in each Category in Total Loans	Amount	Percent of Loans in each Category in Total Loans	Amount	Percent of Loans in each Category in Total Loans	Amount	Percent of Loans in each Category in Total Loans
	(Dollars in Thousands)									
Type of loan:										
One- to four-family	$ 1,967	21.68%	$ 2,679	25.58%	$ 171	29.98%	$ 430	18.70%	$ 688	17.94%
Construction	959	2.49	304	1.99	426	2.28	1,437	12.55	941	15.14
Home equity	475	6.45	677	8.10	204	8.13	186	8.39	167	9.22
Commercial and multi-family	8,051	62.84	5,798	55.42	6,179	52.45	4,184	54.71	3,175	54.07
Commercial business	820	6.37	1,041	8.75	1,286	6.93	365	5.50	216	3.42
Consumer	59	0.17	10	0.16	18	0.23	42	0.15	117	0.21
Unallocated	32	—	—	—	133	—	—	—	—	—
Total	$ 12,363	100.00%	$ 10,509	100.00%	$ 8,417	100.00%	$ 6,644	100.00%	$ 5,304	100.00%

Investment Activities

Investment Securities . We are required under federal regulations to maintain a minimum amount of liquid assets that may be invested in specified short-term securities and certain other investments. The level of liquid assets varies depending upon several factors, including: (i) the yields on investment alternatives, (ii) our judgment as to the attractiveness of the yields then available in relation to other opportunities, (iii) expectation of future yield levels, and (iv) our projections as to the short-term demand for funds to be used in loan origination and other activities. Investment securities, including mortgage-backed securities, are classified at the time of purchase, based upon management's intentions and abilities, as securities held-to-maturity or securities available for sale. Debt securities acquired with the intent and ability to hold to maturity are classified as held-to-maturity and are stated at cost and adjusted for amortization of premium and accretion of discount, which are computed using the level yield method and recognized as adjustments of interest income. All other debt and equity securities are classified as available for sale to serve principally as a source of liquidity.

Current regulatory and accounting guidelines regarding investment securities require us to categorize securities as held-to-maturity, available for sale or trading. As of December 31, 2012, the amortized cost of securities classified as held-to-maturity was $164.6 million. We had $1.2 million in securities classified as available for sale, and no securities classified as trading. Securities classified as available for sale are reported for financial reporting purposes at the fair value with net changes in the fair value from period to period included as a separate component of stockholders' equity, net of income taxes. As of December 31, 2012, our securities classified as held-to-maturity had a fair value of $171.6 million. Changes in the fair value of securities classified as held-to-maturity or available for sale do not affect our income, unless we determine there to be an other-than-temporary impairment for those securities in an unrealized loss position. As of December 31, 2012, management concluded that all unrealized losses were temporary in nature since they are related to interest rate fluctuations rather than any underlying credit quality of the issuers. Additionally, the Company has no plans to sell these securities and has concluded that it is unlikely it would have to sell these securities prior to the anticipated recovery of the unrealized losses. While these securities were classified as held to maturity, ASC 320 (formerly FAS 115) allows sales of securities so designated, provided that a substantial portion (at least 85%) of the principal balance has been amortized prior to the sale. During the year ended December 31, 2012, proceeds from sales of securities held to maturity totaled approximately $30.6 million and resulted in gross gains of $405,000 and gross losses of $56,000.

As of December 31, 2012, our investment policy allowed investments in instruments such as: (i) U.S. Treasury obligations; (ii) U.S. federal agency or federally sponsored agency obligations; (iii) mortgage-backed securities; and (iv) certificates of deposit. The Board of Directors may authorize additional investments. As of December 31, 2012, we no longer had a U.S. Government agency securities portfolio. The decrease during 2012 reflects the exercise of call options of $6.3 million in U.S. government agency securities.

As a source of liquidity and to supplement our lending activities, we have invested in residential mortgage-backed securities. Mortgage-backed securities generally yield less than the loans that underlie such securities because of the cost of payment guarantees or credit enhancements that reduce credit risk. Mortgage-backed securities can serve as collateral for borrowings and, through repayments, as a source of liquidity. Mortgage-backed securities represent a participation interest in a pool of single-family or other type of mortgages. Principal and interest payments are passed from the mortgage originators, through intermediaries (generally government-sponsored enterprises) that pool and repackage the participation interests in the form of securities, to investors, like us. The government-sponsored enterprises guarantee the payment of principal and interest to investors and include Freddie Mac, Ginnie Mae, and Fannie Mae.

Mortgage-backed securities typically are issued with stated principal amounts. The securities are backed by pools of mortgage loans that have interest rates that are within a set range and have varying maturities. The underlying pool of mortgages can be composed of either fixed rate or adjustable rate mortgage loans. Mortgage-backed securities are generally referred to as mortgage participation certificates or pass-through certificates. The interest rate risk characteristics of the underlying pool of mortgages (i.e., fixed rate or adjustable rate) and the prepayment risk, are passed on to the certificate holder. The life of a mortgage-backed pass-through security is equal to the life of the underlying mortgages. Expected maturities will differ from contractual maturities due to scheduled repayments and because borrowers may have the right to call or prepay obligations with or without prepayment penalties.

Securities Portfolio . The following table sets forth the carrying value of our securities portfolio and FHLB stock at the dates indicated.

	At December 31,		
	2012	2011	2010
		(In Thousands)	
Securities available for sale:			
Equity securities	$ 1,240	$ 1,045	$ 1,098
Securities held to maturity:			
U.S. Government and Agency securities	—	6,315	30,838
Mortgage-backed securities	162,909	198,877	126,955
Corporate subordinated notes	—	—	6,000
Municipal obligations	1,363	1,370	1,376
Trust originated preferred security	376	403	403
Total securities held to maturity	164,648	206,965	165,572
FHLB stock	7,698	7,498	6,723
Total investment securities	$ 173,586	$ 215,508	$ 173,393

The following table shows our securities held-to-maturity purchase sale and repayment activities for the periods indicated.

	Years Ended December 31,		
	2012	2011	2010
		(In Thousands)	
Securities acquired through merger	$ —	$ 34,969	$ 86,770
Purchases:			
Fixed-rate	$ 57,331	$ 95,537	$ 104,997
Total purchases	$ 57,331	$ 95,537	$ 104,997
Sales:			
Fixed-rate	$ 30,235	$ 2,420	$ —
Total sales	$ 30,235	$ 2,420	$ —
Principal Repayments:			
Repayment of principal	$ (67,489)	$ (85,088)	$ (156,757)
(Decrease) in other items, net	(1,924)	(1,605)	(2,082)
Net (decrease) increases	$ (42,317)	$ 41,393	$ 32,928

Maturities of Securities Portfolio . The following table sets forth information regarding the scheduled maturities, carrying values, estimated market values, and weighted average yields for the Bank's debt securities portfolio at December 31, 2012 by contractual maturity. The following table does not take into consideration the effects of scheduled repayments or the effects of possible prepayments.

	December 31, 2012										
	Within one year		More than One to five years		More than five to ten years		More than ten years		Total investment securities		
	Carrying Value	Average Yield	Carrying Value	Average Yield	Carrying Value	Average Yield	Carrying Value	Average Yield	Fair Value	Carrying Value	Average Yield
	(Dollars in Thousands)										
Mortgage-backed securities	$ —	—%	$ 4	5.86%	$ 9,480	2.28%	$ 153,425	3.04%	$ 169,771	$ 162,909	3.01%
Municipal obligations	—	—	—	—	388	4.96	975	5.64	1,456	1,363	5.45
Trust originated preferred security	—	—	—	—	—	—	376	7.68	376	376	7.68
Total investment securities	$ —	—%	$ 4	5.86%	$ 9,868	2.39%	$ 154,776	3.07%	$ 171,603	$ 164,648	3.03%

Sources of Funds

Our major external source of funds for lending and other investment purposes are deposits. Funds are also derived from the receipt of payments on loans, prepayment of loans, maturities of investment securities and mortgage-backed securities and borrowings. Scheduled loan principal repayments are a relatively stable source of funds, while deposit inflows and outflows and loan prepayments are significantly influenced by general interest rates and market conditions.

Deposits . Consumer and commercial deposits are attracted principally from within our primary market area through the offering of a selection of deposit instruments including demand, NOW, savings and club accounts, money market accounts, and term certificate accounts. Deposit account terms vary according to the minimum balance required, the time period the funds must remain on deposit, and the interest rate.

The interest rates paid by us on deposits are set at the direction of our senior management. Interest rates are determined based on our liquidity requirements, interest rates paid by our competitors, our growth goals, and applicable regulatory restrictions and requirements. As of December 31, 2012 and December 31, 2011 we had $6.8 million and $9.2 million in brokered deposits, respectively.

Deposit Accounts . The following table sets forth the dollar amount of deposits in the various types of deposit programs we offered as of the dates indicated.

	December 31,					
	2012		2011		2010	
	Weighted Average Rate [(1)]	Amount	Weighted Average Rate [(1)]	Amount	Weighted Average Rate [(1)]	Amount
	(Dollars in Thousands)					
Demand	—%	$ 85,950	—%	$ 78,589	—%	$ 69,471
NOW	0.25	120,765	0.54	112,605	0.85	80,775
Savings and club accounts	0.18	256,769	0.40	265,546	0.73	245,951
Money market	0.39	63,834	0.68	67,592	0.85	55,676
Certificates of deposit	1.33	413,468	1.50	453,291	1.77	434,415
Total	0.78%	$ 940,786	1.00%	$ 977,623	1.33%	$ 886,288

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(1) Represents the average rate paid during the year.

The following table sets forth our deposit flows during the periods indicated.

	Years Ended December 31,		
	2012	2011	2010
	(Dollars in Thousands)		
Beginning of period	$ 977,623	$ 886,288	$ 463,738
Net deposits [1]	(43,702)	83,010	414,034
Interest credited on deposit accounts	6,865	8,325	8,516
Total (decrease) increase in deposit accounts	(36,837)	91,335	422,550
Ending balance	$ 940,786	$ 977,623	$ 886,288
Percent (decrease) increase	(3.77)%	10.31%	91.12%

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(1) Includes deposits totaling $111,365 received in 2011 in connection with the Allegiance Community Bank acquisition and $435,810 in 2010 received in connection with the Pamrapo Bancorp, Inc., acquisition.

Jumbo Certificates of Deposit . As of December 31, 2012, the aggregate amount of outstanding certificates of deposit in amounts greater than or equal to $100,000 was approximately $234.6 million. The following table indicates the amount of our certificates of deposit of $100,000 or more by time remaining until maturity.

Maturity Period	At December 31, 2012 (In Thousands)
Within three months	$ 56,670
Three through twelve months	96,874
Over twelve months	81,034
Total	$ 234,578

The following table presents, by rate category, our certificate of deposit accounts as of the dates indicated.

	At December 31,					
	2012		2011		2010	
	Amount	Percent	Amount	Percent	Amount	Percent
	(Dollars in Thousands)					
Certificate of deposit rates:						
0.00% - 0.99%	$ 210,897	51.01%	$ 165,931	36.60%	$ —	—%
1.00% - 1.99%	108,379	26.21	172,983	38.16	312,597	71.96
2.00% - 2.99%	53,719	12.99	58,390	12.88	74,265	17.1
3.00% - 3.99%	39,757	9.62	52,382	11.56	41,004	9.44
4.00% - 4.99%	36	0.01	2,884	0.64	5,531	1.27
5.00% - 5.99%	680	0.16	721	0.16	1,018	0.23
Total	$ 413,468	100.00%	$ 453,291	100.00%	$ 434,415	100.00%

The following table presents, by rate category, the remaining period to maturity of certificate of deposit accounts outstanding as of December 31, 2012.

	Maturity Date				
	1 Year or Less	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 Years	Total
	(In Thousands)				
Interest rate:					
0.00% - 0.99%	$ 196,511	$ 14,272	$ 111	$ 3	$ 210,897
1.00% - 1.99%	69,255	29,398	2,528	7,198	108,379
2.00% - 2.99%	10,192	19,883	15,639	8,005	53,719
3.00% - 3.99%	9,523	30,234	—	—	39,757
4.00% - 4.99%	—	36	—	—	36
5.00% - 5.99%	680	—	—	—	680
Total	$ 286,161	$ 93,823	$ 18,278	$ 15,206	$ 413,468

Borrowings . Beginning September 7, 2010, the Federal Home Loan Bank of New York ("FHLBNY") replaced the existing Overnight Repricing Advance Program and its associated companion products, the Overnight Line of Credit ("OLOC"), OLOC Plus, OLOC Companion, and OLOC Companion Plus with the new Overnight Advance. The new Overnight Advance permits the Bank to borrow overnight up to its maximum borrowing capacity at the FHLBNY. The Bank is no longer restricted to the previous borrowing limits of 10% (OLOC) or up to 20% (OLOC Plus) of total assets. At December 31, 2012, the Bank's total credit exposure cannot exceed 50% of its total assets, or $585.7 million, based on the borrowing limitations outlined in the Federal Home Loan Bank of New York's member products guide. The total credit exposure limit to 50% of total assets is recalculated each quarter. Additionally, at December 31, 2012 we had a floating rate junior subordinated debenture of $4.1 million which has been callable at the Company's option since June 17, 2009, and quarterly thereafter.

The following table sets forth information concerning balances and interest rates on our short-term borrowings at the dates and for the periods indicated.

	At or For the Years Ended December 31,		
	2012	2011	2010
	(Dollars in Thousands)		
Balance at end of period	$ 17,000	$ —	$ —
Average balance during period	$ 1,710	$ —	$ —
Maximum outstanding at any month end	$ 17,000	$ —	$ —
Weighted average interest rate at end of period	0.31%	—%	—%
Average interest rate during period	0.31%	—%	—%

Employees

At December 31, 2012, we had 206 full-time equivalent and 63 part-time employees. None of our employees is represented by a collective bargaining group. We believe that our relationship with our employees is good.

Subsidiaries

We have three non-bank subsidiaries. BCB Holding Company Investment Corp. was established in 2004 for the purpose of holding and investing in securities. Only securities authorized to be purchased by BCB Community Bank are held by BCB Holding Company Investment Corp. At December 31, 2012, this company held $138.0 million in securities. With the merger with Pamrapo Bancorp. Inc., we acquired Pamrapo Service Corporation which has been inactive since May 2010. BCB New York Management, Inc. was established in October 2012 for the purpose of holding and investing in various loan products and investing in securities. For the period ended December 31, 2012, there was no activity related to this subsidiary.

Supervision and Regulation

Bank holding companies and banks are extensively regulated under both federal and state law. These laws and regulations are intended to protect depositors, not shareholders. The description below is limited to certain material aspects of the statutes and regulations addressed, and is not intended to be a complete description of such statutes and regulations and their effects on the Company or the Bank.

As further described below under the heading "The Dodd-Frank Act", the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), will significantly change the current bank regulatory structure described in this section and will affect the lending, investment, trading and operating activities of financial institutions and their holding companies. These and any other changes in applicable laws or regulations, whether by Congress or regulatory agencies, may have a material effect on the business and prospects of the Company and the Bank.

The Dodd-Frank Act

The Dodd-Frank Act has changed the current bank regulatory structure and is affecting the lending, investment, trading and operating activities of financial institutions and their holding companies. The Dodd-Frank Act eliminated the Office of Thrift Supervision and requires that federal savings associations be regulated by the Office of the Comptroller of the Currency (the primary federal regulator for national banks). The Dodd-Frank Act also authorizes the Board of Governors of the Federal Reserve Board ("Federal Reserve") to supervise and regulate all savings and loan holding companies.

The Dodd-Frank Act requires the Federal Reserve to set minimum capital levels for bank holding companies that are as stringent as those required for insured depository institutions, and the components of Tier 1 capital would be restricted to capital instruments that are currently considered to be Tier 1 capital for insured depository institutions. In addition, the proceeds of trust preferred securities are excluded from Tier 1 capital unless such securities were issued prior to May 19, 2010 by bank or savings and loan holding companies with less than $15 billion of assets. The legislation also establishes a floor for capital of insured depository institutions that cannot be lower than the standards in effect today, and directs the federal banking regulators to implement new leverage and capital requirements within 18 months. These new leverage and capital requirements must take into account off-balance sheet activities and other risks, including risks relating to securitized products and derivatives.

The Dodd-Frank Act created a new Consumer Financial Protection Bureau with broad powers to supervise and enforce consumer protection laws. The Consumer Financial Protection Bureau has broad rulemaking authority for a wide range of consumer protection laws that apply to all banks and savings institutions, including the authority to prohibit "unfair, deceptive or abusive" acts and practices. The Consumer Financial Protection Bureau has examination and enforcement authority over all banks and savings institutions with more than $10 billion in assets. Banks and savings institutions with $10 billion or less in assets will be examined by their applicable bank regulators. The new legislation also weakens the federal preemption available for national banks and federal savings associations, and gives the state attorneys general the ability to enforce applicable federal consumer protection laws.

The Dodd-Frank Act also broadens the base for FDIC insurance assessments. In accordance with the Dodd-Frank Act, the FDIC has promulgated rules under which assessments are based on the average consolidated total assets less tangible equity capital of a financial institution. The Dodd-Frank Act also permanently increases the maximum amount of deposit insurance for banks, savings institutions and credit unions to $250,000 per depositor, retroactive to January 1, 2008, and non-interest bearing transaction accounts had unlimited deposit insurance through December 31, 2012. Lastly, the Dodd-Frank Act increases stockholder influence over boards of directors by requiring companies to give stockholders a non-binding vote on executive compensation and so-called "golden parachute" payments, and by authorizing the Securities and Exchange Commission to promulgate rules that would allow stockholders to nominate and solicit votes for their own candidates using a company's proxy materials. The legislation also directs the Federal Reserve to promulgate rules prohibiting excessive compensation paid to bank holding company executives, regardless of whether the company is publicly traded.

Bank Holding Company Regulation

As a bank holding company registered under the Bank Holding Company Act of 1956, as amended, the Company is subject to the regulation and supervision applicable to bank holding companies by the Federal Reserve. The Company is also subject to the provisions of the New Jersey Banking Act of 1948 (the "New Jersey Banking Act") and the regulations of the Commissioner of the New Jersey Department of Banking and Insurance ("Commissioner"). The Company is required to file reports with the Federal Reserve and the Commissioner regarding its business operations and those of its subsidiaries.

Federal Regulation. The Bank Holding Company Act requires, among other things, the prior approval of the Federal Reserve in any case where a bank holding company proposes to (i) acquire all or substantially all of the assets of any other bank, (ii) acquire direct or indirect ownership or control of more than 5% of the outstanding voting stock of any bank (unless it owns a majority of such company's voting shares) or (iii) merge or consolidate with any other bank holding company. The Federal Reserve will not approve any acquisition, merger, or consolidation that would have a substantially anti-competitive effect, unless the anti-competitive impact of the proposed transaction is clearly outweighed by a greater public interest in meeting the convenience and needs of the community to be served. The Federal Reserve also considers capital adequacy and other financial and managerial resources and future prospects of the companies and the banks concerned, together with the convenience and needs of the community to be served, when reviewing acquisitions or mergers.

The Bank Holding Company Act generally prohibits a bank holding company, with certain limited exceptions, from (i) acquiring or retaining direct or indirect ownership or control of more than 5% of the outstanding voting stock of any company which is not a bank or bank holding company, or (ii) engaging directly or indirectly in activities other than those of banking, managing or controlling banks, or performing services for its subsidiaries, unless such non-banking business is determined by the Federal Reserve to be so closely related to banking or managing or controlling banks as to be properly incident thereto.

The Bank Holding Company Act has been amended to permit bank holding companies and banks, which meet certain capital, management and Community Reinvestment Act standards, to engage in a broader range of non-banking activities. In addition, bank holding companies which elect to become financial holding companies may engage in certain banking and non-banking activities without prior Federal Reserve approval. At this time, the Company has elected not to become a financial holding company, as it does not engage in any activities not permissible for banks.

There are a number of obligations and restrictions imposed on bank holding companies and their depository institution subsidiaries by law and regulatory policy that are designed to minimize potential loss to the depositors of such depository institutions and the FDIC insurance funds in the event the depository institution is in danger of default. Under a policy of the Federal Reserve with respect to bank holding company operations, a bank holding company is required to serve as a source of financial strength to its subsidiary depository institutions and to commit resources to support such institutions in circumstances where it might not do so absent such policy. The Federal Reserve also has the authority under the Bank Holding Company Act to require a bank holding company to terminate any activity or to relinquish control of a non-bank subsidiary upon the Federal Reserve's determination that such activity or control constitutes a serious risk to the financial soundness and stability of any bank subsidiary of the bank holding company.

The Federal Reserve has adopted risk-based capital guidelines for bank holding companies. The risk-based capital guidelines are designed to make regulatory capital requirements more sensitive to differences in risk profile among banks and bank holding companies, to account for off-balance sheet exposure, and to minimize disincentives for holding liquid assets. Under these guidelines, assets and off-balance sheet items are assigned to broad risk categories each with appropriate weights. The resulting capital ratios represent capital as a percentage of total risk-weighted assets and off-balance sheet items.

The Company is subject to regulatory capital requirements and guidelines imposed by the Federal Reserve, which are substantially similar to those imposed by the FDIC on depository institutions within their jurisdictions. At December 31, 2012, the Company, was considered to be a well capitalized Bank Holding Company.

The Federal Reserve may set higher capital requirements for holding companies whose circumstances warrant it. For example, holding companies experiencing internal growth or making acquisitions are expected to maintain strong capital positions substantially above the minimum supervisory levels, without significant reliance on intangible assets.

As noted above, the Dodd-Frank Act requires the Federal Reserve to set minimum capital levels for bank holding companies that are as stringent as those required for insured depository institutions, and the components of Tier 1 capital would be restricted to capital instruments that are currently considered to be Tier 1 capital for insured depository institutions. In June 2012, proposed rules were issued that would implement these directives. Such changes when finalized, and others that may be proposed and implemented in the future, may affect the Company's capital ratios and risk-adjusted assets.

New Jersey Regulation. Under the New Jersey Banking Act, a company owning or controlling a savings bank is regulated as a bank holding company and must file certain reports with the Commissioner and is subject to examination by the Commissioner. Under the New Jersey Banking Act, as well as Federal law, no person may acquire control of the Company or the Bank without first obtaining approval of such acquisition of control from the Federal Reserve and the Commissioner.

Bank Regulation

As a New Jersey-chartered commercial bank, the Bank is subject to the regulation, supervision, and examination of the Commissioner. As an FDIC-insured institution, the Bank is subject to the regulation, supervision and examination of the FDIC. The regulations of the FDIC and the Commissioner impact virtually all of our activities, including the minimum level of capital we must maintain, our ability to pay dividends, our ability to expand through new branches or acquisitions and various other matters.

Insurance of Deposit Accounts. The FDIC insures deposits at FDIC insured financial institutions such as the Bank. Deposit accounts in the Bank are insured by the FDIC generally up to a maximum of $250,000 per separately insured depositor and up to a maximum of $250,000 for self-directed retirement accounts.

Under the FDIC's current risk-based assessment system, insured institutions are assigned to one of four risk categories based on supervisory evaluations, regulatory capital levels and certain other risk factors. Assessments are based on an institution's risk category and certain specified adjustments with higher assessments applying to institutions deemed most risky.

As part of its plan to restore the Deposit Insurance Fund in the wake of the large number of bank failures following the financial crisis, the FDIC imposed a special assessment of 5 basis points for the second quarter of 2009. In addition, the FDIC required all insured institutions to prepay their quarterly risk-based assessments for the fourth quarter of 2009, and for all of 2010, 2011 and 2012. As part of this prepayment, the FDIC assumed a 5% annual growth in the assessment base and applied a 3 basis point increase in assessment rates effective January 1, 2011. As of December 31, 2012 our prepaid FDIC premium assessment was fully utilized.

In February 2011, the FDIC published a final rule under the Dodd-Frank Act to reform the deposit insurance assessment system. The rule redefined the assessment base used for calculating deposit insurance assessments effective April 1, 2011. Under the new rule, assessments are based on an institution's average consolidated total assets minus average tangible equity as opposed to total deposits. Since the new base is much larger than the current base, the FDIC also lowered assessment rates so that the total amount of revenue collected from the industry is not significantly altered. The new rule is expected to benefit smaller financial institutions, which typically rely more on deposits for funding, and shift more of the burden for supporting the insurance fund to larger institutions, which have greater access to non-deposit sources of funding.

The Dodd-Frank Act also extended the unlimited deposit insurance on non-interest bearing transaction accounts through December 31, 2012. Unlike the FDIC's Temporary Liquidity Guarantee Program, the insurance provided under the Dodd-Frank Act did not extend to low-interest NOW accounts, and there was no separate assessment on covered accounts.

Insurance of deposits may be terminated by the FDIC upon a finding that an institution has engaged in unsafe or unsound practices, is in an unsafe or unsound condition to continue operations or has violated any applicable law, regulation, rule, order or condition imposed by the FDIC. We do not currently know of any practice, condition or violation that may lead to termination of our deposit insurance.

In addition to the FDIC assessments, the Financing Corporation ("FICO") is authorized to impose and collect, with the approval of the FDIC, assessments for anticipated payments, issuance costs and custodial fees on bonds issued by the FICO in the 1980s to recapitalize the former Federal Savings and Loan Insurance Corporation. The bonds issued by the FICO are due to mature in 2017 through 2019. For the year ended December 31, 2012, we paid $72,000 in FICO assessments.

Capital Adequacy Guidelines . The FDIC has promulgated risk-based capital rules, which are designed to make regulatory capital requirements more sensitive to differences in risk profile among banks, to account for off-balance sheet exposure, and to minimize disincentives for holding liquid assets. Under these rules, assets and off-balance sheet items are assigned to broad risk categories, each with appropriate weights. The resulting capital ratios represent capital as a percentage of total risk-weighted assets and off-balance sheet items. These rules are substantially similar to the Federal Reserve rules discussed above.

In addition to the risk-based capital rules, the FDIC has adopted a minimum Tier 1 capital (leverage) ratio. This measurement is substantially similar to the Federal Reserve leverage capital measurement discussed above. At December 31, 2012, the Bank's ratio of total capital to risk-weighted assets was 14.03%. Our Tier 1 capital to risk-weighted assets was 12.78%, and our Tier 1 capital to average assets was 8.38%.

As noted above, the Dodd-Frank Act establishes a floor for capital of insured depository institutions that cannot be lower than the standards in effect today, and directs the federal banking regulators to implement new leverage and capital requirements within 18 months. These new leverage and capital requirements must take into account off-balance sheet activities and other risks, including risks relating to securitized products and derivatives. In June 2012, the Federal Bank Regulators issued proposed rules that would implement the Dodd-Frank Act's directives as well as recommendations of the international Basel Committee on Banking Supervision. The proposed rules would substantially revise capital requirements including establishing a new common equity Tier 1 requirement, certain raised risk-based requirement, and certain increased risk weights. It is not known when the rule will be finalized.

Transactions with Affiliates. Transactions between banks and their related parties or affiliates are limited by Sections 23A and 23B of the Federal Reserve Act. An affiliate of a bank is any company or entity that controls, is controlled by or is under common control with the bank. In a holding company context, the parent bank holding company and any companies which are controlled by such parent holding company are affiliates of the bank. Generally, Sections 23A and 23B of the Federal Reserve Act and Regulation W (i) limit the extent to which the bank or its subsidiaries may engage in "covered transactions" with any one affiliate to an amount equal to 10.0% of such institution's capital stock and surplus, and contain an aggregate limit on all such transactions with all affiliates to an amount equal to 20.0% of such institution's capital stock and surplus and (ii) require that all such transactions be on terms substantially the same, or at least as favorable, to the institution or subsidiary as those provided to non-affiliates. The term "covered transaction" includes the making of loans, purchase of assets, issuance of a guarantee and other similar transactions. In addition, loans or other extensions of credit by the financial institution to the affiliate are required to be collateralized in accordance with the requirements set forth in Section 23A of the Federal Reserve Act. The Sarbanes-Oxley Act of 2002 generally prohibits loans by a company to its executive officers and directors. However, the law contains a specific exception for loans by a depository institution to its executive officers and directors in compliance with federal banking laws assuming such loans are also permitted under the law of the institution's chartering state. Under such laws, the Bank's authority to extend credit to executive officers, directors and 10% shareholders ("insiders"), as well as entities such person's control, is limited. The law limits both the individual and aggregate amount of loans the Bank may make to insiders based, in part, on the Bank's capital position and requires certain board approval procedures to be followed. Such loans are required to be made on terms substantially the same as those offered to unaffiliated individuals and not involve more than the normal risk of repayment. There is an exception for loans made pursuant to a benefit or compensation program that is widely available to all employees of the institution and does not give preference to insiders over other employees. Loans to executive officers are further limited by specific categories.

The Dodd-Frank Act requires that the Federal Reserve make certain changes to the regulations governing transactions with affiliates described above. It is uncertain when such changes will become effective.

Dividends . The Bank may pay dividends as declared from time to time by the Board of Directors out of funds legally available, subject to certain restrictions. Under the New Jersey Banking Act of 1948, as amended, the Bank may not pay a cash dividend unless, following the payment, the Bank's capital stock will be unimpaired and the Bank will have a surplus of no less than 50% of the Bank capital stock or, if not, the payment of the dividend will not reduce the surplus. In addition, the Bank cannot pay dividends in amounts that would reduce the Bank's capital below regulatory imposed minimums.

Federal Securities Laws

The Company's common stock is registered with the SEC under the Securities Exchange Act of 1934, as amended ("Exchange Act"). The Company is subject to the information, proxy solicitation, insider trading restrictions and other requirements under the Securities Exchange Act of 1934.

Under the Exchange Act, we are required to conduct a comprehensive review and assessment of the adequacy of our existing financial systems and controls. For the year ended December 31, 2012, our auditors are required to audit our internal control over financial reporting.

Sarbanes-Oxley Act of 2002

The Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley"), contains a broad range of legislative reforms intended to address corporate and accounting fraud. In addition to the establishment of a new accounting oversight board that will enforce auditing, quality control and independence standards and will be funded by fees from all publicly traded companies, Sarbanes-Oxley places certain restrictions on the scope of services that may be provided by accounting firms to their public company audit clients. Any non-audit services being provided to a public company audit client will require preapproval by the company's audit committee. In addition, Sarbanes-Oxley makes certain changes to the requirements for audit partner rotation after a period of time. Sarbanes-Oxley requires chief executive officers and chief financial officers, or their equivalent, to certify to the accuracy of periodic reports filed with the Securities and Exchange Commission, subject to civil and criminal penalties if they knowingly or willingly violate this certification requirement. The Company's Chief Executive Officer and Chief Financial Officer have signed certifications to this Form 10-K as required by Sarbanes-Oxley. In addition, under Sarbanes-Oxley, counsel will be required to report evidence of a material violation of the securities laws or a breach of fiduciary duty by a company to its chief executive officer or its chief legal officer, and, if such officer does not appropriately respond, to report such evidence to the audit committee or other similar committee of the board of directors or the board itself.

Under Sarbanes-Oxley, longer prison terms will apply to corporate executives who violate federal securities laws; the period during which certain types of suits can be brought against a company or its officers is extended; and bonuses issued to top executives prior to restatement of a company's financial statements are now subject to disgorgement if such restatement was due to corporate misconduct. Executives are also prohibited from trading the company's securities during retirement plan "blackout" periods, and loans to company executives (other than loans by financial institutions permitted by federal rules and regulations) are restricted. In addition, a provision directs that civil penalties levied by the Securities and Exchange Commission as a result of any judicial or administrative action under Sarbanes-Oxley be deposited to a fund for the benefit of harmed investors. The Federal Accounts for Investor Restitution provision also requires the Securities and Exchange Commission to develop methods of improving collection rates. The legislation accelerates the time frame for disclosures by public companies, as they must immediately disclose any material changes in their financial condition or operations. Directors and executive officers must also provide information for most changes in ownership in a company's securities within two business days of the change.

Sarbanes-Oxley also increases the oversight of, and codifies certain requirements relating to, audit committees of public companies and how they interact with the company's "registered public accounting firm." Audit Committee members must be independent and are absolutely barred from accepting consulting, advisory or other compensatory fees from the issuer. In addition, companies must disclose whether at least one member of the committee is a "financial expert" (as such term is defined by the Securities and Exchange Commission) and if not, why not. Under Sarbanes-Oxley, a company's registered public accounting firm is prohibited from performing statutorily mandated audit services for a company if such company's chief executive officer, chief financial officer, comptroller, chief accounting officer or any person serving in equivalent positions had been employed by such firm and participated in the audit of such company during the one-year period preceding the audit initiation date. Sarbanes-Oxley also prohibits any officer or director of a company or any other person acting under their direction from taking any action to fraudulently influence, coerce, manipulate or mislead any independent accountant engaged in the audit of the company's financial statements for the purpose of rendering the financial statements materially misleading. Sarbanes-Oxley also requires the Securities and Exchange Commission to prescribe rules requiring inclusion of any internal control report and assessment by management in the annual report to shareholders. Sarbanes-Oxley requires the company's registered public accounting firm that issues the audit report to report on the company's internal control over financial planning.

Under Section 404 of the Sarbanes-Oxley Act of 2002, we are required to conduct a comprehensive review and assessment of the adequacy of our existing financial systems and controls.

AVAILABILITY OF ANNUAL REPORT

Our Annual Report is available on our website, www.bcbbancorp.com. We will also provide our Annual Report on Form 10-K free of charge to shareholders who write to the Corporate Secretary at 104-110 Avenue C, Bayonne, New Jersey 07002.

ITEM 1A. RISK FACTORS

The effects of Hurricane Sandy impacted our operations and potentially affected loan facilities in those areas affected by the storm. Consequently, our profitability will be adversely affected.

On October 29 th and 30 th , 2012, Hurricane Sandy struck the Northeast section of the country. The Bank's market area was significantly impacted by the storm which resulted in widespread flooding, wind damage and power outages. We are assessing whether the underlying collateral of any loan facilities we have in those areas affected by the storm have suffered damage and possible loss of value. Additionally, we are determining whether or not the storm has impacted our borrowers' ability to repay their obligations to the Bank. The Bank is generally named as a loss payee on hazard and flood insurance policies covering collateral properties and carries both mortgage impairment and business interruption insurance. These policies could mitigate losses that the Bank may sustain due to the effects of the hurricane. Presently, that process remains on-going and it is premature to determine what, if any impact this may have on our level of loan losses or non-performing loans. Predicted upon the completion of the aforementioned, the Company may experience increased levels of non-performing loans and loan losses which may negatively impact future operating results.

Our loan portfolio consists of a high percentage of loans secured by commercial real estate and multi-family real estate. These loans are riskier than loans secured by one- to four-family properties.

At December 31, 2012, $588.3 million, or 62.84% of our loan portfolio consisted of commercial and multi-family real estate loans. We intend to continue to emphasize the origination of these types of loans. These loans generally expose a lender to greater risk of nonpayment and loss than one- to four-family residential mortgage loans because repayment of the loans often depends on the successful operation and income stream of the borrower's business. Such loans typically involve larger loan balances to single borrowers or groups of related borrowers compared to one- to four-family residential mortgage loans. Consequently, an adverse development with respect to one loan or one credit relationship can expose us to a significantly greater risk of loss compared to an adverse development with respect to a one- to four-family residential mortgage loan.

We may not be able to successfully maintain and manage our growth.

Our growth since July 2010 has primarily been driven by acquisitions. Our ability to continue to grow depends, in part, upon our ability to expand our market presence, successfully attract core deposits, identify attractive commercial lending opportunities, and identify potential acquisitions and complete such acquisitions.

We cannot be certain as to our ability to manage increased levels of assets and liabilities. We may be required to make additional investments in equipment and personnel to manage higher asset levels and loans balances, which may adversely impact our efficiency ratio, earnings and shareholder returns.

If our allowance for loan losses is not sufficient to cover actual loan losses, our earnings could decrease.

Our loan customers may not repay their loans according to the terms of their loans, and the collateral securing the payment of their loans may be insufficient to assure repayment. We may experience significant credit losses, which could have a material adverse effect on our operating results. We make various assumptions and judgments about the collectability of our loan portfolio, including the creditworthiness of our borrowers and the value of the real estate and other assets serving as collateral for the repayment of many of our loans. In determining the amount of the allowance for loan losses, we review our loans and our loss and delinquency experience, and we evaluate economic conditions. If our assumptions prove to be incorrect, our allowance for loan losses may not cover losses in our loan portfolio at the date of the financial statements. Material additions to our allowance would materially decrease our net income. At December 31, 2012, our allowance for loan losses totaled $12.4 million, representing 1.32% of total loans.

While we have only been operating for twelve years, we have experienced significant growth in our loan portfolio, particularly our loans secured by commercial real estate. Although we believe we have underwriting standards to manage normal lending risks, and although we had $26.2 million, or 2.23% of total assets consisting of non-performing assets at December 31, 2012, it is difficult to assess the future performance of our loan portfolio due to the relatively recent origination of many of these loans. We can give you no assurance that our non-performing loans will not increase or that our non-performing or delinquent loans will not adversely affect our future performance.

In addition, federal and state regulators periodically review our allowance for loan losses and may require us to increase our allowance for loan losses or recognize further loan charge-offs. Any increase in our allowance for loan losses or loan charge-offs as required by these regulatory agencies could have a material adverse effect on our results of operations and financial condition.

We depend primarily on net interest income for our earnings rather than fee income.

Net interest income is the most significant component of our operating income. We do not rely on traditional sources of fee income utilized by some community banks, such as fees from sales of insurance, securities or investment advisory products or services. For the years ended December 31, 2012 and 2011, our net interest income was $41.7 million and $39.6 million, respectively. The amount of our net interest income is influenced by the overall interest rate environment, competition, and the amount of interest-earning assets relative to the amount of interest-bearing liabilities. In the event that one or more of these factors were to result in a decrease in our net interest income, we do not have significant sources of fee income to make up for decreases in net interest income.

If Our Investment in the Federal Home Loan Bank of New York is Classified as Other-Than-Temporarily Impaired, Our Earnings and Stockholders' Equity Could Decrease.

We own common stock of the Federal Home Loan Bank of New York. We hold the FHLBNY common stock to qualify for membership in the Federal Home Loan Bank System and to be eligible to borrow funds under the FHLBNY's advance program. The aggregate cost and fair value of our FHLBNY common stock as of December 31, 2012 was $7.7 million based on its par value. There is no market for our FHLBNY common stock.

Recent published reports indicate that certain member banks of the Federal Home Loan Bank System may be subject to accounting rules and asset quality risks that could result in materially lower regulatory capital levels. In an extreme situation, it is possible that the capitalization of a Federal Home Loan Bank, including the FHLBNY, could be substantially diminished or reduced to zero. Consequently, we believe that there is a risk that our investment in FHLBNY common stock could be deemed other-than-temporarily impaired at some time in the future, and if this occurs, it would cause our earnings and stockholders' equity to decrease by the after-tax amount of the impairment charge.

Fluctuations in interest rates could reduce our profitability.

We realize income primarily from the difference between the interest we earn on loans and investments and the interest we pay on deposits and borrowings. The interest rates on our assets and liabilities respond differently to changes in market interest rates, which means our interest-bearing liabilities may be more sensitive to changes in market interest rates than our interest-earning assets, or vice versa. In either event, if market interest rates change, this "gap" between the amount of interest-earning assets and interest-bearing liabilities that reprice in response to these interest rate changes may work against us, and our earnings may be negatively affected.

We are unable to predict fluctuations in market interest rates, which are affected by, among other factors, changes in the following:

- inflation rates;
- business activity levels;
- money supply; and
- domestic and foreign financial markets.

The value of our investment portfolio and the composition of our deposit base are influenced by prevailing market conditions and interest rates. Our asset-liability management strategy, which is designed to mitigate the risk to us from changes in market interest rates, may not prevent changes in interest rates or securities market downturns from reducing deposit outflow or from having a material adverse effect on our results of operations, our financial condition or the value of our investments.

Adverse events in New Jersey, where our business is concentrated, could adversely affect our results and future growth.

Our business, the location of our branches and the real estate collateralizing our real estate loans are concentrated in New Jersey. As a result, we are exposed to geographic risks. The occurrence of an economic downturn in New Jersey, or adverse changes in laws or regulations in New Jersey, could impact the credit quality of our assets, the business of our customers and our ability to expand our business.

Our success significantly depends upon the growth in population, income levels, deposits and housing in our market area. If the communities in which we operate do not grow or if prevailing economic conditions locally or nationally are unfavorable, our business may be negatively affected. In addition, the economies of the communities in which we operate are substantially dependent on the growth of the economy in the State of New Jersey. To the extent that economic conditions in New Jersey are unfavorable or do not continue to grow as projected, the economy in our market area would be adversely affected. Moreover, we cannot give any assurance that we will benefit from any market growth or favorable economic conditions in our market area if they do occur.

In addition, the market value of the real estate securing loans as collateral could be adversely affected by unfavorable changes in market and economic conditions. As of December 31, 2012, approximately 93.5% of our total loans were secured by real estate. Adverse developments affecting commerce or real estate values in the local economies in our primary market areas could increase the credit risk associated with our loan portfolio. In addition, substantially all of our loans are to individuals and businesses in New Jersey. Our business customers may not have customer bases that are as diverse as businesses serving regional or national markets. Consequently, any decline in the economy of our market area could have an adverse impact on our revenues and financial condition. In particular, we may experience increased loan delinquencies, which could result in a higher provision for loan losses and increased charge-offs. Any sustained period of increased non-payment, delinquencies, foreclosures or losses caused by adverse market or economic conditions in our market area could adversely affect the value of our assets, revenues, results of operations and financial condition.

We operate in a highly regulated environment and may be adversely affected by changes in federal, state and local laws and regulations.

We are subject to extensive regulation, supervision and examination by federal and state banking authorities. Any change in applicable regulations or federal, state or local legislation could have a substantial impact on us and our operations. Additional legislation and regulations that could significantly affect our powers, authority and operations may be enacted or adopted in the future, which could have a material adverse effect on our financial condition and results of operations. Further, regulators have significant discretion and authority to prevent or remedy unsafe or unsound practices or violations of laws by banks and bank holding companies in the performance of their supervisory and enforcement duties. The exercise of regulatory authority may have a negative impact on our results of operations and financial condition.

Like other bank holding companies and financial institutions, we must comply with significant anti-money laundering and anti-terrorism laws. Under these laws, we are required, among other things, to enforce a customer identification program and file currency transaction and suspicious activity reports with the federal government. Government agencies have substantial discretion to impose significant monetary penalties on institutions which fail to comply with these laws or make required reports. Because we operate our business in the highly urbanized greater Newark/New York City metropolitan area, we may be at greater risk of scrutiny by government regulators for compliance with these laws.

Failure to achieve and maintain effective internal control over financial reporting in accordance with rules of the Securities and Exchange Commission promulgated under Section 404 of the Sarbanes-Oxley Act could harm our business and operating results and/or result in a loss of investor confidence in our financial reports, which could in turn have a material adverse effect on our business and stock price.

Under rules of the Securities and Exchange Commission promulgated under Section 404 of the Sarbanes-Oxley Act of 2002, we were required to furnish a report by our management on our internal control over financial reporting in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011. In the course of our assessment of the effectiveness of our internal control over financial reporting as of December 31, 2011, which assessment was conducted during the fourth quarter of 2011 and the first quarter of 2012 in connection with the preparation of 2011 audited consolidated financial statements and our Annual Report on Form 10-K, we identified a material weakness in our internal control over financial reporting resulting from (i) a failure to document that monitoring controls were in place with respect to outside service organizations, and that (ii) we failed to test the operating effectiveness of such controls as of December 31, 2011. The Company did test the operating effectiveness of its monitoring controls subsequent to December 31, 2011 and found them to be effective. The material weakness in our internal control over financial reporting, as described in Item 9A, Controls and Procedures, of our Annual Report on Form 10-K for the year ended December 31, 2011, as well as any other weaknesses or deficiencies that may exist or hereafter arise or be identified, could harm our business and operating results, and could result in adverse publicity and a loss in investor confidence in the accuracy and completeness of our financial reports, which in turn could have a material adverse effect on our stock price, and, if such weaknesses are not properly remediated, could adversely affect our ability to report our financial results on a timely basis.

As a result of the foregoing our independent registered public accounting firm identified a material weakness in the Company's internal controls and procedures citing the Company's failure to document monitoring controls over the use of outside service organizations and to test the operating effectiveness of such controls as of December 31, 2011. The material weakness was considered in determining the nature, timing and extent of audit tests applied in the independent public accounting firm's audit of our 2011 consolidated financial statements. Consequently, our independent registered public accounting firm concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2011.

Although we believe that we have identified the material weakness, identified in Item 9A. Controls and Procedures, of this report, we cannot assure you that additional deficiencies or weaknesses in our internal control over financial reporting will not be identified. In addition, we have as of the date of this filing revised our internal control over financial reporting to ensure that the material deficiency noted above does not occur in the future.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The Bank conducts its business through an executive office, one administrative office, and eleven branch offices. Six offices have drive-up facilities. The Bank has eleven automatic teller machines at its branch facilities and two other off-site locations. The following table sets forth information relating to each of the Bank's offices as of December 31, 2012. The total net book value of the Bank's premises and equipment at December 31, 2012 was $13.6 million.

Location	Year Office Opened	Net Book Value
		(In Thousands)
Executive Office		
104-110 Avenue C		
Bayonne, New Jersey	2003	$ 2,743
Administrative Office		
591-597 Avenue C		
Bayonne, New Jersey	2010	2,628
Branch Offices		
860 Broadway		
Bayonne, New Jersey	2000	814[1]
510 Broadway		
Bayonne, New Jersey	2003	269[1]
401 Washington St.		
Hoboken, New Jersey	2010	76[1]
987 Broadway		
Bayonne, New Jersey	2010	706
473 Spotswood Englishtown Rd		
Monroe Township, New Jersey	2010	194
611 Avenue C		
Bayonne, New Jersey	2010	2,797
181 Avenue A		
Bayonne, New Jersey	2010	62[1]
211-A Washington Street		
Jersey City, New Jersey	2010	52[1]
200 Valley Street		
S. Orange, New Jersey	2011	1,517
34 Main Street		
Woodbridge, New Jersey	2011	227[1]
3499 Route 9 North Suite 2A		
Freehold, New Jersey	2012	40[1]
Net book value of properties		12,125
Furnishings and equipment		1,443[2]
Total premises and equipment		$ 13,568

[1] Leased Property
[2] Includes off-site ATM's

ITEM 3. LEGAL PROCEEDINGS

We are involved, from time to time, as plaintiff or defendant in various legal actions arising in the normal course of business. Other than as set forth below, as of December 31, 2012, we were not involved in any material legal proceedings, the outcome of which, if determined in a manner adverse to the Company, would have a material adverse affect on our financial condition or results of operations.

The Company is a named defendant in the lawsuit Kontos v. Robbins, et al., filed in the Superior Court of New Jersey on May 15, 2012. The lawsuit alleges that Mr. Robbins, the former Chairman of the Board of Allegiance Community Bank and currently a director of the Company, and others defrauded Mr. Kontos with respect to his investment in a real estate project and induced Mr. Kontos to borrow money from Allegiance Community Bank, also a named defendant. The lawsuit seeks an unspecified dollar amount of damages, as well as equitable and other relief. Insurance coverage is currently in effect. The Company has filed its Answer to the lawsuit. The Company, after preliminary review, believes the lawsuit is without merit and frivolous. The Company intends to vigorously defend its interests in this litigation.

The Company is the successor to Pamrapo Bancorp, Inc., a named defendant in the lawsuit Brian Campbell v. Pamrapo Bancorp, Inc., et al , filed in the Superior Court of New Jersey in December 2010. The lawsuit alleges that Mr. Campbell sustained personal injuries in an automobile accident while on a work-related trip and should be compensated for his injuries. Insurance coverage is currently in effect. The Company believes that the lawsuit is without merit and it intends to vigorously defend its interests.

The Company, as the successor to Pamrapo Bancorp, Inc., and in its own corporate capacity, is a named defendant in a shareholder derivative lawsuit, Kube, et al., v. Pamrapo Bancorp, Inc., et al., filed in the Superior Court of New Jersey, Hudson County, Chancery Division, General Equity. On May 9, 2012, the Company obtained partial summary judgment, dismissing three of the five Counts of the Complaint. On May 9, 2012, plaintiff's counsel was awarded interim legal fees of approximately $350,000. The Company's obligation to pay that amount has been stayed. The Company's motion for leave to file an interlocutory appeal of that award was denied by the Appellate Division of the Superior Court of New Jersey. The Company is vigorously defending its interests in the litigation.

The Company is a named defendant in the lawsuit Armstrong v. BCB Bancorp, Inc., and Brian M. Campbell, which was filed in the Superior Court of New Jersey, Atlantic County, Law Division, on September 27, 2011. The Company is a named defendant as the successor to Pamrapo Bancorp, Inc. The lawsuit accuses Brian Campbell, the former Managing Director of Pamrapo Services Corporation, a wholly-owned subsidiary of Pamrapo Bancorp, Inc., of various violations of federal and state securities laws, fraud, breach of fiduciary duty and negligence. Prime Capital, Inc., and other entities have been named as additional, potentially-responsible parties by the Company and/or the plaintiff. The case has been transferred to FINRA arbitration. The arbitration is in its early stages. The plaintiff is seeking unspecified damages. Insurance coverage is currently in effect for the Company. The Company intends to vigorously defend its interests in this litigation.

ITEM 4. MINE SAFETY DISCLOSURE

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

BCB Bancorp, Inc.'s common stock trades on the Nasdaq Global Market under the symbol "BCBP." In order to list common stock on the Nasdaq Global Market, the presence of at least three registered and active market makers is required and BCB Bancorp, Inc. has at least three market makers.

The following table sets forth the high and low closing prices for BCB Bancorp, Inc. common stock for the periods indicated. As of December 31, 2012, there were 8,496,508 shares of BCB Bancorp, Inc. common stock outstanding. At December 31, 2012, BCB Bancorp, Inc. had approximately 2,000 stockholders of record.

Fiscal 2012	High	Low	Cash Dividend Declared
Quarter Ended December 31, 2012	$ 10.74	$ 8.71	$ 0.12
Quarter Ended September 30, 2012	10.80	10.05	0.12
Quarter Ended June 30, 2012	10.99	9.80	0.12
Quarter Ended March 31, 2012	10.60	9.68	0.12

Fiscal 2011	High	Low	Cash Dividend Declared
Quarter Ended December 31, 2011	$ 10.65	$ 8.55	$ 0.12
Quarter Ended September 30, 2011	11.68	8.75	0.12
Quarter Ended June 30, 2011	11.45	10.21	0.12
Quarter Ended March 31, 2011	12.00	9.90	0.12

Please see "Item 1. Business—Bank Regulation—Dividends" for a discussion of restrictions on the ability of the Bank to pay the Company dividends.

Compensation Plans

Set forth below is information as of December 31, 2012 regarding equity compensation plans that have been approved by shareholders. The Company has no equity based benefit plans that were not approved by shareholders.

Plan	Number of securities to be issued upon exercise of outstanding options and rights	Weighted average Exercise price(2)	Number of securities remaining available for issuance under plan
Equity compensation plans approved by shareholders	274,296(1)	$ 11.97	845,469
Equity compensation plans not approved by shareholders	—	—	-0-
Total	274,296	$ 11.97	845,469

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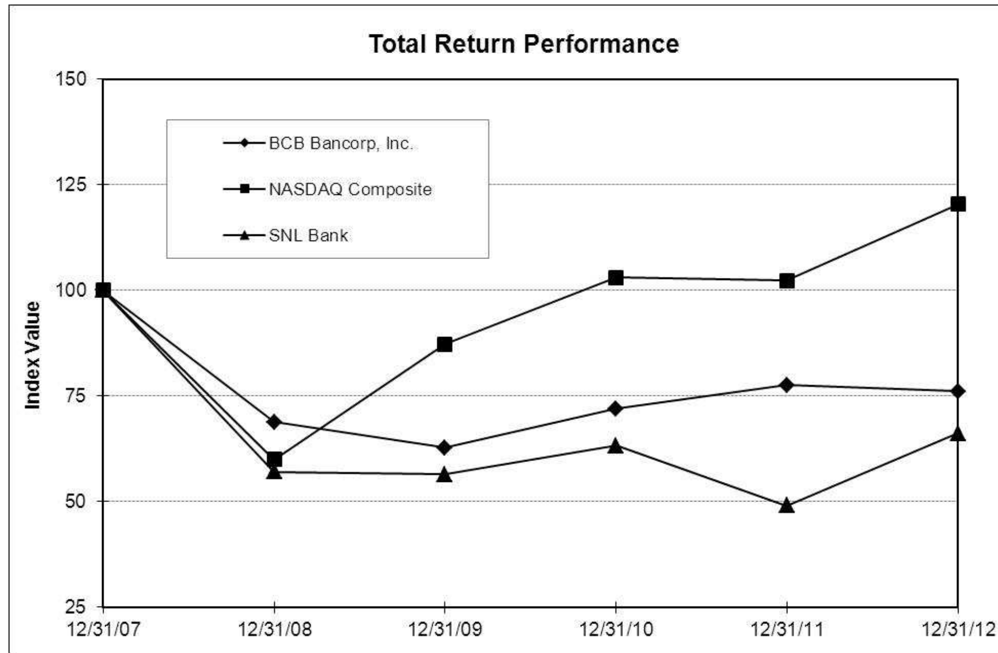
(1) Consists of options to purchase (i) 27,319 shares of common stock under the 2002 Stock Option Plan and (ii) 173,977 shares of common stock under the 2003 Stock Option Plan and (iii) 19,000 shares of common stock under the 2003 Stock Option Plan from the former Pamrapo Bancorp, Inc., converted to options to purchase shares of common stock of BCB Bancorp under the terms of the merger agreement and 54,000 under the 2011 Stock Option Plan.

(2) The weighted average exercise price reflects the exercise prices ranging from $9.34 to $15.65 per share for options granted under the 2003 Stock Option Plan and ranging from $10.18 to $15.65 per share for options under the 2002 Stock Option Plan and ranging from $18.41 to $29.25 per share for options under the 2003 Stock Option Plan from the former Pamrapo Bancorp, Inc., converted to options to purchase shares of common stock of BCB Bancorp under the terms of the merger agreement and at $8.93 per share for options under the 2011 Stock Option Plan.

Set forth hereunder is a stock performance graph comparing (a) the cumulative total return on the common stock for the period beginning with the closing sales price on January 1, 2008 through December 31, 2012, (b) the cumulative total return on all publicly traded commercial bank stocks over such period, and (c) the cumulative total return of Nasdaq Market Index over such period. Cumulative return assumes the reinvestment of dividends, and is expressed in dollars based on an assumed investment of $100.

BCB BANCORP, INC.



Index	*Period Ending*					
	12/31/07	**12/31/08**	**12/31/09**	**12/31/10**	**12/31/11**	**12/31/12**
BCB Bancorp, Inc.	100.00	68.87	62.71	72.03	77.61	76.13
NASDAQ Composite	100.00	60.02	87.24	103.08	102.26	120.42
SNL Bank	100.00	57.06	56.47	63.27	49.00	66.13

On May 9, 2012, the Company announced a sixth stock repurchase plan to repurchase 5% or 462,800 shares of the Company's common stock. On June 28, 2012, the Company announced a seventh stock repurchase plan to repurchase 5% of 440,000 shares of the Company's common stock. The Company's stock purchases for three months ended December 31, 2012 are as follows:

Period	Total number of shares purchased	Average price per share paid	Total number of shares purchased as part of a publicly announced program	Number of shares remaining to be purchased under program
October 1-31, 2012	24,276	10.52	24,276	223,968
November 1-30, 2012	23,371	9.99	47,647	200,597
December 1-31, 2012	—	—	—	—
Total	47,647	10.34	47,647	200,597

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

The following tables set forth selected consolidated historical financial and other data of BCB Bancorp, Inc. at and for the years ended December 31, 2012, 2011, 2010, 2009 and 2008. The information is derived in part from, and should be read together with, the audited Consolidated Financial Statements and Notes thereto of BCB Bancorp, Inc. Per share data has been adjusted for all periods to reflect the common stock dividends paid by the Company.

	Selected financial condition data at December 31,				
	2012	2011	2010	2009	2008
	(In Thousands)				
Total assets	$ 1,171,358	$ 1,216,908	$ 1,106,888	$ 631,503	$ 578,624
Cash and cash equivalents	35,133	117,087	121,127	67,347	6,761
Securities, held to maturity	164,648	206,965	165,572	132,644	141,280
Loans receivable	922,301	840,763	773,101	401,872	406,826
Deposits	940,786	977,623	886,288	463,738	410,503
Borrowings	131,124	129,531	114,124	114,124	116,124
Stockholders' equity	91,581	100,048	98,974	51,391	49,715

	Selected operating data for the year ended December 31,				
	2012	2011	2010	2009	2008
	(In thousands, except for per share amounts)				
Net interest income	$ 41,700	$ 39,582	$ 26,432	$ 19,384	$ 19,960
Provision for loan losses	4,900	4,100	2,450	1,550	1,300
Non-interest income (loss)	(7,225)	2,448	14,207	931	(2,054)
Non-interest expense	33,889	28,506	22,358	12,396	11,314
Income tax (benefit) expense	(2,252)	3,373	1,505	2,621	1,820
Net (loss) income	$ (2,062)	$ 6,051	$ 14,326	$ 3,748	$ 3,472
Net (loss) income per share:					
Basic	$ (0.23)	$ 0.64	$ 2.06	$ 0.81	$ 0.75
Diluted	$ (0.23)	$ 0.64	$ 2.05	$ 0.80	$ 0.74
Dividends declared per share	$ 0.48	$ 0.48	$ 0.48	$ 0.48	$ 0.41

	At or for the Years Ended December 31,				
	2012	2011	2010	2009	2008
Selected Financial Ratios and Other Data:					
Return (loss) on average assets (ratio of net income to average total assets)	(0.17)%	0.54%	1.62%	0.61%	0.60%
Return (loss) on average stockholders' equity (ratio of net income to average stockholders' equity)	(2.26)	6.14	22.67	7.34	7.00
Non-interest income (loss) to average assets	(0.61)	0.22	1.61	0.15	(0.36)
Non-interest expense to average assets	2.86	2.52	2.53	2.03	1.97
Net interest rate spread during the period	3.44	3.40	2.81	2.88	3.09
Net interest margin (net interest income to average interest earning assets)	3.60	3.60	3.05	3.24	3.54
Ratio of average interest-earning assets to average interest-bearing liabilities	115.23	116.03	115.05	114.07	115.05
Cash dividend payout ratio	(208.7)	75.00	23.30	59.26	54.67
Asset Quality Ratios:					
Non-performing loans to total loans at end of period	2.45	5.61	5.35	2.92	0.90
Allowance for loan losses to non-performing loans at end of period	54.00	21.97	20.13	55.68	142.27
Allowance for loan losses to total loans at end of period	1.32	1.23	1.08	1.62	1.28
Capital Ratios:					
Stockholders' equity to total assets at end of period	7.82	8.22	8.94	8.14	8.59
Average stockholders' equity to average total assets	7.72	8.73	7.14	8.35	8.61
Tier 1 capital to average assets	8.38	8.66	9.16	8.68	9.22
Tier 1 capital to risk weighted assets	12.78	15.34	14.95	13.11	13.38

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

This discussion, and other written material, and statements management may make, may contain certain forward-looking statements regarding the Company's prospective performance and strategies within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and is including this statement for purposes of said safe harbor provisions.

Forward-looking information is inherently subject to risks and uncertainties, and actual results could differ materially from those currently anticipated due to a number of factors, which include, but are not limited to, factors discussed in the Company's Annual Report on Form 10-K and in other documents filed by the Company with the Securities and Exchange Commission. Forward-looking statements, which are based on certain assumptions and describe future plans, strategies and expectations of the Company, are generally identified by the use of the words "plan," "believe," "expect," "intend," "anticipate," "estimate," "project," "may," "will," "should," "could," "predicts," "forecasts," "potential," or "continue" or similar terms or the negative of these terms. The Company's ability to predict results or the actual effects of its plans or strategies is inherently uncertain. Accordingly, actual results may differ materially from anticipated results.

Factors that could have a material adverse effect on the operations of the Company and its subsidiaries include, but are not limited to, changes in market interest rates, general economic conditions, legislation, and regulation; changes in monetary and fiscal policies of the United States Government, including policies of the United States Treasury and Federal Reserve Board; changes in the quality or composition of the loan or investment portfolios; changes in deposit flows, competition, and demand for financial services, loans, deposits and investment products in the Company's local markets; changes in accounting principles and guidelines; war or terrorist activities; and other economic, competitive, governmental, regulatory, geopolitical and technological factors affecting the Company's operations, pricing and services.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this discussion. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law or regulation, the Company undertakes no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.

Critical Accounting Policies

Critical accounting policies are those accounting policies that can have a significant impact on the Company's financial position and results of operations that require the use of complex and subjective estimates based upon past experiences and management's judgment. Because of the uncertainty inherent in such estimates, actual results may differ from these estimates. Below are those policies applied in preparing the Company's consolidated financial statements that management believes are the most dependent on the application of estimates and assumptions. For additional accounting policies, see Note 2 of "Notes to Consolidated Financial Statements."

Allowance for Loan Losses

Loans receivable are presented net of an allowance for loan losses. In determining the appropriate level of the allowance, management considers a combination of factors, such as economic and industry trends, real estate market conditions, size and type of loans in portfolio, nature and value of collateral held, borrowers' financial strength and credit ratings, and prepayment and default history. The calculation of the appropriate allowance for loan losses requires a substantial amount of judgment regarding the impact of the aforementioned factors, as well as other factors, on the ultimate realization of loans receivable. In addition, our determination of the amount of the allowance for loan losses is subject to review by the New Jersey Department of Banking and Insurance and the FDIC, as part of their examination process. After a review of the information available, our regulators might require the establishment of an additional allowance. Any increase in the loan loss allowance required by regulators would have a negative impact on our earnings.

Other-than-Temporary Impairment of Securities

If the fair value of a security is less than its amortized cost, the security is deemed to be impaired. Management evaluates all securities with unrealized losses quarterly to determine if such impairments are "temporary" or "other-than-temporary" in accordance with Accounting Standards Codification ("ASC") Topic 320, *Investments – Debt and Equity Securities.*

Accordingly, temporary impairments are accounted for based upon the classification of the related securities as either available for sale or held to maturity. Temporary impairments on available for sale securities are recognized, on a tax-effected basis, through Other Comprehensive Income ("OCI") with offsetting entries adjusting the carrying value of the securities and the balance of deferred taxes. Conversely, the carrying values of held to maturity securities are not adjusted for temporary impairments. Information concerning the amount and duration of temporary impairments on both available for sale and held to maturity securities is generally disclosed in the notes to the consolidated financial statements.

Other-than-temporary impairments are accounted for based upon several considerations. First, other-than-temporary impairments on equity securities and on debt securities that the Company has decided to sell as of the close of a fiscal period, or will, more likely than not, be required to sell prior to the full recovery of fair value to a level equal to or exceeding amortized cost, are recognized in earnings. If neither of these conditions regarding the likelihood of the sale of debt securities are applicable, then the other-than-temporary impairment is bifurcated into credit-related and noncredit-related components. A credit-related impairment represents the amount by which the present value of the cash flows that are expected to be collected on a debt security fall below its amortized cost. The noncredit-related component represents the remaining portion of the impairment not otherwise designated as credit-related. Credit-related other-than-temporary impairments are recognized in earnings and noncredit-related other-than-temporary impairments are recognized in OCI. Equity securities on which there is an unrealized loss that is deemed other-than-temporary are written down to fair value with the write-down recognized in earnings.

Deferred Income Taxes

The Company records income taxes using the asset and liability method. Accordingly, deferred tax assets and liabilities: (i) are recognized for the expected future tax consequences of events that have been recognized in the consolidated financial statements or the consolidated and separate entity tax returns; (ii) are attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases; and (iii) are measured using enacted tax rates expected to apply in the years when those temporary differences are expected to be recovered or settled.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion of the deferred tax assets will not be realized. In making this assessment, management considers the profitability of current core operations, future market growth, forecasted earnings, future taxable income, and ongoing, feasible and permissible tax planning strategies. Deferred tax assets have been reduced by a valuation allowance for all portions determined not likely to be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income tax expense in the period of enactment. The valuation allowance is adjusted, by a charge or credit to income tax expense, as changes in facts and circumstances warrant.

Fair Value Measurements

Management uses its best judgment in estimating fair value measurements of the Company's financial instruments; however, there are inherent weaknesses in any estimation technique. Management utilized various inputs to determine fair value including but not limited to the use of, valuation techniques based on various assumptions, including, but not limited to cash flows, discount rates, rate of return, adjustments for nonperformance and liquidity, quoted market prices, and appraisals. Therefore, for substantially all financial instruments, the fair value estimates herein are not necessarily indicative of the amounts the Company could have realized in a sales transaction on the dates indicated. The estimated fair value amounts have been measured as of their respective year-ends and have not been re-evaluated or updated for purposes of these consolidated financial statements subsequent to those respective dates. As such, the estimated fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each year-end.

Financial Condition

Comparison at December 31, 2012 and at December 31, 2011

Total assets decreased by $45.6 million or 3.7% to $1.171 billion at December 31, 2012 from $1.217 billion at December 31, 2011. The decrease in total assets occurred primarily as a result of decreases in securities held to maturity of $42.3 million, loans held for sale of $4.3 million and cash and cash equivalents of $82.0 million which more than offset the increases in loans receivable of $81.5 million and other assets of $5.2 million. Management is concentrating on controlled balance sheet growth and maintaining adequate liquidity in anticipation of funding loans in the loan pipeline as well as seeking opportunities in the secondary market that provide reasonable returns. During the second and third quarters, the Bank sold a portion of the non-performing loan portfolio which totaled approximately $25.9 million resulting in a pre-tax loss of $10.8 million. Management continues to evaluate its non-performing loans, and based upon market conditions and the ability to obtain satisfactory pricing may consider future sales of a portion of its non-performing loan portfolio. It is our intention to grow our assets at a measured pace consistent with our capital levels and as business opportunities permit.

Total cash and cash equivalents decreased by $82.0 million or 70.0% to $35.1 million at December 31, 2012 from $117.1 million at December 31, 2011. The decrease in cash and cash equivalents resulted primarily from funding new loans and deposit outflow. Investment securities classified as held-to-maturity decreased by $42.3 million or 20.4% to $164.6 million at December 31, 2012 from $207.0 million at December 31, 2011. This decrease in investment securities resulted primarily from purchases of $57.3 million offset by allowable sales of $30.6 million of mortgage-backed securities from the held-to-maturity portfolio, $61.2 million of repayments and prepayments in the mortgage-backed securities portfolio, $3.3 million in maturities of certain Government Sponsored Enterprise bonds and $3.0 million of call options exercised on certain callable agency securities during the year ended December 31, 2012.

Loans receivable increased by $81.5 million or 9.7% to $922.3 million at December 31, 2012 from $840.8 million at December 31, 2011. The increase resulted primarily from a $107.0 million increase in real estate mortgages comprising residential, commercial and multi-family, construction and participation loans with other financial institutions partially offset by a $14.9 million decrease in commercial loans comprising business loans and commercial lines of credit, net of amortization, and a $8.4 million decrease in consumer loans, net of amortization partially offset by a $1.9 million increase in the allowance for loan losses. The increase was partially off-set by the sale of certain commercial loans obtained as part of the Allegiance Community Bank acquisition in April 2011 totaling approximately $10.8 million. The sale of the aforementioned in loans receivable resulted in a gain on sale of loans of approximately $286,000. Further, during the year ended December 31, 2012, the Bank sold approximately $25.9 million of loans that were classified as non-performing loans. The $25.9 million of non-performing loans sold included $9.1 million of residential mortgage loans, $14.6 million of commercial and multi-family loans, $1.1 million of home equity loans, $781,000 of commercial business loans, and $313,000 of construction loans. The primary reason for this transaction was the elimination of ongoing carrying costs associated with these non-interest earning assets. The sale of this sub-set of the non-performing loan portfolio resulted in a pre-tax loss of approximately $10.8 million. As of December 31, 2012, the allowance for loan losses was $12.4 million or 54.0% of non-performing loans and 1.32% of gross loans. As a result of the loans acquired in the business combination transactions being recorded at their fair value, the balance in the allowance for loan losses that were on the balance sheet of the former Pamrapo Bancorp, Inc., and Allegiance Community Bank are precluded from being reported in the allowance balance previously discussed, consistent with generally accepted accounting principles.

Deposit liabilities decreased by $36.8 million or 3.8% to $940.8 million at December 31, 2012 from $977.6 million at December 31, 2011. The decrease resulted primarily from a $39.8 million decrease in certificate of deposits, a decrease of $8.7 million in savings and club deposits and a decrease of $3.8 million in money market interest bearing deposits which more than offset a $7.4 million increase in non-interest bearing deposits and an increase of $8.2 million in NOW deposits. During the year ended December 31, 2012, the Federal Open Market Committee (FOMC) has continued its mindset of a continuing accommodative monetary policy. This has resulted in historically low short term market rates that have further resulted in low time deposit account yields which in turn has had the effect of decreasing interest expense.

Long-term borrowed money decreased by $15.4 million or 11.9% to $114.1 million at December 31, 2012 from $129.5 million at December 31, 2011. The decrease in borrowed money resulted primarily from the pre-payment of $15.4 million in Federal Home Loan Bank advances that were acquired in the business combination transaction with Allegiance Community Bank. As a result, a pre-payment penalty of $49,000 was recognized as interest expense. Short-term borrowed money increased by $17.0 million to $17.0 million at December 31, 2012 compared to no corresponding amount at December 31, 2011. The purpose of the borrowings reflects the use of long term and short term Federal Home Loan Bank advances to augment deposits as the Bank's funding source for originating loans and investing in investment securities.

Stockholders' equity decreased by $8.4 million or 8.4% to $91.6 million at December 31, 2012 from $100.0 million at December 31, 2011. The decrease in stockholders' equity is primarily attributable to the repurchase of 1,046,726 shares of the Company's common stock at a cost of $10.9 million, as well as the payment of cash dividends during the year totaling $4.3 million, along with a net loss for the year ended December 31, 2012 of $2.1 million, partially offset by the issuance of $8.6 million of Series A 6% noncumulative perpetual preferred stock in the fourth quarter of 2012 and an increase of $109,000 resulting from the exercise of stock options totaling 29,661 shares. As of December 31, 2012, the Bank's Tier 1, Tier 1 Risk-Based and Total Risk Based Capital Ratios were 8.38%, 12.78% and 14.03% respectively.

Analysis of Net Interest Income

Net interest income is the difference between interest income on interest-earning assets and interest expense on interest-bearing liabilities. Net interest income depends on the relative amounts of interest-earning assets and interest-bearing liabilities and the interest rates earned or paid on them, respectively.

The following tables set forth balance sheets, average yields and costs, and certain other information for the periods indicated. All average balances are daily average balances. The yields set forth below include the effect of deferred fees, discounts and premiums, which are included in interest income.

	At December 31, 2012		Year ended December 31, 2012			Year ended December 31, 2011		
	Actual Balance	Actual Yield/ Cost	Average Balance	Interest earned/paid	Average Yield/Cost (5)	Average Balance	Interest earned/paid	Average Yield/Cost (5)
				(Dollars in Thousands)				
Interest-earning assets:								
Loans receivable (1)	$ 934,664	5.10%	$ 864,561	$ 47,756	5.52%	$ 804,026	$ 45,023	5.60%
Investment securities(2)	173,586	3.33	204,417	5,779	2.83	217,444	7,769	3.57
Interest-earning deposits	28,891	0.39	88,798	112	0.13	78,814	87	0.11
Total interest-earning assets	1,137,141	4.71%	1,157,776	53,647	4.63%	1,100,284	52,879	4.81%
Interest-earning liabilities:								
Total interest-bearing demand deposits	$ 120,765	0.25%	$ 119,175	$ 297	0.25%	$ 92,624	$ 500	0.54%
Money market deposits	63,834	0.42	67,825	267	0.39	51,553	349	0.68
Savings deposits	256,769	0.19	260,314	477	0.18	257,065	1,020	0.40
Certificates of deposit	413,468	1.42	439,757	5,849	1.33	429,375	6,421	1.50
Borrowings	131,124	3.86	117,651	5,057	4.30	117,642	5,007	4.26
Total interest-bearing liabilities	985,960	1.21%	1,004,722	11,947	1.19%	948,259	13,297	1.41%
Net interest income				$ 41,700			$ 39,582	
Interest rate spread(3)		3.50%			3.44%			3.40%
Net interest margin(4)		3.66%			3.60%			3.60%
Ratio of interest-earning assets to interest-bearing liabilities	115.33%		115.23%			116.03%		

(1) Excludes allowance for loan losses.
(2) Includes Federal Home Loan Bank of New York stock.
(3) Interest rate spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.
(4) Net interest margin represents net interest income as a percentage of average interest-earning assets.
(5) Average yields are computed using annualized interest income and expense for the periods.

Analysis of Net Interest Income (Continued)

	Year ended December 31, 2010 (Dollars in Thousands)		
Interest-earning assets:			
Loans receivable (1)	$ 605,269	$ 34,502	5.70%
Investment securities(2)	153,006	5,481	3.58
Interest-earning deposits	107,369	117	0.11
Total interest-earning assets	865,644	40,100	4.63%
Interest-earning liabilities:			
Interest-bearing demand deposits	$ 65,169	$ 553	0.85%
Money market deposits	45,195	385	0.85
Savings deposits	179,020	1,304	0.73
Certificates of deposit	348,229	6,220	1.77
Borrowings	114,778	5,206	4.54
Total interest-bearing liabilities	752,391	13,668	1.82%
Net interest income		$ 26,432	
Interest rate spread(3)			2.81%
Net interest margin(4)			3.05%
Ratio of interest-earning assets to interest-bearing liabilities	115.05%		

(1) Excludes allowance for loan losses.
(2) Includes Federal Home Loan Bank of New York stock.
(3) Interest rate spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.
(4) Net interest margin represents net interest income as a percentage of average interest-earning assets.
(5) Average yields are computed using annualized interest income and expense for the periods.

Rate/Volume Analysis

The table below sets forth certain information regarding changes in our interest income and interest expense for the periods indicated. For each category of interest-earning assets and interest-bearing liabilities, information is provided on changes attributable to (i) changes in average volume (changes in average volume multiplied by old rate); (ii) changes in rate (change in rate multiplied by old average volume); (iii) changes due to combined changes in rate and volume; and (iv) the net change.

	Years Ended December 31,							
	2012 vs. 2011				2011 vs. 2010			
	Increase (Decrease) Due to				Increase (Decrease) Due to			
	Volume	Rate	Rate/Volume	Total Increase (Decrease)	Volume	Rate	Rate/Volume	Total Increase (Decrease)
	(In thousands)							
Interest income:								
Loans receivable	$ 3,390	$ (611)	$ (46)	$ 2,733	$ 11,330	$ (609)	$ (200)	$ 10,521
Investment securities	(465)	(1,622)	97	(1,990)	2,308	(14)	(6)	2,288
Interest-earning deposits with other banks	11	12	2	25	(31)	1	—	(30)
Total interest-earning assets	2,936	(2,221)	53	768	13,607	(622)	(206)	12,779
Interest expense:								
Interest-bearing demand accounts	143	(269)	(77)	(203)	233	(201)	(85)	(53)
Money market	110	(146)	(46)	(82)	54	(79)	(11)	(36)
Savings and club	13	(549)	(7)	(543)	569	(594)	(259)	(284)
Certificates of Deposits	155	(710)	(17)	(572)	1,449	(1,012)	(236)	201
Borrowed funds	—	50	—	50	130	(321)	(8)	(199)
Total interest-bearing liabilities	421	(1,624)	(147)	(1,350)	2,435	(2,207)	(599)	(371)
Change in net interest income	$ 2,515	$ (597)	$ 200	$ 2,118	$ 11,172	$ 1,585	$ 393	$ 13,150

Results of Operations for the Years Ended December 31, 2012 and 2011

We experienced a net loss of $2.06 million for the year ended December 31, 2012 compared with net income of $6.05 million for the year ended December 31, 2011. The net loss was due to a decrease in the non-interest income primarily associated with losses incurred from the sale of non-performing loans in 2012, and increases in the provision for loans losses and in non-interest expense, partially offset by an increase in net interest income and a decrease in income taxes.

Net interest income increased by $2.12 million or 5.4% to $41.70 million for the year ended December 31, 2012 from $39.58 million for the year ended December 31, 2011. This increase in net interest income resulted primarily from an increase of $57.5 million or 5.3% in the average balance of interest earning assets to $1.16 billion for the year ended December 31, 2012 from $1.10 billion for the year ended December 31, 2011, partially offset by a decrease in the average yield on interest earning assets to 4.63% for the year ended December 31, 2012 from 4.81% for the year ended December 31, 2011. The average balance of interest bearing liabilities increased by $56.5 million or 6.0% to $1.01 billion for the year ended December 31, 2012 from $948.3 million for the year ended December 31, 2011, while the average cost of interest bearing liabilities decreased to 1.19% for the year ended December 31, 2012 from 1.41% for the year ended December 31, 2011. As a consequence of the aforementioned, our net interest margin remained static at 3.60% for the years ended December 31, 2012 and December 31, 2011. The increase in the average balance of interest earning assets and the average balance of interest bearing liabilities reflects the completion of the acquisition of Allegiance Community Bank.

Interest income on loans receivable increased by $2.73 million or 6.1% to $47.76 million for the year ended December 31, 2012 from $45.02 million for the year ended December 31, 2011. The increase was primarily attributable to an increase in the average balance of loans receivable of $60.6 million or 7.5% to $864.6 million for the year ended December 31, 2012 from $804.0 million for the year ended December 31, 2011, partially offset by a decrease in the average yield on loans receivable to 5.52% for the year ended December 31, 2012 from 5.60% for the year ended December 31, 2011. The increase in the average balance of loans is primarily attributable to the completion of the acquisition of Allegiance Community Bank. The decrease in average yield reflects the competitive price environment prevalent in the Bank's primary market area on loan facilities as well as the repricing downward of variable rate loans.

Interest income on securities decreased by $1.99 million or 25.6% to $5.78 million for the year ended December 31, 2012 from $7.77 million for the year ended December 31, 2011. This decrease was due to a decrease in the average balance of securities held-to-maturity of $13.0 million or 6.0% to $204.4 million for the year ended December 31, 2012 from $217.4 million for the year ended December 31, 2011, along with a decrease in the average yield of securities held-to-maturity to 2.83% for the year ended December 31, 2012 from 3.57% for the year ended December 31, 2011. The decrease in the average yield reflects the low interest rate environment during the year ended December 31, 2012.

Interest income on other interest-earning assets increased by $25,000 or 28.7% to $112,000 for the year ended December 31, 2012 from $87,000 for the year ended December 31, 2011. This increase was primarily due to an increase of $10.0 million or 12.7% in the average balance of other interest-earning assets to $88.8 million for the year ended December 31, 2012 from $78.8 million for the year ended December 31, 2011. The average yield on other interest-earning assets remained relatively static at 0.13% for the year ended December 31, 2012 and 0.11% for the year ended December 31, 2011. The static nature of the average yield on other interest-earning assets reflects the current philosophy by the FOMC of keeping short term interest rates at historically low levels for the last several years. The increased balance of other interest earning assets reflects management's decision to have higher liquid investments affording the Bank the latitude of capitalizing on advantageous market opportunities.

Total interest expense decreased by $1.35 million or 10.2% to $11.95 million for the year ended December 31, 2012 from $13.30 million for the year ended December 31, 2011. The decrease resulted primarily from a decrease in the average cost of interest-bearing liabilities of twenty-one basis points to 1.19% for the year ended December 31, 2012 from 1.40% for the year ended December 31, 2011, partially offset by an increase in the balance of average interest-bearing liabilities of $56.5 million or 5.9% to $1.01 billion for the year ended December 31, 2012 from $948.3 million for the year ended December 31, 2011. The increase in the balance of average interest- bearing liabilities is primarily attributable to the completion of the acquisition of Allegiance Community Bank. The decrease in the average cost reflects the lower short term interest rate environment and our ability to reduce our pricing on a select number of retail deposit products.

The provision for loan losses totaled $4.9 million and $4.1 million for the years ended December 31, 2012 and 2011, respectively. The provision for loan losses is established based upon management's review of the Bank's loans and consideration of a variety of factors including, but not limited to, (1) the risk characteristics of the loan portfolio, (2) current economic conditions, (3) actual losses previously experienced, (4) the dynamic activity and fluctuating balance of loans receivable, and (5) the existing level of reserves for loan losses that are probable and estimable. During the year ended December 31, 2012, the Bank experienced $3.05 million in net charge-offs (consisting of $3.08 million in charge-offs and $35,000 in recoveries). During the year ended December 31, 2011, the Bank experienced $2.01 million in net charge-offs (consisting of $2.03 million in charge-offs and $25,000 in recoveries). The Bank had non-performing loans totaling $22.9 million or 2.45% of gross loans at December 31, 2012 and $47.8 million or 5.61% of gross loans at December 31, 2011. The decrease in non-performing loans resulted primarily from the sales of approximately $25.9 million in non-performing loans during the second quarter and third quarters of 2012. The primary reason for this transaction was the elimination of carrying and legacy costs associated with these non-interest earning assets. These sales resulted in a pre-tax loss of approximately $10.8 million. The allowance for loan losses was $12.4 million or 1.32% of gross loans at December 31, 2012 as compared to $10.5 million or 1.23% of gross loans at December 31, 2011. Despite the decrease in non-performing loans, the provision and allowance for loan losses increased in recognition of the growth in the loan portfolio and due to uncertainty regarding the impact of Hurricane Sandy. The amount of the allowance is based on estimates and the ultimate losses may vary from such estimates. Management assesses the allowance for loan losses on a quarterly basis and makes provisions for loan losses as necessary in order to maintain the adequacy of the allowance. While management uses available information to recognize losses on loans, future loan loss provisions may be necessary based on changes in the aforementioned criteria. In addition various regulatory agencies, as an integral part of their examination process, periodically review the allowance for loan losses and may require the Bank to recognize additional provisions based on their judgment of information available to them at the time of their examination. Management believes that the allowance for loan losses was adequate at both December 31, 2012 and 2011.

Total non-interest income (loss) was a loss of ($7.23) million for the year ended December 31, 2012 compared with income of $2.45 million for the year ended December 31, 2011. The decrease in non-interest income resulted primarily from the aforementioned $10.8 million loss on sale of non-performing loans partially offset by an increase of $333,000 or 37.5% in gain on sale of loans originated for sale to $1.22 million for the year ended December 31, 2012 from $887,000 for the year ended December 31, 2011. The increase in gain on sale of loans originated for sale occurred primarily as a result of the active local market for refinancing one-four family residential mortgages, aided in large part by the low interest rate environment. In addition, the Bank sold approximately $10.6 million of commercial business loans acquired in the Allegiance Community Bank acquisition which resulted in a gain of approximately $286,000. Gain on sale of securities held to maturity increased by $331,000 or 1,838.9% to $349,000 for the year ended December 31, 2012 from $18,000 for the year ended December 31, 2011. Fees and service charges and other non-interest income increased by $627,000 or 57.2% to $1.72 million for the year ended December 31, 2012 primarily due to increases in deposit account service charges, loan application fees, and late charges from $1.10 million for the year ended December 31, 2011.

Total non-interest expense increased by $5.38 million or 18.9% to $33.89 million for the year ended December 31, 2012 from $28.51 million for the year ended December 31, 2011. Unless specified otherwise, the increase in the categories of non-interest expense occurred primarily as a result of the acquisition of Allegiance Community Bank. Salaries and employee benefits expense increased by $2.34 million or 18.5% to $15.02 million for the year ended December 31, 2012 from $12.68 million for the year ended December 31, 2011. Occupancy expense increased by $519,000 or 17.1% to $3.56 million for the year ended December 31, 2012 from $3.04 million for the year ended December 31, 2011. Equipment expense increased by $606,000 or 14.2% to $4.91 million for the year ended December 31, 2012 from $4.30 million for the year ended December 31, 2011. The primary component of this expense item is data service provider expense which increases with the growth of the Bank's assets. In addition, system conversion costs following the acquisition of Allegiance Community Bank totaled approximately $250,000. Professional fees increased by $1.2 million or 93.5% to $2.49 million for the year ended December 31, 2012 from $1.29 million for the year ended December 31, 2011. The increase is primarily due to several legacy lawsuits that arose as a result of the business combination transaction with Pamrapo Bancorp, Inc. Director fees increased by $39,000 or 5.7% to $728,000 for the year ended December 31, 2012 from $689,000 for the year ended December 31, 2011. Regulatory assessments decreased by $9,000 or 0.85% to $1.17 million for the year ended December 31, 2012 from $1.18 million for the year ended December 31, 2011 primarily due to the new assessment base methodology pursuant to the Dodd-Frank Act which lowered the Bank's insurance premiums. Advertising expense increased by $85,000 or 21.3% to $484,000 for the year ended December 31, 2012 from $399,000 for the year ended December 31, 2011. Merger related expenses decreased by $538,000, as we had no such expenses for the year ended December 31, 2012. Other real estate owned expenses increased by $732,000 or 60.8% to $1.94 million for the year ended December 31, 2012 from $1.20 million for the year ended December 31, 2011. The increase was primarily due to an increase in write-downs of OREO properties of $455,000 or 89.2% to $965,000 for the year ended December 31, 2012 compared to $510,000 for the year ended December 31, 2011, along with increases in losses on sales of OREO properties by $183,000 or 36.5% to $681,000 for the year ended December 31, 2012 compared to $498,000 for the year ended December 31, 2011. Other non-interest expense increased by $409,000 or 12.83% to $3.6 million for the year ended December 31, 2012 from $3.19 million for the year ended December 31, 2011. Other non-interest expense is comprised of loan expense, stationary, forms and printing, check printing, correspondent bank fees, telephone and communication, and other fees and expenses. Also included in other non-interest expense were settlements in the amount of $353,000 relating to several lawsuits that arose as a result of the business combination transaction with Pamrapo Bancorp, Inc and during normal course of business.

We had an income tax benefit of $2.25 million for the year ended December 31, 2012 compared with a tax provision of $3.37 million for the year ended December 31, 2011. The tax benefit resulted from the pre-tax loss we experienced during the year ended December 31, 2012. The consolidated effective tax rate for the year ended December 31, 2012 was a tax benefit of 52.2% compared to tax provision of 35.8% for the year ended December 31, 2011.

Results of Operations for the Years Ended December 31, 2011 and 2010

Net income decreased by $8.28 million or 57.8% to $6.05 million for the year ended December 31, 2011 from $14.33 million for the year ended December 31, 2010. The decrease in net income resulted primarily from a decrease in non-interest income and increases in the provision for loan losses, non-interest expense and income taxes, partially offset by an increase in net interest income.

Net interest income increased by $13.2 million or 50.0% to $39.6 million for the year ended December 31, 2011 from $26.4 million for the year ended December 31, 2010. The increase in net interest income resulted primarily from an increase in the average balance of interest earning assets of $234.4 million or 27.1% to $1.1 billion for the year ended December 31, 2011 from $865.6 million for the year ended December 31, 2010, and an increase in the average yield on interest earning assets to 4.81% for the year ended December 31, 2011 from 4.63% for the year ended December 31, 2010. The average balance of interest bearing liabilities increased by $195.9 million or 26.0 % to $948.3 million at December 31, 2011 from $752.4 million at December 31, 2010 while the average cost of interest bearing liabilities decreased to 1.40% for the year ended December 31, 2011 from 1.82% for the year ended December 31, 2010. As a result of the aforementioned, our net interest margin increased to 3.60% for the year ended December 31, 2011 from 3.05% for the year ended December 31, 2010.

The decrease in non-interest income resulted primarily from a decrease in the gain on bargain purchase of $11.4 million or 90.5% to $1.2 million for the year ended December 31, 2011 from $12.6 million for the year ended December 31, 2010. The gain on bargain purchase of $1.2 million recorded for the year ended December 31, 2011 was associated with the completion of the acquisition of Allegiance Community Bank. The gain on bargain purchase of $12.6 million for the year ended December 31, 2010 was associated with the completion of the acquisition of Pamrapo Bancorp, Inc. A bargain purchase is defined as a business combination in which the total acquisition-date fair value of the identifiable net assets acquired exceeds the fair value of the consideration transferred plus any non-controlling interest in the acquisition, and it requires the acquiror to recognize that excess in earnings as a gain attributable to the acquisition.

Interest income on loans receivable increased by $10.5 million or 30.4% to $45.0 million for the year ended December 31, 2011 from $34.5 million for the year ended December 31, 2010. The increase was primarily due to an increase in average loans receivable of $198.7 million or 32.8% to $804.0 million for the year ended December 31, 2011 from $605.3 million for the year ended December 31, 2010, partially offset by a decrease in the average yield on loans receivable to 5.60% for the year ended December 31, 2011 from 5.70% for the year ended December 31, 2010. The increase in the average balance of loans is primarily attributable to the effect of a full year of the balances of the Pamrapo Bancorp, Inc. acquisition impacting our balance sheet and the completion of the acquisition of Allegiance Community Bank during 2011. The decrease in average yield reflects the competitive price environment prevalent in the Bank's primary market area on loan facilities as well as the repricing downward of variable rate loans, partially offset by the inclusion of the loan portfolio from Allegiance Community Bank whose average yield was 6.42%.

Interest income on securities increased by $2.3 million or 41.8% to $7.8 million for the year ended December 31, 2011 from $5.5 million for the year ended December 31, 2010. The increase was primarily attributable to an increase in the average balance of securities of $64.4 million or 42.1% to $217.4 million for the year ended December 31, 2011 from $153.0 for the year ended December 31, 2010, partially offset by a slight decrease in the average yield on securities to 3.57% for the year ended December 31, 2011 from 3.58% for the year ended December 31, 2010. The relatively static yield reflects the persistent lower long term interest rate environment prevalent for investment securities over the last several years. The increase in the average balance is primarily attributable to the effect of a full year of the balances of the Pamrapo Bancorp, Inc. acquisition impacting our balance sheet and the completion of the acquisition of Allegiance Community Bank as well as the purchase of $95.5 million of investment securities during 2011, partially offset by repayments, prepayments and call options exercised on investment securities of $85.1 million as well as $2.4 million in proceeds from the sale of certain investment securities.

Interest income on other interest-earning assets consisting primarily of interest earning demand deposits decreased by $30,000 or 25.6% to $87,000 for the year ended December 31, 2011 from $117,000 for the year ended December 31, 2010. This decrease was primarily due to a decrease in the average balance of other interest earning assets of $28.6 million or 26.6% to $78.8 million for the year ended December 31, 2011 from $107.4 million for the year ended December 31, 2010. The average yield on other interest-earning assets remained stable at 0.11% for the years ended December 31, 2011 and December 31, 2010. As a result of the lower interest rate environment for overnight deposits during the year ended December 31, 2011, a decrease in the average balance resulted, as management deployed funds into loans and investment securities in an effort to achieve higher returns and funding an outflow of retail deposits. The static nature of the average yield on other interest earning assets reflects the current philosophy by the FOMC of keeping short term interest rates at historically low levels for the last several years.

Total interest expense decreased by $371,000 or 2.7% to $13.3 million for the year ended December 31, 2011 from $13.7 million for the year ended December 31, 2010. This decrease resulted primarily from a decrease in the average cost of interest bearing liabilities to 1.41% for the year ended December 31, 2011 from 1.82% for the year ended December 31, 2010, partially offset by an increase in the average balance of total interest bearing liabilities of $195.9 million or 26.0% to $948.3 million for the year ended December 31, 2011 from $752.4 million for the year ended December 31, 2010. The decrease in the average cost reflects the Company's ability to reduce the pricing on a select number of retail deposit products. The increase in the balance of average interest bearing liabilities is primarily attributable to the effect of a full year of the balances of the Pamrapo Bancorp, Inc. acquisition impacting our balance sheet and the completion of the acquisition of Allegiance Community Bank.

The provision for loan losses totaled $4.1 million and $2.45 million for the years ended December 31, 2011 and 2010, respectively. The provision for loan losses is established based upon management's review of the Bank's loans and consideration of a variety of factors including, but not limited to, (1) the risk characteristics of the loan portfolio, (2) current economic conditions, (3) actual losses previously experienced, (4) the significant level of loan growth and (5) the existing level of reserves for loan losses that are probable and estimable. During 2011, the Bank experienced $2.01 million in net charge-offs (consisting of $2.04 million in charge-offs and $30,000 in recoveries). During 2010, the Bank experienced $677,000 in net charge-offs (consisting of $689,000 in charge-offs and $12,000 in recoveries). The Bank had non-accrual loans totaling $47.8 million at December 31, 2011 and $41.8 million at December 31, 2010. The allowance for loan losses stood at $10.5 million or 1.23% of gross total loans at December 31, 2011 as compared to $8.4 million or 1.08% of gross total loans at December 31, 2010. The amount of the allowance is based on estimates and the ultimate losses may vary from such estimates. Management assesses the allowance for loan losses on a quarterly basis and makes provisions for loan losses as necessary in order to maintain the adequacy of the allowance. While management uses available information to recognize losses on loans, future loan loss provisions may be necessary based on changes in the aforementioned criteria. In addition, various regulatory agencies, as an integral part of their examination process, periodically review the allowance for loan losses and may require the Bank to recognize additional provisions based on their judgment of information available to them at the time of their examination. Management believes that the allowance for loan losses was adequate at both December 31, 2011 and 2010.

Total non-interest income decreased by $11.76 million or 82.8% to $2.45 million for the year ended December 31, 2011 from $14.21 million for the year ended December 31, 2010. The decrease in non-interest income resulted primarily from a decrease in the gain on bargain purchase of $11.4 million or 90.5% to $1.2 million for the year ended December 31, 2011 from $12.6 million for the year ended December 31, 2010. The gain on bargain purchase of $1.2 million recorded for the year ended December 31, 2011 was associated with the completion of the acquisition of Allegiance Community Bank. The gain on bargain purchase of $12.6 million for the year ended December 31, 2010 was associated with the completion of the acquisition of Pamrapo Bancorp, Inc. The decrease in non-interest income also reflects a $716,000 decrease in losses from write-downs and the sales of fixed assets and property held for sale to a loss of $716,000 for the year ended December 31, 2011 from no such corresponding entries for the year ended December 31, 2010. This decrease occurred primarily as a result of the closing of one of our Hoboken offices and the realization of the full amortization of the remaining life of the fixed assets remaining on our balance sheet at the time of closing which totaled $592,000. Additionally, the sale of a former branch site resulted in a loss on the sale of that property of $124,000. Fees and service charges decreased by $61,000 or 6.7% to $846,000 for the year ended December 31, 2011 from $907,000 for the year ended December 31, 2010. Other fees and service charges decreased by $172,000 or 40.7% to $251,000 for the year ended December 31, 2011 from $423,000 for the year ended December 31, 2010. This decrease resulted primarily as a result of three items occurring in 2010 for a total of $345,500 where no such items occurred in 2011. Those items were as a result of a $237,500 litigation settlement with the Bayonne Medical Center, a $50,000 recovery from a previous charge-off regarding a check kiting incident and a $67,000 recovery received through litigation on a real estate facility where insurance proceeds were improperly retained by a third party. These decreases in non-interest income were partially offset by an increase in gain on sale of loans originated for sale of $592,000 or 200.7% to $887,000 for the year ended December 31, 2011 from $295,000 for the year ended December 31, 2010. The increase in gain on sale of loans originated for sale occurred primarily as a result of the active local market for refinancing one-to four-family residential mortgages aided in large part by the low interest rate environment. Additionally, during 2011 the Bank engaged in the underwriting and sale of certain Small Business Administration, (SBA) loans. Fees generated through this activity in 2011 totaled $479,000, as opposed to no such corresponding gain in 2010. Gain on sale of securities totaled $18,000 for the year ended December 31, 2011. No such corresponding gain occurred for the year ended December 31, 2010.

Total non-interest expense increased by $6.15 million or 27.6% to $28.51 million for the year ended December 31, 2011 from $22.36 million for the year ended December 31, 2010. Unless specified otherwise, the increase in the categories of non-interest expense occurred primarily as a result of the effect of a full year of the expenses of the combined institution subsequent to the completion of the acquisition of Pamrapo Bancorp, Inc. and the completion of the acquisition of Allegiance Community Bank. Salaries and employee benefits expense increased by $1.9 million or 17.6% to $12.7 million for the year ended December 31, 2011 from $10.8 million for the year ended December 31, 2010. This increase occurred primarily as a result of an increase in the number of full time equivalent employees to two hundred six (206) at December 31, 2011 from one hundred sixty nine (169) at December 31, 2010 and from eighty-eight (88) at December 31, 2009. Equipment expense increased by $1.0 million or 30.3% to $4.3 million for the year ended December 31, 2011 from $3.3 million for the year ended December 31, 2010. The primary component of this expense item is data service provider expense which increases as the Bank's assets increase. Occupancy expense increased by $1.1 million or 57.9% to $3.0 million for the year ended December 31, 2011 from $1.9 million for the year ended December 31, 2010. Occupancy expense increased primarily as a result of the beginning of the amortization of significant renovations completed on certain offices that were acquired as a result of the acquisition of Pamrapo Bancorp, Inc. Advertising expense increased by $63,000 or 18.8% to $399,000 for the year ended December 31, 2011 from $336,000 for the year ended December 31, 2010. Professional fees increased by $507,000 or 65.0% to $1.3 million for the year ended December 31, 2011 from $780,000 for the year ended December 31, 2010. The increase in professional fees resulted primarily from an increase in legal fees in conjunction with various representations of legal issues encountered in the normal course of a growing franchise. Directors' fees increased by $136,000 or 24.6% to $689,000 for the year ended December 31, 2011 from $553,000 for the year ended December 31, 2010. The increase in directors' fees resulted primarily from an increase in the number of board and committee meetings, facilitating directorial awareness of the challenging operating, regulatory and compliance environment. Other real estate owned expenses increased by $859,000 or 249.0% to $1.2 million for the year ended December 31, 2011 from $345,000 for the year ended December 31, 2010. The increase was primarily due to an increase in loss on sales of OREO properties of $153,000 or 41.4% to $498,000 for the year ended December 31, 2012 compared to $345,000 for the year ended December 31, 2010 along with an increase in write-downs of an OREO property of $510,000 or 100% to $510,000 compared to no corresponding entry for December 31, 2010. Other non-interest expense increased by $702,000 or 28.24% to $3.2 million for the year ended December 31, 2011 from $2.5 million for the year ended December 31, 2010. The increase in other non-interest expense occurred primarily as a result of an increase in loan expense and fees associated with the collection process on certain delinquent loan facilities. Additionally, other non-interest expense is comprised of stationary, forms and printing, check printing, correspondent bank fees, telephone and communication, shareholder relations and other fees and expenses. The aforementioned increases in non-interest expense were partially offset by a decrease in regulatory assessments of $23,000 or 1.9% to $1.18 million for the year ended December 31, 2011 from $1.20 million for the year ended December 31, 2010. Merger related expenses decreased by $106,000 or 16.5% to $538,000 for the year ended December 31, 2011 from $644,000 for the year ended December 31, 2010. The decrease in merger related expenses occurred primarily as a result of the acquisition of Allegiance Community Bank being completed over a shorter time frame than the acquisition of Pamrapo Bancorp, Inc.

Income tax expense increased by $1.86 million or 123.2% to $3.37 million for the year ended December 31, 2011 from $1.51 million for the year ended December 31, 2010. Net income decreased during the year ended December 31, 2011 as compared to the year ended December 31, 2010, as the majority of income recorded for the year ended December 31, 2010 was primarily attributable to the gain on bargain purchase related to the completion of the acquisition of Pamrapo Bancorp, Inc. which was considerably larger than the gain associated with the Allegiance Community Bank in 2011. As the gains associated with these transactions are non-taxable, the income tax provision for the year ended December 31, 2011 and December 31, 2010 was calculated exclusive of these gains. Conversely, a portion of the expenses associated with the consummation of the Pamrapo Bancorp, Inc. and Allegiance Community Bank transactions categorized as merger related expenses are not deductible for income tax purposes. The consolidated effective income tax rates for the years ended December 31, 2011 and 2010 were 35.8% and 9.5%, respectively.

Contractual Obligations and Commitments

The following table sets forth our contractual obligations and commercial commitments at December 31, 2012.

	Payments due by period				
Contractual obligations	**Total**	**Less than 1 Year**	**1-3 Years**	**More than 3-5 Years**	**More than 5 Years**
			(In Thousands)		
Benefit Plans	$ 10,444	$ 649	$ 1,300	$ 1,309	$ 7,186
Borrowed money	131,124	17,000	—	110,000	4,124
Lease obligations	7,960	1,007	1,641	1,400	3,912
Certificates of deposit	413,468	286,161	93,823	33,286	198
Total	$ 562,996	$ 304,817	$ 96,764	$ 145,995	$ 15,420

Recent Accounting Pronouncements

In February 2013, the FASB issued ASU 2013-02, Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income, to improve the transparency of reporting reclassifications out of accumulated other comprehensive income. The amendments in this ASU do not change the current requirements for reporting net income or other comprehensive income in financial statements. All of the information that this ASU requires already is required to be disclosed elsewhere in the financial statements under U.S. GAAP.

The new amendments will require an organization to present (either on the face of the statement where net income is presented or in the notes) the effects on the line items of net income of significant amounts reclassified out of accumulated other comprehensive income, but only if the item reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. The new amendments will also require an organization to present cross-references to other disclosures currently required under U.S. GAAP for other reclassification items (that are not required under U.S. GAAP) to be reclassified directly to net income in their entirety in the same reporting period. This would be the case when a portion of the amount reclassified out of accumulated other comprehensive income is initially transferred to a balance sheet account (e.g. pension-related amounts) instead of directly to income or expense.

The amendments apply to all public and private companies that report items of other comprehensive income. Public companies are required to comply with these amendments for all reporting periods (interim and annual). Nonpublic companies are required to meet the reporting requirements of the amended paragraphs about the roll forward of accumulated other comprehensive income for both interim and annual reporting periods. However, private companies are only required to provide the information about the impact of reclassifications on line items of net income for annual reporting periods, not for interim reporting periods.

The amendments of ASU 2013-02 are effective for reporting periods beginning after December 15, 2012, for public companies and are effective for reporting periods beginning after December 15, 2013, for nonpublic companies. The Company does not believe this pronouncement, when adopted, will have a material impact on operations or financial position.

In December 2011, the FASB issued Accounting Standards Update (“ASU”) No. 2011-12, “Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05.” This standard indefinitely defers certain provisions of ASU 2011-05 (described below). The amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. The adoption of this guidance did not result in a change in financial condition or operations, but did result in the presentation of comprehensive income in a separate Statements of Comprehensive Income (Loss) in the Company’s consolidated financial statements.

In June 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-05, *Comprehensive Income.* The ASU eliminates the option to present components of other comprehensive income as part of the statement of changes in stockholders’ equity and will require it be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The single statement format would include the traditional income statement and the components of total other comprehensive income as well as total comprehensive income. In the two statement approach, the first statement would be the traditional income statement which would be immediately followed by a separate statement which includes the components of other comprehensive income, total other comprehensive income and total comprehensive income. The amendments in this ASU will be applied retrospectively. For public companies, they are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. Early adoption is permitted. Adoption of ASU 2011-05 did not have a significant impact on the Company’s consolidated financial statements.

In May 2011, the FASB issued ASU No. 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. The amendments in this update result in common fair value measurement and disclosure requirements in U.S. GAAP and International Financial Reporting Standards (IFRS). Consequently, the amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. Some of the amendments in this update clarify the FASB’s intent about the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. This update is effective during interim and annual periods beginning on or after December 15, 2011 and is to be applied prospectively and early adoption is not permitted. Adoption of ASU 2011-04 did not have a significant impact on the Company’s consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Management of Market Risk

Qualitative Analysis. The majority of our assets and liabilities are monetary in nature. Consequently, one of our most significant forms of market risk is interest rate risk. Our assets, consisting primarily of mortgage loans, have longer maturities than our liabilities, consisting primarily of deposits. As a result, a principal part of our business strategy is to manage interest rate risk and reduce the exposure of our net interest income to changes in market interest rates. Accordingly, our Board of Directors has established an Asset/Liability Committee which is responsible for evaluating the interest rate risk inherent in our assets and liabilities, for determining the level of risk that is appropriate given our business strategy, operating environment, capital, liquidity and performance objectives, and for managing this risk consistent with the guidelines approved by the Board of Directors. Senior management monitors the level of interest rate risk on a regular basis and the Asset/Liability Committee, which consists of senior management and outside directors operating under a policy adopted by the Board of Directors, meets as needed to review our asset/liability policies and interest rate risk position.

Quantitative Analysis. The following table presents the Company's net portfolio value ("NPV"). These calculations were based upon assumptions believed to be fundamentally sound, although they may vary from assumptions utilized by other financial institutions. The information set forth below is based on data that included all financial instruments as of December 31, 2012. Assumptions have been made by the Company relating to interest rates, loan prepayment rates, core deposit duration, and the market values of certain assets and liabilities under the various interest rate scenarios. Actual maturity dates were used for fixed rate loans and certificate accounts. Investment securities were scheduled at either the maturity date or the next scheduled call date based upon management's judgment of whether the particular security would be called in the current interest rate environment and under assumed interest rate scenarios. Variable rate loans were scheduled as of their next scheduled interest rate repricing date. Additional assumptions made in the preparation of the NPV table include prepayment rates on loans and mortgage-backed securities, core deposits without stated maturity dates were scheduled with an assumed term of 48 months, and money market and noninterest bearing accounts were scheduled with an assumed term of 24 months. The NPV at "PAR" represents the difference between the Company's estimated value of assets and estimated value of liabilities assuming no change in interest rates. The NPV for a decrease of 200 to 300 basis points has been excluded since it would not be meaningful in the interest rate environment as of December 31, 2012. The following sets forth the Company's NPV as of December 31, 2012.

				NPV as a % of Assets		
Change in calculation	**Net Portfolio Value**	**$ Change from PAR**	**% Change from PAR**	**NPV Ratio**	**Change**	
+300bp	$ 100,075	$ (41,414)	$ (29.27)%	8.81%	(270)	bps
+200bp	121,760	(19,729)	(13.94)	10.40	(111)	bps
+100bp	135,347	(6,142)	(4.34)	11.26	(25)	bps
PAR	141,489	—	—	11.51	—	bps
-100bp	147,570	6,081	4.30	11.82	31	bps

bp-basis points

The table above indicates that at December 31, 2012, in the event of a 100 basis point increase in interest rates, we would experience a 4.34% decrease in NPV.

Certain shortcomings are inherent in the methodology used in the above interest rate risk measurement. Modeling changes in NPV require making certain assumptions that may or may not reflect the manner in which actual yields and costs respond to changes in market interest rates. In this regard, the NPV table presented assumes that the composition of our interest-sensitive assets and liabilities existing at the beginning of a period remains constant over the period being measured and assumes that a particular change in interest rates is reflected uniformly across the yield curve regardless of the duration or repricing of specific assets and liabilities. Accordingly, although the NPV table provides an indication of our interest rate risk exposure at a particular point in time, such measurements are not intended to and do not provide a precise forecast of the effect of changes in market interest rates on our net interest income, and will differ from actual results.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements identified in Item 15(a)(1) hereof are included as Exhibit 13 and are incorporated hereunder.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The required disclosure is incorporated by reference to the BCB Bancorp, Inc. Proxy Statement for the 2013 Annual Meeting of Stockholders.

ITEM 9A. (T) CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2012 (the "Evaluation Date"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, our disclosure controls and procedures were effective in timely alerting them to the material information relating to us (or our consolidated subsidiaries) required to be included in our periodic SEC filings.

(b) Management's Annual Report on Internal Control over Financial Reporting.

Management of BCB Bancorp, Inc., and subsidiaries (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's system of internal control is designed under the supervision of management, including our Chief Executive Officer and Chief Financial Officer, to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of the Company's consolidated financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with GAAP, and that receipts and expenditures are made only in accordance with the authorization of management and the Board of Directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on our consolidated financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections on any evaluation of effectiveness to future periods are subject to the risk that the controls may become inadequate because of changes in conditions or that the degree of compliance with policies and procedures may deteriorate.

As of December 31, 2012, management assessed the effectiveness of the Company's internal control over financial reporting based upon the framework established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based upon its assessment, management believes that the Company's internal control over financial reporting as of December 31, 2012 is effective using these criteria.

(c) Changes in Internal Controls over Financial Reporting.

There were no significant changes made in our internal controls during the fourth quarter of 2012 or, to our knowledge, in other factors that has materially affected or is reasonably likely to materially affect, the Company's internal control over financial reporting.

See the Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The Company has adopted a Code of Ethics that applies to the Company's chief executive officer, chief financial officer or, controller or persons performing similar functions. The Code of Ethics is available for free by writing to: President and Chief Executive Officer, BCB Bancorp, Inc., 104-110 Avenue C, Bayonne, New Jersey 07002. The Code of Ethics was filed as an exhibit to the Form 10-K for the year ended December 31, 2004.

The "Proposal I—Election of Directors" section of the Company's definitive Proxy Statement for the Company's 2013 Annual Meeting of Stockholders (the "2013 Proxy Statement") is incorporated herein by reference in response to the disclosure requirements of Items 401, 405, 406, 407(d)(4) and 407(d)(5) of Regulation S-K.

The information concerning directors and executive officers of the Company under the caption "Proposal I-Election of Directors" and information under the captions "Section 16(a) Beneficial Ownership Compliance" and "The Audit Committee" of the 2013 Proxy Statement is incorporated herein by reference.

There have been no changes during the last year in the procedures by which security holders may recommend nominees to the Company's board of directors.

ITEM 11. EXECUTIVE COMPENSATION

The "Executive Compensation" section of the Company's 2013 Proxy Statement is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The "Proposal I—Election of Directors" section of the Company's 2013 Proxy Statement is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The "Transactions with Certain Related Persons" section and "Proposal I-Election of Directors—Board Independence" of the Company's 2013 Proxy Statement is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by Item 14 is incorporated by reference to the Company's Proxy Statement for the 2013 Annual Meeting of Stockholders, "Proposal II-Ratification of the Appointment of Independent Auditors—Fees Paid to ParenteBeard LLC."

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements

The exhibits and financial statement schedules filed as a part of this Form 10-K are as follows:

(A) Report of Independent Registered Public Accounting Firm

(B) Consolidated Statements of Financial Condition as of December 31, 2012 and 2011

(C) Consolidated Statements of Operations for each of the Years in the Three-Year period ended December 31, 2012

(D) Consolidated Statements of Comprehensive Income (Loss) for each of the Years in the Three-Year period ended December 31, 2012

(E) Consolidated Statements of Changes in Stockholders' Equity for each of the Years in the Three-Year period ended December 31, 2012

(F) Consolidated Statements of Cash Flows for each of the Years in the Three-Year period ended December 31, 2012

(G) Notes to Consolidated Financial Statements

(a)(2) Financial Statement Schedules

All schedules are omitted because they are not required or applicable, or the required information is shown in the consolidated statements or the notes thereto.

(b) Exhibits

3.1	Certificate of Incorporation of BCB Bancorp, Inc. (1)
3.2	Bylaws of BCB Bancorp, Inc. (2)
3.3	Specimen Stock Certificate (3)
10.1	BCB Community Bank 2002 Stock Option Plan (4)
10.2	BCB Community Bank 2003 Stock Option Plan (5)
10.3	Amendment to 2002 and 2003 Stock Option Plans (6)
10.4	2005 Director Deferred Compensation Plan (7)
10.5	Employment Agreement with Donald Mindiak (8)
10.6	Employment Agreement with Thomas M. Coughlin (9)
10.7	Employment Agreement with Kenneth Walter (10)
10.8	Executive Agreement with Donald Mindiak (11)
10.9	Executive Agreement with Thomas M. Coughlin (12)
10.10	Executive Agreement with Kenneth Walter (13)
10.11	Consulting Agreement with Dr. August Pellegrini, Jr. (14)
10.12	Consulting Agreement with James E. Collins (15)
10.13	BCB Bancorp, Inc. 2011 Stock Option Plan (16)
10.14	Employment Agreement with Amer Saleem
10.15	Executive Agreement with Amer Saleem
13	Consolidated Financial Statements
14	Code of Ethics (17)
21	Subsidiaries of the Company
23	Consent of Independent Registered Public Accounting Firm
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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(1) Incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1, as amended, (Commission File Number 333-128214) originally filed with the Securities and Exchange Commission on September 9, 2005.

(2) Incorporated by reference to Exhibit 3 to the Form 8-K filed with the Securities and Exchange Commission on October 12, 2007.

(3) Incorporated by reference to Exhibit 4 to the Form 8-K-12g3 filed with the Securities and Exchange Commission on May 1, 2003.

(4) Incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on January 26, 2004.

(5) Incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on January 26, 2004.

(6) Incorporated by reference to Exhibit 10.14 to the Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 16, 2006.

(7) Incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-1, as amended, (Commission File Number 333-128214) originally filed with the Securities and Exchange Commission on September 9, 2005.

(8) Incorporated by reference to Exhibit 10.1 to the Form 8-K filed with the Securities and Exchange Commission on July 30, 2012.

(9) Incorporated by reference to Exhibit 10.2 to the Form 8-K filed with the Securities and Exchange Commission on July 30, 2012.

(10) Incorporated by reference to Exhibit 10.3 to the Form 8-K filed with the Securities and Exchange Commission on July 8, 2010.

(11) Incorporated by reference to Exhibit 10.4 to the Form 8-K filed with the Securities and Exchange Commission on December 15, 2008.

(12) Incorporated by reference to Exhibit 10.5 to the Form 8-K filed with the Securities and Exchange Commission on December 15, 2008.

(13) Incorporated by reference to Exhibit 10.4 to the Form 8-K filed with the Securities and Exchange Commission on July 8, 2010.

(14) Incorporated by reference to Exhibit 10.7 to the Form 8-K filed with the Securities and Exchange Commission on July 8, 2010.

(15) Incorporated by reference to Exhibit 10.2 to the Form 8-K filed with the Securities and Exchange Commission on September 1, 2010.

(16) Incorporated by reference to Appendix A to the proxy statement for the Company's Annual Meeting of Shareholders (File No. 000-50275), filed by the Company with the Securities and Exchange Commission on Schedule 14A on March 28, 2011.

(17) Incorporated by reference to Exhibit 14 to the Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 26, 2004.

Signatures

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BCB BANCORP, INC.

Date: March 18, 2013

By: Donald Mindiak
Donald Mindiak
President and Chief Executive Officer
(Duly Authorized Representative)

Pursuant to the requirements of the Securities Exchange of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
/s/ Donald Mindiak Donald Mindiak	President, Chief Executive Officer, and Director	March 18, 2013
/s/ Kenneth D. Walter Kenneth D. Walter	Chief Financial Officer and Director	March 18, 2013
/s/ Mark D. Hogan Mark D. Hogan	Chairman of the Board	March 18, 2013
/s/ Robert Ballance Robert Ballance	Director	March 18, 2013
/s/ Judith Q. Bielan Judith Q. Bielan	Director	March 18, 2013
/s/ Joseph J. Brogan Joseph J. Brogan	Director	March 18, 2013
/s/ James. E. Collins James. E. Collins	Director	March 18, 2013
/s/ Thomas Coughlin Thomas Coughlin	Chief Operating Officer and Director	March 18, 2013
/s/ Robert A. Hughes Robert A. Hughes	Director	March 18, 2013
/s/ Joseph Lyga Joseph Lyga	Director	March 18, 2013
/s/ Alexander Pasiechnik Alexander Pasiechnik	Director	March 18, 2013
/s/ Spencer B. Robbins Spencer B. Robbins	Director	March 18, 2013
/s/ Gary S. Stetz Gary S. Stetz	Director	March 18, 2013

EXHIBIT 13

CONSOLIDATED FINANCIAL STATEMENTS

BCB Bancorp, Inc. and Subsidiaries

Consolidated Financial Report

December 31, 2012

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
BCB Bancorp, Inc.
Bayonne, New Jersey

We have audited the accompanying consolidated statements of financial condition of BCB Bancorp, Inc. and Subsidiaries (collectively the "Company") as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of BCB Bancorp, Inc. and Subsidiaries as of December 31, 2012 and 2011, and the consolidated results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2012, based on the criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 18, 2013, expressed an unqualified opinion thereon.

/s/ Parente Beard LLC

Clark, New Jersey
March 18, 2013

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
BCB Bancorp, Inc.
Bayonne, New Jersey

We have audited BCB Bancorp, Inc.'s (the "Company") internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). BCB Bancorp, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report on Management's Assessment of Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial condition and the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows of the Company, and our report dated March 18, 2013 expressed an unqualified opinion.

/s/ Parente Beard LLC

ParenteBeard LLC
Clark, New Jersey
March 18, 2013

Consolidated Statements of Financial Condition

	December 31,	
	2012	2011
	(In Thousands, Except For Per Share Data)	
ASSETS		
Cash and amounts due from depository institutions	**$ 6,242**	$ 8,692
Interest-earning deposits	**28,891**	108,395
Total cash and cash equivalents	**35,133**	117,087
Securities available for sale	**1,240**	1,045
Securities held to maturity, fair value $171,603 and $213,903; respectively	**164,648**	206,965
Loans held for sale	**1,602**	5,856
Loans receivable, net of allowance for loan losses of $12,363 and $10,509; respectively	**922,301**	840,763
Premises and equipment	**13,568**	13,576
Federal Home Loan Bank of New York stock	**7,698**	7,498
Interest receivable	**4,063**	4,997
Other real estate owned	**3,274**	6,570
Deferred income taxes	**10,053**	9,940
Other assets	**7,778**	2,611
Total Assets	**$ 1,171,358**	$ 1,216,908
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Non-interest bearing deposits	**$ 85,950**	$ 78,589
Interest bearing deposits	**854,836**	899,034
Total deposits	**940,786**	977,623
Short-term Debt	**17,000**	—
Long-term Debt	**114,124**	129,531
Other Liabilities	**7,867**	9,706
Total Liabilities	**1,079,777**	1,116,860
STOCKHOLDERS' EQUITY		
Preferred stock: $0.01 per value, 10,000,000 shares authorized, issued and outstanding 865 shares of series A 6% noncumulative perpetual preferred stock (liquidation preference value $10,000 per share) at December 31, 2012 and none at December 31, 2011	**—**	—
Additional paid-in capital preferred stock	**8,570**	—
Common stock; $0.064 stated value; 20,000,000 shares authorized, 10,841,079 and 10,817,901 shares, respectively, issued; 8,496,508 shares and 9,520,056 shares, respectively outstanding	**694**	692
Additional paid-in capital common stock	**91,846**	91,715
Treasury stock, at cost, 2,344,571 and 1,297,845 shares, respectively	**(27,177)**	(16,327)
Retained earnings	**18,883**	25,255
Accumulated other comprehensive loss, net of taxes	**(1,235)**	(1,287)
Total Stockholders' Equity	**91,581**	100,048
Total Liabilities and Stockholders' Equity	**$ 1,171,358**	$ 1,216,908

See accompanying notes to consolidated financial statements.

Consolidated Statements of Operations

	Years Ended December 31,		
	2012	2011	2010
	(In Thousands, Except for Per Share Data)		
Interest income:			
Loans	**$ 47,756**	$ 45,023	$ 34,502
Investments, taxable	**5,730**	7,720	5,457
Investments, non-taxable	**49**	49	24
Other interest-earning assets	**112**	87	117
Total interest income	**53,647**	52,879	40,100
Interest expense:			
Deposits:			
Demand	**564**	849	938
Savings and club	**477**	1,020	1,304
Certificates of deposit	**5,849**	6,421	6,220
	6,890	8,290	8,462
Borrowed money	**5,057**	5,007	5,206
Total interest expense	**11,947**	13,297	13,668
Net interest income	**41,700**	39,582	26,432
Provision for loan losses	**4,900**	4,100	2,450
Net interest income after provision for loan losses	**36,800**	35,482	23,982
Non-interest income (loss):			
Fees and service charges	**1,595**	846	907
Gain on sales of loans originated for sale	**1,220**	887	295
Gain on sale of SBA loans acquired	**286**	—	
Loss on bulk sale of impaired loans held in portfolio	**(10,804)**	—	
Loss on sale of property held for sale	—	(124)	—
Loss on write-down of fixed assets	—	(592)	—
Gain on sale of securities held to maturity	**349**	18	—
Gain on bargain purchase	—	1,162	12,582
Other	**129**	251	423
Total non-interest (loss) income	**(7,225)**	2,448	14,207
Non-interest expense:			
Salaries and employee benefits	**15,017**	12,680	10,785
Occupancy expense of premises	**3,558**	3,039	1,932
Equipment	**4,907**	4,301	3,293
Professional fees	**2,490**	1,287	780
Director fees	**728**	689	553
Regulatory assessments	**1,172**	1,181	1,204
Advertising	**484**	399	336
Merger related expenses	—	538	644
Other real estate owned	**1,936**	1,204	345
Other	**3,597**	3,188	2,486
Total non-interest expense	**33,889**	28,506	22,358
Income (loss) before income tax (benefit) provision	**(4,314)**	9,424	15,831
Income tax (benefit) provision	**(2,252)**	3,373	1,505
Net Income (loss)	**$ (2,062)**	$ 6,051	$ 14,326
Preferred stock dividends	—	—	—
Net Income (loss) available to common stockholders	**$ (2,062)**	$ 6,051	$ 14,326
Net Income (loss) per common share-basic and diluted			
Basic	**$ (0.23)**	$ 0.64	$ 2.06
Diluted	**$ (0.23)**	$ 0.64	$ 2.05
Weighted average number of common shares outstanding			
Basic	**8,943**	9,417	6,968
Diluted	**8,943**	9,433	6,983

See accompanying notes to consolidated financial statements.

BCB Bancorp, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income (Loss)

	Years Ended December 31,		
	2012	2011	2010
		(In Thousands)	
Net Income (Loss)	**$ (2,062)**	$ 6,051	$ 14,326
Other comprehensive income (loss):			
Unrealized holding gains (losses) on securities available for sale arising during the period			
Unrealized holding (losses) gains arising during the period	**195**	(52)	(21)
Less: reclassification adjustment for (gains) losses included in net income (loss)	**—**	—	—
Benefit plans	**(107)**	(2,129)	7
	88	(2,181)	(14)
Income tax effect	**(36)**	889	6
	52	(1,292)	(8)
Comprehensive income (loss)	**$ (2,010)**	$ 4,759	$ 14,318

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Stockholders' Equity

	Preferred Stock	Common Stock	Paid In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	(Dollars in Thousands, except per share amounts)						
Balance at December 31, 2009	**$ —**	**$ 332**	**$ 46,926**	**$ (8,719)**	**$ 12,839**	**13**	**51,391**
Common Stock issued for the acquisition of Pamrapo Bancorp, Inc. (4,935,495 shares, including 30,000 shares transferred to treasury)	—	316	38,329	(235)	—	—	38,410
Exercise of Stock Options (13,677 shares)	—	1	72	—	—		73
Treasury Stock Purchases (193,383 shares)	—	—	—	(1,806)	—	—	(1,806)
Cash dividend ($0.48 per share) declared	—	—	—	—	(3,412)	—	(3,412)
Net income	—	—	—	—	14,326	—	14,326
Other comprehensive loss						(8)	(8)
Balance at December 31, 2010	**—**	**649**	**85,327**	**(10,760)**	**23,753**	**5**	**98,974**
Common stock issued for the acquisition of Allegiance Community Bank (issued 644,434 shares)	—	41	6,126	—	—	—	6,167
Exercise of Stock Options (28,637 shares)	—	2	235	—	—	—	237
Stock compensation expense	—	—	12	—	—	—	12
Tax benefit on stock compensation	—	—	15	—	—	—	15
Treasury Stock Purchases (536,710 shares)	—	—	—	(5,567)	—	—	(5,567)
Cash dividends ($0.48 per share) declared	—	—	—	—	(4,549)	—	(4,549)
Net income	—	—	—	—	6,051	—	6,051
Other comprehensive loss						(1,292)	(1,292)
Balance at December 31, 2011	**—**	**692**	**91,715**	**(16,327)**	**25,255**	**(1,287)**	**100,048**
Proceeds from issuance of series A stock, net of issuance costs of $80			8,570				8,570
Exercise of Stock Options (29,661 shares)	—	2	107	—	—	—	109
Stock compensation expense	—	—	24	—	—	—	24
Treasury Stock Purchases (1,046,726 shares)	—	—	—	(10,850)	—	—	(10,850)
Cash dividends ($0.48 per share) declared	—	—	—	—	(4,310)	—	(4,310)
Net Loss	—	—	—	—	(2,062)	—	(2,062)
Other comprehensive income	—	—	—	—	—	52	52
Balance at December 31, 2012	$ —	**$ 694**	**$ 100,416**	**$ (27,177)**	**$ 18,883**	**$ (1,235)**	**$ 91,581**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

	Years Ended December 31,		
	2012	2011	2010
Cash flows from Operating Activities :		**(In Thousands)**	
Net income (loss)	**$ (2,062)**	$ 6,051	$ 14,326
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation of premises and equipment	**1,143**	1,055	642
Amortization and accretion, net	**1,453**	1,306	1,877
Provision for loan losses	**4,900**	4,100	2,450
Deferred income tax benefit	**(149)**	(1,845)	(341)
Loans originated for sale	**(30,137)**	(31,950)	(26,142)
Proceeds from sale of loans originated for sale	**32,724**	30,884	19,433
Gain on sales of loans originated for sale	**(1,220)**	(887)	(295)
Loss on sales of other real estated owned	**681**	498	345
Loss on donated other real estate owned property	**128**	—	—
Loss on sale of property held for investment	**—**	124	—
Loss on leasehold improvements on branch closing	**—**	592	—
Write down of other real estate owned	**965**	510	—
Gain on bargain purchase	**—**	(1,162)	(12,582)
Gain on sales of securities held to maturity	**(349)**	(18)	—
Gain on sales of SBA loans acquired	**(286)**	—	—
Loss on bulk sale of impaired loans held in portfolio	**10,804**	—	—
Stock compensation expense	**24**	12	—
Decrease in interest receivable	**934**	649	501
(Increase) decrease in other assets	**(5,167)**	5,227	(1,207)
(Decrease) increase in accrued interest payable	**(24)**	26	(239)
(Decrease) in other liabilities	**(1,922)**	(937)	(1,159)
Net Cash Provided by (Used In) Operating Activities	**12,440**	14,235	(2,391)
Cash flows from Investing Activities:			
Proceeds from repayments, calls, and maturities on securities held to maturity	**67,489**	85,089	156,757
Purchases of securities held to maturity	**(57,331)**	(95,537)	(104,997)
Proceeds from sales of securities held to maturity	**30,584**	2,438	—
Proceeds from sales of SBA loans acquired	**10,836**	—	—
Proceeds from sales of participation interests in loans	**—**	4,777	1,708
Proceeds from sales of other real estate owned	**4,223**	2,722	1,260
Proceeds from bulk sale of impaired loans held in portfolio	**15,093**	—	—
Proceeds from sale of property held for investment	**—**	511	—
Purchases of loans	**(31,064)**	(2,292)	—
Net (increase) decrease in loans receivable	**(91,105)**	10,325	39,551
Improvements to other real estate owned	**(59)**	(113)	(32)
Additions to premises and equipment	**(1,135)**	(2,246)	(704)
Purchase of Federal Home Loan Bank of New York stock	**(833)**	—	—
Redemption of Federal Home Loan Bank of New York stock	**633**	44	1,869
Cash acquired in acquisition	**—**	5,901	22,979
Net Cash (Used In) Provided by Investing Activities	**(52,669)**	11,619	118,391
Cash flows from Financing Activities:			
Net decrease in deposits	**(36,837)**	(20,030)	(13,260)
Repayment of long-term debt	**(15,407)**	—	(43,815)
Net change in short term debt	**17,000**	—	—
Purchase of treasury stock	**(10,850)**	(5,567)	(1,806)
Cash dividends paid	**(4,310)**	(4,549)	(3,412)
Net proceeds from issuance of common stock	**109**	237	73
Net proceeds from issuance of preferred stock	**8,570**	—	—
Tax benefit from exercise of stock options	**—**	15	—
Net Cash (Used In) Financing Activities	**(41,725)**	(29,894)	(62,220)
Net (Decrease) Increase in Cash and Cash Equivalents	**(81,954)**	(4,040)	53,780
Cash and Cash Equivalents-Begininng	**117,087**	121,127	67,347
Cash and Cash Equivalents-Ending	**$ 35,133**	$ 117,087	$ 121,127

Supplementary Cash Flow Information						
Cash paid during the year for:						
Income taxes	**$**	**3,979**	$	4,549	$	2,252
Interest	**$**	**11,971**	$	13,271	$	13,907
Non-cash items:						
Transfer of loans to other real estate owned	**$**	**4,463**	$	7,145	$	6,887
Loans to facilitate sales of other real estate owned	**$**	**1,821**	$	942	$	3,771
Reclassification of loans originated for sale to held to maturity	**$**	**2,887**	$	1,669	$	5,707
Reclassification of property held for sale to real estate owned	**$**	**—**	$	382	$	—
Acquisition of noncash assets and liabilities						
Assets acquired	**$**	**—**	$	129,235	$	514,523
Liabilities assumed	**$**	**—**	$	127,807	$	486,275

Note 1 - Organization and Stock Offerings

BCB Bancorp, Inc. (the "Company") is incorporated in the State of New Jersey and is a bank holding company. The common stock of the Company is listed on the Nasdaq Electronic Bulletin Board and trades under the symbol "BCBP."

On December 20, 2012, the Company amended its Restated Certificate of Incorporation to include a new Article V, Part (C) which establishes a Series A 6% Noncumulative Perpetual Preferred Stock and sets forth the number of shares to be included in such series, and to fix the designation, powers, preferences, and rights of the shares of each such series and any qualifications, limitations or restrictions thereof. Such amendment to the Restated Certificate of Incorporation was approved by the directors of BCB Bancorp, Inc. on October 10, 2012.

On December 31, 2012, the Company closed a private placement of Series A Noncumulative Perpetual Preferred Stock, resulting in the issuance of 865 shares of Series A 6% Non-Cumulative Perpetual Preferred Shares for gross proceeds of $8.65 million. The costs associated with the private placement were approximately $80,000. The shares issued are callable by the Company after December 31, 2015, at $10,000 per share (liquidation preference value). There is no ability to convert the preferred shares to common shares. Dividends on the preferred shares, if and when declared, will be paid quarterly in arrears.

On November 20, 2007, the Company announced a stock repurchase plan which provided for the repurchase of 5% or 234,002 shares of the Company's common stock. This plan was completed during 2010. On July 14, 2010, the Company announced a stock repurchase plan to repurchase 5% or 479,965 shares of the Company's common stock. This plan was completed during 2010. On December 20, 2010, the Company entered into an agreement with a broker to administer a Rule 10b5-1 trading plan on behalf of the Company. The Rule 10b5-1 trading plan will permit the broker to purchase up to 450,000 shares of Company common stock at designated prices during periods when the Company would otherwise be unable to purchase its common stock. The Board authorized the Rule 10b5-1 trading plan on December 16, 2010. On December 14, 2011, the Company announced a stock repurchase plan to repurchase 5% or 462,225 shares of the Company's common stock. This plan was completed during 2012. On May 9, 2012, the Company announced a stock repurchase plan to repurchase 5% or 462,800 shares of the Company's common stock. This plan was completed during 2012. On June 28, 2012, the Company announced a stock repurchase plan to repurchase 5% or 440,000 shares of the Company's common stock. During 2012, 2011 and 2010, a total of 1,046,726, 536,710 and 193,383 shares of the Company's common stock was repurchased under these plans at a cost of approximately $10.9 million, $5.6 million and $1.8 million or $10.37, $10.37 and $9.34 per share, respectively.

The Company's primary business is the ownership and operation of BCB Community Bank (the "Bank"). The Bank is a New Jersey commercial bank which, as of December 31, 2012, operated at eleven locations in Bayonne, Hoboken, Jersey City, Monroe Township, South Orange, and Woodbridge New Jersey, and is subject to regulation, supervision, and examination by the New Jersey Department of Banking and Insurance and the Federal Deposit Insurance Corporation. The Bank is principally engaged in the business of attracting deposits from the general public and using these deposits, together with borrowed funds, to invest in securities and to make loans collateralized by residential and commercial real estate and, to a lesser extent, consumer loans. BCB Holding Company Investment Corp. (the "New Jersey Investment Company") was organized in January 2005 under New Jersey law as a New Jersey investment company primarily to hold investment and mortgage-backed securities. Pamrapo Service Corporation was organized in 1975 under New Jersey law to engage in the purchase and sale of real estate. In the 1990's, the Service Corporation was engaged in the business of selling non-financial products, (annuities, mutual funds and stocks) to the public. The Pamrapo Service Corporation has been inactive since May 2010. BCB New York Management, Inc. (the "New York Management Company") was organized in October 2012 under New York law as a New York investment company primarily to hold various loan products, investment and mortgage-backed securities. BCB New York Management, Inc. was inactive in 2012.

On July 6, 2010, the Company acquired all of the outstanding common shares of Pamrapo Bancorp, Inc. ("Pamrapo"), the parent company of Pamrapo Savings Bank, and thereby acquired all of Pamrapo Savings Bank's 10 branch locations. Under the terms of the merger agreement, Pamrapo stockholders received 1.0 share of BCB Bancorp, Inc. common stock in exchange for each share of Pamrapo common stock, resulting in the Company issuing 4.9 million common shares of BCB Bancorp, Inc. common stock with an acquisition date fair value of $38.6 million. See Note 19 for further details.

On October 14, 2011, the Company acquired all of the outstanding common shares of Allegiance Community Bank ("Allegiance") and thereby acquired all of Allegiance Community Bank's two branch locations. Under the terms of the merger agreement, Allegiance stockholders received 0.35 of a share of BCB Bancorp, Inc. common stock at a price of $9.57 per share in exchange for each share of Allegiance common stock, resulting in BCB Bancorp, Inc. issuing 644,434 common shares of BCB Bancorp, Inc. common stock with an acquisition date fair value of $6.2 million. See Note 19 for further details.

Note 2 - Summary of Significant Accounting Policies

Basis of Consolidated Financial Statement Presentation

The consolidated financial statements which include the accounts of the Company and its wholly-owned subsidiaries, the Bank, the Investment Company and Pamrapo Service Corporation, have been prepared in conformity with accounting principles generally accepted in the United States of America. All significant intercompany accounts and transactions have been eliminated in consolidation.

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated statement of financial condition and revenues and expenses for the periods then ended. Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for loan losses, the identification of other-than-temporary impairment of securities, the determination as to whether deferred tax assets are realizable, and the determination of the fair value of financial instruments. Management believes that the allowance for loan losses is adequate; no securities in unrealized loss positions are other-than-temporarily impaired; net deferred tax assets have been reduced to an amount which is more-likely-than-not realizable, and the fair values of financial instruments are appropriate. While management uses available information to recognize losses on loans, future additions to the allowance for loan losses may be necessary based on changes in economic conditions in the market area. Management’s assessment regarding impairment of securities is based on future projections of cash flow which are subject to change. The realizability of deferred tax assets is partially based on projections of future taxable income, which is subject to change. The determination of fair value requires the use of various inputs which are subject to frequent and ongoing changes.

In addition, various regulatory agencies, as an integral part of their examination process, periodically review the Bank’s allowance for loan losses. Such agencies may require the Bank to recognize additions to the allowance based on their judgments about information available to them at the time of their examination.

In preparing these consolidated financial statements, the Company evaluated the events that occurred between December 31, 2012 and the date these consolidated financial statements were issued.

Cash and Cash Equivalents

Cash and cash equivalents include cash and amounts due from depository institutions and interest-bearing deposits in other banks having original maturities of three months or less.

Securities Available for Sale and Held to Maturity

Investments in debt securities that the Company has the positive intent and ability to hold to maturity are classified as held to maturity securities and reported at amortized cost. Debt and equity securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and reported at fair value, with unrealized holding gains and losses included in earnings. Debt and equity securities not classified as trading securities or as held to maturity securities are classified as available for sale securities (“AFS”) and reported at fair value, with unrealized holding gains or losses, net of applicable deferred income taxes, reported in the accumulated other comprehensive income (loss) component of stockholders’ equity.

If the fair value of a security is less than its amortized cost, the security is deemed to be impaired. Management evaluates all securities with unrealized losses quarterly to determine if such impairments are “temporary” or “other-than-temporary” in accordance with Accounting Standards Codification (“ASC”) Topic 320, *Investments – Debt and Equity Securities.* Accordingly, temporary impairments are accounted for based upon the classification of the related securities as either available for sale or held to maturity. Temporary impairments on available for sale securities are recognized, on a tax-effected basis, through Other Comprehensive Income (“OCI”) with offsetting entries adjusting the carrying value of the securities and the balance of deferred taxes. Conversely, the carrying values of held to maturity securities are not adjusted for temporary impairments. Information concerning the amount and duration of temporary impairments on both available for sale and held to maturity securities is disclosed in the notes to the consolidated financial statements.

Other-than-temporary impairments are accounted for based upon several considerations. First, other-than-temporary impairments on equity securities and on debt securities that the Company has decided to sell as of the close of a fiscal period, or will, more likely than not, be required to sell prior to the full recovery of fair value to a level equal to or exceeding amortized cost, are recognized in earnings. If neither of these conditions regarding the likelihood of the sale of debt securities are applicable, then the other-than-temporary impairment is bifurcated into credit-related and noncredit-related components. A credit-related impairment generally represents the amount by which the present value of the cash flows that are expected to be collected on a debt security fall below its amortized cost. The noncredit-related component represents the remaining portion of the impairment not otherwise designated as credit-related. Credit-related, other-than-temporary impairments are recognized in earnings and noncredit-related, other-than-temporary impairments are recognized in OCI. Equity securities on which there is an unrealized loss that is deemed other-than-temporary are written down to fair value with the write-down recognized in earnings.

Premiums and discounts on all securities are amortized/accreted to maturity using the interest method. Interest and dividend income on securities, which includes amortization of premiums and accretion of discounts, are recognized in the consolidated financial statements when earned. Gains or losses on sales are recognized based on the specific identification method.

Loans Held For Sale

Loans held for sale consist primarily of residential mortgage loans intended for sale and are carried at the lower of cost or estimated fair market value using the aggregate method. These loans are generally sold with servicing rights released. Gains and losses recognized on loan sales are based upon the cash proceeds received and the cost of the related loans sold.

Note 2 – Summary of Significant Accounting Policies (Continued)

Loans Receivable

Loans receivable are stated at unpaid principal balances, less net deferred loan origination fees and the allowance for loan losses. Loan origination fees and certain direct loan origination costs are deferred and amortized/accreted, as an adjustment of yield, over the contractual lives of the related loans.

The accrual of interest on loans that are contractually delinquent more than ninety days is discontinued and the related loans placed on nonaccrual status. Income is subsequently recognized only to the extent that cash payments are received until delinquency status is reduced to less than ninety days, in which case the loan is returned to accrual status.

Acquired Loans

Loans that were acquired in acquisitions are recorded at fair value with no carryover of the related allowance for credit losses. Determining the fair value of the loans involves estimating the amount and timing of principal and interest cash flows expected to be collected on the loans and discounting those cash flows at a market rate of interest.

The excess of cash flows expected at acquisition over the estimated fair value is referred to as the accretable discount and is recognized into interest income over the remaining life of the loan. The difference between contractually required payments at acquisition and the cash flows expected to be collected at acquisition is referred to as the nonaccretable discount. The nonaccretable discount represents estimated future credit losses expected to be incurred over the life of the loan. Subsequent decreases to the expected cash flows require an evaluation to determine the need for an allowance for credit losses. Subsequent improvements in expected cash flows result in the reversal of a corresponding amount of the nonaccretable discount which is then reclassified as accretable discount that is recognized into interest income over the remaining life of the loan using the interest method. The evaluation of the amount of future cash flows that is expected to be collected is performed in a similar manner as that used to determine our allowance for credit losses. Charge-offs of the principal amount on acquired loans would be first applied to the nonaccretable discount portion of the fair value adjustment.

Acquired loans that met the criteria for nonaccrual of interest prior to the acquisition may be considered performing upon acquisition, regardless of whether the customer is contractually delinquent, if we can reasonably estimate the timing and amount of the expected cash flows on such loans and if we expect to fully collect the new carrying value of the loans. As such, we may no longer consider the loan to be nonaccrual or nonperforming and may accrue interest on these loans, including the impact of any accretable discount. We have determined that we cannot reasonably estimate future cash flows on any such acquired loans that are past due 90 days or more and continue to treat them as non-accrual.

Allowance for Loan Losses

The allowance for loan losses is increased through provisions charged to operations and by recoveries, if any, on previously charged-off loans and reduced by charge-offs on loans which are determined to be a loss in accordance with Bank policy.

The allowance for loan losses is maintained at a level considered adequate to absorb loan losses. Management, in determining the allowance for loan losses, considers the risks inherent in its loan portfolio and changes in the nature and volume of its loan activities, along with the general economic and real estate market conditions. The Bank utilizes a two tier approach: (1) identification of impaired loans and establishment of specific loss allowances on such loans; and (2) establishment of general valuation allowances on the remainder of its loan portfolio. The Bank maintains a loan review system which allows for a periodic review of its loan portfolio and the early identification of potentially impaired loans. Such a system takes into consideration, but is not limited to, delinquency status, size of loans, types and value of collateral, and financial condition of the borrowers. Specific loan loss allowances are established for impaired loans based on a review of such information and/or appraisals of the underlying collateral. General loan loss allowances are based upon a combination of factors including, but not limited to, actual loan loss experience, composition of the loan portfolio, current economic conditions, and management's judgment.

Although management believes that adequate specific and general allowances for loan losses are established, actual losses are dependent upon future events and, as such, further additions to the level of specific and general loan loss allowances may be necessary.

Impaired loans are measured based on the present value of expected future cash flows discounted at the loan's effective interest rate, or as a practical expedient, at the loan's observable market price or the fair value of the collateral if the loan is collateral dependent. A loan evaluated for impairment is deemed to be impaired when, based on current information and events, it is probable that the Bank will be unable to collect all amounts due according to the contractual terms of the loan agreement. All loans identified as impaired are evaluated independently. The Bank does not aggregate such loans for evaluation purposes. Payments received on impaired loans are applied first to accrued interest receivable and then to principal.

Concentration of Risk

Financial instruments which potentially subject the Company and its subsidiaries to concentrations of credit risk consist of cash and cash equivalents, investment and mortgage-backed securities and loans.

Cash and cash equivalents include amounts placed with highly rated financial institutions. Securities include securities backed by the U.S. Government and other highly rated instruments. The Bank's lending activity is primarily concentrated in loans collateralized by real estate in the State of New Jersey. As a result, credit risk related to loans is broadly dependent on the real estate market and general economic conditions in the State.

Note 2 – Summary of Significant Accounting Policies (Continued)

Premises and Equipment

Land is carried at cost. Buildings, building improvements, leasehold improvements and furniture, fixtures and equipment are carried at cost, less accumulated depreciation and amortization. Significant renovations and additions are charged to the property and equipment account. Maintenance and repairs are charged to expense in the period incurred. Depreciation charges are computed on the straight-line method over the following estimated useful lives of each type of asset.

	Years
Buildings	40
Building improvements	7 - 40
Furniture, fixtures and equipment	3 - 5
Leasehold improvements	Shorter of useful life or term of lease

Federal Home Loan Bank ("FHLB") of New York Stock

Federal law requires a member institution of the FHLB system to hold stock of its district FHLB according to a predetermined formula. Such stock is carried at cost.

Management evaluates the FHLB of New York stock for impairment in accordance with guidance on accounting by entities that lend to or finance the activities of others. Management's determination of whether this investment is impaired is based on their assessment of the ultimate recoverability of their cost rather than by recognizing temporary declines in value. The determination of whether a decline affects the ultimate recoverability of their cost is influenced by criteria such as (1) the significance of the decline in net assets of the FHLB of New York as compared to the capital stock amount for the FHLB of New York and the length of time this situation has persisted, (2) commitments by the FHLB of New York to make payments required by law or regulation and the level of such payments in relation to the operating performance of the FHLB of New York, and (3) the impact of legislative and regulatory changes on institutions and, accordingly, on the customer base of the FHLB of New York.

No impairment charges were recorded related to the FHLB of New York stock during 2012, 2011, or 2010.

Other Real Estate Owned

Assets acquired through, or in lieu of, loan foreclosures are held for sale and are initially recorded at fair value less cost to sell at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Costs relating to development and improvement of property are capitalized, whereas costs relating to the holding of property are expensed. At December 31, 2012, the Bank owned twelve properties totaling $3,274,000. At December 31, 2011, the Bank owned fifteen properties totaling $6,570,000.

Interest Rate Risk

The Bank is principally engaged in the business of attracting deposits from the general public and using these deposits, together with other funds, to make loans secured by real estate and to purchase securities. The potential for interest-rate risk exists as a result of the difference in duration of the Bank's interest-sensitive liabilities compared to its interest-sensitive assets. For this reason, management regularly monitors the maturity structure of the Bank's interest-earning assets and interest-bearing liabilities in order to measure its level of interest-rate risk and to plan for future volatility.

Income Taxes

The Company and its subsidiaries file a consolidated federal income tax return. Income taxes are allocated to the Company and its subsidiaries based upon their respective income or loss included in the consolidated income tax return. Separate state income tax returns are filed by the Company and its subsidiaries.

Federal and state income tax expense has been provided on the basis of reported income. The amounts reflected on the tax returns differ from these provisions due principally to temporary differences in the reporting of certain items for financial reporting and income tax reporting purposes. The tax effect of these temporary differences is accounted for as deferred taxes applicable to future periods. Deferred income tax expense or (benefit) is determined by recognizing deferred tax assets and liabilities for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. The realization of deferred tax assets is assessed and a valuation allowance provided, when necessary, for that portion of the asset which is not more likely than not to be realized.

Note 2 – Summary of Significant Accounting Policies (Continued)

The Company accounts for uncertainty in income taxes recognized in the consolidated financial statements in accordance with ASC Topic 740, *Income Taxes* , which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that has a likelihood of being realized on examination of more than 50 percent. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. Under the "more-likely-than-not" threshold guidelines, the Company believes no significant uncertain tax positions exist, either individually or in the aggregate, that would give rise to the non-recognition of an existing tax benefit. The Company recognizes interest and penalties on unrecognized tax benefits in income taxes expense in the Consolidated Statement of Operations. The Company did not recognize any interest in 2011, however the Company did recognize $11,000 for penalties assessed during an audit of prior periods. The Company did not recognize any interest and penalties for the years ended December 31, 2012 and 2010. The tax years subject to examination by the taxing authorities are the years ended December 31, 2011, 2010, and 2009.

Net Income (Loss) per Common Share

Basic net income (loss) per common share is computed by dividing net income (loss) less dividends on preferred stock by the weighted average number of shares of common stock outstanding. The diluted net income (loss) per common share is computed by adjusting the weighted average number of shares of common stock outstanding to include the effects of outstanding stock options, if dilutive, using the treasury stock method. Dilution is not applicable in periods of net loss. For the years ended December 31, 2011 and 2010, the difference in the weighted average number of basic and diluted common shares was due solely to the effects of outstanding stock options. No adjustments to net income (loss) were necessary in calculating basic and diluted net income (loss) per share. For the years ended December 31, 2011 and 2010, the weighted average number of outstanding options considered to be anti-dilutive was 209,441, and 243,884.

Stock-Based Compensation Plans

The Company, under plans approved by its stockholders in 2011, 2003 and 2002, has granted stock options to employees and outside directors. See note 12 for additional information as to option grants. Compensation expense recognized for all option grants is net of estimated forfeitures and is recognized over the awards' respective requisite service periods. The fair values relating to all options granted are estimated using a Black-Scholes option pricing model. Expected volatilities are based on historical volatility of our stock and other factors, such as implied market volatility using this options expected term. The Company used the mid-point of the original vesting period and original option life to estimate the options' expected term, which represents the period of time that the options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The Company recognizes compensation expense for the fair values of these option awards, which have graded vesting, on a straight-line basis over the requisite service period of these awards.

Benefit Plans

The Company acquired through the merger with Pamrapo Bancorp, Inc. a non-contributory defined benefit pension plan covering all eligible employees of Pamrapo Savings Bank. Effective January 1, 2010, the defined benefit pension plan (the "Pension Plan"), was frozen by Pamrapo Savings Bank. All benefits for eligible participants accrued in the "Pension Plan" to the freeze date have been retained. The benefits are based on years of service and employee's compensation. The defined benefit plan is funded in conformity with funding requirements of applicable government regulations. Prior service costs for the defined benefit plan generally are amortized over the estimated remaining service periods of employees. Additionally, with the merger with Pamrapo Bancorp, Inc., certain former employees of Pamrapo Bank are covered under a Supplemental Executive Retirement Plan ("SERP"), an unfunded non-qualified deferred retirement plan. Participants who retire at the age of 65 (the "Normal Retirement Age"), are entitled to an annual retirement benefit equal to 75% of compensation reduced by their retirement plan annual benefits. Participants retiring before the Normal Retirement Age receive the same benefits reduced by a percentage based on years of service to the Company and the number of years prior to the Normal Retirement Age that participants retire.

Comprehensive Income (Loss)

The Company records unrealized gains and losses, net of deferred income taxes, on securities available for sale in accumulated other comprehensive income (loss). Realized gains and losses, if any, are reclassified to non-interest income upon sale of the related securities or upon the recognition of an impairment loss. Accumulated other comprehensive income (loss) also includes benefit plan amounts recognized in accordance with ASC 715, *Compensation-Retirement Benefits* , which reflect, net of tax, the unrecognized gains (losses) on the benefit plans.

Reclassification

Certain amounts as of and for the years ended December 31, 2011 and 2010 have been reclassified to conform to the current year's presentation. These changes had no effect on the Company's results of operations or financial position.

Note 2 – Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements

In February 2013, the FASB issued ASU 2013-02, Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income, to improve the transparency of reporting reclassifications out of accumulated other comprehensive income. The amendments in this ASU do not change the current requirements for reporting net income or other comprehensive income in financial statements. All of the information that this ASU requires already is required to be disclosed elsewhere in the consolidated financial statements under U.S. GAAP.

The new amendments will require an organization to present (either on the face of the statement where net income is presented or in the notes) the effects on the line items of net income of significant amounts reclassified out of accumulated other comprehensive income, but only if the item reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. The new amendments will also require an organization to present cross-reference to other disclosures currently required under U.S. GAAP for other reclassification items (that are not required under U.S. GAAP) to be reclassified directly to net income in their entirety in the same reporting period. This would be the case when a portion of the amount reclassified out of accumulated other comprehensive income is initially transferred to a balance sheet account (e.g. pension-related amounts) instead of directly to income or expense.

The amendments apply to all public and private companies that report items of other comprehensive income. Public companies are required to comply with these amendments for all reporting periods (interim and annual). Nonpublic company are required to meet the reporting requirements of the amended paragraphs about the roll forward of accumulated other comprehensive income for both interim and annual reporting periods. However, private companies are only required to provide the information about the impact of reclassifications on line items of net income for annual reporting periods, not for interim reporting periods.

The amendments of ASU 2013-02 are effective for reporting periods beginning after December 15, 2012, for public companies and are effective for reporting periods beginning after December 15, 2013, for nonpublic companies. The Company does not believe this pronouncement, when adopted, will have a material impact on operations or financial position.

In December 2011, the FASB issued Accounting Standards Update (“ASU”) No. 2011-12, “Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05.” This standard indefinitely defers certain provisions of ASU 2011-05 (described below). The amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. The adoption of this guidance did not result in a change in the presentation of comprehensive income in the Company’s consolidated financial statements.

In June 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-05, *Comprehensive Income.* The ASU eliminates the option to present components of other comprehensive income as part of the statement of changes in stockholders’ equity and will require it be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The single statement format would include the traditional income statement and the components of total other comprehensive income as well as total comprehensive income. In the two statement approach, the first statement would be the traditional income statement which would be immediately followed by a separate statement which includes the components of other comprehensive income, total other comprehensive income and total comprehensive income. The amendments in this ASU will be applied retrospectively. For public companies, they are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. Adoption of ASU 2011-05 did not have a significant impact on the Company’s consolidated financial statements.

In May 2011, the FASB issued ASU No. 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. The amendments in this update result in common fair value measurement and disclosure requirements in U.S. GAAP and International Financial Reporting Standards (IFRS). Consequently, the amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. Some of the amendments in this update clarify the FASB’s intent about the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. This update is effective during interim and annual periods beginning on or after December 15, 2011 and is to be applied prospectively. Adoption of ASU 2011-04 did not have a significant impact on the Company’s consolidated financial statements.

Note 3 - Related Party Transactions

The Bank leases a property from NEW BAY LLC (“NEW BAY”), a limited liability corporation 100% owned by a majority of the Directors and officers of the Bank. In conjunction with the lease, NEW BAY substantially removed the pre-existing structure on the site and constructed a new building suitable to the Bank for its banking operations. Under the terms of the lease, the cost of this project was reimbursed to NEWBAY by the Bank. The amount reimbursed, which occurred during the year 2000, was $943,000, and is included in property and equipment under the caption “Building and improvements” (see Note 7).

On May 1, 2006, the Bank renegotiated the lease to a twenty-five year term. The Bank paid NEW BAY $165,000 a year ($13,750 per month) for the first 60 months which is included in the consolidated statements of operations for 2012, 2011, and 2010 within occupancy expense of premises. The rent shall be reset every five years thereafter at the fair market rental value at the end of each preceding five year period. The Bank expects to pay NEW BAY $165,000 for the year 2013.

On February 8, 2012, the Bank entered into a two year lease of a warehouse with a Director of the Bank. The purpose of the lease is to store documents, consumable supplies, equipment, and furniture not currently in use by the Bank. The Bank paid $18,700 in the year 2012, which is reflected in the 2012 Consolidated Statement of Operations within occupancy expense of premises. The Bank expects to pay $20,400 for the year 2013.

The Bank leases a property in Woodbridge, New Jersey from ACB Development LLC, owned by the former Directors of Allegiance Community Bank, including Director Gary Stetz and Director Spencer Robbins. The Bank paid $108,000 in rent in the year 2012, which is reflected in the 2012 Consolidated Statement of Operations within occupancy expense of premises. The Bank expects to pay $110,000 for the year 2013.

Note 4- Securities Available for Sale

	December 31, 2012			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
Equity Securities-Financial Institutions	**$ 1,097**	**$ 143**	**$ —**	**$ 1,240**

	December 31, 2011			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
Equity Securities-Financial Institutions	$ 1,097	$ 70	$ 122	$ 1,045

The unrealized losses, categorized by the length of time of continuous loss position, and fair value of related securities available for sale were as follows:

	Less than 12 Months		More than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(In Thousands)					
December 31, 2012						
Equity Securities-Financial Institutions	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
December 31, 2011						
Equity Securities-Financial Institutions	$ 878	$ 122	$ —	$ —	$ 878	$ 122

Note 5 – Securities Held to Maturity

	December 31, 2012			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
Residential mortgage-backed securities:				
Due within one year	$ —	$ —	$ —	$ —
Due after one year through five years	4	—	—	4
Due after five years through ten years	9,480	171	18	9,633
Due after ten years	153,425	6,747	38	160,134
	162,909	6,918	56	169,771
Municipal obligations:				
Due after five to ten years	388	28	—	416
Due after ten years	975	65	—	1,040
	1,363	93	—	1,456
Trust originated preferred security:				
Due after ten years	376	—	—	376
	$ 164,648	$ 7,011	$ 56	$ 171,603

The amortized cost and carrying values shown above are by contractual final maturity. Actual maturities will differ from contractual final maturities due to scheduled monthly payments related to mortgage–backed securities and due to the borrowers having the right to prepay obligations with or without prepayment penalties. As of December 31, 2012 and December 31, 2011, all residential mortgage backed securities held in the portfolio were Government Sponsored Enterprise securities.

In 2012 and 2011, management decided to sell certain mortgage-backed securities that were issued by the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"). While these securities were classified as held to maturity, ASC 320 (formerly FAS 115) allows sales of securities so designated, provided that a substantial portion (at least 85%) of the principal balance has been amortized prior to the sale. During the years ended December 31, 2012 and 2011, proceeds from sales of securities held to maturity totaled approximately $30.6 million and $2.4 million, respectively, and resulted in gross gains of approximately $405,000 and $25,000, respectively, and gross losses of approximately $56,000 and $7,000, respectively.

Note 5 – Securities Held to Maturity (Continued)

	December 31, 2011			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
U.S. Government Agencies:				
Due within one year	$ 3,315	$ 38	$ —	$ 3,353
Due after ten years	3,000	12	—	3,012
	6,315	50	—	6,365
Residential mortgage-backed securities:				
Due within one year	9	—	—	9
Due after one year through five years	1,325	32	3	1,354
Due after five years through ten years	37,034	417	44	37,407
Due after ten years	160,509	6,464	73	166,900
	198,877	6,913	120	205,670
Municipal obligations:				
Due after five to ten years	391	30	—	421
Due after ten years	979	59	—	1,038
	1,370	89	—	1,459
Trust originated preferred security:				
Due after ten years	403	6	—	409
	$ 206,965	$ 7,058	$ 120	$ 213,903

Note 5 – Securities Held to Maturity (Continued)

The unrealized losses, categorized by the length of time of continuous loss position, and fair value of related securities held to maturity were as follows:

	Less than 12 Months		More than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
			(In Thousands)			
December 31, 2012						
Residential mortgage-backed securities	**$ 14,093**	**$ 56**	**$ —**	**$ —**	**$ 14,093**	**$ 56**
	$ 14,093	**$ 56**	**$ —**	**$ —**	**$ 14,093**	**$ 56**
December 31, 2011						
Residential mortgage-backed securities	$ 16,949	$ 82	$ 5,942	$ 38	$ 22,891	$ 120
	$ 16,949	$ 82	$ 5,942	$ 38	$ 22,891	$ 120

At December 31, 2012, management concluded that the unrealized losses above (which related to 16 mortgage-backed securities) are temporary in nature since they are related to interest rate fluctuations rather than any underlying credit quality of the issuers. Additionally, the Company has not decided to sell these securities and has concluded that it is unlikely it would be required to sell these securities prior to the anticipated recovery of the unrealized losses.

Note 6 - Loans Receivable and Allowance for Loan Losses

The following table presents the recorded investment in loans receivable at December 31, 2012 and December 31, 2011 by segment and class.

	December 31, 2012	December 31, 2011
	(In Thousands)	
Real estate mortgage:		
Residential	**$ 202,926**	$ 218,085
Commercial and multi-family	**588,268**	472,424
Construction	**23,310**	17,000
	814,504	707,509
Commercial:		
Business loans	**20,415**	30,290
Lines of credit	**39,253**	44,283
	59,668	74,573
Consumer:		
Passbook or certificate	**736**	809
Home equity lines of credit	**17,841**	18,923
Home equity	**42,552**	50,152
Automobile	**37**	103
Personal	**567**	301
	61,733	70,288
Deposit overdrafts	**294**	95
Total Loans	**936,199**	852,465
Deferred loan fees, net	**(1,535)**	(1,193)
Allowance for loan losses	**(12,363)**	(10,509)
	(13,898)	(11,702)
Net Loans	**$ 922,301**	$ 840,763

At December 31, 2012 and 2011, loans serviced by the Bank for the benefit of others, which consist of participation interests in loans originated by the Bank, totaled approximately $11.6 million and $6.3 million, respectively.

Note 6 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table presents unpaid principal balance and the related recorded investment in loans acquired via acquisitions of other companies included in our Consolidated Statements of Financial Condition.

	December 31, 2012	December 31, 2011
	(In Thousands)	(In Thousands)
Unpaid principal balance	**$ 330,090**	$ 410,057
Recorded investment	**326,717**	405,951

The following table presents changes in the accretable discount on loans acquired during the periods indicated:

	December 31,		
	2012	2011	2010
	(In Thousands)	(In Thousands)	(In Thousands)
Beginning Balance	**$ 180,722**	$ 205,491	$ —
Acquisitions	**—**	17,318	229,805
Accretion	**(44,513)**	(42,087)	(24,314)
Ending Balance	**$ 136,209**	$ 180,722	$ 205,491

No interest income is being recognized on loans acquired where the fair value of the loan was based on the cash flows expected to be received from the foreclosure and sale of the underlying collateral. The carrying value of these loans at December 31, 2012, December 31, 2011, and December 31, 2010 was $6.4 million, $13.3 million, and $11.7 million, respectively.

Note 6 - Loans Receivable and Allowance for Loan Losses (Continued)

The Bank grants loans to its officers and directors and to their associates. Related party loans are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated persons and do not involve more than normal risk of collectibility. The activity with respect to loans to directors, officers and associates of such persons, is as follows:

	Years Ended December 31,	
	2012	2011
	(In Thousands)	
Balance – beginning	**$ 8,509**	$ 7,270
Loans originated	**400**	613
Changes in related party status	**—**	1,105
Collections of principal	**(854)**	(479)
Balance - ending	**$ 8,055**	$ 8,509

Allowance for Loan Losses

Management reviews the adequacy of the allowance on at least a quarterly basis to ensure that the provision for loan losses has been charged against earnings in an amount necessary to maintain the allowance at a level that is adequate based on management's assessment of probable estimated losses. The Company's methodology for assessing the adequacy of the allowance for loan losses consists of several key elements. These elements include a general allocated reserve for impaired loans, a specific reserve for impaired loans and an unallocated portion.

The Company consistently applies the following comprehensive methodology. During the quarterly review of the allowance for loan losses, the Company considers a variety of factors that include:

- General economic conditions.
- Trends in charge-offs.
- Trends and levels of delinquent loans.
- Trends and levels of non-performing loans, including loans over 90 days delinquent.
- Trends in volume and terms of loans.
- Levels of allowance for specific classified loans.
- Credit concentrations

The methodology includes the segregation of the loan portfolio into two divisions. Loans that are performing and loans that are impaired. Loans which are performing are evaluated homogeneously by loan class or loan type. The allowance of performing loans is evaluated based on historical loan experience, including consideration of peer loss analysis, with an adjustment for qualitative factors due to economic conditions in the market. Impaired loans are loans which are more than 90 days delinquent or troubled debt restructured. These loans are individually evaluated for loan loss either by current appraisal, estimated economic factor, or net present value. Management reviews the overall estimate for feasibility and bases the loan loss provision accordingly.

The loan portfolio is segmented into the following loan classes, where the risk level for each class is analyzed when determining the allowance for loan losses:

Residential single family real estate loans involve certain risks such as interest rate risk and risk of non-repayment. Adjustable-rate residential family real estate loans decreases the interest rate risk to the Bank that is associated with changes in interest rates but involve other risks, primarily because as interest rates rise, the payment by the borrower rises to the extent permitted by the terms of the loan, thereby increasing the potential for default. At the same time, the marketability of the underlying property may be adversely affected by higher interest rates. Repayment risk may be affected by a number of factors including, but not necessarily limited to, job loss, divorce, illness and personal bankruptcy of the borrower.

Note 6 - Loans Receivable and Allowance for Loan Losses (Continued)

Construction lending is generally considered to involve a high risk due to the concentration of principal in a limited number of loans and borrowers and the effects of the general economic conditions on developers and builders. Moreover, a construction loan can involve additional risks because of the inherent difficulty in estimating both a property's value at completion of the project and the estimated cost (including interest) of the project. The nature of these loans is such that they are generally difficult to evaluate and monitor. In addition, speculative construction loans to a builder are not necessarily pre-sold and thus pose a greater potential risk to the Bank than construction loans to individuals on their personal residence.

Commercial and multi-family real estate lending entails significant additional risks as compared with residential family property lending. Such loans typically involve large loan balances to single borrowers or groups of related borrowers. The payment experience on such loans is typically dependent on the successful operation of the real estate project. The success of such projects is sensitive to changes in supply and demand conditions in the market for commercial real estate as well as economic conditions generally.

Commercial business lending, including lines of credit, is generally considered higher risk due to the concentration of principal in a limited number of loans and borrowers and the effects of general economic conditions on the business. Commercial business loans are primarily secured by inventories and other business assets. In most cases, any repossessed collateral for a defaulted commercial business loans will not provide an adequate source of repayment of the outstanding loan balance.

Home equity lending entails certain risks such as interest rate risk and risk of non-repayment. The marketability of the underlying property may be adversely affected by higher interest rates, decreasing the collateral securing the loan. Repayment risk can be affected by job loss, divorce, illness and personal bankruptcy of the borrower. Home equity line of credit lending entails securing an equity interest in the borrower's home. In many cases, the Bank's position in these loans is as a junior lien holder to another institution's superior lien. This type of lending is often priced on an adjustable rate basis with the rate set at or above a predefined index. Adjustable-rate loans decreases the interest rate risk to the Bank that is associated with changes in interest rates but involve other risks, primarily because as interest rates rise, the payment by the borrower rises to the extent permitted by the terms of the loan, thereby increasing the potential for default.

Other consumer loans generally have more credit risk because of the type and nature of the collateral and, in certain cases, the absence of collateral. Consumer loans generally have shorter terms and higher interest rates than other lending. In addition, consumer lending collections are dependent on the borrower's continuing financial stability, and thus are more likely to be adversely effected by job loss, divorce, illness and personal bankruptcy. In most cases, any repossessed collateral for a defaulted consumer loan will not provide an adequate source of repayment of the outstanding loan.

The Company also maintains an unallocated allowance. The unallocated allowance is used to cover any factors or conditions which may cause a potential loan loss but are not specifically identifiable. It is prudent to maintain an unallocated portion of the allowance because no matter how detailed an analysis of potential loan losses is performed, these estimates lack some element of precision. Management must make estimates using assumptions and information that is often subjective and changing rapidly.

Classified Assets. Our policies provide for a classification system for problem assets. Under this classification system, problem assets are classified as "substandard," "doubtful," "loss" or "special mention." An asset is considered substandard if it is inadequately protected by its current net worth and paying capacity of the borrower or of the collateral pledged, if any. Substandard assets include those characterized by the "distinct possibility" that "some loss" will be sustained if the deficiencies are not corrected. Assets classified as doubtful have all the weaknesses inherent in those classified substandard with the added characteristic that the weakness present makes "collection or liquidation in full" on the basis of currently existing facts, conditions, and values, "highly questionable and improbable." Assets classified as loss are those considered "uncollectible" and of such little value that their continuance as assets without the establishment of a specific loss reserve is not warranted, and the loan, or a portion thereof, is charged-off. Assets may be designated special mention because of potential weaknesses that do not currently warrant classification in one of the aforementioned categories.

When we classify problem assets, we may establish general allowances for loan losses in an amount deemed prudent by management. General allowances represent loss allowances which have been established to recognize the inherent risk associated with lending activities, but which, unlike specific allowances, have not been allocated to particular problem assets. A portion of general loss allowances established to cover possible losses related to assets classified as substandard or doubtful may be included in determining our regulatory capital. Specific valuation allowances for loan losses generally do not qualify as regulatory capital. As of December 31, 2012, we had $5.7 million in assets classified as doubtful, of which $5.7 million were classified as impaired, $22.2 million in assets classified as substandard, of which $18.6 million were classified as impaired and $25.1 million in assets classified as special mention, of which $17.3 million were classified as impaired. The loans classified as substandard represent primarily commercial loans secured either by residential real estate, commercial real estate or heavy equipment. The loans that have been classified substandard were classified as such primarily because either updated financial information has not been timely provided, or the collateral underlying the loan is in the process of being revalued. As a result of Hurricane Sandy, our levels of classified assets are expected to remain elevated through at least the first half of 2013. As of December 31, 2011, we had $576,000 in assets classified as loss, all of which is considered impaired, $7.1 million in assets classified as doubtful, of which $4.3 million was classified as impaired, $36.5 million in assets classified as substandard, of which $24.3 million was classified as impaired and $28.2 million in assets classified as special mention, of which $15.5 million was classified as impaired. The loans classified as substandard represent primarily commercial loans secured either by residential real estate, commercial real estate or heavy equipment. The loans that have been classified substandard were classified as such primarily because either updated financial information has not been timely provided, or the collateral underlying the loan is in the process of being revalued.

The Company's internal credit risk grades are based on the definitions currently utilized by the banking regulatory agencies. The grades assigned and definitions are as follows, and loans graded excellent, above average, good and watch list (risk ratings 1-4) are treated as "pass" for grading purposes:

5 – Special Mention- Loans currently performing but with potential weaknesses including adverse trends in borrower's operations, credit quality, financial strength, or possible collateral deficiency.

6 – Substandard - Loans that are inadequately protected by current sound worth, paying capacity, and collateral support. Loans on "nonaccrual" status. The loan needs special and corrective attention.

7 – Doubtful - Weaknesses in credit quality and collateral support make full collection improbable, but pending reasonable factors remain sufficient to defer the loss status.

8 – Loss - Continuance as a bankable asset is not warranted. However, this does not preclude future attempts at partial recovery.

Note 6 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table sets forth the activity in the Bank's allowance for loan losses for the year ended December 31, 2012 and recorded investment in loans receivable at December 31, 2012. The table also details the amount of total loans receivable, that are evaluated individually, and collectively, for impairment, and the related portion of the allowance for loan losses that is allocated to each loan class (In Thousands):

	Residential	Commercial & Multi-family	Construction	Commercial Business [(1)]	Home equity [(2)]	Consumer	Unallocated	Total
Allowance for credit losses:								
Beginning balance								
	$ 2,679	$ 5,798	$ 304	$ 1,041	$ 677	$ 10	$ —	$ 10,509
Charge-offs	$ 793	$ 1,360	$ 292	$ 612	$ 24	$ —	$ —	$ 3,081
Recoveries	$ —	$ 35	$ —	$ —	$ —	$ —	$ —	$ 35
Provisions	$ 81	$ 3,578	$ 947	$ 391	$ (178)	$ 49	$ 32	$ 4,900
Ending balance	$ 1,967	$ 8,051	$ 959	$ 820	$ 475	$ 59	$ 32	$ 12,363
Ending balance: individually evaluated for impairment	$ 392	$ 1,061	$ 96	$ 353	$ 113	$ —	$ —	$ 2,015
Ending balance: collectively evaluated for impairment	$ 1,470	$ 6,990	$ 863	$ 467	$ 362	$ 59	$ 32	$ 10,243
Ending balance: loans acquired with deteriorated credit quality	$ 105	$ —	$ —	$ —	$ —	$ —	$ —	$ 105
Loans receivables:								
Ending balance	$ 202,926	$ 588,268	$ 23,310	$ 59,668	$ 60,393	$ 1,634	$ —	$ 936,199
Ending balance: individually evaluated for impairment	$ 13,785	$ 27,030	$ 130	$ 3,928	$ 2,697	$ —	$ —	$ 47,570
Ending balance: collectively evaluated for impairment	$ 186,205	$ 557,795	$ 23,180	$ 55,499	$ 57,556	$ 1,634	$ —	$ 881,869
Ending balance: loans acquired with deteriorated credit quality	$ 2,936	$ 3,443	$ —	$ 241	$ 140	$ —	$ —	$ 6,760

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(1) Includes business lines of credit.
(2) Includes home equity lines of credit.

Note 6 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table sets forth the activity in the Bank's allowance for loan losses for the year ended December 31, 2011 and recorded investment in loans receivable at December 31, 2011. The table also details the amount of total loans receivable, that are evaluated individually, and collectively, for impairment, and the related portion of the allowance for loan losses that is allocated to each loan class (In Thousands):

	Residential	Commerical & Multi-family	Construction	Commercial Business (1)	Home equity (2)	Consumer	Unallocated	Total
Allowance for credit losses:								
Beginning balance								
	$ 171	$ 6,179	$ 426	$ 1,286	$ 204	$ 18	$ 133	$ 8,417
Charge-offs	$ 122	$ 1,173	$ 687	$ 24	$ —	$ 27	$ —	$ 2,033
Recoveries	$ —	$ 25	$ —	$ —	$ —	$ —	$ —	$ 25
Provisions	$ 2,630	$ 767	$ 565	$ (221)	$ 473	$ 19	$ (133)	$ 4,100
Ending balance	$ 2,679	$ 5,798	$ 304	$ 1,041	$ 677	$ 10	$ —	$ 10,509
Ending balance: individually evaluated for impairment	$ 550	$ 2,674	$ —	$ 95	$ 72	$ —	$ —	$ 3,391
Ending balance: collectively evaluated for impairment	$ 1,548	$ 2,654	$ 189	$ 792	$ 572	$ 10	$ —	$ 5,765
Ending balance: loans acquired with deteriorated credit quality	$ 581	$ 470	$ 115	$ 154	$ 33	$ —	$ —	$ 1,353
Loans receivables:								
Ending balance	$ 218,085	$ 472,424	$ 17,000	$ 74,573	$ 69,075	$ 1,308	$ —	$ 852,465
Ending balance: individually evaluated for impairment	$ 14,006	$ 39,461	$ 1,513	$ 4,307	$ 1,850	$ —	$ —	$ 61,137
Ending balance: collectively evaluated for impairment	$ 194,862	$ 429,355	$ 13,236	$ 70,012	$ 66,613	$ 1,308	$ —	$ 775,386
Ending balance: loans acquired with deteriorated credit quality	$ 9,217	$ 3,608	$ 2,251	$ 254	$ 612	$ —	$ —	$ 15,942

(1) Includes business lines of credit.
(2) Includes home equity lines of credit.

Note 6 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table sets forth the Bank's allowance for credit losses and recorded investment in financing receivables for the year ended December 31, 2010. The following table also details the amount of total loans receivable, that are evaluated individually, and collectively, for impairment, and the related portion of the allowance for loan losses that is allocated to each loan type (In Thousands):

	Residential	Commerical & Multi-family	Construction	Commercial Business [1]	Home equity [2]	Consumer	Unallocated	Total
Allowance for credit losses:								
Ending balance	$ 171	$ 6,179	$ 426	$ 1,286	$ 204	$ 18	$ 133	$ 8,417
Ending balance: individually evaluated for impairment	$ —	$ 1,656	$ —	$ 449	$ 2	$ —	$ —	$ 2,107
Ending balance: collectively evaluated for impairment	$ 171	$ 4,523	$ 426	$ 837	$ 202	$ 18	$ 133	$ 6,310
Ending balance: loans acquired with deteriorated credit quality	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Loans receivables:								
Ending balance	$ 234,435	$ 410,212	$ 17,848	$ 54,160	$ 63,603	$ 1,816	$ —	$ 782,074
Ending balance: individually evaluated for impairment	$ 89	$ 27,422	$ 2,910	$ 2,809	$ 372	$ —	$ —	$ 33,602
Ending balance: collectively evaluated for impairment	$ 219,795	$ 379,907	$ 14,938	$ 51,275	$ 63,231	$ 1,816	$ —	$ 730,962
Ending balance: loans acquired with deteriorated credit quality	$ 14,551	$ 2,883	$ —	$ 76	$ —	$ —	$ —	$ 17,510

(1) Includes business lines of credit.
(2) Includes home equity lines of credit.

Note 6 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table sets forth the activity in the Bank's allowance for credit losses for the year ended December 31, 2010 (In Thousands):

	Year Ended December 31, 2010
Balance at beginning of period	$ 6,644
Charge-offs	689
Recoveries	12
Net charge-offs	677
Provisions charged to operations	2,450
Ending balance	$ 8,417

Note 6 - Loans Receivable and Allowance for Loan Losses (Continued)

The table below sets forth the amounts and types of non-accrual loans in the Bank's loan portfolio, at December 31, 2012 and 2011 , respectively. Loans are placed on non-accrual status when they become more than 90 days delinquent, or when the collection of principal and/or interest become doubtful. As of December 31, 2012 and 2011, non-accrual loans differed from the amount of total loans past due greater than 90 days due to troubled debt restructuring of loans which are maintained on non-accrual status for a minimum of six months until the borrower has demonstrated its ability to satisfy the terms of the restructured loan.

	Years Ended December 31,	
	2012	2011
	(Dollars in Thousands)	
Non-accruing loans:		
Residential	$ 2,163	$ 15,511
Construction	130	4,040
Commerical business	3,159	4,265
Commercial and multi-family(1)	13,043	22,280
Home equity(2)	1,564	1,729
Consumer	—	—
Total	$ 20,059	$ 47,825

(1) Includes business lines of credit.
(2) Includes home equity lines of credit.

Had non-accrual loans been performing in accordance with their original terms, the interest income recognized for the years ended December 31, 2012, 2011 and 2010 would have been approximately $1.06 million, $2.85 million and $1.95 million, respectively. Interest income recognized on such loans was approximately $649,000, $968,000 and $280,000 respectively. The Bank is not committed to lend additional funds to the borrowers whose loans have been placed on a nonaccrual status. At December 31, 2012, there were $2.84 million in loans which were more than ninety days past due and still accruing interest.

During 2012, the Bank sold approximately $25.9 million of non-performing loans for the purposes of eliminating future carrying costs associated with these non-interest earning assets and improving the overall quality of the loan portfolio. The sale of this sub-set of the non-performing loan portfolio for approximately $15.1 million in cash proceeds resulted in a pre-tax loss of approximately $10.8 million. The loans sold consisted of $14.6 million of commercial and multi-family real estate loans, $9.1 million in residential mortgage loans, $1.1 million of home equity loans, $781,000 of commercial business loans, and $313,000 of construction loans.

Note 6 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table summarizes information in regards to impaired loans by loan portfolio class for the year ended December 31, 2012 and average recorded investment and actual interest income recognized for the twelve months ended December 31, 2012 (In Thousands):

	Recorded Investment	Unpaid Principle Recognized	Related Allowance	Avearge Recorded Investment	Interest Income Recognized
With no related allowance recorded:					
Residential Mortgages	$ 6,147	$ 6,147	$ —	$ 5,684	$ 215
Commercial and Multi-family	13,827	13,827	—	20,230	503
Construction	—	—	—	1,174	102
Commercial Business (1)	2,550	2,550	—	2,559	69
Home Equity (2)	1,959	1,959	—	1,927	43
Consumer	—	—	—	2	—
	$ 24,483	$ 24,483	$ —	$ 31,576	$ 932
With an allowance recorded:					
Residential Mortgages	$ 7,638	$ 7,638	$ 497	$ 8,817	$ 480
Commercial and Multi-family	13,203	13,203	1,061	12,886	588
Construction	130	130	96	180	6
Commercial Business (1)	1,378	1,378	353	2,330	31
Home Equity (2)	738	738	113	616	28
Consumer	—	—	—	48	—
Total:	$ 23,087	$ 23,087	$ 2,120	$ 24,877	$ 1,133
Residential Mortgages	$ 13,785	$ 13,785	$ 497	$ 14,501	$ 695
Commercial and Multi-family	27,030	27,030	1,061	33,116	1,091
Construction	130	130	96	1,354	108
Commercial Business (1)	3,928	3,928	353	4,889	100
Home Equity (2)	2,697	2,697	113	2,543	71
Consumer	—	—	—	50	—
Total:	$ 47,570	$ 47,570	$ 2,120	$ 56,453	$ 2,065

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(1) Includes business lines of credit.
(2) Includes home equity lines of credit.

Note 6 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table summarizes information in regards to impaired loans by loan portfolio class for the year ended December 31, 2011 and average recorded investment and actual interest income recognized for the twelve months ended December 31, 2011 (In Thousands):

	Recorded Investment	Unpaid Principle Recognized	Related Allowance	Avearge Recorded Investment	Interest Income Recognized
With no related allowance recorded:					
Residential Mortgages	$ 6,142	$ 6,142	$ —	$ 3,370	$ 157
Commercial and Multi-family	23,417	23,417	—	22,910	793
Construction	1,513	1,513	—	2,415	19
Commercial Business (1)	2,366	2,366	—	1,653	94
Home Equity (2)	1,301	1,301	—	711	52
Consumer	—	—	—	—	—
	$ 34,739	$ 34,739	$ —	$ 31,059	$ 1,115
With an allowance recorded:					
Residential Mortgages	$ 7,864	$ 7,864	$ 550	$ 3,945	$ 303
Commercial and Multi-family	16,044	16,044	2,674	15,447	582
Construction	—	—	—	330	—
Commercial Business (1)	1,941	1,941	95	2,019	24
Home Equity (2)	549	549	72	411	19
Consumer	—	—	—	—	—
Total:	$ 26,398	$ 26,398	$ 3,391	$ 22,152	$ 928
Residential Mortgages	$ 14,006	$ 14,006	$ 550	$ 7,315	$ 460
Commercial and Multi-family	39,461	39,461	2,674	38,357	1,375
Construction	1,513	1,513	—	2,745	19
Commercial Business (1)	4,307	4,307	95	3,672	118
Home Equity (2)	1,850	1,850	72	1,122	71
Consumer	—	—	—	—	—
Total:	$ 61,137	$ 61,137	$ 3,391	$ 53,211	$ 2,043

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(1) Includes business lines of credit.
(2) Includes home equity lines of credit.

During the year ended December 31, 2010, the average balance of impaired loans was $29.5 million and interest income recognized on impaired loans was $2.11 million.

Note 6 - Loans Receivable and Allowance for Loan Losses (Continued)

A troubled debt restructuring ("TDR") is a loan that has been modified whereby the Bank has agreed to make certain concessions to a borrower to meet the needs of both the borrower and the Bank to maximize the ultimate recovery of a loan. TDR occurs when a borrower is experiencing, or is expected to experience, financial difficulties and the loan is modified using a modification that would otherwise not be granted to the borrower. The types of concessions granted are generally included, but not limited to interest rate reductions, limitations on the accrued interest charged, term extensions, and deferment of principal.

The following table summarizes information in regards to troubled debt restructurings for the years ended December 31, 2012 and 2011, (In thousands):

Year Ended December 31, 2012	Number of Contracts	Pre-Modification Outstanding Recorded Investments	Post-Modification Outstanding Recorded Investments
Residential	13	$ 4,440	$ 4,440
Commercial and multi-family	14	$ 8,384	$ 8,384
Commercial business	1	$ 531	$ 531
Home equity	6	$ 534	$ 534

Year Ended December 31, 2011	Number of Contracts	Pre-Modification Outstanding Recorded Investments	Post-Modification Outstanding Recorded Investments
Residential	20	$ 5,985	$ 5,985
Commercial and multi-family	12	$ 5,368	$ 5,368
Home equity	2	$ 470	$ 470

The loans included above are considered TDRs as a result of the Bank implementing one or more of the following concessions: granting a material extension of time, issuing a forbearance agreement, adjusting the interest rate to a below market rate, accepting interest only for a period of time or a change in amortization period. As of December 31, 2012 and 2011, TDRs totaled $13.9 million and $11.8 million, respectively. All TDRs were considered impaired and therefore were individually evaluated for impairment in the calculation of the allowance for loan losses. Prior to their classification as TDRs, certain of these loans had been collectively evaluated for impairment in the calculation of the allowance for loan losses.

Note 6 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table summarizes information in regards to troubled debt restructurings for which there was a payment default, within twelve months of restructuring, (In thousands):

Year Ended December 31, 2012	Number of Contracts	Recorded Investment
Residential	3	$ 395
Commercial and multi-family	2	$ 1,109

Year Ended December 31, 2011	Number of Contracts	Recorded Investment
Residential	2	$ 506
Commercial and multi-family	2	$ 1,429

Note 6 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table sets forth the delinquency status of total loans receivable at December 31, 2012.

	As of December 31, 2012						
	30-59 Days Past Due	60-90 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable	Loans Receivable >90 Days and Accruing
				(In Thousands)			
Residential	$ 7,566	$ 1,941	$ 2,348	$ 11,855	$ 191,071	$ 202,926	$ 1,223
Commercial and multi-family	23,816	5,245	9,275	38,336	549,932	588,268	1,386
Construction	2,537	1,174	130	3,841	19,469	23,310	—
Commercial business (1)	1,495	152	1,514	3,161	56,507	59,668	—
Home equity (2)	1,380	717	1,516	3,613	56,780	60,393	227
Consumer	—	—	—	—	1,634	1,634	—
Total	$ 36,794	$ 9,229	$ 14,783	$ 60,806	$ 875,393	$ 936,199	$ 2,836

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(1) Includes business lines of credit.
(2) Includes home equity lines of credit.

The following table sets forth the delinquency status of total loans receivable at December 31, 2011.

	As of December 31, 2011						
	30-59 Days Past Due	60-90 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable	Loans Receivable >90 Days and Accruing
				(In Thousands)			
Residential	$ 6,166	$ 2,495	$ 11,847	$ 20,508	$ 197,557	$ 218,085	$ —
Commercial and multi-family	16,977	6,340	21,080	44,417	428,077	472,424	—
Construction	3,688	130	3,660	7,478	9,522	17,000	—
Commercial business (1)	536	—	1,785	2,321	72,252	74,573	—
Home equity (2)	2,474	1,018	1,181	4,673	64,402	69,075	—
Consumer	33	10	—	43	1,265	1,308	—
Total	$ 29,894	$ 9,993	$ 39,553	$ 79,440	$ 773,025	$ 852,465	$ —

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(1) Includes business lines of credit.
(2) Includes home equity lines of credit.

Note 6 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table presents the loan portfolio types summarized by the aggregate pass rating and the classified ratings of special mention, substandard, doubtful, and loss within the Company's internal risk rating system as of December 31, 2012:

	Pass	Special Mention	Substandard	Doubtful	Loss	Total
Residential	**$ 190,054**	**$ 6,300**	**$ 5,653**	**$ 919**	**$ —**	**$ 202,926**
Commercial and multi-family	**556,814**	**15,036**	**13,206**	**3,212**	**—**	**588,268**
Construction	**22,739**	**—**	**441**	**130**	**—**	**23,310**
Commercial business [1]	**54,100**	**2,696**	**1,452**	**1,420**	**—**	**59,668**
Home equity [2]	**57,857**	**1,091**	**1,445**	**—**	**—**	**60,393**
Consumer	**1,598**	**—**	**36**	**—**	**—**	**1,634**
Total	**$ 883,162**	**$ 25,123**	**$ 22,233**	**$ 5,681**	**$ —**	**$ 936,199**

The following table presents the loan portfolio types summarized by the aggregate pass rating and the classified ratings of special mention, substandard, doubtful, and loss within the Company's internal risk rating system as of December 31, 2011:

	Pass	Special Mention	Substandard	Doubtful	Loss	Total
Residential	$ 203,317	$ 5,316	$ 7,632	$ 1,437	$ 383	$ 218,085
Commercial and multi-family	426,983	19,620	23,618	2,203	—	472,424
Construction	13,697	—	2,619	684	—	17,000
Commercial business [1]	67,593	2,827	1,245	2,784	124	74,573
Home equity [2]	67,126	468	1,412	—	69	69,075
Consumer	1,308	—	—	—	—	1,308
Total	$ 780,024	$ 28,231	$ 36,526	$ 7,108	$ 576	$ 852,465

Note 7 - Premises and Equipment

	December 31,	
	2012	2011
	(In Thousands)	
Land	**$ 1,837**	$ 1,837
Buildings and improvements	**11,490**	11,080
Leasehold improvements	**1,208**	1,053
Furniture, fixtures and equipment	**4,031**	3,462
	18,566	17,432
Accumulated depreciation and amortization	**(4,998)**	(3,856)
	$ 13,568	$ 13,576

Buildings and improvements include a building constructed on property leased from a related party (see Note 3).

Rental expenses related to the occupancy of premises and related shared costs for common areas totaled $1,229,000, $987,000 and $693,000 for the years ended December 31, 2012, 2011, and 2010, respectively. The minimum obligation under non-cancelable lease agreements expiring through April 30, 2031, for each of the years ended December 31 is as follows (in thousands):

2013	**$ 1,007**
2014	**916**
2015	**725**
2016	**737**
2017	**663**
Thereafter	**3,912**
	$ 7,960

Note 8 - Interest Receivable

	December 31,	
	2012	2011
	(In Thousands)	
Loans	**$ 3,509**	$ 4,181
Securities	**554**	816
	$ 4,063	$ 4,997

Note 9 - Deposits

	December 31, 2012	2011
	(In Thousands)	
Demand:		
Non-interest bearing	**$ 85,950**	$ 78,589
NOW	**120,765**	112,605
Money market	**63,834**	67,592
	270,549	258,786
Savings and club	**256,769**	265,546
Certificates of deposit	**413,468**	453,291
	$ 940,786	$ 977,623

At December 31, 2012 and 2011, certificates of deposit of $100,000 or more totaled approximately $234.6 million and $255.2 million respectively.

The scheduled maturities of certificates of deposit at December 31, 2012, were as follows (In thousands):

	Amount
2013	**$ 286,161**
2014	**72,881**
2015	**20,942**
2016	**18,278**
2017	**15,008**
Thereafter	**198**
	$ 413,468

Note 10 - Short-Term Borrowings and Long-Term Debt

Long-term debt consists of the following:

	December 31,				
	2012			2011	
		Weighted Average Rate	Amount	Weighted Average Rate	Amount
Federal Home Loan Bank Advances:					
	Maturing by December 31,				
	2013	0.31	$ 17,000,000	—	$ —
	2016	4.28	55,000,000	4.28	57,000,000
	2017	4.39	55,000,000	4.37	56,500,000
	2018	—	—	2.51	10,500,000
		3.75%	127,000,000	4.33%	124,000,000
(1) Fair Value Adjustments					
			—		1,406,986
			$127,000,000		$125,406,986

(1) Fair value adjustments represents the difference between the fair market value and the book value of the $10.5 million of FHLB advances acquired from Allegiance Community Bank acquisition based on pricing from the Federal Home Loan Bank of New York at date of acquisition. The adjustment is being amortized over the life of the acquired advances. During the first quarter of 2012, this advance was prepaid along with a prepayment penalty of $49,000.

Beginning September 7, 2010, the Federal Home Loan Bank of New York ("FHLBNY") replaced the existing Overnight Repricing Advance Program and its associated companion products, the Overnight Line of Credit ("OLOC"), OLOC Plus, OLOC Companion, and OLOC Companion Plus with the new Overnight Advance. The new Overnight advance permits the Bank to borrow overnight up to its maximum borrowing capacity at the FHLBNY. The Bank is no longer restricted to the previous borrowing limits of 10% (OLOC) or up to 20% (OLOC Plus) of total assets. At December 31, 2012, the Bank's total credit exposure cannot exceed 50% of its total assets, or $585,679,000, based on the borrowing limitations outlined in the Federal Home Loan Bank of New York's member products guide. The total credit exposure limit of 50% of total assets is recalculated each quarter.

	2012			2011	
		Coupon Rate	Amount	Coupon Rate	Amount
Trust preferred junior subordinated debenture:					
	Maturing by December 31,				
	2034	2.958%	$ 4,124,000	3.21%	$ 4,124,000

The Trust Preferred floating rate junior subordinated debenture matures on June 17, 2034; interest rate adjusts quarterly to LIBOR plus 2.65%, the rate paid as of December 31, 2012 was 2.958%.

Note 10 - Short-Term Borrowings and Long-Term Debt (Continued)

The trust preferred debenture became callable, at the Company's option, on June 17, 2009, and quarterly thereafter.

Additional information regarding short-term borrowings is as follows:

	December 31,		
	2012	2011	2010
	(In Thousands)		
Average balance outstanding during the year	**$ 145**	$ —	$ —
Highest month-end balance during the year	**$ 17,000**	$ —	$ —
Average interest rate during the year	**0.31%**	$ —	$ —
Weighted average interest rate at year-end	**0.31%**	$ —	$ —

At December 31, 2012 and 2011 securities held to maturity with carrying values of approximately $133.9 million and $139.2 million, respectively, were pledged to secure the above noted Federal Home Loan Bank of New York borrowings. In addition, there was a blanket pledge on the residential mortgage portfolio at December 31, 2011.

Note 11 - Regulatory Matters

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on the Bank. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. The Holding Company's capital adequacy guidelines are not materially different than the capital adequacy guidelines for the Bank.

Quantitative measures, established by regulation to ensure capital adequacy, require the Bank to maintain minimum amounts and ratios of Total and Tier 1 capital (as defined in the regulations), to risk-weighted assets, (as defined), and of Tier 1 capital to average assets (as defined). The following table presents information as to the Bank's capital levels.

Note 11 - Regulatory Matters (Continued)

	Actual		For Capital Adequacy Purposes		To be Well Capitalized under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(Dollars in Thousands)					
As of December 31, 2012:						
Total capital (to risk-weighted assets)	**$ 105,233**	**14.03%**	**$ ≥ 59,991**	**≥ 8.00%**	**$ ≥ 74,988**	**≥ 10.00%**
Tier 1 capital (to risk-weighted assets)	**95,845**	**12.78**	**≥ 29,995**	**≥ 4.00**	**≥ 44,993**	**≥ 6.00**
Tier 1 capital (to average assets)	**95,845**	**8.38**	**≥ 45,741**	**≥ 4.00**	**≥ 57,177**	**≥ 5.00**
As of December 31, 2011:						
Total capital (to risk-weighted assets)	$ 112,802	16.42%	$ ≥ 54,960	≥ 8.00%	$ ≥ 68,699	≥ 10.00%
Tier 1 capital (to risk-weighted assets)	105,376	15.34	≥ 27,480	≥ 4.00	≥ 41,219	≥ 6.00
Tier 1 capital (to average assets)	105,376	8.66	≥ 48,646	≥ 4.00	≥ 60,808	≥ 5.00

As of December 31, 2012 and 2011, the most recent notification from the Bank’s regulators categorized the Bank as “well capitalized” under the regulatory framework for prompt corrective action. There are no conditions or events occurring since that notification that management believes have changed the Bank’s category.

Note 12- Benefits Plans

Pension Plan

The Company acquired through the merger with Pamrapo Bancorp, Inc. a non-contributory defined benefit pension plan covering all eligible employees of Pamrapo Savings Bank. Effective January 1, 2010, the defined benefit pension plan (“Pension Plan”), was frozen by Pamrapo Savings Bank. All benefits for eligible participants accrued in the Pension Plan to the freeze date have been retained. The benefits are based on years of service and employee’s compensation. The Pension Plan is funded in conformity with funding requirements of applicable government regulations. Prior service costs for the Pension Plan generally are amortized over the estimated remaining service periods of employees.

Note 12 - Benefits Plans

The following tables set forth the Plan's funded status at December 31, 2012 and 2011 and components of net periodic pension cost for the years ended December 31, 2012 and 2011:

Change in Benefit Obligation:	**December 31,**	
	2012	2011
	(In Thousands)	
Benefit obligation, beginning of year	**$ 10,338**	$ 8,723
Interest Cost	**444**	469
Actuarial loss	**454**	1,807
Benefits paid	**(514)**	(503)
Settlements	**(752)**	(158)
Benefit obligation, ending	**$ 9,970**	$ 10,338
Change in Plan Assets:		
Fair value of assets, beginning of year	**$ 4,973**	$ 4,746
Actual return on plan assets	**597**	76
Employer contributions	**2,700**	812
Benefits paid	**(514)**	(503)
Settlements	**(752)**	(158)
Fair value of assets, ending	**$ 7,004**	$ 4,973
Reconciliation of Funded Status:		
Accumulated benefit obligation	**$ 9,970**	$ 10,338
Projected benefit obligation	**$ 9,970**	$ 10,338
Fair value of assets	**(7,004)**	(4,973)
Funded status, included in other liabilities	**$ (2,996)**	$ (5,365)
Valuation assumptions used to determine benefit obligation at period end:		
Discount rate	**4.05%**	4.40%
Salary Increase Rate	**N/A**	N/A

Note 12 - Benefits Plans (Continued)

Net Periodic Pension Expense:	**December 31,**	
	2012	2011
	(In Thousands)	
Interest cost	**$ 444**	$ 469
Expected return on assets	**(463)**	(375)
Amortization of net (gain) or loss	**63**	—
Settlement loss	**164**	—
Net Periodic Pension Cost	**$ 208**	$ 94

Valuation assumptions used to determine net periodic benefit cost for the year:		
Discount rate	**4.40%**	5.54%
Long term rate of return on plan assets	**8.00%**	8.00%
Salary Increase Rate	**N/A**	N/A

At December 31, 2012 and December 31, 2011, unrecognized net loss of $(2,187,000) and $(2,094,000), respectively, was included, net of deferred income tax, in accumulated other comprehensive loss in accordance with ASC 715-20 and ASC 715-30. We expect $73,000 of the unrecognized net loss to be recognized in net periodic pension expense for the year ended December 31, 2013.

Note 12 - Benefits Plan (Continued)

Plan Assets

Investment Policies and Strategies

The primary long-term objective for the Plan is to maintain assets at a level that will sufficiently cover future beneficiary obligations. The Plan will be structured to include a volatility reducing component (the fixed income commitment) and a growth component (the equity commitment).

To achieve the Plan Sponsor's long-term investment objectives, the Trustee will invest the assets of the Plan in a diversified combination of asset classes, investment strategies, and pooled vehicles. The asset allocation guidelines in the table below reflect the Bank's risk tolerance and long-term objectives for the Plan. These parameters will be reviewed on a regular basis and subject to change following discussions between the Bank and the Trustee.

Initially, the following asset allocation targets and ranges will guide the Trustee in structuring the overall allocation in the Plan's investment portfolio. The Bank or the Trustee may amend these allocations to reflect the most appropriate standards consistent with changing circumstances. Any such fundamental amendments in strategy will be discussed between the Bank and the Trustee prior to implementation.

Based on the above considerations, the following asset allocation ranges will be implemented:

Asset Allocation Parameters by Asset Class

	Minimum	Target	Maximum
Equity			
Large-Cap U.S.		26%	
Mid/Small-Cap U.S.		12%	
Non-U.S.		12%	
Total-Equity	**40%**	**50%**	**60%**
Fixed Income			
Long Duration		47%	
Money Market/Certificates of Deposit		3%	
Total-Fixed Income	**40%**	**50%**	**60%**

The parameters for each asset class provide the Trustee with the latitude for managing the Plan within a minimum and maximum range. The Trustee will have full discretion to buy, sell, invest and reinvest in these asset segments based on these guidelines which includes allowing the underlying investments to fluctuate within the stated policy ranges. The Plan will maintain a cash equivalents component (not to exceed 3% under normal circumstances) within the fixed income allocation for liquidity purposes.

The Trustee will monitor the actual asset segment exposures of the Plan on a regular basis and, periodically, may adjust the asset allocation within the ranges set forth above as it deems appropriate. Periodic reallocations of assets will be based on the Trustee's perception of the changing risk/return opportunities of the respective asset classes.

Determination of Long-Term Rate–of Return

The long-term rate-of-return-on assets assumption was set based on historical returns earned by equities and fixed income securities, adjusted to reflect expectations of future returns as applied to the plan's target allocation of asset classes. Equities and fixed income securities were assumed to earn real rates of return in the ranges of 5-9% and 2-6%, respectively. The long-term inflation rate was estimated to be 3%. When these overall return expectations are applied to the Plan's target allocation, the result is an expected rate of return of 7% to 11%.

Note 12 - Benefits Plan (Continued)

The fair values of the Company's pension plan assets at December 31, 2012, by asset category (see Note 16 for the definitions of levels), are as follows:

Asset Category	Total	(Level 1)	(Level 2)	(Level 3)
Mutual funds-Equity				
Large-Cap Value (a)	$ 766,221	$ 766,221	$	$
Mid-Cap Value (b)	385,766	385,766	—	—
Small-Cap Value (c)	367,800	367,800	—	—
Foreign Large Growth (d)	230,043	230,043	—	—
Mutual Funds-Fixed Income				
World Bond (e)	793,273	793,273	—	—
Intermediate Government (f)	727,626	727,626	—	—
Inflation Protected (g)	666,735	666,735	—	—
Mutual Funds-Asset Allocation/Balanced				
Conservative Allocation (h)	2,219,131	2,219,131	—	—
World Allocation (i)	340,332	340,332	—	—
Stock				
BCB Common Stock	477,225	477,225	—	—
Cash Equivalents				
Money Market	$ 30,348	$ 30,348	$ —	$ —
Total	$ 7,004,500	$ 7,004,500	$ —	$ —

Note 12 - Benefits Plan (Continued)

(a) Large-value portfolios invest primarily in big U.S. companies that are less expensive or growing more slowly than other large-cap stocks. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow.

(b) Some mid-cap value portfolios focus on medium-size companies while others land here because they own a mix of small-, mid-, and large-cap stocks. All look for U.S. stocks that are less expensive or growing more slowly than the market. The U.S. mid-cap range for market capitalization typically falls between $1 billion and $8 billion and represents 20% of the total capitalization of the U.S. equity market. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

(c) Small-value portfolios invest in small U.S. companies with valuations and growth rates below other small-cap peers. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

(d) Foreign large-growth portfolios focus on high-priced growth stocks, mainly outside of the United States. Most of these portfolios divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. These portfolios primarily invest in stocks that have market caps in the top 70% of each economically integrated market (such as Europe or Asia ex-Japan). Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). These portfolios typically will have less than 20% of assets invested in U.S. stocks.

(e) World-bond portfolios invest 40% or more of their assets in foreign bonds. Some world-bond portfolios follow a conservative approach, favoring high-quality bonds from developed markets. Others are more adventurous and own some lower-quality bonds from developed or emerging markets. Some portfolios invest exclusively outside the U.S., while others regularly invest in both U.S. and non- U.S. bonds.

(f) Intermediate-government portfolios have at least 90% of their bond holdings in bonds backed by the U.S. government or by government-linked agencies. This backing minimizes the credit risk of these portfolios, as the U.S. government is unlikely to default on its debit. These portfolios have durations typically between 3.5 and 6.0 years. Consequently, the group’s performance-and its level of volatility- tends to fall between that of the short government and long government bond categories.

(g) Inflation-protected bond portfolios invest primarily in debt securities that adjust their principal values in line with the rate of inflation. These bonds can be issued by any organization, but the U.S. Treasury is currently the largest issuer for these types of securities.

(h) Conservative-allocation portfolios seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. These portfolios tend to hold smaller positions in stocks than moderate-allocation portfolios. These portfolios typically have 20% to 50% of assets in equities and 50% to 80% of assets in fixed income and cash.

(i) World-allocation portfolios seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. While these portfolios do explore the whole world, most of them focus on the U.S., Canada, Japan, and the larger markets in Europe. It is rare for such portfolios to invest more than 10% of their assets in emerging markets. These portfolios typically have at least 10% of assets in bonds, less than 70% of assets in stocks, and at least 40% of assets in non-U.S. stocks or bonds.

The Company expects to contribute, based upon actuarial estimates, approximately $330,000 to the pension plan in 2013.

Benefit payments are expected to be paid for the years ended December 31 as follows (In thousands):

Year	Amount
2013	$ 587
2014	591
2015	586
2016	596
2017	590
2018-2022	2,977

Note 12 - Benefits Plan (Continued)

The fair values of the Company's pension plan assets at December 31, 2011, by asset category (see Note 16 for the definitions of levels), are as follows:

Asset Category	Total	(Level 1)	(Level 2)	(Level 3)
Mutual funds-Equity				
Large-Cap Value (a)	$ 266,863	$ 266,863	$	$
Large-Cap Core (b)	327,673	327,673	—	—
Mid-Cap Core (c)	—	—	—	—
Small-Cap Core (d)	158,806	158,806	—	—
International Cap (e)	277,059	277,059	—	—
Mutual Funds-Fixed Income				
US Core (f)	519,981	519,981	—	—
Core Plus (g)	—	—	—	—
Common/Collective Trusts-Equity				
Large-Cap Value (i)	286,944	—	286,944	—
Large-Cap Growth (j)	525,035	—	525,035	—
International Core (k)	272,948	—	272,948	—
Exchange Traded Funds				
Fixed Income (h)	537,986	537,986	—	—
Stock				
BCB Common Stock	494,410	494,410	—	—
Cash Equivalents				
Money Market	14,637	14,637	—	—
BCB Bank CD	$ 1,290,457	$ —	$ 1,290,457	$ —
Total	$ 4,972,799	$ 2,597,415	$ 2,375,384	$ —

(a) This category consists of a mutual fund holding 100-160 stocks, designed to track and outperform the Russell 1000 Value Index.
(b) This category contains stocks of the S&P 500 Index. The stocks are maintained in approximately the same weightings as the index.
(c) This category contains stocks of the MSCI U.S. Mid Cap 450 Index. The stocks are maintained in approximately the same weightings as the index.
(d) This category consists of 400 or more small and micro-cap companies, with as much as 25% invested in non-U.S. equities.
(e) This category consists of investments with long-term growth potential located primarily in Europe and the Pacific Basin, with a smaller portion located in developing economies.
(f) This category consists of mutual funds that invest in long-term treasury and investment grade corporate bond securities with a dollar-weighted average maturity of 15 to 30 years.
(g) This category consists of a diversified portfolio of bonds and other fixed income securities, including mortgage-related and asset backed securities. Up to 15% may be invested in below investment grade domestic and foreign securities.
(h) This category consists of an exchange traded fund (ETF) that seeks to approximate the total rate of return of the Barclays Capital U.S. 20+ Year Treasury Bond Index.
(i) This category contains large-cap stocks with above-average yield. The portfolio typically holds between 60 and 70 stocks.
(j) This category consists of a portfolio of between 45 and 65 stocks that will typically overweight technology and health care.
(k) This category consists of a portfolio of over 200 stocks in non-U.S. domiciled companies, with up to 35% invested in emerging markets.

Note 12 - Benefits Plan (Continued)

Supplemental Executive Retirement Plan

The Company acquired through the merger with Pamrapo Bancorp, Inc. a supplemental executive retirement plan ("SERP") in which certain former employees of Pamrapo Bank are covered. A SERP is an unfunded non-qualified deferred retirement plan. Participants who retire at the age of 65 (the "Normal Retirement Age"), are entitled to an annual retirement benefit equal to 75% of compensation reduced by their retirement plan annual benefits. Participants retiring before the Normal Retirement Age receive the same benefits reduced by a percentage based on years of service to the Company and the number of years prior to the Normal Retirement Age that participants retire.

The following tables set forth the SERP's funded status and components of net periodic SERP cost:

Change in Benefit Obligation:	**December 31,**	
	2012	2011
	(In Thousands)	
Benefit obligation, beginning of year	**$ 511**	$ 596
Interest Cost	**21**	29
Actuarial loss	**16**	25
Benefits paid	**(74)**	(139)
Benefit obligation, ending	**$ 474**	$ 511
Change in Plan Assets:		
Fair value of assets, beginning of year	**$ —**	$ —
Employer contributions	**74**	139
Benefits paid	**(74)**	(139)
Fair value of assets, ending	**$ —**	**$ —**
Reconciliation of Funded Status:		
Accumulated benefit obligation	**$ 474**	$ 511
Projected benefit obligation	**$ 474**	$ 511
Fair value of assets	**—**	—
Funded status, included in other liabilities	**$ 474**	$ 511
Valuation assumptions used to determine benefit obligation at period end:		
Discount rate	**4.05%**	4.40%
Salary Increase Rate	**N/A**	N/A

Note 12 - Benefits Plan (Continued)

Net Periodic SERP Expense:	**December 31,**	
	2012	2011
	(In Thousands)	
Interest Cost	**$ 21**	$ 29
Net Periodic SERP Cost	**$ 21**	$ 29
Valuation assumptions used to determine net periodic benefit cost for the year:		
Discount rate	**4.40%**	5.54%
Rate of increase in compensation	**N/A**	N/A%

At December 31, 2012 and December 31, 2011, unrecognized net loss of $46,000 and $30,000, respectively, was included, net of deferred income tax, in accumulated other comprehensive income in accordance with ASC 715-20 and ASC 715-30. None of the unrecognized net loss is expected to be recognized in net periodic SERP cost for the year ended December 31, 2012.

The Company expects to contribute, based upon actuarial estimates, approximately $62,000 to the SERP plan in 2013.

Benefit payments are expected to be paid for the years ended December 31 as follows (In thousands):

Year	Amount
2013	$ 62
2014	62
2015	62
2016	62
2017	62
2018-2022	218

Note 12 - Benefits Plan (Continued)

Stock Options

The Company has three stock-related compensation plans, the 2002 Stock Option Plan, 2003 Stock Option Plan, and the 2011 Stock Option Plan (the "Plans"). All stock options granted have a ten year term. For the 2002 Stock Option Plan and the 2003 Stock Option Plan all shares granted have vested and all but 5,469 options authorized under the Plans have been granted as of December 31, 2012. For the 2011 Stock Option Plan, stock option awards vest at a rate of 10% per year, over ten years commencing on the first anniversary of the grant date. As of December 31, 2012, 60,000 options had been granted, with 840,000 shares authorized under the Plan remaining to be granted. During the years ended December 31, 2012 and 2011, the Company recorded $24,000 and $12,000, respectively, as stock option compensation expense. During the year ended December 31, 2010, the Company recorded no share-based compensation expense.

A summary of stock option activity, adjusted to retroactively reflect subsequent stock dividends, follows:

	Number of Options	Range of Exercise Price	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (000's)
Outstanding at December 31, 2010	289,613	$5.29-$29.25	$ 12.00		
Options forfeited	(3,000)	29.25	29.25		
Options exercised	(28,637)	8.26	8.26		$ 70
Options granted	60,000	8.93	8.93		
Options expired	—	—	—		
Outstanding at December 31, 2011	317,976	$5.29-$29.25	11.61	4.46 years	231
Options forfeited	(11,000)	8.93-29.25	17.06		
Options exercised	(29,661)	5.29-9.34	6.01		131
Options granted	—	—	—		
Options expired	(3,019)	5.29-15.11	11.80		
Outstanding at December 31, 2012	**274,296**	**$8.93-$29.25**	**11.97**	2.96 years	34
Exercisable at December 31, 2012	**224,796**	**$8.93-$29.25**	**12.64**	1.71 years	6

Note 12 - Benefits Plan (Continued)

The key valuation assumptions and fair value of stock options granted during the year ended December 31, 2011 were:

Expected life	7.25 years
Risk-free interest rate	1.44%
Volatility	29.80%
Dividend yield	4.71%
Fair value	$1.49

It is Company policy to issue new shares upon share option exercise. Expected future compensation expense relating to the 49,500 unexercisable options outstanding as of December 31, 2012 is $54,000 over a weighted average period of 8.75 years.

Note 13 - Dividend Restrictions

Payment of cash dividends on common stock is conditional on earnings, financial condition, cash needs, capital considerations, the discretion of the Board of Directors, and compliance with regulatory requirements. State and federal law and regulations impose substantial limitations on the Bank's ability to pay dividends to the Company. Under New Jersey law, the Bank is permitted to declare dividends on its common stock only if, after payment of the dividend, the capital stock of the Bank will be unimpaired and either the Bank will have a surplus of not less than 50% of its capital stock or the payment of the dividend will not reduce the Bank's surplus. During 2012, 2011 and 2010, the Bank paid the Company total dividends of $15,745,000, $9,611,000, and $5,334,000 respectively. The Company's ability to declare dividends is dependent upon the amount of dividends declared by the Bank.

Note 14 - Income Taxes

The components of income tax (benefit) expense are summarized as follows:

	Years Ended December 31,		
	2012	2011	2010
		(In Thousands)	
Current income tax expense (benefit):			
Federal	**$ (2,366)**	$ 4,382	$ 1,982
State	**263**	836	(136)
	(2,103)	5,218	1,846
Deferred income tax expense (benefit):			
Federal	**802**	(1,592)	5
State	**(951)**	(253)	(346)
	(149)	(1,845)	(341)
Total Income Tax (Benefit) Expense	**$ (2,252)**	$ 3,373	$ 1,505

Note 14 - Income Taxes (Continued)

The tax effects of existing temporary differences that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities are as follows:

	December 31,	
	2012	2011
Deferred income tax assets:		
Allowance for loan losses	**$ 5,537**	$ 4,822
Other real estate owned expenses	**435**	—
Depreciation	**137**	199
Other than temporary impairment on security	**1,191**	1,191
Non-accrual interest	**455**	397
Benefit Plans	**424**	1,530
Benefit Plan-accumulated other comprehensive loss	**912**	868
Valuation adjustment on loans receivable acquired	**812**	1,677
Valuation adjustment on securities	**371**	—
Valuation adjustment on time deposits acquired	**138**	347
Valuation adjustment on borrowings acquired	**—**	575
Net operating loss carry forwards (net of valuation allowances)	**1,069**	345
Unrealized loss on securities available for sale	**—**	21
Other	**134**	318
	11,615	12,290
Deferred income tax liabilities:		
Unrealized gain on securities available for sale	**59**	—
Valuation adjustment on securities	**—**	748
Valuation adjustment on premises and equipment acquired	**1,503**	1,602
	1,562	2,350
Net Deferred Tax Asset	**$ 10,053**	$ 9,940

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. In making this assessment, management has considered the profitability of current core operations, future market growth, forecasted earnings, future taxable income, and ongoing, feasible and permissible tax planning strategies. If the Company was to determine that it would not be able to realize a portion of its net deferred tax asset in the future for which there is currently no valuation allowance, an adjustment to the net deferred tax asset would be charged to earnings in the period such determination was made. Conversely, if the Company was to make a determination that it is more likely than not that the deferred tax assets for which there is a valuation allowance would be realized, the related valuation allowance would be reduced and a benefit to earnings would be recorded. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences are deductible and carry forwards are available.

At December 31, 2012, gross deferred tax assets related to net operating loss carry forwards totaled $1,128,000, consisting of $345,000 of federal assets acquired in the 2011 acquisition of Allegiance, $724,000 in state assets related to the Bank, and $59,000 in state assets related to the stand-alone Company. Comparable amounts at December 31, 2011, were gross deferred tax assets of $432,000 consisting of $345,000 of federal assets acquired in the Allegiance acquisition, $37,000 in state assets related to the Bank, and $50,000 in state assets related to the stand-alone Company.

At December 31, 2012 and 2011, the stand-alone Company had $1.0 million and $863,000, respectively, of state net operating loss carry forwards, with related gross deferred tax assets of $59,000 and $50,000, respectively. Due to the uncertainty regarding the ability to realize these carry forwards within the statutory time limits, the related deferred tax asset has been fully offset by valuation allowances of $59,000 and $50,000, respectively, at December 31, 2012 and 2011.

In conjunction with the Company’s acquisition of Allegiance in 2011, the Company acquired a federal net operating loss carry forward of $1.2 million. This carry forward is available for use through 2030; however, in accordance with Internal Revenue Code Section 382, usage of the carry forward is limited to $235,000 annually on a cumulative basis (portions of the $235,000 not used in a particular year may be added to subsequent usage). At December 31, 2012 and 2011, the Company had approximately $987,000 remaining of this federal net operation loss carry forward available to offset future taxable income for federal tax reporting purposes; Based on the current profitability or core operations and expectations that such profitability will continue, the Company’s expects to fully utilize this federal net operation loss carry forward by 2016 ($470,000 in 2013, $235,000 in both 2014 and 2015, and $87,000 in 2016).

Note 14 - Income Taxes (Continued)

At December 31, 2012 and 2011, the Bank had $12.4 million and $635,000, respectively, of state net operating loss carry forwards; the $635,000 at December 31, 2011, which is also included in the December 31, 2012 balance, relates to 2010 and is expected to be recoverable in full via carry forward to a to-be-amended 2011 state tax return. The additional $11.7 million at December 31, 2012, was generated in 2012 and will expire, to the extent not utilized, in 2032. The Bank's 2012 state net operating loss was the largely the result of two planned transactions designed to enhance the future operations of the Company and the Bank; as discussed in Note 6, the Bank engaged in two bulk sales of impaired loans at a realized loss of $10.8 million. Similar transactions in future periods are not contemplated or anticipated. The Bank, when consolidated with its investment company subsidiary, has generated consistently strong core earnings and projects similarly strong results going forward. The Bank currently employs a state tax planning strategy designed to reduce state taxes by taking advantage of the lower corporate tax rates applicable to investment companies. Accordingly, most of the state taxable income of the consolidated Bank resides in its investment company subsidiary. In order to utilize the 2012 net operating loss of the stand-alone Bank, a portion of the existing strategy will be reversed to increase the level of Bank-consolidated taxable income that will reside in the stand-alone Bank. The expected continuance of the profitable core operations of the consolidated Bank along with the available, feasible and currently in use tax planning strategy will allow full utilization of this net operating loss carry forward.

The following table presents a reconciliation between the reported income tax expense and the income tax expense which would be computed by applying the normal federal income tax rate of 35% in 2012 and 2011 and 34% in 2010 to income before income tax expense:

	Years Ended December 31,		
	2012	2011	2010
		(In Thousands)	
Federal income tax (benefit) expense at statutory rate	**$ (1,510)**	$ 3,298	$ 5,382
Increases (reductions) in income taxes resulting from:			
State income tax (benefit), net of federal income tax effect	**(451)**	380	(318)
Merger related items	—	(219)	(4,066)
Other items, net	**(291)**	(86)	507
Effective Income Tax	**$ (2,252)**	$ 3,373	$ 1,505
Effective Income Tax Rate	**(52.2)%**	35.8%	9.5%

Note 15- Commitments and Contingencies

The Bank is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments primarily include commitments to extend credit. The Bank's exposure to credit loss, in the event of nonperformance by the other party to the financial instrument for commitments to extend credit, is represented by the contractual amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

Outstanding loan related commitments were as follows:

	December 31,	
	2012	2011
	(In Thousands)	
Loan origination	**$ 39,093**	$ 39,133
Standby letters of credit	**2,414**	1,538
Construction loans in process	**13,774**	3,588
Unused lines of credit	**41,824**	29,261
	$ 97,105	$ 73,520

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, total commitment amounts do not necessarily represent future cash requirements. The Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral held varies but primarily includes residential real estate properties.

The Company and its subsidiaries also have, in the normal course of business, commitments for services and supplies. Management does not anticipate losses on any of these transactions.

The Company and its subsidiaries, from time to time, may be party to litigation which arises primarily in the ordinary course of business. In the opinion of management, the ultimate disposition of such litigation should not have a material effect on the consolidated financial statements. As of December 31, 2012, the Company and its subsidiaries were not parties to any material litigation.

Note 16 - Fair Value Measurements and Fair Values of Financial Instruments

Management uses its best judgment in estimating the fair value of the Company's financial instruments; however, there are inherent weaknesses in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates herein are not necessarily indicative of the amounts the Company could have realized in a sales transaction on the dates indicated. The estimated fair value amounts have been measured as of their respective year-ends and have not been re-evaluated or updated for purposes of these consolidated financial statements subsequent to those respective dates. As such, the estimated fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each year-end.

ASC Topic 820, *Fair Value Measurements and Disclosures* , establishes a fair value hierarchy that prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 : Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 : Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 : Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

An asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.
For assets and liabilities measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy are as follows:

Note 16 - Fair Value Measurements and Fair Values of Financial Instruments (Continued)

Description	Total	(Level 1) Quoted Prices in Active Markets for Identical Assets	(Level 2) Significant Other Observable Inputs	(Level 3) Significant Unobservable Inputs
As of December 31, 2012:				
Securities available for sale — Equity Securities	**$ 1,240**	**$ 1,240**	$ —	$ —
As of December 31, 2011:				
Securities available for sale — Equity Securities	$ 1,045	$ 1,045	$ —	$ —

For assets and liabilities measured at fair value on a nonrecurring basis, the fair value measurements by level within the fair value hierarchy are as follows:

Description	Total	(Level 1) Quoted Prices in Active Markets for Identical Assets	(Level 2) Significant Other Observable Inputs	(Level 3) Significant Unobservable Inputs
As of December 31, 2012:				
Impaired loans	**$ 20,967**	**$ —**	**$ —**	**$ 20,967**
Other Real estate owned	**$ 2,215**	**$ —**	**$ —**	**$ 2,215**
As of December 31, 2011:				
Impaired Loans	$ 23,007	$ —	$ —	$ 23,007
Other Real estate owned	$ 300	$ —	$ —	$ 300

The following table presents additional quantitative information about assets measured at fair value on a nonrecurring basis and for which the Company has utilized adjusted Level 3 inputs to determine fair value, (Dollars in thousands):

Quantitative Information about Level 3 Fair Value Measurements

		Fair Value Estimate	Valuation Techniques	Unobservable Input	Range
December 31, 2012:					
Impaired Loans	$	20,967	Appraisal of collateral (1)	Appraisal adjustments (2)	0%-10%
				Liquidation expenses (3)	0%-10%
Other Real Estate Owned	$	2,215	Appraisal of collateral (1)	Appraisal adjustments (2)	0%-20%

(1) Fair value is generally determined through independent appraisals of the underlying collateral, which generally include various level 3 inputs which are not identifiable.

(2) Appraisals may be adjusted by management for qualitative factors such as economic conditions and estimated liquidation expenses. The range of liquidation expenses and other appraisal adjustments are presented as a percent of the appraisal.

(3) Includes qualitative adjustments by management and estimated liquidation expenses.

Note 16 - Fair Value Measurements and Fair Values of Financial Instruments (Continued)

The following information should not be interpreted as an estimate of the fair value of the entire Company since a fair value calculation is only provided for a limited portion of the Company's assets and liabilities. Due to a wide range of valuation techniques and the degree of subjectivity used in making the estimates, comparisons between the Company's disclosures and those of other companies may not be meaningful. The following methods and assumptions were used to estimate the fair values of the Company's financial instruments at December 31, 2012 and 2011:

Cash and Cash Equivalents (Carried at Cost)

The carrying amounts reported in the consolidated statements of financial condition for cash and short-term instruments approximate those assets' fair values.

Securities

The fair value of securities available for sale (carried at fair value) and held to maturity (carried at amortized cost) are determined by obtaining quoted market prices on nationally recognized securities exchanges (Level 1), or matrix pricing (Level 2), which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted market prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted prices.

Loans Held for Sale (Carried at Lower of Cost or Fair Value)

The fair value of loans held for sale is determined, when possible, using quoted secondary-market prices. If no such quoted prices exist, the fair value of a loan is determined using quoted prices for a similar loan or loans, adjusted for specific attributes of that loan. Loans held for sale are carried at their cost.

Loans Receivable (Carried at Cost)

The fair values of loans, except for certain impaired loans, are estimated using discounted cash flow analyses, using market rates at the balance sheet date that reflect the credit and interest rate-risk inherent in the loans. Projected future cash flows are calculated based upon contractual maturity or call dates, projected repayments and prepayments of principal. Generally, for variable rate loans that reprice frequently and with no significant change in credit risk, fair values are based on carrying values.

Impaired Loans (Generally Carried at Fair Value)

Impaired loans are those for which the Company has measured and recorded an impairment generally based on the fair value of the loan's collateral. Fair value is generally determined based upon independent third-party appraisals of the properties, or discounted cash flows based upon the expected proceeds. These assets are included as Level 3 fair values, based upon the lowest level of input that is significant to the fair value measurements. The fair value at December 31, 2012 and 2011 consists of the loan balances of $23,087,000 and $26,398,000, net of a valuation allowance of $2,120,000 and $3,391,000, respectively.

FHLB of New York Stock (Carried at Cost)

The carrying amount of restricted investment in bank stock approximates fair value, and considers the limited marketability of such securities.

Interest Receivable and Payable (Carried at Cost)

The carrying amount of interest receivable and interest payable approximates its fair value.

Deposits (Carried at Cost)

The fair values disclosed for demand deposits (e.g., interest and non-interest checking, passbook savings and money market accounts) are, by definition, equal to the amount payable on demand at the reporting date (i.e., their carrying amounts). Fair values for fixed-rate certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered in the market on certificates to a schedule of aggregated expected monthly maturities on time deposits.

Long-Term Debt (Carried at Cost)

Fair values of long-term debt are estimated using discounted cash flow analysis, based on quoted prices for new long-term debt with similar credit risk characteristics, terms and remaining maturity. These prices obtained from this active market represent a market value that is deemed to represent the transfer price if the liability were assumed by a third party.

Off-Balance Sheet Financial Instruments (Disclosed at Cost)

Fair values for the Bank's off-balance sheet financial instruments (lending commitments and unused lines of credit) are based on fees currently charged in the market to enter into similar agreements, taking into account, the remaining terms of the agreements and the counterparties' credit standing. The fair value of these commitments was deemed immaterial and is not presented in the accompanying table.

Note 16 - Fair Value Measurements and Fair Values of Financial Instruments (Continued)

The carrying values and estimated fair values of financial instruments were as follows at December 31, 2012 and 2011:

	Carrying Value	Fair Value	Quoted Prices in Active Markets for (Level 1)	Significant Other (Level 2)	Significant Unobservable (Level 3)
			(In Thousands)		
Financial assets:					
Cash and cash equivalents	$ 35,133	$ 35,133	$ 35,133	$ —	$ —
Securities available for sale	1,240	1,240	1,240	—	—
Securities held to maturity	164,648	171,603	—	171,603	—
Loans held for sale	1,602	1,637	—	1,637	—
Loans receivable	922,301	975,835	—	—	975,835
FHLB of New York stock	7,698	7,698	—	7,698	—
Interest receivable	4,063	4,063	—	4,063	—
Financial liabilities:					
Deposits	940,786	944,960	527,318	417,642	—
FHLB Borrowings	131,124	144,211	—	144,211	—
Interest payable	789	789	—	789	—

	December 31, 2011	
	Carrying Value	Fair Value
Financial assets:		
Cash and cash equivalents	$ 117,087	$ 117,087
Securities available for sale	1,045	1,045
Securities held to maturity	206,965	213,903
Loans held for sale	5,856	6,020
Loans receivable	840,763	890,215
FHLB of New York stock	7,498	7,498
Interest receivable	4,997	4,997
Financial liabilities:		
Deposits	977,623	982,500
Long-term debt	129,531	141,108
Interest payable	813	813

Note 17- Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss included in stockholders' equity are as follows:

	At December 31,	
	2012	2011
	(In Thousands)	
Net unrealized gain (loss) on securities available for sale	**$ 143**	$ (52)
Tax effect	**(59)**	21
Net of tax amount	**84**	(31)
Benefit plan adjustments	**(2,231)**	(2,124)
Tax effect	**912**	868
Net of tax amount	**(1,319)**	(1,256)
Accumualted other comprehensive loss	**$ (1,235)**	$ (1,287)

Note 18- Parent Only Condensed Financial Information

STATEMENTS OF FINANCIAL CONDITION

	Years Ended December 31,	
	2012	2011
	(In Thousands)	
Assets		
Cash and due from banks	$ **1,052**	$ —
Investment in subsidiaries	**95,037**	104,088
Restricted common stock	**124**	124
Other assets	**58**	36
Total assets	**96,271**	104,248
Liabilities and Stockholders' Equity		
Liabilities		
Long-term debt	$ **4,124**	$ 4,124
Other Liabilities	**566**	76
Total Liabilities	**4,690**	4,200
Stockholder's Equity	**91,581**	100,048
Total Liabilities and Stockholders' Equity	$ **96,271**	$ 104,248

Note 18- Parent Only Condensed Financial Information (Continued)

STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2012	2011	2010
		(In Thousands)	
Dividends from Bank subsidiary	**$ 15,745**	$ 9,611	$ 5,334
Total Income	**15,745**	9,611	5,334
Interest expense, borrowed money	**128**	120	122
Other	**37**	(17)	60
Total Expense	**165**	103	182
Income before Income Tax Expense (Benefit) and Equity in Undistributed Earnings (Losses) of Subsidiaries	**15,580**	9,508	5,152
Income tax expense (benefit)	**(55)**	97	120
Income before Equity in Undistributed (Losses) Earnings of Subsidiaries	**15,635**	9,411	5,032
Equity in undistributed (losses) earnings of Subsidiaries	**(17,697)**	(3,360)	9,294
Net (Loss) Income	**$ (2,062)**	$ 6,051	$ 14,326

Note 18 - Parent Only Condensed Financial Information (Continued)

STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2012	2011	2010
		(In Thousands)	
Cash Flows from Operating Activities			
Net (Loss) Income	**$ (2,062)**	$ 6,051	$ 14,326
Adjustments to reconcile net (loss) income to net cash provided by operating activites:			
Equity in undistributed losses (earnings) of subsidiaries	**17,697**	3,360	(9,294)
Decrease (increase) in other assets	**(22)**	95	171
Increase (decrease) in other liabilities	**490**	18	(129)
Net Cash Provided By Operating Activities	**16,103**	9,524	5,074
Cash Flows from Investing Activities			
Cash acquired in acquisition	**—**	—	31
Additional investment in subsidiary	**(8,570)**	—	—
Net Cash (Used In) Provided By Investing Activities	**$ (8,570)**	**$ —**	$ 31
Cash Flows from Financing Activities			
Proceeds from issuance of preferred stock	**8,570**	—	—
Proceeds from issuance of common stock	**109**	237	73
Cash dividends paid	**(4,310)**	(4,549)	(3,412)
Purchase of treasury stock	**(10,850)**	(5,567)	(1,806)
Net Cash (Used in) Financing Activities	**(6,481)**	(9,879)	(5,145)
Net Increase (decrease) in Cash and Cash Equivalents	**1,052**	(355)	(40)
Cash and Cash Equivalents - Beginning	**$ —**	$ 355	$ 395
Cash and Cash Equivalents - Ending	**$ 1,052**	$ —	$ 355
Non-Cash Items:			
Transfer of securities available for sale to treasury stock	**$ —**	**$ —**	$ 235

Note 19 – Acquisitions

On October 14, 2011, the Company acquired all of the outstanding common shares of Allegiance Community Bank ("Allegiance") and thereby acquired all of Allegiance Community Bank's two branch locations. Under the terms of the merger agreement, Allegiance stockholders received 0.35 of a share of BCB Bancorp, Inc. common stock at a price of $9.57 per share in exchange for each share of Allegiance common stock, resulting in BCB Bancorp, Inc. issuing 644,434 common shares of BCB Bancorp, Inc. common stock with an acquisition date fair value of $6.2 million.

The results of Allegiance's operations are included in our Consolidated Statements of Operations from the date of acquisition. In connection with the merger, the consideration paid and the net assets acquired were recorded at the estimated fair value on the date of acquisition, as summarized in the following table (In thousands).

Consideration paid		
BCB Community Bancorp, Inc. common stock issued	$	6,167
Cash paid on fractional shares		1
	$	6,168
Estimated amounts of identifiable assets acwquired and liabilities assumed, at fair value		
Cash and cash equivalents	$	5,902
Investment securities		34,969
Loans receivable		88,911
Federal Home Loan Bank of New York stock		819
Premises and equipment		1,618
Interest Receivable		443
Deferred income taxes		1,418
Other assets		1,057
Deposits		(111,365)
Borrowings		(15,458)
Other liabilities		(984)
Total identifiable net assets		7,330
Gain on bargain purchase recognized in non-interest income	$	1,162

ASC 805 "Business Combinations," permits the use of provisional amounts for the assets acquired and liabilities assumed when the information at acquisition date is incomplete. During the measurement period, which is one year from the acquisition date, amounts provisionally assigned to the acquisition may be adjusted based on new information obtained during the measurement period. Under no circumstances may the measurement period exceed one year from the acquisition date. No adjustments were made during 2012.

The securities portfolio acquired consisted primarily of FHLMC and FNMA mortgage backed securities which were valued as of October 14, 2011 based on matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted market prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted prices.

We estimated the fair value for most loans acquired from Allegiance by utilizing a methodology wherein loans with comparable characteristics were aggregated by type of collateral, remaining maturity and repricing terms. Cash flows for each pool were estimated using an estimate of future credit losses and an estimated rate of prepayments. Projected monthly cash flows were then discounted to present value using a risk-adjusted market rate for similar loans. To estimate the fair value of the remaining loans, we analyzed the value of the underlying collateral of the loans, assuming the fair values of the loans are derived from the eventual sale of the collateral. The value of the collateral was based on recently completed appraisals adjusted to the valuation date based on recognized industry indicies. We discounted these values using market derived rates of return with consideration given to the period of time and costs associated with the foreclosure and disposition of the collateral. There was no carryover of Allegiance's allowance for credit losses associated with the loans we acquired in accordance with applicable accounting guidance. Information about the acquired Allegiance loan portfolio as of October 14, 2011 is as follows (in thousands):

Contractually required principal and interest at acquisition	$	107,760
Contractual cash flows not expected to be collected (nonaccretabale discount)		(1,531)
Expected cash flows at acquisition		106,229
Interest component of expected cash flows (accretable discount)		17,318
Fair value of acquired loans	$	88,911

Note 19 – Acquisitions (Continued)

The fair value of the office buildings and land is based upon independent third-party appraisals of the properties.

The fair value of savings and transaction deposit accounts acquired from Allegiance was assumed to approximate the carrying value as these accounts have no stated maturity and are payable on demand. Certificates of deposit accounts were valued by calculating the discounted cash flow. The discounted cash flows, at an individual account level, were then aggregated together by category type to determine the market value of each time deposit category. The market values of all time deposit categories were added together to determine the total market value of the time deposit portfolio. The discount rate utilized for the discounted cash flow of each time deposit category was calculated based upon the median interest rate for market time deposits nearest the weighted average remaining maturity for that time deposit category.

The fair value of borrowings assumed was determined by estimating projected future cash outflows and discounting them at the current market rate of interest for similar type of borrowings.

Direct costs related to the acquisition were expensed as incurred. During the year ended December 31, 2011, we incurred $538,000 in merger related expenses related to the transaction, including $533,000 in professional services and $5,000 in other non-interest expenses.

On July 6, 2010, the Company acquired all of the outstanding common shares of Pamrapo Bancorp, Inc. (“Pamrapo”), the parent company of Pamrapo Savings Bank, and thereby acquired all of Pamrapo Savings Bank’s 10 branch locations. Under the terms of the merger agreement, Pamrapo stockholders received 1.0 share of BCB Bancorp, Inc. common stock in exchange for each share of Pamrapo common stock, resulting in us issuing 4.9 million common shares of BCB Bancorp, Inc. common stock with an acquisition date fair value of $38.6 million. Also under the terms of the merger agreement, Pamrapo stock options were converted to BCB Bancorp, Inc. stock options. There were 28,000 Pamrapo options outstanding that had a fair value of $0.00 on the date of acquisition. The strike price of the options acquired ranged from $18.41-$29.25.

The merger with Pamrapo presents a unique opportunity to merge with a leading community financial institution that will strengthen the earning power of BCB Bancorp, as well as the added scale to undertake and solidify leadership positions in key business lines.

The results of Pamrapo’s operations are included in our Consolidated Statements of Operations from the date of acquisition. In connection with the merger, the consideration paid and the net assets acquired were recorded at estimated fair value on the date of acquisition, as summarized in the following table, (in thousands).

Consideration paid	
BCB Community Bancorp, Inc. common stock issued	$ 38,645
Recognized amounts of identifiable assets acquired and liabilities assumed, at fair value	
Cash and cash equivalents	$ 22,979
Investment securities	86,770
Loans receivable	412,142
Federal Home Loan Bank of New York stock	2,878
Property held for sale	1,017
Premises and equipment	5,938
Other real estate owned	789
Interest receivable	1,905
Deferred income taxes	1,820
Other assets	1,264
Deposits	(435,810)
Borrowings	(43,815)
Other liabilities	(6,650)
Total identifiable net assets	51,227
Gain on bargain purchase recognized in non-interest income	$ 12,582

The securities portfolio acquired consisted primarily of FHLMC and FNMA mortgage backed securities which were valued as of July 6, 2010 based on matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted market prices for the specific securities but rather by relying on the securities’ relationship to other benchmark quoted prices.

Note 19 – Acquisitions (Continued)

We estimated the fair value for most loans acquired from Pamrapo by utilizing a methodology wherein loans with comparable characteristics were aggregated by type of collateral, remaining maturity and repricing terms. Cash flows for each pool were estimated using an estimate of future credit losses and an estimated rate of prepayments. Projected monthly cash flows were then discounted to present value using a risk-adjusted market rate for similar loans. To estimate the fair value of the remaining loans, we analyzed the value of the underlying collateral of the loans, assuming the fair values of the loans are derived from the eventual sale of the collateral. The value of the collateral was based on recently completed appraisals adjusted to the valuation date based on recognized industry indicies. We discounted these values using market derived rates of return with consideration given to the period of time and costs associated with the foreclosure and disposition of the collateral. There was no carryover of Pamrapo's allowance for credit losses associated with the loans we acquired in accordance with applicable accounting guidance. Information about the acquired Pamrapo loan portfolio as of July 6, 2010 is as follows (in thousands):

Contractually required principal and interest at acquisition	$ 649,871
Contractual cash flows not expected to be collected (nonaccretabale discount)	(7,924)
Expected cash flows at acquisition	641,947
Interest component of expected cash flows (accretable discount)	229,805
Fair value of acquired loans	$ 412,142

Fair value of acquired loans

The fair value of the office buildings and land is based upon independent third-party appraisals of the properties.

The fair value of other real estate owned is based upon independent third-party appraisals of the properties.

The fair value of savings and transaction deposit accounts acquired from Pamrapo was assumed to approximate the carrying value as these accounts have no stated maturity and are payable on demand. Certificates of deposit accounts were valued by calculating the discounted cash flow. The discounted cash flows, at an individual account level, were then aggregated together by category type to determine the market value of each time deposit category. The market values of all time deposit categories were added together to determine the total market value of the time deposit portfolio. The discount rate utilized for the discounted cash flow of each time deposit category was calculated based upon the median interest rate for market time deposits nearest the weighted average remaining maturity for that time deposit category.

The fair value of borrowings assumed was determined by estimating projected future cash outflows and discounting them at the current market rate of interest for similar type of borrowings.

Direct costs related to the acquisition were expensed as incurred. During the twelve months ended December 31, 2010, we incurred $644,000 in merger related expenses related to the transaction, including $622,000 in professional services and $22,000 in other non-interest expenses.

The following table presents unaudited pro forma information, (in thousands), as if the acquisition of Allegiance had occurred on January 1, 2010. This pro forma information gives effect to certain adjustments, including purchase accounting fair value adjustments, amortization of fair value adjustments and related income tax effects. The pro forma information does not necessarily reflect the results of operations that would have occurred had the Company merged with Allegiance at the beginning of 2011 or 2010. In particular, potential cost savings are not reflected in the unaudited pro forma amounts.

	Pro forma Twelve months ended	
	December 31, 2011	December 31, 2010
Net interest income	**$ 41,734**	$ 28,363
Noninterest income	**2,452**	15,480
Noninterest expense	**30,864**	25,203
Net income	**6,237**	14,475

The amounts of revenue and earnings attributable to Allegiance since the acquisition date included in the consolidated statement of income for the year ended December 31, 2011 are not disclosed due to the fact that the information is impracticable to provide.

Note 20 - Quarterly Financial Data (Unaudited)

	Year Ended December 2012			
	First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
Interest income	**$ 13,549**	**$ 13,322**	**$ 13,108**	**$ 13,668**
Interest expense	**3,252**	**3,074**	**2,853**	**2,768**
Net Interest Income	**10,297**	**10,248**	**10,255**	**10,900**
Provision for loan losses	**600**	**1,200**	**1,600**	**1,500**
Net Interest Income after Provision for loan losses	**9,697**	**9,048**	**8,655**	**9,400**
Non-interest income (loss)	**1,282**	**(6,311)**	**(2,739)**	**543**
Non-interest expense	**8,382**	**7,999**	**9,001**	**8,507**
Income (loss) before Income Taxes	**2,597**	**(5,262)**	**(3,085)**	**1,436**
Income taxes (benefit)	**1,009**	**(1,900)**	**(1,740)**	**379**
Net Income (Loss)	**$ 1,588**	**$ (3,362)**	**$ (1,345)**	**$ 1,057**
Net income (loss) per common share:				
Basic	**$ 0.17**	**$ (0.37)**	**$ (0.15)**	**$ 0.12**
Diluted	**$ 0.17**	**$ (0.37)**	**$ (0.15)**	**$ 0.12**
Dividends per common share	**$ 0.12**	**$ 0.12**	**$ 0.12**	**$ 0.12**

	Year Ended December 2011			
	First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
Interest income	$ 13,054	$ 13,250	$ 12,728	$ 13,847
Interest expense	3,382	3,368	3,334	3,213
Net Interest Income	**9,672**	**9,882**	**9,394**	**10,634**
Provision for loan losses	350	450	800	2,500
Net Interest Income after Provision for loan losses	**9,322**	**9,432**	**8,594**	**8,134**
Non-interest income	533	509	303	1,103
Non-interest expense	6,709	6,637	6,869	8,291
Income before Income Taxes	**3,146**	**3,304**	**2,028**	**946**
Income taxes	1,225	1,352	840	(44)
Net Income (Loss)	**$ 1,921**	**$ 1,952**	**$ 1,188**	**$ 990**
Net income per common share:				
Basic	$ 0.20	$ 0.21	$ 0.13	$ 0.10
Diluted	$ 0.20	$ 0.21	$ 0.13	$ 0.10
Dividends per common share	$ 0.12	$ 0.12	$ 0.12	$ 0.12

EXHIBIT 21

SUBSIDIARIES OF THE COMPANY

Subsidiaries of the Registrant

The following is a list of the Subsidiaries of BCB Bancorp, Inc.

Name	State of Incorporation
Bayonne Community Bank	New Jersey
BCB Holding Company Investment Corp.	New Jersey
Pamrapo Service Corp.	New Jersey
BCB New York Management, Inc.	New York

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-177502) Forms S-8 (Nos. 333-112201, 333-165127, 333-169337, 333-174639, and 333-175545) of BCB Bancorp, Inc. of our reports dated March 18, 2013, relating to the Company's consolidated financial statements and the effectiveness of the Company's internal control over financial reporting , which appear in this Form 10-K for the year ended December 31, 2012.

/s/ ParenteBeard LLC

ParenteBeard LLC
Clark, New Jersey
March 18, 2013

EXHIBITS 31.1 AND 31.2

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Donald Mindiak, certify that:

1. I have reviewed this Annual Report on Form 10-K of BCB Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 18, 2013
Date

/s/ Donald Mindiak
Donald Mindiak
President and Chief Executive Officer

Exhibit 31 . 2

Certification of Chief Financial Officer

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kenneth Walter, certify that:

1. I have reviewed this Annual Report on Form 10-K of BCB Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 18, 2013	/s/ Kenneth Walter
Date	Kenneth Walter Chief Financial Officer

EXHIBIT 32

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

Exhibit 32

Certification pursuant to
18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Donald Mindiak, President, Chief Executive Officer and Kenneth D. Walter, Chief Financial Officer of BCB Bancorp, Inc. (the "Company") each certify in his capacity as an officer of the Company that he has reviewed the annual report of the Company on Form 10-K for the fiscal year ended December 31, 2012 and that to the best of his knowledge:

(1) the report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The purpose of this statement is solely to comply with Title 18, Chapter 63, Section 1350 of the United States Code, as amended by Section 906 of the Sarbanes-Oxley Act of 2002.

March 18, 2013 Date	/s/ Donald Mindiak Donald Mindiak President and Chief Executive Officer
March 18, 2013 Date	/s/ Kenneth Walter Kenneth Walter Chief Financial Officer