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 th e fiscal year ended December 31, 201 6 .

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 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 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 a ny amendment to this Form 10-K. ☒

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, 201 6 , as reported by the Nasdaq Global Market, was approximately $ 94.8 million.

As of March 6 th , 201 7 , there were 11, 2 8 9 , 4 03 shares of the Registrant's Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

(1) Proxy Statement for the 201 7 Annual Meeting of Stockholders of the Registrant (Part III).

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PART I

I TEM 1. BUSINESS

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.

BCB Bancorp, Inc.

BCB Bancorp, Inc. (the “Company”) is a New Jersey corporation established in 2003 , and is the holding company parent of BCB Community Bank (the “Bank ; ” collectively, “we” or “our”). 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 and our website is www.bcbcommunitybank.com . At December 31, 201 6 we had approximately $1. 708 billion in consolidated assets, $ 1. 392 billion in deposits and $ 1 3 1 . 1 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. The Bank changed its name from Bayonne Community Bank t o BCB Community Bank in April 2007. At December 31, 201 6 , the Bank operated through 22 branches in Bayonne, Carteret, Colonia, Edison, Hoboken, Fairfield, Holmdel, Jersey City, Lodi, Lyndhurst, Monroe Township, Rutherford , South Orange, Union, and Woodbridge, New Jersey , and two branch es in Staten Island, New York and through executive office s loca ted at 104-110 Avenue C and an administrative office located at 591-595 Avenue C, Bayonne, New Jersey 07002. The Bank’s deposit accounts are insured by the Federal Dep osit Insurance Corporation, (the “FDIC”) and the Bank is 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 loans and investment securities. 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, interest and non-interest bearing demand accounts, money market accounts, certificates of deposit and individual retirement accounts; and
- retail and commercial banking services including wire transfers, money orders, safe deposit boxes, a night depository, debit cards, online banking, mobile banking, gift cards, fraud detection (positive pay), and automated teller services.

Recent Event s

On January 18, 2017, the Company declared a cash dividend of $0.14 per share and was paid to stockholders on February 15, 2017, with a record date of February 1, 2017.

On January 23, 2017, the Company launched a private offering issued a subscription agreement and private placement memorandum for up to 2,500 shares of Series D, 4.5% Non-Cumulative Perpetual Preferred Shares (“Series D Shares”). The Series D Shares when issued will be callable by the Company after January 1, 2020 at $10,000 per share (liquidation preference value). There is no ability to convert the Series D Shares to common shares. Dividends on the Series D Shares, if and when declared, will be paid quarterly in arrears

The Company has progressed on an organic branching initiative which is intended to mitigate the location risk of our strong Hudson County, New Jersey concentration, to develop our branch infrastructure in a manner more consistent with the expansion of lending markets and to fill in and grow our branch footprint in a more uniform and coherent fashion, which previously had grown predominately through merger activity. T o this end, the Company opened two branches in 2014, two branches in 2015, and seven branches in 2016. The Company is looking to open an additional branch in the first half of 2017.

In December 2016, the Company opted to call its remaining Series A Noncumulative Perpetual Preferred Stock (“Series A Shares”) and all Series B Noncumulative Perpetual Preferred Stock (“Series B Shares”), effective January 2, 2017. This redemption will result in 694 shares of the Company’s Series A Shares to be redeemed at their value amount of $10,000 per share for an aggregate redemption price of $6,940,000 and 478 shares of the Company’s Series B Shares to be redeemed at their value amount of $10,000 per share for an aggregate redemption price of $4,780,000.

In January and February 2016, the Company opted to call a portion of its Series A Noncumulative Perpetual Preferred Stock (“Series A Shares”). This redemption resulted in 171 shares of the Company’s Series A Shares to be redeemed at their value amount of $10,000 per share for an aggregate redemption price of $1,710,000. Following the redemption of the 141 Series A Shares, 724 Series A Shares remain outstanding and subject to future redemption by the Company.

Business Strategy

Our business strategy is to operate as a well-capitalized, profitable and independent community-oriented financial institution dedicated to providing the highest quality customer service. Management’s and the Board of Directors’ extensive knowledge of the markets we serve helps to differentiate us from our competitors. Our business strategy incorporates the following elements: maintaining a community focus, focusing on profitability, strengthening our balance sheet , concentrating on real estate - based lending, capitalizing on market dynamics, providing attentive and personalized service , and attracting highly qualified and experienced personnel. These attributes coupled with our desire to seek out under-served markets for banking products and services , facilitate our plan to grow our franchise footprint organically and synergistically.

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 New Jersey natives and are active in the communities we serve through non-profit board membership, local business development organizations, and industry associations. In addit ion, our board members are well- established professionals and business leaders in the communities we serve. Management and the Board are interested in making a lasting contribution to these communities , and they have succeeded in attracting deposits and loans through attentive and personalized service.

Strengthening our balance sheet. For the year ended December 31, 201 6 , our return on average equity was 6. 11 % and our return on average assets was 0. 4 7 %. Our earnings per diluted share was $0. 6 3 for the year ended December 31, 201 6 compared to $ 0. 69 for the year ended December 31, 201 5 . Earnings per share results were lower in 2016 primarily as a result of the Company's robust organic growth initiative. Increases in staffing, occupancy, and equipment expenses related to retention of additional experienced business development and loan administration personnel, were utilized in order to ensure the success of this organic growth. Management remains committed to strengthening the Bank's statements of financial condition and maintaining profitability by diversifying the products, pricing and services we offer. As a result of our efforts, total past due loans (greater than 90 days) have decreased from $14.8 million at December 31, 2012 to $ 1 1 .5 million at December 31, 201 6 , while gross loans increased from $936 . 2 million at December 31, 2012 to $1. 51 billion at December 31, 201 6 .

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 generally provide higher returns than loans secured by one- to four-family properties . 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 without a measu rable increased level of risk.

Capitalizing on market dynamics. The consolidation of the banking industry in northeast New Jersey has provided a un ique opportunity for a customer- focused banking institution, such as the Bank. We believe our local ro ots and community focus provide 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 headqu artered outside of New Jersey. We believe our local ro ots and community focus provide 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 the markets we serve and their surrounding communities. Since we began operations, our branches have bee n open seven 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 averages over 20 years of banking experience, while our lenders and branch personnel have significant experience at community banks and regional banks throughout the region . Management believes that its knowledge of these markets has been a critical element in the success of the 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 Bayonne, Jersey City and Hoboken in Hudson County, Carteret, Colonia, Edison, Monroe Township and Woodbridge in Middlesex County, Lodi, Lyndhurst, and Rutherford in Bergen County and Fairfield and South Orange in Essex County, Holmdel in Monmouth County, and Union in Union County, New Jersey. The Bank also operates two branches in Staten Island, New York. The Bank's locations are easily accessible and provide convenient services to businesses and individuals throughout our market area. 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.

Competition

The banking industry in northeast New Jersey and New York City 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 s 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 greater capital resources. Our marketing efforts depend heavily upon referrals from officers, directors, stockholders, advertising in local media and through a social media presence . We compete for business principally on the basis of personal service to customers, customer access to our business development and other officers and directors , and competitive interest rates and fees.

In the financial services industry in recent years, intense market demands, techn ological and regulatory changes, and economic pressures have eroded industry classifications that were once clearly defined. Banks have diversified their services, competitively priced their deposit products and become more cost- effective as a result of competition with each other and with new types of financial service companies, including non-banking competitors. Some of these market dynamics have resulted in 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,									
	2016		2015		2014		2013		2012	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
	(Dollars in Thousands)									
Originated loans:										
Residential one-to-four family	**$ 142,081**	**9.44 %**	$ 117,165	8.13 %	$ 124,642	10.16 %	$ 97,581	9.41 %	$ 78,007	8.33 %
Commercial and multi-family	**1,056,806**	**70.26**	982,828	68.23	732,791	59.74	549,918	53.03	435,371	46.51
Construction	**70,867**	**4.71**	64,008	4.44	73,497	5.99	37,307	3.60	22,267	2.38
Commercial business [(1)]	**63,444**	**4.22**	70,340	4.88	54,244	4.42	52,659	5.08	47,250	5.05
Home equity [(2)]	**32,417**	**2.15**	31,237	2.17	30,175	2.46	28,660	2.76	25,964	2.77
Consumer	**1,269**	**0.08**	2,365	0.16	2,178	0.18	553	0.05	565	0.06
Sub-total	**1,366,884**	**90.86**	1,267,943	88.01	1,017,527	82.95	766,678	73.93	609,424	65.10
Acquired loans recorded at fair value:										
Residential one-to-four family	**56,310**	**3.74**	67,587	4.69	81,051	6.61	100,612	9.71	121,983	13.03
Commercial and multi-family	**60,422**	**4.02**	79,308	5.51	95,191	7.76	126,123	12.16	149,454	15.97
Construction	**-**	**-**	-	-	-	-	200	0.02	1,043	0.11
Commercial business [(1)]	**4,460**	**0.30**	4,281	0.30	6,381	0.52	10,478	1.01	12,177	1.30
Home equity [(2)]	**13,877**	**0.92**	18,851	1.31	22,698	1.85	27,313	2.63	34,289	3.66
Consumer	**225**	**0.01**	263	0.02	652	0.05	919	0.09	1,069	0.11
Sub-total	**135,294**	**8.99**	170,290	11.83	205,973	16.79	265,645	25.62	320,015	34.18
Acquired loans with deteriorated credit:										
Residential one-to-four family	**1,443**	**0.10**	1,474	0.10	1,595	0.13	2,141	0.21	2,936	0.31
Commercial and multi-family	**753**	**0.05**	669	0.05	1,130	0.09	2,081	0.20	3,443	0.37
Construction	**-**	**-**	-	-	-	-	-	-	-	-
Commercial business [(1)]	**-**	**-**	167	0.01	369	0.03	371	0.03	241	0.03
Home equity [(2)]	**-**	**-**	71	0.00	82	0.01	90	0.01	140	0.01
Consumer	**-**	**-**	-	-	-	-	-	-	-	-
Sub-total	**2,196**	**0.15**	2,381	0.16	3,176	0.26	4,683	0.45	6,760	0.72
Total Loans	**1,504,374**	**100.00 %**	1,440,614	100.00 %	1,226,676	100.00 %	1,037,006	100.00 %	936,199	100.00 %
Less:										
Deferred loan fees, net	**2,006**		2,454		2,675		2,300		1,535	
Allowance for loan losses	**17,209**		18,042		16,151		14,342		12,363	
Total loans, net	**$ 1,485,159**		$ 1,420,118		$ 1,207,850		$ 1,020,364		$ 922,301	

(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, 201 6 . 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	$ 866	$ 3,904	$ 195,064	$ 199,834
Construction	32,323	24,543	14,001	70,867
Commercial business (1)	14,944	21,457	31,502	67,903
Commercial and multi-family	17,516	88,116	1,012,349	1,117,981
Home equity (2)	2,880	11,853	31,561	46,294
Consumer	1,033	207	254	1,494
Total amount due	$ 69,562	$ 150,080	$ 1,284,731	$ 1,504,373

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

Loans with Fixed or Floating or Adjustable Rates of Interest . The following table sets forth the dollar amount of all loans at December 31, 201 6 that are due after December 31, 201 7 , and have fixed interest rates and that have floating or adjustable interest rates.

	Fixed Rates	Floating or Adjustable Rates	Total
		(In Thousands)	
One- to four-family	$ 115,593	$ 83,375	$ 198,968
Construction	157,665	927,993	1,085,658
Commercial business (1)	24,275	31,648	55,923
Commercial and multi-family	12,266	38,122	50,388
Home equity (2)	5,775	14,639	20,414
Consumer	220	241	461
Total amount due	$ 315,794	$ 1,096,018	$ 1,411,812

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

Commercial and Multi-family Real Estate Loans . Commercial real estate loans are secured by improved property such as office buildings, mixed use buildings retail stores, shopping centers, warehouses, and o ther non-residential buildings. Loans secured by multi-family residential units are properties consisting of five or more residential units. The Bank offers fully amortizing loans on commercial and multi-family properties at loan amounts up to 75% of the appraised value of the property. Commercial and multi-family real estate loans are generally made at rates that adjust above the five year Federal Home Loan Bank of New York interest rate, with terms of up to 30 years . The Bank also offers balloon loans with fixed interest rates which generally mature in three to five years with amort ization periods up to 30 years. As of December 31, 2016 , the Bank's largest commercial real estate loan had an outstanding prin cipal balance of $1 6 .7 million. This loan is secured by a 49 unit Multi-family property located in New York City, NY. This loan is performing in accordance with its terms at December 31, 2016 .

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 owner occupied properties are generally larger and involve greater risks than one-to-four family residential and non-owner occupied commercial mortgage loans because payments on loans secured by owner occupied properties are often dependent on the successful operation or management of the business. The Bank intends to continue emphasizing the origination of loans secured by commercial real estate and multi-family properties.

Construction Loans . The Bank offers loans to finance the construction of various types of commercial and residential properties. Construction loans to builders generally are offered with terms of up to thirty months and interest rates tied to the prime rate plus a margin. These loans generally are offered as adjustable rate loans. The Bank will originate construction loans to customers provided all necessary plans and permit s are in order. Construction loan funds are disbursed as the project progresses. The Bank also offers construction loans that convert to a permanent mortgage on the property upon completion of the construction and adherence to conditions established at the time the constr uction loan was first approved. Terms of such permanent mortgage loans are similar to other mortgage loans secured by similar properties, with the interest rate establi shed at the time of conversion. As of December 31, 2016 , the Bank's largest construction loan has a borrowing capacity of $ 10 .3 million, of which $ 3 . 5 million has been disbursed. This loan is performing in accordance with its' terms at December 31, 2016 .

Construction financing is generally considered to involve a higher degree of risk than commercial real estate loans or one-to-four family residential lending. To mitigate these risks the Bank will obtain a plan and cost review from a third party vendor to review the proposed construction budget in an effort to avoid cost overruns. The Bank also obtains multiple appraised values based upon various po ssible outcomes of the project. These values include "As Is," "As Completed, "As a Rental," "As Sellout," and "As a Bulk Sale".

Commercial Business Loans . The Bank offers a variety of commercial business loans in forms of either lines of credit or term loans that are fully amortized. Lines of credit are typically utilize d for working capital purposes. These loans are either revolving or non-revolving and provide loan terms between one to three years. The re-payment is generally interest only and the interest rate is adjustable based upon, the Prime Rate. Term loans are typically for purchasing a busine ss or equipment for a business. Term loans have loan terms between five to twenty-five y ears and are fully amortizing. The interest rate is adjustable and tied to the five year Federal H ome Loan Bank of New York rate. Commercial business loans are underwritten on the basis of the borrower's ability to service such debt from income. These loans are generally made to small and mid-sized companies located within the Bank's primary and secondary lending areas. A commercial business loan may be secured by equipment, accounts receivable, inve ntory, chattel or other assets. As of December 31, 2016 , the Bank's largest commercial business loan is a revolving line of credit to school district in Hudson County, NJ secured by plant, equ ipment and accounts receivable. The borrowing capacity is $15.0 million, of which no dollars have been dispersed. This loan is p erforming in accordance with terms at December 31, 2016 .

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.

SBA Lending. The Bank offers qualifying business loans guaranteed by the U . S . Small Bu siness Administration ("SBA"). To qualify the borrower may have low capitalization, inexperience in the industry, or a specialized i ndustry or other unusual risks. As of December 31, 2016 , the Bank's largest SBA loan is secured by a 4-story hotel building located in Brooklyn, New York. The borrowing capacity is $6.0 million, of which $ 5 .1 million has been dispersed. This loan is performing in accordance with its terms at December 31, 2016 .

Residential Lending. Residential loans are secured by one-to-four family dwellings, condominiums and cooperative units. Residential mortgage loans are secured by properties located in our primary lending areas of Bergen, Essex, Middlesex , Hudson, Monmouth and Richmond Counties; adjoining counties are considered a s our secondary lending areas. We generally originate residential mortgage loans up to 75% loan-to-value at a m aximum loan amount of $3.0 million for primary residences . Loan-to-value is based on the lesser of the appraised value or the purchase price without the requirement of private mortgage insurance. We will originate loans with loan to value ratios up to 90%, provided the borrower obtains privat e mortgage insurance approval. We originate both fixed rate and adjustable rate residential loans with a term of up to 30 years. We offer 15, 20, and 30 year fixed, 15/30 year balloon and 3/1, 5/1, 7/1 and 10/1 adjustable rate loans with payments being calculated to include principal, interest, taxes and insurance. The 3/1 and 5/1 adjustable rate loans are qualified at 2% above the start rate; all other loans are qualified at the start rate. We have a number of correspondent relationships with third party lenders in which we deliver closed first mortgage loans. Our correspondent banking relationships allow us to offer customers competitive long term fixed rate and adjustable rate loans we could not otherwise originate, while providing the Bank a source of fee income. During 201 6 , we originated for sale approximately $ 39.1 million in residential loans and recognized gains of approximately $ 988 ,000 from the sale of such loans.

Home Equity Loans and Home Equity Lines of Credit . The Bank offers home equity loans and lines of credit that are secured by either the borrower's primary residence, a seconda ry residence or an investment. Our home equity loans can be structured as loans that are disbursed in full at closing or as lines of credit. Home equity lines of credit are off ered with terms up to 30 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 residential loans. Home equity lines of credit may be underwritten with a loan-to-value ratio of up to 80% in a first lien position. At December 31, 201 6 , the outstanding balances of home equity loans and lines of credit totaled $ 46 . 3 million, or 3. 08 % of total loans.

Consumer Loans . The Bank makes secured Passbook, Automobile and occasion ally unsecured consumer loans. Consumer loans generally have te rms between one and five years. They generally are made on a fixed rate basis, fully-amortizing.

Loan Approval Authority and Underwriting . The Bank's Lending Policy has established lending l imits for executive management. The President or the Chief Lending Officer, together with two Credit Officers, have authority to approv e loan requests up to $1.5 million . Loan requests in excess of $1.5 million shall be presented to the Bank's Board of Directors Loan Committee, which shall be comprised of a quorum of the Bank's Board of Directors. Loan requests in excess of $2 .0 million must be ratified by the entire Bank Board of Directors.

Upon receipt of a completed loan application including all appropriate financial information from a prospective borrower, the Bank will cond uct its due diligence analysis. Property valuations or appraisals are required for all real estate collateralized loans. Appraisals are prepared by a state certified independent appraiser approved by the Bank Board of Directors.

Loan Commitments . Written commitments are given to prospective borrowers on all approved loans. Generally, we honor commitments for up to 60 days from the date of issuance. At December 31, 201 6 , our outstanding loan origination commitments totaled $ 62.0 million, standby letters of credit totaled $ 964,000 , undisbursed construction funds totaled $ 41.2 million and undisbursed lines of credit funds totaled $ 60.6 million.

Loan Delinquencies . Notices of nonpayment are generated to borrowers once the loan ac count(s) becomes either 10 or 15 days past due, as specified in the applicable promissory no te. A nonresponsive borrower will receive collection calls and a site visit from a bank representative in addition to follow -up delinquency notices. If such payment i s not received after 60 days, a notice of right to cure default is sent to the borrower providing 30 additional days to bring the loan current before foreclosure or other remedies are commenced. The Bank utilizes various reporting tools to closely monitor the performance and asset quality of the loan portfolio. The Bank complies with all federal, state and local laws regarding collection of its delinquent accounts.

Non-Accrual Status . Loans are placed on a non-accrual status when the loan becomes more than 90 days delinquent or when, in our opinion, the collection of payment is doubtful. Once placed on non-accrual status, the accrual of interest income is discontinued until the loan has been returned to normal accrual. At December 31, 201 6 , the Bank had $ 15.7 million in non-accruing loans. The largest exposure of non-performing loans consisted of a combined borrowing relationship in which the loans are collateralized by multiple properties whose combined balance at December 31, 201 6 was $ 2 .3 million.

Impairment Status. 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. Impaired loans can be loans which are more than 90 days delinquent, troubled debt restructured, part of our special residential program, in the process of foreclosure, or a forced Bankruptcy plan. 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 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 applied to principal. At December 31, 201 6 , we had 1 63 loans with unpaid principal balances totaling $ 49.4 million which are classified as impaired and on which loan loss allowances totaling $3. 5 million have been established. Durin g 201 6 , interest income of $ 2.4 million was recognized on impaired loans during the time of impairment.

Troubled Debt Restructuring. 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 generally included, but not limited to, interest rate reductions, limitations on the accrued interest charged, term extensions, and deferment of principal. The total troubled debt restructured loans were $2 7.6 million and $ 28.5 million at December 31, 201 6 and December 31, 201 5 , respectively.

The Bank had allocated $ 2.04 million and $ 1.7 million of specific reserves to customers whose loan terms have been modified in troubled debt restructurings as of December 31, 201 6 and December 31, 201 5 , respectively. There were no unfunded commitments to lend additional amounts to customers with outstanding loans that are classified as troubled debt restructurings at December 31, 2016.

If management determines that the value of the modified loan is less than the recorded investment in the loan, impairment is recognized by segment or class of loan, as applicable, through an allowance estimate or charge-off to the allowance. This process is used, regardless of loan type, and for loans modified as TDRs that subsequently default on their modified terms.

T he following table s set forth delinquencies in our loan portfolio as of the dates indicated:

	At December 31, 2016				At December 31, 2015			
	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	6	$ 1,478	19	$ 5,027	4	$ 1,097	21	$ 5,089
Construction	0	-	-	-	1	80	-	-
Home equity	3	350	9	280	4	333	9	816
Commercial and multi-family	3	1,210	9	5,919	11	4,675	18	7,760
Total	12	3,038	37	11,226	20	6,185	48	13,665
Commercial business	1	69	7	315	-	-	10	851
Consumer	-	-	1	6	-	-	-	-
Total delinquent loans	13	$ 3,107	45	$ 11,547	20	$ 6,185	58	$ 14,516
Delinquent loans to total loans		0.21 %		0.77 %		0.43 %		1.01 %

	At December 31, 2014				At December 31, 2013			
	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	12	$ 4,096	10	$ 2,303	10	$ 2,787	11	$ 2,148
Construction	-	-	-	-	-	-	-	-
Home equity	5	552	7	216	2	175	2	176
Commercial and multi-family	6	1,815	8	3,712	7	2,882	12	4,352
Total	23	6,463	25	6,231	19	5,844	25	6,676
Commercial business	2	748	2	391	-	-	2	290
Consumer	1	9	-	-	1	2	-	-
Total delinquent loans	26	$ 7,220	27	$ 6,622	20	$ 5,846	27	$ 6,966
Delinquent loans to total loans		0.59 %		0.54 %		0.56 %		0.67 %

	At December 31, 2012					
	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	10	$	1,941	10	$	2,348
Construction	1		1,174	1		130
Home equity	7		717	12		1,516
Commercial and multi-family	11		5,245	22		9,275
Total	29		9,077	45		13,269
Commercial business	2		152	9		1,514
Consumer	-		-	-		-
Total delinquent loans	31	$	9,229	54	$	14,783
Delinquent loans to total loans			0.99 %			1.58 %

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,				
	2016	2015	2014	2013	2012
	(Dollars in Thousands)				
Non-accruing loans :					
One-to four-family residential	$ 7,122	$ 8,195	$ 7,679	$ 4,829	$ 2,163
Construction	-	-	-	521	130
Home equity	1,179	1,560	943	1,203	1,564
Commercial and multi-family	6,619	12,807	10,355	11,733	13,043
Commercial business	726	885	627	2,279	3,159
Consumer	6	-	-	-	-
Total	15,652	23,447	19,604	20,565	20,059
Accruing loans delinquent more than 90 days :					
One-to four-family residential	-	-	-	-	1,223
Construction	-	-	-	-	-
Home equity	-	-	-	-	227
Commercial and multi-family	2,827	-	-	-	1,386
Commercial business	-	-	-	-	-
Consumer	-	-	-	-	-
Total	2,827	-	-	-	2,836
Total non-performing loans	18,479	23,447	19,604	20,565	22,895
Foreclosed assets	3,525	1,564	3,485	2,227	3,274
Total non-performing assets	$ 22,004	$ 25,011	$ 23,089	$ 22,792	$ 26,169
Total non-performing assets as a percentage of total assets	1.29 %	1.55 %	1.77 %	1.89 %	2.23 %
Total non-performing loans as a percentage of total loans	1.23 %	1.63 %	1.60 %	1.98 %	2.45 %

For the year ended December 31, 201 6 , gross interest income which would have been recorded had our non-accruing loans been current in accordance with their original terms amounted to $ 1. 1 million. We received and recorded $ 798 ,000 in interest income for such loans for the year ended December 31, 201 6 .

Classified Loans . The Bank's Lending Policy contains a classification system which evaluates the overall risk of a prob lem loan. When a loan is classified and determined to be impaired, the Bank may establish specif ic allowances for loan losses. 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, 201 6 , the Bank reported $ 29.3 million in classified assets. The loans classified are represented by loans secured either by one-to-four family or commercial real estate.

The Bank's internal classification system is defined by risk rating grades in accordance with guidance offered by the banking regulatory agencies. The grades of excellent, good, satisfactory and bankable with care (1- 5 rating) are considered as a "pass" rating. The "classified" risk ratings of (6 -9 rating) are detailed below.

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

7 – *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.

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

9 – *Loss* - Continuance as a bankable asset is not warranted. However, this does not preclude future attempts of recovery.

Effective January 2015, the Bank revised its' risk rating scale expanding the grades to a one to nine scale. Grades one through five will be a considered a pass grade where as six through nine will be considered a classified grade. The grades are determined through the uses of a qualitative matrix taking into account various characteristics of the loan such as quality of management, principals'/guarantors' character, balance sheet strength, collateral quality, cash flow coverage, position within the industry, loan structure and documentation.

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 Bank'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 non-impaired loans, a specific allowance for impaired loans, and an unallocated portion.

The Bank consistently applies the following comprehensive methodology. During the quarterly review of the allowance for loan losses, the Bank 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 of performing loans and loans determined to be 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 can be loans which are more than 90 days delinquent, troubled debt restructured, part of our special residential program, in the process of foreclose, or a forced Bankruptcy plan. 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, 201 6 , non-accrual loans di ffered from the amount of total loans past due greater than 90 days due to troubled debt restructuring s 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 Bank 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,				
	2016	2015	2014	2013	2012
	(Dollars in Thousands)				
Balance at beginning of year	$ 18,042	$ 16,151	$ 14,342	$ 12,363	$ 10,509
Charge-offs :					
One- to four-family residential	459	67	28	40	793
Construction	-	-	-	132	292
Commercial business (1)	163	279	208	374	612
Commercial and multi-family	405	10	1,143	123	1,360
Home equity (2)	54	106	56	302	24
Consumer	-	-	2	-	-
Total charge-offs	1,081	462	1,437	971	3,081
Recoveries	221	73	446	200	35
Net charge-offs	860	389	991	771	3,046
Provisions charge to operations	27	2,280	2,800	2,750	4,900
Ending balance	$ 17,209	$ 18,042	$ 16,151	$ 14,342	$ 12,363
Ratio of non-performing assets to total assets at the end of year	1.29 %	1.55 %	1.77 %	1.89 %	2.23 %
Allowance for loan losses as a percent of total loans outstanding	1.14 %	1.25 %	1.32 %	1.38 %	1.32 %
Ratio of net charge-offs during the year to total loans outstanding at end of the year	0.06 %	0.03 %	0.08 %	0.09 %	0.33 %
Ratio of net charge-offs during the year to non-performing loans	4.65 %	1.66 %	5.06 %	3.75 %	13.30 %

(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.

	December 31,									
	2016		2015		2014		2013		2012	
	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)									
Originated loans:										
Residential one-to-four family	**$ 2,098**	**9.44 %**	$ 2,107	11.68 %	$ 2,364	10.16 %	$ 1,729	9.41 %	$ 1,143	8.33 %
Commercial and Multi-family	**10,621**	**70.26 %**	11,643	64.53 %	10,028	59.74 %	7,419	53.03 %	7,088	46.50 %
Construction	**736**	**4.71 %**	722	4.00 %	1,080	5.99 %	700	3.60 %	866	2.38 %
Commercial business (1)	**3,079**	**4.22 %**	1,749	9.69 %	876	4.42 %	1,295	5.08 %	576	5.05 %
Home equity (2)	**374**	**2.15 %**	369	2.05 %	333	2.46 %	363	2.76 %	284	2.77 %
Consumer	**2**	**0.08 %**	879	4.87 %	449	0.18 %	3	0.05 %	41	0.06 %
Unallocated	**69**	**-%**	168	0.93 %	121	-%	83	-%	32	-%
Sub-total:	**$ 16,979**	**90.86 %**	$ 17,637	97.75 %	$ 15,251	82.95 %	$ 11,592	73.93 %	$ 10,030	65.09 %
Acquired loans recorded at fair value:										
Residential one-to-four family	**$ 170**	**3.74 %**	$ 270	1.50 %	$ 417	6.61 %	$ 832	9.71 %	$ 719	13.03 %
Commercial and Multi-family	**-**	**4.02 %**	17	0.09 %	102	7.76 %	1,744	12.16 %	963	15.96 %
Construction	**-**	**-%**	-	-%	-	-%	1	0.02 %	93	0.11 %
Commercial business (1)	**-**	**0.30 %**	-	-%	-	0.52 %	44	1.01 %	244	1.30 %
Home equity (2)	**4**	**0.92 %**	50	0.28 %	58	1.85 %	129	2.63 %	191	3.66 %
Consumer	**-**	**0 %**	-	-%	-	0.05 %	-	0.09 %	18	0.11 %
Unallocated	**-**	**-%**	-	-%	-	-%	-	-%	-	-%
Sub-total	**$ 174**	**8.99 %**	$ 337	1.87 %	$ 577	16.79 %	$ 2,750	25.62 %	$ 2,228	34.17 %
Acquired loans with deteriorated credit:										
Residential one-to-four family	**$ 43**	**0.10 %**	$ 47	0.26 %	$ 64	0.13 %	$ -	0.21 %	$ 105	0.31 %
Commercial and Multi-family	**13**	**0.05 %**	14	0.08 %	23	0.09 %	-	0.20 %	-	0.37 %
Construction	**-**	**-%**	-	-%	-	-%	-	-%	-	-%
Commercial business (1)	**-**	**-%**	4	0.02 %	233	0.03 %	-	0.04 %	-	0.03 %
Home equity (2)	**-**	**-%**	3	0.02 %	3	0.01 %	-	0.01 %	-	0.01 %
Consumer	**-**	**-%**	-	-%	-	-%	-	-%	-	-%
Unallocated	**-**	**-%**	-	-%	-	-%	-	-%	-	-%
Sub-total:	**$ 56**	**0.15 %**	$ 68	0.38 %	$ 323	0.26 %	$ -	0.46 %	$ 105	0.72 %
Total	**$ 17,209**	**100.00 %**	$ 18,042	100.00 %	$ 16,151	100.00 %	$ 14,342	100.01 %	$ 12,363	99.98 %

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

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.

As of December 31, 201 6 , there were no securities classified as held- to-maturity. We had $9 4.8 million in securities classified as available for sale, and no se curities classified as trading or held- to - maturity . Securities classified as available for sale were 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. 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, 201 6 , management concluded that all unrealized losses were temporary in nature since they were related to interest rate fluctuations rather than any underlying credit quality of the issuers. Additionally, the Bank 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 rec overy of the unrealized losses.

In 2013, 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, with the intent to hold 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 purchased has been amortized prior to the sale. Sales of securities that had been classified as held to maturity, and do not meet any of the safe harbor exemptions under ASC 320, would then require that all remaining securities be transferred to the available for sale category and the Company would be prohibited from using the held to maturity classification for at least a two-year period. In July 2014, the Company transferred all of its remaining held-to-maturity investments to the available-for-sale category. Management determined that it no longer had the positive intent to hold its investment in securities classified as held-to-maturity, and in July 2014, proceeds from the sales of securities previously classified as held to maturity totaled approximately $99.2 million, and resulted in gross gains of $2.76 million and gross losses of $470,000. Sales of held-to-maturity securities that met the 85% threshold for the twelve months ended December 31, 2014 totaled approximately $537,000, and resulted in gross gains of approximately $40,000, and gross losses of approximately $1,000.

As of December 31, 201 6 , our investment policy allowed investments in instruments such as: (i) U.S. Treasury obligations; (ii) U.S. federal agency or federally sponsored enterprise obligations; (iii) mortgage-backed securities; (iv) municipal obligations, (v) equity securities (preferred stock) ; and (vi) certificates of deposit. The Board of Directors may aut horize additional investments.

As a source of liquidity and to supplement our lending activities, we have invested in residenti al 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 enhanc ements that reduce credit risk. Mortgage-backed securities can serve as collateral for borrowings and, through repaym ents, as a source of liquidity. Mortgage-backed securities represent a participation interest in a pool of single-fami ly 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 secu rities, 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 ran ge 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 passe d on to the certificate holder. The life of a mortgage-backed pass-through security is equal to the lif e 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,		
	2016	2015	2014
	(In Thousands)		
Securities available for sale:			
Mortgage-backed securities	$ **82,472**	$ 9,623	$ 9,768
Municipal obligations	**6,961**		
Preferred stock	**5,332**	-	-
Total securities available for sale	**94,765**	9,623	9,768
Securities held to maturity:			
Mortgage-backed securities	-	-	-
Municipal obligations	-	-	-
Trust originated preferred security	-	-	-
Total securities held to maturity	-	-	-
FHLB stock	**9,306**	10,711	8,830
Total investment securities	$ **104,071**	$ 20,334	$ 18,598

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

	Years Ended December 31,		
	2016	2015	2014
	(In Thousands)		
Purchases:			
Fixed-rate	$ -	$ -	$ 3,034
Sales:			
Fixed-rate	$ -	$ -	$ (96,850)
Principal Repayments:			
Repayment of principal	$ -	$ -	$ (10,372)
(Decrease) in other items, net	-	-	(10,028)
Net (decrease)	$ -	$ -	$ (114,216)

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, 201 6 by contractual maturity. The following table does not take into consideration the effects of scheduled repayments or the effects of possible prepayments.

	December 31, 2016										
	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	$ -	-%	$ -	-%	$ 6,230	1.95 %	$ 80,594	2.47 %	$ 82,472	$ 86,824	2.43 %
Municipal obligations	6,968	1.40	-	-	-	-	-	-	6,961	6,968	1.40
Preferred stock	-	-	-	-	-	-	5,356	8.54	5,332	5,356	8.54
Total investment securities	$ 6,968	1.40 %	$ -	-%	$ 6,230	1.95 %	$ 85,950	2.85 %	$ 94,765	$ 99,148	2.69 %

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, 201 6 and December 31, 201 5 we had $ 19 . 6 million and $ 46 . 7 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,											
	2016				2015				2014			
	Weighted Average Rate (1)			Amount	Weighted Average Rate (1)			Amount	Weighted Average Rate (1)			Amount
	(Dollars in Thousands)											
Demand	-	%	$	158,523	-	%	$	130,920	-	%	$	127,308
NOW	0.55			307,071	0.38			226,137	0.21			155,044
Savings and club accounts	0.15			260,121	0.16			250,936	0.15			283,872
Money market	0.66			125,614	0.40			54,915	0.30			49,709
Certificates of deposit	1.36			540,875	1.18			611,021	1.07			412,623
Total	0.87	%	$	1,392,204	0.73	%	$	1,273,929	0.59	%	$	1,028,556

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

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

	Years Ended December 31, 2016	2015	2014
	(Dollars in Thousands)		
Beginning of year	$ 1,273,929	$ 1,028,556	$ 968,670
Net deposits	107,736	238,100	54,693
Interest credited on deposit accounts	10,540	7,273	5,193
Total increase in deposit accounts	118,276	245,373	59,886
Ending balance	$ 1,392,205	$ 1,273,929	$ 1,028,556
Percent increase	9.28 %	23.86 %	6.18 %

Jumbo Certificates of Deposit . As of December 31, 201 6 , the aggregate amount of outstanding certificates of deposit in amounts greater than or equal to $100,000 was approximately $ 399 . 2 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, 2016 (In Thousands)
Within three months	$ 101,868
Three through twelve months	122,101
Over twelve months	175,194
Total	$ 399,163

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

	At December 31, 2016 Amount	2016 Percent	2015 Amount	2015 Percent	2014 Amount	2014 Percent
	(Dollars in Thousands)					
Certificate of deposit rates:						
0.00% - 0.99%	**$ 127,186**	**23.51 %**	$ 185,401	30.34 %	$ 224,148	54.32 %
1.00% - 1.99%	**331,352**	**61.26**	347,930	56.94	109,109	26.44
2.00% - 2.99%	**82,267**	**15.21**	77,590	12.70	75,978	18.41
3.00% - 3.99%	**70**	**0.01**	100	0.02	3,160	0.77
4.00% - 4.99%	**-**	**-**	-	-	228	0.06
5.00% - 5.99%	**-**	**-**	-	-	-	-
Total	**$ 540,875**	**100.00 %**	$ 611,021	100.00 %	$ 412,623	100.00 %

The following table presents, by rate category, the remaining period to maturity of certificate of deposit accounts outstanding as of December 31, 201 6 .

	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%	$ 115,404	$ 9,717	$ 2,065	$ -	$ 127,186
1.00% - 1.99%	177,780	73,301	62,623	17,648	331,352
2.00% - 2.99%	21,012	19,106	14,235	27,914	82,267
3.00% - 3.99%	-	70	-	-	70
4.00% - 4.99%	-	-	-	-	-
Total	$ 314,196	$ 102,194	$ 78,923	$ 45,562	$ 540,875

Borrowings . The Overnight A dvance Program permits the Bank to borrow overnight up to its maximum borrowing capacity at the Federal Home Loan Bank of New York ("FHLB") . At December 31, 20 1 6 , the Bank's total credit exposure cannot exceed 50% of its total assets, or $ 809.2 million , based on the borrowing limitations outlined in the FHLB member products guide. The total credit exposure limit to 50% of total assets is recalculated each quarter. Additionally, at December 31, 201 6 we had a floating rate junior subordinated debenture of $ 4.1 million which has been callable at the Bank '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 years indicated.

	At or For the Years Ended December 31,		
	2016	2015	2014
	(Dollars in Thousands)		
Balance at end of year	$ 20,000	$ -	$ 26,000
Average balance during year	$ 103	$ 595	$ 13,591
Maximum outstanding at any month end	$ 20,000	$ 3,000	$ 45,500
Weighted average interest rate at end of year	0.88 %	-%	0.38 %
Average interest rate during year	1.00 %	0.37 %	0.32 %

Employees

At December 31, 201 6 , we had 3 53 full-time equivalent 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 H olding Company Investment Corp. At December 31, 201 6 , this company held $ 9 9 . 1 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 product s and investing in securities. For the year ended December 31, 201 6 , 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 primarily intended to protect depositors and the deposit insurance funds, rather than to protect shareholders and creditors. 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 effec ts on the Company or the Bank.

Set forth below is a summary of certain material and regulatory requirements applicable to the Company and the Bank. 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. 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 prospec ts of the Company and the Bank.

The Dodd-Frank Act

The Dodd-Frank Act significantly changed bank regulation and has affected the lending, investment, trading and operating activities of depository institutions and their holding companies. The Dodd-Frank Act also created a new Consumer Financial Protection Bureau with extensive powers to supervise and enforce consumer protection laws. The Consumer Financial Protection Bureau has broad rule-making 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 also 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, such as the Bank, will continue to be examined by their applicable federal bank regulators. The Dodd-Frank Act required the Consumer Financial Protection Bureau to issue regulations requiring lenders to make a reasonable good faith determination as to a prospective borrower's ability to repay a residential mortgage loan. The final "Ability to Repay" rules, which were effective beginning January 2014, established a "qualified mortgage" safe harbor for loans whose terms and features are deemed to make the loan less risky. In addition, on October 3, 2015, the new TILA-RESPA Integrated Disclosure (TRID) rules for mortgage closings took effect for new loan applications.

The Dodd-Frank Act broadened the base for FDIC assessments for deposit insurance, permanently increased the maximum amount of deposit insurance to $250,000 per depositor. The legislation also, among other things, requires originators of certain securitized loans to retain a portion of the credit risk, stipulates regulatory rate-setting for certain debit card interchange fees, repealed restrictions on the payment of interest on commercial demand deposits and contains a number of reforms related to mortgage originations. The Dodd-Frank Act increased the ability of stockholders to influence boards of directors by requiring companies to give stockholders a non-binding vote on executive compensation and so-called "golden parachute" payments. The legislation also directed the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") to promulgate rules prohibiting excessive compensation paid to company executives, regardless of whether the company is publicly traded or not. The Dodd-Frank Act also gave state attorneys general the ability to enforce applicable federal consumer protection laws.

B ank 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 a nd 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 Company is required to obtain the prior approval of the Federal Reserve Board to acquire all, or substantially all, of the assets of any bank or bank holding company. Prior Federal Reserve Board approval would be required for the Company to acquire direct or indirect ownership or control of any voting securities of any bank or bank holding company if it would, directly or indirectly, own or control more than 5% of any class of voting shares of the bank or bank holding company.

A bank holding company is generally prohibited from engaging in, or acquiring, direct or indirect control of more than 5% of the voting securities of any company engaged in non-banking activities. One of the principal exceptions to this prohibition is for activities found by the Federal Reserve Board to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. Some of the principal activities that the Federal Reserve Board has determined by regulation to be closely related to banking are: (i) making or servicing loans; (ii) performing certain data processing services; (iii) providing securities brokerage services; (iv) acting as fiduciary, investment or financial advisor; (v) leasing personal or real property under certain conditions; (vi) making investments in corporations or projects designed primarily to promote community welfare; and (vii) acquiring a savings association.

The Gramm-Leach-Bliley Act of 1999 authorizes a bank holding company that meets specified conditions, including depository institutions subsidiaries that are "well capitalized" and "well managed," to opt to become a "financial holding company." A "financial holding company" may engage in a broader array of financial activities than permitted a typical bank holding company. Such activities can include insurance underwriting and investment banking. The Company has not elected "financial holding company" status.

A bank holding company is generally required to give the Federal Reserve Board prior written notice of any purchase or redemption of then outstanding equity securities if the gross consideration for the purchase or redemption, when combined with the net consideration paid for all such purchases or redemptions during the preceding 12 months, is equal to 10% or more of the company's consolidated net worth. The Federal Reserve Board may disapprove such a purchase or redemption if it determines that the proposal would constitute an unsafe and unsound practice, or would violate any law, regulation, Federal Reserve Board order or directive, or any condition imposed by, or written agreement with, the Federal Reserve Board. The Federal Reserve Board has adopted an exception to that approval requirement for well-capitalized bank holding companies that meet certain other conditions.

The Federal Reserve Board has issued a policy statement regarding the payment of dividends by bank holding companies. In general, the Federal Reserve Board's policies provide that dividends should be paid only out of current earnings and only if the prospective rate of earnings retention by the bank holding company appears consistent with the organization's capital needs, asset quality and overall financial condition. The Federal Reserve Board's policies also require that a bank holding company serve as a source of financial strength to its subsidiary banks by using available resources to provide capital funds during periods of financial stress or adversity and by maintaining the financial flexibility and capital-raising capacity to obtain additional resources for assisting its subsidiary banks where necessary. The Dodd-Frank Act codified the source of strength policy and requires the promulgation of implementing regulations. Under the prompt corrective action laws, the ability of a bank holding company to pay dividends may be restricted if a subsidiary bank becomes undercapitalized. These regulatory policies could affect the ability of the Company to pay dividends or otherwise engage in capital distributions.

The Company's status as a registered bank holding company under the Bank Holding Company Act will not exempt it from certain federal and state laws and regulations applicable to corporations generally, including, without limitation, certain provisions of the federal securities laws.

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.

As described above, effective January 1, 2015, t he Company became 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. If the capital requirements were effective at December 31, 201 6 , the Company w ould have been 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.

New Jersey Regulation. Under the New Jersey Banking Act, a company owning or controlling a 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 a state-chartered Bank , the Bank is subject to the regulation, supervision and examination of the FDIC as its primary federal regulator . 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.

Capital Requirements. Federal regulations require FDIC-insured depository institutions to meet several minimum capital standards: a common equity Tier 1 capital to risk-based assets ratio of 4.5%, a Tier 1 capital to risk-based assets ratio of 6.0%, a total capital to risk-based assets of 8%, and a 4% Tier l capital to total assets leverage ratio. The existing capital requirements were effective January 1, 2015 and are the result of a final rule implementing regulatory amendments based on recommendations of the Basel Committee on Banking Supervision and certain requirements of the Dodd-Frank Act.

In addition to establishing the minimum regulatory capital requirements, the regulations limit capital distributions and certain discretionary bonus payments to management if the institution does not hold a "capital conservation buffer" consisting of 2.5% of common equity Tier 1 capital to risk-weighted asset above the amount necessary to meet its minimum risk-based capital requirements. The capital conservation buffer requirement is being phased in beginning January 1, 2016 at 0.625% of risk-weighted assets and increasing each year until fully implemented at 2.5% on January 1, 2019. For 2017, the capital conservation buffer is 1.25% of risk-weighted assets.

Standards for Safety and Soundness. As required by statute, the federal banking agencies adopted final regulations and Interagency Guidelines Establishing Standards for Safety and Soundness to implement safety and soundness standards. The guidelines set forth the safety and soundness standards that the federal banking agencies use to identify and address problems at insured depository institutions before capital becomes impaired. The guidelines address internal controls and information systems, internal audit system, credit underwriting, loan documentation, interest rate exposure, asset growth, asset quality, earnings, compensation, fees and benefits and, more recently, safeguarding customer information. If the appropriate federal banking agency determines that an institution fails to meet any standard prescribed by the guidelines, the agency may require the institution to submit to the agency an acceptable plan to achieve compliance with the standard.

Business and Investment Activities. Under federal law, all state-chartered FDIC-insured banks have been limited in their activities as principal and in their equity investments to the type and the amount authorized for national banks, notwithstanding state law. Federal law permits exceptions to these limitations. For example, certain state-chartered banks may, with FDIC approval, continue to exercise state authority to invest in common or preferred stocks listed on a national securities exchange and in the shares of an investment company registered under the Investment Company Act of 1940, as amended. The maximum permissible investment is the lesser of 100.0% of Tier 1 capital or the maximum amount permitted by New Jersey law.

The FDIC is also authorized to permit state banks to engage in state authorized activities or investments not permissible for national banks (other than non-subsidiary equity investments) if they meet all applicable capital requirements and it is determined that such activities or investments do not pose a significant risk to the FDIC insurance fund. The FDIC has adopted regulations governing the procedures for institutions seeking approval to engage in such activities or investments. The Gramm-Leach-Bliley Act of 1999 specified that a state bank may control a subsidiary that engages in activities as principal that would only be permitted for a national bank to conduct in a "financial subsidiary," if a bank meets specified conditions and deducts its investment in the subsidiary for regulatory capital purposes.

Prompt Corrective Regulatory Action. Federal law requires, among other things, that federal bank regulatory authorities take "prompt corrective action" with respect to banks that do not meet minimum capital requirements. For these purposes, the law establishes five capital categories: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized.

The applicable FDIC regulations were amended to incorporate the previously mentioned increased regulatory capital standards that were effective January 1, 2015. Under the amended regulations, an institution is deemed to be "well capitalized" if it has a total risk-based capital ratio of 10.0% or greater, a Tier 1 risk-based capital ratio of 8.0% or greater, a leverage ratio of 5.0% or greater and a common equity Tier 1 ratio of 6.5% or greater. An institution is "adequately capitalized" if it has a total risk-based capital ratio of 8.0% or greater, a Tier 1 risk-based capital ratio of 6.0% or greater, a leverage ratio of 4.0% or greater and a common equity Tier 1 ratio of 4.5% or greater. An institution is "undercapitalized" if it has a total risk-based capital ratio of less than 8.0%, a Tier 1 risk-based capital ratio of less than 6.0%, a leverage ratio of less than 4.0% or a common equity Tier 1 ratio of less than 4.5%. An institution is deemed to be "significantly undercapitalized" if it has a total risk-based capital ratio of less than 6.0%, a Tier 1 risk-based capital ratio of less than 4.0%, a leverage ratio of less than 3.0% or a common equity Tier 1 ratio of less than 3.0%. An institution is considered to be "critically undercapitalized" if it has a ratio of tangible equity (as defined in the regulations) to total assets that is equal to or less than 2.0%.

"Undercapitalized" banks must adhere to growth, capital distribution (including dividend) and other limitations and are required to submit a capital restoration plan. A bank's compliance with such a plan must be guaranteed by any company that controls the undercapitalized institution in an amount equal to the lesser of 5% of the institution's total assets when deemed undercapitalized or the amount necessary to achieve the status of adequately capitalized. If an "undercapitalized" bank fails to submit an acceptable plan, it is treated as if it is "significantly undercapitalized." "Significantly undercapitalized" banks must comply with one or more of a number of additional measures, including, but not limited to, a required sale of sufficient voting stock to become adequately capitalized, a requirement to reduce total assets, cessation of taking deposits from correspondent banks, the dismissal of directors or officers and restrictions on interest rates paid on deposits, compensation of executive officers and capital distributions by the parent holding company. "Critically undercapitalized" institutions are subject to additional measures including, subject to a narrow exception, the appointment of a receiver or conservator within 270 days after it obtains such status.

Enforcement. The FDIC has extensive enforcement authority over insured state banks, including the Bank. That enforcement authority includes, among other things, the ability to assess civil money penalties, issue cease and desist orders and remove directors and officers. In general, enforcement actions may be initiated in response to violations of laws and regulations and unsafe or unsound practices. The FDIC also has authority under federal law to appoint a conservator or receiver for an insured bank under certain circumstances. The FDIC is required, with certain exceptions, to appoint a receiver or conservator for an insured state non-member bank if that bank was "critically undercapitalized" on average during the calendar quarter beginning 270 days after the date on which the institution became "critically undercapitalized."

Federal Insurance of Deposit Accounts. The Dodd-Frank Act permanently increased the maximum amount of deposit insurance for banks, savings institutions and credit unions to $250,000 per depositor.

The Dodd-Frank Act increased the minimum target Deposit Insurance Fund ratio from 1.15% of estimated insured deposits to 1.35% of estimated insured deposits. The FDIC must seek to achieve the 1.3 5% ratio by September 30, 2020. Insured institutions with assets of $10 billion or more are supposed t o fund the increase. The Dodd-Frank Act eliminated the 1.5% maximum fund ratio, instead leaving it to the discretion of the FDIC and the FDIC has exercised that discretion by establishing a long-term fund ratio of 2%.

Under the FDIC's risk-based assessment system, insured institutions were assigned to one of four risk categories based on supervisory evaluations, regulatory capital levels and certain other risk factors. Rates were based on each institution's risk category and certain specified risk adjustm ents. Stronger institutions paid lower rates while riskier i nstitutions paid higher rates. Assessments were based on an institution's average consolidated total assets minus average tangible equity, with the assessment rate schedule ranging from 2.5 to 45 basis points.

Effective July 1, 2016, the FDIC adopted changes that eliminated the risk categories. Assessments for most institutions are now based on financial measures and supervisory ratings derived from statistical modeling estimating the probability of failure within three years. In conjunction with the Deposit Insurance Fund reserve ratio achieving 1.5% the assessment range (inclusive of possible adjustments) was reduced for most banks and savings associations to 1.5 basis points to 30 basis points.

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 quarter ended December 31, 2016, the annualized Financing Corporation assessment was equal to 0.60 of a basis point of total average assets less average tangible capital.

The FDIC has authority to increase insurance assessments. Any significant increases would have an adverse effect on the operating expenses and results of operations of the Bank. Management cannot predict what assessment rates will be in the future.

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.

Community Reinvestment Act . Under the Community Reinvestment Act ("CRA"), a bank has a continuing and affirmative obligation, consistent with its safe and sound operation, to help meet the credit needs of its entire community, including low and moderate income neighborhoods. The CRA does not establish specific lending requirements or programs for financial institutions nor does it limit an institution's discretion to develop the types of products and services that it believes are best suited to its particular community. The CRA does require the FDIC, in connection with its examination of a bank, to assess the institution's record of meeting the credit needs of its community and to take such record into account in its evaluation of certain applications by such institution, including applications to establish or acquire branches and merger with other depository institutions. The CRA requires the FDIC to provide a written evaluation of an institution's CRA performance utilizing a four-tiered descriptive rating system. BCB Community Bank's latest FDIC CRA rating, dated May 18, 2015 was "satisfactory."

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.

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 dividen d 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 S ecurities 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, 201 6 , our auditors are required to audit our internal control over financial reporting.

Sarbanes-Oxley Act of 2002

The Sarbanes-Oxley Act of 2002 addresses, among other issues, corporate governance, auditing and accounting, executive compensation, and enhanced and timely disclosure of corporate information. We have prepared policies, procedures and systems designed to ensure compliance with these regulations.

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. bcbcommunitybank .co m. We will also provide our Annual Report on Form 10-K free of charge to shareholders who request a copy in writing from the Corporate Secretary at 104-110 Avenue C, Bayonne, New Jersey 07002.

IT EM 1A. RISK FACTORS

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, 201 6 , $ 1. 12 b illion, or 7 4 . 3 % , 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 collateral that is pledged . Such loans typically involve larger loan balances to single borrowers or groups of related borrowers compared to one- to four-family residen tial 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.

Commercial real estate and multi-family loans generally carry larger balances and can involve a greater degree of financial and credit risk than other loans. As a result, banking regulators continue to give greater scrutiny to lenders with a high concentration of commercial real estate loans in their portfolios, such as us, and such lenders are expected to implement stricter underwriting standards, internal controls, risk management policies, and portfolio stress testing, as well as higher capital levels and loss allowances. The increased financial and credit risk associated with these types of loans are a result of several factors, including the concentration of principal in a limited number of loans and borrowers, the size of loan balances, the effects of general economic conditions on income-producing properties, and the increased difficulty of evaluating and monitoring these types of loans. During the last recession , financial institutions with high commercial real estate loan concentrations were more susceptible to failure. If we cannot effectively manage the risk associated with our high concentration of commercial real estate loans, our financial condition and results of operations may be adversely affected.

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

The Company has progressed on an organic branching initiative which is intended to mitigate the location risk of our strong Hudson County concentration, to develop our branch infrastructure in a manner more consistent with the expansion of lending markets and to fill in and grow our branch footprint in a more uniform and coherent fashion, which previously had grown predominately through merger and acquisition activity. To this end, the Company opened two branches in 2015 and seven branches in 2016. The Company is also looking to open several more branches within the next year.

We cannot be certain as to our ability to manage increased lev els 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 inc ome. At December 31, 201 6 , our allowance for loan losses totaled $ 1 7 . 2 million, representing 1. 14 % of total loans or 93 . 13 % of non-performing loans .

While we have only been operating for 16 years, we have experienced significant growth in our loan portfolio, particularly our loans secure d by commercial real estate. Although we believe we have underwriting standards to manage normal lending risks, and although we had $ 2 2 .0 million, or 1. 29 % of total assets consisting of non-performing assets at December 31, 201 6 , it is difficult to assess the future performance of our loan portfolio due to the relatively recent orig ination 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.

The asset quality of our loan portfolio may deteriorate if the economy falters, resulting in a portion of our loans failing to perform in accordance with their terms. Under such circumstances our profitability will be adversely affected.

At December 31, 201 6, we had $48 . 2 million in classified loans of which $320,000 were classified as losses , $ 29 . 0 million were classified as substandard and $1 8 . 9 million were classified as special mention. In addition, at that date we had $1 5 . 7 million in non-accruing loans. We have adhered to stringent underwriting standards in the origination of loans, but there can be no assurance that loans that we originated will not experience asset quality deterioration as a result of a downturn in the local economy. Should our local economy weaken, our asset quality may deteriorate resulting in losses to the Company.

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

Net interest income is the most significant com ponent of our operating income. We have significantly less reliance 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, 201 6 and 201 5 , our net interest income was $ 5 5 . 1 million and $ 53 . 5 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 o f 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.

Changes in interest rates could hurt our profits.

Our profitability, like most financial institutions, depends to a large extent upon our net interest income, which is the difference between our interest income on interest-earning assets, such as loans and securities, and our interest expense on interest-bearing liabilities, such as deposits and borrowed funds. Accordingly, our results of operations depend largely on movements in market interest rates and our ability to manage our interest-rate-sensitive assets and liabilities in response to these movements. Factors such as inflation, recession and instability in financial markets, among other factors beyond our contr ol, may affect interest rates.

If interest rates rise, and if rates on our deposits reprice upwards faster than the rates on our long-term loans and investments, we would experience compression of our interest rate spread, which would have a negati ve effect on our profitability. Conversely, decreases in interest rates can result in increased prepayments of loans and mortgage-related securities, as borrowers refinance t o reduce their borrowing costs. Under these circumstances, we are subject to reinvestment risk as we may have to redeploy such loan or securities proceeds into lower-yielding assets, which might als o negatively impact our income.

Any substantial, unexpected, prolonged change in market interest rates could have a material adverse effect on our financial condition, liquidity and results of operations. Further, a prolonged period of exceptionally low market interest rates, such as we are currently experiencing, limits our ability to lower our interest expense, while the average yield on our interest-earning assets may continue to decrease as our loans reprice or are originated at these low market rates. Accordingly, our net interest income may continue to decrease, which may have an adverse e ffect on our profitability. Also, our interest rate risk modeling techniques and assumptions likely may not fully predict or capture the impact of actual interest rate changes on our balance sheet or projected operating results.

While we pursue an asset/liability strategy designed to mitigate our risk from changes in interest rates, changes in interest rates can still have a material adverse effect on our financial condition and results of operations. Changes in the level of interest rates also may negatively affect our ability to originate real estate loans, the value of our assets and our ability to realize gains from the sale of our assets, all of which ultimately affect our earnings. For further discussion of how changes in interest rates could impact us, see "Item 7A. – Quantitative and Qualitative Disclosure About Market Risk."

The building of market share through de novo branching and expansion of our commercial real estate and multi-family lending capacity could cause our expenses to increase faster than revenues.

We intend to continue to build market share through de novo branching and expansion of our commercial real estate and multi-family lending ca pacity. Since January 1, 201 5 , we have opened nine de novo branches including two in 2015 and seven in 2016 . Pursuant to our de novo branch expansion strategy, during the two year s ended December 31, 201 6 we hired 26 new full-time equivalent employees, primarily in the areas of business development, loan administration and customer service. There are considerable costs involved in opening branches and expansion of lending capacity that generally require a period of time to generate the necessary revenues to offset their costs, especially in areas in which we do no t have an established presence. Accordingly, any such business expansion can be expected to negatively impact our earnings for some period of time until certain economies of scale are reached. Our expenses could be further increased if we encounter delays in the openi ng of any of our new branches. Finally, our business expansion may not be successful after establishment of the new branches.

The Dodd-Frank Act will result in new laws and regulations that are expected to increase our costs of operations.

The Dodd-Frank Act, among other things, has changed and will continue to change the bank regulatory framework. The legislation will also result in new regulations affecting the lending, funding, trading and investment activities of banks and bank holding companies. An independent Consumer Financial Protection Bureau has assumed the consumer protection responsibilities of the various federal banking agencies and has broad rule-making authority for a wide range of consumer protection laws that apply to all banks and savings institutions such as the Bank, including the authority to prohibit "unfair, deceptive or abusive" acts and practices. Banks and savings institutions with $10.0 billion or less in assets will continue to be examined by their applicable bank regulators. The legislation also gave state attorneys general the ability to enforce applicable federal consumer protection laws. The Dodd-Frank Act also required the federal banking agencies to promulgate rules requiring mortgage lenders to retain a portion of the credit risk related to securitized loans. These measures are likely to increase our costs of doing business and increase our costs related to regulatory compliance, and may have a significant adverse effect on our lending activities, financial performance and operating flexibility.

We have become subject to more stringent capital requirements, which may adversely impact our return on equity, or constrain us from paying dividends or repurchasing shares.

In July 2013, the FDIC and the Federal Reserve approved a new rule that substantially amend ed the regulatory risk-based capital rules applicable to the Bank and the Co mpany. The final rule implemented the "Basel III" regulatory capital reforms and changes required by the Dodd-Frank Act.

The final rule includes new minimum risk-based capital and leverage ratios, which became effective for the Bank and the Company on January 1, 2015, and refines the definition of what constitutes "capital" for purposes of calculating these ratios. The new minimum capital requirements are : (i) a new common equity Tier 1 capital ratio of 4.5%; (ii) a Tier 1 to risk-based assets capital ratio of 6% (increased from 4%); (iii) a total capital ratio of 8% (unchanged from current rules); and (iv) a Tier 1 leverage ratio of 4%. The final rule also establishes a "capital conservation buffer" of 2.5%, and will result in the following minimum ratios: (i) a common equity Tier 1 capital ratio of 7.0%; (ii) a Tier 1 to risk-based assets capital ratio of 8.5%; and (iii) a total capital ratio of 10.5%. The new capital conservation buffer requirement was phased in beginning in January 2016 at 0.625% of risk-weighted assets and will increase each year until fully implemented in January 2019. In 2017, the ratio will be 1.25 of risk-weighted assets. An institution will be subject to limitations on paying dividends, engaging in share repurchases, and paying discretionary bonuses if its capital level falls below the buffer amount. These limitations will establish a maximum percentage of eligible retained income that can be utilized for such actions.

The application of more stringent capital requirements for the Bank and the Company could, among other things, result in lower returns on equity, require the raising of additional capital, and result in regulatory actions constraining us from paying dividends or repurchasing shares if we were to be unable to comply with such requirements.

New regulations could restrict our ability to ori ginate and sell mortgage loans.

The CFPB has issued a rule designed to clarify for lenders how they can avoid monetary damages under the Dodd-Frank Act, which would hold lenders accountable for ensuring a borrower's ability to repay a mortgage. Loans that meet this "qualified mortgage" definition will be presumed to have complied with the new ability-to-repay standard. Under the CFPB's rule, a "qualified mortgage" loan must not contain certain specified features, including:

- excessive upfront points and fees (those exceeding 3% of the total loan amount, less "bona fide discount points" for prime loans);
- interest-only payments;
- negative-amortization; and
- terms longer than 30 years.

Also, to qualify as a "qualified mortgage," a borrower's total debt-to-income ratio may not exceed 43%. Lenders must also verify and document the income and financial resources relied upon to qualify the borrower for the loan and underwrite the loan based on a fully amortizing payment schedule and maximum interest rate during the first five years, taking into account all applicable taxes, insurance and assessments. The CFPB's rule on qualified mortgages could limit our ability or desire to make certain types of loans or loans to certain borrowers, or could make it more expensive and/or time consuming to make these loans, which could limit our growth or profitability.

Risks associated with system failures, interruptions, or breaches of security could negatively affect our earnings.

Information technology systems are critical to our business. We use various technology systems to manage our customer relationships, general ledger, securities investments, deposits, and loans. We have established policies and procedures to prevent or limit the impact of system failures, interruptions, and security breaches (including privacy breaches and cyber-attacks), but such events may still occur or may not be adequately addressed if they do occur. In addition, any compromise of our systems could deter customers from using our products and services. Although we take protective measures, the security of our computer systems, software, and networks may be vulnerable to breaches, unauthorized access, misuse, computer viruses, or other malicious code and cyber attacks that could have an impact on information security.

In addition, we outsource a majority of our data processing to certain third-party providers. If these third-party providers encounter difficulties, or if we have difficulty communicating with them, our ability to adequately process and account for transactions could be affected, and our business operations could be adversely affected. Threats to information security also exist in the processing of customer information through various other vendors and their personnel.

There have been increasing efforts on the part of third parties, including through cyber attacks, to breach data security at financial institutions or with respect to financial transactions. There have been several recent instances involving financial services and consumer-based companies reporting the unauthorized disclosure of client or customer information or the destruction or theft of corporate data. In addition, because the techniques used to cause such security breaches change frequently, often are not recognized until launched against a target and may originate from less regulated and remote areas around the world, we may be unable to proactively address these techniques or to implement adequate preventative measures. The ability of our customers to bank remotely, including online and through mobile devices, requires secure transmission of confidential information and increases the risk of data security breaches.

The occurrence of any system failures, interruption, or breach of security could damage our reputation and result in a loss of customers and business thereby subjecting us to additional regulatory scrutiny, or could expose us to litigation and possible financial liability. Any of these events could have a material adverse effect on our financial condition and results of operations.

The Bank's reliance on brokered deposits could adversely affect its liquidity and operating results.

Among other sources of funds, we rely on brokered deposits to provide funds with which to make loans and provide for other liquidity needs. On December 31, 201 6 , brokered deposits totaled $ 20 . 8 million, or approximately 1 . 4 % of total deposits. The Bank's primary source for brokered money market deposits is the Certificate of Deposit Account Registry Service (" CDARS ") .

Generally brokered deposits may not be as stable as other types of deposits. In the future, those depositors may not replace their brokered deposits with us as they mature, or we may have to pay a higher rate of interest to keep those deposits or to replace them with other deposits or other sources of funds. Not being able to maintain or replace those deposits as they mature would adversely affect our liquidity. Paying higher deposit rates to maintain or replace brokered deposits would adversely affect our net interest margin and operating results.

Strong competition within our market area may limit our growth and profitabi lity.

Competition is intense within the banking and financial services industry in New Jersey and New York. In our market area, we compete with commercial banks, savings institutions, mortgage brokerage firms, credit unions, finance companies, mutual funds, insurance companies, and brokerage and investment banking firms operating locally and elsewhere. Many of these competitors have substantially greater resources, higher lending limits and offer services that we do not or cannot provide. This competition makes it more difficult for us to originate new loans and retain and attract new deposits. Price competition for loans may result in originating fewer loans, or earning less on our loans and price competition for deposits may result in a reduction of our deposit base or paying more on our deposits.

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 e xposed 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 busin ess may be negatively affected. In addition, the economies of the communities in which we operate are substantially dependent on the growth of the econ omy 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 ar ea 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 m arket and economic conditions. As of December 31, 201 6 , approximately 9 8 % 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, a significant percentage 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 lo sses 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.

We could be adversely affected by failure in our internal controls.

A failure in our internal controls could have a significant negative impact not only on our earnings, but also on the perception that customers, regulators and investors may have of us. We continue to devote a significant amount of effort, time and resources to continually strengthening our controls and ensuring compliance with complex accounting standards and banking regulations.

I TEM 1B. UNRESOLVED STAFF COMMENTS

None.

IT EM 2. PROPERTIES

The Bank conducts its business through an executive offi ce, one administrative office, and 22 branch offices. 15 of fices have drive-up facilities. The Bank has 29 automatic teller machines at its branch facilities an d two other off-site locations. The following table sets forth information relating to each of the Bank's offices as of December 31, 201 6. The total net book value of the Bank's premises and equipment at December 31, 201 6 was $1 9 . 4 million.

Location	**Year Office Opened**	**Net Book Value**
		(In Thousands)
Executive Office		
104-110 Avenue C		
Bayonne, New Jersey	2003	$ 2,608
Administrative and Other Offices		
591-597 Avenue C		
Bayonne, New Jersey	2010	2,371
27 West 18th Street		
Bayonne, New Jersey	2014	211 (1)
Branch Offices		
860 Broadway		
Bayonne, New Jersey	2000	817 (1)
510 Broadway		
Bayonne, New Jersey	2003	331 (1)
401 Washington St.		
Hoboken, New Jersey	2010	283 (1)
987 Broadway		
Bayonne, New Jersey	2010	509
473 Spotswood Englishtown Rd		
Monroe Township, New Jersey	2010	207 (1)
611 Avenue C		
Bayonne, New Jersey	2010	1,808
181 Avenue A		
Bayonne, New Jersey	2010	2,358
200 Valley Street		
S. Orange, New Jersey	2011	1,180
34 Main Street		
Woodbridge, New Jersey	2011	12 (1)
1379 St. George Avenue		
Colonia, New Jersey	2014	106 (1)
165 Passaic Avenue		
Fairfield, New Jersey	2014	30 (1)
354 New Dorp Lane		
Staten Island, New York	2015	534 (1)
190 Park Avenue		
Rutherford, New Jersey	2015	467 (1)
1500 Forest Avenue		
Staten Island, New York	2016	1,116 (1)
626 Laurel Avenue		
Holmdel, New Jersey	2016	34 (1)
112 Talmadge Road		
Edison, New Jersey	2016	51 (1)
734 Ridge Road		
Lyndhurst, New Jersey	2016	272 (1)
2 Arnot Street		
Lodi, New Jersey	2016	71 (1)

Net book value of properties		15,376
Furnishings and equipment		4,006 (2)
Total premises and equipment	$	19,382

(1) Leased Property
(2) Includes off-site ATMs

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, 2016, 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 effect on our financial condition or results of operations.

The Company, as the successor to Pamrapo Bancorp, Inc., and in its own corporate capacity, was a named defendant in a shareholder class action lawsuit, Kube v. Pamrapo Bancorp, Inc., et al., filed in the Superior Court of New Jersey, Hudson County, Chancery Division, General Equity (the "Action").

On September 21, 2015, the court entered an Order and Final Judgment ("Judgment"), whereby the Stipulation of Settlement ("Stipulation") agreed to by the plaintiff class, the Company and the remaining defendants was approved.

Pursuant to the Stipulation, the plaintiff class's counsel reserved the right to seek an award of counsel fees and litigation expenses ("Fees Motion"). The maximum amount which may be awarded as a result of the Fees Motion is $1,000,000.00. The plaintiff class's counsel has made a Fee Motion to the court seeking a final award of counsel fees and litigation expenses of approximately $1,000,000.00. The Company and the remaining defendants have vigorously opposed that motion. It is anticipated that the court will schedule a hearing date for the Fee Motion in March 2017.

The Company and the other defendants in the Action ("Plaintiffs") brought an action ("Carrier Suit") against Progressive Insurance Company ("Progressive"), the Directors' and Officers' Liability insurance carrier for Pamrapo Bancorp, Inc., at the time of its merger with the Company on July 6, 2010, and Colonial American Insurance Company ("Colonial"), the Directors' and Officers' Liability insurance carrier for the Comp any at the time of the merger. The Carrier Suit seeks, among other claims, indemnification, payment of and/or contribution toward the above settlement, payment of and/or contribution toward the above award of interim attorney's fees to the plaintiff class's counsel, payment of and/or contribution toward any future award of attorney's fees to the plaintiff class's counsel, and reimbursement of the attorney's fees and defense costs incurred by the Plaintiffs in defending the Actio n and pursuing the Carrier Suit. Progressive made a motion to dismiss the Carrier Suit in 2014. The Plaintiffs opposed that motion. That motion was administratively terminated by Order of the court, dated December 3, 2014. By Order of the court, dated December 3, 2014, the Plaintiffs' motion to file an Amended Complaint was granted.

On or about January 6, 2015, Progressive again made a motion to dismiss the Carrier Suit. The Plaintiffs opposed that motion. That motion was denied by oral decision on October 22, 2015, and by written Order, dated January 20, 2016.

A Mediation session ("Mediation") was held on March 11, 2015, among the parties. Following the Mediation, the Plaintiffs and Colonial agreed to settle the Plaintiffs' claims against Colonial for $1,750,000.00. A *Settlement Agreement and Release* , dated June 30, 2015, was entered into by the Plaintiffs and Colonial. The Plaintiffs received the settlement amount of $1,750,000.00 from Colonial on July 9, 2015.

The Plaintiffs and Progressive did not settle their respective claims at the Mediation. The Carrier Suit continues with respect to these parties. Initial discovery has been exchanged between the parties.

By Order of the court, dated August 10, 2016, the parties were granted permission to serve and file motions for summary judgment by November 9, 2016. Prior to consideration of these motions, a Settlement Conference was scheduled before the court on November 16, 2016. The Plaintiffs and Progressive did not settle their respective claims at that Settlement Conference.

The parties have filed motions for summary judgment. These motions were returnable before the court on December 5, 2016. A decision on these motions has not been received from the court to date. All discovery has been stayed until disposition of these motions.

The Plaintiffs are vigorously pursuing full recovery.

ITEM 4. MI NE SAFETY DISCLOSURE

Not applicable.

PART II

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

The Company's common stock trades on the Nasdaq Global M arket under the symbol "BCBP."

The following table sets forth the high and low closing prices for the Company's common stock for the periods indicated. As of December 31, 201 6 , there were 11, 267 , 225 shares of the Company's common stock outstanding. At March 9, 201 7 , the Company had approximately 2,000 stockholders of record.

Fiscal 2016		High		Low		Cash Dividend Declared
Quarter Ended December 31, 2016	$	**13.50**	$	**11.01**	$	**0.14**
Quarter Ended September 30, 2016		**11.30**		**10.18**		**0.14**
Quarter Ended June 30, 2016		**10.60**		**9.97**		**0.14**
Quarter Ended March 31, 2016		**10.76**		**9.75**		**0.14**

Fiscal 201 5		High		Low		Cash Dividend Declared
Quarter Ended December 31, 2015	$	11.33	$	9.97	$	0.14
Quarter Ended September 30, 2015		12.12		9.88		0.14
Quarter Ended June 30, 2015		12.50		11.75		0.14
Quarter Ended March 31, 2015		12.46		11.25		0.14

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

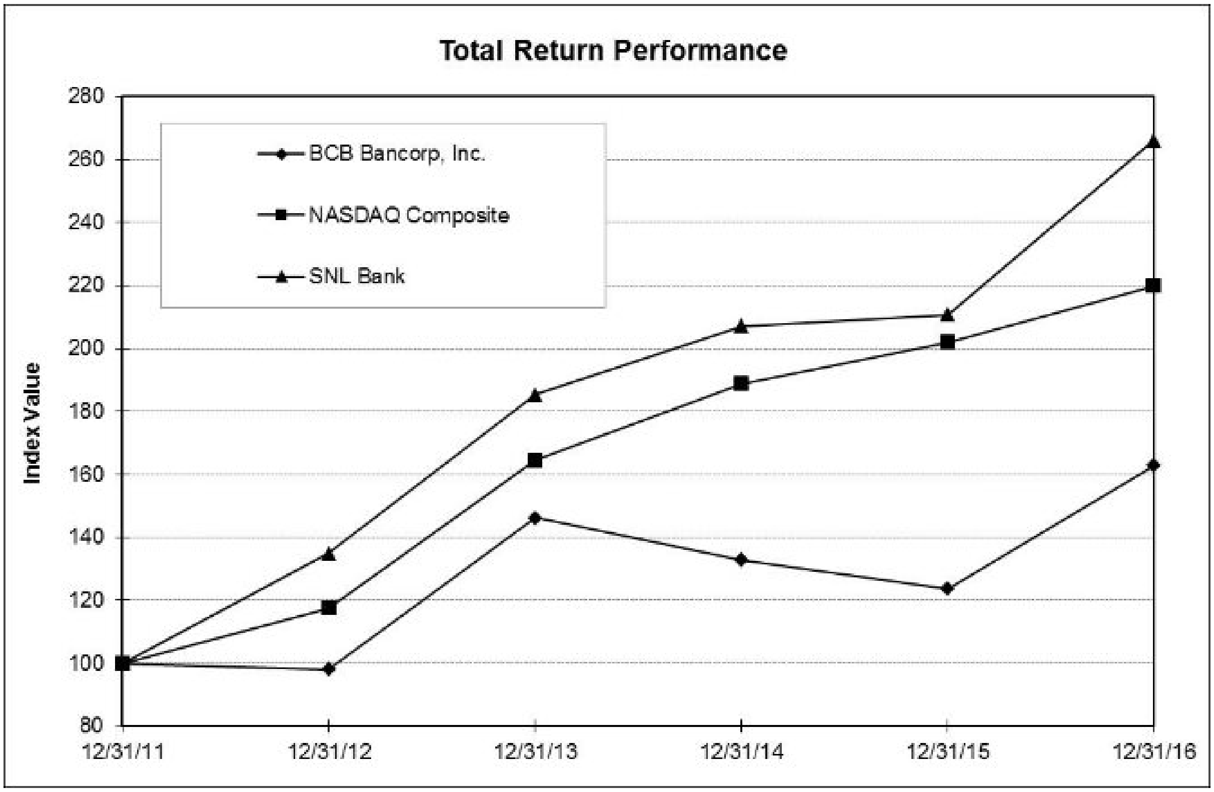
Set forth below is information as of December 31, 201 6 regarding equity compensation plans that have been approved by shareholders. The Company has no equity based benefit plans that wer e not approved by shareholders.

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	575, 000 [(1)]	10.78	325,000
Equity compensation plans not approved by shareholders	—	—	—
Total	575,000	10.78	325,000

(1) Consists of options to purchase 575 ,000 shares under the 2011 Stock Option Plan.
(2) The weighted average exercise price reflects the exercise prices ranging from $8.93 -$ 13.32 per share for options u nder 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, 20 1 2 through December 31, 201 6 , (b) the cumulative total return on all publicly traded commercial bank stocks over such period , as repriced on the SNL Banks Index , and (c) the cumulative total return of the 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.



	Period Ending					
Index	**12/31/11**	**12/31/12**	**12/31/13**	**12/31/14**	**12/31/15**	**12/31/16**
BCB Bancorp, Inc.	100.00	98.09	146.20	132.87	123.73	162.91
NASDAQ Composite	100.00	117.45	164.57	188.84	201.98	219.89
SNL Bank	100.00	134.95	185.28	207.12	210.65	266.16

On May 9, 2012, the Company announced a sixth stock repurchase plan to repurchase 5% or 462,800 s hares of the Company's common s tock. On June 28, 2012, the Company announced a seventh stock rep urchase plan to repurchase 5% or 440,000 shares of the Company's common stock. On July 17, 2013, the Company announced a stock repur chase plan to repurchase up to 400,000 shares of the Company's common stock. The Company made no s tock purchases for the three months ended December 31, 201 6 .

ITEM 6. SE LECTED 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, 201 6 , 201 5 , 201 4 , 20 1 3 and 201 2 . The information is derived in part from, and should be read together with, the audited Consolidated Financial Statements and Not es thereto of BCB Bancorp, Inc.

	Selected financial condition data at December 31,				
	2016	2015	2014	2013	2012
	(In Thousands)				
Total assets	$ 1,708,208	$ 1,618,406	$ 1,301,900	$ 1,207,959	$ 1,171,358
Cash and cash equivalents	65,038	132,635	32,123	29,844	34,147
Securities available for sale	94,765	9,623	9,768	1,104	1,240
Securities, held to maturity	-	-	-	114,216	164,648
Loans receivable, net	1,485,159	1,420,118	1,207,850	1,020,344	922,301
Deposits	1,392,205	1,273,929	1,028,556	968,670	940,786
Borrowings	175,000	204,124	137,124	132,124	131,124
Stockholders' equity	131,081	133,544	102,252	100,060	91,581

	Selected operating data for the year ended December 31,				
	2016	2015	2014	2013	2012
	(In thousands, except for per share amounts)				
Net interest income	$ 55,060	$ 53,511	$ 49,888	$ 46,779	$ 41,700
Provision for loan losses	27	2,280	2,800	2,750	4,900
Non-interest income (loss)	6,123	7,065	3,958	3,375	(7,225)
Non-interest expense	47,895	46,452	38,409	31,437	33,889
Income tax expense (benefit)	5,258	4,814	5,047	6,551	(2,252)
Net income (loss)	$ 8,003	$ 7,030	$ 7,590	$ 9,416	$ (2,062)
Net income (loss) per share:					
Basic	$ 0.63	$ 0.69	$ 0.81	$ 1.06	$ (0.23)
Diluted	$ 0.63	$ 0.69	$ 0.81	$ 1.06	$ (0.23)
Common Dividends declared per share	$ 0.56	$ 0.56	$ 0.54	$ 0.48	$ 0.48

	At or for the Years Ended December 31,				
	2016	**2015**	**2014**	**2013**	**2012**
Selected Financial Ratios and Other Data:					
Return (loss) on average assets (ratio of net income to average total assets)	**0.47** %	0.48 %	0.61 %	0.80 %	(0.17)%
Return (loss) on average stockholders' equity (ratio of net income to average stockholders' equity)	**6.11**	6.52	7.42	10.18	(2.26)
Non-interest income (loss) to average assets	**0.36**	0.48	0.32	0.29	(0.61)
Non-interest expense to average assets	**2.81**	3.15	3.09	2.68	2.86
Net interest rate spread during the year	**3.14**	3.50	3.94	3.89	3.44
Net interest margin (net interest income to average interest earning assets)	**3.32**	3.72	4.11	4.06	3.60
Ratio of average interest-earning assets to average interest-bearing liabilities	**118.02**	118.42	119.75	118.32	115.23
Cash dividend payout ratio	**86.87**	76.50	68.67	45.28	(208.7)
Asset Quality Ratios:					
Non-performing loans to total loans at end of year	**1.23**	1.63	1.60	1.98	2.45
Allowance for loan losses to non-performing loans at end of year	**110.59**	76.95	82.39	69.74	54.00
Allowance for loan losses to total loans at end of year	**1.14**	1.25	1.32	1.38	1.32
Capital Ratios:					
Stockholders' equity to total assets at end of year	**7.63**	8.25	7.85	8.28	7.82
Average stockholders' equity to average total assets	**7.70**	7.30	8.22	7.89	7.72
Tier 1 capital to average assets [1]	**8.10**	8.61	8.33	8.70	8.38
Tier 1 capital to risk weighted assets [1]	**10.33**	10.81	10.48	12.41	12.79

(1) Ratios are for BCB Community Bank only.

IT EM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDIT ION 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 mater ially 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 and net deferred loan fees . 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 con solidated financial statements.

Other-than-temporary impairments are accounted for based upon several considerations. First, other-than-temporary impairments 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 writ e-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

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 amo unts reported at each year-end.

Financial Condition at December 31, 201 6 and 201 5

Total assets increased by $89.8 million, or 5.5%, to $1.708 billion at December 31, 2016 from $1.618 billion at December 31, 2015. Total assets increased primarily as a result of increases in net loans receivable, securities available for sale, and net premises and equipment, partially offset by a decrease in total cash and cash equivalents. Management is focusing on maintaining adequate liquidity in anticipation of funding loans in the loan pipeline as well as seeking opportunities to purchase loans in the secondary market that provide competitive returns but meet our internal underwriting guidelines. 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 $67.6 million, or 51.0%, to $65.0 million at December 31, 2016 from $132.6 million at December 31, 2015.

Net loans receivable increased by $65.0 million, or 4.6%, to $1.485 billion at December 31, 2016 from $1.420 billion at December 31, 2015. The increase resulted primarily from a $62.0 million increase in real estate mortgages comprising commercial and multi-family, construction and participation loans with othe r financial institutions and commercial lines of credit, an increase of $13.6 million in resident ial real estate loans and an $833 ,000 decrease in the allowance for loan losses, partially offset by a decrease of $6.9 million in commercial business loans and a $3.9 million decrease in home equity and home equity lines of credit. As of December 31, 2016, the allowance for loan losses was $17.2 million, or 110.0%, of non-performing loans and 1.14% of gross loans, as compared to $18.0 million or 77.0% of non-performing loans and 1.25% of gross loans at December 31, 2015. As a result of the loans acquired in the business combination transactions being recorded at their fair value, the balances in the allowance for loan losses that were on the balance sheets 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.

Securities available for sale increased $85.2 million, or 884.8%, to $94.8 million at December 31, 2016 from $9.6 million at December 31, 2015. As part of our growth and liquidity strategies, the Bank sought to further strengthen our balance sheet by increasing our investment portfolio.

Deposit liabilities increased by $118.3 million, or 9.3%, to $1.392 billion at December 31, 2016 from $1.274 billion at December 31, 2015. The inc rease resulted primarily from an increase of $77.6 million in interest-bearing demand accounts, a $32.2 million increase in non-interest bearing deposits, an increase of $70.7 million in money market interest bearing deposits, partly offset by a decrease of $70.1 million in certificates of deposit. Recognizing this shift in the mix of our deposits, the attraction and retention of non-interest bearing commercial deposits, and longer dated maturity deposits remains a focus of our retail deposit gathering philosophy. During 2016, the Federal Open Market Committee (FOMC) has continued its accommodative monetary policy. This extended environment of historically low short term market rates has resulted in continuing parallel low retail deposit account yields, directly decreasing interest expense.

Short -term borrowings increased to $20.0 million at December 31, 2016 from $0 at December 31, 2015. Long-term borrowings decreased by $45.0 million, or 22.5%, to $155.0 million at December 31, 2016 from $200.0 million at December 31, 2015. The purpose of the borrowings reflected the use of long term and short term FHLB advances to augment deposits as the Company’s funding source for originating loans and investing in GSE investment securities.

Stockholders’ equity decreased $2.4 million, or 1.8%, to $131.1 million at December 31, 2016 from $133.5 at December 31, 2015. Stockholders’ equity decreased primarily as a result of cash dividends paid on common stock and preferred stock, the redemption of Series A preferred stock, and an increase in other comprehensive loss, partially offset by net income during the year ended December 31, 2016.

Analysis of Net Interest Income

Net interest income is the difference between interest income on interest-earning assets and interest expense o n 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 years 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, 2016		Year ended December 31, 2016			Year ended December 31, 2015		
	Actual Balance	Actual Yield/ Cost	Average Balance	Interest earned/paid	Average Yield/Cost	Average Balance	Interest earned/paid	Average Yield/Cost
				(Dollars in Thousands)				
Interest-earning assets:								
Loans receivable (1)	$1,502,368	4.81 %	$1,449,816	$ 69,406	4.79 %	$1,360,304	$ 66,628	4.90 %
Investment securities(2)	104,071	2.46	38,893	1,217	3.13	19,829	651	3.28
Interest-earning deposits	53,897	0.52	169,121	732	0.43	58,392	101	0.17
Total interest-earning assets	1,660,336	4.49 %	1,657,830	71,355	4.30 %	1,438,525	67,380	4.68 %
Interest-earning liabilities:								
Total interest-bearing demand deposits	$ 281,774	0.59 %	$ 284,271	$ 1,560	0.55 %	$ 189,016	$ 716	0.38 %
Money market deposits	125,614	0.77	80,588	530	0.66	51,872	207	0.40
Savings deposits	260,121	0.16	255,232	379	0.15	260,284	403	0.16
Certificates of deposit	540,875	1.36	593,994	8,092	1.36	515,706	6,084	1.18
Borrowings	179,124	2.74	190,613	5,734	3.01	197,917	6,459	3.26
Total interest-bearing liabilities	1,387,508	1.07 %	1,404,698	16,295	1.16 %	1,214,795	13,869	1.14 %
Net interest income				$ 55,060			$ 53,511	
Interest rate spread(3)		3.41 %			3.14 %			3.54 %
Net interest margin(4)		3.58 %			3.32 %			3.72 %
Ratio of interest-earning assets to interest-bearing liabilities	119.66%		118.02%			118.42%		

(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.

Analysis of Net Interest Income (Continued)

	Year ended December 31, 2014 (Dollars in Thousands)		
	Average Balance	Interest earned/paid	Average Yield/Cost
Interest-earning assets:			
Loans receivable (1)	$ 1,116,673	$ 57,858	5.18 %
Investment securities(2)	73,419	2,282	3.11
Interest-earning deposits	24,715	55	0.22
Total interest-earning assets	1,214,807	60,195	4.96 %
Interest-earning liabilities:			
Interest-bearing demand deposits	$ 152,205	$ 318	0.21 %
Money market deposits	62,691	189	0.30
Savings deposits	269,151	406	0.15
Certificates of deposit	400,455	4,287	1.07
Borrowings	129,984	5,107	3.93
Total interest-bearing liabilities	1,014,486	10,307	1.02 %
Net interest income		$ 49,888	
Interest rate spread(3)			3.94 %
Net interest margin(4)			4.11 %
Ratio of interest-earning assets to interest-bearing liabilities	119.75%		

(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.

Rate/Volume Analysis

The table below sets forth certain information regarding changes in our interest income and interest exp ense for the years 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,							
	2016 vs. 2015				2015 vs. 2014			
	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	$ 4,384	$ (1,507)	$ (99)	$ 2,778	$ 12,623	$ (3,163)	$ (690)	$ 8,770
Investment securities	625	(30)	(29)	566	(1,666)	127	(92)	(1,631)
Interest-earning deposits with other banks	191	152	288	631	76	(13)	(17)	46
Total interest-earning assets	5,200	(1,385)	160	3,975	11,033	(3,049)	(799)	7,185
Interest expense:								
Interest-bearing demand accounts	361	322	162	845	77	258	62	397
Money market	115	134	74	323	(33)	63	(11)	19
Savings and club	(8)	(17)	-	(25)	(14)	11	-	(3)
Certificates of Deposits	924	942	143	2,009	1,235	436	126	1,797
Borrowed funds	(238)	(505)	19	(724)	2,670	(866)	(452)	1,352
Total interest-bearing liabilities	1,154	876	398	2,428	3,935	(98)	(275)	3,562
Change in net interest income	$ 4,046	$ (2,261)	$ (238)	$ 1,547	$ 7,098	$ (2,951)	$ (524)	$ 3,623

Results of Operations for the Years Ended December 31, 201 6 and 201 5

Net income was $8.0 million for the year ended December 31, 2016, compared with $7.0 million for the year ended December 31, 2015. Net income increased due to higher interest income on interest earning assets, lower interest expense on borrowings, and a lower provision for loan loss, partially offset by increases in interest expense on deposits, lower non-interest income, and higher non-interest expense for the year ended December 31, 2016, as compared with the year ended December 31, 2015.

Net interest income increased by $1.5 million, or 2.9%, to $55.1 million for the year ended December 31, 2016 from $53.6 million for the year ended December 31, 2015. The increase in net interest income resulted primarily from an increase in the average balance of interest-earning assets of $219.3 million, or 15.3%, to $1.658 billion for the year ended December 31, 2016 from $1.439 billion for year ended December 31, 2015, partly offset by a decrease in the average yield on interest-earning assets of 38 basis points to 4.30% for the year ended December 31, 2016 from 4.68% for the year ended December 31, 2015. The average balance of interest-bearing liabilities increased by $189.9 million, or 15.6%, to $1.405 billion for the year ended December 31, 2016 from $1.215 billion for the year ended December 31, 2015, and the average cost of interest bearing liabilities increased by 2 basis points to 1.16% for year ended December 31, 2016 from 1.14% for the year ended December 31, 2015. Net interest margin was 3.32% for the year ended December 31, 2016, and 3.72% for the year ended December 31, 2015.

Interest income on loans receivable increased by $2.8 million, or 4.2%, to $69.4 million for the year ended December 31, 2016 from $66.6 million for the year ended December 31, 2015. The increase was primarily attributable to an increase in the average balance of loans receivable of $89.5 million, or 6.6%, to $1.450 billion for the year ended December 31, 2016 from $1.360 billion for the year ended December 31, 2015 , partially offset by a decrease in the average yield on loans receivable to 4.79% for the year ended December 31, 2016 from 4.90% for the year ended December 31, 2015 . The increase in the average balance of loans receivable was the result of our comprehensive loan growth strategy. The decrease in average yield on loans reflects the competitive price environment prevalent in the Company's primary market area on loan facilities as well as the repricing downward of certain variable rate loans.

Interest income on securities increased by $566,000, or 86.9%, to $1.2 million for the year ended December 31, 2016 from $651,000 for th e year ended December 31, 2015. This increase was primarily due to an increase in the average balance of securities of $19.1 million, or 96.2%, to $38.9 million for the year ended December 31, 2016 from $19.8 million for the year ended December 31, 2015, partly offset by a decrease in the average yield of securities to 3.13% for the year ended December 31, 2016 from 3.28% for the year ended December 31, 2015 .

Interest income on other interest-earning assets increased by $631,000, or 624.8%, to $732,000 for the year ended December 31, 2016 from $101,000 for the year ended December 31, 2015. This increase was primarily due to an increase in the average balance of other interest earning assets of $110.7 million, or 189.6%, to $169.1 million for the year ended December 31, 2016 from $58.4 million for the year ended December 31, 2015 as well as an increase in the average yield on other interest-earning assets to 0.43% for the year ended December 31, 2016 from 0.17% for the year ended December 31, 2015.

Total interest expense increased by $2.4 million, or 17.5%, to $16.3 million for the year ended December 31, 2016 from $13.9 million for the year ended December 31, 2015. The increase resulted primarily from an increase in in the average balance of interest-bearing liabilities of $189.9 million, or 15.6%, to $1.405 billion for the year ended December 31, 2016 from $1.215 billion for the year ended December 31, 2015 and an increase in the average cost of interest-bearing liabilities of 2 basis points to 1.16% for the year ended December 31, 2016 from 1.14% for the year ended December 31, 2015.

The provision for loan losses totaled $27,000 and $2.3 million for the years ended December 31, 2016 and 2015, respectively. The provision for loan losses is established based upon management's review of the Company'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 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, 2016, the Company experienced $860,000 in net charge-offs (consisting of $1.08 million in charge-offs and $221,000 in recoveries). During the year ended December 31, 2015, the Company experienced $389,000 in net charge-offs (consisting of $462,000 in charge-offs and $73,000 in recoveries). The Company had non-performing loans totaling $15.7 million, or 1.04%, of gross loans at December 31, 2016 and $23.4 million, or 1.63%, of gross loans at December 31, 2015. The allowance for loan losses was $17.2 million, or 1.1 5 %, of gross loans at December 31, 2016 as compared to $18.0 million, or 1.25%, of gross loans at December 31, 2015. 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 Company 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, 2016 and December 31, 2015.

Total non-interest income decreased by $942,000, or 13.3% to $6.1 million for the year ended December 31, 201 6 compared with $7.0 million for the year ended December 31, 2015. Gains on sales of loans decreased $1.5 million to $3.3 million for the year ended December 31, 2016 from $4.9 million for the year ended December 31, 2015, partly offset by an increase in fees and service charges of $1.0 million to $3.1 million for the year ended December 31, 2016 from $2.1 million for the year ended December 31, 2015.

Total non-interest expense increased by $1.4 million, or 3.1%, to $47.9 million for the year ended December 31, 2016 from $46.4 million for the year ended December 31, 2015. Salaries and employee benefits expense increased by $2.2 million, or 9.6%, to $25.3 million for the year ended December 31, 2016 from $23.1 million for the year ended December 31, 2015. This increase in both salaries and employee benefits was mainly attributable to an increase of 35 average full-time equivalent employees, or 10.8%, to 365 for the year ended December 31, 2016 from 330 for the year ended December 31, 2015. The increase in employees relates to the addition of business development and loan administration employees, and the openings and anticipated openings of new branch offices in 2015 and 2016. Occupancy and equipment expense increased by $533,000, or 7.0%, to $8.2 million for the year ended December 31, 2016 from $7.6 million for the year ended December 31, 2015. The increase in occupancy and equipment expense was related primarily to the openings of new branch offices in 2016 and 2015. Data processing expense decreased by $1.6 million, or 38.7%, to $2.6 million for the year ended December 31, 2016 from $4.2 million for the year ended December 31, 2015. The decrease in data processing expense was primarily related to efficiencies achieved with the conversion to a new core system. Professional fees increased by $511,000, or 39.6%, to $1.8 million for the year ended December 31, 2016 from $1.3 million for the year ended December 31, 2015. Director fees increased by $142,000, or 26.9%, to $670,000 for the year ended December 31, 2016 from $528,000 for the year ended December 31, 2015. Regulatory assessments increased by $350,000, or 28.7%, to $1.6 million for the year ended December 31, 2016 from $1.2 million for the year ended December 31, 2015, primarily related to asset growth . Advertising expense decreased by $616,000, or 27.8%, to $1.6 million for the year ended December 31, 2016 from $2.2 million for the year ended December 31, 2015. Net other real estate owned ("OREO") expense decreased by $353,000, or 61.5%, to $221,000 for the year ended December 31, 2016 from $574,000 for the year ended December 31, 2015. Other non-interest expense increased by $306,000, or 5.4%, to $6.0 million for the year ended December 31, 2016 from $5.7 million for the year ended December 31, 2015. 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.

The income tax provision increased by $444,000, or 9.2%, to $5.3 million for the year ended December 31, 2016 from $4.8 million for the year ended December 31, 2015 . The increase in the income tax provision was a result of higher taxable income during the year ended December 31, 2016 as compared to the year ended December 31, 2015. The consolidated effective tax rate for the year ended December 31, 2016 was 39.7% compared to 40.7% for the year ended December 31, 2015.

Results of Operations for the Years Ended December 31, 2015 and 20 14

Net income was $7.0 million for the year ended December 31, 2015, compared with $7.6 million for the year ended December 31, 2014. Net income decreased due to higher non-interest expense, partially offset by increases in net interest income and non-interest income for the year ended December 31, 2015, as compared with the year ended December 31, 2014.

Net interest income increased by $3.6 million, or 7.3%, to $53.5 million for the year ended December 31, 2015 from $49.9 million for the year ended December 31, 2014. The increase in net interest income resulted primarily from an increase in the average balance of interest-earning assets of $223.7 million, or 18.4%, to $1.439 billion for the year ended December 31, 2015 from $1.215 billion for year ended December 31, 2014, partly offset by a decrease in the average yield on interest-earning assets of 28 basis points to 4.68% for the year ended December 31, 2015 from 4.96% for the year ended December 31, 2014. The average balance of interest-bearing liabilities increased by $200.3 million, or 19.8%, to $1.215 billion for the year ended December 31, 2015 from $1.014 billion for the year ended December 31, 2014, and the average cost of interest bearing liabilities increased by 12 basis points to 1.14% for year ended December 31, 2015 from 1.02% for the year ended December 31, 2014. Net interest margin was 3.72% for the year ended December 31, 2015, and 4.11% for the year ended December 31, 2014.

Interest income on loans receivable increased by $8.7 million, or 15.2%, to $66.6 million for the year ended December 31, 2015 from $57.9 million for the year ended December 31, 2014. The increase was primarily attributable to an increase in the average balance of loans receivable of $243.6 million, or 21.8%, to $1.360 billion for the year ended December 31, 2015 from $1.117 billion for the year ended December 31, 2014 , partially offset by a decrease in the average yield on loans receivable to 4.90% for the year ended December 31, 2015 from 5.18% for the year ended December 31, 2014 . The increase in the average balance of loans receivable was the result of our comprehensive loan growth strategy. The decrease in average yield reflects the competitive price environment prevalent in the Company's primary market area on loan facilities as well as the repricing downward of certain variable rate loans.

Interest income on securities decreased by $1.6 million, or 71.5%, to $651,000 for the year ended December 31, 2015 from $2.3 million for the year ended December 31, 2014. This decrease was primarily due to a decrease in the average balance of securities of $53.6 million or 73.0% to $19.8 million for the year ended December 31, 2015 from $73.4 million for the year ended December 31, 2014, partly offset by an increase in the average yield of securities to 3.28% for the year ended December 31, 2015 from 3.11% for the year ended December 31, 2014 . Investment securities totaling approximately $100.5 million were sold in the third quarter of 2014.

Interest income on other interest-earning assets increased by $46,000, or 83.6%, to $101,000 for the year ended December 31, 2015 from $55,000 for the year ended December 31, 2014. This increase was primarily due to an increase of 136.3%, in the average balance of other interest-earning assets to $58.4 million for the year ended December 31, 2015 from $24.7 million for the year ended December 31, 2014, partly offset by a decrease in the average yield on other interest-earning assets to 0.17% for the year ended December 31, 2015 from 0.22% for the year ended December 31, 2014.

Total interest expense increased by $3.6 million, or 34.6%, to $13.9 million for the year ended December 31, 2015 from $10.3 million for the year ended December 31, 2014. The increase resulted primarily from an increase in in the average balance of interest-bearing liabilities of $200.3 million, or 19.8%, to $1.215 billion for the year ended December 31, 2015 from $1.015 billion for the year ended December 31, 2014 and an increase in the cost of interest-bearing liabilities of 12 basis points to 1.14% for the year ended December 31, 2015 from 1.02% for the year ended December 31, 2014. The increase in the average rate on interest-bearing liabilities was due to competitive forces in attracting new deposits and a change in the mix of funding sources and terms, including higher cost listing service certificates of deposit and brokered certificates of deposit, to support aggressive loan growth.

The provision for loan losses totaled $2.3 million and $2.8 million for the years ended December 31, 2015 and 2014, respectively. The provision for loan losses is established based upon management's review of the Company'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 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, 2015, the Company experienced $389,000 in net charge-offs (consisting of $462,000 in charge-offs and $73,000 in recoveries). Management identified improvements in qualitative factors which resulted in a lower provision requirement for the year ended December 31, 2016. During the year ended December 31, 2014, the Company experienced $1.0 million in net charge-offs (consisting of $1.4 million in charge-offs and $400,000 in recoveries). The Company had non-performing loans totaling $23.4 million, or 1.63%, of gross loans at December 31, 2015 and $19.6 million, or 1.60%, of gross loans at December 31, 2014. The allowance for loan losses was $18.0 million, or 1.25%, of gross loans at December 31, 2015 as compared to $16.2 million, or 1.32%, of gross loans at December 31, 2014. 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 Company 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, 2015 and December 31, 2014.

Total non-interest income increased by $3.1 million, or 78.5% to $7.1 million for the year ended December 31, 201 6 compared with $4.0 million for the year ended December 31, 2014. Gains on sales of loans increased $2.7 million to $4.9 million for the year ended December 31, 2015 from $2.2 million for the year ended December 31, 2014. Transactions for the year ended December 31, 2014, for which there were no comparable events for the for the year ended December 31, 2015, included a $1.2 million gain on the sale of investment securities available for sale, $2.3 million increase in gains on the sale of investment securities held to maturity and a $4.0 million loss on the bulk sale of impaired loans.

Total non-interest expense increased by $8.0 million, or 20.9%, to $46.4 million for the year ended December 31, 2015 from $38.4 million for the year ended December 31, 2014. Salaries and employee benefits expense increased by $3.0 million, or 14.5%, to $23.1 million for the year ended December 31, 2015 from $20.1 million for the year ended December 31, 2014. This increase in both salaries and employee benefits was mainly attributable to an increase of 26 average full-time equivalent employees, or 8.6%, to 330 for the year ended December 31, 2015 from 304 for the year ended December 31, 2014 . The increase in employees relates to the addition of business development and loan administration employees, and the openings and anticipated openings of new branch offices in 2014 and 2015, as well as providing health benefits to a greater number of existing employees. Occupancy expense increased by $1.3 million, or 31.4%, to $5.4 million for the year ended December 31, 2015 from $4.1 million for the year ended December 31, 2014. Equipment expense increased by $801,000, or 14.2%, to $6.4 million for the year ended December 31, 2015 from $5.6 million for the year ended December 31, 2014. The increases in occupancy and equipment expenses also related primarily to the openings and anticipated openings of new branch offices in 2014 and 2015. Professional fees decreased by $830,000, or 39.1%, to $1.3 million for the year ended December 31, 2015 from $2.1 million for the year ended December 31, 2014. Advertising expense increased by $1.2 million, or 114.6%, to $2.2 million for the year ended December 31, 2015 from $1.0 million for the year ended December 31, 2014. The increase in advertising was primarily due to our marketing efforts related to the previously mentioned expansion of our geographic footprint. Other non-interest expense increased by $2.3 million, or 67.6% to $5.7 million for the year ended December 31, 2015 from $3.4 million for the year ended December 31, 2014. 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.

Income tax provision decreased by $233,000, or 4.6%, to $4.8 million for the year ended December 31, 2015 from $5.0 million for the year ended December 31, 2014 . The decrease in income tax provision was a result of lower taxable income during the year ended December 31, 2015 as compared to the year ended December 31, 2014. The consolidated effective tax rate for the year ended December 31, 2015 was 40.7% compared to 39.9% for the year ended December 31, 2014.

Liquidity and Capital Resources

The overall objective of our liquidity management practices is to ensure the availability of sufficient funds to meet financial commitments and to take advantage of lending and investment opportunities. The Company manages liquidity in order to meet deposit withdrawals on demand or at contractual maturity, to repay borrowings and other obligations as they mature, and to fund loan and investment portfolio opportunities as they arise.

The Company's primary sources of funds to satisfy its objectives are net growth in deposits (primarily retail), principal and interest payments on loans and investment securities , proceeds from the sale of originated loans and FHLB and other borrowings. The scheduled amortization of loans is a predictable source of funds. Deposit flows and mortgage prepayments are greatly influenced by general interest rates, economic conditions and competition. The Company has other sources of liquidity if a need for additional funds arises, including unsecured overnight lines of credit and other collateralized borrowings from the FHLB and other correspondent banks.

At December 31, 201 6 , the Company had $20.0 million in overnight borrowings outstanding wi th the FHLB compared to $ 0 at December 31, 201 5 . The Company utilizes overnight borrowings from time to time to fund short-term liquidity needs. The Co mpany had total borrowings of $179 .1 million at December 31, 201 6 as compared to $204 .1 million at December 31, 201 5 .

The Company had the ability at December 31, 201 6 to obtain additi onal funding from the FHLB of $29 . 9 million, utilizing unencumbered loan collateral. The Company expects to have sufficient funds available to meet current loan commitments in the normal course of business through typical sources of liquidity. Time deposits scheduled to matur e in one year or less totaled $314 . 2 million at December 31, 201 6. Based upon historical experience data, management estimates that a significant portion of such deposits will remain with the Company.

At December 31, 2016 and December 31, 2015, the capital ratios of the Bank and the Company exceeded the quantitative capital ratios required for an institution to be considered "well-capitalized".

Contractual Obligations and Commitments

The following table sets forth our contractual obligations and commercial commitments at December 31, 201 6 .

Contractual obligations	Total	Less than 1 Year	1-3 Years	More than 3-5 Years	More than 5 Years
	Payments due by period				
	(In Thousands)				
Benefit Plans	$ 7,806	$ 579	$ 1,155	$ 1,052	$ 5,020
Borrowed money	175,000	75,000	48,000	30,000	22,000
Lease obligations	-	-	-	-	-
Certificates of deposit	540,875	314,196	181,117	45,562	-
Total	$ 723,681	$ 389,775	$ 230,272	$ 76,614	$ 27,020

ITE M 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Management of Market Risk

Qualitative Analysis. The majority of our assets and liab ilities 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, con sisting 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 ch anges 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 o f 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 b y other financial institutions. The information set forth below is based on data that included all financial instruments as of December 31, 201 6 . 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 va rious interest rate scenarios. Actual maturity dates were used for fixed rate l oans 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 a ssumed interest rate scenarios. Variable rate loans were scheduled as of their next schedule d 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 wit h 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 assumi ng 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, 201 6 . The following sets forth the Company's NPV as of December 31, 201 6 .

Change in calculation	Net Portfolio Value	$ Change from PAR	% Change from PAR	NPV as a % of Assets: NPV Ratio	NPV as a % of Assets: Change
(Dollars in Thousands)					
+300bp	$ 162,298	$ (63,824)	(28.23)	10.11 %	(275) bps
+200bp	183,718	(42,404)	(18.75)	11.10	(176) bps
+100bp	207,198	(18,924)	(8.37)	12.14	(72) bps
PAR	226,122	-	-	12.86	- bps
-100bp	261,658	35,536	15.72	14.37	151 bps

bp-basis points

The table above indicates that at December 31, 201 6 , in the event of a 100 basis point increase in interest rates, we would experience a n 8. 3 7 % decrease in NPV , as compared to a n 8 . 57 % decrease at December 31, 201 5 .

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.

IT EM 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.

ITE M 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUN TING AND FINANCIAL DISCLOSURE

Not applicable.

I TEM 9A. 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, 201 6 (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, 201 6 , management assessed the effectiveness of the Company's internal control over financial reporting based upon the framework established in *Internal Control – Integrated Framework (2013)* 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, 201 6 is effective and meets the criteria of the *Internal Control – Integrated Framework (2013)* .

Baker Tilly Virchow Krause, LLP, the independent registered public accounting firm that audited the Company's consolidated financial statements, has issued an audit report on the Company's internal control over financial reporting as of December 31, 201 6 . That report appears below.

(c) Rep ort 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, 201 6 , based on criteria established in *Internal Control—Integrated Framework (2013)* 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, 201 6 , based on criteria established in *Internal Control—Integrated Framework (2013)* 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 op erations, comprehensive income , changes in stockholders' equity, and cash flows of the Company, and our report dated March 1 3 , 201 7 expressed an unqualified opinion.

/s/ Baker Tilly Virchow Krause, LLP

Baker Tilly Virchow Krause, LLP
Iselin , New Jersey
March 1 3 , 201 7

(d) Changes in Internal Controls Over Financial Reporting.

On May 14, 2013, COSO issued an updated version of its *Internal Control—Integrated Framework,* referred to as the 2013 *COSO Framework* and has indicated that after December 15, 2014, the *1992 Framework* will be considered superseded after December 31, 2014. Our Management's assessment of the overall effectiveness of our internal controls over financial reporting for the year end ed December 31, 201 6 was based on the *2013 COSO Framework.*

There were no significant changes made in our internal controls during the fourth quarter of 201 6 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.

IT EM 9B. OTHER INFORMATION

None.

PART III

IT EM 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 201 7 Annual Meeting of Stockholders (the "201 7 Proxy Statement") is in corporated herein by reference.

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 201 7 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.

IT EM 11. EXECUTIVE COMPENSATION

The "Executive Compensation" section of the Company's 201 7 Proxy Statement is incorporated herein by reference.

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

The "Proposal I—Election of Directors" section of the Company's 201 7 Proxy Statement is incorporated herein by reference.

ITE M 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 201 7 Proxy Statement is incorporated herein by reference.

I TE M 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by Item 14 is incorporated by reference to the Company's Proxy Statement for the 201 7 Annual Meeting of Stockholders, "Proposal II-Ratification of the Appointment of Independent Auditors—Fees Paid to Baker Tilly Virchow Krause, LLP ."

PART IV

IT EM 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, 201 6 and 201 5

(C) Consolidated Statements of Operations for each of the Years in the Three-Year period ended December 31, 201 6

(D) Consolidated Statements of Comprehensive Income for each of the Years in the Three-Year period ended December 31, 201 6

(E) Consolidated Statements of Changes in Stockholders' Equity for each of the Years in the Three-Year period ended December 31, 201 6

(F) Consolidated Statements of Cash Flows for each of the Years in the Three-Year period ended December 31, 201 6

(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	Restated Certificate of Incorporation of BCB Bancorp, Inc. (1)
3.2	Bylaws of BCB Bancorp, Inc. (2)
3.3	Certificate of Amendment to Restated Certificate of Incorporation (14)
4	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	Executive Agreement with Thomas M. Coughlin (8)
10.6	BCB Bancorp, Inc. 2011 Stock Option Plan (9)
10.7	Employment Agreement with Thomas Keating (12)
10.8	Employment Agreement with Joseph Javitz (13)
13	Consolidated Financial Statements
14	Code of Ethics (1 0)
21	Subsidiaries of the Company (1 1)
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 Current Report on Form 8-K (Commission File Number 000 - 50275) filed with the Securities and Exchange Commission on July 14, 2015 .

(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 C ommission 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 C ommission 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 Co mmission on September 11 , 2015 .

(9) 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.

(10) 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.

(11) Incorporated by reference to Exhibit 21 to the Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 17, 2014.

(12) Incorporated by reference to Exhibit 10.1 to the Form 8-K filed with the Securities and Exchange Commission on October 25, 2016.

(13) Incorporated by reference to Exhibit 10.1 to the Form 8-K filed with the Securities and Exchange Commission on November 7, 2016.

(14) Incorporated by reference to Exhibit 3.1 to the Form 8-K filed with the Securities and Exchange Commission on November 5, 2013.

ITEM 16 . FORM 10-K SUMMARY

None.

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 1 3 , 201 7	By:	/s/ Thomas Coughlin Thomas Coughlin President and Chief Executive Officer (Principal 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/ Thomas Coughlin Thomas Coughlin	President, Chief Executive Officer and Director	March 13, 2017
/s/ Thomas P. Keating Thomas P. Keating	Chief Financial Officer (Principal Financial and Accounting Officer)	March 13, 2017
/s/ Mark D. Hogan Mark D. Hogan	Chairman of the Board	March 13, 2017
/s/ Robert Ballance Robert Ballance	Director	March 13, 2017
/s/ Judith Q. Bielan Judith Q. Bielan	Director	March 13, 2017
/s/ Joseph J. Brogan Joseph J. Brogan	Director	March 13, 2017
/s/ James E. Collins James E. Collins	Director	March 13, 2017
/s/ Joseph Lyga Joseph Lyga	Director	March 13, 2017

/s/ August Pellegrini, Jr.		
August Pellegrini, Jr.	Director	March 13, 2017
/s/ James Rizzo		
James Rizzo	Director	March 13, 2017
/s/ Spencer B. Robbins		
Spencer B. Robbins	Director	March 13, 2017
/s/ Gary S. Stetz		
Gary S. Stetz	Director	March 13, 2017

EXHIBIT 13

CONSOLIDATED FINANCIAL STATEMEN TS

BCB Bancorp, Inc. and Subsidiaries

Consolidated Financial Report

December 31, 201 6 and 201 5

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RE P ORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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, 201 6 and 201 5 , and the related consolidated statements of operations, comprehensive income, changes in stockholders' equity and cash flows for each of the years in the th ree-year period ended December 3 1, 201 6 . 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, 201 6 and 201 5 , and the consolidated results of their operations and their cash flows for each of the years in the three-year period ended December 31, 201 6 , 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 , 201 6 , based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 1 3 , 201 7 , expressed an unqualified opinion thereon.

/s/ Baker Tilly Virchow Krause, LLP

Iselin , New Jersey
March 1 3 , 201 7

BCB Bancorp, Inc. and Subsidiaries

Consolidated Statements of Financial Condition

	December 31,			
	2016		2015	
	(In Thousands, Except Share and Per Share Data)			
ASSETS				
Cash and amounts due from depository institutions	**$**	**12,121**	$	11,808
Interest-earning deposits		**52,917**		120,827
Total cash and cash equivalents		**65,038**		132,635
Interest-earning time deposits		**980**		1,238
Securities available for sale		**94,765**		9,623
Loans held for sale		**4,153**		1,983
Loans receivable, net of allowance for loan losses of $17,2 09 and $18,042 , respectively		**1,485,159**		1,420,118
Federal Home Loan Bank of New York stock, at cost		**9,306**		10,711
Premises and equipment, net		**19,382**		15,727
Accrued interest receivable		**5,573**		5,595
Other real estate owned		**3,525**		1,564
Deferred income taxes		**9,953**		9,881
Other assets		**10,374**		9,331
Total Assets	**$**	**1,708,208**	$	1,618,406
LIABILITIES AND STOCKHOLDERS' EQUITY				
LIABILITIES				
Non-interest bearing deposits	**$**	**158,523**	$	130,920
Interest bearing deposits		**1,233,682**		1,143,009
Total deposits		**1,392,205**		1,273,929
Short-term debt		**20,000**		-
Long-term debt		**155,000**		200,000
Subordinated debentures		**4,124**		4,124
Other liabilities		**5,798**		6,809
Total Liabilities		**1,577,127**		1,484,862
STOCKHOLDERS' EQUITY				
Preferred stock: $0.01 par value, 10,000,000 shares authorized, issued and outstanding 1,560 shares of series A, B and C 6% noncumulative perpetual preferred stock (liquidation value $10,000 per share) at December 31, 2016 and 1,731 shares of Series A and B 6% noncumulative perpetual preferred stock at December 31, 2015		**-**		-
Additional paid-in capital preferred stock		**15,464**		17,174
Common stock; no par value; 20,000,000 shares authorized, issued 13,797,088 and 13,738,587 at December 31, 2016 and 2015, respectively, 11,267,225 and 11,209,324 shares, respectively outstanding		**-**		-
Additional paid-in capital common stock		**120,417**		119,682
Retained earnings		**28,159**		27,382
Accumulated other comprehensive (loss)		**(3,856)**		(1,598)
Treasury stock, at cost, 2,529,863 and 2,529,263 , respectively		**(29,103)**		(29,096)
Total Stockholders' Equity		**131,081**		133,544
Total Liabilities and Stockholders' Equity	**$**	**1,708,208**	$	1,618,406

See accompanying notes to consolidated financial statements .

Consolidated Statements of Operations

	Years Ended December 31,		
	2016	2015	2014
	(In Thousands, Except for Per Share Data)		
Interest income:			
Loans, including fees	$ **69,406**	$ 66,628	$ 57,858
Investments, taxable	**1,198**	651	2,254
Investments, non-taxable	**19**	-	28
Other interest-earning assets	**732**	101	55
Total interest income	**71,355**	67,380	60,195
Interest expense:			
Deposits:			
Demand	**2,090**	923	507
Savings and club	**379**	403	406
Certificates of deposit	**8,092**	6,084	4,287
	10,561	7,410	5,200
Borrowings	**5,734**	6,459	5,107
Total interest expense	**16,295**	13,869	10,307
Net interest income	**55,060**	53,511	49,888
Provision for loan losses	**27**	2,280	2,800
Net interest income, after provision for loan losses	**55,033**	51,231	47,088
Non-interest income:			
Fees and service charges	**3,076**	2,061	2,188
Gain on sales of loans and other real estate owned	**3,326**	4,873	2,179
Loss on bulk sale of impaired loans held in portfolio	**(373)**	-	(4,012)
Gain on sale of securities held to maturity	**-**	-	2,288
Gain on sale of securities available for sale	**-**	-	1,223
Other	**94**	131	92
Total non-interest income	**6,123**	7,065	3,958
Non-interest expense:			
Salaries and employee benefits	**25,277**	23,068	20,145
Occupancy and Equipment	**8,168**	7,635	5,708
Data processing service fees	**2,599**	4,238	4,062
Professional fees	**1,802**	1,291	2,121
Director fees	**670**	528	727
Regulatory assessments	**1,568**	1,218	1,142
Advertising	**1,601**	2,217	1,033
Other real estate owned, net	**221**	574	80
Other	**5,989**	5,683	3,391
Total non-interest expense	**47,895**	46,452	38,409
Income before income tax provision	**13,261**	11,844	12,637
Income tax provision	**5,258**	4,814	5,047
Net Income	$ **8,003**	$ 7,030	$ 7,590
Preferred stock dividends	**936**	917	800
Net Income available to common stockholders	$ **7,067**	$ 6,113	$ 6,790
Net Income per common share-basic and diluted			
Basic	$ **0.63**	$ 0.69	$ 0.81
Diluted	$ **0.63**	$ 0.69	$ 0.81
Weighted average number of common shares outstanding			
Basic	**11,238**	8,853	8,366
Diluted	**11,251**	8,875	8,401

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

	Years Ended December 31,		
	2016	2015	2014
	(In Thousands)		
Net Income	**$ 8,003**	$ 7,030	$ 7,590
Other comprehensive (loss) income, net of tax:			
Unrealized (losses) gains on available-for-sale securities:			
Unrealized holding (losses) gains arising during the period	**(4,350)**	(103)	286
Less: reclassification for gains on sale of securities available for sale on			
Consolidated Statements of Operations	**-**	-	(1,223)
Tax effect (a)	**1,777**	42	383
Net of tax effect	**(2,573)**	(61)	(554)
Benefit Plans:			
Actuarial gain (loss)	**533**	(338)	(1,542)
Tax effect	**(218)**	138	630
Net of tax effect	**315**	(200)	(912)
Other comprehensive (loss)	**(2,258)**	(261)	(1,466)
Comprehensive income	**$ 5,745**	$ 6,769	$ 6,124

(a) Income tax provision on Consolidated Statement s of Operations includes $488,000 in 2014 related to the sale of securities available for sale.

See accompanying notes to consolidated financial statements.

BCB Bancorp, Inc. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity

	Preferred Stock	Common Stock	Additional Paid In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	(In Thousands, except per share data)						
Balance at January 1, 2014	$ -	$ -	$ 105,314	$ 23,710	$ (29,093)	$ 129	$ 100,060
Proceeds from issuance of Series B preferred stock	-	-	770				770
Exercise of stock options (127,539 shares)	-	-	351	-	-	-	351
Stock-based compensation expense	-	-	55	-	-	-	55
Treasury stock purchases (884 shares)	-	-	-	-	(12)	-	(12)
Dividends payable on Series A and Series B 6%	-	-	-	-	-	-	-
noncumulative perpetual preferred stock	-	-	-	(800)	-	-	(800)
Cash dividends on common stock ($0.12 per share							
in February and $0.14 per share in May, August,							
and November) declared	-	-	-	(4,412)	-	-	(4,412)
Dividend reinvestment plan	-	-	105	(105)	-	-	
Stock purchase plan	-	-	116	-	-	-	116
Net income	-	-	-	7,590	-	-	7,590
Other comprehensive loss	-	-	-	-	-	(1,466)	(1,466)
Balance at December 31, 2014	**$ -**	**$ -**	**$ 106,711**	**$ 25,983**	**$ (29,105)**	**$ (1,337)**	**$ 102,252**
Issuance of Common Stock	-	-	25,613	-	-	-	25,613
Proceeds from issuance of Series C preferred stock	-	-	3,848	-	-	-	3,848
Stock-based compensation expense	-	-	66	-	-	-	66
Treasury stock adjustment	-	-	-	-	9	-	9
Dividends payable on Series A, B, and C 6%							
noncumulative perpetual preferred stock	-	-	-	(917)	-	-	(917)
Cash dividends on common stock ($0.14 per share)	-	-	-	(4,461)	-	-	(4,461)
Dividend reinvestment plan	-	-	253	(253)	-	-	-
Stock purchase plan	-	-	365	-	-	-	365
Net income	-	-	-	7,030	-	-	7,030
Other comprehensive loss	-	-	-	-	-	(261)	(261)
Balance at December 31, 2015	**$ -**	**$ -**	**$ 136,856**	**$ 27,382**	**$ (29,096)**	**$ (1,598)**	**$ 133,544**
Redemption of Series A Preferred Stock	-	-	(1,710)	-	-	-	(1,710)
Stock-based compensation expense	-	-	125	-	-	-	125
Treasury Stock Purchases (600 shares)	-	-	-	-	(7)	-	(7)
Dividends payable on Series A, B and C 6%							
noncumulative perpetual preferred stock	-	-	-	(936)	-	-	(936)
Cash dividends on common stock ($0.14 per share)	-	-	-	(6,016)	-	-	(6,016)
Dividend Reinvestment Plan	-	-	274	(274)	-	-	-
Stock Purchase Plan	-	-	336	-	-	-	336
Net income	-	-	-	8,003	-	-	8,003
Other comprehensive loss	-	-	-	-	-	(2,258)	(2,258)
Ending balance at December 31, 2016	**$ -**	**$ -**	**$ 135,881**	**$ 28,159**	**$ (29,103)**	**$ (3,856)**	**$ 131,081**

See accompanying notes to consolidated financial statements.

BCB Bancorp, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Years Ended December 31,		
	2016	2015	2014
Cash flows from Operating Activities :		(In Thousands)	
Net income	**$ 8,003**	$ 7,030	$ 7,590
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of premises and equipment	**2,422**	2,149	1,512
Amortization and accretion, net	**(1,805)**	(451)	(819)
Provision for loan losses	**27**	2,280	2,800
Deferred income tax	**1,487**	2	1,251
Loans originated for sale	**(39,081)**	(17,764)	(25,450)
Proceeds from sale of loans originated for sale	**40,237**	23,749	25,507
Gain on sales of loans and other real estate owned	**(3,326)**	(4,873)	(2,179)
Fair value adjustment of other real estate owned	**278**	396	-
Gain on sales of securities held to maturity	**-**	-	(2,288)
Gain on sales of securities available for sale	**-**	-	(1,223)
Loss on bulk sale of impaired loans held in portfolio	**373**	-	4,012
Stock compensation expense	**125**	66	55
Decrease (increase) in accrued interest receivable	**22**	(1,141)	(297)
(Increase) in other assets	**(1,043)**	(2,257)	(5,296)
(Decrease) increase in accrued interest payable	**(228)**	239	47
(Decrease) in other liabilities	**(250)**	(1,736)	(726)
Net Cash Provided by Operating Activities	**7,241**	7,689	4,496
Cash flows from Investing Activities:			
Proceeds from repayments, calls, and maturities on securities held to maturity	**-**	-	10,272
Proceeds from repayments, calls and maturities on securities available for sale	**6,158**	1,160	93
Purchases of securities held to maturity	**-**	-	(3,034)
Purchases of securities available for sale	**(95,722)**	(1,174)	-
Purchase of interest-earning time deposits	**258**	(245)	-
Proceeds from sales of securities held to maturity	**-**	-	99,198
Proceeds from sales of securities available for sale	**-**	-	1,320
Proceeds from sales of other real estate owned	**1,146**	1,525	907
Proceeds from bulk sale of impaired loans held in portfolio	**1,817**	-	10,355
Purchases of loans	**-**	-	(8,068)
Net increase in loans receivable	**(68,766)**	(213,811)	(197,421)
Additions to premises and equipment	**(6,077)**	(3,581)	(1,748)
Sale (purchase) of Federal Home Loan Bank of New York stock	**1,405**	(1,881)	(990)
Net Cash Used In Investing Activities	**(159,781)**	(218,007)	(89,116)
Cash flows from Financing Activities:			
Net increase in deposits	**118,276**	245,373	59,886
Proceeds from long-term debt	**10,000**	67,000	23,000
Repayments of long-term debt	**(55,000)**	-	-
Net change in short term debt	**20,000**	(26,000)	8,000
(Purchase) adjustment of treasury stock	**(7)**	9	(12)
Cash dividends paid on common stock	**(6,016)**	(4,461)	(4,412)
Cash dividends paid on preferred stock	**(936)**	(917)	(800)
Net proceeds from issuance of common stock	**336**	25,978	467
Net (redemption) proceeds from issuance of preferred stock	**(1,710)**	3,848	770
Net Cash Provided By Financing Activities	**84,943**	310,830	86,899
Net (Decrease) increase in Cash and Cash Equivalents	**(67,597)**	100,512	2,279
Cash and Cash Equivalents-Beginning	**132,635**	32,123	29,844
Cash and Cash Equivalents-Ending	**$ 65,038**	$ 132,635	$ 32,123

Consolidated Statements of Cash Flows

	Years Ended December 31,		
	2016	2015	2014
Supplementary Cash Flow Information			
Cash paid during the year for:			
Income taxes	**$ 5,317**	$ 2,384	$ 7,416
Interest	**$ 16,523**	$ 13,630	$ 10,261
Non-cash items:			
Transfer of loans to other real estate owned	**$ 3,227**	$ -	$ 2,372
Reclassification of loans originated for sale to held to maturity	**$ -**	$ -	$ 460

See accompanying notes to consolidated financial statements.

Note 1 - Organi zation 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 Global Market and trades under the symbol "BCBP."

In January and February 2016, the Company granted its Series A Noncumulative Perpetual Preferred Stoc k ("Series A Shares") shareholders the option to have their shares redeemed, resulting in an aggregate redemption price of $1,710,000 . Following the redemption of the 141 Series A Shares, 724 Series A Shares remain outstanding and subject to future redemption by the Company.

In November 2015, t he Company issued and sold in a public offering an aggregate of 2,760,000 shares of the Company's common stock at $10.00 per share. The shares included in the Company's offering (the "Offering") were registered under the Securities Act pursuant to the Company's registration statement filed with the Securities and Exchange Commission ("SEC") on Form S-3 (File No. 333-199424) and was filed with the SEC on October 16, 2014 and declared effective on November 4, 2014. The Form S-3 registered certain types of the Company's securities, including the Company's common stock, up to a total dollar amount of $50.0 million. Sandler O'Neill & Partners, L.P. acted as book-running manager and as representatives of the underwriters. Janney Montgomery Scott LLC and Oppenheimer & Company Inc. acted as co-managers for the offering. The offering commenced on October 28, 2015 and terminated on November 4 th, 2015.

The offering resulted in $25.6 million of net proceeds, after deducting underwriting discounts and commissions and other offering expenses of $2.0 million payable by us. None of the underwriting discounts and commissions or other offering expenses were incurred or paid to the Company's directors or officers or their associates or to persons owning 10% or more of the Company's common stock or to any of the Company's affiliates.

On November 27, 2015, the Company closed a private placement of Series C Noncumulative Perpetual Preferred Stock, resulting in the issuance of 388 shares of Series C 6% Non-Cumulative Perpetual Preferred Shares ("Series C Shares") for gross proceeds of $3.88 million through December 31, 2015. The costs associated with this private placement were approximately $32,000 . The Series C Shares issued are callable by the Company after December 31 st, 2017 at $10,000 per share (liquidation preference value). There is no ability to convert the Series C Shares to common shares. Dividends on the Series C Shares, if and when declared, will be paid quarterly in arrears.

On October 30, 2013, the Company amended its Restated Certificate of Incorporation to revise Article V to amend certa in terms related to the Series A 6% Noncumulative Perpetual Preferred Stock and to create a new Series B 6% Noncumulative Perpetual Preferred Stock, which 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 the Company on February 20, 2013.

On October 31, 2013, the Company closed a private placement of Series B Noncumulative Perpetual Preferred Stock, resulting in the issuance of 478 shares of Series B 6% Non-Cumulative Perpetual Preferred Shares for gross proceeds of $4.78 million through December 31, 2014. The costs associated with the private placement were approximately $24,000 . The shares issued are callable by the Company after October 31, 2016, 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 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 the Company 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.

The Company's primary business is the ownership and operation of B CB Community Bank (the "Bank"). The Bank is a New Jersey commercial bank which, as of December 31, 201 6 , operated at twenty-two locations in Bayonne, Carteret, Colonia, Edison, Fairfield, Hoboken, Holmdel, Jersey City, Lodi, Lyndhurst, Monroe Township, South Orange, Rutherford , Union, and Woodbridge New Jersey, and Staten Island, New York 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 Pamrapo 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. has been inactive since 2012.

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 New Jersey Investment Company, the New York Management 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, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of 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, 201 6 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. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

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 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 operations. 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, net of deferred taxes, in OCI. Equity securities on which there is an unrealized loss that is deemed other-than-temporary impaired 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.

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

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 a re placed on nonaccrual status. All payments received while in nonaccrual status, are applied to principal until the loan has performed as expected for a minimum of six (6) months or until the loan is determined to qualify for return to normal accruing status. Loans may be returned to accrual status when all the principal and interest contractually due are brought current and future payments are reasonably assured.

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 the Company can reasonably estimate the timing and amount of the expected cash flows on such loans and if the Company expects to fully collect the new carrying value of the loans. As such, the Company 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. The Company has determined that it 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 r emainder 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 financ ial condition of the borrowers. Specific loan loss allowances are established for impaired loans based on a review of such information and/or appraisal s 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 th e 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 impair ed are evaluated independently. The Bank does not aggregate such loans for evaluation purposes. Payments received on impaired loans are applied to principal.

When a loan is placed on nonaccrual status, amounts previously accrued and recognized as income are reversed. All payments are applied to principal under the cost recovery method. Interest income on nonaccrual loans is recognized on a cash basis.

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 highl y 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 est ate 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 e xpense 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 purchase and hold restricted 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 201 6 , 201 5 , or 201 4 .

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, 201 6 , t he Bank owned nine properties totaling $ 3 , 525 ,000 . At December 31, 201 5 , the Bank owned four properties totaling $ 1 , 564 ,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 consolid ated 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 o n 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 taxe s 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 a nd 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 and penalties for the years ended December 31, 201 6 , 201 5 and 201 4 . The tax years subject to examination by the Federal taxing authority are the years ended December 31, 201 5 , 201 4 , and 201 3 . The tax years subject to examination by the State taxing authority are the years ended December 31, 201 5 , 201 4 , 201 3 , and 20 1 2 . The Company was notified by the IRS in January 2017 that its 2014 consolidated income tax return was selected for examination, which will begin in March, 2017.

Net Income per Common Share

Basic net income per common share is compute d by dividing net income less dividends on preferred stock by the weighted average number of shares of common stock outstanding. The diluted net income 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, us ing the treasury stock method. Dilution is not appl icable in periods of net loss. For the years ended December 31, 201 6 , 201 5 and 201 4 , 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 were necessary in calculating basi c and diluted net income per share. For the years ended December 31, 201 6 , 201 5 and 201 4 , the weighted average number of outstanding options considered to be anti-dilutive was 418 ,500 , 26 0 , 500 , and 126 , 219 , respectively .

Stock-Based Compensation Plans

The Company, under plans approved by its stockholders in 2011, 2003 and 2002, has granted stock options to employees a nd outside directors. See note 1 3 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 me rger 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 merg er with Pamrapo Bancorp, Inc., certain former employees of Pamrapo Savings 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, 201 5 and 201 4 have been reclassified to conform to the current year's presentation. These changes ha d no effect on the Company's results of operations or financial position.

Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606), which will supersede the current revenue recognition requirements in Topic 605, Revenue Recognition. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. In August 2015, the FASB issued ASU 2015-14 which deferred the effective date of ASU 2014-09 by one year. The new guidance will be effective for public companies for periods beginning after December 15, 2017 with private companies provided a one-year deferral until periods beginning after December 15, 2018. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. The Company has not yet determined which application method it will use . The guidance is effective for the Company's financial statements beginning January 1, 2018. The guidance allows an entity to apply the new standard either retrospectively or through a cumulative effect adjustment as of January 1, 2018. This guidance does not apply to revenue associated with financial instruments, including loans, securities, and derivatives that are accounted for under other U.S. GAAP guidance. For that reason, we do not expect it to have a material impact on our consolidated results of operations for elements of the statement of income associated with financial instruments, including securities gains, interest income and interest expense. However, we do believe the new standard will result in new disclosure requirements. We are currently in the process of reviewing contracts to assess the impact of the new guidance on our service offerings that are in the scope of the guidance, included in non-interest income such as insurance commission fees, service charges, payment processing fees, trust services fees, and brokerage services fees. . The Company is continuing to evaluate the effect of the new guidance on revenue sources other than financial instruments on our financial position and consolidated results of operations.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which will supersede the current lease requirements in Topic 840. The ASU requires lessees to recognize a right of use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of income. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new guidance will be effective for years beginning after December 15, 2018 for public companies and for years beginning after December 15, 2019 for private companies. Once effective, the standard will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The Company is currently assessing the impacts this new standard will have on its consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, Compensation – Stock Compensation (Topic 718). This ASU was issued as part of FASB's Simplification Initiative. The areas for simplification in this Update include income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows for share-based payment transactions. For public companies, this ASU will be effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. For all other entities, the amendments will be effective for annual periods beginning after December 31, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted. The Company is currently assessing the impacts this new standard will have on its consolidated financial statements.

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, Financial Instruments - Credit Losses. ASU 2016-13 requires entities to report "expected" credit losses on financial instruments and other commitments to extend credit rather than the current "incurred loss" model. These expected credit losses for financial assets held at the reporting date are to be based on historical experience, current conditions, and reasonable and supportable forecasts. This ASU will also require enhanced disclosures to help investors and other financial statement users better understand significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an entity's portfolio. These disclosures include qualitative and quantitative requirements that provide additional information about the amounts recorded in the financial statements. For public business entities that are U.S. Securities and Exchange Commission filers, the amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other public business entities, the amendments are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For all other entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. The Company is currently evaluating the impact the adoption of ASU 2016-13 will have on its consolidated financial statements and results of operations.

Note 3 - Related Party Transactions

The Bank leases a property from New Bay LLC ("New Bay"), a limited liability company 100% owned by a majority of the Directors 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 New Bay 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) which is included in the C onsolidated Statements of O perations for 201 6 , 201 5 , and 201 4 , within occupancy expense of premises. The rent is to be adjusted 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 201 7 .

On February 8, 2012, the Bank entered into a two year lease, which has been extended, for a warehous e with a Director of the Bank. The purpose of the lease is to store documents, consumable supplies, equipment, and furniture not c urrently in use by the Bank. The Bank paid $20,400 a year , which is reflected in the Consolidated Statement of Operations for 201 6 , 201 5 and 201 4 within occupancy expense of premises. The Bank expects to pay $20,400 for the year 201 7 .

The Bank leases a property in Woodbridge, New Jersey from ACB Development LLC, a portion of which is owned by two Directors. Payments under the lease currently total $15,397 per month. The Bank paid $1 72 , 352 , $1 90 , 580 , and $1 78 ,1 90 in rent in the years 201 6 , 201 5 and 201 4 , which is reflected in the Consolidated Statement of Operations for 201 6 , 201 5 and 201 4 within occupancy expense of premises. The Bank expects to pay $ 175,490 for the year 201 7 .

On March 6, 2014, the Bank entered into a ten year lease of property in Rutherford, New Jersey with 190 Park Avenue , LLC, which is owned by two Directors. The rent is $2,779 per month and lease payments of $ 33,350 and $ 33 , 350 were made in years 201 6 and 201 5 , which is reflected in the 201 6 Consolidated Statement of Operations within occupancy expense of premises. The Bank expects to pay $ 34,014 for the year 201 7 .

On May 12 th , 2016, the Bank entered into a 5 year lease of property in Lyndhurst, New Jersey with 734 Ridge Realty, LLC, which is owned by two Directors. The rent is $7,350 per month and lease payments of $44,100 were made in 2016, which is reflected in the Consolidated Statement of Operations for 2016 within occupancy expense of premises. The Bank expects to pay $88,200 for the year 2017.

Note 4- Securities Available for Sale

The following table presents by maturity the amortized cost and gross unrealized gains and losses on securities available for sale as of December 31, 201 6 and December 31, 201 5 . The preferred stock does not have a maturity date.

	December 31, 2016			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
Mortgage-backed securities:				
Due after five years through ten years	$ 6,230	$ 23	$ 86	$ 6,167
Due after ten years	80,594	65	4,354	76,305
Municipal obligations:				
Due within one year	$ 6,968	$ -	$ 7	$ 6,961
Preferred Stock:				
Due after 10 years	5,356	-	24	5,332
	$ 99,148	$ 88	$ 4,471	$ 94,765

	December 31, 2015			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
Residential mortgage-backed securities:				
Due after five years through ten years	$ 3,418	$ 13	$ 73	$ 3,358
Due after ten years	6,238	89	62	6,265
	$ 9,656	$ 102	$ 135	$ 9,623

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, 2016						
Residential mortgage-backed securities	$ 74,672	$ 4,313	$ 3,379	$ 127	$ 78,051	$ 4,440
Municipal obligations	6,961	7	-	-	6,961	7
Preferred stock	1,983	24	-	-	1,983	24
	$ 83,616	$ 4,344	$ 3,379	$ 127	$ 86,995	$ 4,471
December 31, 2015						
Residential mortgage-backed securities	$ 1,163	$ 4	$ 3,686	$ 131	$ 4,849	$ 135
	$ 1,163	$ 4	$ 3,686	$ 131	$ 4,849	$ 135

Management evaluates securities for other-than-temporary impairment ("OTTI") at least on a quarterly basis, and more frequently when economic or market conditions warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) whether the Company intends to sell the security or more likely than not will be required to sell the security b efore its anticipated recovery. At December 31, 201 6 and 201 5 , management performed an assessment for possible OTTI of the Company's residential mortgage-backed securities , municipal obligations, and preferred stock on an issue-by-issue basis, relying on information obtained from various sources, including publicly available financial data, ratings by external agencies, brokers and other sources. The extent of individual analysis applied to each security depended on the size of the Company's investment, as well as management's perception of the credit risk associated with each security. Based on the results of the assessment, management believes impairment of these residential mortgage-backed securities, at December 31, 201 6 to be temporary.

Note 5 - Loans Receivable and Allowance for Loan Losses

The following table presents the recorded investment in loans receivable at December 31, 201 6 and December 31, 201 5 by segment and class:

	December 31, 2016	December 31, 2015
	(In Thousands)	
Originated loans:		
Residential one-to-four family	**$ 142,081**	$ 117,165
Commercial and multi-family	**1,056,806**	982,828
Construction	**70,867**	64,008
Commercial business [(1)]	**63,444**	70,340
Home equity [(2)]	**32,417**	31,237
Consumer	**1,269**	2,365
Sub-total	**1,366,884**	1,267,943
Acquired loans recorded at fair value:		
Residential one-to-four family	**56,310**	67,587
Commercial and multi-family	**60,422**	79,308
Construction	**-**	-
Commercial business [(1)]	**4,460**	4,281
Home equity [(2)]	**13,877**	18,851
Consumer	**225**	263
Sub-total	**135,294**	170,290
Acquired loans with deteriorated credit:		
Residential one-to-four family	**1,443**	1,474
Commercial and multi-family	**753**	669
Construction	**-**	-
Commercial business [(1)]	**-**	167
Home equity [(2)]	**-**	71
Consumer	**-**	-
Sub-total	**2,196**	2,381
Total Loans	**1,504,374**	1,440,614
Less:		
Deferred loan fees, net	**(2,006)**	(2,454)
Allowance for loan losses	**(17,209)**	(18,042)
	(19,215)	(20,496)
Total Loans, net	**$ 1,485,159**	$ 1,420,118

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

At December 31, 201 6 and 201 5 , loans serviced by the Bank for the benefit of others totaled approximately $ 1 84 . 1 million an d $ 1 84 . 1 million , respectivel y.

Note 5 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table presents the unpaid principal balance and the related recorded investment of acquired loans included in loans receivable in accompanying Consolidated Statements of Financial Condition. (In Thousands):

	December 31, 2016	December 31, 2015
Unpaid principal balance	$ 140,049	$ 183,046
Recorded investment	137,045	172,671

The following table presents changes in the accretable discount on loans acquired for the years ended December 31, 201 6 and 201 5 . (In Thousands):

	Years Ended December 31, 2016	2015
Balance, Beginning of Period	$ 53,612	$ 70,522
Accretion	(14,976)	(17,254)
Net Reclassification from Non-Accretable Yield	483	344
Balance, End of Period	$ 39,119	$ 53,612

The following table presents changes in the non-accretable yield on loans acquired for the years ended December 31, 201 6 and 201 5 . (In Thousands):

	Years Ended December 31, 2016	2015
Balance, Beginning of Period	$ 3,041	$ 3,773
Loans Sold	-	(388)
Net Reclassification to Accretable Difference	(483)	(344)
Balance, End of Period	$ 2,558	$ 3,041

Note 5 - Loans Receivable and Allowance for Loan Losses (Continued)

The Bank grants loans to its officers and dire ctors and to their associates. The activity with respect to loans to directors, officers and associates of such persons, is as follows:

	Years Ended December 31,	
	2016	2015
	(In Thousands)	
Balance – beginning	$ **12,444**	$ 11,430
Loans originated	**386**	1,095
Collections of principal	**(1,461)**	(81)
Change in related party status	**(2,817)**	0
Balance - ending	$ **8,552**	$ 12,444

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 co nsists of several key elements. These elements include a general allocated reserve for performing loans , a specific reserve for impaired loans and an unallocated portion.

The Company consistently applies the follo wing comprehensive methodology. During the quarterly review of the allowance for loan losses, the Company considers a variety of qualitative 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 for performing loans is evaluated based on histori cal loan experience, including consideration of peer loss analysis, with an adju stment for qualitative factors referred to above . 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, 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 5 - 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 c onsumer 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 classifica tion system for problem assets. Under this classification system, problem assets are classified as "substandard," "doubtful, " "loss" or "special mention."

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, 201 6 , we had $ 320,000 in assets classified as losses , of which $ 320,000 were classified as impaired , $29 million in assets classified as substandard, of which $29.0 million were classified as impaired, and $ $ 1 8 . 9 million in assets classified as special mention, of which $ 9 . 6 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 due to payment status, because 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 5 - 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, 201 6 and recorded investment in loans receivable at December 31, 201 6 . 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:								
Originated Loans	$ 2,107	$ 11,643	$ 722	$ 1,749	$ 369	$ 879	$ 168	$ 17,637
Acquired loans recorded at fair value	270	17	-	-	50	-	-	337
Acquired loans with deteriorated credit	47	14	-	4	3	-	-	68
Beginning Balance, December 31, 2016	2,424	11,674	722	1,753	422	879	168	18,042
Charge-offs:								
Originated Loans	-	367	-	160	-	-	- -	527
Acquired loans recorded at fair value	459	38	-	3	54	-	- -	554
Acquired loans with deteriorated credit	-	-	-	-	-	-	- -	-
Sub-total	459	405	-	163	54	-	-	1,081
Recoveries:								
Originated Loans	-	74	-	-	-	-	-	74
Acquired loans recorded at fair value	-	4	-	-	14	-	-	18
Acquired loans with deteriorated credit	-	-	-	129	-	-	-	129
Sub-total	-	78	-	129	14	-	-	221
Provisions:								
Originated Loans	(9)	(729)	14	1,490	5	(877)	(99)	(205)
Acquired loans recorded at fair value	359	17	-	3	(6)	-	-	373
Acquired loans with deteriorated credit	(4)	(1)	-	(133)	(3)	-	-	(141)
Sub-total	346	(713)	14	1,360	(4)	(877)	(99)	27
Totals:								
Originated Loans	2,098	10,621	736	3,079	374	2	69	16,979
Acquired loans recorded at fair value	170	-	-	-	4	-	-	174
Acquired loans with deteriorated credit	43	13	-	-	-	-	-	56
Ending Balance, December 31, 2016	$ 2,311	$ 10,634	$ 736	$ 3,079	$ 378	$ 2	$ 69	$ 17,209
Loans Receivables:								
Ending Balance Originated Loans	142,081	1,056,806	70,867	63,444	32,417	1,269	-	1,366,884
Ending Balance Acquired Loans	56,310	60,422	-	4,460	13,877	225	-	135,294
Ending Balance Acquired loans with deteriorated credit	1,443	753	-	-	-	-	-	2,196
Total Gross Loans	$ 199,834	$ 1,117,981	$ 70,867	$ 67,904	$ 46,294	$ 1,494	-	$ 1,504,374
Ending Balance: Loans individually evaluated for impairment:								
Ending Balance Originated Loans	10,651	12,325	6	4,088	1,362	-	-	28,432
Ending Balance Acquired Loans	7,600	6,356	-	-	1,065	-	-	15,021
Ending Balance Acquired loans with deteriorated credit	1,443	523	-	-	-	-	-	1,966
Ending Balance Loans individually evaluated for impairment	$ 19,694	$ 19,204	$ 6	$ 4,088	$ 2,427	$ -	$ -	$ 45,419
Ending Balance: Loans collectively evaluated for impairment:								
Ending Balance Originated Loans	131,430	1,044,481	70,861	59,356	31,055	1,269	-	1,338,452
Ending Balance Acquired Loans	48,710	54,066	-	4,460	12,812	225	-	120,273
Ending Balance Acquired loans with deteriorated credit	-	230	-	-	-	-	-	230
Ending Balance Loans collectively evaluated for impairment	$ 180,140	$ 1,098,777	$ 70,861	$ 63,816	$ 43,867	$ 1,494	$ -	$ 1,458,955

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

Note 5 - 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, 201 5 and recorded investment in loans receivable at December 31, 201 5 . 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:								
Originated Loans	$ 2,364	$ 10,028	$ 1,080	$ 876	$ 333	$ 449	$ 121	$ 15,251
Acquired loans recorded at fair value	417	102	-	-	58	-	-	577
Acquired loans with deteriorated credit	64	23	-	233	3	-	-	323
Beginning Balance, December 31, 2015	2,845	10,153	1,080	1,109	394	449	121	16,151
Charge-offs:								
Originated Loans	-	10	-	80	-	-	-	- 90
Acquired loans recorded at fair value	67	-	-	-	106	-	-	- 173
Acquired loans with deteriorated credit	-	-	-	199	-	-	-	- 199
Sub-total	67	10	-	279	106	-	-	462
Recoveries:								
Originated Loans	-	70	-	-	-	-	-	70
Acquired loans recorded at fair value	-	-	-	-	3	-	-	3
Acquired loans with deteriorated credit	-	-	-	-	-	-	-	-
Sub-total	-	70	-	-	3	-	-	73
Provisions:								
Originated Loans	(257)	1,555	(358)	953	36	430	47	2,406
Acquired loans recorded at fair value	(80)	(85)	-	-	95	-	-	(70)
Acquired loans with deteriorated credit	(17)	(9)	-	(30)	-	-	-	(56)
Sub-total	(354)	1,461	(358)	923	131	430	47	2,280
Totals:								
Originated Loans	2,107	11,643	722	1,749	369	879	168	17,637
Acquired loans recorded at fair value	270	17	-	-	50	-	-	337
Acquired loans with deteriorated credit	47	14	-	4	3	-	-	68
Ending Balance, December 31, 2015	$ 2,424	$ 11,674	$ 722	$ 1,753	$ 422	$ 879	$ 168	$ 18,042
Loans Receivables:								
Ending Balance Originated Loans	117,165	982,828	64,008	70,340	31,237	2,365	-	1,267,943
Ending Balance Acquired Loans	67,587	79,308	-	4,281	18,851	263	-	170,290
Ending Balance Acquired loans with deteriorated credit	1,474	669	-	167	71	-	-	2,381
Total Gross Loans	$ 186,226	$ 1,062,805	$ 64,008	$ 74,788	$ 50,159	$ 2,628	$ -	$ 1,440,614
Ending Balance: Loans individually evaluated for impairment:								
Ending Balance Originated Loans	9,120	14,681	-	4,203	1,456	1,463	-	30,923
Ending Balance Acquired Loans	9,885	6,775	-	-	1,363	-	-	18,023
Ending Balance Acquired loans with deteriorated credit	1,474	426	-	167	71	-	-	2,138
Ending Balance Loans individually evaluated for impairment	$ 20,479	$ 21,882	$ -	$ 4,370	$ 2,890	$ 1,463	$ -	$ 51,084
Ending Balance: Loans collectively evaluated for impairment:								
Ending Balance Originated Loans	108,045	968,147	64,008	66,137	29,781	902	-	1,237,020
Ending Balance Acquired Loans	57,702	72,533	-	4,281	17,488	263	-	152,267
Ending Balance Acquired loans with deteriorated credit	-	243	-	-	-	-	-	243
Ending Balance Loans collectively evaluated for impairment	$ 165,747	$ 1,040,923	$ 64,008	$ 70,418	$ 47,269	$ 1,165	$ -	$ 1,389,530

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

Note 5 - 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, 201 4 and recorded investment in loans receivable at December 31, 201 4 . 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:								
Originated Loans:	$ 1,729	$ 7,419	$ 700	$ 1,295	$ 363	$ 3	$ 83	$ 11,592
Acquired loans recorded at fair value:	832	1,744	1	44	129	-	-	2,750
Acquired loans with deteriorated credit:	-	-	-	-	-	-	-	-
Beginning Balance, December 31, 2014	2,561	9,163	701	1,339	492	3	83	14,342
Charge-offs:								
Originated Loans:	-	388	-	208	27	-	-	623
Acquired loans recorded at fair value:	28	755	-	-	29	2	-	814
Acquired loans with deteriorated credit:	-	-	-	-	-	-	-	-
Sub-total:	28	1,143	-	208	56	2	-	1,437
Recoveries:								
Originated Loans:	-	125	-	174	-	-	-	299
Acquired loans recorded at fair value:	-	73	65	-	6	3	-	147
Acquired loans with deteriorated credit:	-	-	-	-	-	-	-	-
Sub-total:	-	198	65	174	6	3	-	446
Provisions:								
Originated Loans:	635	2,872	380	(385)	(3)	446	38	3,983
Acquired loans recorded at fair value:	(387)	(960)	(66)	(44)	(48)	(1)	-	(1,506)
Acquired loans with deteriorated credit:	64	23	-	233	3	-	-	323
Sub-total:	312	1,935	314	(196)	(48)	445	38	2,800
Totals:								
Originated Loans:	2,364	10,028	1,080	876	333	449	121	15,251
Acquired loans recorded at fair value:	417	102	-	-	58	-	-	577
Acquired loans with deteriorated credit:	64	23	-	233	3	-	-	323
Ending Balance, December 31, 2014	$ 2,845	$ 10,153	$ 1,080	$ 1,109	$ 394	$ 449	$ 121	$ 16,151
Loans Receivables:								
Ending Balance Originated Loans:	124,642	732,791	73,497	54,244	30,175	2,178	-	1,017,527
Ending Balance Acquired Loans:	81,051	95,191	-	6,381	22,698	652	-	205,973
Ending Balance Acquired loans with deteriorated credit:	1,595	1,130	-	369	82	-	-	3,176
Total Gross Loans:	$ 207,288	$ 829,112	$ 73,497	$ 60,994	$ 52,955	$ 2,830	$ -	$ 1,226,676
Ending Balance: Loans individually evaluated for impairment:								
Ending Balance Originated Loans:	12,044	9,522	-	4,935	1,086	1,851	-	29,438
Ending Balance Acquired Loans:	9,783	6,377	-	-	1,164	-	-	17,324
Ending Balance Acquired loans with deteriorated credit:	1,595	877	-	369	82	-	-	2,923
Ending Balance Loans individually evaluated for impairment:	$ 23,422	$ 16,776	$ -	$ 5,304	$ 2,332	$ 1,851	$ -	$ 49,685
Ending Balance: Loans collectively evaluated for impairment:								
Ending Balance Originated Loans:	112,598	723,269	73,497	49,309	29,089	327	-	988,089
Ending Balance Acquired Loans:	71,268	88,814	-	6,381	21,534	652	-	188,649
Ending Balance Acquired loans with deteriorated credit:	-	253	-	-	-	-	-	253
Ending Balance Loans collectively evaluated for impairment:	$ 183,866	$ 812,336	$ 73,497	$ 55,690	$ 50,623	$ 979	$ -	$ 1,176,991

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

Note 5 - 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, 201 6 and 201 5 , respectively. Loans are placed on non-accrual status when they become more than 90 days delinquent, or when the collection of principal an d/or interest become doubtful. As of December 31, 201 6 and 201 5 , non -accrual loans dif fered from the amount of total loans past d ue 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.

	As of December 31, 2016 (In Thousands)	As of December 31, 2015 (In Thousands)
Non-Accruing Loans:		
Originated loans:		
Residential one-to-four family	$ 3,693	$ 2,603
Commercial and multi-family	5,437	9,782
Construction	-	-
Commercial business [(1)]	726	718
Home equity [(2)]	416	777
Consumer	6	-
Sub-total:	$ 10,278	$ 13,880
Acquired loans recorded at fair value:		
Residential one-to-four family	$ 3,429	$ 5,592
Commercial and multi-family	1,182	3,025
Construction	-	-
Commercial business [(1)]	-	-
Home equity [(2)]	763	665
Consumer	-	-
Sub-total:	$ 5,374	$ 9,282
Acquired loans with deteriorated credit:		
Residential one-to-four family	$ -	$ -
Commercial and multi-family	-	-
Construction	-	-
Commercial business [(1)]	-	167
Home equity [(2)]	-	118
Consumer	-	-
Sub-total:	$ -	$ 285
Total	$ 15,652	$ 23,447

(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, 201 6 , 201 5 and 201 4 would have been approximately $ 1. 06 million , $ 1. 13 million and $ 1. 06 million , respectively. Interest income recognized on such loans was approximately $ 798 ,000 , $ 326 , 000 and $ 7 84, 000 respectively. The Bank is not committed to lend additional funds to the borrowers whose loans have been placed on a nonaccr ual status. At December 31, 201 6 and 201 5 , there were $ 2.8 millio n and $ 586,00 0 , respectively, of loans which were more than ninety days past due and still accruing interest .

Note 5 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table summarizes the recorded investment and unpaid principal balances where there is no related allowance on impaired loans by portfolio class for the years ended December 31, 201 6 and December 31, 201 5 . (In Thousands):

	As of December 31, 2016			As of December 31, 2015		
Originated loans with no related allowance recorded:	**Recorded Investment**	**Unpaid Principal Balance**	**Related Allowance**	Recorded Investment	Unpaid Principal Balance	Related Allowance
Residential one-to-four family	**$ 5,158**	**$ 5,341**	**$ -**	$ 3,136	$ 3,199	$ -
Commercial and multi-family	**10,498**	**10,722**	**-**	10,709	10,934	-
Construction	**6**	**6**	**-**	-	-	-
Commercial business [1]	**1,022**	**1,966**	**-**	2,123	3,183	-
Home equity [2]	**1,022**	**1,101**	**-**	1,270	1,326	-
Consumer	**-**	**-**	**-**	-	-	-
Sub-total:	**$ 17,706**	**$ 19,136**	**$ -**	$ 17,238	$ 18,642	$ -
Acquired loans recorded at fair value with no related allowance recorded:						
Residential one-to-four family	**$ 5,577**	**$ 6,149**	**$ -**	$ 7,646	$ 8,082	$ -
Commercial and Multi-family	**5,575**	**5,710**	**-**	4,383	4,483	-
Construction	**-**	**-**	**-**	-	-	-
Commercial business [1]	**-**	**-**	**-**	-	-	-
Home equity [2]	**545**	**650**	**-**	884	1,061	-
Consumer	**-**	**-**	**-**	-	-	-
Sub-total:	**$ 11,697**	**$ 12,509**	**$ -**	$ 12,913	$ 13,626	$ -
Acquired loans with deteriorated credit with no related allowance recorded:						
Residential one-to-four family	**$ 1,443**	**$ 2,069**	**$ -**	$ 1,474	$ 2,101	$ -
Commercial and Multi-family	**523**	**552**	**-**	426	574	-
Construction	**-**	**-**	**-**	-	-	-
Commercial business [1]	**-**	**-**	**-**	-	-	-
Home equity [2]	**-**	**-**	**-**	71	135	-
Consumer	**-**	**-**	**-**	-	-	-
Sub-total:	**$ 1,966**	**$ 2,621**	**$ -**	$ 1,971	$ 2,810	$ -
Total Impaired Loans with no related allowance recorded:	**$ 31,369**	**$ 34,266**	**$ -**	$ 32,122	$ 35,078	$ -

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

Note 5 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table summarizes the recorded investment, unpaid principal balance, and the related allowance on impaired loans by portfolio class for the years ended December 31, 201 6 and December 31, 201 5 . (In Thousands):

	As of December 31, 2016			As of December 31, 2015		
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Recorded Investment	Unpaid Principal Balance	Related Allowance
Originated loans with an allowance recorded:						
Residential one-to-four family	$ 5,493	$ 5,493	$ 496	$ 5,984	$ 5,993	$ 594
Commercial and Multi-family	1,827	1,866	380	3,972	3,972	1,069
Construction	-	-	-	-	-	-
Commercial business [(1)]	3,066	4,006	2,359	2,080	2,445	841
Home equity [(2)]	340	340	32	186	189	3
Consumer	-	-	-	1,463	1,463	876
Sub-total:	$ 10,726	$ 11,705	$ 3,267	$ 13,685	$ 14,062	$ 3,383
Acquired loans recorded at fair value with an allowance recorded:						
Residential one-to-four family	$ 2,023	$ 2,080	$ 202	$ 2,239	$ 2,402	$ 219
Commercial and Multi-family	781	781	37	2,392	2,496	85
Construction	-	-	-	-	-	-
Commercial business [(1)]	-	-	-	-	-	-
Home equity [(2)]	520	571	24	479	518	36
Consumer	-	-	-	-	-	-
Sub-total	$ 3,324	$ 3,432	$ 263	$ 5,110	$ 5,416	$ 340
Acquired loans with deteriorated credit with an allowance recorded:						
Residential one-to-four family	$ -	$ -	$ -	$ -	$ -	$ -
Commercial and Multi-family	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Commercial business [(1)]	-	-	-	167	368	-
Home equity [(2)]	-	-	-	-	-	-
Consumer	-	-	-	-	-	-
Sub-total:	$ -	$ -	$ -	$ 167	$ 368	$ -
Total Impaired Loans with an allowance recorded:	$ 14,050	$ 15,137	$ 3,530	$ 18,962	$ 19,846	$ 3,723
Total Impaired Loans with no related allowance recorded:	$ 31,369	$ 34,266	$ -	$ 32,122	$ 35,078	$ -
Total Impaired Loans:	$ 45,419	$ 49,403	$ 3,530	$ 51,084	$ 54,924	$ 3,723

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

Note 5 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table summarizes the average recorded investment and actual interest income recognized on impaired loans with no related allowance recorded by portfolio class for the years ended December 31, 201 6 and 201 5 . (In Thousands):

	Years Ended December 31,			
	2016	**2016**	2015	2015
Originated loans with no related allowance recorded:	**Average Recorded Investment**	**Interest Income Recognized**	Average Recorded Investment	Interest Income Recognized
Residential one-to-four family	**$ 4,613**	**$ 281**	$ 2,996	$ 83
Commercial and multi-family	**10,820**	**563**	9,599	322
Construction	**746**	**-**	-	-
Commercial business [(1)]	**1,678**	**116**	2,438	8
Home equity [(2)]	**1,002**	**60**	1,073	41
Consumer	**2**	**-**	-	-
Sub-total:	**$ 18,861**	**$ 1,020**	$ 16,106	$ 454
Acquired loans recorded at fair value with no related allowance recorded:				
Residential one-to-four family	**$ 5,234**	**$ 345**	$ 6,849	$ 289
Commercial and Multi-family	**5,055**	**332**	4,639	120
Construction	**-**	**-**	-	-
Commercial business [(1)]	**-**	**-**	-	-
Home equity [(2)]	**583**	**37**	796	25
Consumer	**-**	**-**	-	-
Sub-total:	**$ 10,872**	**$ 714**	$ 12,284	$ 434
Acquired loans with deteriorated credit with no related allowance recorded:				
Residential one-to-four family	**$ 1,455**	**$ 89**	$ 1,486	$ -
Commercial and Multi-family	**527**	**28**	760	-
Construction	**-**	**-**	-	-
Commercial business [(1)]	**-**	**-**	90	-
Home equity [(2)]	**19**	**-**	76	4
Consumer	**-**	**-**	-	-
Sub-total:	**$ 2,001**	**$ 117**	$ 2,412	$ 4
Total Impaired Loans with no related allowance recorded:	**$ 31,734**	**$ 1,851**	$ 30,802	$ 892

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

Note 5 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table summarizes the average recorded investment and actual interest income recognized on impaired loans with allowance recorded by portfolio class for the years ended December 31, 201 6 and 201 5 . (In Thousands):

	Years Ended December 31, 2016	2016	2015	2015
Originated loans with an allowance recorded:	**Average Recorded Investment**	**Interest Income Recognized**	Average Recorded Investment	Interest Income Recognized
Residential one-to-four family	**$ 5,564**	**$ 253**	$ 7,211	$ 48
Commercial and Multi-family	**3,122**	**39**	3,650	190
Construction	**-**	**-**	-	-
Commercial business [1]	**2,406**	**139**	2,170	37
Home equity [2]	**278**	**16**	281	2
Consumer	**632**	**-**	1,515	-
Sub-total:	**$ 12,002**	**$ 447**	$ 14,827	$ 277
Acquired loans recorded at fair value with an allowance recorded:				
Residential one-to-four family	**$ 3,342**	**$ 69**	$ 3,187	$ 27
Commercial and Multi-family	**1,077**	**44**	2,275	57
Construction	**-**	**-**	-	-
Commercial business [1]	**-**	**-**	-	-
Home equity [2]	**674**	**17**	358	12
Consumer	**-**	**-**	-	-
Sub-total	**$ 5,093**	**$ 130**	$ 5,820	$ 96
Acquired loans with deteriorated credit with an allowance recorded:				
Residential one-to-four family	**$ -**	**$ -**	$ 67	$ -
Commercial and Multi-family	**-**	**-**	-	-
Construction	**-**	**-**	-	-
Commercial business [1]	**41**	**-**	84	5
Home equity [2]	**-**	**-**	-	-
Consumer	**-**	**-**	-	-
Sub-total:	**$ 41**	**$ -**	$ 151	$ 5
Total Impaired Loans with an allowance recorded:	**$ 17,136**	**$ 577**	$ 20,798	$ 378

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

Note 5 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table presents the total troubled debt restructured loans at December 31, 201 6 , excluding the purchase impairment mark on the acquired loans with deteriorated credit:

	Accrual		Non-accrual		Total	
December 31, 2016	**# of Loans (Actual)**	**Amount (In Thousands)**	**# of Loans (Actual)**	**Amount (In Thousands)**	**# of Loans (Actual)**	**Amount (In Thousands)**
Originated loans:						
Residential one-to-four family	8	$ 2,687	-	$ -	8	$ 2,687
Commercial and multi-family	9	5,141	8	2,297	17	7,438
Construction	-	-	-	-	-	-
Commercial business (1)	2	1,868	1	345	3	2,213
Home equity (2)	5	817	1	46	6	863
Consumer	-	-	-	-	-	-
Sub-total:	24	$ 10,513	10	$ 2,688	34	$ 13,201
Acquired loans recorded at fair value:						
Residential one-to-four family	18	$ 3,979	5	$ 1,893	23	$ 5,872
Commercial and Multi-family	13	4,807	1	583	14	5,390
Construction	-	-	-	-	-	-
Commercial business (1)	-	-	-	-	-	-
Home equity (2)	2	265	1	219	3	484
Consumer	-	-	-	-	-	-
Sub-total:	33	$ 9,051	7	$ 2,695	40	$ 11,746
Acquired loans with deteriorated credit:						
Residential one-to-four family	5	$ 2,069	-	$ -	5	$ 2,069
Commercial and Multi-family	1	552	-	-	1	552
Construction	-	-	-	-	-	-
Commercial business (1)	-	-	-	-	-	-
Home equity (2)	-	-	-	-	-	-
Consumer	-	-	-	-	-	-
Sub-total:	6	$ 2,621	-	$ -	6	$ 2,621
Total	63	$ 22,185	17	$ 5,383	80	$ 27,568

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

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 5 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table presents the total troubled debt restructured loans at December 31, 201 5 , excluding the purchase impairment mark on the acquired loans with deteriorated credit:

	Accrual		Non-accrual		Total	
December 31, 2015	# of Loans (Actual)	Amount (In Thousands)	# of Loans (Actual)	Amount (In Thousands)	# of Loans (Actual)	Amount (In Thousands)
Originated loans:						
Residential one-to-four family	6	$ 1,845	1	$ 824	7	$ 2,669
Commercial and multi-family	4	3,270	9	4,297	13	7,567
Construction	-	-	-	-	-	-
Commercial business [(1)]	1	778	2	705	3	1,483
Home equity [(2)]	2	491	3	157	5	648
Consumer	-	-	-	-	-	-
Sub-total:	13	$ 6,384	15	$ 5,983	28	$ 12,367
Acquired loans recorded at fair value:						
Residential one-to-four family	16	$ 3,604	13	$ 3,402	29	$ 7,006
Commercial and Multi-family	13	4,863	1	582	14	5,445
Construction	-	-	-	-	-	-
Commercial business [(1)]	-	-	-	-	-	-
Home equity [(2)]	5	512	1	220	6	732
Consumer	-	-	-	-	-	-
Sub-total:	34	$ 8,979	15	$ 4,204	49	$ 13,183
Acquired loans with deteriorated credit:						
Residential one-to-four family	5	$ 2,101	-	$ -	5	$ 2,101
Commercial and Multi-family	2	574	-	-	2	574
Construction	-	-	-	-	-	-
Commercial business [(1)]	-	-	1	167	1	167
Home equity [(2)]	-	-	1	118	1	118
Consumer	-	-	-	-	-	-
Sub-total:	7	$ 2,675	2	$ 285	9	$ 2,960
Total	54	$ 18,038	32	$ 10,472	86	$ 28,510

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

Note 5 - 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 t o troubled debt restructurings during the year ended December 31, 201 6 . (In thousands):

Year Ended December 31, 2016	Number of Contracts	Pre-Modification Outstanding Recorded Investments	Post-Modification Outstanding Recorded Investments
Originated loans:			
Residential one-to-four family	1	$ 71	$ 71
Commercial and multi-family	5	1,816	1,920
Construction	-	-	-
Commercial business [(1)]	1	-	1,137
Home equity [(2)]	1	155	162
Consumer	-	-	-
Sub-total:	8	$ 2,042	$ 3,290
Acquired loans recorded at fair value:			
Residential one-to-four family	1	$ 278	$ 320
Commercial and Multi-family	-	-	-
Construction	-	-	-
Commercial business [(1)]	-	-	-
Home equity [(2)]	1	223	223
Consumer	-	-	-
Sub-total:	2	$ 501	$ 543
Acquired loans with deteriorated credit:			
Residential one-to-four family	-	$ -	$ -
Commercial and Multi-family	-	-	-
Construction	-	-	-
Commercial business [(1)]	-	-	-
Home equity [(2)]	-	-	-
Consumer	-	-	-
Sub-total:	-	$ -	$ -
Total	10	$ 2,543	$ 3,833

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

Note 5 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table summarizes information in regards to troubled debt restructurings during the year ended December 31, 201 5 . (In thousands):

Year Ended December 31, 2015	Number of Contracts	Pre-Modification Outstanding Recorded Investments	Post-Modification Outstanding Recorded Investments
Originated loans:			
Residential one-to-four family	1	$ 836	$ 836
Commercial and multi-family	1	55	55
Construction	-	-	-
Commercial business [1]	1	236	246
Home equity [2]	1	17	53
Consumer	-	-	-
Sub-total:	4	$ 1,144	$ 1,190
Acquired loans recorded at fair value:			
Residential one-to-four family	3	$ 1,533	$ 1,562
Commercial and Multi-family	-	-	-
Construction	-	-	-
Commercial business [1]	-	-	-
Home equity [2]	2	398	367
Consumer	-	-	-
Sub-total:	5	$ 1,931	$ 1,929
Acquired loans with deteriorated credit:			
Residential one-to-four family	-	$ -	$ -
Commercial and Multi-family	-	-	-
Construction	-	-	-
Commercial business [1]	-	-	-
Home equity [2]	-	-	-
Consumer	-	-	-
Sub-total:	-	$ -	$ -
Total	9	$ 3,075	$ 3,119

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

Note 5 - 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, 2016

	Number of Contracts	Recorded Investment
Originated loans:		
Residential one-to-four family	1	$ 70
Commercial and multi-family	2	637
Construction	-	-
Commercial business [1]	-	-
Home equity [2]	-	-
Consumer	-	-
Sub-total:	3	$ 707
Acquired loans recorded at fair value:		
Residential one-to-four family	-	$ -
Commercial and Multi-family	-	-
Construction	-	-
Commercial business [1]	-	-
Home equity [2]	-	-
Consumer	-	-
Sub-total:	-	$ -
Acquired loans with deteriorated credit:		
Residential one-to-four family	-	$ -
Commercial and Multi-family	-	-
Construction	-	-
Commercial business [1]	-	-
Home equity [2]	-	-
Consumer	-	-
Sub-total:	-	$ -
Total	3	$ 707

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

Note 5 - 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, 2015

	Number of Contracts	Recorded Investment
Originated loans:		
Residential one-to-four family	1	$ 824
Commercial and multi-family	-	-
Construction	-	-
Commercial business [1]	-	-
Home equity [2]	-	-
Consumer	-	-
Sub-total:	1	$ 824
Acquired loans recorded at fair value:		
Residential one-to-four family	1	$ 968
Commercial and Multi-family	-	-
Construction	-	-
Commercial business [1]	-	-
Home equity [2]	-	-
Consumer	-	-
Sub-total:	1	$ 968
Acquired loans with deteriorated credit:		
Residential one-to-four family	-	$ -
Commercial and Multi-family	-	-
Construction	-	-
Commercial business [1]	-	-
Home equity [2]	-	-
Consumer	-	-
Sub-total:	-	$ -
Total	2	$ 1,792

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

Note 5 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table sets forth the delinquency status of total loans receivable at December 31, 201 6 :

	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)			
Originated loans:							
Residential one-to-four family	$ 2,873	$ 963	$ 1,889	$ 5,725	$ 136,356	$ 142,081	$ -
Commercial and multi-family	10,472	989	5,182	16,643	1,040,163	1,056,806	2,828
Construction	348	-	-	348	70,519	70,867	-
Commercial business [1]	491	69	315	875	62,569	63,444	-
Home equity [2]	78	218	-	296	32,121	32,417	-
Consumer	-	-	6	6	1,263	1,269	-
Sub-total:	$ 14,262	$ 2,239	$ 7,392	$ 23,893	$ 1,342,991	$ 1,366,884	$ 2,828
Acquired loans recorded at fair value:							
Residential one-to-four family	$ 498	$ 515	$ 3,138	$ 4,151	$ 52,159	56,310	$ -
Commercial and multi-family	1,958	221	737	2,916	57,506	60,422	-
Construction	-	-	-	-	-	-	-
Commercial business [1]	-	-	-	-	4,460	4,460	-
Home equity [2]	309	132	280	721	13,156	13,877	-
Consumer	-	-	-	-	225	225	-
Sub-total:	$ 2,765	$ 868	$ 4,155	$ 7,788	$ 127,506	$ 135,294	$ -
Acquired loans with deteriorated credit:							
Residential one-to-four family	$ -	$ -	$ -	$ -	$ 1,443	$ 1,443	$ -
Commercial and multi-family	-	-	-	-	753	753	-
Construction	-	-	-	-	-	-	-
Commercial business [1]	-	-	-	-	-	-	-
Home equity [2]	-	-	-	-	-	-	-
Consumer	-	-	-	-	-	-	-
Sub-total:	$ -	$ -	$ -	$ -	$ 2,196	$ 2,196	$ -
Total	$ 17,027	$ 3,107	$ 11,547	$ 31,681	$ 1,472,693	$ 1,504,374	$ 2,828

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

Note 5 - Loans Receivable and Allowance for Loan Losses (Continued)

The following table sets forth the delinquency status of total loans receivable at December 31, 201 5 :

	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)			
Originated loans:							
Residential one-to-four family	$ 3,495	$ 786	$ 1,577	$ 5,858	$ 111,307	$ 117,165	$ -
Commercial and multi-family	12,491	3,362	6,467	22,320	960,508	982,828	578
Construction	4,677	80	-	4,757	59,251	64,008	-
Commercial business (1)	909	-	684	1,593	68,747	70,340	-
Home equity (2)	517	333	485	1,335	29,902	31,237	-
Consumer	-	-	-	-	2,365	2,365	-
Sub-total:	$ 22,089	$ 4,561	$ 9,213	$ 35,863	$ 1,232,080	$ 1,267,943	$ 578
Acquired loans recorded at fair value:							
Residential one-to-four family	$ 3,340	$ 311	$ 3,512	$ 7,163	$ 60,424	67,587	$ -
Commercial and multi-family	1,913	1,313	1,285	4,511	74,797	79,308	-
Construction	-	-	-	-	-	-	-
Commercial business (1)	418	-	-	418	3,863	4,281	-
Home equity (2)	727	-	331	1,058	17,793	18,851	-
Consumer	12	-	-	12	251	263	-
Sub-total:	$ 6,410	$ 1,624	$ 5,128	$ 13,162	$ 157,128	$ 170,290	$ -
Acquired loans with deteriorated credit:							
Residential one-to-four family	$ -	$ -	$ -	$ -	$ 1,474	$ 1,474	$ -
Commercial and multi-family	244	-	8	252	417	669	8
Construction	-	-	-	-	-	-	-
Commercial business (1)	-	-	167	167	-	167	-
Home equity (2)	-	-	-	-	71	71	-
Consumer	-	-	-	-	-	-	-
Sub-total:	$ 244	$ -	$ 175	$ 419	$ 1,962	$ 2,381	$ 8
Total	$ 28,743	$ 6,185	$ 14,516	$ 49,444	$ 1,391,170	$ 1,440,614	$ 586

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

Note 5 - 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 Dece mber 31, 201 6 . (In Thousands):

	Pass	Special Mention	Substandard	Doubtful	Loss	Total
Originated loans:						
Residential one-to-four family	$ 131,807	$ 6,393	$ 3,881	$ -	$ -	$ 142,081
Commercial and multi-family	1,039,519	6,263	10,811	-	213	1,056,806
Construction	70,391	476	-	-	-	70,867
Commercial business (1)	57,567	1,789	4,000	-	88	63,444
Home equity (2)	31,052	816	549	-	-	32,417
Consumer	1,249	14	6	-	-	1,269
Sub-total:	$ 1,331,585	$ 15,751	$ 19,247	$ -	$ 301	$ 1,366,884
Acquired loans recorded at fair value:						
Residential one-to-four family	$ 51,628	$ 626	$ 4,056	$ -	$ -	56,310
Commercial and multi-family	55,216	1,311	3,895	-	-	60,422
Construction	-	-	-	-	-	-
Commercial business (1)	4,460	-	-	-	-	4,460
Home equity (2)	12,652	424	782	-	19	13,877
Consumer	225	-	-	-	-	225
Sub-total:	$ 124,181	$ 2,361	$ 8,733	$ -	$ 19	$ 135,294
Acquired loans with deteriorated credit:						
Residential one-to-four family	$ 147	$ 272	$ 1,024	$ -	$ -	1,443
Commercial and multi-family	230	523	-	-	-	753
Construction	-	-	-	-	-	-
Commercial business (1)	-	-	-	-	-	-
Home equity (2)	-	-	-	-	-	-
Consumer	-	-	-	-	-	-
Sub-total:	$ 377	$ 795	$ 1,024	$ -	$ -	$ 2,196
Total Gross Loans	$ 1,456,143	$ 18,907	$ 29,004	$ -	$ 320	$ 1,504,374

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

Note 5 - 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, 201 5 . (In Thousands):

	Pass	Special Mention	Substandard	Doubtful	Loss	Total
Originated loans:						
Residential one-to-four family	$ 108,259	$ 4,857	$ 4,049	$ -	$ -	$ 117,165
Commercial and multi-family	966,229	1,868	14,731	-	-	982,828
Construction	63,292	716	-	-	-	64,008
Commercial business [1]	64,645	2,018	3,677	-	-	70,340
Home equity [2]	29,694	714	829	-	-	31,237
Consumer	1,198	30	1,137	-	-	2,365
Sub-total:	$ 1,233,317	$ 10,203	$ 24,423	$ -	$ -	$ 1,267,943
Acquired loans recorded at fair value:						
Residential one-to-four family	$ 58,362	$ 2,574	$ 6,651	$ -	$ -	67,587
Commercial and multi-family	72,770	1,780	4,758	-	-	79,308
Construction	-	-	-	-	-	-
Commercial business [1]	4,281	-	-	-	-	4,281
Home equity [2]	17,571	382	898	-	-	18,851
Consumer	263	-	-	-	-	263
Sub-total:	$ 153,247	$ 4,736	$ 12,307	$ -	$ -	$ 170,290
Acquired loans with deteriorated credit:						
Residential one-to-four family	$ 147	$ 279	$ 1,048	$ -	$ -	1,474
Commercial and multi-family	137	532	-	-	-	669
Construction	-	-	-	-	-	-
Commercial business [1]	-	-	167	-	-	167
Home equity [2]	-	-	71	-	-	71
Consumer	-	-	-	-	-	-
Sub-total:	$ 284	$ 811	$ 1,286	$ -	$ -	$ 2,381
Total Gross Loans	$ 1,386,848	$ 15,750	$ 38,016	$ -	$ -	$ 1,440,614

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

Note 6 - Premises and Equipment

	December 31,	
	2016	2015
	(In Thousands)	
Land	**$ 2,116**	$ 1,887
Buildings and improvements	**14,662**	12,392
Leasehold improvements	**4,987**	3,196
Furniture, fixtures and equipment	**10,064**	8,277
	31,829	25,752
Accumulated depreciation and amortization	**(12,447)**	(10,025)
	$ 19,382	$ 15,727

Depreciation and amortization expense for the years ended December 31, 201 6 , 201 5 and 201 4 was $2, 422 , 342 , $2 , 149 ,000 and $1, 512 ,000 , respectively. Buildings and improvements include a building constructed on property leased from a related party (see Note 3).

Rental expenses , included in occupancy expense of premises, related to the occupancy of premises and related shared costs for common areas totaled $2 , 410 ,000 , $1, 990 ,000 ,   and $1, 568 ,000 for the years ended December 31, 201 6 , 201 5 , and 201 4 , 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):

2017	$ **2,443**
2018	**1,989**
2019	**1,724**
2020	**1,615**
2021	**1,394**
Thereafter	**5,403**
	$ **14,568**

Note 7 - Interest Receivable

	December 31,	
	2016	2015
	(In Thousands)	
Loans	**$ 5,359**	$ 5,564
Securities	**214**	31
	$ 5,573	$ 5,595

Note 8 – Deposits

	December 31,	
	2016	2015
	(In Thousands)	
Demand:		
Non-interest bearing	**$ 158,523**	$ 130,920
NOW	**307,071**	226,137
Money market	**125,614**	54,915
	591,208	411,972
Savings and club	**260,122**	250,936
Certificates of deposit	**540,875**	611,021
	$ 1,392,205	$ 1,273,929

Deposits of certain municipalities and local government agencies are collateralized by $74 million of investment securities and by a $100 million Municipal Letter of Credit with the Federal Home Loan Bank ("FHLB").

At December 31, 201 6 and 201 5 , certificates of deposit of $ 250,000 or more totaled approximately $ 1 72 . 5 million and $ 144 .3 million, respectively.

At December 31, 201 6 , deposits from officers, directors and their associates totaled approximately $17 . 3 million.

The scheduled maturities of certificates of deposit at December 31, 201 6 , were as follows (In thousands):

	Amount
2017	**$ 314,196**
2018	**102,194**
2019	**78,923**
2020	**24,133**
2021	**21,429**
Thereafter	**-**
	$ 540,875

Note 9 - Short-Term Borrowings and Long-Term Debt

Information regarding short-term borrowings is as follows:

	December 31,					
		2016		2015		2014
		Amount		**Amount**		**Amount**
				(In Thousands)		
Balance at end of period	**$**	**20,000**	$	-	$	26,000
Average balance outstanding during the year	**$**	**103**	$	595	$	13,591
Highest month-end balance during the year	**$**	**20,000**	$	3,000	$	45,500
Average interest rate during the year		**0.88 %**		0.37 %		0.38 %
Weighted average interest rate at year-end		**1.00 %**		-%		0.32 %

Long-term debt consists of the following :

	December 31,								
	2016					**2015**			
		Weighted Average Rate			**Amount ($000s)**	**Weighted Average Rate**			**Amount ($000s)**
Federal Home Loan Bank Advances:									
	Maturing by December 31,								
	2016	-	%	$	-	4.34	%	$	55,000
	2017	4.45			55,000	4.45			55,000
	2018	1.41			25,000	1.41			25,000
	2019	1.85			23,000	1.85			23,000
	2020	1.46			20,000	1.53			10,000
	2021	1.76			10,000	1.76			10,000
	2022	1.98			22,000	1.98			22,000
		2.66	%	$	155,000	3.19	%	$	200,000

At December 31, 201 6 and 201 5 loans with carrying values of approximately $403 . 5 million and $2 56 . 0 million, respectively, were pledged to secure the above noted Federal Home Loan Bank of New York borrowings. No securities were pledged at December 31, 201 6 and 201 5 .

At December 31, 201 6 , the Bank's total credit exposure cannot exceed 50% of its total assets, or $ 8 54 , 104 , 000 , based on the borrowing limitations outlined in the FHLB of New York's member products guide. The total credit exposure limit of 50% of total assets is recalculated each quarter.

Note 10 – Subordinated Debenture s (In Thousands):

The following table summarizes the mandatory redeemable trust preferred securities of the Co mpany 's Statutory Trust I at December 31, 201 6 .

Issuance Date	Securities Issued	Liquidation Value	Coupon Rate	Maturity	Redeemable by Issuer Beginning
6/17/2004	$4,124,000	$1,000 per Capital Security	Floating 3-month LIBOR + 265 Basis Points	6/17/2034	6/17/2009

The Trust Preferred floating rate junior subordinated debenture interest rate adjusts quarterly . The rate paid as of December 31, 20 1 6 and 201 5 , respectively , was 3. 643 % and 3 . 176 % .

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

Note 1 1 - Regulatory Matters

The Bank is subject to various regulatory capital requirements administered b y the federal banking agencies. Failure to meet the 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 Company's cons olidated financial statements. 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 classification are also subject to qualitative judgments by the regulators about components, risk-weightings and other factors.

In July 2013, the FDIC and the other federal bank regulatory agencies issued a final rule that revised their leverage and risk-based capital requirements and the method for calculating risk-weighted assets to make them consistent with agreements that were reached by the Basel Committee on Banking Supervision and certain provisions of the Dodd-Frank Act. Among other things, the new rule established a new common equity Tier 1 minimum capital requirement (4.5% of risk-weighted assets), increased the minimum Tier 1 capital to risk-based assets requirement (from 4% to 6% of risk-weighted assets) and assigned a higher risk weight (150%) to exposures that are more than 90 days past due or are on nonaccrual status and to certain commercial real estate facilities that finance the acquisition, development or construction of real property.

The final rule also requires unrealized gains and losses on certain available-for-sale securities holdings and defined benefit plan obligations to be included for purposes of calculating regulatory capital requirements unless a one-time opt-in or opt-out is exercised. The Bank exercised the opt-out election. The rule limits a banking organization's capital distributions and certain discretionary bonus payments if the banking organization does not hold a "capital conservation buffer" consisting of 2.5% of common equity Tier 1 capital to risk-weighted assets in addition to the amount necessary to meet its minimum risk-based capital requirements.

The final rule became effective for the Bank and the Company on January 1, 2015. The capital conservation buffer requirement will be phased in beginning January 1, 2016 and ending January 1, 2019, when the full capital conservation buffer requirement will be effective. The Bank and the Company currently comply with the minimum capital requirements set forth in the final rule. The 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-weight ed assets, (as defined), Tier 1 capital to average assets (as defined) and Common Equity Tier 1 to risk-weighted assets . The following table presents information as to the Bank's capital levels.

	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, 2016						
Bank						
Total capital (to risk-weighted assets)	**$154,923**	**11.34 %**	**$109,330**	**8.00 %**	**$136,663**	**10.00 %**
Tier 1 capital (to risk-weighted assets)	**137,839**	**10.09**	**81,998**	**6.00**	**109,330**	**8.00**
Common Equity Tier 1 (to risk-weighted assets)	**137,839**	**10.09**	**61,498**	**4.50**	**88,831**	**6.50**
Tier 1 capital (to average assets)	**137,839**	**8.10**	**68,074**	**4.00**	**85,092**	**5.00**
Company						
Total capital (to risk-weighted assets)	**$156,152**	**11.42 %**	**$109,372**	**8.00 %**	**N/A**	**N/A**
Tier 1 capital (to risk-weighted assets)	**139,061**	**10.17**	**82,029**	**6.00**	**N/A**	**N/A**
Common Equity Tier 1 (to risk-weighted assets)	**119,473**	**8.74**	**61,522**	**4.50**	**N/A**	**N/A**
Tier 1 capital (to average assets)	**139,061**	**8.17**	**68,117**	**4.00**	**N/A**	**N/A**
As of December 31, 2015						
Bank						
Total capital (to risk-weighted assets)	$153,806	12.06 %	$102,011	8.00 %	$127,514	10.00 %
Tier 1 capital (to risk-weighted assets)	137,841	10.81	76,508	6.00	102,011	8.00
Common Equity Tier 1 (to risk-weighted assets)	137,841	10.81	57,381	4.50	82,884	6.50
Tier 1 capital (to average assets)	137,841	8.61	64,048	4.00	80,060	5.00
Company						
Total capital (to risk-weighted assets)	$155,250	12.16 %	$102,147	8.00 %	N/A	N/A
Tier 1 capital (to risk-weighted assets)	139,264	10.91	76,610	6.00	N/A	N/A
Common Equity Tier 1 (to risk-weighted assets)	117,966	9.24	57,458	4.50	N/A	N/A
Tier 1 capital (to average assets)	139,264	8.75	63,649	4.00	N/A	N/A

As of December 31, 201 6 and 201 5 , 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.

The following tables set forth the Pension Plan's funded status at December 31, 201 6 and 201 5 and components of net periodic pension cost for the years ended December 31, 201 6 and 201 5 :

Change in Benefit Obligation:	**December 31,**	
	2016	2015
	(In Thousands)	
Benefit obligation, beginning of year	**$ 7,811**	$ 9,194
Interest Cost	**328**	352
Actuarial loss (gain)	**(52)**	(131)
Benefits paid	**(500)**	(562)
Lump Sum Distributions	**(99)**	(1,042)
Benefit obligation, ending	**$ 7,488**	$ 7,811
Change in Plan Assets:		
Fair value of assets, beginning of year	**$ 6,569**	$ 7,679
Actual return on plan assets	**876**	(306)
Employer contributions	**800**	800
Benefits paid	**(500)**	(562)
Lump Sum Distributions	**(99)**	(1,042)
Fair value of assets, ending	**$ 7,646**	$ 6,569
Reconciliation of Funded Status:		
Accumulated benefit obligation	**$ 7,488**	$ 7,811
Projected benefit obligation	**$ 7,488**	$ 7,811
Fair value of assets	**7,646**	6,569
Funded (unfunded) status, included in other liabilities	**$ (158)**	$ 1,242
Valuation assumptions used to determine benefit obligation at period end:		
Discount rate	**4.14%**	4.34%
Salary Increase Rate	**N/A**	N/A

Note 12 - Benefits Plans (Continued)

Net Periodic Pension Expense:	**December 31,**	
	2016	2015
	(In Thousands)	
Interest cost	$ 328	$ 352
Expected return on assets	(541)	(619)
Amortization of net loss	146	100
Settlement loss	-	351
Net Periodic Pension Cost (Credit)	$ (67)	$ 184

Valuation assumptions used to determine net periodic benefit cost for the year:

Discount rate	4.34%	3.95%
Long term rate of return on plan assets	8.00%	8.00%
Salary Increase Rate	N/A	N/A

At December 31, 201 6 and December 31, 201 5 , unrecognized net loss of $(2,100,000) and $(2,632,000) , respectively, was included, net of deferred income tax, in accumulated other comprehensive loss in accordance with ASC 715-20 and ASC 715-30. None of the unrecognized net loss is expected to be recognized in net periodic pension expense for the year ended December 31, 2017.

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 Bank'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.		45%	
Mid/Small-Cap U.S.		14%	
Non-U.S.		0%	
Total-Equity	**40%**	**59%**	**60%**
Fixed Income			
Long/Short Duration		40%	
Money Market/Certificates of Deposit		1%	
Total-Fixed Income	**40%**	**41%**	**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, 2016, by asset category (see Note 17 for the definitions of levels), are as follows:

Asset Category	Total	(Level 1)	(Level 2)	(Level 3)
Mutual funds-Equity				
Large-Cap Value (a)	$ 2,065,510	$ 2,065,510	$ -	$ -
Mid-Cap Value (b)	371,203	371,203	-	-
Large Blend (e)	1,415,265	1,415,265	-	-
Mutual Funds-Fixed Income				
World Bond (c)	985,817	985,817	-	-
Multi-Sector Bond (d)	1,008,504	1,008,504	-	-
High Yield Bond (f)	1,027,330	1,027,330	-	-
Stock				
BCB Common Stock	673,725	673,725	-	-
Cash Equivalents				
Money Market	$ 98,372	$ 98,372	$ -	$ -
Total	$ 7,645,726	$ 7,645,726	$ -	$ -

The fair values of the Company's pension plan assets at December 31, 2015, by asset category (see Note 17 for the definitions of levels), are as follows:

Asset Category	Total	(Level 1)	(Level 2)	(Level 3)
Mutual funds-Equity				
Large-Cap Value (a)	$ 1,736,329	$ 1,736,329	$ -	$ -
Mid-Cap Value (b)	289,475	289,475	-	-
Large Blend (e)	1,234,649	1,234,649	-	-
Mutual Funds-Fixed Income				
World Bond (c)	891,971	891,971	-	-
Multi-Sector Bond (d)	910,819	910,819	-	-
High Yield Bond (f)	897,768	897,768	-	-
Stock				
BCB Common Stock	538,980	538,980	-	-
Cash Equivalents				
Money Market	$ 69,347	$ 69,347	$ -	$ -
Total	$ 6,569,338	$ 6,569,338	$ -	$ -

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) 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.
d) Multi Sector portfolios seek income by diversifying their assets among several fixed-income sectors, usually U.S. government obligations, foreign bonds, and high-yield domestic debt securities.
e) This fund invests in 500 of the largest U.S. companies, which span many different industries and account for about three-fourths of the U.S. Stock Markets value.
f) High Yield Bond funds invest at least 65% of assets in bonds rated below BBB. This fund seeks to provide shareholders with a high level of current income with capital growth as a secondary objective.

The Company expects to contribute, based upon actuarial estimates, approximately $0 to the pension plan in 2017.

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

2017	$	**$515**
2018		**514**
2019		**514**
2020		**503**
2021		**485**
2022-2026		**2,367**

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 Savings 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:

	December 31,	
	2016	2015
	(In Thousands)	
Benefit obligation, beginning of year	**$ 332**	$ 384
Interest Cost	**13**	14
Actuarial loss (gain)	**-**	(4)
Benefits paid	**(62)**	(62)
Benefit obligation, ending	**$ 283**	$ 332
Change in Plan Assets:		
Fair value of assets, beginning of year	**$ -**	$ -
Employer contributions	**62**	62
Benefits paid	**(62)**	(62)
Fair value of assets, ending	**$ -**	$ -
Reconciliation of Funded Status:		
Accumulated benefit obligation	**$ 283**	$ 332
Projected benefit obligation	**$ 283**	$ 332
Fair value of assets	**-**	-
Funded status, included in other liabilities	**$ 283**	$ 332
Valuation assumptions used to determine benefit obligation at period end:		
Discount rate	**4.14%**	4.34%
Salary Increase Rate	**N/A**	N/A

Note 12 - Benefits Plan (Continued)

Net Periodic SERP Expense:	**December 31,**	
	2016	2015
	(In Thousands)	
Interest Cost	**$ 13**	$ 14
Net Periodic SERP Cost	**$ 13**	$ 14
Valuation assumptions used to determine net periodic benefit cost for the year:		
Discount rate	**4.34 %**	3.95 %
Rate of increase in compensation	**N/A**	N/A

At December 31, 2016 and December 31, 2015, unrecognized net loss of $36,000 and $37,000 , 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, 2017.

The Company expects to contribute, based upon actuarial estimates, approximately $62,000 to the SERP plan in 2017.

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

2017	$ **62**
2018	**62**
2019	**62**
2020	**32**
2121	**32**
2022-2026	**63**

Note 12 - Benefits Plan (Continued)

Stock Options

The Company, under the plan approved by its shareholders on April 28, 2011 (“2011 Stock Plan”), authorized the issuance of up to 900,000 shares of common stock of the Company pursuant to grants of stock options. Employees and directors of the Company and the Bank are eligible to participate in the 2011 Stock Plan. All stock options will be granted in the form of either "incentive" stock options or "non-qualified" stock options. Incentive stock options have certain tax advantages that must comply with the requirements of Section 422 of the Internal Revenue Code. Only employees are permitted to receive incentive stock options. On September 16, 2016, a grant of 110,000 options and on December 2, 2015, a grant of 120,000 options was declared for certain members of the Board of Directors which vest at a rate of 10% per year, over ten years commencing on the first anniversary of the grant date. The exercise price was recorded as of the close of business on September 16, 2016 and December 2, 2015, respectively and a Form 4 was filed for each Director who received a grant with the Securities and Exchange Commission consistent with their filing requirements. There were 50,000 and 32,500 stock options granted to employees in the fourth quarters of 2016 and 2015, respectively, which vest at a rate of 33% and 20% per year, respectively.

A summary of stock option activity, 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, 2014	289,720	$ 8.93-15.65	$ 11.18	7.60 years	$ 427
Options forfeited	-	-	-		
Options exercised	-	-	-		
Options granted	152,500	10.55-10.81	10.75		
Options expired	(25,220)	15.60-15.65	15.65		
Outstanding at December 31, 2015	**417,000**	**$ 8.93-15.65**	**$ 10.75**	8.22 years	$ 219
Options forfeited	-	-	-		
Options exercised	-	-	-		
Options granted	160,000	10.92	10.92		
Options expired	(2,000)	15.11	15.11		
Outstanding at December 31, 2016	**575,000**	**$ 8.93-13.32**	**$ 10.78**	**7.94 years**	**$ 1,198**
Exercisable at December 31, 2016	**97,900**				

It is Company policy to issue new shares upon share option exercise. Expected future compensation expense relating to the 477,100 shares underlying unexercised options outstanding as of December 31, 2016 , is $1.1 million over a weighted average period of 7.20 years.

Note 12 - Benefits Plan (Continued)

The key valuation assumptions and fair value of stock options granted during the three months ended December 31, 2016 were:

	Directors		Employees	
Expected life	**7.85**	**years**	**7.85**	**years**
Risk-free interest rate	**1.56**	**%**	**1.56**	**%**
Volatility	**35.06**	**%**	**35.06**	**%**
Dividend yield	**5.13**	**%**	**5.13**	**%**
Fair value	**$2.13**		**$2.13**	

The key valuation assumptions and fair value of stock options granted during the three months ended December 31, 2015 were:

Expected life	7.87	years	7.88	years
Risk-free interest rate	2.02	%	2.17	%
Volatility	38.02	%	37.96	%
Dividend yield	5.18	%	5.31	%
Fair value	$2.40		$2.32	

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 complianc e 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 Company 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 2016, 2015 and 2014, the Bank paid the Company total dividends of $6,627,000 , $4,957,000 , and $6,402,000 , respectively. The Company's ability to declare dividends is dependent upon the amount of dividends paid to the Company by the Bank.

Note 14 - Income Taxes

The co mponents of income tax expense are summarized as follows:

	Years Ended December 31,		
	2016	2015	2014
	(In Thousands)		
Current income tax expense:			
Federal	**$ 2,632**	$ 3,730	$ 2,994
State	**1,139**	1,082	802
	3,771	4,812	3,796
Deferred income tax expense:			
Federal	**1,439**	2	1,070
State	**48**	0	181
	1,487	2	1,251
Total Income Tax Expense	**$ 5,258**	$ 4,814	$ 5,047

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,	
	2016	2015
Deferred income tax assets:	**(In Thousands)**	
Allowance for loan losses	**$ 7,030**	$ 6,444
Other real estate owned expenses	**114**	336
Non-accrual interest	**342**	285
Benefit Plans	**51**	826
Benefit Plan-accumulated other comprehensive loss	**873**	1,090
Valuation adjustment on loans receivable acquired	**1,045**	1,124
Valuation adjustment on time deposits acquired	**-**	43
Unrealized loss on securities available for sale	**1,791**	14
Net operating loss carry forwards	**23**	109
Other	**794**	1,189
	12,063	11,460
Deferred income tax liabilities:		
Valuation adjustment on premises and equipment acquired	**926**	1,367
Depreciation	**357**	132
SBA Servicing Asset	**827**	80
	2,110	1,579
Net Deferred Tax Asset	**$ 9,953**	$ 9,881

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. 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, 2016 and 2015 , gross deferred tax assets related to net operating loss carry forwards totaled $23,000 and $109,000 , respectively, consisting of $23 ,000 federal assets acquired in a 2011 acquisition. Comparable amounts at December 31, 2015, were gross deferred tax assets of $162,000 consisting of $109,000 of federal assets acquired in the Allegiance acquisition, and $53,000 in state assets related to the stand-alone Company.

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, 2016 and 2015, the Company had approximately $23,000 and $109,000 remaining of this federal net operating 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 operating loss carry forward by 2017.

Note 14 - Income Taxes (Continued)

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 between 34 and 35% in 201 6 , 201 5 , and 201 4 to income before income tax expense:

	Years Ended December 31,		
	2016	2015	2014
	(In Thousands)		
Federal income tax expense at statutory rate	**$ 4,532**	$ 4,101	$ 4,389
Increases in income taxes resulting from:			
State income tax , net of federal income tax effect	**781**	707	641
Other items, net	**(55)**	6	17
Effective Income Tax Expense	**$ 5,258**	$ 4,814	$ 5,047
Effective Income Tax Rate	**39.7 %**	40.7 %	39.9 %

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,	
	2016	2015
	(In Thousands)	
Loan origination	**$ 61,958**	$ 44,816
Standby letters of credit	**964**	1,739
Construction loans in process	**41,206**	39,714
Unused lines of credit	**60,615**	64,701
	$ 164,743	$ 150,970

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.

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, 2016, 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 effect on our financial condition or results of operations.

The Company, as the successor to Pamrapo Bancorp, Inc., and in its own corporate capacity, was a named defendant in a shareholder class action lawsuit, Kube v. Pamrapo Bancorp, Inc., et al., filed in the Superior Court of New Jersey, Hudson County, Chancery Division, General Equity (the "Action").

On September 21, 2015, the court entered an Order and Final Judgment ("Judgment"), whereby the Stipulation of Settlement ("Stipulation") agreed to by the plaintiff class, the Company and the remaining defendants was approved.

Pursuant to the Stipulation, the plaintiff class's counsel reserved the right to seek an award of counsel fees and litigation expenses ("Fees Motion"). The maximum amount which may be awarded as a result of the Fees Motion is $1,000,000.00. The plaintiff class's counsel has made a Fee Motion to the court seeking a final award of counsel fees and litigation expenses of approximately $1,000,000.00. The Company and the remaining defendants have vigorously opposed that motion. It is anticipated that the court will schedule a hearing date for the Fee Motion in March 2017.

The Company and the other defendants in the Action ("Plaintiffs") brought an action ("Carrier Suit") against Progressive Insurance Company ("Progressive"), the Directors' and Officers' Liability insurance carrier for Pamrapo Bancorp, Inc., at the time of its merger with the Company on July 6, 2010, and Colonial American Insurance Company ("Colonial"), the Directors' and Officers' Liability insurance carrier for the Company at the time of the merger. The Carrier Suit seeks, among other claims, indemnification, payment of and/or contribution toward the above settlement, payment of and/or contribution toward the above award of interim attorney's fees to the plaintiff class's counsel, payment of and/or contribution toward any future award of attorney's fees to the plaintiff class's counsel, and reimbursement of the attorney's fees and defense costs incurred by the Plaintiffs in defending the Action and pursuing the Carrier Suit. Progressive made a motion to dismiss the Carrier Suit in 2014. The Plaintiffs opposed that motion. That motion was administratively terminated by Order of the court, dated December 3, 2014. By Order of the court, dated December 3, 2014, the Plaintiffs' motion to file an Amended Complaint was granted.

On or about January 6, 2015, Progressive again made a motion to dismiss the Carrier Suit. The Plaintiffs opposed that motion. That motion was denied by oral decision on October 22, 2015, and by written Order, dated January 20, 2016.

A Mediation session ("Mediation") was held on March 11, 2015, among the parties. Following the Mediation, the Plaintiffs and Colonial agreed to settle the Plaintiffs' claims against Colonial for $1,750,000.00. A *Settlement Agreement and Release* , dated June 30, 2015, was entered into by the Plaintiffs and Colonial. The Plaintiffs received the settlement amount of $1,750,000.00 from Colonial on July 9, 2015.

The Plaintiffs and Progressive did not settle their respective claims at the Mediation. The Carrier Suit continues with respect to these parties. Initial discovery has been exchanged between the parties.

By Order of the court, dated August 10, 2016, the parties were granted permission to serve and file motions for summary judgment by November 9, 2016. Prior to consideration of these motions, a Settlement Conference was scheduled before the court on November 16, 2016. The Plaintiffs and Progressive did not settle their respective claims at that Settlement Conference.

The parties have filed motions for summary judgment. These motions were returnable before the court on December 5, 2016. A decision on these motions has not been received from the court to date. All discovery has been stayed until disposition of these motions.

The Plaintiffs are vigorously pursuing full recovery.

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 subseq uent 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:

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, 2016:				
Securities available for sale — Residential mortgage backed securities, Municipal obligations, and Preferred Stock	**$ 94,765**	**$ -**	**$ 94,765**	**$ -**
As of December 31, 2015:				
Securities available for sale — Residential mortgage backed securities	$ 9,623	$ -	$ 9,623	$ -

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, 2016:				
Impaired loans	**$ 10,519**	**$ -**	**$ -**	**$ 10,519**
Other real estate owned	**$ 3,525**	**$ -**	**$ -**	**$ 3,525**
As of December 31, 2015:				
Impaired loans	$ 15,239	$ -	$ -	$ 15,239
Other real estate owned	$ 1,564	$ -	$ -	$ 1,564

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

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, 2016:					
Impaired Loans	**$**	**10,519**	Appraisal of collateral (1)	Appraisal adjustments (2)	0%-10%
				Liquidation expenses (3)	0%-10%
Other Real Estate Owned	**$**	**3,525**	Appraisal of collateral (1)	Appraisal adjustments (2)	0%-10%
				Liquidation expenses (3)	0%-10%

Quantitative Information about Level 3 Fair Value Measurements

		Fair Value Estimate	Valuation Techniques	Unobservable Input	Range
December 31, 2015:					
Impaired Loans	$	15,239	Appraisal of collateral (1)	Appraisal adjustments (2)	0%-10%
				Liquidation expenses (3)	0% - 10%
Other Real Estate Owned	$	1,564	Appraisal of collateral (1)	Appraisal adjustments (2)	0% - 10%
				Liquidation expenses (3)	0% - 10%

(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 e stimated 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 in struments at December 31, 201 6 and 201 5 :

Cash and Cash Equivalents (Carried at Cost)

The carrying amounts reported in the consolidated statements of financial condition for cash and interest-earning deposits approximate those assets' fair values.

Securities Available for Sale

The fair value of securities available for sale (carried at fair value) is 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 date of the Statement of F inancial C ondition that reflect the credit and interest r ate-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, 201 6 and 201 5 consists of the loan balances of $ 1 4 , 050 ,000 and $ 18,962 ,000 net of a valuation allowance of $ 3, 530 ,000 and $ 3 , 723 ,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.

Accrued Interest Receivable and Payable (Carried at Cost)

The carrying amount of accrued interest receivable and accrued 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.

Debt Including Subordinated Debentures (Carried at Cost)

Fair values of 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, 201 6 and 201 5 :

	As of December 31, 2016				
	Carrying Value	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In Thousands)				
Financial assets:					
Cash and cash equivalents	$ 65,038	$ 65,038	$ 65,038	$	$
Interest-earning time deposits	980	980	980		
Securities available for sale	94,765	94,765		94,765	
Loans held for sale	4,153	4,273		4,273	
Loans receivable, net	1,485,159	1,515,088			1,515,088
FHLB of New York stock, at cost	9,306	9,306		9,306	
Accrued interest receivable	5,573	5,573		5,573	
Financial liabilities:					
Deposits	1,392,205	1,384,578	834,665	549,913	
Debt	175,000	176,109		176,109	
Subordinated debentures	4,124	4,150		4,150	
Accrued interest payable	825	825		825	

	As of December 31, 2015				
	Carrying Value	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In Thousands)				
Financial assets:					
Cash and cash equivalents	$ 132,635	$ 132,635	$ 132,635	$ -	$ -
Interest-earning time deposits	1,238	1,238	1,238	-	-
Securities available for sale	9,623	9,623	-	9,623	-
Loans held for sale	1,983	2,004	-	2,004	-
Loans receivable, net	1,420,118	1,443,739	-	-	1,443,739
FHLB of New York stock, at cost	10,711	10,711	-	10,711	-
Accrued interest receivable	5,595	5,595	-	5,595	-
Financial liabilities:					
Deposits	1,273,929	1,270,267	653,763	616,504	-
Debt	200,000	202,948	-	202,948	-
Subordinated debentures	4,124	4,185	-	4,185	-
Accrued interest payable	1,053	1,053	-	1,053	-

Note 17 - Accumulated Other Comprehensive Loss

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

	At December 31,	
	2016	2015
	(In Thousands)	
Net unrealized loss on securities available for sale	**$ (4,383)**	$ (33)
Tax effect	**1,791**	13
Net of tax amount	**(2,592)**	(20)
Benefit plan adjustments	**(2,137)**	(2,668)
Tax effect	**873**	1,090
Net of tax amount	**(1,264)**	(1,578)
Accumulated other comprehensive loss	**$ (3,856)**	$ (1,598)

3 Note 18 - Parent Only Co ndensed Financial Information

STATEMENTS OF FINANCIAL CONDITION

	Years Ended December 31,	
	2016	2015
	(In Thousands)	
Assets		
Cash and due from banks	**$ 865**	$ 15
Investment in subsidiaries	**133,984**	136,244
Restricted common stock	**124**	124
Other assets	**517**	1,604
Total assets	**135,490**	137,987
Liabilities and Stockholders' Equity		
Liabilities		
Subordinated debentures	**$ 4,124**	$ 4,124
Other Liabilities	**285**	320
Total Liabilities	**4,409**	4,444
Stockholder's Equity	**131,081**	133,543
Total Liabilities and Stockholders' Equity	**$ 135,490**	$ 137,987

Note 18 - Parent Only Condensed Financial Information (Continued)

STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2016	2015	2014
	(In Thousands)		
Dividends from Bank subsidiary	**$ 6,627**	$ 4,957	$ 6,402
Total Income	**6,627**	4,957	6,402
Interest expense, borrowed money	**137**	119	117
Other	**176**	190	288
Total Expense	**313**	309	405
Income before Income Tax Expense and Equity in Undistributed Earnings of Subsidiaries	**6,314**	4,648	5,997
Income tax benefit	**(107)**	(106)	(139)
Income before Equity in Undistributed Earnings of Subsidiaries	**6,421**	4,754	6,136
Equity in undistributed earnings of Subsidiaries	**1,582**	2,276	1,454
Net Income	**$ 8,003**	$ 7,030	$ 7,590

Note 18 - Parent Only Condensed Fi nancial Information (Continued)

STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2016	2015	2014
	(In Thousands)		
Cash Flows from Operating Activities			
Net Income	**$ 8,003**	$ 7,030	$ 7,590
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed (earnings) of subsidiaries	**(1,582)**	(2,276)	(1,454)
Decrease (increase) in other assets	**1,087**	153	(1,602)
(Decrease) increase in other liabilities	**(35)**	73	25
Net Cash Provided By Operating Activities	**7,473**	4,980	4,559
Cash Flows from Investing Activities			
Additional investment in subsidiary	**1,710**	(29,617)	(770)
Net Cash Used In Investing Activities	**$ 1,710**	$ (29,617)	$ (770)
Cash Flows from Financing Activities			
Proceeds from issuance of preferred stock	**(1,710)**	3,848	770
Proceeds from issuance of common stock	**336**	25,978	571
Cash dividends paid	**(6,952)**	(5,378)	(5,316)
Purchase of treasury stock	**(7)**	0	(12)
Net Cash Provided by (Used in) Financing Activities	**(8,333)**	24,448	(3,987)
Net (Decrease) in Cash and Cash Equivalents	**850**	(189)	(198)
Cash and Cash Equivalents - Beginning	**$ 15**	$ 204	$ 402
Cash and Cash Equivalents - Ending	**$ 865**	$ 15	$ 204

Note 19 - Quarterly Financial Data (Unaudited)

	Year Ended December 2016			
	First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
Interest income	$ 17,831	$ 17,681	$ 17,731	$ 18,112
Interest expense	4,133	4,318	4,134	3,710
Net Interest Income	13,698	13,363	13,597	14,402
Provision for loan losses	189	37	(301)	102
Net Interest Income, after Provision for loan losses	13,509	13,326	13,898	14,300
Non-interest income	1,654	1,506	1,530	1,433
Non-interest expense	11,737	12,166	12,343	11,649
Income before Income Taxes	3,426	2,666	3,085	4,084
Income taxes	1,391	1,085	1,171	1,611
Net Income	$ 2,035	$ 1,581	$ 1,914	$ 2,473
Preferred stock dividends	234	234	234	234
Net income available to common stockholders:	$ 1,801	$ 1,347	$ 1,680	2,239
Net income per common share:				
Basic	$ 0.16	$ 0.12	$ 0.15	$ 0.20
Diluted	$ 0.16	$ 0.12	$ 0.15	$ 0.20
Dividends per common share	$ 0.14	$ 0.14	$ 0.14	$ 0.14

	Year Ended December 2015			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Interest income	$ 15,520	$ 17,036	$ 17,216	$ 17,608
Interest expense	2,929	3,340	3,673	3,927
Net Interest Income	12,591	13,696	13,543	13,681
Provision for loan losses	720	1,130	70	360
Net Interest Income, after Provision for loan losses	11,871	12,566	13,473	13,321
Non-interest income	1,205	1,787	1,964	2,109
Non-interest expense	9,984	11,163	11,692	13,613
Income before Income Taxes	3,092	3,190	3,745	1,817
Income taxes	1,246	1,309	1,463	796
Net Income	$ 1,846	$ 1,881	$ 2,282	$ 1,021
Preferred stock dividends	202	201	254	260
Net income available to common stockholders:	$ 1,644	$ 1,680	$ 2,028	761
Net income per common share:				
Basic	$ 0.20	$ 0.20	$ 0.24	$ 0.05
Diluted	$ 0.20	$ 0.20	$ 0.24	$ 0.05
Dividends per common share	$ 0.14	$ 0.14	$ 0.14	$ 0.14

Note 20- Subsequent Events

As defined in FASB ASC 855, "Subsequent Events", subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or available to be issued. Financial statements are considered issued when they are widely distributed to stockholders and other financial statement users for general use and reliance in a form and format that complies with GAAP.

On January 18, 2017 , the Company declared a cash dividend of $0.14 per share and was paid to stockholders on February 15, 2017 , with a record date of February 1, 2017 .

On January 23, 2017, the Company launched a private offering issued a subscription agreement and private placement memorandum for up to 2,500 shares of Series D, 4.5% Non-Cumulative Perpetual Preferred Shares (“Series D Shares”). The Series D Shares when issued will be callable by the Company after January 1, 2020 at $10,000 per share (liquidation preference value). There is no ability to convert the Series D Shares to common shares. Dividends on the Series D Shares, if and when declared, will be paid quarterly in arrears.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-199424, 333-197366, and 333-177502) and on Form S-8 (Nos. 333-112201, 333-165127, 333-169337, 333-174639, and 333-175545) of BCB Bancorp, Inc. (the "Company") of our reports dated March 13, 2017, 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, 2016.

/s/ Baker Tilly Virchow Krause, LLP

Iselin, New Jersey
March 13, 2017

Exhibit 31.1

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

I, Thomas Coughlin, 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.

Date: March 1 3 , 201 7

/s/ Thomas Coughlin
Thomas Coughlin
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Principal Accounting Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Thomas P. Keating , 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.

Date: March 1 3 , 201 7

/s/ Thomas P. Keating
Thomas P. Keating
Senior Vice President and Chief Financial Officer
(Principal Accounting and Financial Officer)

Exhibit 32

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

Thomas Coughlin , President and Chief Executive Officer and Thomas P. Keating, 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, 201 6 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.

Date: March 1 3 , 201 7

/s/ Thomas Coughlin
President and Chief Executive Officer
(Principal Executive Officer)

Date: March 1 3 , 201 7

/s/ Thomas P. Keating
Senior Vice President and Chief Financial Officer
(Principal Accounting and Financial Officer)