Northfield Bancorp, Inc.
Form S-1/A
September 21, 2012

As filed with the Securities and Exchange Commission on September 21, 2012

Registration No. 333-181995

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

PRE-EFFECTIVE AMENDMENT NO. 1

TO THE

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Northfield Bancorp, Inc. and

Northfield Bank 401(k) Savings Plan

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**6712**	**To be Applied For**
(State or Other Jurisdiction of Incorporation or Organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

581 Main Street

Woodbridge, New Jersey 07095

(732) 499-7200

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

Mr. John W. Alexander

Chairman, President and Chief Executive Officer

581 Main Street

Woodbridge, New Jersey 07095

(732) 499-7200

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

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5335 Wisconsin Avenue, N.W., Suite 780

Washington, D.C. 20015

(202) 274-2000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: x

If this Form is filed to register additional shares for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨

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 the 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	x
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	**Amount to be registered**	**Proposed maximum offering price per share**	**Proposed maximum aggregate offering price**	**Amount of registration fee**
Common Stock, $0.01 par value per share	64,028,493 shares	$10.00	$640,284,930 (1)	$73,377 (2)
Participation interests	1,387,228 interests (3)			(3)

(1) Estimated solely for the purpose of calculating the registration fee.
(2) Previously paid.
(3) The securities of Northfield Bancorp, Inc. to be purchased by the Northfield Bank 401(k) Savings Plan are included in the amount shown for the common stock. Accordingly, no separate fee is required for the participation interests. In accordance with Rule 457(h) of the Securities Act of 1933, as amended, the registration fee has been calculated on the basis of the number of shares of common stock that may be purchased with the current assets of such Plan.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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SUBSCRIPTION AND COMMUNITY

OFFERING PROSPECTUS

NORTHFIELD BANCORP, INC.

(Proposed Holding Company for Northfield Bank)

Up to 39,100,000 Shares of Common Stock

Northfield Bancorp, Inc., a Delaware corporation, is offering up to 39,100,000 shares of common stock for sale at $10.00 per share on a best efforts basis in connection with the conversion of Northfield Bancorp, MHC from the mutual holding company to the stock holding company form of organization. The shares we are offering represent the ownership interest in Northfield Bancorp, Inc., a federal corporation, currently owned by Northfield Bancorp, MHC. In this prospectus, we will refer to Northfield Bancorp, Inc., the Delaware corporation, as Northfield-Delaware, and we will refer to Northfield Bancorp, Inc., the federal corporation, as Northfield-Federal. Northfield-Federal s common stock is currently traded on the Nasdaq Global Select Market under the trading symbol NFBK, and we expect the shares of Northfield-Delaware common stock will also trade on the Nasdaq Global Select Market under the symbol NFBK.

The shares of common stock are first being offered in a subscription offering to eligible depositors of Northfield Bank, the former First State Bank and the former Flatbush Federal Savings & Loan Association, and tax-qualified employee benefit plans of Northfield Bank, as described in this prospectus. Eligible depositors and tax-qualified employee benefit plans have priority rights to buy all of the shares offered. Shares not purchased in the subscription offering will simultaneously be offered for sale to the general public in a community offering, with a preference given to residents of the communities served by Northfield Bank and existing stockholders of Northfield-Federal. We also may offer for sale shares of common stock not purchased in the subscription or community offerings in a separate public offering through a syndicate of broker-dealers, referred to in this prospectus as the syndicated offering. The syndicated offering may commence before the subscription and community offerings (including any extensions) have expired. The subscription, community and syndicated offerings are collectively referred to in this prospectus as the offering.

We must sell a minimum of 28,900,000 shares in order to complete the offering and the conversion.

In addition to the shares we are selling in the offering, the shares of Northfield-Federal currently held by the public will be exchanged for shares of common stock of Northfield-Delaware based on an exchange ratio that will result in existing public stockholders of Northfield-Federal owning approximately the same percentage of Northfield-Delaware common stock as they owned in Northfield-Federal common stock immediately prior to the completion of the conversion. The number of shares we expect to issue in the exchange ranges from 18,642,263 shares to 25,221,885 shares.

The minimum order is 25 shares. The subscription and community offerings are expected to expire at 4:00 p.m., Eastern Time, on [offering deadline]. We may extend this expiration date without notice to you until [extension deadline]. Once submitted, orders are irrevocable unless the subscription and community offerings are terminated or extended, with regulatory approval, beyond [extension deadline], or the number of shares of common stock to be sold is increased to more than 39,100,000 shares or decreased to less than 28,900,000 shares. If the subscription and community offerings are extended past [extension deadline], or if the number of shares to be sold in the offerings is increased to more than 39,100,000 shares or decreased to less than 28,900,000 shares, we will resolicit subscribers, and all funds delivered to us to purchase shares of common stock in the subscription and community offerings will be returned promptly with interest. Funds received in the subscription and the community offerings will be held in a segregated account at Northfield Bank and will earn interest at [interest rate]% per annum until completion of the offering. No shares purchased in the subscription offering or the community offering will be issued until the completion of any syndicated offering.

Sandler O Neill & Partners, L.P. will assist us in selling the shares on a best efforts basis in the subscription and community offerings, and will serve as a joint book-running manager for any syndicated offering. Sandler O Neill & Partners, L.P. is not required to purchase any shares of common stock that are sold in the subscription and community offerings.

OFFERING SUMMARY

Price: $10.00 per Share

	Minimum	Midpoint	Maximum
Number of shares	28,900,000	34,000,000	39,100,000
Gross offering proceeds	$ 289,000,000	$ 340,000,000	$ 391,000,000
Estimated offering expenses, excluding selling agent and underwriters commissions	$ 2,240,000	$ 2,240,000	$ 2,240,000
Selling agent and underwriters commissions (1)	$ 12,302,000	$ 14,474,600	$ 16,647,200
Estimated net proceeds	$ 274,458,000	$ 323,285,400	$ 372,112,800
Estimated net proceeds per share	$ 9.50	$ 9.51	$ 9.52

(1) Includes $100,000 payable to Sandler O Neill & Partners, L.P. for records management.

(2) The amounts shown assume that 25% of the shares are sold in the subscription and community offerings and the remaining 75% are sold in a syndicated offering. The amounts shown further assume that Sandler O Neill & Partners, L.P. will receive fees in the amount of: (i) 1.0% of the aggregate amount of common stock sold in the subscription and community offerings (net of insider purchases and shares purchased by our employee stock ownership plan) up to the first 10% of the shares sold in such offering; and (ii) 3.0% of the aggregate amount of common stock sold in the subscription and community offerings (net of insider purchases and shares purchased by our employee stock ownership plan) in excess of 10% of the shares sold in such offering. The amounts shown also include fees of 5% of the aggregate amount of common stock sold in the syndicated offering, which will be paid to Sandler O Neill & Partners, L.P., Jefferies & Company, Inc. and Stifel, Nicolaus & Company, Incorporated and any other broker-dealers included in the syndicated offering. See The Conversion and Offering Plan of Distribution; Selling Agent and Underwriter Compensation for information regarding compensation to be received by Sandler O Neill & Partners, L.P. in the subscription and community offerings and the compensation to be received by Sandler O Neill & Partners, L.P. and the other underwriters that may participate in the syndicated offering. If all shares of common stock were sold in the syndicated offering, the selling agent and underwriters commissions would be approximately $14.4 million, $17.0 million and $19.6 million at the minimum, midpoint and maximum levels of the offering, respectively.

This investment involves a degree of risk, including the possible loss of principal.

Please read Risk Factors beginning on page 18.

These securities are not deposits or accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Neither the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, nor any state securities regulator has approved or disapproved of these securities or determined if this Prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

Sandler O Neill + Partners, L.P.

For assistance, please contact the Stock Information Center, toll-free, at [stock center phone #] .

The date of this prospectus is [prospectus date].

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[MAP TO BE INSERTED ON INSIDE FRONT COVER]

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SUMMARY

The following summary explains the significant aspects of the conversion, the offering and the exchange of existing shares of Northfield-Federal common stock for shares of Northfield-Delaware common stock. It may not contain all of the information that is important to you. For additional information before making an investment decision, you should read this entire document carefully, including the consolidated financial statements and the notes to the consolidated financial statements, and the section entitled Risk Factors.

Our Business

Our business operations are conducted through our wholly-owned subsidiary, Northfield Bank. Northfield Bank is a community bank that has served the banking needs of its customers since 1887. Northfield Bank conducts business primarily from its home office located in Staten Island, New York, its operations center located in Woodbridge, New Jersey, and its 24 branch offices located in the New York counties of Richmond (Staten Island) and Kings (Brooklyn) and the New Jersey counties of Union and Middlesex.

Northfield Bank s principal business consists of taking deposits, primarily through its retail banking offices, and investing those funds in loans and securities. Northfield Bank offers a variety of deposit accounts with a range of interest rates and terms, and relies on its convenient locations, customer service, technological capabilities and competitive pricing and products to attract and retain deposits. To a lesser extent, Northfield Bank uses borrowed funds and brokered deposits as additional sources of funds. Northfield Bank s principal lending activity is originating multifamily and commercial real estate loans for retention in its portfolio. Northfield Bank also offers, to a lesser extent, construction and land loans, commercial and industrial loans, one- to four-family residential mortgage loans, and home equity loans and lines of credit. Northfield Bank s investment securities portfolio is comprised principally of mortgage-backed securities and corporate bonds. Northfield Bank is subject to comprehensive regulation and examination by the Office of the Comptroller of the Currency.

Northfield-Delaware s executive offices are located at 581 Main Street, Suite 810, Woodbridge, New Jersey 07095, and its telephone number at this address is (732) 499-7200. Our website address is www.eNorthfield.com. Information on this website is not and should not be considered a part of this prospectus.

Our Organizational Structure

Northfield Bank has been organized in the mutual holding company structure since 1995 and Northfield-Federal completed its initial public offering of shares in 2007. Northfield-Federal s parent mutual holding company is Northfield Bancorp, MHC, a federally chartered mutual holding company. Northfield-Federal is our federally chartered, publicly-traded mid-tier holding company and the parent holding company of Northfield Bank. At June 30, 2012, Northfield-Federal had consolidated assets of $2.5 billion, deposits of $1.5 billion and stockholders equity of $388.9 million. At June 30, 2012, Northfield-Federal had 40,206,678 shares of common stock outstanding, of which 15,564,994 shares, or 38.7%, were owned by the public (including 896,061 shares by Northfield Bank Foundation), and the remaining 24,641,684 shares were held by Northfield Bancorp, MHC.

Pursuant to the terms of the plan of conversion and reorganization, Northfield Bancorp, MHC is now converting from the mutual holding company corporate structure to the stock holding company corporate structure. As part of the conversion, we are offering for sale the majority ownership interest in Northfield-Federal that is currently held by Northfield Bancorp, MHC. The shares being offered in the offering will be issued by Northfield-Delaware. We are not contributing additional shares to the Northfield Bank Foundation in connection with the conversion and offering. Upon completion of the conversion, public stockholders of Northfield-Federal will receive shares of common stock of Northfield-Delaware in exchange for their shares of Northfield-Federal and Northfield Bancorp, MHC s shares will be cancelled, Northfield Bancorp, MHC and Northfield-Federal will cease to exist, and Northfield-Delaware will become the successor corporation to Northfield-Federal and the parent holding company for Northfield Bank.

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The following diagram shows our current organizational structure, reflecting ownership percentages as of June 30, 2012 and assuming the acquisition of Flatbush Federal Bancorp, Inc. (described below) had been completed as of that date:

After the conversion and offering are completed, we will be organized as a fully public holding company, as follows:

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Recent Acquisitions

In October 2011, Northfield Bank assumed all of the deposits and acquired substantially all of the assets of First State Bank, a New Jersey chartered bank, from the Federal Deposit Insurance Corporation as receiver for First State Bank, pursuant to the terms of a Purchase and Assumption Agreement. The agreement contained no loss-share provisions with the Federal Deposit Insurance Corporation and the deposits were acquired at no premium while the asset discount was $46.9 million resulting in a cash payment from the Federal Deposit Insurance Corporation of approximately $50.5 million. Northfield Bank acquired approximately $194.6 million in assets at fair value, including $91.9 million in loans, net of fair value adjustment of $40.5 million. Northfield Bank also assumed deposit liabilities with a fair value of $188.2 million. The assets purchased and liabilities assumed have been accounted for under the acquisition method of accounting. As the acquisition date fair value of the identifiable assets acquired exceeded the liabilities assumed, we recognized an after-tax bargain purchase gain of $3.6 million.

In March 2012, Northfield Bancorp, MHC, Northfield-Federal and Northfield Bank entered into an Agreement and Plan of Merger with Flatbush Federal Bancorp, MHC, Flatbush Federal Bancorp, Inc. and Flatbush Federal Savings & Loan Association. Under the terms of the merger agreement, Flatbush Federal Savings & Loan Association, Flatbush Federal Bancorp, Inc. and Flatbush Federal Bancorp, MHC, will merge with and into Northfield Bank, Northfield-Federal and Northfield Bancorp, MHC, respectively. Flatbush Federal Bancorp, Inc. stockholders will receive 0.4748 of a share of Northfield-Federal stock for each share of Flatbush Federal Bancorp, Inc. common stock they own, which at announcement was valued at $6.50 per share, subject to the terms and conditions of the merger agreement. At June 30, 2012, Flatbush Federal Bancorp, Inc. had 2,736,907 shares of common stock outstanding, and consolidated assets of $143.3 million, deposits of $117.5 million, stockholders equity of $18.8 million and a book value per share of $6.88. As a result of the acquisition, we expect to record $800,000 of core deposit intangibles, and we expect to issue a total of 1,299,483 shares of Northfield-Federal common stock, including 594,781 shares to stockholders other than Flatbush Federal Bancorp, MHC and 704,702 shares to Northfield Bancorp, MHC, as the successor to Flatbush Federal Bancorp, MHC.

Business Strategy

Our business strategies are:

Disciplined expansion through organic growth coupled with opportunistic acquisitions. Since we became a public company in 2007, we have successfully pursued a strategy of organic growth by continuing to leverage our existing franchise and expanding the franchise through de novo branching. Since 2007, we opened a branch in Staten Island to enhance an already significant presence, added a branch in New Jersey, and expanded into Brooklyn where we have opened four branches. We also have four branches (one in Union County, New Jersey, one in Staten Island and two in Brooklyn) in various stages of construction to be completed by early 2013. While organic growth has been our primary focus, we also have selectively pursued acquisition opportunities in our market area that we believe will enhance our franchise and yield financial benefits for our stockholders. In October 2011, we acquired all the deposits and substantially all the assets of First State Bank from the Federal Deposit Insurance Corporation, and on March 13, 2012, we executed a definitive agreement to acquire Flatbush Federal Bancorp, Inc. The First State Bank transaction was immediately accretive to earnings and resulted in a $3.6 million after-tax bargain purchase gain. The Flatbush Federal Bancorp acquisition also is expected to be accretive to earnings and tangible book value, and will add three branches in Brooklyn with approximately $88.4 million in loans and $117.5 million in deposits at June 30, 2012.

Increased lending, with an emphasis on multifamily real estate loans. We increased our loan portfolio to $1.07 billion at June 30, 2012 from $424.2 million at December 31, 2007, and have rebalanced the mix of our earning assets away from securities and

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into loans. Our loan portfolio accounted for 46.2% of our earning assets at June 30, 2012, compared to 33.3% at December 31, 2007. Our loan-to-deposit ratio has increased to 69.5% at June 30, 2012 from 48.4% in December 31, 2007, which has improved our net interest margin. This growth in our loan portfolio has helped maintain our net interest margin and mitigated the impact of the protracted low interest rates on our earnings. To achieve this growth, and in recognition of the current economic environment, we adjusted our lending focus to emphasize the origination of multifamily real estate loans. At June 30, 2012, our multifamily portfolio totaled $538.3 million, or 50.3% of total loans, compared to $14.2 million, or 3.3% of total loans, at December 31, 2007. We intend to continue to emphasize multifamily lending, and as economic conditions improve, we also anticipate increasing the origination of commercial real estate, commercial and home equity loans.

Enhanced core earnings through improved funding mix and continued emphasis on operational efficiencies. In addition to increasing our level of loans outstanding, we have made a concerted effort to improve our core funding profile by increasing lower-cost transaction deposit accounts and reducing time deposits and wholesale borrowings. Deposits increased 75.9% to $1.54 billion at June 30, 2012 from $877.2 million at December 31, 2007. Our ratio of non-time deposits to total deposits increased to 68.7% from 54.1% over the same period. We also recognize that controlling operating expenses is essential to our long term profitability. We intend to further capitalize on our technology capabilities to improve operating efficiencies and enhance customer service. Our efficiency ratio for the year ended December 31, 2011 was 53.6%, which compared favorably to the ratio of the SNL Thrift Index of 60.6% for the same period.

Improved asset quality and a reduction in problem assets. Maintaining strong asset quality has been, and will continue to be, a key element of our business strategy. Our ratio of non-performing assets to total assets decreased to 1.50% at June 30, 2012 from 2.72% at December 31, 2010, a level that compares favorably to the SNL Thrift Index ratio of 2.86% at June 30, 2012. At June 30, 2012, non-performing loans totaled $34.8 million, or 3.24% of total loans, as compared to $60.9 million, or 7.36% of total loans at December 31, 2010.

Stockholder-focused management of capital. We began paying regular quarterly dividends in the fourth quarter of 2008, and increased the dividend twice from our initial annual rate of $0.16 to $0.20 and then to $0.24, respectively. These dividend increases were accomplished during a period when many depository institutions were reducing or eliminating their dividends. Our average dividend yield for the quarter ended March 31, 2012 was 1.7% compared to 1.2% for the SNL Thrift Index. Our board of directors decided to delay future dividend payments after our March 2012 dividend, because the Board of Governors of the Federal Reserve System, or Federal Reserve Board, currently requires Northfield Bancorp, MHC to obtain a member (depositor) vote before waiving its right to receive dividends from Northfield-Federal. However, following the completion of the conversion we intend to seek regulatory approval to pay a one-time, special dividend of $0.25 per share to all stockholders, and resume the payment of regular quarterly dividends as well.

See Management s Discussion and Analysis of Financial Condition and Results of Operations Business Strategy for a more complete discussion of our business strategy.

Reasons for the Conversion and Offering

Our primary reasons for converting to the fully public stock form of ownership and undertaking the stock offering are to:

eliminate the uncertainties associated with the mutual holding company structure under financial reform legislation. The Dodd-Frank Wall Street Reform and Consumer Protection Act, or Dodd-Frank Act, has changed our primary bank and holding company regulator, which has resulted in changes in regulations applicable to Northfield Bancorp, MHC and Northfield-Federal. Under the Dodd-Frank Act, the Federal Reserve Board became the federal regulator of all savings and loan holding companies and mutual holding companies, and the Federal Reserve Board historically has not allowed mutual holding companies to waive the receipt of dividends from their mid-tier holding company subsidiaries. Absent approval for Northfield Bancorp, MHC to waive dividends, any dividend declared on Northfield-Federal s common stock would have to be paid to Northfield Bancorp, MHC as well as our public stockholders, resulting in a tax liability for Northfield Bancorp, MHC and a decrease in the exchange ratio for our public shareholders upon conversion to stock form. The Federal Reserve Board currently requires a grandfathered mutual holding company, like Northfield Bancorp, MHC, to obtain member (depositor) approval and comply with other procedural requirements prior to waiving dividends, which would make dividend waivers impracticable. The conversion will eliminate our mutual holding company structure and will enable us to continue paying dividends to our stockholders, subject to the customary legal, regulatory and financial considerations applicable to all financial institutions. See Our Dividend Policy. It will also eliminate the risk that the Federal Reserve Board will amend existing regulations applicable to the conversion process in a manner disadvantageous to our public stockholders or depositors.

transition us to a more familiar and flexible organizational structure. The stock holding company structure is a more familiar form of organization, which we believe will make our common stock more appealing to investors, and will give us greater flexibility to access the capital markets through possible future equity and debt offerings, although we have no current plans, agreements or understandings regarding any additional securities offerings.

improve the liquidity of our shares of common stock. The larger number of shares that will be outstanding after completion of the conversion and offering is expected to result in a more liquid and active market than currently exists for Northfield-Federal common stock. A more liquid and active market would make it easier for our stockholders to buy and sell our common stock and would give us greater flexibility in implementing capital management strategies.

facilitate future mergers and acquisitions. Although we do not currently have any understandings or agreements regarding any specific acquisition transaction, the stock holding company structure will give us greater flexibility to structure, and make us a more attractive and competitive bidder for, mergers and acquisitions of other financial institutions, as opportunities arise. The additional capital raised in the offering will also enable us to consider larger transactions. In addition, although we intend to remain an independent financial institution, the stock holding company structure may make us a more attractive acquisition candidate for other institutions, although applicable regulations prohibit the acquisition of Northfield-Delaware for three years following completion of the conversion.

See The Conversion and Offering for a more complete discussion of our reasons for conducting the conversion and offering.

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Terms of the Offering

We are offering between 28,900,000 and 39,100,000 shares of common stock to eligible depositors of Northfield Bank, the former First State Bank and the former Flatbush Federal Savings & Loan Association, to our tax-qualified employee benefit plans and, to the extent shares remain available, in a community offering to residents of the New Jersey Counties of Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex and Union, the New York Counties of Bronx, Kings, Nassau, New York, Putnam, Queens, Richmond, Rockland, Suffolk and Westchester, and Pike County, Pennsylvania, and to our existing public stockholders and to the general public. If necessary, we will also offer shares to the general public in a syndicated offering. Unless the number of shares of common stock to be offered is increased to more than 39,100,000 shares or decreased to fewer than 28,900,000 shares, or the subscription and community offerings are extended beyond [extension deadline], subscribers will not have the opportunity to change or cancel their stock orders once submitted. If the subscription and community offering is extended past [extension deadline], or if the number of shares to be sold is increased to more than 39,100,000 shares or decreased to less than 28,900,000 shares, all subscribers stock orders will be canceled, their withdrawal authorizations will be canceled and funds delivered to us to purchase shares of common stock in the subscription and community offerings will be returned promptly with interest at [interest rate]% per annum. We will then resolicit subscribers, giving them an opportunity to place new orders for a period of time. No shares purchased in the community offering and subscription offering will be issued until the completion of any syndicated offering.

The purchase price of each share of common stock offered for sale in the offering is $10.00. All investors will pay the same purchase price per share, regardless of whether the shares are purchased in the community offering, the subscription offering or a syndicated offering. Investors will not be charged a commission to purchase shares of common stock in the offering. Sandler O Neill & Partners, L.P., our marketing agent in the subscription and community offerings, will use its best efforts to assist us in selling shares of our common stock but is not obligated to purchase any shares of common stock being offered for sale in the subscription and community offerings.

How We Determined the Offering Range, the Exchange Ratio and the $10.00 Per Share Stock Price

The amount of common stock we are offering for sale and the exchange ratio for the exchange of shares of Northfield-Delaware for shares of Northfield-Federal are based on an independent appraisal of the estimated market value of Northfield-Delaware, assuming the acquisition of Flatbush Federal Bancorp, Inc. and the conversion offering are completed. RP Financial, LC., our independent appraiser, has estimated that, as of August 17, 2012, and assuming that we had completed our acquisition of Flatbush Federal Bancorp, Inc. as of June 30, 2012, this market value was $556.8 million. Based on federal regulations, this market value forms the midpoint of a valuation range with a minimum of $473.3 million and a maximum of $640.3 million. Based on this valuation range, the 61.1% pro forma ownership interest of Northfield Bancorp, MHC in Northfield-Federal as of June 30, 2012 (assuming completion of the Flatbush Federal Bancorp, Inc. acquisition at that date) being sold in the offering and the $10.00 per share price, the number of shares of common stock being offered for sale by Northfield-Delaware ranges from 28,900,000 shares to 39,100,000 shares. The $10.00 per share price was selected primarily because it is the price most commonly used in mutual-to-stock conversions of financial institutions. The exchange ratio ranges from 1.1402 shares at the minimum of the offering range to 1.5426 shares at the maximum of the offering range, and will preserve the existing percentage ownership of public stockholders of Northfield-Federal (excluding any new shares purchased by them in the stock offering and their receipt of cash in lieu of fractional shares).

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The appraisal is based in part on Northfield-Federal s financial condition and results of operations (assuming completion of the Flatbush Federal Bancorp, Inc. acquisition as of June 30, 2012), the pro forma effect of the additional capital raised by the sale of shares of common stock in the offering, and an analysis of a peer group of 11 publicly traded thrift holding companies that RP Financial, LC. considers comparable to Northfield-Federal. The appraisal peer group consists of the following companies, all of which are traded on the Nasdaq Stock Market.

Company Name	Ticker Symbol	Headquarters	Total Assets (1) (in millions)
Brookline Bancorp, Inc.	BRKL	Brookline, MA	$ 4,877
Cape Bancorp, Inc.	CBNJ	Cape May Courthouse, NJ	$ 1,048
ESSA Bancorp, Inc.	ESSA	Stroudsburg, PA	$ 1,113
Flushing Financial Corp.	FFIC	Lake Success, NY	$ 4,436
Fox Chase Bancorp, Inc.	FXCB	Hatboro, PA	$ 1,012
OceanFirst Financial Corp.	OCFC	Toms River, NJ	$ 2,288
Oritani Financial Corp.	ORIT	Township of Washington, NJ	$ 2,701
Provident NY Bancorp, Inc.	PBNY	Montebello, NY	$ 3,150
Rockville Financial, Inc.	RCKB	Rockville, CT	$ 1,928
United Financial Bancorp	UBNK	West Springfield, MA	$ 1,054
Westfield Financial Inc.	WFD	Westfield, MA	$ 1,319

(1) Asset size for all companies is as of June 30, 2012, except for Brookline Bancorp, Inc., whose asset size is as of March 31, 2012.

The following table presents a summary of selected pricing ratios for Northfield-Delaware (on a pro forma basis) and for the peer group companies based on earnings and other information as of and for the twelve months ended June 30, 2012, and stock prices as of August 17, 2012, as reflected in the appraisal report. Compared to the average pricing of the peer group, our pro forma pricing ratios at the midpoint of the offering range indicated a discount of 20.8% on a price-to-book value basis, a discount of 26.0% on a price-to-tangible book value basis, and a premium of 157.8% on a price-to-earnings basis.

	Price-to-earnings multiple (1)	Price-to-book value ratio	Price-to-tangible book value ratio
Northfield-Delaware (on a pro forma basis, assuming completion of the conversion)			
Maximum	66.67x	85.32%	87.41%
Midpoint	55.56x	78.93%	80.97%
Minimum	47.62x	71.63%	73.64%
Valuation of peer group companies, all of which are fully converted (on an historical basis)			
Averages	21.55x	99.71%	109.41%
Medians	20.02x	101.52%	106.41%

(1) Price-to-earnings multiples calculated by RP Financial, LC. in the independent appraisal are based on an estimate of core or recurring earnings on a trailing twelve-month basis through June 30, 2012. These ratios are different than those presented in Pro Forma Data.

The independent appraisal does not indicate trading market value. Do not assume or expect that our valuation as indicated in the appraisal means that after the conversion and offering the shares of our common stock will trade at or above the $10.00 per share purchase price. Furthermore, the pricing ratios presented in the appraisal were utilized by RP Financial, LC. to estimate our *pro forma* appraised value for regulatory purposes and not to compare the relative value of shares of our common stock with the value of the capital stock of the peer group. The value of the capital stock of a particular company may be affected by a number of factors such as financial performance, asset size and market location.

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For a more complete discussion of the amount of common stock we are offering for sale and the independent appraisal, see The Conversion and Offering Stock Pricing and Number of Shares to be Issued.

The Exchange of Existing Shares of Northfield-Federal Common Stock

If you are currently a stockholder of Northfield-Federal, your shares will be canceled at the completion of the conversion and will be exchanged for shares of common stock of Northfield-Delaware. The number of shares of common stock you receive will be based on the exchange ratio, which will depend upon our final appraised value and the percentage of outstanding shares of Northfield-Federal common stock owned by public stockholders immediately prior to the completion of the conversion. The following table shows how the exchange ratio will adjust, based on the appraised value of Northfield-Delaware as of May 11, 2012, assuming public stockholders of Northfield-Federal, including former stockholders of Flatbush Federal Bancorp, Inc., own 39.2% of Northfield-Federal common stock immediately prior to the completion of the conversion. The table also shows the number of shares of Northfield-Delaware common stock a hypothetical owner of Northfield-Federal common stock would receive in exchange for 100 shares of Northfield-Federal common stock owned at the completion of the conversion, depending on the number of shares of common stock issued in the offering.

	Shares to be Sold in This Offering		Shares of Northfield-Delaware to be Issued for Shares of Northfield-Federal		Total Shares of Common Stock to be Issued in Exchange and Offering	Exchange Ratio	Equivalent Value of Shares Based Upon Offering Price (1)	Equivalent Pro Forma Tangible Book Value Per Exchanged Share (2)	Shares to be Received for 100 Existing Shares (3)
	Amount	Percent	Amount	Percent					
Minimum	28,900,000	61.1%	18,425,408	38.9%	47,325,408	1.1402	$ 11.40	$ 15.49	114
Midpoint	34,000,000	61.1	21,676,950	38.9	55,676,950	1.3414	13.41	16.57	134
Maximum	39,100,000	61.1	24,928,493	38.9	64,028,493	1.5426	15.43	17.65	154

(1) Represents the value of shares of Northfield-Delaware common stock to be received in the conversion by a holder of one share of Northfield-Federal, pursuant to the exchange ratio, based upon the $10.00 per share purchase price.
(2) Represents the pro forma tangible book value per share at each level of the offering range multiplied by the respective exchange ratio.
(3) Cash will be paid in lieu of fractional shares.

No fractional shares of Northfield-Delaware common stock will be issued to any public stockholder of Northfield-Federal. For each fractional share that otherwise would be issued, Northfield-Delaware will pay in cash an amount equal to the product obtained by multiplying the fractional share interest to which the holder otherwise would be entitled by the $10.00 per share offering price.

Outstanding options to purchase shares of Northfield-Federal common stock also will convert into and become options to purchase shares of Northfield-Delaware common stock based upon the exchange ratio. The aggregate exercise price, duration and vesting schedule of these options will not be affected by the conversion. At June 30, 2012, there were 2,053,100 outstanding options to purchase shares of Northfield-Federal common stock, 1,240,040 of which have vested. Such outstanding options will be converted into options to purchase 2,340,945 shares of common stock at the minimum of the offering range and 3,167,112 shares of common stock at the maximum of the offering range. Because federal regulations prohibit us from repurchasing our common stock during the first year following the conversion unless compelling business reasons exist for such repurchases, we may use authorized but unissued shares to fund option exercises that occur during the first year following the conversion. If all existing options were exercised for authorized but unissued shares of common stock following the conversion, stockholders would experience dilution of approximately 4.71%.

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How We Intend to Use the Proceeds From the Offering

We intend to invest at least 50% of the net proceeds from the stock offering in Northfield Bank, loan funds to our employee stock ownership plan to fund its purchase of shares of common stock in the stock offering and retain the remainder of the net proceeds from the offering at Northfield-Delaware. Therefore, assuming we sell 34,000,000 shares of common stock in the stock offering, and we have net proceeds of $323.3 million, we intend to invest $161.6 million in Northfield Bank, loan $13.6 million to our employee stock ownership plan to fund its purchase of shares of common stock and retain the remaining $148.0 million of the net proceeds at Northfield-Delaware.

Northfield-Delaware may use the funds it retains to acquire other financial institutions, for investments, to pay cash dividends, to repurchase shares of common stock and for other general corporate purposes. Northfield Bank may use the proceeds it receives to acquire other financial institutions, to expand its branch network and to support increased lending and other products and services.

Please see the section of this prospectus entitled How We Intend to Use the Proceeds from the Offering for more information on the proposed use of the proceeds from the offering.

Persons Who May Order Shares of Common Stock in the Offering

We are offering the shares of common stock in a subscription offering in the following descending order of priority:

(i) To depositors with accounts at Northfield Bank, or the former First State Bank or Flatbush Federal Savings & Loan Association, with aggregate balances of at least $50 at the close of business on March 31, 2011.

(ii) To our tax-qualified employee benefit plans (including Northfield Bank s employee stock ownership plan and 401(k) plan), which will receive, without payment therefor, nontransferable subscription rights to purchase in the aggregate up to 10% of the shares of common stock sold in the offering. We expect our employee stock ownership plan to purchase 4% of the shares of common stock sold in the stock offering, although we reserve the right to have the employee stock ownership plan purchase more than 4% of the shares sold in the offering to the extent necessary to complete the offering at the minimum of the offering range.

(iii) To depositors with accounts at Northfield Bank or the former Flatbush Federal Savings & Loan Association with aggregate balances of at least $50 at the close of business on [supplemental date].

(iv) To depositors of Northfield Bank at the close of business on [voting record date].

Shares of common stock not purchased in the subscription offering will be offered for sale to the general public in a community offering, with a preference given first to natural persons (including trusts of natural persons) residing in the New Jersey Counties of Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex and Union, the New York Counties of Bronx, Kings, Nassau, New York, Putnam, Queens, Richmond, Rockland, Suffolk and Westchester, and Pike County, Pennsylvania. To the extent shares of common stock remain available, we will also offer the shares to Northfield-Federal s public stockholders as of [voting record date]. The community offering is expected to begin concurrently with the subscription offering. We also may offer for sale shares of common stock not purchased in the subscription offering or the community offering through a syndicated offering. Sandler O Neill & Partners, L.P., Jefferies & Company, Inc. and Stifel, Nicolaus & Company, Incorporated will act as joint book-running managers for the syndicated offering. We have the right to accept or reject, in our sole discretion, orders received in the community offering or syndicated offering. Any determination to accept or reject stock orders in the community offering or syndicated offering will be based on the facts and circumstances available to management at the time of the determination.

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If we receive orders for more shares than we are offering, we may not be able to fully or partially fill your order. Shares will be allocated first to categories in the subscription offering. A detailed description of the subscription offering, the community offering and the syndicated offering, as well as a discussion regarding allocation procedures, can be found in the section of this prospectus entitled The Conversion and Offering.

Limits on How Much Common Stock You May Purchase

The minimum number of shares of common stock that may be purchased is 25.

Generally, no individual may purchase more than 300,000 shares ($3.0 million) of common stock. If any of the following persons purchase shares of common stock, their purchases, in all categories of the offering, when combined with your purchases, cannot exceed 300,000 shares ($3.0 million) of common stock:

- your spouse or relatives of you or your spouse living in your house;
- most companies, trusts or other entities in which you are a trustee, have a substantial beneficial interest or hold a senior position; or
- other persons who may be your associates or persons acting in concert with you.

Unless we determine otherwise, persons having the same address and persons exercising subscription rights through qualifying deposit accounts registered to the same address will be subject to the overall purchase limitation of 300,000 shares ($3.0 million).

In addition to the above purchase limitations, there is an ownership limitation for current stockholders of Northfield-Federal other than our employee stock ownership plan. Shares of common stock that you purchase in the offering individually and together with persons described above, *plus* any shares you and they receive in exchange for existing shares of Northfield-Federal common stock, may not exceed 5% of the total shares of common stock to be issued and outstanding after the completion of the conversion. However, if, based on your current ownership level, you will own more than 5% of the total shares of common stock to be issued and outstanding after the completion of the conversion following the exchange of your shares of Northfield-Federal common stock, you will not need to divest any of your shares.

Subject to regulatory approval, we may increase or decrease the purchase and ownership limitations at any time. See the detailed description of the purchase limitations in the section of this prospectus headed The Conversion and Offering Additional Limitations on Common Stock Purchases.

How You May Purchase Shares of Common Stock in the Subscription Offering and the Community Offering

In the subscription offering and community offering, you may pay for your shares only by:

(i) personal check, bank check or money order made payable directly to Northfield Bancorp, Inc.; or

(ii) authorizing us to withdraw available funds from the types of Northfield Bank deposit accounts designated on the stock order form.

Northfield Bank is not permitted to lend funds to anyone for the purpose of purchasing shares of common stock in the offering. Additionally, you may not use a Northfield Bank line of credit check or any type of third party check to pay for shares of common stock. Please do not submit cash or wire transfers. You may not designate withdrawal from Northfield Bank s accounts with check-writing privileges; instead, please submit a check. You may not authorize direct withdrawal from a Northfield Bank retirement account. See Using Individual Retirement Account Funds to Purchase Shares of Common Stock.

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You may subscribe for shares of common stock in the subscription and community offerings by delivering a signed and completed original stock order form, together with full payment payable to Northfield Bancorp, Inc. or authorization to withdraw funds from one or more of your Northfield Bank deposit accounts, provided that the stock order form is *received* before 4:00 p.m., Eastern Time, on [offering deadline], which is the end of the subscription offering period. You may submit your stock order form and payment by mail using the stock order reply envelope provided, or by overnight delivery to our Stock Information Center at the address noted below. You may hand-deliver stock order forms to the Stock Information Center, which will be located at Northfield Bank s office, . Hand-delivered stock order forms will only be accepted at this location. We will not accept stock order forms at our other branch offices. **Please do not mail stock order forms to Northfield Bank s offices.**

Please see The Conversion and Offering Procedure for Purchasing Shares Payment for Shares for a complete description of how to purchase shares in the subscription and community offerings.

Using Individual Retirement Account Funds to Purchase Shares of Common Stock

You may be able to subscribe for shares of common stock using funds in your individual retirement account, or IRA. If you wish to use some or all of the funds in your Northfield Bank individual retirement account, the applicable funds must be transferred to a self-directed account maintained by an independent trustee, such as a brokerage firm, and the purchase must be made through that account. If you do not have such an account, you will need to establish one before placing your stock order. An annual administrative fee may be payable to the independent trustee. Because individual circumstances differ and the processing of retirement fund orders takes additional time, we recommend that you contact our Stock Information Center promptly, preferably at least two weeks before the [offering deadline] offering deadline, for assistance with purchases using your individual retirement account or other retirement account that you may have at Northfield Bank *or elsewhere*. Whether you may use such funds for the purchase of shares in the stock offering may depend on timing constraints and, possibly, limitations imposed by the institution where the funds are held.

See The Conversion and Offering Procedure for Purchasing Shares Payment for Shares and Using Individual Retirement Account Funds for a complete description of how to use IRA funds to purchase shares in the stock offering.

Market for Common Stock

Existing publicly held shares of Northfield-Federal s common stock are listed on the Nasdaq Global Select Market under the symbol NFBK. Upon completion of the conversion, the shares of common stock of Northfield-Delaware will replace the existing shares, and we expect the shares of Northfield-Delaware common stock will also trade on the Nasdaq Global Select Market under the symbol NFBK. In order to list our stock on the Nasdaq Global Select Market, we are required to have at least three broker-dealers who will make a market in our common stock. As of [voting record date], Northfield-Federal had approximately registered market makers in its common stock. Sandler O Neill & Partners, L.P., Jefferies & Company, Inc. and Stifel, Nicolaus & Company, Incorporated have advised us that they intend to make a market in our common stock following the offering, but are under no obligation to do so.

Our Dividend Policy

After the completion of the conversion, we intend to pay cash dividends on a quarterly basis. We expect the quarterly dividends to be $0.06 per share, which equals $0.24 per share on an annualized basis and an annual yield of 2.4% based on a price of $10.00 per share.

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We also intend to seek regulatory approval to pay a one-time, special dividend of $0.25 per share to all Northfield-Delaware stockholders. No assurances can be given as to whether or when such approval may be obtained.

The dividend rate and the continued payment of dividends will depend on a number of factors, including our capital requirements, our financial condition and results of operations, tax considerations, statutory and regulatory limitations, and general economic conditions. We cannot assure you that we will pay dividends in the future, or that any such dividends will not be reduced or eliminated.

For information regarding our historical dividend payments, see Selected Consolidated Financial and Other Data of Northfield Bancorp, Inc. and Market for the Common Stock. For information regarding our current and proposed dividend policy, see Our Dividend Policy.

Purchases by Officers and Directors

We expect our directors and executive officers, together with their associates, to subscribe for shares of common stock in the offering, representing % of shares to be sold at the minimum of the offering range. The purchase price paid by them will be the same $10.00 per share price paid by all other persons who purchase shares of common stock in the offering. Following the conversion, our directors and executive officers, together with their associates, are expected to beneficially own shares of common stock, or % of our total outstanding shares of common stock at the minimum of the offering range, which includes shares they currently own that will be exchanged for new shares of Northfield-Delaware.

See Subscriptions by Directors and Executive Officers for more information on the proposed purchases of shares of common stock by our directors and executive officers.

Deadline for Orders of Shares of Common Stock in the Subscription and Community Offering

The deadline for purchasing shares of common stock in the subscription and community offering is 4:00 p.m., Eastern Time, on [offering deadline], unless we extend this deadline. If you wish to purchase shares of common stock, a properly completed and signed original stock order form, together with full payment, must be received (not postmarked) by this time.

Although we will make reasonable attempts to provide this prospectus and offering materials to holders of subscription rights, the subscription offering and all subscription rights will expire at 4:00 p.m., Eastern Time, on [offering deadline], whether or not we have been able to locate each person entitled to subscription rights.

See The Conversion and Offering Procedure for Purchasing Shares Expiration Date for a complete description of the deadline for purchasing shares in the stock offering.

You May Not Sell or Transfer Your Subscription Rights

Federal regulations prohibit you from transferring your subscription rights. If you order shares of common stock in the subscription offering, you will be required to certify that you are purchasing the common stock for yourself and that you have no agreement or understanding to sell or transfer your subscription rights. We intend to take legal action, including reporting persons to federal agencies, against anyone who we believe has sold or transferred his or her subscription rights. We will not accept your order if we have reason to believe that you have sold or transferred your subscription rights. On the order form, you may not add the names of others for joint stock registration who do not have subscription rights or who qualify only in a lower subscription offering priority than you do. You may add only those who were eligible to purchase shares of common stock in the subscription offering at your date of eligibility. In addition, the stock order form requires that you list all deposit accounts, giving all names on each account and the account number at the applicable eligibility date. Failure to provide this information, or providing incomplete or incorrect information, may result in a loss of part or all of your share allocation if there is an oversubscription.

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Delivery of Stock Certificates

Certificates representing shares of common stock sold in the subscription offering and community offering will be mailed to the certificate registration address noted by purchasers on the stock order form. Stock certificates will be sent to purchasers by first-class mail as soon as practicable after the completion of the conversion and offering. We expect trading in the stock to begin on the business day of or on the business day following the completion of the conversion and offering. The conversion and offering are expected to be completed as soon as practicable following satisfaction of the conditions described below in Conditions to Completion of the Conversion. **It is possible that until certificates for the common stock are delivered to purchasers, purchasers might not be able to sell the shares of common stock that they ordered, even though the common stock will have begun trading.** Your ability to sell the shares of common stock before receiving your stock certificate will depend on arrangements you may make with a brokerage firm.

Conditions to Completion of the Conversion

We cannot complete the conversion and offering unless:

- The plan of conversion and reorganization is approved by at least *a majority of votes eligible to be cast* by members of Northfield Bancorp, MHC (depositors of Northfield Bank) as of [voting record date];

- The plan of conversion and reorganization is approved by Northfield-Federal stockholders holding at least *two-thirds of the outstanding shares* of common stock of Northfield-Federal as of [voting record date], including shares held by Northfield Bancorp, MHC;

- The plan of conversion and reorganization is approved by Northfield-Federal stockholders holding at least *a majority of the outstanding shares* of common stock of Northfield-Federal as of [voting record date], excluding those shares held by Northfield Bancorp, MHC;

- We sell at least the minimum number of shares of common stock offered in the offering; and

- We receive the final approval of the Board of Governors of the Federal Reserve System to complete the conversion and offering.

Northfield Bancorp, MHC intends to vote its shares in favor of the plan of conversion and reorganization. At [voting record date], Northfield Bancorp, MHC owned % of the outstanding shares of common stock of Northfield-Federal. The directors and executive officers of Northfield-Federal and their affiliates owned shares of Northfield-Federal (excluding exercisable options), or % of the outstanding shares of common stock and % of the outstanding shares of common stock excluding shares owned by Northfield Bancorp, MHC. They intend to vote those shares in favor of the plan of conversion and reorganization.

Steps We May Take if We Do Not Receive Orders for the Minimum Number of Shares

If we do not receive orders for at least 28,900,000 shares of common stock, we may take several steps in order to issue the minimum number of shares of common stock in the offering range. Specifically, we may:

(i) increase the purchase and ownership limitations; and/or

(ii) seek regulatory approval to extend the offering beyond [extension deadline], so long as we resolicit subscriptions that we have previously received in the offering; and/or

(iii) increase the shares purchased by the employee stock ownership plan.

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If one or more purchase limitations are increased, subscribers in the subscription offering who ordered the maximum amount will be, and, in our sole discretion, some other large purchasers may be, given the opportunity to increase their subscriptions up to the then-applicable limit.

Possible Change in the Offering Range

RP Financial, LC. will update its appraisal before we complete the offering. If our pro forma market value at that time is either below $473.3 million or above $640.3 million, then, after consulting with the Board of Governors of the Federal Reserve System, we may:

- terminate the stock offering and promptly return all funds (with interest paid on funds received in the subscription and community offerings);
- set a new offering range; or
- take such other actions as may be permitted by the Federal Reserve Board and the Securities and Exchange Commission.

If we set a new offering range, we will promptly return funds, with interest at [interest rate]% per annum for funds received for purchases in the subscription and community offerings, and cancel any authorization to withdraw funds from deposit accounts for the purchase of shares of common stock. We will resolicit subscribers, allowing them to place a new stock order for a period of time.

Possible Termination of the Offering

We may terminate the offering at any time prior to the special meeting of members of Northfield Bancorp, MHC that is being called to vote on the conversion, and at any time after member approval with the approval of the Federal Reserve Board. If we terminate the offering, we will promptly return your funds with interest at [interest rate]% per annum and we will cancel deposit account withdrawal authorizations.

Benefits to Management and Potential Dilution to Stockholders Resulting from the Conversion

We expect our employee stock ownership plan, which is a tax-qualified retirement plan for the benefit of all of our employees, to purchase up to 4% of the shares of common stock we sell in the offering. These shares, when combined with shares owned by our existing employee stock ownership plan, will be less than 8% of the shares outstanding following the conversion. If we receive orders for more shares of common stock than the maximum of the offering range, the employee stock ownership plan s subscription order will not be filled and the employee stock ownership plan may, with prior Federal Reserve Board approval, purchase shares in the open market following completion of the conversion. For further information, see Management Executive Compensation Employee Stock Ownership Plan and Trust.

Federal regulations permit us to implement one or more new stock-based benefit plans no earlier than six months after completion of the conversion. Our current intention is to implement one or more new stock-based incentive plans, but we have not determined whether we would adopt the plans within 12 months following the completion of the conversion or more than 12 months following the completion of the conversion. Stockholder approval of these plans would be required. If we implement stock-based benefit plans within 12 months following the completion of the conversion, the stock-based benefit plans would reserve a number of shares (i) up to 4% of the shares of common stock sold in the offering (reduced by amounts purchased in the stock offering by our 401(k) plan using its purchase priority in the stock offering) for awards of restricted stock to key employees and directors, at no cost to the recipients, and (ii) up to 10% of the shares of common stock sold in the offering for issuance pursuant to the exercise of stock options by key employees and directors. The total number of shares available under the stock-based benefit plans is subject to adjustment as may be required by federal regulations or policy to reflect shares of common stock or stock options previously granted by Northfield-Federal or Northfield Bank. For stock-based benefit plans adopted within 12 months following the completion of the conversion, current regulatory policy would

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require that the total number of shares of restricted stock and the total number of shares available for the exercise of stock options not exceed 4% and 10%, respectively, of our total outstanding shares following the conversion. If the stock-based benefit plan is adopted more than 12 months after the completion of the conversion, it would not be subject to the percentage limitations set forth above. We have not yet determined the number of shares that would be reserved for issuance under these plans. For a description of our current stock-based benefit plan, see Management Compensation Discussion and Analysis Equity Awards.

The following table summarizes the number of shares of common stock and the aggregate dollar value of grants that are available under one or more stock-based benefit plans if such plans reserve a number of shares of common stock equal to 4% and 10% of the shares sold in the stock offering for restricted stock awards and stock options, respectively. The table shows the dilution to stockholders if all such shares are issued from authorized but unissued shares, instead of shares purchased in the open market. A portion of the stock grants shown in the table below may be made to non-management employees or consultants. The table also sets forth the number of shares of common stock to be acquired by the employee stock ownership plan for allocation to all qualifying employees.

	Number of Shares to be Granted or Purchased				Value of Grants (In Thousands) (1)	
	At Minimum of Offering Range	At Maximum of Offering Range	As a Percentage of Common Stock to be Sold in the Offering	Dilution Resulting From Issuance of Shares for Stock-Based Benefit Plans	At Minimum of Offering Range	At Maximum of Offering Range
Employee stock ownership plan	1,156,000	1,564,000	4.0%	N/A (2)	$ 11,560	$ 15,640
Restricted stock awards	1,156,000	1,564,000	4.0	2.38%	11,560	15,640
Stock options	2,890,000	3,910,000	10.0	5.76%	5,173	6,999
Total	5,202,000	7,038,000	18.0%	7.88%	$ 28,293	$ 38,279

(1) The actual value of restricted stock awards will be determined based on their fair value as of the date grants are made. For purposes of this table, fair value for stock awards is assumed to be the same as the offering price of $10.00 per share. The fair value of stock options has been estimated at $1.79 per option using the Black-Scholes option pricing model with the following assumptions: a grant-date share price and option exercise price of $10.00; an expected option term of 10 years; a dividend yield of 2.4%; a risk-free rate of return of 1.67%; and a volatility rate of 20.4%. The actual value of option grants will be determined by the grant-date fair value of the options, which will depend on a number of factors, including the valuation assumptions used in the option pricing model ultimately adopted.

(2) No dilution is reflected for the employee stock ownership plan because such shares are assumed to be purchased in the stock offering.

We may fund our stock-based benefit plans through open market purchases, as opposed to new issuances of stock; however, if any options previously granted under our existing 2008 Equity Incentive Plan are exercised during the first year following completion of the offering, they will be funded with newly issued shares as federal regulations do not permit us to repurchase our shares during the first year following the completion of the offering except to fund the grants of restricted stock under our stock-based benefit plan or under extraordinary circumstances.

The following table presents information as of June 30, 2012 regarding our employee stock ownership plan, our 2008 Equity Incentive Plan and our proposed stock-based benefit plan. The table below assumes that 64,028,493 shares are outstanding after the offering, which includes the sale of 39,100,000 shares in the offering at the maximum of the offering range and the issuance of shares in exchange for shares of Northfield-Federal using an exchange ratio of 1.5426. It also assumes that the value of the stock is $10.00 per share.

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Existing and New Stock Benefit Plans	Participants	Shares at Maximum of Offering Range	Estimated Value of Shares	Percentage of Shares Outstanding After the Conversion
Employee Stock Ownership Plan:	Employees			
Shares purchased in 2007 offering (1)		2,709,236(2)	$ 27,092,360	4.23%
Shares to be purchased in this offering		1,564,000	15,640,000	2.44
Total employee stock ownership plan shares		4,273,236	$ 42,732,360	6.67%
Restricted Stock Awards:	Directors, Officers and Employees			
2008 Equity Incentive Plan (1)		1,284,446(3)	$ 12,844,460(4)	2.01%
New shares of restricted stock		1,564,000	15,640,000(4)	2.44
Total shares of restricted stock		2,848,446	$ 28,484,460	4.45%(5)
Stock Options:	Directors, Officers and Employees			
2008 Equity Incentive Plan (1)		3,167,112(6)	$ 5,669,131	4.95%
New stock options		3,910,000	6,998,900(7)	6.11
Total stock options		7,077,112	$ 12,668,031	11.05%(5)
Total of stock benefit plans		14,198,794	$ 83,884,851	22.18%

(1) The number of shares indicated has been adjusted for the 1.5426 exchange ratio at the maximum of the offering range.
(2) As of June 30, 2012, 442,384 of these shares, or 286,778 shares prior to adjustment for the exchange, have been allocated.
(3) As of June 30, 2012, 1,284,446 of these shares, or 832,650 shares prior to adjustment for the exchange, have been awarded, and 775,203 of these shares, or 502,530 shares prior to adjustment for the exchange, have vested.
(4) The value of restricted stock awards is determined based on their fair value as of the date grants are made. For purposes of this table, the fair value of awards under the new stock-based benefit plan is assumed to be the same as the offering price of $10.00 per share.
(5) The number of shares of restricted stock and shares reserved for stock options set forth in the table would exceed regulatory limits if a stock-based incentive plan were adopted within one year of the completion of the conversion. Accordingly, the number of new shares of restricted stock and shares reserved for stock options set forth in the table would have to be reduced such that the aggregate amount of stock awards and shares reserved for stock options would be 4% or less and 10% or less, respectively, of our outstanding shares, unless we obtain a waiver from the Board of Governors of the Federal Reserve System, or we implement the incentive plan more than 12 months after completion of the conversion. We have not determined whether we will implement a new stock-based incentive plan earlier than 12 months after completion of the conversion or more than 12 months after the completion of the conversion.
(6) As of June 30, 2012, options to purchase 3,249,333 of these shares, or 2,106,400 shares prior to adjustment for the exchange, have been awarded, and options to purchase 1,911,713 of these shares, or 1,239,280 shares prior to adjustment for the exchange, have vested.
(7) The weighted-average fair value of stock options to be granted has been estimated at $1.76 per option, using the Black-Scholes option pricing model. The fair value of stock options uses the Black-Scholes option pricing model with the following assumptions: exercise price, $10.00; trading price on date of grant, $10.00; dividend yield, 2.4%; expected term, 10 years; expected volatility, 20.4%; and risk-free rate of return, 1.67%. The actual value of option grants will be determined by the grant-date fair value of the options, which will depend on a number of factors, including the valuation assumptions used in the option pricing model ultimately adopted.

Tax Consequences

Northfield Bancorp, MHC, Northfield-Federal, Northfield Bank and Northfield-Delaware have received an opinion of counsel, Luse Gorman Pomerenk & Schick, P.C., regarding the material federal income tax consequences of the conversion, and have received opinions of Crowe Horwath LLP regarding the material New York and New Jersey state tax consequences of the conversion. As a general matter, the conversion will not be a taxable transaction for purposes of federal or state income taxes to Northfield Bancorp, MHC, Northfield-Federal (except for cash paid for fractional shares), Northfield Bank, Northfield-Delaware, persons eligible to subscribe in the subscription offering, or existing stockholders of Northfield-Federal. Existing stockholders of Northfield-Federal who receive cash in lieu of fractional shares of Northfield-Delaware will recognize a gain or loss equal to the difference between the cash received and the tax basis of the fractional share.

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How You Can Obtain Additional Information Stock Information Center

Our banking personnel may not, by law, assist with investment-related questions about the offering. If you have any questions regarding the conversion or offering, please call our Stock Information Center. The toll-free telephone number is [stock center phone #]. The Stock Information Center is open Monday through Friday between 10:00 a.m. and 4:00 p.m., Eastern Time. The Stock Information Center will be closed on weekends and bank holidays.

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RISK FACTORS

You should consider carefully the following risk factors in evaluating an investment in the shares of common stock.

Risks Related to Our Business

Our concentration in multifamily loans and commercial real estate loans could expose us to increased lending risks and related loan losses.

Our current business strategy is to continue to emphasize multifamily loans and to a lesser extent commercial real estate loans. At June 30, 2012, $849.5 million, or 85.7% of our originated total loan portfolio held-for-investment, consisted of multifamily and commercial real estate loans. In addition, in October 2011, we acquired $41.9 million of commercial real estate purchased-credit impaired loans with an estimated fair value of $33.4 million at the acquisition date.

These types of loans generally expose a lender to greater risk of non-payment and loss than one- to four-family residential mortgage loans because repayment of the loans often depends on the successful operation of the properties and the income stream of the borrowers. Such loans typically involve larger loan balances to single borrowers or groups of related borrowers compared to one- to four-family residential mortgage loans. Also, many of our borrowers have more than one of these types of loans outstanding. 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 real estate loan.

In addition, if loans that are collateralized by real estate become troubled and the value of the real estate has been significantly impaired, then we may not be able to recover the full contractual amount of principal and interest that we anticipated at the time we originated the loan, which could cause us to increase our provision for loan losses and adversely affect our operating results and financial condition.

A significant portion of our loan portfolio is unseasoned. It is difficult to judge the future performance of unseasoned loans.

Our net loan portfolio has grown to $1.05 billion at June 30, 2012, from $418.7 million at December 31, 2007. A large portion of this increase is due to increases in multifamily real estate loans. It is difficult to assess the future performance of these recently originated loans because our relatively limited experience in multifamily lending does not provide us with a significant payment history from which to judge future collectability, especially in this period of difficult economic conditions. These loans may experience higher delinquency or charge-off levels than our historical loan portfolio experience, which could adversely affect our future performance.

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

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, as well as the experience of other similarly situated institutions, and we evaluate other factors including, among other things, current economic conditions. If our assumptions are incorrect, or if delinquencies do not continue to improve or non-accrual and non-performing loans increase, our allowance for loan losses may not be sufficient to cover losses inherent in our loan portfolio, which would require additions to our allowance. Material additions to our allowance would materially decrease our net income.

In addition, bank regulators periodically review our allowance for loan losses and, based on information available to them at the time of their review, may require us to increase our allowance for loan losses or recognize further loan charge-offs. An increase in our allowance for loan losses or loan charge-offs as required by these regulatory authorities may have a material adverse effect on our financial condition and results of operations.

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Because most of our borrowers are located in the New York metropolitan area, a prolonged downturn in the local economy, or a decline in local real estate values, could cause an increase in nonperforming loans or a decrease in loan demand, which would reduce our profits.

Substantially all of our loans are secured by real estate located in our primary market areas. Continued weakness in our local economy and our local real estate markets could adversely affect the ability of our borrowers to repay their loans and the value of the collateral securing our loans, which could adversely affect our results of operations. Real estate values are affected by various factors, including supply and demand, changes in general or regional economic conditions, interest rates, governmental rules or policies, natural disasters, and the threat of terrorist attacks. Continued negative economic conditions also could result in reduced loan demand and a decline in loan originations. In particular, a significant decline in real estate values would likely lead to a decrease in new multifamily, commercial real estate, and home equity loan originations and increased delinquencies and defaults in our real estate loan portfolio.

Strong competition within our market areas may limit our growth and profitability.

Competition in the banking and financial services industry is intense. In our market areas, we compete with commercial banks, savings institutions, mortgage brokerage firms, credit unions, finance companies, mutual funds, money market funds, insurance companies, and brokerage and investment banking firms operating locally and elsewhere. Some of our competitors have greater name recognition and market presence and offer certain services that we do not or cannot provide, all of which benefit them in attracting business. In addition, larger competitors may be able to price loans and deposits more aggressively than we do.

In addition, the recent crises in the financial services industry have resulted in a number of financial services companies such as investment banks and automobile and real estate finance companies electing to become bank holding companies. These financial services companies traditionally have generated funds from sources other than insured bank deposits. Many of the alternative funding sources traditionally utilized by these companies are no longer available. This has resulted in these companies relying more on insured bank deposits to fund their operations, which has increased competition for deposits and the related costs of such deposits. Our profitability depends on our continued ability to compete successfully in our market areas. For additional information, see Business of Northfield-Federal and Northfield Bank Market Area and Competition.

We have been negatively affected by current market and economic conditions. A continuation or worsening of these conditions could adversely affect our operations, financial condition, and earnings.

The severe economic recession of 2008 and 2009 and the weak economic recovery since then have resulted in continued uncertainty in the financial markets and the expectation of weak general economic conditions, including high levels of unemployment. The resulting economic pressure on consumers and businesses has adversely affected our business, financial condition, and results of operations. The credit quality of loan and investment securities portfolios has deteriorated at many financial institutions and the values of real estate collateral supporting many commercial loans and home mortgages have declined and may continue to decline. Some of our commercial and multifamily real estate loan customers have experienced increases in vacancy rates and declines in rental rates for both multifamily and commercial properties. Financial companies stock prices have been negatively affected, as has the ability of banks and bank holding companies to raise capital or borrow in the debt markets. A continuation or worsening of these conditions could result in reduced loan demand and further increases in loan delinquencies, loan losses, loan loss provisions, costs associated with monitoring delinquent loans and disposing of foreclosed property, and otherwise negatively affect our operations, financial condition, and earnings.

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There are potential risks stemming from the loans we acquired in our Federal Deposit Insurance Corporation-assisted transaction.

The credit risk associated with the loans and other real estate owned we acquired in our Federal Deposit Insurance Corporation-assisted acquisition of First State Bank in October 2011 were substantially mitigated by the discount we received from the Federal Deposit Insurance Corporation; however, these assets are not without risk of loss. Although these acquired assets were initially accounted for at fair value, which reflects an estimate of expected credit losses related to these assets, we did not purchase the assets with loss share from the Federal Deposit Insurance Corporation. To the extent future cash flows are less than those estimated at time of acquisition, we will recognize impairment losses on the underlying loan pools. Fluctuations in national, regional and local economic conditions and other factors may increase the level of charge-offs on the loans we acquired in this transaction and correspondingly reduce our net income.

We could record future losses on our securities portfolio.

During the years ended December 31, 2011 and 2010, we recognized total other-than-temporary impairment on our securities portfolio of $1.2 million and $962,000, respectively, of which $409,000 and $154,000, respectively, were considered to be credit-related and, therefore, recorded as a loss through a reduction of non-interest income. A number of factors or combinations of factors could require us to conclude, in one or more future reporting periods, that an unrealized loss that exists with respect to our securities portfolio constitutes additional impairment that is other than temporary, which could result in material losses to us. These factors include, but are not limited to, a continued failure by an issuer to make scheduled interest payments, an increase in the severity of the unrealized loss on a particular security, an increase in the continuous duration of the unrealized loss without an improvement in value or changes in market conditions and/or industry or issuer specific factors that would render us unable to forecast a full recovery in value. In addition, the fair values of securities could decline if the overall economy and the financial condition of some of the issuers deteriorates and there remains limited liquidity for these securities.

Our inability to achieve profitability on new branches may negatively impact our earnings.

We currently intend to open four new branch offices by December 31, 2013, two in Brooklyn, New York, one in Staten Island, New York and one in Union, New Jersey. The profitability of these branches will depend on whether the income that we generate from the additional branches we establish will offset the increased expenses resulting from operating new branches. We expect that it may take a period of time before new branches can become profitable. During this period, operating new branches may negatively affect our operating results.

Changes in market interest rates could adversely affect our financial condition and results of operations.

Our financial condition and results of operations are significantly affected by changes in market interest rates. Our results of operations substantially depend on our net interest income, which is the difference between the interest income we earn on our interest-earning assets and the interest expense we pay on our interest-bearing liabilities. Our interest-bearing liabilities generally reprice or mature more quickly than our interest-earning assets. If rates increase rapidly, we may have to increase the rates we pay on our deposits and borrowed funds more quickly than any changes in interest rates earned on our loans and investments, resulting in a negative effect on interest spreads and net interest income. In addition, the effect of rising rates could be compounded if deposit customers move funds from savings accounts to higher rate certificate of deposit accounts. Conversely, should market interest rates fall below current levels, our net interest margin could also be negatively affected if competitive pressures keep us from further reducing rates on our deposits, while the yields on our assets decrease more rapidly through loan prepayments and interest rate adjustments.

We also are subject to reinvestment risk associated with changes in interest rates. Changes in interest rates may affect the average life of loans and mortgage-related securities. Decreases in interest rates often result in increased prepayments of loans and mortgage-related securities, as borrowers refinance their loans to reduce borrowings costs. Under these circumstances, we are subject to reinvestment risk to the extent we are unable to

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reinvest the cash received from such prepayments in loans or other investments that have interest rates that are comparable to the interest rates on existing loans and securities. Additionally, increases in interest rates may decrease loan demand and/or may make it more difficult for borrowers to repay adjustable rate loans. Changes in interest rates also affect the value of our interest earning assets and in particular our securities portfolio. Generally, the value of securities fluctuates inversely with changes in interest rates.

Changes in interest rates also affect the value of our interest earning assets and in particular our securities portfolio. Generally, the value of securities fluctuates inversely with changes in interest rates. At June 30, 2012, the fair value of our securities portfolio (excluding Federal Home Loan Bank of New York stock) totaled $1.23 billion.

At June 30, 2012, our simulation model indicated that our net portfolio value (the net present value of our interest-earning assets and interest-bearing liabilities) would decrease by 13.8% if there was an instantaneous parallel 200 basis point increase in market interest rates. See Management s Discussion and Analysis of Financial Condition and Results of Operations Management of Market Risk.

Historically low interest rates may adversely affect our net interest income and profitability.

The Federal Reserve Board has recently maintained interest rates at historically low levels through its targeted federal funds rate and the purchase of mortgage-backed securities. As a general matter, our interest-bearing liabilities reprice or mature more quickly than our interest-earning assets, which has resulted in increases in net interest income in the short term. Our ability to lower our interest expense is limited at these interest rate levels while the average yield on our interest-earning assets may continue to decrease. The Federal Reserve Board has indicated its intention to maintain low interest rates through late 2014. Accordingly, our net interest income (the difference between interest income earned on assets and interest expense paid on liabilities) may decrease, which may have an adverse affect on our profitability.

If our investment in the common stock of the Federal Home Loan Bank of New York is classified as other-than-temporarily impaired or as permanently impaired, earnings and stockholders equity could decrease.

We own stock of the Federal Home Loan Bank of New York, which is part of the Federal Home Loan Bank system. The Federal Home Loan Bank of New York common stock is held to qualify for membership in the Federal Home Loan Bank of New York and to be eligible to borrow funds under the Federal Home Loan Bank of New York s advance programs. The aggregate cost of our Federal Home Loan Bank of New York common stock as of June 30, 2012, was $**14.2** million based on its par value. There is no market for Federal Home Loan Bank of New York common stock.

Although the Federal Home Loan Bank of New York is not reporting current operating difficulties, it is possible that the capital of the Federal Home Loan Bank system, including the Federal Home Loan Bank of New York, could be substantially diminished. This could occur with respect to an individual Federal Home Loan Bank due to the requirement that each Federal Home Loan Bank is jointly and severally liable along with the other Federal Home Loan Banks for the consolidated obligations issued through the Office of Finance, a joint office of the Federal Home Loan Banks, or due to the merger of a Federal Home Loan Bank experiencing operating difficulties into a stronger Federal Home Loan Bank. Consequently, there continues to be a risk that our investment in Federal Home Loan Bank of New York common stock could be deemed other-than-temporarily impaired at some time in the future, and if this occurs, it would cause our earnings and stockholders equity to decrease by the impairment charge.

The expiration of unlimited Federal Deposit Insurance Corporation insurance on certain non-interest-bearing transaction accounts may increase our costs and reduce our liquidity levels.

On December 31, 2012, unlimited Federal Deposit Insurance Corporation insurance on certain non-interest-bearing transaction accounts is scheduled to expire. Unlimited insurance coverage does not apply to money market deposit accounts or negotiable order of withdrawal accounts. The reduction in Federal Deposit Insurance Corporation insurance on other types of accounts to the standard $250,000 maximum amount may cause depositors to place such funds in fully insured interest-bearing accounts, which would increase our costs of funds and negatively affect our results of operations, or may cause depositors to withdraw their deposits and invest uninsured funds in investments perceived as being more secure, such as securities issued by the United States Treasury. This may reduce our liquidity, or require us to pay higher interest rates to maintain our liquidity by retaining deposits.

Further downgrades in the U.S. government s sovereign credit rating, and in the credit ratings of instruments issued, insured or guaranteed by certain related institutions, agencies and instrumentalities, could result in risks to us and the general economy that we are not able to predict.

On August 5, 2011, Standard & Poor s downgraded the United States long-term debt rating from its AAA rating to AA+. On August 8, 2011, Standard & Poor s downgraded the credit ratings of certain long-term debt instruments issued by Fannie Mae and Freddie Mac and other U.S. government agencies linked to long-term U.S. debt. Instruments of this nature are key assets on the balance sheets of financial institutions, including Northfield Bank. These downgrades could adversely affect the market value of such instruments, and could adversely impact our ability to obtain funding that is collateralized by affected instruments, as well as affecting the pricing of that funding when it is available. We cannot predict if, when or how these changes to the credit ratings will affect economic conditions. These ratings downgrades could result in a significant adverse impact to us, and could exacerbate the other risks to which we are subject.

Changes in our accounting policies or in accounting standards could materially affect how we report our financial condition and results of operations.

Our accounting policies are essential to understanding our financial results and condition. Some of these policies require the use of estimates and assumptions that may affect the value of our assets or liabilities and financial results. Some of our accounting policies are critical because they require management to make difficult, subjective, and complex judgments about matters that are inherently uncertain and because it is likely that materially different amounts would be reported under different conditions or using different assumptions. If such estimates or assumptions underlying our financial statements are incorrect, we may experience material losses.

From time to time, the Financial Accounting Standards Board and the Securities and Exchange Commission change the financial accounting and reporting standards or the interpretation of those standards that govern the preparation of our financial statements. These changes are beyond our control, can be hard to predict and could materially impact how we report our results of operations and financial condition. We could also be required to apply a new or revised standard retroactively, resulting in our restating prior period financial statements in material amounts.

The need to account for certain assets at estimated fair value may adversely affect our results of operations.

We report certain assets, including securities, at estimated fair value. Generally, for assets that are reported at fair value, we use quoted market prices or valuation models that utilize observable market inputs to estimate fair value. Because we carry these assets on our books at their estimated fair value, we may incur losses even if the asset in question presents minimal credit risk. Elevated delinquencies, defaults, and estimated losses from the disposition of collateral in our private-label mortgage-backed securities portfolio may require us to recognize additional other-than-temporary impairments in future periods with respect to our securities portfolio. The amount and timing of any impairment recognized will depend on the severity and duration of the decline in the estimated fair value of the securities and our estimation of the anticipated recovery period.

We hold certain intangible assets that could be classified as impaired in the future. If these assets are considered to be either partially or fully impaired in the future, our earnings and the book values of these assets would decrease.

We are required to test our goodwill for impairment on a periodic basis. The impairment testing process considers a variety of factors, including the current market price of our common shares, the estimated net present value of our assets and liabilities and information concerning the terminal valuation of similarly situated insured depository institutions. It is possible that future impairment testing could result in a partial or full impairment of the value of our goodwill. If an impairment determination is made in a future reporting period, our earnings and the book value of goodwill will be reduced by the amount of the impairment.

Because the nature of the financial services business involves a high volume of transactions, we face significant operational risks.

We operate in diverse markets and rely on the ability of our employees and systems to process a high number of transactions. Operational risk is the risk of loss resulting from our operations, including but not limited to, the risk of fraud by employees or persons outside our company, the execution of unauthorized transactions by employees, errors relating to transaction processing and technology, breaches of the internal control system and compliance requirements, and business continuation and disaster recovery. Insurance coverage may not be available for such losses, or where available, such losses may exceed insurance limits. This risk of loss also includes the potential legal actions that could arise as a result of an operational deficiency or as a result of noncompliance with applicable regulatory standards, adverse business decisions or their implementation, and customer attrition due to potential negative publicity. In the event of a breakdown in the internal control system, improper operation of systems or improper employee actions, we could suffer financial loss, face regulatory action, and suffer damage to our reputation.

We are required to maintain a significant percentage of our total assets in residential mortgage loans and investments secured by residential mortgage loans, which restricts our ability to diversify our loan portfolio.

A federal savings bank differs from a commercial bank in that it is required to maintain at least 65% of its total assets in qualified thrift investments which generally include loans and investments for the purchase, refinance, construction, improvement, or repair of residential real estate, as well as home equity loans, education loans and small business loans. To maintain our federal savings bank charter we have to be a qualified thrift lender or QTL in nine out of each 12 immediately preceding months. The QTL requirement limits the extent to which we can grow our commercial loan portfolio, and failing the QTL test can result in an enforcement action. However, a loan that does not exceed $2 million (including a group of loans to one borrower) that is for commercial, corporate, business, or agricultural purposes is included in our qualified thrift investments. As of June 30, 2012, we maintained 84.1% of our portfolio assets in qualified thrift investments. Because of the QTL requirement, we may be limited in our ability to change our asset mix and increase the yield on our earning assets by growing our commercial loan portfolio.

In addition, if we continue to grow our commercial real estate loan portfolio and our residential mortgage loan portfolio decreases, it is possible that in order to maintain our QTL status, we could be forced to buy mortgage-backed securities or other qualifying assets at times when the terms of such investments may not be attractive. Alternatively, we may find it necessary to pursue different structures, including converting Northfield Bank s savings bank charter to a commercial bank charter.

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, deposits, and loans. We have established policies and procedures to prevent or limit the impact of system failures, interruptions, and security breaches, 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 rely on security systems to provide security and authentication necessary to effect the secure transmission of data, these precautions may not protect our systems from compromises or breaches of 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.

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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.

We are subject to extensive regulatory oversight.

We are subject to extensive supervision, regulation, and examination by the Office of the Comptroller of the Currency, the Federal Reserve Board and the Federal Deposit Insurance Corporation. As a result, we are limited in the manner in which we conduct our business, undertake new investments and activities, and obtain financing. This regulatory structure is designed primarily for the protection of the Deposit Insurance Fund and our depositors, and not to benefit our stockholders. This regulatory structure also gives the regulatory authorities extensive discretion in connection with their supervisory and enforcement actions and examination policies, including policies with respect to capital levels, the timing and amount of dividend payments, the classification of assets, the establishment of adequate loan loss reserves for regulatory purposes and the timing and amounts of assessments and fees.

In addition, we must comply with significant anti-money laundering and anti-terrorism laws and regulations, Community Reinvestment Act laws and regulations, and fair lending laws and regulations. Government agencies have the authority to impose monetary penalties and other sanctions on institutions that fail to comply with these laws and regulations, which could significantly affect our business activities, including our ability to acquire other financial institutions or expand our branch network.

Legislative or regulatory responses to perceived financial and market problems could impair our rights against borrowers.

Federal, state and local laws and policies could reduce the amount distressed borrowers are otherwise contractually obligated to pay under their mortgage loans, and may limit the ability of lenders to foreclose on mortgage collateral. Restrictions on Northfield Bank s rights as creditor could result in increased credit losses on our loans and mortgage-backed securities, or increased expense in pursuing our remedies as a creditor.

Changes in the structure of Fannie Mae and Freddie Mac (GSEs) and the relationship among the GSEs, the federal government and the private markets, or the conversion of the current conservatorship of the GSEs into receivership, could result in significant changes to our securities portfolio.

The GSEs are currently in conservatorship, with its primary regulator, the Federal Housing Finance Agency, acting as conservator. We cannot predict if, when or how the conservatorships will end, or any associated changes to the GSEs business structure that could result. We also cannot predict whether the conservatorships will end in receivership. There are several proposed approaches to reform the GSEs which, if enacted, could change the structure of the GSEs and the relationship among the GSEs, the government and the private markets, including the trading markets for agency conforming mortgage loans and markets for mortgage-related securities in which we participate. We cannot predict the prospects for the enactment, timing or content of legislative or rulemaking proposals regarding the future status of the GSEs. Accordingly, there continues to be uncertainty regarding the future of the GSEs, including whether they will continue to exist in their current form. GSE reform, if enacted, could result in a significant change and adversely impact our business operations.

Financial reform legislation has, among other things, eliminated the Office of Thrift Supervision, tightened capital standards and created a new Consumer Financial Protection Bureau, and will result in new laws and regulations that are expected to increase our costs of operations.

The Dodd-Frank Act requires various federal agencies to adopt a broad range of new implementing rules and regulations, and to prepare numerous studies and reports for Congress. The federal agencies are given significant discretion in drafting the implementing rules and regulations, and consequently, many of the details and much of the impact of the Dodd-Frank Act may not be known for many months or years.

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Among other things, as a result of the Dodd-Frank Act:

- the Office of the Comptroller of the Currency became the primary federal regulator for federal savings associations such as Northfield Bank (replacing the Office of Thrift Supervision), and the Federal Reserve Board now supervises and regulates all savings and loan holding companies that were formerly regulated by the Office of Thrift Supervision, including Northfield-Federal and Northfield Bancorp, MHC;

- effective July 21, 2011, the federal prohibition on paying interest on demand deposits has been eliminated, thus allowing businesses to have interest bearing checking accounts. Depending on competitive responses, this significant change could have an adverse effect on our interest expense;

- the Federal Reserve Board is required to set minimum capital levels for depository institution holding companies that are as stringent as those required for the insured depository subsidiaries, and the components of Tier 1 capital are required to be restricted to capital instruments that are currently considered to be Tier 1 capital for insured depository institutions. There is a five-year transition period (from the July 21, 2010 effective date of the Dodd-Frank Act) before the capital requirements will apply to savings and loan holding companies;

- the federal banking regulators are required to implement new leverage and capital requirements that take into account off-balance sheet activities and other risks, including risks relating to securitized products and derivatives;

- a new Consumer Financial Protection Bureau has been established, which has broad 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 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, like Northfield Bank, will be examined by their applicable bank regulators; and

- federal preemption rules that have been applicable for national banks and federal savings banks have been weakened, and state attorneys general have the ability to enforce federal consumer protection laws.

In addition to the risks noted above, we expect that our operating and compliance costs, and possibly our interest expense, could increase as a result of the Dodd-Frank Act and the implementing rules and regulations. The need to comply with additional rules and regulations, as well as state laws and regulations to which we were not previously subject, will also divert management s time from managing the remainder of our operations. Higher capital levels could require us to maintain higher levels of assets that earn less interest and dividend income.

The value of our deferred tax asset could be reduced if corporate tax rates in the U.S. are decreased.

There have been recent discussions in Congress and by the executive branch regarding potentially decreasing the U.S. corporate tax rate. While we may benefit in some respects from any decreases in these corporate tax rates, any reduction in the U.S. corporate tax rate would result in a decrease to the value of our net deferred tax asset, which could negatively affect our financial condition and results of operations.

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Our financial condition and results of operations could be negatively affected if we fail to grow or fail to manage our growth effectively.

Our business strategy includes growth plans. Our prospects must be considered carefully in light of risks, expenses and difficulties frequently encountered by companies in significant growth strategies. We may not be able to expand our market presence in our existing markets, and any such expansion, including the costs associated with *de novo* branching or acquisitions, may adversely affect our results of operations. Failure to effectively grow could have a material adverse effect on our business, future prospects, financial condition, or results of operations and could adversely affect our ability to successfully implement our business strategy. In addition, if we grow more slowly than anticipated, our operating results could be adversely affected.

Our ability to grow successfully will depend on a variety of factors including the continued availability of desirable business opportunities, the competitive responses from other financial institutions in our market areas and our ability to manage our growth.

Our risk management framework may not be effective in mitigating risk and reducing the potential for significant losses.

Our risk management framework is designed to minimize risk and loss to us. We seek to identify, measure, monitor, report and control our exposure to the types of risk to which we are subject, including strategic, market, liquidity, compliance and operational risks, among others. While we employ a broad and diversified set of risk monitoring and mitigation techniques, those techniques are inherently limited because they cannot anticipate the existence or future development of currently unanticipated or unknown risks. Recent economic conditions, heightened legislative and regulatory scrutiny of the financial services industry, among other developments, have resulted in a heightened level of risk for us. Accordingly, we could suffer losses as a result of our failure to properly anticipate and manage these risks.

Acquisitions may disrupt our business and dilute stockholder value.

In October 2011, Northfield Bank assumed all of the deposits and acquired substantially all of the assets of First State Bank, a New Jersey chartered bank, from the Federal Deposit Insurance Corporation as receiver for First State Bank. In addition, in March 2012, we entered into an agreement to acquire Flatbush Federal Bancorp, Inc. and Flatbush Federal Savings & Loan Association. We regularly evaluate merger and acquisition opportunities and conduct due diligence activities related to possible transactions with other financial institutions and financial services companies. As a result, negotiations may take place and future mergers or acquisitions involving cash, debt, or equity securities may occur at any time. We seek acquisition partners that offer us either significant market presence or the potential to expand our market footprint and improve profitability through economies of scale or expanded services.

Acquiring other banks, businesses, or branches may have an adverse impact on our financial results and may involve various other risks commonly associated with acquisitions, including, among other things:

- difficulty in estimating the value of the target company;
- payment of a premium over book and market values that may dilute our tangible book value and earnings per share in the short and long term;
- potential exposure to unknown or contingent liabilities of the target company;
- exposure to potential asset quality problems of the target company;
- potential volatility in reported income associated with goodwill impairment losses;
- difficulty and expense of integrating the operations and personnel of the target company;

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inability to realize the expected revenue increases, cost savings, increases in geographic or product presence, and/or other projected benefits;

potential disruption to our business;

potential diversion of our management s time and attention;

the possible loss of key employees and customers of the target company; and

potential changes in banking or tax laws or regulations that may affect the target company.

Risks Related to the Offering

The future price of the shares of common stock may be less than the $10.00 purchase price per share in the offering.

If you purchase shares of common stock in the offering, you may not be able to sell them later at or above the $10.00 purchase price in the offering. In several recent cases, shares of common stock issued by newly converted savings institutions or mutual holding companies have traded below the initial offering price. The aggregate purchase price of the shares of common stock sold in the offering will be based on an independent appraisal. The independent appraisal is not intended, and should not be construed, as a recommendation of any kind as to the advisability of purchasing shares of common stock. The independent appraisal is based on certain estimates, assumptions and projections, all of which are subject to change from time to time. After the shares begin trading, the trading price of our common stock will be determined by the marketplace, and may be influenced by many factors, including prevailing interest rates, the overall performance of the economy, investor perceptions of Northfield-Delaware and the outlook for the financial services industry in general. Price fluctuations may be unrelated to the operating performance of particular companies.

Our failure to effectively deploy the net proceeds may have an adverse effect on our financial performance.

We intend to invest between $137.2 million and $186.1 million of the net proceeds of the offering in Northfield Bank. We may use the remaining net proceeds to invest in short-term investments, repurchase shares of common stock, pay dividends or for other general corporate purposes. We also expect to use a portion of the net proceeds we retain to fund a loan for the purchase of shares of common stock in the offering by the employee stock ownership plan. Northfield Bank may use the net proceeds it receives to fund new loans, expand its retail banking franchise by acquiring new branches or by acquiring other financial institutions or other financial services companies, or for other general corporate purposes. However, with the exception of the loan to the employee stock ownership plan, we have not allocated specific amounts of the net proceeds for any of these purposes, and we will have significant flexibility in determining the amount of the net proceeds we apply to different uses and the timing of such applications. Also, certain of these uses, such as opening new branches or acquiring other financial institutions, may require the approval of the Office of the Comptroller of the Currency and the Federal Reserve Board. We have not established a timetable for reinvesting the net proceeds, and we cannot predict how long we will require to reinvest the net proceeds. Our failure to utilize these funds effectively would reduce our profitability and may adversely affect the value of our common stock.

Our return on equity will be low following the stock offering. This could negatively affect the trading price of our shares of common stock.

Net income divided by average equity, known as return on equity, is a ratio many investors use to compare the performance of a financial institution to its peers. Following the stock offering, we expect our consolidated equity to be between $660.8 million at the minimum of the offering range and $750.3 million at the maximum of the offering range. Based upon our annualized income for the six months ended June 30, 2012, and these pro forma equity levels, our return on equity would be 2.69% and 2.37% at the minimum and maximum of the offering range, respectively. We expect our return on equity to remain low until we are able to leverage the additional capital we receive from the stock offering. Although we will be able to increase net interest income using proceeds of the stock offering, our return on equity will be negatively affected by added expenses associated with our employee stock ownership plan and the stock-based benefit plan we intend to adopt. Until we can increase our net interest income and non-interest income and leverage the capital raised in the stock offering, we expect our return on equity to remain low, which may reduce the market price of our shares of common stock.

Our stock-based benefit plans will increase our expenses and reduce our income.

We intend to adopt one or more new stock-based benefit plans after the conversion, subject to stockholder approval, which will increase our annual compensation and benefit expenses related to the stock options and stock awards granted to participants under our stock-based benefit plan. The actual amount of these new stock-related compensation and benefit expenses will depend on the number of options and stock awards actually granted under the plan, the fair market value of our stock or options on the date of grant, the vesting period and other factors which we cannot predict at this time. In the event we adopt the plan within 12 months following the conversion, under current regulatory policy the total shares of common stock reserved for issuance pursuant to awards of restricted stock and grants of options under our existing and proposed stock-based benefit plans will be limited to 4% and 10%, respectively, of the total shares of our common stock outstanding. If we award restricted shares of common stock or grant options in excess of these amounts under stock-based benefit plans adopted more than 12 months after the completion of the conversion, our costs would increase further.

In addition, we will recognize expense for our employee stock ownership plan when shares are committed to be released to participants accounts, and we will recognize expense for restricted stock awards and stock options over the vesting period of awards made to recipients. The expense in the first year following the offering for shares purchased in the offering has been estimated to be approximately $5.0 million ($3.4 million after tax) at the maximum of the offering range as set forth in the pro forma financial information under Pro Forma Data, assuming the $10.00 per share purchase price as fair market value. Actual expenses, however, may be higher or lower, depending on the price of our common stock. For further discussion of our proposed stock-based plans, see Management Benefits to be Considered Following Completion of the Conversion.

The implementation of stock-based benefit plans may dilute your ownership interest. Historically, stockholders have approved these stock-based benefit plans.

We intend to adopt one or more new stock-based benefit plans following the stock offering. These plans may be funded either through open market purchases or from the issuance of authorized but unissued shares of common stock. Our ability to repurchase shares of common stock to fund these plans will be subject to many factors, including, but not limited to, applicable regulatory restrictions on stock repurchases, the availability of stock in the market, the trading price of the stock, our capital levels, alternative uses for our capital and our financial performance. While our intention is to fund the new stock-based benefit plan through open market purchases, stockholders would experience a 7.88% dilution in ownership interest at the maximum of the offering range in the event newly issued shares of our common stock are used to fund stock options and shares of restricted common stock in an amount equal to up to 10% and 4%, respectively, of the shares sold in the offering. In the event we adopt the plan within 12 months following the conversion, under current regulatory policy the total shares of common stock reserved for issuance pursuant to awards of restricted stock and grants of options under our existing and proposed stock-based benefit plans would be limited to 4% and 10%, respectively, of the total shares of our common stock outstanding. In the event we adopt the plan more than 12 months following the conversion, the plan would not be subject to these limitations and stockholders could experience greater levels of dilution.

Although the implementation of the stock-based benefit plan will be subject to stockholder approval, historically, the overwhelming majority of stock-based benefit plans adopted by savings institutions and their holding companies following mutual-to-stock conversions have been approved by stockholders.

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We have not determined when we will adopt one or more new stock-based benefit plans. Stock-based benefit plans adopted more than 12 months following the completion of the conversion may exceed regulatory restrictions on the size of stock-based benefit plans adopted within 12 months, which would further increase our costs.

If we adopt stock-based benefit plans more than 12 months following the completion of the conversion, then grants of shares of common stock or stock options under our existing and proposed stock-based benefit plans may exceed 4% and 10%, respectively, of our total outstanding shares. Stock-based benefit plans that provide for awards in excess of these amounts would increase our costs beyond the amounts estimated in Our stock-based benefit plans would increase our expenses and reduce our income. Stock-based benefit plans that provide for awards in excess of these amounts could also result in dilution to stockholders in excess of that described in The implementation of stock-based benefit plans may dilute your ownership interest. Historically, stockholders have approved these stock-based benefit plans. Although the implementation of stock-based benefit plans would be subject to stockholder approval, the determination as to the timing of the implementation of such plans will be at the discretion of our board of directors.

Various factors may make takeover attempts more difficult to achieve.

Our board of directors has no current intention to sell control of Northfield-Delaware. Provisions of our certificate of incorporation and bylaws, federal regulations, Northfield Bank s charter, Delaware law, shares of restricted stock and stock options that we have granted or may grant to employees and directors, stock ownership by our management and directors and employment agreements that we have entered into with our executive officers, and various other factors may make it more difficult for companies or persons to acquire control of Northfield-Delaware without the consent of our board of directors. You may want a takeover attempt to succeed because, for example, a potential acquiror could offer a premium over the then prevailing price of our common stock. For additional information, see Restrictions on Acquisition of Northfield-Delaware, Management Employment Agreements, Potential Payments to Named Executive Officers and Benefits to be Considered Following Completion of the Conversion.

We may not pay dividends on our shares of common stock, and we may not receive regulatory approval to pay a special dividend following the completion of the conversion.

Northfield-Federal ceased paying dividends on its common stock after March 31, 2012. Although Northfield-Delaware intends to pay a quarterly cash dividend to its stockholders, stockholders are not entitled to receive dividends. Furthermore, the payment of a one-time, special dividend to all Northfield-Delaware stockholders is subject to regulatory approval. We may not receive such regulatory approval, either promptly following the completion of the conversion or at all, or we may receive only regulatory approval to pay a smaller special dividend than we currently intend. See Our Dividend Policy for additional information.

There may be a decrease in stockholders rights for existing stockholders of Northfield-Federal.

As a result of the conversion, existing stockholders of Northfield-Federal will become stockholders of Northfield-Delaware. In addition to the provisions discussed above that may discourage takeover attempts that may be favored by stockholders, some rights of stockholders of Northfield-Delaware will be reduced compared to the rights stockholders currently have in Northfield-Federal. The reduction in stockholder rights results from differences between the federal and Delaware chartering documents and bylaws, and from distinctions between federal and Delaware law. Many of the differences in stockholder rights under the certificate of incorporation and bylaws of Northfield-Delaware are not mandated by Delaware law but have been chosen by management as being in the best interests of Northfield-Delaware and its stockholders. The certificate of incorporation and bylaws of Northfield-Delaware include the following provisions: (i) greater lead time required for stockholders to submit proposals for new business or to nominate directors; and (ii) approval by at least 80% of the outstanding shares of capital stock entitled to vote generally is required to amend the bylaws and certain provisions of the certificate of incorporation. See Comparison of Stockholders Rights For Existing Stockholders of Northfield Bancorp, Inc. for a discussion of these differences.

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You may not revoke your decision to purchase Northfield-Delaware common stock in the subscription or community offerings after you send us your order.

Funds submitted or automatic withdrawals authorized in connection with a purchase of shares of common stock in the subscription and community offerings will be held by us until the completion or termination of the conversion and offering, including any extension of the expiration date and consummation of a syndicated offering. Because completion of the conversion and offering will be subject to regulatory approvals and an update of the independent appraisal prepared by RP Financial, LC., among other factors, there may be one or more delays in the completion of the conversion and offering. Orders submitted in the subscription and community offerings are irrevocable, and purchasers will have no access to their funds unless the offering is terminated, or extended beyond [extension deadline], or the number of shares to be sold in the offering is increased to more than 39,100,000 shares or decreased to fewer than 28,900,000 shares.

The distribution of subscription rights could have adverse income tax consequences.

If the subscription rights granted to certain current or former depositors of Northfield Bank or depositors of the former First State Bank or Flatbush Federal Savings & Loan Association are deemed to have an ascertainable value, receipt of such rights may be taxable in an amount equal to such value. Whether subscription rights are considered to have ascertainable value is an inherently factual determination. We have received an opinion of counsel, Luse Gorman Pomerenk & Schick, P.C., that it is more likely than not that such rights have no value; however, such opinion is not binding on the Internal Revenue Service.

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SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables set forth selected consolidated historical financial and other data of Northfield-Federal and its subsidiaries for the years and at the dates indicated. The following is only a summary and you should read it in conjunction with the consolidated financial statements beginning on page F-1 of this prospectus. The information at December 31, 2011 and 2010, and for the years ended December 31, 2011, 2010, and 2009 is derived in part from the audited consolidated financial statements that appear in this prospectus. The information at December 31, 2009, 2008 and 2007 and for the years ended December 31, 2008 and 2007, is derived in part from audited consolidated financial statements that do not appear in this prospectus. The information at June 30, 2012 and for the six months ended June 30, 2012 and 2011, is unaudited and reflects only normal recurring adjustments that are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. The results of operations for the six months ended June 30, 2012, are not necessarily indicative of the results to be achieved for all of 2012.

	At June 30, 2012	At December 31, 2011	2010	2009	2008	2007
			(In thousands)			
Selected Financial Condition Data:						
Total assets	$ 2,463,922	$ 2,376,918	$ 2,247,167	$ 2,002,274	$ 1,757,761	$ 1,386,918
Trading securities	4,490	4,146	4,095	3,403	2,498	3,605
Securities available-for-sale, at estimated market value	1,221,219	1,098,725	1,244,313	1,131,803	957,585	802,417
Securities held-to-maturity	2,832	3,617	5,060	6,740	14,479	19,686
Loans held-for-sale (1)	355	3,900	1,170			270
Loans held-for-investment:						
Purchased credit-impaired (PCI) loans	82,111	88,522				
Originated loans, net	990,837	985,945	827,591	729,269	589,984	424,329
Loans held-for-investment, net	1,072,948	1,074,467	827,591	729,269	589,984	424,329
Allowance for loan losses	(27,042)	(26,836)	(21,819)	(15,414)	(8,778)	(5,636)
Net loans held-for-investment	1,045,906	1,047,631	805,772	713,855	581,206	418,693
Other real estate owned	2,139	3,359	171	1,938	1,071	
Deposits	1,543,181	1,493,526	1,372,842	1,316,885	1,024,439	877,225
Borrowed funds	513,571	481,934	391,237	279,424	332,084	124,420
Total stockholders equity	388,892	382,650	396,717	391,540	386,578	367,340

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	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011	Year Ended December 31, 2011	2010	2009	2008	2007
				(In thousands)			
Selected Operating Data:							
Interest income	$ 45,499	$ 44,436	$ 91,017	$ 86,495	$ 85,568	$ 75,049	$ 65,702
Interest expense	11,561	12,836	25,413	24,406	28,977	28,256	28,836
Net interest income before provision for loan losses	33,938	31,600	65,604	62,089	56,591	46,793	36,866
Provision for loan losses	1,159	3,117	12,589	10,084	9,038	5,082	1,442
Net interest income after provision for loan losses	32,779	28,483	53,015	52,005	47,553	41,711	35,424
Non-interest income (2)	5,405	5,299	11,835	6,842	5,393	6,153	9,478
Non-interest expense	24,443	19,537	41,530	38,684	34,254	24,852	35,950
Income before income taxes	13,741	14,245	23,320	20,163	18,692	23,012	8,952
Income tax expense (benefit)	4,845	4,928	6,497	6,370	6,618	7,181	(1,555)
Net income	$ 8,896	$ 9,317	$ 16,823	$ 13,793	$ 12,074	$ 15,831	$ 10,507
Net income (loss) per common share basic and diluted (3)	$ 0.23	$ 0.23	$ 0.42	$ 0.33	$ 0.28	$ 0.37	$ (0.03)
Weighted average basic shares outstanding (3)	38,579,475	40,848,467	40,068,991	41,387,106	42,405,774	43,133,856	43,076,586
Weighted average diluted shares outstanding	39,053,118	41,260,033	40,515,245	41,669,006	42,532,568		

(footnotes begin on following page)

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	At or For the Six Months Ended June 30, (13)		At or For the Years Ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
Selected Financial Ratios and Other Data:							
Performance Ratios:							
Return on assets (ratio of net income to average total assets) (4)	0.75%	0.82%	0.72%	0.65%	0.64%	1.01%	0.78%
Return on equity (ratio of net income to average equity) (4)	4.64	4.74	4.27	3.46	3.09	4.22	5.27
Interest rate spread (5)	2.79	2.70	2.75	2.78	2.66	2.37	2.34
Net interest margin (6)	3.03	2.96	3.01	3.10	3.16	3.13	2.87
Dividend payout ratio (7)	19.29	19.81	22.00	23.98	24.54	4.66	
Efficiency ratio (4)(8)	62.13	52.95	53.63	56.12	55.26	46.94	77.57
Non-interest expense to average total assets (4)	2.05	1.72	1.79	1.82	1.82	1.58	2.66
Average interest-earning assets to average interest-bearing liabilities	122.85	121.92	122.23	125.52	130.44	136.94	123.33
Average equity to average total assets	16.07	17.35	16.95	18.81	20.82	23.84	14.73
Asset Quality Ratios:							
Non-performing assets to total assets	1.50	2.52	1.99	2.72	2.19	0.61	0.71
Non-performing loans to total loans	3.24	6.43	4.07	7.36	5.73	1.63	2.32
Non-performing loans to originated loans (9)	3.51	6.43	4.43	7.36	5.73	1.63	2.32
Allowance for loan losses to non-performing loans held-for-investment (10)	77.90	40.54	66.40	35.83	36.86	91.07	57.31
Allowance for loan losses to total loans held-for-investment, net (11)	2.52	2.61	2.50	2.64	2.11	1.49	1.33
Allowance for loan losses to originated loans held-for-investment, net (9)	2.73	2.61	2.72	2.64	2.11	1.49	1.33
Capital Ratios:							
Total capital (to risk-weighted assets) (12)	22.50	27.51	24.71	27.39	28.52	34.81	38.07
Tier I capital (to risk-weighted assets) (12)	21.24	26.22	23.42	26.12	27.24	33.68	37.23
Tier I capital (to adjusted assets) (12)	13.40	13.57	13.42	13.43	14.35	15.98	18.84
Other Data:							
Number of full service offices	25	21	24	20	18	18	18
Full time equivalent employees	276	258	277	243	223	203	192

(1) Loans held-for-sale at December 31, 2011 included $3.4 million of non-performing loans.

(2) Non-interest income for the year ended December 31, 2011 includes bargain-purchase gain, net of tax, of $3.6 million.

(3) Net loss per share in 2007 is calculated for the period that Northfield-Federal s shares of common stock were outstanding (November 8, 2007 through December 31, 2007). The net loss for this period was $1.5 million due to the $7.8 million contribution to Northfield Bank Foundation in connection with our initial stock offering.

(4) 2011 performance ratios include an after tax bargain purchase gain of $3.6 million associated with the Federal Deposit Insurance Corporation-assisted acquisition of a failed bank. 2010 performance ratios include a $1.8 million charge ($1.2 million after-tax) related to costs associated with Northfield Federal s postponed second-step offering, and a $738,000 benefit related to the elimination of deferred tax liabilities associated with a change in New York state tax law. 2009 performance ratios include a $770,000 expense ($462,000 after-tax) related to a special Federal Deposit Insurance Corporation deposit insurance assessment. 2008 performance ratios include a $2.5 million tax-exempt gain from the death of an officer and $463,000 ($292,000, net of tax) in costs associated with the Bank s conversion to a new core processing system that was completed in January 2009. 2007 performance ratios include the after-tax effect of: a charge of $7.8 million due to Northfield-Federal s contribution to the Northfield Bank Foundation; a gain of $2.4 million as a result of the sale of two branch locations, and associated deposit relationships; net interest income of approximately $800,000 (after-tax), for the year ended December 31, 2007, as it relates to short-term investment returns earned on subscription proceeds (net of interest paid during the stock offering); and the reversal of state and local tax liabilities of approximately $4.5 million, net of federal taxes.

(5) The interest rate spread represents the difference between the weighted-average yield on interest earning assets and the weighted-average costs of interest-bearing liabilities.

(6) The net interest margin represents net interest income as a percent of average interest-earning assets for the period.

(7) Dividend payout ratio is calculated as total dividends declared for the year (excluding dividends waived by Northfield Bancorp, MHC) divided by net income for the year.

(8) The efficiency ratio represents non-interest expense divided by the sum of net interest income and non-interest income.
(9) Excludes PCI loans held-for-investment.
(10) Excludes nonperforming loans held-for-sale, carried at aggregate lower of cost or estimated fair value, less costs to sell.
(11) Includes PCI loans held-for-investment.
(12) Capital ratios are presented for Northfield Bank only.
(13) Ratios are annualized, where appropriate.

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FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements, which can be identified by the use of words such as estimate, project, believe, intend, anticipate, plan, seek, expect and words of similar meaning. These forward-looking statements include, but are not limited to:

- statements of our goals, intentions and expectations;
- statements regarding our business plans, prospects, growth and operating strategies;
- statements regarding the quality of our loan and investment portfolios; and
- estimates of our risks and future costs and benefits.

These forward-looking statements are based on current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

- general economic conditions, either nationally or in our market areas, that are worse than expected;
- competition among depository and other financial institutions;
- inflation and changes in the interest rate environment that reduce our margins and yields or reduce the fair value of financial instruments;
- adverse changes in the securities markets;
- changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees and capital requirements;
- our ability to manage operations in the current economic conditions;
- our ability to enter new markets successfully and capitalize on growth opportunities;
- our ability to successfully integrate acquired entities;

changes in consumer spending, borrowing and savings habits;

changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Financial Accounting Standards Board, the Securities and Exchange Commission or the Public Company Accounting Oversight Board;

changes in our organization, compensation and benefit plans;

changes in the level of government support for housing finance;

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significant increases in our loan losses; and

changes in the financial condition, results of operations or future prospects of issuers of securities that we own.

Because of these and other uncertainties, our actual future results may be materially different from the results indicated by these forward-looking statements. Please see Risk Factors beginning on page 18.

HOW WE INTEND TO USE THE PROCEEDS FROM THE OFFERING

Although we cannot determine what the actual net proceeds from the sale of the shares of common stock in the offering will be until the offering is completed, we anticipate that the net proceeds will be between $274.5 million and $372.1 million.

We intend to distribute the net proceeds as follows:

	Based Upon the Sale at $10.00 Per Share of					
	28,900,000 Shares		34,000,000 Shares		39,100,000 Shares	
	Amount	Percent of Net Proceeds	Amount	Percent of Net Proceeds	Amount	Percent of Net Proceeds
			(Dollars in thousands)			
Offering proceeds	$ 289,000		$ 340,000		$ 391,000	
Less offering expenses	14,542		16,715		18,887	
Net offering proceeds	$ 274,458	100.0%	$ 323,285	100.0%	$ 372,113	100.0%
Distribution of net proceeds:						
To Northfield Bank	$ 137,229	50.0%	$ 161,643	50.0%	$ 186,057	50.0%
To fund loan to employee stock ownership plan	$ 11,560	4.2%	$ 13,600	4.2%	$ 15,640	4.2%
Retained by Northfield-Delaware (1)	$ 125,669	45.8%	$ 148,042	45.8%	$ 170,416	45.8%

(1) In the event the stock-based benefit plan providing for stock awards and stock options is approved by stockholders, and assuming shares are purchased for the stock awards at $10.00 per share, an additional $11.6 million, $13.6 million and $15.6 million of net proceeds will be used by Northfield-Delaware. In this case, the net proceeds retained by Northfield-Delaware would be $114.1 million, $134.4 million and $154.8 million, respectively, at the minimum, midpoint and maximum of the offering range.

Payments for shares of common stock made through withdrawals from existing deposit accounts will not result in the receipt of new funds for investment but will result in a reduction of Northfield Bank s deposits. The net proceeds may vary because total expenses relating to the offering may be more or less than our estimates. For example, our expenses would increase if fewer shares were sold in the subscription and community offerings and more in the syndicated offering than we have assumed. In addition, amounts shown for the distribution of the net proceeds at the minimum of the offering range to fund the loan to the employee stock ownership plan and proceeds to be retained by Northfield-Delaware may change if we exercise our right to have the employee stock ownership plan purchase more than 4% of the shares of common stock offered if necessary to complete the offering at the minimum of the offering range.

Northfield-Delaware may use the proceeds it retains from the offering:

to invest in securities;

to finance the acquisition of financial institutions, although we do not currently have any agreements or understandings regarding any specific acquisition transaction;

to pay cash dividends to stockholders;

- to repurchase shares of our common stock; and
- for other general corporate purposes.

See Our Dividend Policy for a discussion of our expected dividend policy following the completion of the conversion. Under current federal regulations, we may not repurchase shares of our common stock during the first year following the completion of the conversion, except when extraordinary circumstances exist and with prior regulatory approval, or except to fund management recognition plans (which would require notification to the Federal Reserve Board) or tax qualified employee stock benefit plans.

Northfield Bank may use the net proceeds it receives from the offering:

- to fund new loans, with an emphasis on multifamily real estate loans and commercial real estate loans;
- to expand its retail banking franchise by establishing or acquiring new branches or by acquiring other financial institutions or other financial services companies as opportunities arise, although we do not currently have any understandings or agreements to acquire a financial institution or other entity;
- to enhance existing products and services and to support the development of new products and services;
- to invest in mortgage-backed securities and collateralized mortgage obligations, and debt securities issued by the U.S. Government, U.S. Government agencies or U.S. Government sponsored enterprises; and
- for other general corporate purposes.

Initially, a substantial portion of the net proceeds will be invested in short-term investments, investment-grade debt obligations and mortgage-backed securities. We have not determined specific amounts of the net proceeds that would be used for the purposes described above. The use of the proceeds outlined above may change based on many factors, including, but not limited to, changes in interest rates, equity markets, laws and regulations affecting the financial services industry, our relative position in the financial services industry, the attractiveness of potential acquisitions to expand our operations, and overall market conditions. The use of the proceeds may also change depending on our ability to receive regulatory approval to establish new branches or acquire other financial institutions.

We expect our return on equity to decrease as compared to our performance in recent years, until we are able to reinvest effectively the additional capital raised in the offering. Until we can increase our net interest income and non-interest income, we expect our return on equity to be below the industry average, which may negatively affect the value of our common stock. See Risk Factors Risks Related to Our Business Our failure to effectively deploy the net proceeds may have an adverse effect on our financial performance and the value of our common stock.

OUR DIVIDEND POLICY

After the completion of the conversion, we intend to pay cash dividends on a quarterly basis. We expect the quarterly dividends per share to be $0.06 per share, which equals $0.24 per share on an annualized basis and an annual yield of 2.4% based on a price of $10.00 per share.

We also intend to seek regulatory approval to pay a one-time, special dividend of $0.25 per share to all Northfield-Delaware stockholders. No assurances can be given as to whether or when such approval may be obtained.

The dividend rate and the continued payment of dividends will depend on a number of factors, including our capital requirements, our financial condition and results of operations, tax considerations, statutory and regulatory limitations, and general economic conditions. We cannot assure you that we will pay dividends in the future, or that any such dividends will not be reduced or eliminated.

Northfield-Federal declared its initial dividend during the quarter ended December 31, 2008. Dividends were declared in each subsequent quarterly period through the quarter ended March 31, 2012. This final dividend payment was $0.06 per share, which equals $0.24 per share on an annualized basis. Northfield-Federal stopped paying dividends following the March 31, 2012 quarter due to a Federal Reserve Board requirement that a grandfathered mutual holding company, like Northfield Bancorp, MHC, obtain member (depositor) approval and comply with other procedural requirements prior to waiving dividends, which would make dividend waivers impracticable. Northfield Bancorp, MHC had previously received non-objection from the Office of Thrift Supervision and, after July 21, 2011, the Federal Reserve Board, to waive receipt of all dividend payments on the Northfield-Federal shares owned by Northfield Bancorp, MHC through the dividend paid for the quarter ended March 31, 2012. Cash dividends paid by Northfield-Federal during the three months ended March 31, 2012 were $1.7 million. Dividends waived by Northfield Bancorp, MHC during the three months ended March 31, 2012 were $3.0 million.

After the completion of the conversion, Northfield Bank will not be permitted to pay dividends on its capital stock to Northfield-Delaware, its sole stockholder, if Northfield Bank s stockholder s equity would be reduced below the amount of the liquidation account established in connection with the conversion. In addition, Northfield Bank will not be permitted to make a capital distribution if, after making such distribution, it would be undercapitalized. Northfield Bank must generally file an application with the Office of the Comptroller of the Currency for approval of a capital distribution if the total capital distributions for the applicable calendar year exceed the sum of Northfield Bank s net income for that year to date plus its retained net income for the preceding two years or Northfield Bank would not be at least adequately capitalized following the distribution. In addition, any payment of dividends by Northfield Bank to us that would be deemed to be drawn from Northfield Bank s bad debt reserves, if any, would require a payment of taxes at the then-current tax rate by Northfield Bank on the amount of earnings deemed to be removed from the reserves for such distribution. Northfield Bank does not intend to make any distribution that would create such a federal tax liability. See The Conversion and Offering Liquidation Rights. For further information concerning additional federal law and regulations regarding the ability of Northfield Bank to make capital distributions, including the payment of dividends to Northfield-Delaware, see Taxation Federal Taxation and Supervision and Regulation Federal Banking Regulation.

Northfield-Delaware will not be permitted to pay dividends on its common stock if its stockholders equity would be reduced below the amount of the liquidation account established by Northfield-Delaware in connection with the conversion. However, the source of dividends will depend on the net proceeds retained by Northfield-Delaware and earnings thereon, and dividends from Northfield Bank. In addition, Northfield-Delaware will be subject to state law limitations and federal banking regulatory policy on the payment of dividends. Delaware law generally limits dividends to our capital surplus or, if there is no capital surplus, our net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year.

We will file a consolidated federal tax return with Northfield Bank. Accordingly, it is anticipated that any cash distributions made by us to our stockholders would be treated as cash dividends and not as a non-taxable return of capital for federal tax purposes. Additionally, pursuant to Federal Reserve Board regulations, during the three-year period following the conversion, we will not make any capital distribution to stockholders that would be treated by recipients as a tax-free return of capital for federal income tax purposes.

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MARKET FOR THE COMMON STOCK

Northfield-Federal s common stock is currently listed on the Nasdaq Global Select Market under the symbol NFBK,. Upon completion of the conversion, the new shares of common stock of Northfield-Delaware will replace the existing shares on the Nasdaq Global Select Market and we expect our shares of common stock will also trade on the Nasdaq Global Select Market under the symbol NFBK. In order to list our stock on the Nasdaq Global Select Market, we are required to have at least three broker-dealers who will make a market in our common stock. As of [voting record date], Northfield-Federal had approximately _____ registered market makers in its common stock. Sandler O Neill & Partners, L.P., Jefferies & Company, Inc. and Stifel, Nicolaus & Company, Incorporated have advised us that they intend to make a market in our common stock following the offering, but are under no obligation to do so.

The following table sets forth the high and low trading prices for shares of Northfield-Federal common stock for the periods indicated, as obtained from the Nasdaq Stock Market, and the dividends paid during those periods. As of the close of business on [voting record date], there were shares of common stock outstanding, including publicly held shares (shares held by stockholders other than Northfield Bancorp, MHC), and approximately stockholders of record.

	Price Per Share		Dividends
	High	Low	Paid
2012			
Third quarter (through , 2012)	$	$	$
Second quarter	$ 14.77	$ 12.96	$
First quarter	$ 16.49	$ 13.05	$ 0.12
2011			
Fourth quarter	$ 14.62	$ 12.61	$ 0.06
Third quarter	$ 14.42	$ 11.68	$ 0.06
Second quarter	$ 14.25	$ 12.92	$ 0.06
First quarter	$ 13.88	$ 12.70	$ 0.05
2010			
Fourth quarter	$ 13.49	$ 10.80	$ 0.05
Third quarter	$ 13.81	$ 10.51	$ 0.05
Second quarter	$ 15.30	$ 12.80	$ 0.05
First quarter	$ 15.00	$ 12.29	$ 0.04

On June 5, 2012, the business day immediately preceding the public announcement of the conversion, and on , 2012, the closing prices of Northfield-Federal common stock as reported on the Nasdaq Global Select Market were $13.90 per share and $ per share, respectively. On the effective date of the conversion, all publicly held shares of Northfield-Federal common stock, including shares of common stock held by our officers and directors, will be converted automatically into and become the right to receive a number of shares of Northfield-Delaware common stock determined pursuant to the exchange ratio. See The Conversion and Offering Share Exchange Ratio for Current Stockholders. Options to purchase shares of Northfield-Federal common stock will be converted into options to purchase a number of shares of Northfield-Delaware common stock determined pursuant to the exchange ratio, for the same aggregate exercise price. See Beneficial Ownership of Common Stock.

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HISTORICAL AND PRO FORMA REGULATORY CAPITAL COMPLIANCE

At June 30, 2012, Northfield Bank exceeded all of the applicable regulatory capital requirements and was considered well capitalized. The table below sets forth the historical equity capital and regulatory capital of Northfield Bank at June 30, 2012, and the pro forma equity capital and regulatory capital of Northfield Bank, after giving effect to the sale of shares of common stock at $10.00 per share. The table assumes the receipt by Northfield Bank of 50% of the net offering proceeds. See How We Intend to Use the Proceeds from the Offering.

	Northfield Bank Historical at June 30, 2012		Pro Forma at June 30, 2012, Based Upon the Sale in the Offering of (1)					
			28,900,000 Shares		34,000,000 Shares		39,100,000 Shares	
	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)
				(Dollars in thousands)				
Equity	$ 359,977	14.66%	$ 474,086	18.28%	$ 494,420	18.89%	$ 514,753	19.49%
Tier 1 leverage capital	$ 324,376	13.40%	$ 438,485	17.15%	$ 458,819	17.77%	$ 479,152	18.39%
Leverage requirement (3)	121,001	5.00	127,863	5.00	129,083	5.00	130,304	5.00
Excess	$ 203,375	8.40%	$ 310,622	12.15%	$ 329,736	12.77%	$ 348,848	13.39%
Tier 1 risk-based capital (4)	$ 324,376	21.24%	$ 438,485	28.20%	$ 458,819	29.42%	$ 479,152	30.63%
Risk-based requirement	91,632	6.00	93,279	6.00	93,572	6.00	93,864	6.00
Excess	$ 232,744	15.24%	$ 345,206	22.20%	$ 365,247	23.42%	$ 385,288	24.63%
Total risk-based capital (4)	$ 343,568	22.50%	$ 457,677	29.44%	$ 478,011	30.65%	$ 498,344	31.86%
Risk-based requirement	152,720	10.00	155,464	10.00	155,953	10.00	156,441	10.00
Excess	$ 190,848	12.50%	$ 302,213	19.44%	$ 322,058	20.65%	$ 341,903	21.86%
Reconciliation of capital infused into Northfield Bank:								
Net proceeds			$ 137,229		$ 161,643		$ 186,056	
Less: Common stock acquired by stock-based benefit plan			(11,560)		(13,600)		(15,640)	
Less: Common stock acquired by employee stock ownership plan			(11,560)		(13,600)		(15,640)	
Pro forma increase			$ 114,109		$ 134,443		$ 154,776	

(1) Pro forma capital levels assume that the employee stock ownership plan purchases 4% of the shares of common stock sold in the stock offering with funds we lend. Pro forma generally accepted accounting principles (GAAP) capital and regulatory capital have been reduced by the amount required to fund this plan. See Management for a discussion of the employee stock ownership plan.

(2) Tangible and core capital levels are shown as a percentage of total adjusted assets. Risk-based capital levels are shown as a percentage of risk-weighted assets.

(3) The current Tier 1 leverage requirement for financial institutions is 3% of total adjusted assets for financial institutions that receive the highest supervisory rating for safety and soundness and a 4% to 5% core capital ratio requirement for all other financial institutions.

(4) Pro forma amounts and percentages assume net proceeds are invested in assets that carry a 20% risk weighting.

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CAPITALIZATION

The following table presents the historical consolidated capitalization of Northfield-Federal at June 30, 2012 and the pro forma consolidated capitalization of Northfield-Delaware after giving effect to the conversion and offering and the acquisition of Flatbush Federal Bancorp, Inc., based upon the assumptions set forth in the Pro Forma Data section.

	Northfield-Federal Historical at June 30, 2012	Pro Forma at June 30, 2012 Based upon the Sale in the Offering at $10.00 per Share of 28,900,000 Shares	34,000,000 Shares	39,100,000 Shares
	(Dollars in thousands)			
Deposits (1)	$ 1,543,181	$ 1,661,038	$ 1,661,038	$ 1,661,038
Borrowed funds	513,571	518,965	518,965	518,965
Total deposits and borrowed funds	$ 2,056,752	$ 2,180,003	$ 2,180,003	$ 2,180,003
Stockholders equity:				
Preferred stock, $0.01 par value, 25,000,000 shares authorized (post-conversion) (2)				
Common stock, $0.01 par value, 150,000,000 shares authorized (post-conversion); shares to be issued as reflected (2) (3)	456	473	557	640
Additional paid-in capital (2)	211,122	485,563	534,307	583,051
MHC capital contribution		166	166	166
Retained earnings (4)	242,956	242,956	242,956	242,956
Accumulated other comprehensive income	18,765	18,765	18,765	18,765
Effect of Flatbush Federal Bancorp acquisition (5)		20,380	20,380	20,380
Less:				
Treasury stock	(70,128)	(70,128)	(70,128)	(70,128)
Common stock held by employee stock ownership plan (6)	(14,279)	(25,839)	(27,879)	(29,919)
Common stock to be acquired by stock-based benefit plan (7)		(11,560)	(13,600)	(15,640)
Total stockholders equity	$ 388,892	$ 660,776	$ 705,523	$ 750,271
Pro Forma Shares Outstanding				
Shares offered for sale		28,900,000	34,000,000	39,100,000
Exchange shares issued		18,425,408	21,676,950	24,928,493
Total shares outstanding	40,206,678	47,325,408	55,676,950	64,028,493
Total stockholders equity as a percentage of total assets (1)	15.78%	23.09%	24.28%	25.42%
Tangible equity as a percentage of total assets	15.09%	22.47%	23.66%	24.82%

(1) Does not reflect withdrawals from deposit accounts for the purchase of shares of common stock in the conversion and offering. These withdrawals would reduce pro forma deposits and assets by the amount of the withdrawals.

(2) Northfield-Federal currently has 10,000,000 authorized shares of preferred stock and 90,000,000 authorized shares of common stock, par value $0.01 per share. On a pro forma basis, common stock and additional paid-in capital have been revised to reflect the number of shares of Northfield-Delaware common stock to be outstanding.

(3) No effect has been given to the issuance of additional shares of Northfield-Delaware common stock pursuant to the exercise of options under one or more stock-based benefit plans. If the plans are implemented within the first year after the closing of the offering, an amount

up to 10% of the shares of Northfield-Delaware common stock sold in the offering will be reserved for issuance upon the exercise of options under the plans, subject to adjustment as may be required by federal regulations or policy to reflect stock options previously granted by Northfield-Federal or Northfield Bank so that the total shares available for issuance upon the exercise of stock options does not exceed 10% of Northfield-Delaware s outstanding shares immediately after the conversion and offering. No effect has been given to the exercise of options currently outstanding. See Management.

(*footnotes continue on following page*)

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(4) The retained earnings of Northfield Bank will be substantially restricted after the conversion. See The Conversion and Offering Liquidation Rights and Supervision and Regulation Federal Banking Regulation.

(5) Reflects historical stockholders equity of Flatbush Federal Bancorp, Inc. of $18.8 million at June 30, 2012 and estimated acquisition adjustments of $1.5 million.

(6) Assumes that 4% of the shares sold in the offering will be acquired by the employee stock ownership plan financed by a loan from Northfield-Delaware. The loan will be repaid principally from Northfield Bank s contributions to the employee stock ownership plan. Since Northfield-Delaware will finance the employee stock ownership plan debt, this debt will be eliminated through consolidation and no liability will be reflected on Northfield-Delaware s consolidated financial statements. Accordingly, the amount of shares of common stock acquired by the employee stock ownership plan is shown in this table as a reduction of total stockholders equity.

(7) Assumes a number of shares of common stock equal to 4% of the shares of common stock to be sold in the offering will be purchased for grant by one or more stock-based benefit plans. If the stock-based benefit plans are adopted within 12 months following the conversion, the amount reserved for restricted stock awards would be subject to adjustment as may be required by federal regulations or policy to reflect restricted stock previously granted by Northfield-Federal or Northfield Bank so that the total shares reserved for restricted stock awards does not exceed 4% of Northfield-Delaware s outstanding shares immediately after the conversion and offering. The funds to be used by the plan to purchase the shares will be provided by Northfield-Delaware. The dollar amount of common stock to be purchased is based on the $10.00 per share subscription price in the offering and represents unearned compensation. This amount does not reflect possible increases or decreases in the value of common stock relative to the subscription price in the offering. Northfield-Delaware will accrue compensation expense to reflect the vesting of shares pursuant to the plan and will credit capital in an amount equal to the charge to operations. Implementation of the plan will require stockholder approval.

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PRO FORMA DATA

The following tables summarize historical data of Northfield-Federal and pro forma data of Northfield-Delaware at and for the six months ended June 30, 2012, and at and for the year ended December 31, 2011. This information is based on assumptions set forth below and in the tables, and should not be used as a basis for projections of market value of the shares of common stock following the conversion and offering.

The net proceeds in the tables are based upon the following assumptions:

(i) 25% of all shares of common stock will be sold in the subscription and community offerings and 75% of all shares of common stock will be sold in the syndicated offering;

(ii) our executive officers and directors, and their associates, will purchase 94,500 shares of common stock;

(iii) our employee stock ownership plan will purchase 4% of the shares of common stock sold in the offering, with a loan from Northfield-Delaware. The loan will be repaid in substantially equal payments of principal and interest (at the prime rate of interest, calculated as of the date of the origination of the loan) over a period of 30 years. Interest income that we earn on the loan will offset the interest paid by Northfield Bank;

(iv) the acquisition of Flatbush Federal Bancorp, Inc. had been completed as of the beginning of each period;

(v) we will pay Sandler O Neill & Partners, L.P. a fee equal to (a) 1.0% of the aggregate amount of common stock sold in the subscription and community offerings (net of insider purchases and shares purchased by our employee stock ownership plan) up to the first 10% of shares sold in the offering; and (b) 3.0% of the aggregate amount of common stock sold in the subscription and community offerings (net of insider purchases and shares purchased by our employee stock ownership plan) in excess of 10% of the shares sold in the offering;

(vi) we will pay Sandler O Neill & Partners, L.P., Jefferies & Company, Inc. and Stifel, Nicolaus & Company, Incorporated and any other broker-dealers participating in the syndicated offering an aggregate fee of 5% of the aggregate dollar amount of the common stock sold in the syndicated offering;

(vii) No fee will be paid with respect to shares of common stock purchased by our qualified and non-qualified employee stock benefit plans, or stock purchased by our officers, directors and employees, and their immediate families, and no fee will be paid with respect to exchange shares; and

(viii) total expenses of the offering, other than the sales fees and commissions to be paid to Sandler O Neill & Partners, L.P., Jefferies & Company, Inc. and Stifel, Nicolaus & Company, Incorporated and other broker-dealers, will be $2.2 million.

We calculated pro forma consolidated net income for the six months ended June 30, 2012, and the year ended December 31, 2011, as if the estimated net proceeds we received had been invested at the beginning of the period at an assumed interest rate of 0.72% (0.43% on an after-tax basis). This represents the yield on the five-year U.S. Treasury Note as of June 30, 2012, which, in light of current market interest rates, we consider to more accurately reflect the pro forma reinvestment rate than the arithmetic average of the weighted average yield earned on our interest earning assets and the weighted average rate paid on our deposits, which is the reinvestment rate generally required by federal regulations.

We further believe that the reinvestment rate is factually supportable because:

- the yield on the U.S Treasury Note can be determined and/or estimated from third-party sources; and
- we believe that U.S. Treasury securities are not subject to credit losses due to a U.S. Government guarantee of payment of principal and interest.

We calculated historical and pro forma per share amounts by dividing historical and pro forma amounts of consolidated net income and stockholders equity by the indicated number of shares of common stock. We adjusted these figures to give effect to the shares of common stock purchased by the employee stock ownership plan. We computed per share amounts for each period as if the shares of common stock were outstanding at the beginning of each period, but we did not adjust per share historical or pro forma stockholders equity to reflect the earnings on the estimated net proceeds.

The pro forma tables give effect to the implementation of one or more stock-based benefit plans. Subject to the receipt of stockholder approval, we have assumed that the stock-based benefit plans will acquire for restricted stock awards a number of shares of common stock equal to 4% of the shares of common stock sold in the stock offering at the same price for which they were sold in the stock offering. We assume that awards of common stock granted under the plans vest over a five-year period.

We have also assumed that the stock-based benefit plans will grant options to acquire shares of common stock equal to 10% of the shares of common stock sold in the stock offering. In preparing the tables below, we assumed that stockholder approval was obtained, that the exercise price of the stock options and the market price of the stock at the date of grant were $10.00 per share and that the stock options had a term of ten years and vested over five years. We applied the Black-Scholes option pricing model to estimate a grant-date fair value of $1.79 for each option. In addition to the terms of the options described above, the Black-Scholes option pricing model assumed an estimated volatility rate of 20.4% for the shares of common stock, a dividend yield of 2.4%, an expected option term of 10 years and a risk-free rate of return of 1.67%.

We may grant options and award shares of common stock under one or more stock-based benefit plans in excess of 10% and 4%, respectively, of the shares of common stock sold in the stock offering and that vest sooner than over a five-year period if the stock-based benefit plans are adopted more than one year following the stock offering.

As discussed under How We Intend to Use the Proceeds from the Stock Offering, we intend to contribute 50% of the net proceeds from the stock offering to Northfield Bank, and we will retain the remainder of the net proceeds from the stock offering. We will use a portion of the proceeds we retain for the purpose of making a loan to the employee stock ownership plan and retain the rest of the proceeds for future use.

The pro forma table does not give effect to:

- withdrawals from deposit accounts for the purpose of purchasing shares of common stock in the stock offering;
- our results of operations after the stock offering; or
- changes in the market price of the shares of common stock after the stock offering.

The following pro forma information may not be representative of the financial effects of the offering at the dates on which the offering actually occurs, and should not be taken as indicative of future results of operations. Pro forma consolidated stockholders equity represents the difference between the stated amounts of our assets and liabilities. The pro forma stockholders equity is not intended to represent the fair market value of the shares of common stock and may be different than the amounts that would be available for distribution to stockholders if we liquidated. Moreover, pro forma stockholders equity per share does not give effect to the liquidation accounts to be established in the conversion or, in the unlikely event of a liquidation of Northfield Bank, to the tax effect of the recapture of the bad debt reserve. See The Conversion and Offering Liquidation Rights.

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	At or for the Six Months Ended June 30, 2012 Based upon the Sale at $10.00 Per Share of		
	28,900,000 Shares	34,000,000 Shares	39,100,000 Shares
	(Dollars in thousands, except per share amounts)		
Gross proceeds of offering	$ 289,000	$ 340,000	$ 391,000
Market value of shares issued in the exchange	184,254	216,770	249,285
Pro forma market capitalization	$ 473,254	$ 556,770	$ 640,285
Gross proceeds of offering	$ 289,000	$ 340,000	$ 391,000
Expenses	14,542	16,715	18,887
Estimated net proceeds	274,458	323,285	372,113
Common stock purchased by employee stock ownership plan	(11,560)	(13,600)	(15,640)
Common stock purchased by stock-based benefit plan	(11,560)	(13,600)	(15,640)
Estimated net proceeds, as adjusted	$ 251,338	$ 296,085	$ 340,833
For the Six Months Ended June 30, 2012			
Consolidated net earnings:			
Historical	$ 8,896	$ 8,896	$ 8,896
Pro forma adjustments:			
Income on adjusted net proceeds	543	640	736
Employee stock ownership plan (1)	(116)	(136)	(156)
Stock awards (2)	(694)	(816)	(938)
Stock options (3)	(466)	(548)	(630)
Pro forma net income	$ 8,163	$ 8,036	$ 7,908
Earnings per share (4):			
Historical	$ 0.20	$ 0.17	$ 0.15
Pro forma adjustments:			
Income on adjusted net proceeds	0.01	0.01	0.01
Employee stock ownership plan (1)			
Stock awards (2)	(0.02)	(0.02)	(0.02)
Stock options (3)	(0.01)	(0.01)	(0.01)
Pro forma earnings per share (4)	$ 0.18	$ 0.15	$ 0.13
Offering price to pro forma net earnings per share	27.78x	33.33x	38.46x
Number of shares used in earnings per share calculations	44,300,400	52,118,117	59,935,835
At June 30, 2012			
Stockholders equity:			
Historical	$ 388,892	$ 388,892	$ 388,892
Effect of Flatbush Federal Bancorp acquisition (5)	20,380	20,380	20,380
Estimated net proceeds	274,458	323,285	372,113
Equity increase from the mutual holding company	166	166	166
Common stock acquired by employee stock ownership plan (1)	(11,560)	(13,600)	(15,640)
Common stock acquired by stock-based benefit plan (2)	(11,560)	(13,600)	(15,640)
Pro forma stockholders equity	$ 660,776	$ 705,523	$ 750,271

Intangible assets	$ (17,798)	$ (17,798)	$ (17,798)
Pro forma tangible stockholders equity (6)	$ 642,978	$ 687,725	$ 732,473
Stockholders equity per share (7):			
Historical	$ 8.21	$ 6.97	$ 6.07
Effect of Flatbush Federal Bancorp acquisition (5)	0.43	0.37	0.32
Estimated net proceeds	5.80	5.81	5.81
Plus: Assets received from the mutual holding company			
Common stock acquired by employee stock ownership plan (1)	(0.24)	(0.24)	(0.24)
Common stock acquired by stock-based benefit plan (2)	(0.24)	(0.24)	(0.24)
Pro forma stockholders equity per share (6) (7)	$ 13.96	$ 12.67	$ 11.72
Intangible assets	$ (0.38)	$ (0.32)	$ (0.28)
Pro forma tangible stockholders equity per share (6) (7)	$ 13.58	$ 12.35	$ 11.44
Offering price as percentage of pro forma stockholders equity per share	71.63%	78.93%	85.32%
Offering price as percentage of pro forma tangible stockholders equity per share	73.64%	80.97%	87.41%
Number of shares outstanding for pro forma book value per share calculations	47,325,408	55,676,950	64,028,493

(footnotes begin on following page)

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(1) Assumes that 4% of the shares of common stock sold in the offering will be purchased by the employee stock ownership plan. For purposes of this table, the funds used to acquire these shares are assumed to have been borrowed by the employee stock ownership plan from Northfield-Delaware. Northfield Bank intends to make annual contributions to the employee stock ownership plan in an amount at least equal to the required principal and interest payments on the debt. Northfield Bank s total annual payments on the employee stock ownership plan debt are based upon 30 equal annual installments of principal and interest. Financial Accounting Standards Board Accounting Standards Codification 718-40, Employers Accounting for Employee Stock Ownership Plans (ASC 718-40) requires that an employer record compensation expense in an amount equal to the fair value of the shares committed to be released to employees. The pro forma adjustments assume that the employee stock ownership plan shares are allocated in equal annual installments based on the number of loan repayment installments assumed to be paid by Northfield Bank, the fair value of the common stock remains equal to the subscription price and the employee stock ownership plan expense reflects an effective combined federal and state tax rate of 40.0%. The unallocated employee stock ownership plan shares are reflected as a reduction of stockholders equity. No reinvestment is assumed on proceeds contributed to fund the employee stock ownership plan. The pro forma net income further assumes that 19,266, 22,660 and 26,066 shares were committed to be released during the period at the minimum, midpoint and maximum of the offering range, respectively, and in accordance with ASC 718-40, only the employee stock ownership plan shares committed to be released during the period were considered outstanding for purposes of net income per share calculations.

(2) Assumes that, if approved by Northfield-Delaware s stockholders, one or more stock-based benefit plans purchase an aggregate number of shares of common stock equal to 4% of the shares to be sold in the offering. Such amount is subject to adjustment as may be required by federal regulations or policy to reflect restricted stock previously granted by Northfield-Federal or Northfield Bank (or may be a greater number of shares if the plan is implemented more than one year after completion of the conversion). Stockholder approval of the plans and purchases by the plans may not occur earlier than six months after the completion of the conversion. The shares may be acquired directly from Northfield-Delaware or through open market purchases. Shares in the stock-based benefit plan are assumed to vest over a period of five years. The funds to be used to purchase the shares will be provided by Northfield-Delaware. The table assumes that (i) the stock-based benefit plan acquires the shares through open market purchases at $10.00 per share, (ii) 10% of the amount contributed to the plan is amortized as an expense during the six months ended June 30, 2012, and (iii) the plan expense reflects an effective combined federal and state tax rate of 40.0%. Assuming stockholder approval of the stock-based benefit plans and that shares of common stock (equal to 4% of the shares sold in the offering) are awarded through the use of authorized but unissued shares of common stock, stockholders would have their ownership and voting interests diluted by approximately 2.38%.

(3) Assumes that, if approved by Northfield-Delaware s stockholders, one or more stock-based benefit plans grant options to acquire an aggregate number of shares of common stock equal to 10% of the shares to be sold in the offering. Such amount is subject to adjustment as may be required by federal regulations or policy to reflect stock options previously granted by Northfield-Federal or Northfield Bank (or may be a greater number of shares if the plan is implemented more than one year after completion of the conversion). Stockholder approval of the plans may not occur earlier than six months after the completion of the conversion. In calculating the pro forma effect of the stock-based benefit plans, it is assumed that the exercise price of the stock options and the trading price of the common stock at the date of grant were $10.00 per share, the estimated grant-date fair value determined using the Black-Scholes option pricing model was $1.79 for each option, the aggregate grant-date fair value of the stock options was amortized to expense on a straight-line basis over a five-year vesting period of the options, and that 25% of the amortization expense (or the assumed portion relating to options granted to directors) resulted in a tax benefit using an assumed tax rate of 40.0%. The actual expense will be determined by the grant-date fair value of the options, which will depend on a number of factors, including the valuation assumptions used in the option pricing model ultimately adopted. Under the above assumptions, the adoption of the stock-based benefit plans will result in no additional shares under the treasury stock method for purposes of calculating earnings per share. There can be no assurance that the actual exercise price of the stock options will be

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equal to the $10.00 price per share. If a portion of the shares used to satisfy the exercise of options comes from authorized but unissued shares, our net income per share and stockholders equity per share would decrease. The issuance of authorized but unissued shares of common stock pursuant to the exercise of options under such plan would dilute stockholders ownership and voting interests by approximately 5.76%.

(4) Per share figures include publicly held shares of Northfield-Federal common stock that will be exchanged for shares of Northfield-Delaware common stock in the conversion. See The Conversion and Offering Share Exchange Ratio for Current Stockholders. Net income per share computations are determined by taking the number of shares assumed to be sold in the offering and the number of new shares assumed to be issued in exchange for publicly held shares and, in accordance with ASC 718-40, subtracting the employee stock ownership plan shares which have not been committed for release during the period. See note 1. The number of shares of common stock actually sold and the corresponding number of exchange shares may be more or less than the assumed amounts. Pro forma net income per share has been annualized for purposes of calculating the offering price to pro forma net earnings per share.

(5) Includes historical stockholders equity of $18.8 million at June 30, 2012 for Flatbush Federal Bancorp, Inc. and estimated acquisition adjustments of $1.6 million. Intangible assets resulting from the acquisition are estimated at $813,000.

(6) The retained earnings of Northfield Bank will be substantially restricted after the conversion. See Our Dividend Policy, The Conversion and Offering Liquidation Rights and Supervision and Regulation Federal Banking Regulation Capital Distributions.

(7) Per share figures include publicly held shares of Northfield-Federal common stock that will be exchanged for shares of Northfield-Delaware common stock in the conversion. Stockholders equity per share calculations are based upon the sum of (i) the number of subscription shares assumed to be sold in the offering and (ii) shares to be issued in exchange for publicly held shares at the minimum, midpoint and maximum of the offering range, respectively. The exchange shares reflect an exchange ratio of 1.1402, 1.3414 and 1.5426 at the minimum, midpoint and maximum of the offering range, respectively. The number of shares actually sold and the corresponding number of exchange shares may be more or less than the assumed amounts.

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	At or for the Year Ended December 31, 2011 Based upon the Sale at $10.00 Per Share of		
	28,900,000 Shares	34,000,000 Shares	39,100,000 Shares
	(Dollars in thousands, except per share amounts)		
Gross proceeds of offering	$ 289,000	$ 340,000	$ 391,000
Market value of shares issued in the exchange	184,254	216,770	249,285
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Common stock purchased by employee stock ownership plan	(11,560)	(13,600)	(15,640)
Common stock purchased by stock-based benefit plan	(11,560)	(13,600)	(15,640)
Estimated net proceeds, as adjusted	$ 251,338	$ 296,085	$ 340,833
For the Year Ended December 31, 2011			
Consolidated net earnings:			
Historical	$ 16,823	$ 16,823	$ 16,823
Pro forma adjustments:			
Income on adjusted net proceeds	1,086	1,279	1,472
Employee stock ownership plan (1)	(231)	(272)	(313)
Stock awards (2)	(1,387)	(1,632)	(1,877)
Stock options (3)	(931)	(1,095)	(1,260)
Pro forma net income	$ 15,360	$ 15,103	$ 14,845
Earnings per share (4):			
Historical	$ 0.37	$ 0.32	$ 0.28
Pro forma adjustments:			
Income on adjusted net proceeds	0.02	0.02	0.02
Employee stock ownership plan (1)	(0.01)	(0.01)	(0.01)
Stock awards (2)	(0.03)	(0.03)	(0.03)
Stock options (3)	(0.02)	(0.02)	(0.02)
Pro forma earnings per share (4)	$ 0.33	$ 0.28	$ 0.24
Offering price to pro forma net earnings per share	30.30x	35.71x	41.67x
Number of shares used in earnings per share calculations	46,015,882	54,136,332	62,256,782
At December 31, 2011			
Stockholders equity:			
Historical	$ 382,650	$ 382,650	$ 382,650
Effect of Flatbush Federal Bancorp acquisition (5)	15,665	15,665	15,665
Estimated net proceeds	274,458	323,285	372,113
Equity increase from the mutual holding company	220	220	220
Common stock acquired by employee stock ownership plan (1)	(11,560)	(13,600)	(15,640)
Common stock acquired by stock-based benefit plan (2)	(11,560)	(13,600)	(15,640)
Pro forma stockholders equity	$ 649,873	$ 694,620	$ 739,368

Intangible assets	$ (17,942)	$ (17,942)	$ (17,942)
Pro forma tangible stockholders equity (6)	$ 631,931	$ 676,678	$ 721,426
Stockholders equity per share (7):			
Historical	$ 8.08	$ 6.87	$ 5.98
Effect of Flatbush Federal Bancorp acquisition (5)	0.33	0.28	0.24
Estimated net proceeds	5.80	5.81	5.81
Plus: Assets received from the mutual holding company			
Common stock acquired by employee stock ownership plan (1)	(0.24)	(0.24)	(0.24)
Common stock acquired by stock-based benefit plan (2)	(0.24)	(0.24)	(0.24)
Pro forma stockholders equity per share (6) (7)	$ 13.73	$ 12.48	$ 11.55
Intangible assets	$ (0.38)	$ (0.32)	$ (0.28)
Pro forma tangible stockholders equity per share (6) (7)	$ 13.35	$ 12.16	$ 11.27
Offering price as percentage of pro forma stockholders equity per share	72.83%	80.13%	86.58%
Offering price as percentage of pro forma tangible stockholders equity per share	74.91%	82.24%	88.73%
Number of shares outstanding for pro forma book value per share calculations	47,325,408	55,676,950	64,028,493

(footnotes begin on following page)

(1) Assumes that 4% of the shares of common stock sold in the offering will be purchased by the employee stock ownership plan. For purposes of this table, the funds used to acquire these shares are assumed to have been borrowed by the employee stock ownership plan from Northfield-Delaware. Northfield Bank intends to make annual contributions to the employee stock ownership plan in an amount at least equal to the required principal and interest payments on the debt. Northfield Bank s total annual payments on the employee stock ownership plan debt are based upon 30 equal annual installments of principal and interest. ASC 718-40 requires that an employer record compensation expense in an amount equal to the fair value of the shares committed to be released to employees. The pro forma adjustments assume that the employee stock ownership plan shares are allocated in equal annual installments based on the number of loan repayment installments assumed to be paid by Northfield Bank, the fair value of the common stock remains equal to the subscription price and the employee stock ownership plan expense reflects an effective combined federal and state tax rate of 40.0%. The unallocated employee stock ownership plan shares are reflected as a reduction of stockholders equity. No reinvestment is assumed on proceeds contributed to fund the employee stock ownership plan. The pro forma net income further assumes that 38,533, 45,333 and 52,133 shares were committed to be released during the year at the minimum, midpoint and maximum of the offering range, respectively, and in accordance with ASC 718-40, only the employee stock ownership plan shares committed to be released during the period were considered outstanding for purposes of net income per share calculations.

(2) Assumes that, if approved by Northfield-Delaware s stockholders, one or more stock-based benefit plans purchase an aggregate number of shares of common stock equal to 4% of the shares to be sold in the offering, subject to adjustment as may be required by federal regulations or policy to reflect restricted stock previously granted by Northfield-Federal or Northfield Bank (and may be a greater number of shares if the plan is implemented more than one year after completion of the conversion). Stockholder approval of the plans and purchases by the plans may not occur earlier than six months after the completion of the conversion. The shares may be acquired directly from Northfield-Delaware or through open market purchases. Shares in the stock-based benefit plan are assumed to vest over a period of five years. The funds to be used to purchase the shares will be provided by Northfield-Delaware. The table assumes that (i) the stock-based benefit plan acquires the shares through open market purchases at $10.00 per share, (ii) 20% of the amount contributed to the plan is amortized as an expense during the year ended December 31, 2011, and (iii) the plan expense reflects an effective combined federal and state tax rate of 40.0%. Assuming stockholder approval of the stock-based benefit plans and that shares of common stock (equal to 4% of the shares sold in the offering) are awarded through the use of authorized but unissued shares of common stock, stockholders would have their ownership and voting interests diluted by approximately 2.38%.

(3) Assumes that, if approved by Northfield-Delaware s stockholders, one or more stock-based benefit plans grant options to acquire an aggregate number of shares of common stock equal to 10% of the shares to be sold in the offering, subject to adjustment as may be required by federal regulations or policy to reflect stock options previously granted by Northfield-Federal or Northfield Bank (and may be a greater number of shares if the plan is implemented more than one year after completion of the conversion). Stockholder approval of the plans may not occur earlier than six months after the completion of the conversion. In calculating the pro forma effect of the stock-based benefit plans, it is assumed that the exercise price of the stock options and the trading price of the common stock at the date of grant were $10.00 per share, the estimated grant-date fair value determined using the Black-Scholes option pricing model was $1.79 for each option, the aggregate grant-date fair value of the stock options was amortized to expense on a straight-line basis over a five-year vesting period of the options, and that 25% of the amortization expense (or the assumed portion relating to options granted to directors) resulted in a tax benefit using an assumed tax rate of 40.0%. The actual expense will be determined by the grant-date fair value of the options, which will depend on a number of factors, including the valuation assumptions used in the option pricing model ultimately adopted. Under the above assumptions, the adoption of the stock-based benefit plans will result in no additional shares under the treasury stock method for purposes of calculating earnings per share. There can be no assurance that the actual exercise price of the stock options will be equal to the $10.00 price per share. If a portion of the shares used to satisfy the exercise of options comes from authorized but unissued shares, our net income per share and stockholders equity per share would decrease. The issuance of authorized but unissued shares of common stock pursuant to the exercise of options under such plan would dilute stockholders ownership and voting interests by approximately 5.76%.

(footnotes continue on following page)

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(continued from previous page)

(4) Per share figures include publicly held shares of Northfield-Federal common stock that will be exchanged for shares of Northfield-Delaware common stock in the conversion. See The Conversion and Offering Share Exchange Ratio for Current Stockholders. Net income per share computations are determined by taking the number of shares assumed to be sold in the offering and the number of new shares assumed to be issued in exchange for publicly held shares and, in accordance with ASC 718-40, subtracting the employee stock ownership plan shares which have not been committed for release during the year. See note 1. The number of shares of common stock actually sold and the corresponding number of exchange shares may be more or less than the assumed amounts. Pro forma net income per share has been annualized for purposes of calculating the offering price to pro forma net earnings per share.

(5) Includes historical stockholders equity of $14.6 million at December 31, 2011 for Flatbush Federal Bancorp, Inc. and estimated acquisition adjustments of $1.1 million. Intangible assets resulting from the acquisition are estimated at $813,000.

(6) The retained earnings of Northfield Bank will be substantially restricted after the conversion. See Our Dividend Policy, The Conversion and Offering Liquidation Rights and Supervision and Regulation Federal Banking Regulation Capital Distributions.

(7) Per share figures include publicly held shares of Northfield-Federal common stock that will be exchanged for shares of Northfield-Delaware common stock in the conversion. Stockholders equity per share calculations are based upon the sum of (i) the number of subscription shares assumed to be sold in the offering and (ii) shares to be issued in exchange for publicly held shares at the minimum, midpoint and maximum of the offering range, respectively. The exchange shares reflect an exchange ratio of 1.1402, 1.3414 and 1.5426 at the minimum, midpoint and maximum of the offering range, respectively. The number of shares actually sold and the corresponding number of exchange shares may be more or less than the assumed amounts.

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

This discussion and analysis reflects our consolidated financial statements and other relevant statistical data, and is intended to enhance your understanding of our financial condition and results of operations. The information in this section has been derived from the audited and unaudited consolidated financial statements, which appear beginning on page F-1 of this prospectus. You should read the information in this section in conjunction with the business and financial information regarding Northfield-Federal and the financial statements provided in this prospectus.

Overview

We have a 125-year history of strong performance and commitment to our community. Our principal business consists of taking deposits, primarily through our retail banking offices, and investing those funds in loans and securities. We consider our competitive products and pricing, local decision making, branch network and capabilities to implement emerging delivery technologies, strong ties to the community, and favorable financial performance as our significant strengths in attracting and retaining customers.

Our market area consists primarily of Staten Island (Richmond County) and Brooklyn (Kings County) in New York, as well as Union and Middlesex counties in New Jersey. Operating in these New York Metropolitan areas, which are characterized by densely populated markets, favorable growth characteristics, and stronger economic trends than national averages, has enabled us to achieve sustained profitability and growth throughout various economic cycles. Our Staten Island franchise, which consists of 12 branches, represents the largest locally-based depository institution, and our 10.6% deposit market share as of June 30, 2011, ranked us fifth in that market. In recent years, we also have expanded into Brooklyn, which is a densely populated market with a population approaching 2.5 million that is primarily served by large national and regional banks; consequently, we believe we have a significant opportunity to capture market share in that market.

Our net income has increased over the past year, and totaled $16.8 million for the year ended December 31, 2011, compared to $13.8 million for the year ended December 31, 2010. The increase in net income resulted primarily from our acquisition of First State Bank in October 2011, for which we recorded a bargain-purchase gain, net of tax, of $3.6 million. Our net income was $8.9 million for the six months ended June 30, 2012, compared to $9.3 million for the six months ended June 30, 2011. Although our net interest income before provision for loan losses increased to $33.9 million for the six months ended June 30, 2012 from $31.6 million for the six months ended June 30, 2011, and our provision for loan losses decreased to $1.2 million from $3.1 million for the same period, net income was negatively affected by an increase in non-interest expense of $4.9 million, or 25.1%, to $24.4 million for the six months ended June 30, 2012, as compared to $19.5 million for the six months ended June 30, 2011. This increase was due to compensation and employee benefits increasing by $1.7 million, or 16.9%, due to increased staff primarily related to branch openings and the First State Bank transaction, an increase in occupancy expense of $1.2 million primarily relating to new branches and the renovation of existing branches and an increase of $669,000 in data processing fees primarily related to conversion costs associated with the First State Bank transaction.

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Following the completion of the conversion and offering, we expect our net interest income to increase from the investment of the offering proceeds. We also expect non-interest expenses to increase because of actual and planned growth, as well as from increased compensation expenses associated with the purchase of shares of common stock by our employee stock ownership plan and the possible implementation of one or more stock-based benefit plans, if approved by our stockholders no earlier than six months after the completion of the conversion. For further information, see Summary Benefits to Management and Potential Dilution to Stockholders Resulting from the Conversion; Risk Factors Risks Related to Our Business Our stock-based benefit plans would increase our expenses and reduce our income; Management Benefits to be Considered Following Completion of the Conversion; and Risk Factors Risks Related to Our Business We may face risks with respect to future expansion.

Our business is affected by prevailing general and local economic conditions, particularly market interest rates, and by government policies concerning, among other things, monetary and fiscal affairs and housing. In addition, we are subject to extensive regulations applicable to financial institutions, lending and other operations, privacy, and consumer disclosure.

Business Strategy

Our principal objective is to build long-term value for our stockholders by operating a profitable community-oriented financial institution dedicated to meeting the banking needs of our customers. We have sought to accomplish this objective by focusing on strategies designed to enhance and expand our franchise, increase profitability, and maintain strong asset quality while actively managing our strong capital position. Highlights of each of these strategies are discussed below.

Disciplined expansion through organic growth coupled with opportunistic acquisitions. Since we became a public company in 2007, we have successfully pursued a strategy of organic growth by continuing to leverage our existing franchise and expanding the franchise through *de novo* branching. We believe that the strong demographic profile of our market area will continue to offer opportunities for both deposit and loan growth, particularly if the economy improves. Since 2007, we opened a branch in Staten Island to enhance an already significant presence, added a branch in new Jersey, and expanded into Brooklyn where we have opened four branches. We also have four branches (one in Union County, New Jersey, one in Staten Island and two in Brooklyn) in various stages of construction to be completed by early 2013. Following the completion of these branches, management intends to focus on growing legacy branches and firmly establishing our new branches, and will continue to evaluate future branching opportunities.

While organic growth has been our primary focus, we also have selectively pursued acquisition opportunities in our market area that we believe will enhance our franchise and yield financial benefits for our stockholders. In October 2011, we acquired all the deposits and substantially all the assets of First State Bank from the Federal Deposit Insurance Corporation, and on March 13, 2012, we executed a definitive agreement to acquire Flatbush Federal Bancorp, Inc. The First State Bank transaction was immediately accretive to earnings and resulted in a $3.6 million after-tax bargain purchase gain. The Flatbush Federal Bancorp acquisition also is expected to be accretive to earnings and tangible book value, and will add three branches in Brooklyn with approximately $88.4 million in loans and $117.5 million in deposits at June 30, 2012.

As a result of our growth strategy, our total assets increased to $2.46 billion at June 30, 2012 from $1.39 billion at December 31, 2007. We have achieved this growth while maintaining our focus on profitability, with returns on average assets of 0.75% and 0.72% for the six months ended June 30, 2012, and the year ended December 31, 2011, respectively. We expect to continue this growth strategy following the conversion. While our focus will remain on organic growth, we expect consolidation opportunities, particularly in our New Jersey market area, which is home to numerous smaller financial institutions. We intend to pursue acquisitions that are located in attractive markets, increase our earnings capacity, solidify our existing market share, and increase franchise value. Currently, we do not have any plans or arrangements to acquire any financial institutions. However, we believe that the conversion into a stock holding company structure will better position us to participate in expected consolidation activity by providing a more flexible corporate structure and additional capital resources.

Increased lending, with an emphasis on multifamily real estate loans. We increased our loan portfolio to $1.07 billion at June 30, 2012 from $424.2 million at December 31, 2007, and have rebalanced the mix of our earning assets away from securities and into loans. Our loan portfolio accounted for 46.2% of our earning assets at June 30, 2012, compared to 33.3% at December 31, 2007. Our loan-to-deposit ratio has increased to 69.5% at June 30, 2012 from 48.4% at December 31, 2007, which has improved our net interest margin. This growth in our loan portfolio has helped maintain our net interest margin and mitigated the impact of the protracted low interest rates on our earnings.

To achieve this growth, and in recognition of the current economic environment, we adjusted our lending focus to emphasize the origination of multifamily real estate loans. At June 30, 2012, our multifamily portfolio totaled $538.3 million, or 50.3% of total loans, compared to $14.2 million, or 3.3% of total loans, at December 31, 2007. We include in this category mixed-use properties having more than four residential family units and a business or businesses when the majority of space is utilized for residential purposes. These loans have higher yields than the prevailing rates for securities or residential mortgage loans, and generally have periodic adjustable interest rates and/or shorter terms which assists us in managing our interest rate risk.

We intend to continue to emphasize multifamily lending, and as economic conditions improve, we also anticipate increasing the origination of commercial real estate, commercial and home equity loans.

Enhanced core earnings through improved funding mix and continued emphasis on operational efficiencies. In addition to increasing our level of loans outstanding, we have made a concerted effort to improve our core funding profile by increasing lower-cost transaction deposit accounts and reducing time deposits and wholesale borrowings. Deposits increased 75.9% to $1.54 billion at June 30, 2012 from $877.2 million at December 31, 2007. Also, our ratio of non-time deposits to total deposits increased to 68.7% from 54.1% over the same period. In addition, we intend to pay down maturing high cost borrowings, which would further support our net interest margin.

We also recognize that controlling operating expenses is essential to our long term profitability. Over the last several years, we significantly upgraded our technology capabilities, and we currently offer web-based on-line and mobile banking, remote deposit capture, electronic check clearing, paperless statements, and online business customer cash management. We intend to further capitalize on our technology capabilities to improve operating efficiencies and enhance customer service. Our efficiency ratio for the year ended December 31, 2011 was 53.6%, which compared favorably to the ratio of the SNL Thrift Index of 60.6% for the same period.

Improved asset quality and a reduction in problem assets. Maintaining strong asset quality has been, and will continue to be, a key element of our business strategy. We employ prudent underwriting standards for new loan originations and maintain sound credit administration practices, including early recognition of problem loans and implementation of sound resolutions, including work-outs, charge-offs and sales of problem loans. In addition, substantially all of our loans are secured, predominantly by real estate. We also enhanced our credit administration function by hiring a Senior Credit Officer in 2010 to further develop and oversee a centralized credit administration process. We also retain an independent third party firm that performs semi-annual loan reviews with a primary focus on our commercial portfolio.

While we have experienced increases in delinquent and non-performing loans over the past several years as a result of the difficult economic environment, we have worked aggressively to resolve these problem assets. Our ratio of non-performing assets to total assets decreased to 1.50% at June 30, 2012 from 2.72% at December 31, 2010, a level that compares favorably to the SNL Thrift Index ratio of 2.86% at June 30, 2012. At June 30, 2012, non-performing loans totaled $34.8 million, or 3.24% of total loans, as compared to $60.9 million, or 7.36% of total loans at December 31, 2010.

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To mitigate our exposure to loan losses over the past several years, we de-emphasized the origination of commercial real estate loans, and construction and land loans. We also increased our allowance for loan losses to $27.0 million, or 2.52% of loans held for investment, net, at June 30, 2012, from $5.6 million, or 1.33% of loans held for investment, net, at December 31, 2007. We also work with willing and able borrowers experiencing financial difficulties in order to maximize recoveries and, when circumstances warrant, we may modify existing loan terms and conditions, commonly referred to as troubled debt restructurings (TDRs). At June 30, 2012, we had $47.1 million of loans classified as TDRs, of which $25.5 million were accruing interest and $21.6 million were on non-accrual status. At June 30, 2012, $40.9 million, or 86.9% of loans subject to restructuring agreements (accruing and non-accruing) were performing in accordance with their restructured terms.

Stockholder-focused management of capital. While we recognize the importance of maintaining a strong capital base to support our long-range business plan, we also strive to manage our capital position, using appropriate capital management tools, to return excess capital to our stockholders. We intend to continue this strategy following completion of the conversion, subject to applicable regulatory restrictions.

We began paying regular quarterly dividends in the fourth quarter of 2008, and increased the dividend twice from our initial annual rate of $0.16 to $0.20 and then to $0.24, respectively. These dividend increases were accomplished during a period when many depository institutions were reducing or eliminating their dividends. Our average dividend yield for the quarter ended March 31, 2012 was 1.7% compared to 1.2% for the SNL Thrift Index.

Our board of directors decided to delay future dividend payments after our March 2012 dividend, because the Federal Reserve Board currently requires Northfield Bancorp, MHC to obtain a member (depositor) vote before waiving its right to receive dividends from Northfield-Federal. However, following the completion of the conversion we intend to seek regulatory approval to pay a one-time, special dividend of $0.25 per share to all stockholders, and resume the payment of regular quarterly dividends as well.

We have also repurchased a total of $70.1 million of our common stock since 2009 and $37.8 million in the year ended December 31, 2011. Under current federal regulations, subject to certain exceptions, we may not repurchase shares of our common stock during the first year following the completion of the conversion. See Use of Proceeds.

Critical Accounting Policies

Critical accounting policies are defined as those that involve significant judgments and uncertainties, and could potentially result in materially different results under different assumptions and conditions. We believe that the most critical accounting policies upon which our financial condition and results of operation depend, and which involve the most complex subjective decisions or assessments, are the following:

Allowance for Loan Losses, Impaired Loans, and Other Real Estate Owned. The allowance for loan losses is the estimated amount considered necessary to cover probable and reasonably estimable credit losses inherent in the loan portfolio at the balance sheet date. The allowance is established through the provision for loan losses that is charged against income. In determining the allowance for loan losses, we make significant estimates and judgments. The determination of the allowance for loan losses is considered a critical accounting policy by management because of the high degree of judgment involved, the subjectivity of the assumptions used, and the potential for changes in the economic environment that could result in changes to the amount of the recorded allowance for loan losses.

The allowance for loan losses has been determined in accordance with GAAP. We are responsible for the timely and periodic determination of the amount of the allowance required. We believe that our allowance for loan losses is adequate to cover identifiable losses, as well as estimated losses inherent in our portfolio for which certain losses are probable but not specifically identifiable.

Management performs a formal quarterly evaluation of the adequacy of the allowance for loan losses. The analysis of the allowance for loan losses has a component for originated held-for-investment impaired loan losses, and a component for general loan losses, including unallocated reserves. Management has defined an originated impaired loan to be a loan for which it is probable, based on current information, that we will not collect all amounts due in accordance with the contractual terms of the loan agreement. We have defined the population of originated held-for-investment impaired loans to be all originated non-accrual loans held-for-investment with an outstanding balance of $500,000 or greater, and all originated loans subject to a troubled debt restructuring. Impaired loans are individually assessed to determine that the loan s carrying value is not in excess of the estimated fair value of the collateral (less cost to sell), if the loan is collateral dependent, or the present value of the expected future cash flows, if the loan is not collateral dependent. Management performs a detailed evaluation of each originated impaired loan and generally obtains updated appraisals as part of the evaluation. In addition, management adjusts estimated fair values down to appropriately consider recent market conditions, our willingness to accept a lower sales price to effect a quick sale, and costs to dispose of any supporting collateral. Determining the estimated fair value of underlying collateral (and related costs to sell) can be difficult in illiquid real estate markets and is subject to significant assumptions and estimates. Management employs an independent third party expert in appraisal preparation and review to ascertain the reasonableness of updated appraisals. Projecting the expected cash flows under troubled debt restructurings is inherently subjective and requires, among other things, an evaluation of the borrower s current and projected financial condition. Actual results may be significantly different than our projections, and our established allowance for loan losses on these loans, and could have a material effect on our financial results.

The second component of the allowance for loan losses is the general loss allocation. This assessment excludes impaired originated held-for-investment, trouble debt restructured, held-for-sale and purchased credit-impaired (PCI) loans, with loans being grouped into similar risk characteristics, primarily loan type, loan-to-value (if collateral dependent) and internal credit risk rating. We apply an estimated loss rate to each loan group. The loss rates applied are based on our loss experience as adjusted for our qualitative assessment of relevant changes related to: underwriting standards; delinquency trends; collection, charge-off and recovery practices; the nature or volume of the loan group; changes in lending staff; concentration of loan type; current economic conditions; and other relevant factors considered appropriate by management. In evaluating the estimated loss factors to be utilized for each loan group, management also reviews actual loss history over an extended period of time as reported by the Federal Deposit Insurance Corporation for institutions both nationally and in our market area, during periods that are believed to have been under similar economic conditions. This evaluation is inherently subjective as it requires material estimates that may be susceptible to significant revisions based on changes in economic and real estate market conditions. Actual loan losses may be significantly different than the allowance for loan losses we have established, and could have a material effect on our financial results. We also maintain an unallocated component related to the general loss allocation. Management does not target a specific unallocated percentage of the total general allocation, or total allowance for loan losses. The primary purpose of the unallocated component is to account for the inherent imprecision of the loss estimation process related primarily to periodic updating of appraisals on impaired loans, as well as periodic updating of commercial loan credit risk ratings by loan officers and our internal credit audit process. Generally, management will establish higher levels of unallocated reserves between independent credit audits, and between appraisal reviews for larger impaired loans. Adjustments to the provision for loans due to the receipt of updated appraisals is mitigated by management s quarterly review of real estate market index changes, and reviews of property valuation trends noted in current appraisals being received on other impaired and unimpaired loans. These changes in indicators of value are applied to impaired loans that are awaiting updated appraisals.

This quarterly process is performed by the accounting department, in conjunction with the credit administration department, and approved by the Controller. The Chief Financial Officer performs a final review of the calculation. All supporting documentation with regard to the evaluation process is maintained by the accounting department. Each quarter a summary of the allowance for loan losses is presented by the Controller to the audit committee of the board of directors.

We have a concentration of loans secured by real property located in New York and New Jersey. As a substantial amount of our loan portfolio is collateralized by real estate, appraisals of the underlying value of property securing loans are critical in determining the amount of the allowance required for specific loans. Assumptions for appraisal valuations are instrumental in determining the value of properties. Overly optimistic assumptions or negative changes to assumptions could significantly impact the valuation of a property securing a loan and the related allowance determined. The assumptions supporting such appraisals are reviewed by management and an independent third party appraiser to determine that the resulting values reasonably reflect amounts realizable on the collateral. Based on the composition of our loan portfolio, we believe the primary risks are increases in interest rates, a decline in the economy generally, or a decline in real estate market values in New York or New Jersey. Any one or a combination of these events may adversely affect our loan portfolio resulting in delinquencies, increased loan losses, and future loan loss provisions.

Although we believe we have established and maintained the allowance for loan losses at adequate levels, changes may be necessary if future economic or other conditions differ substantially from our estimation of the current operating environment. Although management uses the information available, the level of the allowance for loan losses remains an estimate that is subject to significant judgment and short-term change. In addition, the Office of the Comptroller of the Currency, as an integral part of their examination process, will review our allowance for loan losses and may require us to recognize adjustments to the allowance based on their judgments about information available to them at the time of their examination.

We also maintain an allowance for estimated losses on off-balance sheet credit risks related to loan commitments and standby letters of credit. Management utilizes a methodology similar to its allowance for loan loss methodology to estimate losses on these items. The allowance for estimated credit losses on these items is included in other liabilities and any changes to the allowance are recorded as a component of other non-interest expense.

Real estate acquired by us as a result of foreclosure or by deed in lieu of foreclosure is classified as other real estate owned. When we acquire other real estate owned, we generally obtain a current appraisal to substantiate the net carrying value of the asset. The asset is recorded at the lower of cost or estimated fair value, establishing a new cost basis. Holding costs and declines in estimated fair value result in charges to expense after acquisition.

Purchased Credit-Impaired Loans. Purchased credit-impaired loans, or PCI loans, are subject to our internal credit review. If and when credit deterioration occurs at the loan pool level subsequent to the acquisition date, a provision for credit losses for PCI loans will be charged to earnings for the full amount of the decline in expected cash flows for the pool. Under the accounting guidance of ASC Topic 310-30, for acquired credit impaired loans, the allowance for loan losses on PCI loans is measured at each financial reporting date based on future expected cash flows. This assessment and measurement is performed at the pool level and not at the individual loan level. Accordingly, decreases in expected cash flows resulting from further credit deterioration, on a pool basis, as of such measurement date compared to those originally estimated are recognized by recording a provision and allowance for credit losses on PCI loans. Subsequent increases in the expected cash flows of the loans in each pool would first reduce any allowance for loan losses on PCI loans; and any excess will be accreted prospectively as a yield adjustment. The analysis of expected cash flows for pools incorporates updated pool level expected prepayment rates, default rates, and delinquency levels, and loan level loss severity given default assumptions. The expected cash flows are estimated based on factors which include loan grades established in Northfield Bank's ongoing credit review program, likelihood of default based on observations of specific loans during the credit review process as well as applicable industry data, loss severity based on updated evaluation of cash flows from available collateral, and the contractual terms of the underlying loan agreement. Actual cash flows could differ from those expected, and others provided with the same information could draw different reasonable conclusions and calculate different expected cash flows.

Goodwill. Business combinations accounted for under the acquisition method require us to record as assets on our financial statements goodwill, an unidentifiable intangible asset which is equal to the excess of the purchase price which we pay for another company over the estimated fair value of the net assets acquired. Net assets acquired include identifiable intangible assets such as core deposit intangibles and non-compete agreements. We evaluate goodwill for impairment annually on December 31, and more often if circumstances warrant, and we will reduce its carrying value through a charge to earnings if impairment exists. Future events or changes in the estimates that we use to determine the carrying value of our goodwill or which otherwise adversely affect its value could have a material adverse impact on our results of operations. As of June 30, 2012, goodwill had a carrying value of $16.2 million.

Securities Valuation and Impairment. Our securities portfolio is comprised of mortgage-backed securities and to a lesser extent corporate bonds, agency bonds, and mutual funds. Our available-for-sale securities portfolio is carried at estimated fair value, with any unrealized gains or losses, net of taxes, reported as accumulated other comprehensive income or loss in stockholders equity. Our trading securities portfolio is reported at estimated fair value. Our held-to-maturity securities portfolio, consisting of debt securities for which we have a positive intent and ability to hold to maturity, is carried at amortized cost. We conduct a quarterly review and evaluation of the available-for-sale and held-to-maturity securities portfolios to determine if the estimated fair value of any security has declined below its amortized cost, and whether such decline is other-than-temporary. If such decline is deemed other-than-temporary, we adjust the cost basis of the security by writing down the security to estimated fair value through a charge to current period operations. The estimated fair values of our securities are primarily affected by changes in interest rates, credit quality, and market liquidity.

Management is responsible for determining the estimated fair value of the securities in our portfolio. In determining estimated fair values, each quarter management utilizes the services of an independent third-party service, recognized as a specialist in pricing securities. The independent pricing service utilizes market prices of same or similar securities whenever such prices are available. Prices involving distressed sellers are not utilized in determining fair value, if identifiable. Where necessary, the independent third party pricing service estimates fair value using models employing techniques such as discounted cash flow analyses. The assumptions used in these models typically include assumptions for interest rates, credit losses, and prepayments, utilizing observable market data, where available. Where the market price of the same or similar securities is not available, the valuation becomes more subjective and involves a high degree of judgment. In addition, we compare securities prices to a second independent pricing service that is utilized as part of our asset liability risk management process and analyze significant anomalies in pricing including significant fluctuations, or lack thereof, in relation to other securities. At June 30 and March 31, 2012, and for each quarter end in 2011, all securities were priced by an independent third party pricing service, and management made no adjustment to the prices received.

Determining that a security s decline in estimated fair value is other-than-temporary is inherently subjective, and becomes increasing difficult as it relates to mortgage-backed securities that are not guaranteed by the U.S. Government, or a U.S. Government Sponsored Enterprise (e.g., Fannie Mae and Freddie Mac). In performing our evaluation of securities in an unrealized loss position, we consider among other things, the severity and duration of time that the security has been in an unrealized loss position and the credit quality of the issuer. As it relates to mortgage-backed securities not guaranteed by the U.S. Government, Fannie Mae, or Freddie Mac, we perform a review of the key underlying loan collateral risk characteristics including, among other things, origination dates, interest rate levels, composition of variable and fixed rates, reset dates (including related pricing indices), current loan to original collateral values, locations of collateral, delinquency status of loans, and current credit support. In addition, for securities experiencing declines in estimated fair values of over 10%, as compared to its amortized cost, management also reviews published historical and expected prepayment speeds, underlying loan collateral default rates, and related historical and expected losses on the disposal of the underlying collateral on defaulted loans. This evaluation is inherently subjective as it requires estimates of future events, many of which are difficult to predict. Actual results could be significantly different than our estimates and could have a material effect on our financial results.

Federal Home Loan Bank Stock Impairment Assessment. Northfield Bank is a member of the Federal Home Loan Bank System, which consists of 12 regional Federal Home Loan Banks, through its membership in the Federal Home Loan Bank of New York. As a member of the Federal Home Loan Bank of New York, Northfield Bank is required to acquire and hold shares of common stock in the Federal Home Loan Bank of New York in an amount determined by a membership investment component and an activity-based investment component. As of March 31, 2012, Northfield Bank was in compliance with its ownership requirement. At June 30, 2012, Northfield Bank held $**14.2** million of Federal Home Loan Bank of New York common stock. In performing our evaluation of our investment in Federal Home Loan Bank of New York stock, on a quarterly basis, management

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reviews the Federal Home Loan Bank of New York s most recent financial statements and determines whether there have been any adverse changes to its capital position as compared to the trailing period. In addition, management reviews the Federal Home Loan Bank of New York s most recent President s Report in order to determine whether or not a dividend has been declared for the current reporting period. Furthermore, management obtains the credit rating of the Federal Home Loan Bank of New York from an accredited credit rating service to ensure that no downgrades have occurred. At June 30, 2012, it was determined by management that Northfield Bank s investment in Federal Home Loan Bank of New York common stock was not impaired.

Deferred Income Taxes. We use the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. If it is determined that it is more likely than not that the deferred tax assets will not be realized, a valuation allowance is established. We consider the determination of this valuation allowance to be a critical accounting policy because of the need to exercise significant judgment in evaluating the amount and timing of recognition of deferred tax liabilities and assets, including projections of future taxable income. These judgments and estimates are reviewed quarterly as regulatory and business factors change. A valuation allowance for deferred tax assets may be required if the amounts of taxes recoverable through loss carry backs decline, or if we project lower levels of future taxable income. Such a valuation allowance would be established and any subsequent changes to such allowance would require an adjustment to income tax expense that could adversely affect our operating results.

Stock Based Compensation. We recognize the cost of employee services received in exchange for awards of equity instruments based on the grant-date fair value.

We estimate the per share fair value of options on the date of grant using the Black-Scholes option pricing model using assumptions for the expected dividend yield, expected stock price volatility, risk-free interest rate and expected option term. These assumptions are based on our judgments regarding future option exercise experience and market conditions. These assumptions are subjective in nature, involve uncertainties, and, therefore, cannot be determined with precision. The Black-Scholes option pricing model also contains certain inherent limitations when applied to options that are not traded on public markets.

The per share fair value of options is highly sensitive to changes in assumptions. In general, the per share fair value of options will move in the same direction as changes in the expected stock price volatility, risk-free interest rate and expected option term, and in the opposite direction of changes in the expected dividend yield. For example, the per share fair value of options will generally increase as expected stock price volatility increases, risk-free interest rate increases, expected option term increases and expected dividend yield decreases. The use of different assumptions or different option pricing models could result in materially different per share fair values of options.

As our common stock does not have a significant amount of historical price volatility, we utilized the historical stock price volatility of a peer group when pricing stock options.

Comparison of Financial Condition at June 30, 2012 and December 31, 2011

Total assets increased $87.0 million, or 3.7%, to $2.46 billion at June 30, 2012, from $2.38 billion at December 31, 2011. The increase was primarily attributable to an increase in securities available-for-sale of $122.5 million, partially offset by decreases of $1.7 million in net loans held-for-investment and $30.9 million in cash and cash equivalents.

Cash and cash equivalents decreased $30.9 million, or 47.3%, to $34.4 million at June 30, 2012, from $65.3 million at December 31, 2011. We routinely maintain liquid assets in interest-bearing accounts in other well-capitalized financial institutions.

Securities available-for-sale increased $122.5 million, or 11.1%, to $1.22 billion at June 30, 2012, from $1.10 billion at December 31, 2011. The increase was primarily attributable to purchases of $466.7 million partially offset by maturities and pay-downs of $217.6 million and sales of $130.3 million.

Securities held-to-maturity decreased $785,000, or 21.7%, to $2.8 million at June 30, 2012, from $3.6 million at December 31, 2011. The decrease was attributable to maturities and paydowns during the six months ended June 30, 2012.

Originated loans held-for-investment, net, totaled $990.8 million at June 30, 2012, compared to $985.9 million at December 31, 2011. The increase was primarily due to an increase in multifamily real estate loans, which increased $79.9 million, or 17.4%, to $538.3 million at June 30, 2012, from $458.4 million at December 31, 2011. This was partially offset by a decrease in insurance premium loans of $58.6 million, due to the sale of the majority of the portfolio, and in commercial real estate of $15.8 million. Currently, management is focused on originating multifamily loans, with less emphasis on other loan types.

Purchased credit-impaired (PCI) loans, acquired as part of the acquisition of First State Bank in a Federal Deposit Insurance Corporation-assisted transaction, totaled $82.1 million at June 30, 2012 as compared to $88.5 million at December 31, 2011.

Bank owned life insurance increased $1.4 million, or 1.8%, from December 31, 2011 to June 30, 2012. The increase resulted from income earned on bank owned life insurance for the six months ended June 30, 2012.

Federal Home Loan Bank of New York stock, at cost, increased $1.5 million, or 12.1%, to $14.2 million at June 30, 2012, from $12.7 million at December 31, 2011. This increase was attributable to an increase in borrowings outstanding with the Federal Home Loan Bank of New York over the same time period.

Premises and equipment, net, increased $3.1 million, or 15.8%, to $23.1 million at June 30, 2012, from $20.0 million at December 31, 2011. The increase was primarily attributable to leasehold improvements made to new branches and the renovation of existing branches.

Other real estate owned decreased $1.2 million, or 36.3%, to $2.2 million at June 30, 2012, from $3.4 million at December 31, 2011. The decrease was attributable to the sales of several properties during the six months ended June 30, 2012.

Other assets decreased $3.0 million, or 19.7%, to $12.1 million at June 30, 2012, from $15.1 million at December 31, 2011. The decrease in other assets was attributable to a decrease in amounts due us from taxing authorities, and a decrease in prepaid Federal Deposit Insurance Corporation insurance premiums due to amortization related to the Federal Deposit Insurance Corporation prepayment of insurance premiums that was made in 2009, partially offset by an increase in prepaid expenses.

Deposits increased $49.7 million, or 3.3%, to $1.54 billion at June 30, 2012 compared to $1.49 billion at December 31, 2011. The increase in deposits was due to an increase in savings and money market accounts of $29.7 million, or 3.9%, an increase in transaction accounts of $17.7 million, or 7.1%, and an increase in certificate of deposit accounts (issued by Northfield Bank) of $5.0 million, or 1.1%. These increases were partially offset by a decrease of $2.7 million in short-term certificates of deposit originated through the CDARS® Network. Deposits originated through the CDARS® Network totaled $659,000 at June 30, 2012, and $3.4 million at December 31, 2011. We utilize the CDARS® Network as a cost-effective alternative to other short-term funding sources.

Borrowings, consisting primarily of repurchase agreements from other financial institutions and Federal Home Loan Bank advances, increased $31.7 million, or 6.6%, to $513.6 million at June 30, 2012, from $481.9 million at December 31, 2011. The increase in borrowings was primarily the result of increased FHLB advances.

Accrued expenses and other liabilities decreased $1.5 million, to $15.1 million at June 30, 2012, from $16.6 million at December 31, 2011. The decrease was primarily a result of a decrease in net accrued taxes.

Total stockholders equity increased by $6.2 million to $388.9 million at June 30, 2012, from $382.7 million at December 31, 2011. This increase was primarily attributable to net income of $8.9 million for the six months ended June 30, 2012, a $1.3 million increase in accumulated other comprehensive income and an increase of $1.8 million in additional paid-in capital primarily related to the recognition of compensation expense associated with equity awards. The increase was partially offset by $4.3 million in stock repurchases and the payment of approximately $1.7 million in dividends.

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Comparison of Financial Condition at December 31, 2011 and 2010

Total assets increased $129.8 million, or 5.8%, to $2.38 billion at December 31, 2011, from $2.25 billion at December 31, 2010. The increase was primarily attributable to increases in net loans held-for-investment of $241.9 million, or 30.0% and cash and cash equivalents of $21.4 million. This increase was partially offset by a decrease in securities available for sale of $145.6 million.

Cash and cash equivalents increased by $21.4 million, or 48.9%, to $65.3 million at December 31, 2011, from $43.9 million at December 31, 2010. Balances fluctuate based on the timing of receipt of security and loan repayments and the redeployment into higher yielding assets, or the funding of deposit or borrowing obligations.

Securities available-for-sale decreased $145.6 million, or 11.7%, to $1.18 billion at December 31, 2011, from $1.24 billion at December 31, 2010. The decrease was primarily attributable to maturities and paydowns of $403.4 million and sales of $182.7 million partially offset by purchases of $427.4 million and an increase of $10.9 million in net unrealized gains. We routinely sell securities when market pricing presents, in management s assessment, an economic benefit that outweighs holding such securities, and when smaller balance securities become cost prohibitive to carry. In the current low interest rate environment, we have experienced elevated levels of prepayments on mortgage-backed securities that we have reinvested into shorter term securities.

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At December 31, 2011, $949.6 million of the portfolio consisted of residential mortgage-backed securities issued or guaranteed by Fannie Mae, Freddie Mac, or Ginnie Mae. We also held residential mortgage-backed securities not guaranteed by Fannie Mae, Freddie Mac, or Ginnie Mae, referred to as private label securities. The private label securities had an amortized cost of $39.9 million and an estimated fair value of $40.5 million at December 31, 2011. These private label securities were in a net unrealized gain position of $567,000 at December 31, 2011, consisting of gross unrealized gains of $1.9 million and gross unrealized losses of $1.3 million. In addition to the above mortgage-backed securities, we held $100.7 million in securities issued by corporate entities which were all rated investment grade (A- or better) by an accredited credit rating service at December 31, 2011.

Securities held-to-maturity decreased $1.4 million, or 28.5%, to $3.6 million at December 31, 2011, from $5.0 million at December 31, 2010. The decrease was attributable to maturities and paydowns during the year ended December 31, 2011.

Originated loans held-for-investment, net, totaled $985.9 million at December 31, 2011, as compared to $827.6 million at December 31, 2010. The increase was primarily in multifamily real estate loans, which increased $174.7 million, or 61.6%, to $458.3 million at December 31, 2011, from $283.6 million at December 31, 2010. Insurance premium loans increased $14.6 million, or 32.7%, to $59.1 million and home equity loans increased $1.5 million, or 5.5%, to $29.7 million at December 31, 2011. These increases were partially offset by $7.4 million of originated loans held-for-investment, at amortized cost, being transferred to held-for-sale, at estimated fair value, less costs to sell, of $3.4 million, resulting in a charge-off to the allowance for loan losses of $4.0 million. Originated loans held-for-investment also decreased due to decreases in one- to four-family residential loans of $5.4 million, commercial real estate loans of $12.5 million, land and construction loans of $11.9 million, and commercial and industrial loans of $4.3 million. Currently, management is focused on originating multi-family loans, with less emphasis on other loan types.

PCI loans were $88.5 million at December 31, 2011. On October 14, 2011, we purchased PCI loans of approximately $132.4 million, based on the recorded principal balance, net of deferred fees and costs, as part of a Federal Deposit Insurance Corporation-assisted transaction. Management recorded PCI loans at their estimated fair value of $91.9 million at the date of acquisition.

Bank owned life insurance increased $3.0 million, or 4.0%, to $77.8 million at December 31, 2011. The increase resulted from income earned on bank owned life insurance for the year ended December 31, 2011.

Federal Home Loan Bank of New York stock, at cost, increased $2.9 million, or 29.6%, to $12.7 million at December 31, 2011, from $9.8 million at December 31, 2010. This increase was attributable to an increase in borrowings outstanding with the Federal Home Loan Bank of New York over the same time period.

Premises and equipment, net, increased $3.9 million, or 24.5%, to $20.0 million at December 31, 2011, from $16.1 million at December 31, 2010. This increase was primarily attributable to leasehold improvements made to new branches and the renovation of existing branches.

Other real estate owned increased $3.2 million to $3.4 million at December 31, 2011, from $171,000 at December 31, 2010. This increase was partially attributable to $1.2 million of properties acquired as part of a Federal Deposit Insurance Corporation-assisted transaction.

Other assets decreased $3.0 million, or 16.6%, to $15.1 million at December 31, 2011, from $18.1 million at December 31, 2010. The decrease in other assets was primarily attributable to a decrease in net deferred tax assets, due to an increase in deferred tax liabilities associated with net unrealized gains on securities available-for-sale and the amortization of prepaid Federal Deposit Insurance Corporation insurance.

Deposits increased $120.7 million, or 8.8%, to $1.5 billion at December 31, 2011, from $1.4 billion at December 31, 2010. The increase in deposits for the year ended December 31, 2011 was due to an increase in transaction accounts of $67.0 million, or 35.7% as compared to December 31, 2010. This increase was partially offset by a decrease in certificates of deposit accounts (issued by Northfield Bank) of $7.9 million, or 1.6%, from

December 31, 2010 to December 31, 2011, a decrease in savings accounts of $3.1 million, or 0.9%, from December 31, 2010 and a decrease of $65.0 million in short-term certificates of deposit originated through the CDARS® Network. We utilize the CDARS® Network as a cost effective alternative to other short-term funding sources. The increase in deposits was also primarily attributable to the Federal Deposit Insurance Corporation-assisted transaction. The acquired deposits were approximately $109.5 million at December 31, 2011. We continue to focus on our marketing and pricing of our products, which we believe promotes longer-term customer relationships.

Borrowings, consisting primarily of Federal Home Loan Bank advances and repurchase agreements, increased $90.7 million, or 23.2%, to $481.9 million at December 31, 2011, from $391.2 million at December 31, 2010. The increase in borrowings was primarily the result of our increasing longer-term borrowings, taking advantage of, and locking in, lower interest rates, partially offset by maturities during the year ended December 31, 2011.

Accrued expenses and other liabilities decreased $69.1 million, to $16.6 million at December 31, 2011, from $85.7 million at December 31, 2010. The decrease was primarily a result of $70.7 million owed for securities purchases occurring prior to December 31, 2010, and settling after year end. We had no such transactions at December 31, 2011.

Total stockholders equity decreased by $14.1 million to $382.7 million at December 31, 2011, from $396.7 million at December 31, 2010. The decrease was primarily due to $37.8 million in stock repurchases and the payment of approximately $3.7 million in cash dividends. These decreases were partially offset by net income of $16.8 million for the year ended December 31, 2011, an increase of $3.2 million in additional paid-in capital primarily related to the recognition of compensation expense associated with equity awards, and an increase in accumulated other comprehensive income of $6.6 million, related primarily to increases in unrealized gains on securities available for sale, net of tax, due to a decrease in general market interest rates.

On September 9, 2011, our board of directors authorized the continuance of the stock repurchase program. Under the program, we intend to repurchase up to 2,066,379 additional shares, representing approximately 5% of our outstanding shares following the repurchase of the remaining shares authorized under the existing stock repurchase program announced on October 27, 2010. The timing of the repurchases will depend on certain factors, including but not limited to, market conditions and prices, our liquidity and capital requirements, and alternative uses of capital. Any repurchased shares will be held as treasury stock and will be available for general corporate purposes. We are conducting such repurchases in accordance with a Rule 10(b)5-1 trading plan. As of December 31, 2011, we had repurchased (under our current and prior repurchase plans) 5,064, 252 shares of our stock at an average price of $12.85 per share. We have also repurchased shares of stock from employees to meet minimum tax obligations related to vesting of equity awards. In connection with our announcement that we intend to convert to a fully public company, the board of directors terminated our most recently announced stock repurchase program.

Comparison of Operating Results for the Six Months Ended June 30, 2012 and 2011

Net income. Net income was $8.9 million for the six months ended June 30, 2012, as compared to $9.3 million for the six months ended June 30, 2011. Results reflected an increase of $2.3 million in net interest income, a $106,000 decrease in non-interest income, a decrease of $2.0 million in the provision for loan losses, a $4.9 million increase in non-interest expense and an $83,000 decrease in income tax expense.

Interest income. Interest income increased $1.1 million, or 2.4%, to $45.5 million for the six months ended June 30, 2012, from $44.4 million for the six months ended June 30, 2011. The increase was primarily due to an increase in interest income on loans of $4.8 million. The increase in interest income of loans was attributed to an increase in the average balances of $206.3 million, partially offset by a decrease of 26 basis points in the yield earned. This increase was partially offset by a decrease in interest income on mortgage backed securities of $3.5 million. The decrease in mortgage backed securities was primarily attributable to a decrease of 43 basis points in the yield earned and a decrease in the average balance of $90.4 million.

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Interest expense. Interest expense decreased $1.2 million, or 9.9%, to $11.6 million for the six months ended June 30, 2012, from $12.8 million for the six months ended June 30, 2011. The decrease was due to a decrease of $1.3 in interest expense on deposits. Interest expense on borrowings was relatively flat compared to the prior year quarter. The decrease in interest expense on deposits was attributed to a decrease in the cost of interest bearing deposits of 26 basis points to 0.74% from 1.00%, partially offset by an increase in average balance of interest bearing deposit accounts of $77.6 million, or 6.1%, to $1.35 billion for the six months ended June 30, 2012 from $1.27 billion for the six months ended June 30, 2011.

Net Interest Income. Net interest income increased $2.3 million, or 7.4%, to $33.9 million for the six months ended June 30, 2012 compared to $31.6 million for the six months ended June 30, 2011, as interest-earning assets increased by 4.8% to $2.25 billion. The increase in average interest-earning assets was due primarily to an increase in average loans outstanding of $206.3 million, partially offset by decreases in average interest-earning assets in other financial institutions of $9.2 million, mortgage-backed securities of $90.4 million and other securities of $5.8 million. The six months ended June 30, 2012 included prepayment loan income of $414,000 compared to $248,000 for the six months ended June 30, 2011. Other securities consist primarily of investment-grade shorter-term corporate bonds and government-sponsored enterprise bonds. Rates paid on interest-bearing liabilities decreased 20 basis points to 1.27% for the six months ended June 30, 2012 as compared to 1.47% for the prior-year comparable period. This was partially offset by an 11 basis point decrease in yields earned on interest-earning assets to 4.06% as compared to 4.17% for the prior- year comparable period.

Provision for Loan Losses. The provision for loan losses was $1.2 million for the six months ended June 30, 2012, a decrease of $1.9 million, or 62.8%, from the $3.1 million provision recorded in the six months ended June 30, 2011. The decrease in the provision for loan losses was due primarily to a shift in the composition of our loan portfolio to multifamily loans, which generally require lower general reserves than our other commercial real estate loans, and a decrease in non-performing loans during the six months ended June 30, 2012, as compared to the six months ended June 30, 2011. During the six months ended June 30, 2012, we recorded net charge-offs of $953,000 compared to net charge-offs of $1.4 million for the six months ended June 30, 2011.

Non-interest Income. Non-interest income increased $106,000, or 2.0%, to $5.4 million for the six months ended June 30, 2012, as compared to $5.3 million for the six months ended June 30, 2011. This increase was primarily a result of a $128,000 increase in fees and service charges for customer services, a decrease in losses on other-than-temporary-impairment of securities of $409,000 and an increase in other income of $211,000, partially offset by decreases in securities transactions, net of $584,000 and in income on bank owed life insurance of $58,000.

Non-interest Expense. Non-interest expense increased $4.9 million, or 25.1%, to $24.4 million for the six months ended June 30, 2012, as compared to $19.5 million for the six months ended June 30, 2011, due primarily to compensation and employee benefits increasing by $1.7 million, or 16.9%, the increase in compensation and employee benefits was due to increased staff primarily related to branch openings and acquisitions, an increase in occupancy expense of $1.2 million primarily relating to new branches and the renovation of existing branches, an increase of $669,000 in data processing fees primarily related to conversion costs associated with the transaction with the Federal Deposit Insurance Corporation, a $728,000 increase in professional fees primarily related to merger activity and an increase in other non-interest expense of $487,000.

Income Tax Expense. We recorded income tax expense of $4.8 million for the six months ended June 30, 2012, compared to $4.9 million for the six months ended June 30, 2011. The effective tax rate for the six months ended June 30, 2012 was 35.3%, as compared to 34.6% for the six months ended June 30, 2011.

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

Net Income. Net income increased $3.0 million, or 22.0%, to $16.8 million for the year ended December 31, 2011, as compared to $13.8 million for the year ended December 31, 2010, due primarily to an increase of $3.5 million in net interest income and an increase in non-interest income of $5.0 million, partially offset by a $2.5 million increase in the provision for loan losses, an increase of $2.8 million in non-interest expense and an increase of $127,000 in income tax expense.

Interest Income. Interest income increased by $4.5 million, or 5.2%, to $91.0 million for the year ended December 31, 2011, as compared to $86.5 million for the year ended December 31, 2010. The increase was primarily the result of an increase in average interest-earning assets of $175.6 million, or 8.8%. The increase in average interest-earning assets was primarily attributable to an increase in average loans of $153.5 million, or 19.8%, an increase in average mortgage-backed securities of $124.3 million, or 13.3%, and an increase in average interest-earning deposits of $3.0 million, or 6.4%, partially offset by a decrease in securities (other than mortgage-backed securities) of $108.7 million, or 45.3%. The effect of the increase in average interest-earning assets was partially offset by a decrease of 14 basis points, or 3.2%, in the yield earned to 4.17% for the year ended December 31, 2011, from 4.31% for the year ended December 31, 2010. The rates earned on loans and mortgage-backed securities decreased due to the general decline in market interest rates for these asset types.

Interest Expense. Interest expense increased $1.0 million, or 4.1%, to $25.4 million for the year ended December 31, 2011, from $24.4 million for the year ended December 31, 2010. The increase was attributable to an increase in interest expense on borrowings of $2.3 million, or 21.5%, partially offset by a decrease in interest expense on deposits of $1.3 million, or 9.7%. The increase in interest expense on borrowings was primarily attributable to an increase of $145.7 million, or 44.1%, in average borrowings outstanding, partially offset by a decrease of 52 basis points, or 15.9%, in the cost of borrowings, reflecting lower market interest rates for borrowed funds. The decrease in interest expense on deposits was attributable to a decrease in the cost of interest-bearing deposits of 13 basis points, or 12.1%, to 0.94% for the year ended December 31, 2011, from 1.07% for the year ended December 31, 2010, reflecting lower market interest rates for short-term deposits. The decrease in the cost of deposits was partially offset by an increase of $41.0 million, or 3.2%, in average interest-bearing deposits outstanding.

Net Interest Income. Net interest income increased $3.5 million, or 5.7%, as interest-earning assets increased by 8.8% to $2.2 billion. The general decline in interest rates has resulted in a decline in the yields earned on interest-earning assets by 14 basis points to 4.17% for the current year as compared to 4.31% for the prior year, while rates paid on interest-bearing liabilities decreased 11 basis points to 1.42% for the current year as compared to 1.53% for the prior year. Yields on loans include $1.4 million in interest income recognized on PCI loans with an average balance of $19.3 million contributing approximately four basis points to the net interest margin. Additionally, net interest income for the year ended December 31, 2011 included prepayment penalties of $812,000 compared to $67,000 for the year ended December 31, 2010. The increase in average interest earning assets was due primarily to increases in average loans outstanding of $153.5 million and $124.3 million in mortgage-backed securities, partially offset by a decrease in other securities. Other securities consist primarily of investment-grade shorter-term corporate bonds and government-sponsored enterprise bonds.

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Provision for Loan Losses. The provision for loan losses was $12.6 million for the year ended December 31, 2011, an increase of $2.5 million, or 24.8%, from the $10.1 million provision recorded in the year ended December 31, 2010. The increase in the provision for loan losses in the current year was due primarily to increased charge-offs and increased loan originations partially offset by a shift in the composition of our loan portfolio to multifamily loans, which generally require lower general reserves than other commercial real estate loans, and decreases in non-performing loans during the year ended December 31, 2011, as compared to the year ended December 31, 2010. During the year ended December 31, 2011, we recorded net charge-offs of $7.6 million compared to net charge-offs of $3.7 million for the year ended December 31, 2010. Charge-offs for 2011 included $4.0 million related to the transfer of $7.4 million of loans to held-for-sale.

Non-interest Income. Non-interest income increased $5.0 million, or 73.0%, to $11.8 million for the year ended December 31, 2011, as compared to $6.8 million for the year ended December 31, 2010. This increase was primarily the result of a $3.6 million, net of taxes, bargain purchase gain, associated with the Federal Deposit Insurance Corporation-assisted acquisition in October 2011, a $750,000 increase in gains on security sales, a $364,000 increase in fees and service charges for customer services, and a $694,000 increase in income earned on bank owned life insurance, generated by increased cash surrender values, primarily resulting from higher levels of bank owned life insurance. We routinely sell securities when market pricing presents, in management s assessment, an economic benefit that outweighs holding such securities, and when smaller balance securities become cost prohibitive to carry. These increases were partially offset by an increase of $255,000 in other-than-temporary credit impairment charges recognized on two private label mortgage-backed securities and an equity mutual fund and a decrease of $120,000 in other income.

Non-interest Expense. Non-interest expense increased $2.8 million, or 7.4%, for the year ended December 31, 2011, as compared to the year ended December 31, 2010, due primarily to compensation and employee benefits expense increasing $2.6 million, which resulted primarily from increases in employees related to additional branch and operations personnel, and to a lesser extent, salary adjustments effective January 1, 2011. Occupancy expense increased $1.1 million, or 22.3%, primarily due to increases in rent and amortization of leasehold improvements relating to new branches and the renovation of existing branches. These increases were partially offset by decreased professional fees of $1.3 million, primarily resulting from the expensing of approximately $1.8 million in costs incurred for our postponed, second-step stock offering in the prior year partially offset by increased costs related to loan workouts.

Income Tax Expense. We recorded income tax expense of $6.5 million and $6.4 million for the years ended December 31, 2011 and 2010, respectively. The effective tax rate for the year ended December 31, 2011 was 27.8%, as compared to 31.6% for the year ended December 31, 2010. The decrease in rate was due primarily to the $5.9 million bargain purchase gain recorded in the Federal Deposit Insurance Corporation-assisted transaction being recorded net of tax of $2.3 million and lower taxable income in the current year as a result of in an increase in tax-exempt bank owned life insurance income of $694,000.

Comparison of Operating Results for the Years Ended December 31, 2010 and 2009

Net Income. Net income increased $1.7 million or 14.2%, to $13.8 million for the year ended December 31, 2010, from $12.1 million for the year ended December 31, 2009, due primarily to an increase of $5.5 million in net interest income, an increase of $1.4 million in non-interest income, and a decrease of $248,000 in income tax expense, partially offset by an increase of $4.4 million in non-interest expense, and an increase of $1.0 million in provision for loan losses.

Interest Income. Interest income increased by $927,000, or 1.1%, to $86.5 million for the year ended December 31, 2010, as compared to $85.6 million for the year ended December 31, 2009. The increase was primarily the result of an increase in average interest-earning assets of $213.0 million, or 11.9%. The increase in average interest-earning assets was primarily attributable to an increase in average loans of $121.7 million, or 18.6%, an increase in average mortgage-backed securities of $16.2 million, or 1.8%, and an increase in securities (other than mortgage-backed securities) of $112.9 million, or 88.9%, partially offset by a decrease in average interest-earning deposits of $37.2 million, or 44.7%. The effect of the increase in average interest-earning assets was partially offset by a decrease in the yield earned to 4.31% for the year ended December 31, 2010, from 4.77% for the year ended December 31, 2009. The rates earned on all asset categories, other than loans, decreased due to the general decline in market interest rates for these asset types. The rate earned on loans increased from 5.95% for the year ended December 31, 2009 to 6.02% for the year ended December 31, 2010, primarily as a result of fewer loans migrating to non-accrual status during 2010, as compared to the amount of loans that migrated to non-accrual status during 2009.

Interest Expense. Interest expense decreased $4.6 million, or 15.8%, to $24.4 million for the year ended December 31, 2010, from $29.0 million for the year ended December 31, 2009. The decrease was attributable to a decrease in interest expense on deposits of $4.6 million, or 25.5%, partially offset by a modest increase in interest expense on borrowings of $70,000, or 0.7%. The decrease in interest expense on deposits was attributable to a decrease in the cost of interest-bearing deposits of 62 basis points, or 36.7%, to 1.07% for the year ended December 31, 2010, from 1.69% for the year ended December 31, 2009, reflecting lower market interest rates for short-term deposits. The decrease in the cost of deposits was partially offset by an increase of $190.3 million, or 17.7%, in average interest-bearing deposits outstanding. The increase in interest expense on borrowings was primarily attributable to an increase of $33.3 million, or 11.2%, in average borrowings outstanding, partially offset by a decrease of 34 basis points, or 9.4%, in the cost of borrowings, reflecting lower market interest rates for borrowed funds.

Net Interest Income. Net interest income increased $5.5 million, or 9.7%, due primarily to interest earning assets increasing $213.0 million, or 11.9%, partially offset by a decrease in the net interest margin of six basis points, or 1.9%, over the prior year. The net interest margin decreased for the year ended December 31, 2010 as the average yield earned on interest earning assets decreased, which was partially offset by a decrease in the average rate paid on interest-bearing liabilities. The general decline in yields was due to the overall low interest rate environment and was driven by decreases in yields earned on mortgage-backed securities, as principal repayments were reinvested into lower yielding securities. The decline in yield on interest-earning assets was also due to declining yields on other securities and interest-earning deposits in other financial institutions. These decreases were partially offset by an increase in yield earned on loans due primarily to fewer loans migrating to non-accrual status during 2010, as compared to the amount of loans that migrated to non-accrual status during 2009. The increase in average interest earning assets was due primarily to an increase in average loans outstanding of $121.7 million, other securities of $112.9 million, and mortgage-backed securities of $16.2 million, being partially offset by decreases in interest-earning assets in other financial institutions. Other securities consist primarily of investment-grade corporate bonds, and government-sponsored enterprise bonds.

Provision for Loan Losses. We recorded a provision for loan losses of $10.1 million for the year ended December 31, 2010, an increase of $1.1 million, or 11.6%, from the $9.0 million provision recorded for the year ended December 31, 2009. The increase in the provision for loan losses was due primarily to increases in total loans, the change in the composition of our loan portfolio, and increases in general loss factors, due primarily to higher levels of charge-offs. The increases in the general loss factors utilized in management s estimate of credit losses inherent in the loan portfolio were also the result of continued deterioration of the local economy. Net charge-offs for the year ended December 31, 2010, were $3.7 million, as compared to $2.4 million for the year ended December 31, 2009.

Non-interest Income. Non-interest income increased $1.4 million, or 26.9%, primarily as a result of an increase of $962,000 in gains on securities transactions, net for the year ended December 31, 2010, as compared to the year ended December 31, 2009. We recognized $1.9 million in gains on securities transactions during the year ended December 31, 2010, as compared to $891,000 in gains on securities transactions during the year ended December 31, 2009. Securities gains during the year ended December 31, 2010 included gross realized gains of $1.3 million primarily from the sale of mortgage-backed securities, coupled with securities gains of $597,000 related to our trading portfolio. During the year ended December 31, 2009, securities gains included gross realized gains of $299,000 primarily from the sale of mortgage-backed securities, coupled with securities gains of $592,000 related to our trading portfolio. The trading portfolio is utilized to fund our deferred compensation obligation to certain of our employees and directors. The participants of this plan, at their election, defer a portion of their compensation. Gains and losses on trading securities have no effect on net income since participants benefit from, and bear the full

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risk of, changes in the trading securities market values. Therefore, we record an equal and offsetting amount in non-interest expense, reflecting the change in our obligations under the plan. We routinely sell securities when market pricing presents, in management s assessment, an economic benefit that outweighs holding such security, and when smaller balance securities become cost prohibitive to carry.

Non-interest income also was positively affected by a $524,000, or 29.9%, increase in income on bank owned life insurance for the year ended December 31, 2010, as compared to the year ended December 31, 2009, due to the purchase of $28.8 million of insurance policies during the year ended December 31, 2010. We also recognized approximately $197,000 of income on the sale of fixed assets during the year ended December 31, 2010.

Non-interest Expense. Non-interest expense increased $4.4 million, or 12.9%, for the year ended December 31, 2010, as compared to the year ended December 31, 2009, due primarily to the expensing of approximately $1.8 million in costs incurred on our postponed, second-step stock offering, and an increase of $2.2 million, or 12.8%, in compensation and employee benefits expense. Compensation and employee benefits expense increased primarily due to increases in full-time equivalent employees related to additional branch and operations personnel, as well as incremental personnel from our insurance premium finance division formed in October 2009. Occupancy expense increased $547,000, or 11.9%, over the same time period, primarily due to increases in rent and amortization of leasehold improvements relating to new branches and the renovation of existing branches. In addition, other non-interest expense also increased $536,000, or 15.7%, from the year ended December 31, 2009 to the year ended December 31, 2010. This increase is primarily attributable to operating expenses of the insurance premium finance division. These increases in non-interest expense were partially offset by a decrease of $515,000 in Federal Deposit Insurance Corporation insurance expense. Federal Deposit Insurance Corporation insurance expense for the year ended December 31, 2009 included $770,000 related to a Federal Deposit Insurance Corporation special assessment.

Income Tax Expense. We recorded a provision for income taxes of $6.4 million for the year ended December 31, 2010, as compared to $6.6 million for the year ended December 31, 2009. The effective tax rate for the year ended December 31, 2010, was 31.6%, as compared to 35.4% for the year ended December 31, 2009. The decrease in the effective tax rate was primarily the result of the reversal of deferred tax liabilities related to state bad debt reserves of approximately $738,000 resulting from the enactment of new State of New York tax laws during the year ended December 31, 2010, and higher levels of tax exempt income from bank owned life insurance.

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Average Balances and Yields. The following tables set forth average balance sheets, average yields and costs, and certain other information at June 30, 2012 and for the periods indicated. No tax-equivalent yield adjustments have been made, as we had no tax-free interest-earning assets during the years. All average balances are daily average balances based upon amortized costs. Non-accrual loans were included in the computation of average balances. The yields set forth below include the effect of deferred fees, discounts, and premiums that are amortized or accreted to interest income or interest expense.

	At June 30, 2012 Yield/ Rate	For the Six Months Ended June 30, 2012 Average Outstanding Balance	Interest	Average Yield/Rate (4)	2011 Average Outstanding Balance	Interest	Average Yield/Rate (4)
		(Dollars in thousands)					
Interest-earning assets:							
Loans	5.63%	$ 1,065,272	$ 30,025	5.67%	$ 858,991	$ 25,252	5.93%
Mortgage-backed securities	2.54	1,008,957	13,619	2.71	1,099,390	17,092	3.14
Other securities	1.99	128,989	1,543	2.41	134,822	1,757	2.63
Federal Home Loan Bank of New York stock	4.50	13,083	284	4.37	10,469	230	4.43
Interest-earning deposits	0.24	38,483	28	0.15	47,708	105	0.44
Total interest-earning assets	3.94	2,254,784	45,499	4.06	2,151,380	44,436	4.17
Non-interest-earning assets		144,572			134,861		
Total assets		$ 2,399,356			$ 2,286,241		
Interest-bearing liabilities:							
Savings, NOW, and money market accounts	0.43	$ 870,663	$ 2,119	0.49	$ 697,955	$ 2,298	0.66
Certificates of deposit	1.22	475,239	2,866	1.21	570,312	3,989	1.41
Total interest-bearing deposits	0.71	1,345,902	4,985	0.74	1,268,267	6,287	1.00
Borrowings	2.53	489,504	6,576	2.70	496,276	6,549	2.66
Total interest-bearing liabilities	1.20	1,835,406	11,561	1.27	1,764,543	12,836	1.47
Non-interest-bearing deposits		162,602			115,346		
Accrued expenses and other liabilities		15,757			9,706		
Total liabilities							
Stockholders equity		385,591			396,646		
Total liabilities and stockholders equity		$ 2,399,356			$ 2,286,241		
Net interest income			$ 33,938			$ 31,600	
Net interest rate spread (1)				2.79%			2.70%
Net interest-earning assets (2)		$ 419,378			$ 386,837		
Net interest margin (3)				3.03%			2.96%
Average interest-earning assets to interest-bearing liabilities		122.85%			121.92%		

(footnotes on following page)

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	For the Years Ended December 31,								
	2011			2010			2009		
	Average Outstanding Balance	Interest	Average Yield/Rate	Average Outstanding Balance	Interest	Average Yield/Rate	Average Outstanding Balance	Interest	Average Yield/Rate
	(Dollars in thousands)								
Interest-earning assets:									
Loans	$ 928,904	$ 55,066	5.93%	$ 775,404	$ 46,681	6.02%	$ 653,748	$ 38,889	5.95%
Mortgage-backed securities	1,061,308	32,033	3.02	936,991	33,306	3.55	920,785	42,256	4.59
Other securities	131,136	3,314	2.53	239,872	6,011	2.51	126,954	3,223	2.54
Federal Home Loan Bank of New York stock	10,459	439	4.20	6,866	354	5.16	7,428	399	5.37
Interest-earning deposits	48,903	165	0.34	45,951	143	0.31	83,159	801	0.96
Total interest-earning assets	2,180,710	91,017	4.17	2,005,084	86,495	4.31	1,792,074	85,568	4.77
Non-interest-earning assets	141,466			115,491			87,014		
Total assets	$ 2,322,176			$ 2,120,575			$ 1,879,088		
Interest-bearing liabilities:									
Savings, NOW, and money market accounts	$ 741,130	4,651	0.63	$ 676,334	5,119	0.76	$ 566,894	6,046	1.07
Certificates of deposit	566,619	7,600	1.34	590,445	8,454	1.43	509,610	12,168	2.39
Total interest-bearing deposits	1,307,749	12,251	0.94	1,266,779	13,573	1.07	1,076,504	18,214	1.69
Borrowings	476,413	13,162	2.76	330,693	10,833	3.28	297,365	10,763	3.62
Total interest-bearing liabilities	1,784,162	25,413	1.42	1,597,472	24,406	1.53	1,373,869	28,977	2.11
Non-interest-bearing deposits	131,224			114,450			99,950		
Accrued expenses and other liabilities	13,260			9,677			14,075		
Total liabilities	1,928,646			1,721,599			1,487,894		
Stockholders equity	393,530			398,976			391,194		
Total liabilities and stockholders equity	$ 2,322,176			$ 2,120,575			$ 1,879,088		
Net interest income		$ 65,604			$ 62,089			$ 56,591	
Net interest rate spread (1)			2.75			2.78			2.66
Net interest-earning assets (2)	$ 396,548			$ 407,612			$ 418,205		
Net interest margin (3)			3.01%			3.10%			3.16%
Average interest-earning assets to interest-bearing liabilities	122.23%			125.52%			130.44%		

(1) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average rate of interest-bearing liabilities.
(2) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.
(3) Net interest margin represents net interest income divided by average total interest-earning assets.
(4) Annualized.

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Rate/Volume Analysis

The following table presents the effects of changing rates and volumes on our net interest income for the years indicated. The rate column shows the effects attributable to changes in rate (changes in rate multiplied by prior volume). The volume column shows the effects attributable to changes in volume (changes in volume multiplied by prior rate). The total column represents the sum of the prior columns. For purposes of this table, changes attributable to both rate and volume, which cannot be segregated, have been allocated proportionately based on the changes due to rate and the changes due to volume.

	Six Months Ended March 31, 2012 vs. 2011			Year Ended December 31, 2011 vs. 2010			Year Ended December 31, 2010 vs. 2009		
	Increase (Decrease) Due to		Total Increase (Decrease)	Increase (Decrease) Due to		Total Increase (Decrease)	Increase (Decrease) Due to		Total Increase (Decrease)
	Volume	Rate		Volume	Rate		Volume	Rate	
				(In thousands)					
Interest-earning assets:									
Loans	$ 5,840	$ (1,067)	$ 4,773	$ 9,070	$ (685)	$ 8,385	$ 7,319	$ 473	$ 7,792
Mortgage-backed securities	(1,320)	(2,153)	(3,473)	10,163	(11,436)	(1,273)	758	(9,708)	(8,950)
Other securities	(72)	(142)	(214)	(2,745)	48	(2,697)	2,829	(41)	2,788
Federal Home Loan Bank of New York stock	57	(3)	54	132	(47)	85	(29)	(16)	(45)
Interest-earning deposits	(17)	(60)	(77)	9	13	22	(262)	(396)	(658)
Total interest-earning assets	4,488	(3,425)	1,063	16,629	(12,107)	4,522	10,615	(9,688)	927
Interest-bearing liabilities:									
Savings, NOW and money market accounts	2,875	(3,054)	(179)	596	(1,064)	(468)	1,840	(2,767)	(927)
Certificates of deposit	(610)	(513)	(1,123)	(334)	(520)	(854)	2,437	(6,151)	(3,714)
Total deposits	2,265	(3,567)	(1,302)	262	(1,584)	(1,322)	4,277	(8,918)	(4,641)
Borrowings	(238)	265	27	3,638	(1,309)	2,329	458	(388)	70
Total interest-bearing liabilities	2,027	(3,302)	(1,275)	3,900	(2,893)	1,007	4,735	(9,306)	(4,571)
Change in net interest income	$ 2,461	$ (123)	$ 2,338	$ 12,729	$ (9,214)	$ 3,515	$ 5,880	$ (382)	$ 5,498

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Asset Quality

Purchased Credit Impaired Loans

PCI loans were recorded at estimated fair value using expected future cash flows deemed to be collectible on the date acquired. Based on its detailed review of PCI loans and experience in loan workouts, management believes it has a reasonable expectation about the amount and timing of future cash flows and accordingly has classified PCI loans ($82.1 million at June 30, 2012 and $88.5 million at December 31, 2011) as accruing, even though they may be contractually past due. At June 30, 2012, based on recorded contractual principal, 6.1% of PCI loans were past due 30 to 89 days, and 12.8% were past due 90 days or more. At December 31, 2011, based on recorded contractual principal, 9.0% of PCI loans were past due 30 to 89 days, and 16.1% were past due 90 days or more, as compared to 8.0% and 13.9% at October 14, 2011. The amount and timing of expected cash flows as of June 30, 2012 did not change significantly from the October 2011 acquisition date. The discussion that follows relates specifically to originated loans, both held-for-investment and held-for-sale.

Originated Loans

General. Maintaining loan quality historically has been, and will continue to be, a key element of our business strategy. We employ conservative underwriting standards for new loan originations and maintain sound credit administration practices while the loans are outstanding. In addition, substantially all of our loans are secured, predominantly by real estate. However, during the current economic recession, we have experienced increases in delinquent and non-performing loans. At June 30, 2012, our non-performing loans totaled $34.8 million or 3.24% of total loans. Charge-offs have remained relatively low at 0.18% (annualized) of average total loans for the six months ended June 30, 2012, 0.78% of average loans outstanding for the year ended December 31, 2011, 0.47% for the year ended December 31, 2010, and 0.37% for the year ended December 31, 2009. Net charge-offs in 2011 included $4.0 million related to the transfer of $7.4 million of loans held-for-investment to held-for-sale.

Delinquent Loans and Non-performing Loans. Non-performing loans totaled $34.8 million at June 30, 2012, compared to $43.9 million at December 31, 2011, and $60.9 million at December 31, 2010. The following table details non-performing loans at those dates.

	June 30,	December 31,	
	2012	2011	2010
		(In thousands)	
Non-accruing loans:			
Held-for-investment	$ 12,680	$ 17,489	$ 39,303
Held-for-sale	80	2,991	
Non-accruing loans subject to restructuring agreements:			
Held-for-investment	21,609	22,844	19,978
Held-for-sale		457	
Total non-accruing loans	34,639	43,781	59,281
Loans 90 days or more past due and still accruing:			
Held-for-investment	424	85	1,609
Held-for-sale			
Total loans 90 days or more past due and still accruing:	424	85	1,609
Total non-performing loans	34,793	43,866	60,890
Other real estate owned	2,139	3,359	171
Total non-performing assets	$ 36,932	$ 47,225	$ 61,061
Loans subject to restructuring agreements and still accruing	$ 25,502	$ 18,349	$ 11,198

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The following table details non-performing loans by loan type at June 30, 2012 and December 31, 2011 and 2010:

	June 30, 2012	December 31, 2011	2010
		(in thousands)	
Non-accrual loans:			
Real estate loans:			
Commercial	$ 25,378	$ 34,659	$ 46,388
One- to four-family residential	1,660	1,338	1,275
Construction and land	1,861	2,131	5,122
Multifamily	2,416	2,175	4,863
Home equity and lines of credit	1,702	1,766	181
Commercial and industrial	1,345	1,575	1,323
Insurance premium loans	7	137	129
Total non-accrual loans	34,369	43,781	59,281
Loans delinquent 90 days or more and still accruing:			
Real estate loans:			
Commercial	4	13	
One- to four-family residential	290		1,108
Construction and land			404
Multifamily	71	72	
Home equity and lines of credit			59
Commercial and industrial			38
Other loans	59		
Total loans delinquent 90 days or more and still accruing	424	85	1,609
Total non-performing loans	$ 34,793	$ 43,866	$ 60,890

Generally, originated loans are placed on non-accruing status when they become 90 days or more delinquent, and remain on non-accrual status until they are brought current, have six months of performance under the loan terms, and factors indicating reasonable doubt about the timely collection of payments no longer exist. Therefore, loans may be current in accordance with their loan terms, or may be less than 90 days delinquent and still be on a non-accruing status. The following tables detail the delinquency status of non-accruing loans at March 31, 2012 and December 31, 2011:

	At June 30, 2012 Days Past Due			
	0 to 29	30 to 89	90 or more	Total
Real estate loans:				
Commercial	$ 14,948	$ 464	$ 9,966	$ 25,378
One- to four-family residential	284	919	457	1,660
Construction and land	1,861			1,861
Multifamily	517		1,899	2,416
Home equity and lines of credit		100	1,602	1,702
Commercial and industrial loans	541		804	1,345
Insurance premium loans			7	7
Total non-accruing loans	$ 18,151	$ 1,483	$ 14,735	$ 34,369

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	At December 31, 2011			
	Days Past Due			
	0 to 29	30 to 89	90 or more	Total
Real estate loans:				
Commercial	$ 16,395	$ 3,613	$ 14,651	$ 34,659
One- to four-family residential	210	594	534	1,338
Construction and land	1,709		422	2,131
Multifamily	523		1,652	2,175
Home equity and lines of credit	102		1,664	1,766
Commercial and industrial loans	553		1,022	1,575
Insurance premium loans			137	137
Total non-accruing loans	$ 19,492	$ 4,207	$ 20,082	$ 43,781

Total non-accruing loans decreased $9.4 million, to $34.4 million at June 30, 2012, from $43.8 million at December 31, 2011. This decrease was primarily attributable to loans held-for-sale of $3.4 million being sold during the six months ended June 30, 2012, $876,000 of loans returned to accrual status, $2.2 million of pay-offs and principal pay-downs, charge-offs of $519,000, the sale of $5.7 million of loans held-for-investment and the transfer of $166,000 to other real estate owned. The above decreases in non-accruing loans during the six months ended June 30, 2012, were partially offset by $3.1 million of loans being placed on non-accrual status and advances of $352,000 during the quarter ended June 30, 2012.

The decrease in non-accrual loans during the year ended December 31, 2011 was primarily attributable to $12.5 million in loans being returned to accrual status during the year ended December 31, 2011. Non-accrual loans also decreased as a result of $4.0 million of pay-offs and principal pay-downs, charge-offs of $7.6 million, and the transfer of $2.7 million to other real estate owned. The above decreases in non-accruing loans during the year ended December 31, 2011 were partially offset by $11.3 million of loans being placed on non-accrual status during the year ended December 31, 2011.

A discussion of the five largest non-accrual loans at June 30, 2012 follows. The carrying value of these loans totaled $18.1 million, or 52.7%, of total non-accrual loans of $34.4 million at June 30, 2012.

An owner-occupied commercial real estate relationship with a carrying value of $8.1 million. The business and collateral are located in New Jersey. The real estate collateral consists of a first mortgage on a manufacturing facility and subordinated mortgages on other real estate. At June 30, 2012, the relationship was performing under a restructure agreement that commenced in March 2011, which reduced the borrower s debt service payments and requires monthly payments of principal and interest. The manufacturing facility was appraised for $8.0 million in December 2011. Because of the nature of the collateral, the appraiser relied on the cost and sales approaches to value. The other collateral includes a subordinated mortgage on the primary residence of one of the principals that was appraised for $1.9 million in December 2011 and is subordinate to a first mortgage of less than $400,000. The loans are personally guaranteed by the principals.

A commercial real estate loan with a carrying value of $3.4 million. The real estate collateral consists of a first mortgage on an office building in New York City. Northfield Bank has filed a foreclosure action and a lock box is in place to control rent receipts. The property was appraised in November 2011 for $5.0 million. The cap rate was 8.1%, and the loan is personally guaranteed by the principal.

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A commercial real estate loan with a carrying value of $3.0 million. The real estate collateral is a first mortgage on a New Jersey property primarily used as a recreational facility with some retail usage. The borrower is now repositioning the property at his own cost by converting the recreational portion to retail and the project is expected to be completed by the middle of 2013. The loan was restructured in early 2010 to reduce the borrower s debt service and required interest only payments. Beginning in December 2011, the borrower s monthly payment included principal and interest. The borrower was performing in accordance with the restructured terms as of March 31, 2012. The property was appraised on an as is basis for $4.9 million in November 2010. The cap rate was 8%, and the loan is personally guaranteed by the principal.

A construction loan with a carrying value of $1.9 million the collateral is an eight-unit condominium construction project in New York City. A new sponsor assumed control of the project in December 2011 and the project is now 90% completed. Northfield Bank is funding the $650,000 necessary to complete the project by the end of the third quarter of 2012. As of June 30, 2012 six units were under contract and sales activity continued. The property was appraised in November 2011 for $3.6 million based on the gross sellout value of the completed units. The gross listing price for the eight units is in excess of $3.5 million. Closings of the sold units are expected to begin in the fourth quarter.

A commercial real estate loan with a carrying value of $1.8 million. The real estate collateral is an owner-occupied commercial real estate building located in Middlesex County, New Jersey. The business slowed in 2010. The borrower has performed under an interest-only debt restructure for the past 24 months. On July 1, 2012 the loan was returned to contractual terms. The property was appraised in June 2012 for $1.9 million.

At June 30, 2012, we had $12.1 million of accruing loans that were 30 to 89 days delinquent, as compared to $21.1 million at December 31, 2011 and $19.8 million at December 31, 2010. The following table sets forth the total amounts of delinquencies for accruing loans that were 30 to 89 days past due by type and by amount at the dates indicated.

	June 30,	December 31,	
	2012	2011	2010
		(in thousands)	
Real estate loans:			
Commercial	$ 6,498	$ 8,404	$ 8,970
One- to four-family residential	3,105	2,258	2,575
Construction and land		3,041	499
Multifamily	2,200	6,468	6,194
Home equity and lines of credit	93	30	262
Commercial and industrial loans	98	207	536
Insurance premium loans	89	568	660
Other loans	37	91	102
Total	$ 12,120	$ 21,067	$ 19,798

Non-accruing loans subject to restructuring agreements were $21.6 million at June 30, 2012, $23.3 million at December 31, 2011 and $20.0 million at December 31, 2010. Loans subject to restructuring agreements and still accruing totaled $25.5 million, $18.3 million and $11.2 million at June 30, 2012 and December 31, 2011 and 2010, respectively. During the six months ended June 30, 2012, we entered into four troubled debt restructurings (TDRs), of which $6.7 million and $257,000 were classified as accruing and non-accruing, respectively, at June 30, 2012. At June 30, 2012, $23.1 million, or 90.6%, of the $25.5 million of accruing troubled debt restructurings, and $17.8 million, or 82.5%, of the $21.6 million of non-accruing troubled debt restructurings, were performing in accordance with their restructured terms.

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During the year ended December 31, 2011, we entered into 13 troubled TDRs, of which $6.8 million and $12.8 million were classified as accruing and non-accruing, respectively, at December 31, 2011. At December 31, 2011, $12.7 million, or 69.4%, of the $18.3 million of accruing troubled debt restructurings, and $19.2 million, or 82.3%, of the $23.3 million of non-accruing troubled debt restructurings, were performing in accordance with their restructured terms. Generally, the types of concession that we make to troubled borrowers includes reduction to, both temporary and permanent, interest rates and extension of payment terms. At December 31, 2011, the balance of TDRs are 81% commercial real estate loans, 4% construction loans, 5% multifamily loans, 4% commercial and industrial loans, and 6% one- to four-family residential loans.

The table below sets forth the amounts and categories of the troubled debt restructurings as of June 30, 2012 and December 31, 2011 and 2010.

	At June 30,		At December 31,			
	2012		2011		2010	
	Non-Accruing	Accruing	Non-Accruing	Accruing	Non-Accruing	Accruing
			(in thousands)			
Troubled Debt Restructurings:						
Real estate loans:						
Commercial	$ 18,371	$ 20,344	$ 20,420	$ 13,389	$ 13,138	$ 7,879
One- to four-family residential	308	2,275		2,532		1,750
Construction and land	1,861		1,709		4,012	
Multifamily	517	1,540	523	1,552	2,327	1,569
Home equity and lines of credit	100	364	102			
Commercial and industrial loans	452	979	547	876	501	
	$ 21,609	$ 25,502	$ 23,301	$ 18,349	$ 19,978	$ 11,198
Performing in accordance with restructured terms	82.51%	90.62%	82.34%	69.03%	61.03%	100.00%

For the six months ended June 30, 2012 and the year ended December 31, 2011, gross interest income that would have been recorded had the nonaccrual and troubled debt restructurings been current in accordance with their original terms totaled $2.2 million and $6.1 million, respectively. Interest income recognized on nonaccrual and troubled debt restructurings for the six months ended June 30, 2012 and the year ended December 31, 2011 was $1.3 million and $3.6 million, respectively.

The allowance for loan losses to non-performing loans (held-for-investment) increased to 77.9% at June 30, 2012 from 66.4% at December 31, 2011. This increase was primarily attributable to a decrease in non-performing loans of $9.1 million, from $43.9 million at December 31, 2011 to $34.8 million at June 30, 2012. At June 30, 2012, 80.5% (balance of impaired loans) of the appraisals utilized for our impairment analysis were completed within the last nine months, 6.3% (balance of impaired loans) were completed within the last 18 months, with the remaining 13.2% (balance of impaired loans) being older than 18 months. All appraisals older than 12 months were reviewed by management and appropriate adjustments were made utilizing current market indices. Generally loans are charged down to the appraised value less costs to sell, which reduces the coverage ratio of the allowance for loan losses to non-performing loans. Downward adjustments to appraisal values, primarily to reflect quick sale discounts, are generally recorded as specific reserves within the allowance for loan losses.

The allowance for loan losses to originated loans held-for-investment, net, remained relatively the same at 2.73% at June 30, 2012, compared to 2.72% at December 31, 2011.

Specific reserves on impaired loans increased $599,000, or 14.7%, to $4.7 million at June 30, 2012 from $4.1 million at December 31, 2011. At June 30, 2012, we had 50 loans classified as impaired and recorded a total of $4.7 million of specific reserves on 19 of the 50 impaired loans. At December 31, 2011, we had 48 loans classified as impaired and recorded a total of $4.1 million of specific reserves on 16 of the 48 impaired loans.

The allowance for loan losses to non-performing loans (held-for-investment) increased from 35.83% at December 31, 2010 to 66.4% at December 31, 2011. This increase was primarily attributable to an increase of $5.0 million, or 23.0%, in the allowance for loan losses partially offset by a decrease in non-performing loans of $17.0 million, from $60.9 million at December 31, 2010 to $43.9 million at December 31, 2011. At December 31, 2011, 64.5% (balance of impaired loans) of the appraisals utilized for our impairment analysis were completed within the last nine months, 32.7% (balance of impaired loans) were completed within the last 18 months, with the remaining 2.8% (balance of impaired loans) being older than 18 months. All appraisals older than 12 months were reviewed by management and appropriate adjustments were made utilizing current market indices. Generally loans are charged down to the appraised value less costs to sell, which reduces the coverage ratio of the allowance for loan losses to non-performing loans. Downward adjustments to appraisal values, primarily to reflect quick sale discounts, are generally recorded as specific reserves within the allowance for loan losses.

The allowance for loan losses to originated loans held-for-investment, net, increased to 2.72% at December 31, 2011, from 2.64% at December 31, 2010. This increase was attributable to an increase of $2.5 million, or 24.9%, in the provision for loan losses for the year ended December 31, 2011 compared to the provision for the year ended December 31, 2010, partially offset by an increase in the loan portfolio over the same time period. The increase in our allowance for loan losses during the year is primarily attributable to specific reserves on impaired loans related to quick sale discounts, and an increase in general loss factors related to increases in non-accrual loans, fluctuations in loan delinquencies, and continued declines in general economic conditions and real estate values as well as an increase in unallocated reserves due to the timing of appraisals and ongoing loan reviews.

Specific reserves on impaired loans increased $1.4 million, or 51.8%, from $2.7 million, for the year ended December 31, 2010, to $4.1 million for the year ended December 31, 2011. At December 31, 2011, we had 48 loans classified as impaired and recorded a total of $4.1 million of specific reserves on 16 of the 48 impaired loans. At December 31, 2010, we had 44 loans classified as impaired and recorded a total of $2.7 million of specific reserves on 13 of the 44 impaired loans.

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The following table sets forth activity in our allowance for loan losses, by loan type, for the periods indicated.

	Real Estate Loans									
	Commercial	One-to-four Family Residential	Construction and Land	Multifamily	Home Equity and Lines and Credit	Commercial and Industrial	Insurance Premium Loans	Other	Unallocated	Total Allowance for Loan Losses
					(in thousands)					
December 31, 2008	$ 5,176	$ 131	$ 1,982	$ 788	$ 146	$ 523	$	$ 32	$	$ 8,778
Provision for loan losses	4,575	95	1,113	1,242	64	1,495	101	2	351	9,038
Recoveries										
Charge-offs	(1,348)	(63)	(686)	(164)		(141)				(2,402)
December 31, 2009	8,403	163	2,409	1,866	210	1,877	101	34	351	15,414
Provision for loan losses	5,238	407	(111)	5,403	32	(1,122)	91	(6)	152	10,084
Recoveries							20			20
Charge-offs	(987)		(443)	(2,132)		(36)	(101)			(3,699)
December 31, 2010	12,654	570	1,855	5,137	242	719	111	28	503	21,819
Provision for loan losses	6,809	498	27	2,353	238	1,931	115	12	606	12,589
Recoveries	55					23	30			108
Charge-offs	(5,398)	(101)	(693)	(718)	(62)	(638)	(70)			(7,680)
December 31, 2011	14,120	967	1,189	6,772	418	2,035	186	40	1,109	26,836
Provision for loan losses	539	(330)	(119)	360	146	227	52	9	275	1,159
Recoveries	15					24				39
Charge-offs	655)		(43)		(3)	(90)	(198)	(3)		(992)
June 30, 2012	$ 14,019	$ 637	$ 1,027	$ 7,132	$ 561	$ 2,196	$ 40	$ 46	$ 1,384	$ 27,042

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During the six months ended June 30, 2012, we recorded net charge-offs of $953,000, a decrease of $463,000, or 32.7%, as compared to the six months ended June 30, 2011. The decrease in net charge-offs was primarily attributable to a $552,000 decrease in net charge-offs related to commercial real estate loans and a decrease of $107,000 in commercial and industrial loans net charge-offs offset by a $172,000 increase in net charge-offs related to insurance premium loans. Allowance for loan losses allocated to multifamily real estate loans increased by $360,000, or 5.3%, from $6.8 million at December 31, 2011 to $7.1 million at June 30, 2012 as a result of increases in outstanding balances offset by decreased historical and general loss factors. We could experience an increase in the allowance for loan losses in future periods if charge-offs and non-performing loans increase.

During the year ended December 31, 2011, we recorded net charge-offs of $7.6 million, an increase of $3.9 million, or 105.4%, as compared to the year ended December 31, 2010. The increase in net charge-offs was primarily attributable to a $4.4 million increase in net charge-offs related to commercial real estate loans and a $602,000 increase in net charge-offs related to commercial and industrial loans offset by a $1.4 million decrease in net charge-offs related to multifamily real estate loans. During the year ended December 31, 2011, net charge-offs included $4.0 million related to loans transferred to held-for-sale. Charge-offs related to this transfer did not have a material effect on our loss factors for calculating the allowance for loan losses since such losses represent a change in intent for these loans which is not the intent for the held-for-investment portfolio. As a result of increases in outstanding balances, the general decline in real estate values and the current economic downturn, our historical and general loss factors have increased, thus increasing the allowance for loan losses allocated to multifamily real estate loans by $1.7 million, or 31.8%, from $5.1 million at December 31, 2010, to $6.8 million at December 31, 2011. In addition, as a result of the net charge-offs incurred, as well as increased levels of commercial real estate loans on non-accrual status, coupled with the general decline in real estate values and the current economic downturn, our historical and general loss factors have increased, thus increasing the allowance for loan losses allocated to commercial real estate loans by $1.5 million, or 11.6%, from $12.6 million at December 31, 2010, to $14.1 million at December 31, 2011. The allowance for loan losses allocated to commercial and industrial loans increased $1.3 million from December 31, 2010 to December 31, 2011. This increase was primarily attributable to an increase in historical loss factors, coupled with the increased level of non-accrual commercial and industrial loans. We could experience an increase in our allowance for loan losses in future periods if charge-offs and non-performing loans continue to increase.

Management of Market Risk

General. A majority of our assets and liabilities are monetary in nature. Consequently, our most significant form of market risk is interest rate risk. Our assets, consisting primarily of mortgage-related assets and loans, generally have longer maturities than our liabilities, which consist primarily of deposits and wholesale funding. As a result, a principal part of our business strategy involves managing interest rate risk and limiting the exposure of our net interest income to changes in market interest rates. Accordingly, our board of directors has established a management risk committee, comprised of our Treasurer, who chairs this Committee, our Chief Executive Officer, our Chief Financial Officer, our Chief Lending Officer, and our Executive Vice President of Operations. This committee is responsible for, among other things, evaluating the interest rate risk inherent in our assets and liabilities, for recommending to the risk committee of our board of directors the level of risk that is appropriate given our business strategy, operating environment, capital, liquidity and performance objectives, and for managing this risk consistent with the guidelines approved by the board of directors.

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We seek to manage our interest rate risk in order to minimize the exposure of our earnings and capital to changes in interest rates. As part of our ongoing asset-liability management, we currently use the following strategies to manage our interest rate risk:

- originate multifamily real estate and commercial real estate loans that generally have interest rates that reset every five years;
- sell longer-term, one- to four-family residential real estate loans;
- invest in shorter maturity investment grade corporate securities and mortgage-related securities; and
- obtain general financing through lower cost deposits and wholesale funding and repurchase agreements.

Net Portfolio Value Analysis. We compute the net present value of our interest-earning assets and interest-bearing liabilities (net portfolio value or NPV) over a range of assumed market interest rates. Our simulation model uses a discounted cash flow analysis to measure the net portfolio value. We estimate the economic value of these assets and liabilities under the assumption that interest rates experience an instantaneous, parallel, and sustained increase of 100, 200, 300, or 400 basis points, or a decrease of 100 and 200 basis points which is based on the current interest rate environment. A basis point equals one-hundredth of one percent, and 100 basis points equals one percent. An increase in interest rates from 3% to 4% would mean, for example, a 100 basis point increase in the Change in Interest Rates column below.

Net Interest Income Analysis. We also analyze our sensitivity to changes in interest rates through our net interest income model. Net interest income is the difference between the interest income we earn on our interest-earning assets, such as loans and securities, and the interest we pay on our interest-bearing liabilities, such as deposits and borrowings. We estimate what our net interest income would be for a twelve-month period. We then calculate what the net interest income would be for the same period under the assumption that interest rates experience an instantaneous and sustained increase of 100, 200, 300, or 400 basis points or a decrease of 100 and 200 basis points which is based on the current interest rate environment.

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The tables below set forth, as of June 30, 2012 and December 31, 2011, our calculation of the estimated changes in our net portfolio value, net present value ratio, and percent change in net interest income that would result from the designated instantaneous and sustained changes in interest rates. Computations of prospective effects of hypothetical interest rate changes are based on numerous assumptions, including relative levels of market interest rates, loan prepayments and deposit decay, and should not be relied on as indicative of actual results.

At June 30, 2012						
Change in Interest Rates (basis points) (1)	Estimated Present Value of Assets	Estimated Present Value of Liabilities	NPV Estimated NPV (2)	Estimated Change In NPV	Estimated NPV/Present Value of Assets Ratio	Net Interest Income Percent Change
			(dollars in thousands)			
+400	$ 2,269,383	$ 1,927,290	$ 342,093	$ (129,308)	15.07%	(13.97)%
+300	2,327,665	1,959,109	368,556	(102,845)	15.83%	(10.13)%
+200	2,398,531	1,991,973	406,558	(64,843)	16.95%	(6.12)%
+100	2,470,577	2,025,930	444,647	(26,754)	18.00%	(2.43)%
0	2,532,431	2,061,030	471,401		18.61%	
-100	2,566,109	2,091,868	474,241	2,840	18.48%	(0.59)%
-200	2,598,437	2,101,301	497,136	25,735	19.13%	(3.82)%

At December 31, 2011						
Change in Interest Rates (basis points) (1)	Estimated Present Value of Assets	Estimated Present Value of Liabilities	NPV Estimated NPV (2)	Estimated Change In NPV	Estimated NPV/Present Value of Assets Ratio	Net Interest Income Percent Change
			(dollars in thousands)			
+400	$ 2,162,339	$ 1,850,354	$ 311,985	$ (118,243)	14.43%	(7.72)%
+300	2,216,517	1,882,182	334,335	(95,893)	15.08%	(5.56)%
+200	2,282,543	1,915,059	367,484	(62,744)	16.10%	(3.10)%
+100	2,352,573	1,949,034	403,539	(26,689)	17.15%	(1.02)%
0	2,414,383	1,984,155	430,228		17.82%	
-100	2,447,264	2,015,567	431,697	1,469	17.64%	(0.66)%
-200	2,480,170	2,026,021	454,149	23,921	18.31%	(2.21)%

(1) Assumes an instantaneous and sustained uniform change in interest rates at all maturities.
(2) NPV includes non-interest earning assets and liabilities.

The tables above indicate that at June 30, 2012 and December 31, 2011, in the event of a 200 basis point decrease in interest rates, we would experience a 5.46% and 5.56% increase in estimated net portfolio value, respectively, and a 3.82% and 2.21% decrease in net interest income, respectively. In the event of a 400 basis point increase in interest rates at June 30, 2012 and December 31, 2011, we would experience a 27.43% and 27.48% decrease in net portfolio value, respectively, and a 13.97% and 7.72% decrease in net interest income, respectively. Our policies provide that, in the event of a 300 basis point increase/decrease or less in interest rates, our net present value ratio should decrease by no more than 400 basis points. Additionally, our policy states that our net portfolio value should be at least 8.0% of total assets before and after such shock. At June 30, 2012 and December 31, 2011, we were in compliance with all board approved policies with respect to interest rate risk management.

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Certain shortcomings are inherent in the methodologies used in determining interest rate risk through changes in net portfolio value and net interest income. Our model requires us to make 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 net portfolio value and net interest income information presented assume 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 assume 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 interest rate risk calculations provide 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.

Liquidity and Capital Resources

Liquidity is the ability to fund assets and meet obligations as they come due. Our primary sources of funds consist of deposit inflows, loan repayments, borrowings through repurchase agreements and advances from money center banks and the Federal Home Loan Bank of New York, and repayments, maturities and sales of securities. While maturities and scheduled amortization of loans and securities are reasonably predictable sources of funds, deposit flows and mortgage prepayments are greatly influenced by general interest rates, economic conditions, and competition. The risk committee of the board of directors is responsible for establishing and monitoring our liquidity targets and strategies in order to ensure that sufficient liquidity exists for meeting the borrowing needs and withdrawals of deposits by our customers as well as unanticipated contingencies. We seek to maintain a ratio of liquid assets (not subject to pledge) as a percentage of deposits and borrowings of 35% or greater. At June 30, 2012, this ratio was 50.7%. We believe that we had sufficient sources of liquidity to satisfy our short- and long-term liquidity needs at June 30, 2012.

We regularly adjust our investments in liquid assets based on our assessment of:

- expected loan demand;
- expected deposit flows;
- yields available on interest-earning deposits and securities; and
- the objectives of our asset/liability management program.

Our most liquid assets are cash and cash equivalents, and unpledged mortgage-related securities issued or guaranteed by the U.S. Government, Fannie Mae, or Freddie Mac that we can either borrow against or sell. We also have the ability to surrender bank owned life insurance contracts. The surrender of these contracts would subject us to income taxes and penalties for increases in the cash surrender values over the original premium payments.

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We had the following primary sources of liquidity at June 30, 2012 (in thousands):

Cash and cash equivalents	$ 34,381
Unpledged mortgage-backed securities	
(Issued or guaranteed by the U.S. Government,	
Fannie Mae, or Freddie Mac)	$ 521,474

At June 30, 2012, we had $28.0 million in outstanding loan commitments. In addition, we had $48.6 million in unused lines of credit to borrowers. Certificates of deposit due within one year of June 30, 2012 totaled $168.4 million, or 10.9% of total deposits. If these deposits do not remain with us, we may be required to seek other sources of funds, including loan sales, other deposit products, including replacement certificates of deposit, securities sold under agreements to repurchase (repurchase agreements), and advances from the Federal Home Loan Bank of New York and other borrowing sources. Depending on market conditions, we may be required to pay higher rates on such deposits or other borrowings than we currently pay on the certificates of deposit due on or before June 30, 2012. We believe, based on experience, that a significant portion of such deposits will remain with us, and we have the ability to attract and retain deposits by adjusting the interest rates offered.

We have a detailed contingency funding plan that is reviewed and reported to the risk committee of the board of directors on at least a quarterly basis. This plan includes monitoring cash on a daily basis to determine our liquidity needs. Additionally, management performs a stress test on our retail deposits and wholesale funding sources in several scenarios on a quarterly basis. The stress scenarios include deposit attrition of up to 50%, and selling our securities available-for-sale portfolio at a discount of 20% to its current estimated fair value. We continue to maintain what we believe to be significant liquidity under all stress scenarios.

Northfield Bank is subject to various regulatory capital requirements, including a risk-based capital measure. The risk-based capital guidelines include both a definition of capital and a framework for calculating risk-weighted assets by assigning assets and off-balance sheet items to broad risk categories. At June 30, 2012, Northfield Bank exceeded all regulatory capital requirements and is considered well capitalized under regulatory guidelines. See Supervision and Regulation Federal Banking Regulation Capital Requirements and Note 12 of the Notes to the Consolidated Financial Statements.

The net proceeds from the stock offering will significantly increase our liquidity and capital resources. Over time, the initial level of liquidity will be reduced as net proceeds from the stock offering are used for general corporate purposes, including the funding of loans. Our financial condition and results of operations will be enhanced by the net proceeds from the stock offering, resulting in increased net interest-earning assets and net interest income. However, due to the increase in equity resulting from the net proceeds from the stock offering, our return on equity will be adversely affected following the stock offering.

Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

Commitments. As a financial services provider, we routinely are a party to various financial instruments with off-balance-sheet risks, such as commitments to extend credit, and unused lines of credit. While these contractual obligations represent our potential future cash requirements, a significant portion of commitments to extend credit may expire without being drawn upon. Such commitments are subject to the same credit policies and approval process applicable to loans we originate. In addition, we routinely enter into commitments to sell mortgage loans; such amounts are not significant to our operations. For additional information, see Note 12 of the Notes to the Consolidated Financial Statements.

Contractual Obligations. In the ordinary course of our operations we enter into certain contractual obligations. Such obligations include leases for premises and equipment, agreements with respect to borrowed funds and deposit liabilities, and agreements with respect to investments.

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The following table summarizes our significant fixed and determinable contractual obligations and other funding needs by payment date at December 31, 2011. The payment amounts represent those amounts due to the recipient and do not include any unamortized premiums or discounts or other similar carrying amount adjustments.

Contractual Obligations	Less Than One Year	One to Three Years	Three to Five Years	More Than Five Years	Total
	Payments Due by Period (In thousands)				
Long-term debt (1)	$ 108,681	$ 138,800	$ 223,410	$ 8,000	$ 478,891
Floating rate advances	3,004				3,004
Operating leases	3,378	6,609	6,474	31,607	48,068
Capitalized leases	387	810	516	560	2,273
Certificates of deposit	356,391	72,017	51,712	3	480,123
Total	$ 471,841	$ 218,236	$ 282,112	$ 40,170	$ 1,012,359
Commitments to extend credit (2)	$ 64,735	$	$	$	$ 64,735

(1) Includes repurchase agreements, Federal Home Loan Bank of New York advances, and accrued interest payable at December 31, 2011.
(2) Includes unused lines of credit which are assumed to be funded within the year.

As of June 30, 2012 and December 31, 2011, we serviced $35.3 million and $41.3 million of loans for Freddie Mac. These one- to four-family residential mortgage real estate loans were underwritten to Freddie Mac guidelines and to comply with applicable federal, state, and local laws. At the time of the closing of these loans we owned the loans and subsequently sold them to Freddie Mac providing normal and customary representations and warranties, including representations and warranties related to compliance with Freddie Mac underwriting standards. At the time of sale, the loans were free from encumbrances except for the mortgages we filed which, with other underwriting documents, were subsequently assigned and delivered to Freddie Mac. At June 30, 2012 and December 31, 2011, substantially all of the loans serviced for Freddie Mac were performing in accordance with their contractual terms and management believes that it has no material repurchase obligations associated with these loans.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements, please see Note 10 of the Notes to the Unaudited Consolidated Financial Statements.

Effect of Inflation and Changing Prices

Our consolidated financial statements and related notes have been prepared in accordance with GAAP. GAAP generally requires the measurement of financial position and operating results in terms of historical dollars without consideration for changes in the relative purchasing power of money over time due to inflation. The effect of inflation is reflected in the increased cost of our operations. Unlike industrial companies, our assets and liabilities are primarily monetary in nature. As a result, changes in market interest rates have a greater effect on our performance than inflation.

BUSINESS OF NORTHFIELD-DELAWARE

Northfield-Delaware is a Delaware corporation that was organized in June 2010. Upon completion of the conversion, Northfield-Delaware will become the holding company of Northfield Bank and will succeed to all of the business and operations of Northfield-Federal and each of Northfield-Federal and Northfield Bancorp, MHC will cease to exist.

Initially following the completion of the conversion, Northfield-Delaware will have approximately $_____ million in cash and other assets held by Northfield-Federal and Northfield Bancorp, MHC as of June 30, 2012, and the net proceeds it retains from the offering, part of which will be used to make a loan to the Northfield Bank Employee Stock Ownership Plan, and will have no significant liabilities. See How We Intend to Use the Proceeds From the Offering. Northfield-Delaware intends to use the support staff and offices of Northfield Bank and will pay Northfield Bank for these services. If Northfield-Delaware expands or changes its business in the future, it may hire its own employees.

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Northfield-Delaware intends to invest the net proceeds of the offering as discussed under How We Intend to Use the Proceeds From the Offering. In the future, we may pursue other business activities, including mergers and acquisitions, investment alternatives and diversification of operations. There are, however, no current understandings or agreements for these activities.

BUSINESS OF NORTHFIELD-FEDERAL

AND NORTHFIELD BANK

Northfield-Federal

Northfield-Federal is a federally chartered corporation that owns all of the outstanding shares of common stock of Northfield Bank. At June 30, 2012, Northfield-Federal had consolidated assets of $2.5 billion, deposits of $1.5 billion and stockholders equity of $388.9 million.

Northfield Bank became the wholly-owned subsidiary of Northfield-Federal s New York predecessor in 1995, when Northfield Bank reorganized into the two-tier mutual holding company structure. In November 2007, Northfield-Federal converted from a New York corporation to a federally chartered corporation and concurrently sold 19,265,316 shares of its common stock to the public, representing 43% of its then-outstanding shares, at $10.00 per share. An additional 24,641,684 shares, or 55% of the outstanding shares, were issued to Northfield Bancorp, MHC, and 896,061 shares, or 2% of the outstanding shares, plus $3.0 million of cash were issued to the Northfield Bank Foundation. As part of this stock offering, we established an employee stock ownership plan, which acquired 1,756,279 shares of common stock in the stock offering, financed by a loan from Northfield-Federal.

Northfield-Federal s home office is located at 1410 St. Georges Avenue, Avenel, New Jersey 07001 and the telephone number is (732) 499-7200. Its website address is www.eNorthfield.com. Information on this website is not and should not be considered a part of this prospectus.

Northfield Bank

Northfield Bank was organized in 1887 and is a federally chartered savings bank. Northfield Bank conducts business primarily from its home office located in Staten Island, New York, its operations center located in Woodbridge, New Jersey, its 24 additional branch offices located in New York and New Jersey and its lending office located in Brooklyn, New York. The branch offices are located in Staten Island and Brooklyn and the New Jersey counties of Union and Middlesex.

Northfield Bank s principal business consists of originating multifamily and commercial real estate loans, purchasing investment securities, including mortgage-backed securities and corporate bonds, and investing funds in other financial institutions. Northfield Bank also offers construction and land loans, commercial and industrial loans, one- to four-family residential mortgage loans, and home equity loans and lines of credit. Northfield Bank offers a variety of deposit accounts, including certificates of deposit, passbook, statement, and money market savings accounts, transaction deposit accounts (negotiable orders of withdrawal (NOW) accounts and non-interest bearing demand accounts), individual retirement accounts, and to a lesser extent when it is deemed cost effective, brokered deposits. Deposits are Northfield Bank s primary source of funds for its lending and investing activities. Northfield Bank also uses borrowed funds as a source of funds, principally repurchase agreements with brokers and Federal Home Loan Bank of New York advances. In addition to traditional banking services, Northfield Bank offers insurance products through NSB Insurance Agency, Inc. Northfield Bank owns 100% of NSB Services Corp., which, in turn, owns 100% of the voting common stock of a real estate investment trust, NSB Realty Trust, which holds primarily mortgage loans and other real estate related investments.

Northfield Bank is subject to comprehensive regulation and examination by the Office of the Comptroller of the Currency.

Northfield Bank s main office is located at 1731 Victory Boulevard, Staten Island, New York 10314, and its telephone number at this address is (718) 448-1000. Its website address is www.eNorthfield.com. Information on this website is not and should not be considered to be a part of this prospectus.

Recent Acquisitions

In October 2011, Northfield Bank assumed all of the deposits and acquired substantially all of the assets of First State Bank, a New Jersey chartered bank, from the Federal Deposit Insurance Corporation as receiver for First State Bank, pursuant to the terms of a Purchase and Assumption Agreement. The agreement contained no loss-share provisions with the Federal Deposit Insurance Corporation and the deposits were acquired at no premium while the asset discount was $46.9 million resulting in a cash payment from the Federal Deposit Insurance Corporation of approximately $50.5 million. Northfield Bank acquired approximately $194.6 million in assets at fair value, including $91.9 million in loans, net of fair value adjustment of $40.5 million. Northfield Bank also assumed deposit liabilities with a fair value of $188.2 million. The assets purchased and liabilities assumed have been accounted for under the acquisition method of accounting. As the acquisition date fair value of the identifiable assets acquired exceeded the liabilities assumed, we recognized an after-tax bargain purchase gain of $3.6 million.

In March 2012, Northfield Bancorp, MHC, Northfield-Federal and Northfield Bank entered into an Agreement and Plan of Merger with Flatbush Federal Bancorp, MHC, Flatbush Federal Bancorp, Inc. and Flatbush Federal Savings & Loan Association. Under the terms of the merger agreement, Flatbush Federal Savings & Loan Association, Flatbush Federal Bancorp, Inc. and Flatbush Federal Bancorp, MHC, will merge with and into Northfield Bank, Northfield-Federal and Northfield Bancorp, MHC, respectively. Flatbush Federal Bancorp, Inc. stockholders will receive 0.4748 of a share of Northfield-Federal stock for each share of Flatbush Federal Bancorp, Inc. common stock they own, which at announcement was valued at $6.50 per share, subject to the terms and conditions of the merger agreement. At June 30, 2012, Flatbush Federal Bancorp, Inc. had 2,736,907 shares of common stock outstanding, and consolidated assets of $143.3 million, deposits of $117.5 million, stockholders equity of $18.8 million and a book value per share of $6.88. As a result of the acquisition, we expect to record $800,000 of core deposit intangibles, and we expect to issue a total of 1,299,483 shares of Northfield-Federal common stock, including 594,781 shares to stockholders other than Flatbush Federal Bancorp, MHC and 704,702 shares to Northfield Bancorp, MHC, as the successor to Flatbush Federal Bancorp, MHC.

Market Area and Competition

We have been in business for over 125 years, offering a variety of financial products and services to meet the needs of the communities we serve. Our retail banking network consists of multiple delivery channels including full-service banking offices, automated teller machines, and telephone and internet banking capabilities. We consider our competitive products and pricing, branch network, reputation for superior customer service, and financial strength, as our major strengths in attracting and retaining customers in our market areas.

We face intense competition in our market area both in making loans and attracting deposits. Our market areas have a high concentration of financial institutions, including large money center and regional banks, community banks, and credit unions. We face additional competition for deposits from money market funds, brokerage firms, mutual funds, and insurance companies. Some of our competitors offer products and services that we do not offer, such as trust services and private banking.

In addition, turmoil in the United States and world economies, and more specifically in the financial services industry, has resulted in financial services companies such as investment banks, and automobile and real estate finance companies, electing to become bank holding companies. These financial services companies have traditionally received their funding from sources other than insured bank deposits. Many of the alternative funding sources traditionally used by these companies are no longer available, which has resulted in their relying more on insured bank deposits to fund their operations, thereby increasing competition for deposits and related costs of such deposits.

Our deposit sources are primarily concentrated in the communities surrounding our banking offices in the New York Counties of Richmond (Staten Island) and Kings (Brooklyn), and Union and Middlesex Counties in New Jersey. As of June 30, 2011 (the latest date for which information is publicly available), we ranked fifth in deposit market share in Staten Island with a 10.58% market share. As of that date, we had a 0.27% market share in Brooklyn, New York. In Middlesex and Union Counties in New Jersey, as of June 30, 2011, we had a combined market share of 0.84%.

The following table sets forth the unemployment rates for the communities we serve and the national average for the last five years, as provided by the Bureau of Labor Statistics.

	Unemployment Rate At December 31,				
	2011	2010	2009	2008	2007
Union County, NJ	8.8%	9.2%	9.4%	7.0%	4.5%
Middlesex County, NJ	7.6	7.9	8.4	6.0	3.8
Richmond County, NY	7.9	8.0	8.7	6.1	4.3
Kings County, NY	9.5	9.5	10.6	7.3	5.2
National Average	8.5	9.4	9.9	7.3	5.0

The following table sets forth median household income at December 31, 2011 for the communities we serve, as provided by the U.S. Census Bureau.

	Median Household Income At December 31, 2011
Union County, NJ	$ 65,937
Middlesex County, NJ	$ 75,890
Richmond County, NY	$ 69,163
Kings County, NY	$ 42,047

Lending Activities

Our principal lending activity is the origination of multifamily real estate loans and, to a lesser extent, commercial real estate loans. We also originate one- to four-family residential real estate loans, construction and land loans, commercial and industrial loans, and home equity loans and lines of credit. In October 2009, we began to offer loans to finance premiums on insurance policies, including commercial property and casualty insurance, and professional liability insurance. At the end of December 2011, we stopped originating loans to finance premiums on insurance policies and in February 2012 we sold the majority of our insurance premium loans at par value.

Loan Originations, Purchases, Sales, Participations, and Servicing. All loans we originate for our portfolio are underwritten pursuant to our policies and procedures or are properly approved as exceptions to our policies and procedures. In addition, we originate residential real estate loans under an origination assistance agreement with a third party underwriter that conforms to secondary market underwriting standards, whereby the third party underwriter processes and underwrites one- to four-family residential real estate loans that we fund at origination, and we elect either to portfolio the loans or sell them to the third party underwriter. Prior to entering into the origination assistance agreement with this third party underwriter in 2010, Northfield Bank was a participating seller/servicer with Freddie Mac, and generally underwrote its one- to four-family residential real estate loans to conform with Freddie Mac standards. We originate both adjustable-rate and fixed-rate loans. Our ability to originate fixed- or adjustable-rate loans is dependent on the relative customer demand for such loans, which is affected by various factors including current market interest rates as well as anticipated future market interest rates. Our loan origination and sales activity may be adversely affected by changes in economic conditions that results in decreased loan demand. Our home equity loans and lines of credit typically are generated through direct mail advertisements, newspaper advertisements, and referrals from branch personnel. A significant portion of our commercial real estate loans and multifamily real estate loans are generated by referrals from loan brokers, accountants, and other professional contacts.

We generally retain in our portfolio all adjustable-rate loans we originate, as well as shorter-term, fixed-rate residential loans (terms of 10 years or less). Loans we sell consist primarily of conforming, longer-term, fixed-rate residential loans. We sold $6.7 million and $11.2 million of one- to four-family residential real estate loans (generally fixed-rate loans, with terms of 15 years or longer) during the six months ended June 30, 2012 and the year ended December 31, 2011, and had $355,000 of loans held-for-sale at June 30, 2012 consisting of $**80,000** in non-performing commercial real estate loans and $**275,000** of one- to four-family residential real estate loans.

We sell our loans without recourse, except for standard representations and warranties provided in secondary market transactions. Currently, we do not retain any servicing rights on one- to four-family residential real estate loans originated under the agreement with the third-party underwriter, including loans we may elect to add to our portfolio. At June 30, 2012, we were servicing loans owned by others which consisted of $35.3 million of one- to four-family residential real estate loans. Historically, the origination of loans held-for-sale and related servicing activity has not been material to our operations. Loan servicing includes collecting and remitting loan payments, accounting for principal and interest, contacting delinquent borrowers, supervising foreclosures and property dispositions in the event of unremediated defaults, making certain insurance and tax payments on behalf of the borrowers and generally administering the loans. We retain a portion of the interest paid by the borrower on the loans we service for others as consideration for our servicing activities.

During the fourth quarter of 2011, we purchased a loan portfolio, with deteriorated credit quality, from the Federal Deposit Insurance Corporation, herein referred to as purchased credit-impaired loans (PCI loans). Additionally, we transferred certain loans, which we had previously originated and designated as held-for-investment, to held-for-sale. The accounting and reporting for both of these groups of loans differs substantially from those loans originated and classified as held-for-investment. For purposes of reporting, discussion and analysis, management has classified its loan portfolio into three categories: (1) PCI loans, which are held-for-investment, and initially valued at estimated fair value on the date of acquisition, with no initial related allowance for loan losses, (2) loans originated and held-for-sale, which are carried at the lower of aggregate cost or estimated fair value, less costs to sell, and therefore have no associated allowance for loan losses, and (3) originated loans held-for-investment, which are carried at amortized cost, less net charge-offs and the allowance for loan losses.

Loan Approval Procedures and Authority. Our lending activities follow written, non-discriminatory underwriting standards established by our board of directors. The loan approval process is intended to assess the borrower s ability to repay the loan and the value of the collateral that will secure the loan, if any. To assess the borrower s ability to repay, we review the borrower s employment and credit history, and information on the historical and projected income and expenses of the borrower.

In underwriting a loan secured by real property, we require an appraisal of the property by an independent licensed appraiser approved by our board of directors. The appraisals of multifamily, mixed use, and commercial real estate properties are also reviewed by an independent third party we hire but where the fee is passed onto the borrower. We review and inspect properties before disbursement of funds during the term of a construction loan. Generally, management obtains updated appraisals when a loan is deemed impaired. These appraisals may be more limited than those prepared for the underwriting of a new loan. In addition, when we acquire other real estate owned, we generally obtain a current appraisal to substantiate the net carrying value of the asset.

The board of directors maintains a loan committee consisting of five bank directors to: periodically review and recommend for approval our policies related to lending (collectively, the loan policies) as prepared by management; approve or reject loan applicants meeting certain criteria; and monitor loan quality including concentrations, and certain other aspects of our lending functions, as applicable. Northfield Bank s officers at levels beginning with vice president have individual lending authority that is approved by the board of directors.

Loan Portfolio Composition. The following table sets forth the composition of our loan portfolio, by type of loan at the dates indicated, excluding loans held for sale of $355,000, $3.9 million, $1.2 million, $0, $0, and $270,000 at June 30, 2012, December 31, 2011, 2010, 2009, 2008, and 2007, respectively.

	At June 30,		At December 31,									
	2012		2011		2010		2009		2008		2007	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
	(Dollars in thousands)											
Real estate loans:												
Multifamily	$ 538,251	50.25%	$ 458,370	42.72%	$ 283,588	34.30%	$ 178,401	24.48%	$ 108,534	18.41%	$ 14,164	3.34%
Commercial	311,256	29.06	327,074	30.48	339,321	41.04	327,802	44.99	289,123	49.05	243,902	57.50
One- to four-family residential	69,781	6.51	72,592	6.77	78,032	9.44	90,898	12.48	103,128	17.49	95,246	22.45
Home equity and lines of credit	28,928	2.70	29,666	2.76	28,125	3.40	26,118	3.58	24,182	4.10	12,797	3.02
Construction and land	25,497	2.38	23,460	2.19	35,054	4.24	44,548	6.11	52,158	8.85	44,850	10.57
Commercial and industrial loans	13,369	1.25	12,710	1.18	17,020	2.06	19,252	2.64	11,025	1.87	11,397	2.69
Insurance premium finance	454	0.04	59,096	5.51	44,517	5.39	40,382	5.54				
Other loans	1,616	0.15	1,496	0.14	1,062	0.13	1,299	0.18	1,339	0.23	1,842	0.43
Purchase credit-impaired (PCI) loans	82,111	7.66	88,522	8.25								
Total loans	1,071,263	100.00%	1,072,986	100.00%	826,719	100.00%	728,700	100.00%	589,489	100.00%	424,198	100.00%
Other items:												
Deferred loan costs (fees), net	1,685		1,481		872		569		495		131	
Allowance for loan losses	(27,042)		(26,836)		(21,819)		(15,414)		(8,778)		(5,636)	
Net loans held-for-investment	$ 1,045,906		$ 1,047,631		$ 805,772		$ 713,855		$ 581,206		$ 418,693	

At June 30, 2012, PCI loans consisted of approximately 34% commercial real estate, 55% commercial and industrial loans with the remaining balance in residential and home equity loans. At December 31, 2011, these loans consisted of approximately 37% commercial real estate, 53% commercial and industrial loans with the remaining balance in residential and home equity loans.

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Loan Portfolio Maturities. The following table summarizes the scheduled repayments of our loan portfolio at December 31, 2011. Demand loans (loans having no stated repayment schedule or maturity) and overdraft loans are reported as being due in the year ending December 31, 2012. Maturities are based on the final contractual payment date and do not reflect the effect of prepayments and scheduled principal amortization.

	Multifamily		Commercial Real Estate		One- to Four-Family Residential		Home Equity and Lines of Credit		Construction and Land	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate
					(Dollars in thousands)					
Due during the years ending December 31,										
2012	$ 1,191	6.14%	$ 12,061	5.62%	$ 6,958	6.74%	$ 963	7.10%	$ 10,973	7.81%
2013	1,798	5.51	4,803	6.21	239	5.11	226	5.54	683	6.96
2014	1,498	6.00	216	6.38	364	5.93	662	4.47	1,686	5.88
2015 to 2016	910	5.73	3,516	5.40	1,356	6.10	802	4.47	3,241	6.17
2017 to 2021	11,100	6.06	19,302	4.97	11,491	5.23	4,337	5.16		
2022 to 2026	34,609	5.50	33,384	6.02	6,209	5.22	7,316	4.96	752	6.48
2027 and beyond	407,264	5.42	253,792	6.15	45,975	5.53	15,360	4.16	6,125	5.65
Total	$ 458,370	5.45%	$ 327,074	6.04%	$ 72,592	5.58%	$ 29,666	4.62%	$ 23,460	6.81%

	Commercial and Industrial		Insurance Premium		Other		Purchase Credit-Impaired (1)		Total	
	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate
					(Dollars in thousands)					
Due during the years ending December 31,										
2012	$ 2,658	8.20%	$ 59,082	6.67%	$ 1,068	7.55%	$ 9,566	8.46%	$ 104,520	6.70%
2013	1,867	4.06	5	8.07			3,504	7.48	13,125	6.19
2014	1,133	6.76	7	4.99	5	6.00	2,714	7.29	8,285	6.42
2015 to 2016	698	6.00			5	12.00	5,179	8.23	15,707	6.58
2017 to 2021	2,084	4.38	2	12.00	91	5.97	22,196	7.83	70,603	6.04
2022 to 2026	3,605	6.89					6,301	7.26	92,176	5.81
2027 and beyond	665	5.90			327	4.27	39,062	7.44	768,570	5.78
Total	$ 12,710	6.22%	$ 59,096	6.67%	$ 1,496	6.75%	$ 88,522	7.68%	$ 1,072,986	5.91%

(1) Represents estimated accretable yield.

At December 31, 2011, we had a total of $768.6 million in loans due to mature in 2027 and beyond, of which $25.8 million, or 3.36%, were fixed rate loans.

The following table sets forth the scheduled repayments of fixed- and adjustable-rate loans at December 31, 2011, that are contractually due after December 31, 2012.

	Due After December 31, 2012		
	Fixed Rate	Adjustable Rate (In thousands)	Total
Real estate loans:			
Multifamily	$ 32,380	$ 424,799	$ 457,179
Commercial	31,423	283,590	315,013
One- to four-family residential	29,465	36,169	65,634
Home equity and lines of credit	14,062	14,641	28,703
Construction and land	1,984	10,503	12,487
Commercial and industrial loans	2,046	8,006	10,052
Insurance premium loans	14		14
Other loans	428		428
Purchase credit-impaired (PCI) loans	60,902	18,054	78,956
Total loans	$ 172,704	$ 795,762	$ 968,466

Multifamily Real Estate Loans. We currently focus on originating multifamily real estate loans. Loans secured by multifamily properties totaled approximately $538.3 million, or 50.3% of our total loan portfolio, at June 30, 2012. We include in this category mixed use properties having more than four residential family units and a business or businesses where the majority of space is utilized for residential purposes. At June 30, 2012, we had 512 multifamily real estate loans with an average loan balance of approximately $1.1 million. At June 30, 2012, our largest multifamily real estate loan had a principal balance of $13.5 million and was performing in accordance with its original contractual terms. Substantially all of our multifamily real estate loans are secured by properties located in our market areas.

Our multifamily real estate loans typically amortize over 20 to 30 years with interest rates that adjust after an initial five- or 10-year period, and every five years thereafter. Margins generally range from 275 basis points to 350 basis points above the average yield on U.S. Treasury securities, adjusted to a constant maturity of similar term, as published by the Federal Reserve Board. Variable rate loans originated subsequent to 2008 generally have been indexed to the five-year LIBOR swaps rate as published in the Federal Reserve Statistical Release adjusted for a negotiated margin. We also originate, to a lesser extent, 10- to 15-year fixed-rate, fully amortizing loans. In general, our multifamily real estate loans have interest rate floors equal to the interest rate on the date the loan is originated, and have prepayment penalties should the loan be prepaid in the initial five years.

In underwriting multifamily real estate loans, we consider a number of factors, including the projected net cash flow to the loan s debt service requirement (generally requiring a minimum ratio of 120%), the age and condition of the collateral, the financial resources and income level of the borrower, and the borrower s experience in owning or managing similar properties. Multifamily real estate loans generally are originated in amounts up to 75% of the appraised value of the property securing the loan. Due to competitor considerations, as is customary in our marketplace, we typically do not obtain personal guarantees from multifamily real estate borrowers.

Loans secured by multifamily real estate properties generally have less credit risk than other commercial real estate loans. The repayment of loans secured by multifamily real estate properties typically depends on the successful operation of the property. If the cash flow from the project is reduced, the borrower s ability to repay the loan may be impaired.

In a ruling that was contrary to a 1996 advisory opinion from the New York State Division of Housing and Community Renewal that owners of housing units who benefited from the receipt of J-51 tax incentives under the Rent Stabilization Law are eligible to decontrol apartments, the New York State Court of Appeals ruled, on October 22, 2009, that residential housing units located in two major housing complexes in New York City had been illegally decontrolled by the current and previous property owners. This ruling may subject other property owners that have previously or are currently benefiting from a J-51 tax incentive to litigation, possibly resulting in a significant reduction to property cash flows. Based on management s assessment of its multifamily loan portfolio, it believes that only one loan may be affected by the recent ruling regarding J-51. The loan has a principal balance of [$7.6] million at June 30, 2012, and is performing in accordance with its original contractual terms.

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Commercial Real Estate Loans. Commercial real estate loans totaled $311.3 million, or 29.1% of our loan portfolio as of June 30, 2012. At June 30, 2012, our commercial real estate loan portfolio consisted of 331 loans with an average loan balance of approximately $940,000, although there are a large number of loans with balances substantially greater than this average. At June 30, 2012, our largest commercial real estate loan had a principal balance of $9.2 million, was secured by a hotel, and was performing in accordance with its original contractual terms. Substantially all of our commercial real estate loans are secured by properties located in our primary market areas.

The table below sets forth the property types collateralizing our commercial real estate loans as of June 30, 2012.

	At June 30, 2012	
	Amount	Percent
	(Dollars in thousands)	
Manufacturing	$ 37,763	12.1%
Office Building	59,288	19.0
Warehousing	35,216	11.3
Mixed Use	29,654	9.5
Accommodations	28,937	9.3
Retail	41,187	13.2
Services	16,369	5.3
Restaurant	8,912	2.9
Schools/Day Care	11,183	3.6
Recreational	10,531	3.4
Other	32,216	10.4
	$ 311,256	100.0%

Our commercial real estate loans typically amortize over 20 to 25 years with interest rates that adjust after an initial five- or 10-year period, and every five years thereafter. Margins generally range from 275 basis points to 350 basis points above the average yield on U.S. Treasury securities, adjusted to a constant maturity of similar term, as published by the Federal Reserve Board. Variable rate loans originated subsequent to 2008 have generally been indexed to the five year London Interbank Offered Rate (LIBOR) swaps rate as published in the Federal Reserve Statistical Release adjusted for a negotiated margin. We also originate, to a lesser extent, 10- to 15-year fixed-rate, fully amortizing loans. In general, our commercial real estate loans have interest rate floors equal to the interest rate on the date the loan is originated, and generally have prepayment penalties if the loan is repaid in the initial five years.

In the underwriting of commercial real estate loans, we generally lend up to the lesser of 75% of the property s appraised value or purchase price. Certain single use property types have lower loan to appraised value ratios. We base our decision to lend primarily on the economic viability of the property and the creditworthiness of the borrower. In evaluating a proposed commercial real estate loan, we emphasize the ratio of the property s projected net cash flow to the loan s debt service requirement (generally requiring a minimum ratio of 125%), computed after deduction for a vacancy factor, when applicable, and property expenses we deem appropriate. Personal guarantees are usually obtained from commercial real estate borrowers. We require title insurance, fire and extended coverage casualty insurance, and, if appropriate, flood insurance, in order to protect our security interest in the underlying property. Although a significant portion of our commercial real estate loans are referred by brokers, we underwrite all commercial real estate loans in accordance with our underwriting standards.

Commercial real estate loans generally carry higher interest rates and have shorter terms than one- to four-family residential real estate loans. Commercial real estate loans generally have greater credit risk compared to one-to four-family residential real estate loans, as they typically involve larger loan balances concentrated with single borrowers or groups of related borrowers. In addition, the payment of loans secured by income-producing properties typically depends on the successful operation of the property or business, as repayment of the loan generally depends on sufficient income from the property to cover operating expenses and debt service. Changes in economic conditions that are not in the control of the borrower or lender may affect the value of the collateral for the loan or the future cash flow of the property. Additionally, any decline in real estate values may be more pronounced for commercial real estate than for residential properties.

Construction and Land Loans. At June 30, 2012, construction and land loans totaled $25.5 million, or 2.4% of total loans receivable. At June 30, 2012, the additional un-advanced portion of these construction loans totaled $1.8 million. At June 30, 2012, we had 18 construction and land loans with an average loan balance of approximately $1.4 million. At June 30, 2012, our largest construction and land loan had a principal balance of $4.9 million and was for the purpose of refinancing a land loan. This loan is performing in accordance with its original contractual terms.

Our construction and land loans typically are interest only loans with interest rates that are tied to a prime rate index as published by the Wall Street Journal. Margins generally range from zero basis points to 200 basis points above the prime rate index. We also originate, to a lesser extent, 10- to 15-year fixed-rate, fully amortizing land loans. In general, our construction and land loans have interest rate floors equal to the interest rate on the date the loan is originated, and we do not typically charge prepayment penalties.

We grant construction and land loans to experienced developers for the construction of single-family residences including condominiums, and commercial properties. Construction and land loans also are made to individuals for the construction of their personal residences. Advances on construction loans are made in accordance with a schedule reflecting the cost of construction, but are generally limited to a loan-to-completed-appraised-value ratio of 70%. Repayment of construction loans on residential properties normally is expected from the sale of units to individual purchasers, or in the case of individuals building their own, with a permanent mortgage. In the case of income-producing property, repayment usually is expected from permanent financing upon completion of construction. We typically offer the permanent mortgage financing on our construction loans on income-producing properties.

Land loans also help finance the purchase of land intended for future development, including single-family housing, multifamily housing, and commercial property. In some cases, we may make an acquisition loan before the borrower has received approval to develop the land. In general, the maximum loan-to-value ratio for a land acquisition loan is 50% of the appraised value of the property, and the maximum term of these loans is two years. Generally, if the maturity of the loan exceeds two years, the loan must be an amortizing loan.

Construction and land loans generally carry higher interest rates and have shorter terms than one- to four-family residential real estate loans. Construction and land loans have greater credit risk than long-term financing on improved, owner-occupied real estate. Risk of loss on a construction loan depends largely upon the accuracy of the initial estimate of the real estate value at completion of construction as compared to the estimated cost (including interest) of construction and other assumptions. If the estimate of construction costs is inaccurate, we may decide to advance additional funds beyond the amount originally committed in order to protect the value of the real estate. However, if the estimated value of the completed project is inaccurate, the borrower may hold the real estate with a value that is insufficient to assure full repayment of the construction loan upon its sale. In the event we make a land acquisition loan on real estate that is not yet approved for the planned development, there is a risk that approvals will not be granted or will be delayed. Construction loans also expose us to a risk that improvements will not be completed on time in accordance with specifications and projected costs. In addition, the ultimate sale or rental of the real estate may not occur as anticipated and the market value of collateral, when completed, may be less that the outstanding loans against the real estate and there may be no permanent financing available upon completion. Substantially all of our construction and land loans are secured by real estate located in our primary market areas.

Commercial and Industrial Loans. At June 30, 2012, commercial and industrial loans totaled $13.4 million, or 1.3% of the total loan portfolio. As of June 30, 2012, we had 89 commercial and industrial loans with an average loan balance of approximately $150,000, although we originate these types of loans in amounts substantially greater and smaller than this average. At June 30, 2012, our largest commercial and industrial loan had a principal balance of $2.7 million and was performing in accordance with its original contractual terms.

Our commercial and industrial loans typically amortize over 10 years with interest rates that are tied to a prime rate index as published in the Wall Street Journal. Margins generally range from zero basis points to 300 basis points above the prime rate index. We also originate, to a lesser extent, 10 year fixed-rate, fully amortizing loans. In general, our commercial and industrial loans have interest rate floors equal to the interest rate on the date the loan is originated and have prepayment penalties.

We make various types of secured and unsecured commercial and industrial loans to customers in our market area for the purpose of working capital and other general business purposes. The terms of these loans generally range from less than one year to a maximum of 15 years. The loans either are negotiated on a fixed-rate basis or carry adjustable interest rates indexed to a market rate index.

Commercial credit decisions are based on our credit assessment of the applicant. We evaluate the applicant s ability to repay in accordance with the proposed terms of the loan and assess the risks involved. Personal guarantees of the principals are typically obtained. In addition to evaluating the loan applicant s financial statements, we consider the adequacy of the secondary sources of repayment for the loan, such as pledged collateral and the financial stability of the guarantors. Credit agency reports of the guarantors personal credit history supplement our analysis of the applicant s creditworthiness. We also attempt to confirm with other banks and conduct trade investigations as part of our credit assessment of the borrower. Collateral supporting a secured transaction also is analyzed to determine its marketability.

Commercial and industrial loans generally carry higher interest rates than one- to four-family residential real estate loans of like maturity because they have a higher risk of default since their repayment generally depends on the successful operation of the borrowers business.

One- to Four-Family Residential Real Estate Loans. At June 30, 2012, we had 372 one- to four-family residential real estate loans outstanding with an aggregate balance of $69.8 million, or 6.5% of our total loan portfolio. As of June 30, 2012, the average balance of one- to four-family residential real estate loans was approximately $188,000, although we have originated this type of loan in amounts substantially greater and smaller than this average. At June 30, 2012, our largest loan of this type had a principal balance of $2.3 million and was performing in accordance with its original contractual terms.

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For all one- to four-family residential real estate loans originated through the origination assistance agreement with the third party underwriter, upon receipt of a completed loan application from a prospective borrower: (1) a credit report is reviewed; (2) income, assets, indebtedness and certain other information are reviewed; (3) if necessary, additional financial information is required of the borrower; and (4) an appraisal of the real estate intended to secure the proposed loan is ordered from an independent appraiser. One- to four-family residential real estate loans sold to the third party underwriter under a Loan and Servicing Rights Purchase and Sale Agreement totaled $6.7 million and $11.2 million during the six months ended June 30, 2012 and the year ended December 31, 2011, respectively. As of June 30, 2012, our portfolio of one- to four-family residential real estate loans serviced for others totaled $35.3 million.

We do not offer interest only mortgage loans on one- to four-family residential real estate properties, where the borrower pays interest for an initial period, after which the loan converts to a fully amortizing loan. We also do not offer loans that provide for negative amortization of principal, such as Option ARM loans, where the borrower can pay less than the interest owed on their loan, resulting in an increased principal balance during the life of the loan. We do not offer subprime loans (loans that generally target borrowers with weakened credit histories typically characterized by payment delinquencies, previous charge-offs, judgments, bankruptcies, or borrowers with questionable repayment capacity as evidenced by low credit scores or high debt-burden ratios).

Home Equity Loans and Lines of Credit. At June 30, 2012, we had 489 home equity loans and lines of credit with an aggregate outstanding balance of $28.9 million, or 2.7% of our total loan portfolio. Of this total, there were outstanding home equity lines of credit of $15.7 million, or 1.5% of our total loan portfolio. At June 30, 2012, the average home equity loan and line of credit balance was approximately $59,000, although we originate these types of loans in amounts substantially greater and lower than this average. At June 30, 2012, our largest home equity line of credit outstanding was $1.5 million and on non-accrual status. At June 30, 2012, our largest home equity loan was $30**2**,000 and was performing in accordance with its modified terms.

We offer home equity loans and home equity lines of credit that are secured by the borrower s primary residence or second home. Home equity lines of credit are variable rate loans tied to a prime rate index as published in the Wall Street Journal adjusted for a margin, and have a maximum term of 20 years during which time the borrower is required to make principal payments based on a 20-year amortization. Home equity lines generally have interest rate floors and ceilings. The borrower is permitted to draw against the line during the entire term on originations occurring prior to June 15, 2011. For home equity loans originated from June 15, 2011 forward, the borrower is only permitted to draw against the line for the initial 10 years. Our home equity loans typically are fully amortizing with fixed terms to 20 years. Home equity loans and lines of credit generally are underwritten with the same criteria we use to underwrite fixed-rate, one- to four-family residential real estate loans. Home equity loans and lines of credit may be underwritten with a loan-to-value ratio of 80% when combined with the principal balance of the existing mortgage loan. We appraise the property securing the loan at the time of the loan application to determine the value of the property. At the time we close a home equity loan or line of credit, we record a mortgage to perfect our security interest in the underlying collateral.

Insurance premium loans. At June 30, 2012, insurance premium loans totaled $454,000. We sold the majority of our portfolio of insurance premium finance loans during the six months ended June 30, 2012, except for remaining cancelled loans. We will hold cancelled loans until their ultimate resolution, which is generally a payment from the insurance carrier in the amount of the unearned premium which generally exceeds the loan balance.

Purchased Credit-Impaired Loans. PCI loans are accounted for in accordance with Accounting Standards Codification Topic 310-30, Loans and Debt Securities Acquired with Deteriorated Credit Quality (ASC 310-30), since all of these loans were acquired at a discount attributable, at least in part, to credit quality. PCI loans were initially recorded at fair value (as determined by the present value of expected future cash flows) with no valuation allowance (i.e., allowance for loan losses). Under ASC Topic 310-30, the PCI loans were aggregated and accounted for as pools of loans based on common risk characteristics. The PCI loans had a carrying balance of approximately $82.1million at June 30, 2012 or 7.7% of our total loan portfolio. At June 30, 2012, PCI loans consisted of approximately 34% commercial real estate and 55% commercial and industrial loans, with the remaining balance in residential and home equity loans. At June 30, 2012, based on recorded contractual principal, 6.1% of PCI loans were past due 30 to 89 days, and 12.8% were past due 90 days or more.

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The difference between the undiscounted cash flows expected at acquisition and the investment in the PCI loans, or the accretable yield, is recognized as interest income utilizing the level-yield method over the life of the loans in each pool. Contractually required payments for interest and principal that exceed the undiscounted cash flows expected at acquisition, or the non-accretable difference, are not recognized as a yield adjustment or as a loss accrual or a valuation allowance. Increases in expected cash flows subsequent to the acquisition are recognized prospectively through an adjustment of the yield on the pool over its remaining life, while decreases in expected cash flows are recognized as impairment through a loss provision and an increase in the allowance for loan losses.

Non-Performing and Problem Assets

When a loan is over 15 days delinquent, we generally send the borrower a late charge notice. When the loan is 30 days past due, we generally mail the borrower a letter reminding the borrower of the delinquency and, except for loans secured by one- to four-family residential real estate, we attempt personal, direct contact with the borrower to determine the reason for the delinquency, to ensure that the borrower correctly understands the terms of the loan, and to emphasize the importance of making payments on or before the due date. If necessary, additional late charges and delinquency notices are issued and the account will be monitored periodically. After the 90th day of delinquency, we will send the borrower a final demand for payment and generally refer the loan to legal counsel to commence foreclosure and related legal proceedings. Our loan officers can shorten these time frames in consultation with the Chief Lending Officer.

Generally, loans (excluding PCI loans) are placed on non-accrual status when payment of principal or interest is 90 days or more delinquent unless the loan is considered well-secured and in the process of collection. Loans also are placed on non-accrual status at any time if the ultimate collection of principal or interest in full is in doubt. When loans are placed on non-accrual status, unpaid accrued interest is reversed, and further income is recognized only to the extent received, and only if the principal balance is deemed fully collectible. The loan may be returned to accrual status if both principal and interest payments are brought current and factors indicating doubtful collection no longer exist, including performance by the borrower under the loan terms for a six-month period. Our Chief Lending Officer reports monitored loans, including all loans rated watch, special mention, substandard, doubtful or loss, to the loan committee of the board of directors at least quarterly.

For economic reasons and to maximize the recovery of loans, we work with borrowers experiencing financial difficulties, and will consider modifications to a borrower s existing loan terms and conditions that it would not otherwise consider, commonly referred to as troubled debt restructurings (TDR). We record an impairment loss associated with TDRs, if any, based on the present value of expected future cash flows discounted at the original loan s effective interest rate or the underlying collateral value, less cost to sell, if the loan is collateral dependent. Once an obligation has been restructured because of such credit problems, it continues to be considered restructured until paid in full or, if the obligation yields a market rate (a rate equal to or greater than the rate we were willing to accept at the time of the restructuring for a new loan with comparable risk), until the year subsequent to the year in which the restructuring takes place, provided the borrower has performed under the modified terms for a six-month period.

PCI loans are subject to the same internal credit review process as non-PCI loans. If and when unexpected credit deterioration occurs at the loan pool level subsequent to the acquisition date, a provision for credit losses for PCI loans will be charged to earnings for the full amount of the decline in expected cash flows for the pool. Under the accounting guidance of ASC Subtopic 310-30, for acquired credit impaired loans, the allowance for loan losses on PCI loans is measured at each financial reporting date based on future expected cash flows. This assessment and measurement is performed at the pool level and not at the individual loan level. Accordingly, decreases in expected cash flows resulting from further credit deterioration on a pool of acquired PCI loan pools as of such measurement date compared to those originally estimated are recognized by recording a provision and allowance for credit losses on PCI loans. Subsequent increases in the expected cash flows of the loans in that pool would first reduce any allowance for loan losses on PCI loans; and any excess will be accreted prospectively as a yield adjustment.

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We consider our PCI loans to be performing due to the application of the yield accretion method under ASC Topic 310-30. ASC Topic 310-30 allows us to aggregate credit-impaired loans acquired in the same fiscal quarter into one or more pools, provided that the loans have common risk characteristics. A pool is then accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows. Accordingly, loans that may have been classified as non-performing loans by the acquired company are no longer classified as non-performing because, at the respective dates of acquisition, we believed that we would fully collect the new carrying value of these loans. The new carrying value represents the contractual balance, reduced by the portion expected to be uncollectible (referred to as the non-accretable difference) and by an accretable yield (discount) that is recognized as interest income. It is important to note that management s judgment is required in reclassifying loans subject to ASC Topic 310-30 as performing loans, and is dependent on having a reasonable expectation about the timing and amount of the cash flows to be collected, even if a loan is contractually past due.

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Non-Performing and Restructured Loans excluding PCI Loans. The table below sets forth the amounts and categories of our non-performing assets at the dates indicated. At June 30, 2012 and December 31, 2011, 2010, 2009, 2008, and 2007, we had troubled debt restructurings of $21.6 million, $23.3 million, $20.0 million, $10.7 million, $1.0 million, and $1.3 million, respectively, which are included in the appropriate categories which appear within non-accrual loans. Additionally, we had $25.5 million, $18.3 million, $11.2 million and $7.3 million of troubled debt restructurings on accrual status at June 30, 2012 and December 31, 2011, 2010 and 2009, respectively, which do not appear in the table below. We had no troubled debt restructurings on accrual status at December 31, 2008 and 2007. Generally, the types of concessions that we make to troubled borrowers include reduction in interest rates and payment extensions. At June 30, 2012, 82% of TDRs were commercial real estate loans, 4% were construction loans, 4% were multifamily loans, 3% were commercial and industrial loans, 1% were home equity loans and 6% were one- to four-family residential loans. At June 30, 2012, $23.1 million of the $25.5 million of accruing troubled debt restructurings, and $17.8 million of the $21.6 million of non-accruing troubled debt restructurings, were performing in accordance with their restructured terms. At December 31, 2011, 81% of TDRs were commercial real estate loans, 4% were construction loans, 5% were multifamily loans, 4% were commercial and industrial loans, and 6% were one- to four-family residential loans. At December 31, 2011, $12.7 million of the $18.3 million of accruing troubled debt restructurings, and $19.2 million of the $23.3 million of non-accruing troubled debt restructurings, were performing in accordance with their restructured terms.

	At June 30,	At December 31,				
	2012	2011	2010	2009	2008	2007
	(Dollars in thousands)					
Non-accrual loans:						
Real estate loans:						
Commercial	$ 25,378	$ 34,659	$ 46,388	$ 28,802	$ 4,416	$ 4,792
One- to four-family residential	1,660	1,338	1,275	2,066	1,093	231
Construction and land	1,861	2,131	5,122	6,843	2,675	3,436
Multifamily	2,416	2,175	4,863	2,118	1,131	
Home equity and lines of credit	1,702	1,766	181	62	100	104
Commercial and industrial loans	1,345	1,575	1,323	1,740	86	43
Insurance premium loans	7	137	129			
Other loans					1	
Total non-accrual loans	34,369	43,781	59,281	41,631	9,502	8,606
Loans delinquent 90 days or more and still accruing:						
Real estate loans:						
Commercial	4	13				
One- to four-family residential	290		1,108			
Construction and land			404			753
Multifamily	71	72			137	
Home equity and lines of credit			59			
Commercial and industrial loans			38	191		475
Other loans	59					
Total loans delinquent 90 days or more and still accruing	424	85	1,609	191	137	1,228
Total non-performing loans	34,793	43,866	60,890	41,822	9,639	9,834
Other real estate owned	2,139	3,359	171	1,938	1,071	
Total non-performing assets	$ 36,932	$ 47,225	$ 61,061	$ 43,760	$ 10,710	$ 9,834
Ratios:						
Non-performing loans to total loans held-for-investment, net	3.24%	4.07%	7.36%	5.73%	1.63%	2.32%

Non-performing loans to originated loans held-for-investment	3.51	4.43	7.36	5.73	1.63	2.32
Non-performing assets to total assets	1.50	1.99	2.72	2.19	0.61	0.71
Total assets	$ 2,463,922	$ 2,376,918	$ 2,247,167	$ 2,002,274	$ 1,757,761	$ 1,386,918
Loans held-for-investment, net	$ 1,072,948	$ 1,074,467	$ 827,591	$ 729,269	$ 589,984	$ 424,329

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At June 30, 2012, based on recorded contractual principal, 6.1% of PCI loans were past due 30 to 89 days, and 12.8% were past due 90 days or more. At December 31, 2011, based on recorded contractual principal, 9.0% of PCI loans were past due 30 to 89 days, and 16.1% were past due 90 days or more, as compared to 8.0% and 13.9% at October 14, 2011. The amount and timing of expected cash flows as of June 30, 2012 and December 31, 2012 did not change significantly from the October 2011 acquisition date.

The table below sets forth the property types collateralizing non-accrual commercial real estate loans at June 30, 2012.

	At June 30, 2012	
	Amount (in thousands)	Percent
Manufacturing	$ 7,620	30.0%
Office building	4,964	19.6
Restaurant	3,143	12.4
Services	1,709	6.7
Warehouse	1,763	6.9
Recreational	3,012	11.9
Other	3,166	12.5
Total	$ 25,377	100.0%

Other Real Estate Owned. Real estate acquired by us as a result of foreclosure or by deed in lieu of foreclosure is classified as other real estate owned. On the date property is acquired it is recorded at the lower of cost or estimated fair value, establishing a new cost basis. Estimated fair value generally represents the sale price a buyer would be willing to pay on the basis of current market conditions, including normal terms from other financial institutions, less the estimated costs to sell the property. Holding costs and declines in estimated fair value result in charges to expense after acquisition. Other real estate owned amounted to seven properties totaling $2.1 million at June 30, 2012, as compared to 13 properties totaling $3.4 million at December 31, 2011, and seven properties totaling $171,000 at December 31, 2010. The December 31, 2011 amounts include properties totaling approximately $1.2 million acquired as part of the Federal Deposit Insurance Corporation-assisted acquisition.

Potential Problem Loans and Classification of Assets. The current economic environment continues to negatively affect certain borrowers. Our loan officers and credit administration department continue to monitor their loan portfolios, including evaluation of borrowers business operations, current financial condition, underlying values of any collateral, and assessment of their financial prospects in the current and deteriorating economic environment. Based on these evaluations, we determine an appropriate strategy to assist borrowers, with the objective of maximizing the recovery of the related loan balances.

Our policies, consistent with regulatory guidelines, provide for the classification of loans and other assets that are considered to be of lesser quality as substandard, doubtful, or loss assets. An asset is considered substandard if it is inadequately protected by the current net worth and paying capacity of the obligor, or of the collateral pledged, if any. Substandard assets include those assets characterized by the distinct possibility that we will sustain some loss if the deficiencies are not corrected. Assets classified as doubtful have all of the weaknesses inherent in those classified substandard with the added characteristic that the weaknesses present make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable. Assets (or portions of assets) classified as loss are those considered uncollectible and of such little value that their continuance as assets is not warranted. Assets that do not expose us to risk sufficient to warrant classification in one of the aforementioned categories, but which possess potential weaknesses that deserve our close attention, are designated as special mention. At June 30, 2012, classified assets consisted of substandard assets of $36.5 million and no doubtful or loss assets. We also had $46.3 million of assets designated as special mention. At December 31, 2011, classified assets consisted of substandard assets of $36.0 million and no doubtful or loss assets. We also had $36.8 million of assets designated as special mention.

Our determination as to the classification of our assets (and the amount of our loss allowances) is subject to review by our principal federal regulator, the Office of the Comptroller of the Currency, which can require that we adjust our classification and related loss allowances. We regularly review our asset portfolio to determine whether any assets require classification in accordance with applicable regulations. We also engage the services of a third party to review our classification on a semi-annual basis.

Allowance for Loan Losses

We provide for loan losses based on the consistent application of our documented allowance for loan loss methodology. Loan losses are charged to the allowance for loans losses and recoveries are credited to it. Additions to the allowance for loan losses are provided by charges against income based on various factors which, in our judgment, deserve current recognition in estimating probable losses. We regularly review the loan portfolio and make adjustments for loan losses in order to maintain the allowance for loan losses in accordance with GAAP. The allowance for loan losses consists primarily of the following two components:

(1) Allowances are established for impaired loans (which we generally define as non-accrual loans with an outstanding balance of $500,000 or greater). The amount of impairment provided is represented by the deficiency, if any, between the present value of expected future cash flows discounted at the original loan s effective interest rate or the underlying collateral value (less estimated costs to sell), if the loan is collateral dependent, and the carrying value of the loan. Impaired loans that have no impairment losses are not considered for general valuation allowances described below. Generally, we charge down a loan to the estimated fair value of the underlying collateral, less costs to sell, and maintains an allowance for loan losses for expected losses related to discounts to facilitate a sale of the property.

(2) General allowances are established for loan losses on a portfolio basis for loans that do not meet the definition of impaired. The portfolio is grouped into similar risk characteristics, primarily loan type, loan-to-value, if collateral dependent, and internal credit risk rating. We apply an estimated loss rate to each loan group. The loss rates applied are based on our cumulative prior two year loss experience adjusted, as appropriate, for the environmental factors discussed below. This evaluation is inherently subjective as it requires material estimates that may be susceptible to significant revisions based upon changes in economic and real estate market conditions. Actual loan losses may be significantly more than the allowance for loan losses we have established, which could have a material negative effect on our financial results. Within general allowances is an unallocated reserve established to recognize losses related to the inherent subjective nature of the appraisal process and the internal credit risk rating process.

The adjustments to our loss experience are based on our evaluation of several environmental factors, including:

- changes in local, regional, national, and international economic and business conditions and developments that affect the collectability of our portfolio, including the condition of various market segments;

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- changes in the nature and volume of our portfolio and in the terms of our loans;
- changes in the experience, ability, and depth of lending management and other relevant staff;
- changes in the volume and severity of past due loans, the volume of non-accrual loans, and the volume and severity of adversely classified or graded loans;
- changes in the quality of our loan review system;
- changes in the value of underlying collateral for collateral-dependent loans;
- the existence and effect of any concentrations of credit, and changes in the level of such concentrations; and
- the effect of other external factors such as competition and legal and regulatory requirements on the level of estimated credit losses in our existing portfolio.

In evaluating the estimated loss factors to be utilized for each loan group, management also reviews actual loss history over an extended period of time as reported by the Federal Deposit Insurance Corporation for institutions both nationally and in our market area for periods that are believed to have been under similar economic conditions.

We evaluate the allowance for loan losses based on the combined total of the impaired and general components for originated loans. Generally when the loan portfolio increases, absent other factors, our allowance for loan loss methodology results in a higher dollar amount of estimated probable losses. Conversely, when the loan portfolio decreases, absent other factors, our allowance for loan loss methodology results in a lower dollar amount of estimated probable losses.

We also maintain an unallocated component related to the general loss allocation. Management does not target a specific unallocated percentage of the total general allocation, or total allowance for loan losses. The primary purpose of the unallocated component is to account for the inherent imprecision of the loss estimation process related primarily to periodic updating of appraisals on impaired loans, as well as periodic updating of commercial loan credit risk ratings by loan officers and our internal credit audit process. Generally, management will establish higher levels of unallocated reserves between independent credit audits, and between appraisal reviews for larger impaired loans. Adjustments to the provision for loans due to the receipt of updated appraisals is mitigated by management s quarterly review of real estate market index changes, and reviews of property valuation trends noted in current appraisals being received on other impaired and unimpaired loans. These changes in indicators of value are applied to impaired loans that are awaiting updated appraisals.

Each quarter we evaluate the allowance for loan losses and adjust the allowance as appropriate through a provision or recovery for loan losses. While we use the best information available to make evaluations, future adjustments to the allowance may be necessary if conditions differ substantially from the information used in making the evaluations. In addition, as an integral part of their examination process, the Office of the Comptroller of the Currency will periodically review the allowance for loan losses. The Office of the Comptroller of the Currency may require us to adjust the allowance based on their analysis of information available to them at the time of their examination. Our last regulatory examination was as of September 30, 2011.

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The following table sets forth activity in our allowance for loan losses for the periods indicated.

	At or For the Six Months Ended June 30,		At or For the Years Ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
	(Dollars in thousands)						
Balance at beginning of year	$ 26,836	$ 21,819	$ 21,819	$ 15,414	$ 8,778	$ 5,636	$ 5,030
Charge-offs:							
Commercial real estate	(655)	(1,198)	(5,398)	(987)	(1,348)	(1,002)	
One- to four-family residential			(101)		(63)		
Construction and land	(43)		(693)	(443)	(686)	(761)	
Multifamily		(25)	(718)	(2,132)	(164)		
Insurance premium finance loans	(198)	(26)	(70)	(101)			
Commercial and industrial	(90)	(196)	(638)	(36)	(141)	(165)	(814)
Home equity and lines of credit	(3)		(62)				
Other	(3)					(12)	(22)
Total charge-offs	(992)	(1,445)	(7,680)	(3,699)	(2,402)	(1,940)	(836)
Recoveries:							
Commercial real estate	15	6	55				
Commercial and industrial	24	23	23				
Insurance premium finance loans			30	20			
Total recoveries	39	29	108	20			
Net charge-offs	(953)	(1,416)	(7,572)	(3,679)	(2,402)	(1,940)	(836)
Provision for loan losses	1,159	3,117	12,589	10,084	9,038	5,082	1,442
Balance at end of period	$ 27,042	$ 23,520	$ 26,836	$ 21,819	$ 15,414	$ 8,778	$ 5,636
Ratios:							
Net charge-offs to average loans outstanding	0.18%	0.33%	0.78%	0.47%	0.37%	0.38%	0.20%
Allowance for loan losses to non-performing loans held-for- investment at end of year	77.90	40.54	66.40	35.83	36.86	91.07	57.31
Allowance for loan losses to originated loans held-for- investment, net at end of year	2.73	2.61	2.72	2.64	2.11	1.49	1.33
Allowance for loan losses to total loans held-for-investment at end of year	2.52	2.61	2.50	2.64	2.11	1.49	1.33

As of June 30, 2012 and December 31, 2011, we did not provide any allowance for loan losses for PCI loans acquired in October 2011 as the estimated cash flows by loan pool remained consistent with those estimated at date of acquisition. Loans held-for-sale are excluded from the allowance for loan losses coverage ratios in the table above.

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Allocation of Allowance for Loan Losses. The following tables set forth the allowance for loan losses allocated by loan category and the percent of loans in each category to total loans at the dates indicated. The allowance for loan losses allocated to each category is not necessarily indicative of future losses in any particular category and does not restrict the use of the allowance to absorb losses in other categories.

	At June 30, 2012		At December 31, 2011		2010	
	Allowance for Loan Losses	Percent of Allowance in Each Category to Total Allocated Allowance	Allowance for Loan Losses	Percent of Allowance in Each Category to Total Allocated Allowance	Allowance for Loan Losses	Percent of Allowance in Each Category to Total Allocated Allowance
			(Dollars in thousands)			
Real estate loans:						
Commercial	$ 14,019	54.64%	$ 14,120	54.88%	$ 12,654	59.36%
One- to four-family residential	637	2.48	967	3.76	570	2.67
Construction and land	1,027	4.00	1,189	4.62	1,855	8.70
Multifamily	7,132	27.80	6,772	26.32	5,137	24.10
Home equity and lines of credit	561	2.19	418	1.62	242	1.14
Commercial and industrial	2,196	8.56	2,035	7.91	719	3.37
Insurance premium finance	40	0.16	186	0.72	111	0.52
Other	46	0.17	40	0.17	28	0.14
Total allocated allowance	25,658	100.00%	25,727	100.00%	21,316	100.00%
Unallocated	1,384		1,109		503	
Total	$ 27,042		$ 26,836		$ 21,819	

	At December 31, 2009		2008		2007	
	Allowance for Loan Losses	Percent of Allowance in Each Category to Total Allocated Allowance	Allowance for Loan Losses	Percent of Allowance in Each Category to Total Allocated Allowance	Allowance for Loan Losses	Percent of Allowance in Each Category to Total Allocated Allowance
			(Dollars in thousands)			
Real estate loans:						
Commercial	$ 8,403	55.79%	$ 5,176	58.97%	$ 3,456	61.32%
One- to four-family residential	163	1.08	131	1.49	60	1.06
Construction and land	2,409	15.99	1,982	22.58	1,461	25.92
Multifamily	1,866	12.39	788	8.98	99	1.76
Home equity and lines of credit	210	1.39	146	1.66	38	0.67
Commercial and industrial	1,877	12.46	523	5.96	484	8.59
Insurance premium finance	101	0.67				
Other	34	0.23	32	0.36	38	0.68
Total allocated allowance	15,063	100.00%	8,778	100.00%	5,636	100.00%
Unallocated	351					

Total	$ 15,414	$ 8,778	$ 5,636

Investments

We conduct investment transactions in accordance with our board approved investment policy which is reviewed at least annually by the risk committee of the board of directors, and any changes to the policy are subject to ratification by the full board of directors. This policy dictates that investment decisions give consideration to the safety of the investment, liquidity requirements, potential returns, the ability to provide collateral for pledging requirements, and consistency with our interest rate risk management strategy. Our Treasurer executes our securities portfolio transactions, within policy requirements, with the approval of either the Chief Executive Officer or the Chief Financial Officer. NSB Services Corp. s and NSB Realty Trust s investment officers execute security portfolio transactions in accordance with investment policies that substantially mirror Northfield Bank s investment policy. All purchase and sale transactions are reviewed by the risk committee at least quarterly.

Our current investment policy permits investments in mortgage-backed securities, including pass-through securities and real estate mortgage investment conduits (REMICs). The investment policy also permits, with certain limitations, investments in debt securities issued by the U.S. Government, agencies of the U.S. Government or U.S. Government-sponsored enterprises (GSEs), asset-backed securities, money market mutual funds, federal funds, investment grade corporate bonds, reverse repurchase agreements, and certificates of deposit.

Our investment policy does not permit investment in municipal bonds, preferred and common stock of other entities including U.S. Government sponsored enterprises or equity securities other than our required investment in the common stock of the Federal Home Loan Bank of New York, or as permitted for community reinvestment purposes or for the purposes of funding the Bank s deferred compensation plan. Northfield-Federal may invest in equity securities of other financial institutions up to certain limitations. As of June 30, 2012, we held no asset-backed securities other than mortgage-backed securities. Our board of directors may change these limitations in the future.

Our current investment policy does not permit hedging through the use of such instruments as financial futures or interest rate options and swaps.

At the time of purchase, we designate a security as either held-to-maturity, available-for-sale, or trading, based upon our ability and intent to hold such securities. Trading securities and securities available-for-sale are reported at estimated fair value, and securities held-to-maturity are reported at amortized cost. A periodic review and evaluation of the available-for-sale and held-to-maturity securities portfolios is conducted to determine if the estimated fair value of any security has declined below its carrying value and whether such impairment is other-than-temporary. If such impairment is deemed to be other-than-temporary, the security is written down to a new cost basis and the resulting loss is charged against earnings. The estimated fair values of our securities are obtained from an independent nationally recognized pricing service (see Management s Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies for further discussion). At June 30, 2012, our investment portfolio consisted primarily of mortgage-backed securities guaranteed by GSEs and to a lesser extent private label mortgage-backed securities, mutual funds and corporate securities. The market for these securities primarily consists of other financial institutions, insurance companies, real estate investment trusts, and mutual funds.

We purchase mortgage-backed securities insured or guaranteed primarily by Fannie Mae, Freddie Mac, or Ginnie Mae, and to a lesser extent, securities issued by private companies (private label). We invest in mortgage-backed securities to achieve positive interest rate spreads with minimal administrative expense, and to lower our credit risk as a result of the guarantees provided by Fannie Mae, Freddie Mac, or Ginnie Mae as well as to provide us liquidity to fund loan originations and deposit outflows. In September 2008, the Federal Housing Finance Agency placed Freddie Mac and Fannie Mae into conservatorship. The U.S. Treasury Department has established financing agreements to ensure that Freddie Mac and Fannie Mae meet their obligations to holders of mortgage-backed securities that they have issued or guaranteed.

Mortgage-backed securities are securities sold in the secondary market that are collateralized by pools of mortgages. Certain types of mortgage-backed securities are commonly referred to as pass-through certificates because the principal and interest of the underlying loans is passed through pro rata to investors, net of certain costs, including servicing and guarantee fees, in proportion to an investor s ownership in the entire pool. The issuers of such securities pool mortgages and resell the participation interests in the form of securities to investors. The interest rate of the security is lower than the interest rates of the underlying loans to allow for payment of servicing and guaranty fees. Ginnie Mae, a U.S. Government agency, and GSEs, such as Fannie Mae and Freddie Mac, may guarantee the payments, or guarantee the timely payment of, principal and interest to investors.

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Mortgage-backed securities are more liquid than individual mortgage loans since there is a more active market for such securities. In addition, mortgage-backed securities may be used to collateralize our specific liabilities and obligations. Investments in mortgage-backed securities issued or guaranteed by GSEs involve a risk that actual payments will be greater or less than estimated at the time of purchase, which may require adjustments to the amortization of any premium or accretion of any discount relating to such interests, thereby affecting the net yield on our securities. We periodically review current prepayment speeds to determine whether prepayment estimates require modification that could cause adjustment of amortization or accretion.

REMICs are a type of mortgage-backed security issued by special-purpose entities that aggregate pools of mortgages and mortgage-backed securities and create different classes of securities with varying maturities and amortization schedules, as well as a residual interest, with each class possessing different risk characteristics. The cash flows from the underlying collateral are generally divided into tranches or classes that have descending priorities with respect to the distribution of principal and interest cash flows.

The timely payment of principal and interest on these REMICs is generally supported (credit enhanced) in varying degrees by either insurance issued by a financial guarantee insurer, letters of credit, over collateralization, or subordination techniques. Substantially all of these securities are rated AAA by Standard & Poor s or Moody s at the time of purchase. Privately issued REMICs and pass-throughs can be subject to certain credit-related risks normally not associated with U.S. Government agency and U.S. Government-sponsored enterprise mortgage-backed securities. The loss protection generally provided by the various forms of credit enhancements is limited, and losses in excess of certain levels are not protected. Furthermore, the credit enhancement itself may be subject to the creditworthiness of the credit enhancer. Thus, in the event a credit enhancer does not fulfill its obligations, the holder could be subject to risk of loss similar to a purchaser of a whole loan pool. Management believes that the credit enhancements are adequate to protect us from material losses on our privately issued mortgage-backed securities.

At June 30, 2012, our corporate bond portfolio consisted of investment grade securities with maturities generally shorter than three years. Our investment policy provides that we may invest up to 15% of our tier-one risk-based capital in corporate bonds from individual issuers which, at the time of purchase, are within the three highest investment-grade ratings from Standard & Poor s or Moody s. The maturity of these bonds may not exceed 10 years, and there is no aggregate limit for this security type. Corporate bonds from individual issuers with investment-grade ratings, at the time of purchase, below the top three ratings are limited to the lesser of 1% of our total assets or 15% of our tier-one risk-based capital and must have a maturity of less than one year. Aggregate holdings of this security type cannot exceed 5% of our total assets. Bonds that subsequently experience a decline in credit rating below investment grade are monitored at least quarterly.

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The following table sets forth the amortized cost and estimated fair value of our available-for-sale and held-to-maturity securities portfolios (excluding Federal Home Loan Bank of New York common stock) at the dates indicated. As of June 30, 2012 and December 31, 2011, 2010, and 2009, we also had a trading portfolio with a market value of $4.5 million, $4.1 million, $4.1 million, and $3.4 million, respectively, consisting of mutual funds quoted in actively traded markets. These securities are utilized to fund non-qualified deferred compensation obligations.

	At June 30,		At December 31,					
	2012		2011		2010		2009	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
	(In thousands)							
Securities available-for-sale:								
Mortgage-backed securities:								
Pass-through certificates:								
GSEs	$ 491,069	$ 516,043	$ 490,184	$ 514,893	$ 342,316	$ 355,795	$ 404,128	$ 418,060
Non-GSEs	8,025	7,385	8,770	7,515	27,801	27,878	65,363	62,466
REMICs:								
GSEs	550,179	555,611	426,362	430,889	622,582	622,077	344,150	349,088
Non-GSEs	24,545	25,974	31,114	32,936	65,766	69,389	111,756	114,194
Equity investments (1)	13,467	13,503	11,787	11,835	12,437	12,353	21,820	21,872
GSE bonds					34,988	35,033	28,994	28,983
Corporate bonds	102,189	102,703	100,922	100,657	119,765	121,788	134,595	137,140
Total securities available-for-sale	$ 1,189,474	$ 1,221,219	$ 1,069,139	$ 1,098,725	$ 1,225,655	$ 1,244,313	$ 1,110,806	$ 1,131,803

	At June 30,		At December 31,					
	2012		2011		2010		2009	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
	(In thousands)							
Securities held-to-maturity:								
Mortgage-backed securities:								
Pass-through certificates:								
GSEs	$ 472	$ 5085	$ 629	$ 672	$ 854	$ 899	$ 874	$ 901
REMICs:								
GSEs	2,360	2,453	2,988	3,099	4,206	4,374	5,866	6,029
Total securities held-to-maturity	$ 2,832	$ 2,961	$ 3,617	$ 3,771	$ 5,060	$ 5,273	$ 6,740	$ 6,930

(1) Consists of mutual funds.

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The following table sets forth the amortized cost and estimated fair value of securities as of June 30, 2012, that exceeded 10% of our stockholders equity as of that date.

	At June 30, 2012	
	Amortized Cost	Estimated Fair Value
	(in thousands)	
Mortgage-backed securities:		
Freddie Mac	$ 582,889	$ 596,639
Fannie Mae	$ 457,003	$ 473,645

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Portfolio Maturities and Yields. The composition and maturities of the investment securities portfolio at March 31, 2012, are summarized in the following table. Maturities are based on the final contractual payment dates, and do not reflect the effect of scheduled principal repayments, prepayments, or early redemptions that may occur. All of our securities at June 30, 2012, were taxable securities.

	One Year or Less		More than One Year through Five Years		More than Five Years through Ten Years		More than Ten Years		Total		
	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Fair Value	Weighted Average Yield
	(Dollars in thousands)										
Securities available-for-sale:											
Mortgage-backed securities:											
Pass-through certificates:											
GSEs	$	0.00%	$ 2,506	5.24%	$ 253,158	3.49%	$ 235,405	2.89%	$ 491,069	$ 516,043	3.21%
Non-GSEs		0.00%		0.00%		0.00%	8,025	4.05%	8,025	7,385	4.05%
REMICs:											
GSEs	4,489	0.86%	42,781	1.52%	155,402	2.08%	347,507	1.74%	550,179	555,611	1.81%
Non-GSEs		0.00%		0.00%	23,770	4.91%	775	1.54%	24,545	25,974	4.80%
Equity investments	13,467	3.36%		0.00%		0.00%		0.00%	13,467	13,503	3.36%
Corporate bonds	45,748	1.68%	56,441	1.92%		0.00%		0.00%	102,189	102,703	1.81%
Total securities available-for-sale	$ 63,704	1.98%	$ 101,728	1.83%	$ 432,330	3.06%	$ 591,712	2.23%	$ 1,189,474	$ 1,221,219	2.48%
Securities held-to-maturity:											
Mortgage-backed securities:											
Pass-through certificates:											
GSEs	$	0.00%	$	0.00%	$	0.00%	$ 472	5.36%	$ 472	$ 508	5.36%
REMICs:											
GSE		0.00%		0.00%		0.00%	2,360	3.83%	2,360	2,453	3.83%
Total securities held-to-maturity	$	0.00%	$	0.00%	$	0.00%	$ 2,832	4.09%	$ 2,832	$ 2,961	4.09%

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Sources of Funds

General. Deposits traditionally have been our primary source of funds for our securities and lending activities. We also borrow from the Federal Home Loan Bank of New York and other financial institutions to supplement cash flow needs, to manage the maturities of liabilities for interest rate and investment risk management purposes, and to manage our cost of funds. Our additional sources of funds are the proceeds of loan sales, scheduled loan and investment payments, maturing investments, loan prepayments, and retained income on other earning assets.

Deposits. We accept deposits primarily from the areas in which our offices are located. We rely on our convenient locations, customer service, and competitive products and pricing to attract and retain deposits. We offer a variety of deposit accounts with a range of interest rates and terms. Our deposit accounts consist of transaction accounts (NOW and non-interest bearing checking accounts), savings accounts (money market, passbook, and statement savings), and certificates of deposit, including individual retirement accounts. We accept brokered deposits on a limited basis, when it is deemed cost effective. At June 30, 2012 and December 31, 2011 and 2010, we had brokered certificates of deposits totaling $659,000, $3.4 million and $68.4 million, respectively.

Interest rates offered generally are established weekly, while maturity terms, service fees, and withdrawal penalties are reviewed on a periodic basis. Deposit rates and terms are based primarily on current operating strategies and market interest rates, liquidity requirements, and our deposit growth goals.

At June 30, 2012, we had a total of $481.8 million in certificates of deposit, of which $168.4 million had remaining maturities of one year or less. Based on our experience and current pricing strategy, we believe we will retain a significant portion of these accounts at maturity.

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The following tables set forth the distribution of our average total deposit accounts, by account type, for the periods indicated.

	For the Six Months Ended June 30,					
	2012			2011		
	Average Balance	Percent	Weighted Average Rate	Average Balance	Percent	Weighted Average Rate
Non-interest bearing demand	$ 162,602	10.78%	%	$ 115,346	8.34%	%
NOW	102,477	6.79	0.64	84,592	6.11	1.03
Money market accounts	440,207	29.18	0.61	283,160	20.47	0.94
Savings	327,979	21.74	0.28	330,203	23.87	0.33
Certificates of deposit	475,239	31.51	1.21	570,312	41.21	1.41
Total deposits	$ 1,508,504	100.00%	0.66%	$ 1,383,613	100.00%	0.91%

	For the Year Ended December 31,								
	2011			2010			2009		
	Average Balance	Percent	Weighted Average Rate	Average Balance	Percent	Weighted Average Rate	Average Balance	Percent	Weighted Average Rate
Non-interest bearing demand	$ 131,224	9.12%	%	$ 114,450	8.28%	%	$ 99,950	8.50%	%
NOW	80,487	5.59	1.00	71,130	5.15	1.39	51,336	4.36	1.48
Money market accounts	352,111	24.47	0.80	243,612	17.64	1.05	157,620	13.40	1.56
Savings	308,532	21.44	0.33	361,592	26.18	0.44	357,938	30.43	0.79
Certificates of deposit	566,619	39.38	1.34	590,445	42.75	1.43	509,610	43.31	2.39
Total deposits	$ 1,438,973	100.00%	0.85%	$ 1,381,229	100.00%	0.98%	$ 1,176,454	100.00%	1.55%

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As of June 30, 2012, the aggregate amount of our outstanding certificates of deposit in amounts greater than or equal to $100,000 was $229.1 million. The following table sets forth the maturity of these certificates at June 30, 2012.

	At June 30, 2012 (In thousands)
Three months or less	$ 50,198
Over three months through six months	95,313
Over six months through one year	22,853
Over one year to three years	40,362
Over three years	20,384
Total	$ 229,110

Borrowings. Our borrowings consist primarily of securities sold under agreements to repurchase (repurchase agreements) with third party financial institutions, as well as advances from the Federal Home Loan Bank of New York and the Federal Reserve Bank of New York. As of June 30, 2012, our repurchase agreements totaled $276.0 million, or 13.3% of total liabilities, capitalized lease obligations totaled $1.6 million, or 0.1% of total liabilities, floating rate advances totaled $5.8 million, or 0.3% of total liabilities and our Federal Home Loan Bank advances totaled $230.2 million, or 11.1% of total liabilities. At June 30, 2012, we had the ability to obtain additional funding from the Federal Home Loan Bank of New York and Federal Reserve Bank of New York discount window of approximately $588.8 million, utilizing unencumbered securities of $521.5 million and multifamily loans of $127.5 million at June 30, 2012. Repurchase agreements are primarily secured by mortgage-backed securities. Advances from the Federal Home Loan Bank of New York are secured by our investment in the common stock of the Federal Home Loan Bank of New York as well as by pledged mortgage-backed securities.

The following table sets forth information concerning balances and interest rates on our borrowings at and for the periods indicated:

	At or For the Six Months Ended June 30,		At or For the Years Ended December 31,		
	2012	2011	2011	2010	2009
	(Dollars in thousands)				
Balance at end of period	$ 513,571	$ 444,522	$ 481,934	$ 391,237	$ 279,424
Average balance during period	$ 489,504	$ 496,276	$ 476,413	$ 330,693	$ 297,365
Maximum outstanding at any month period	$ 523,768	$ 535,447	$ 535,447	$ 391,237	$ 345,506
Weighted average interest rate at end of period	2.53%	2.91%	2.64%	2.97%	3.63%
Average interest rate during period	2.70%	2.66%	2.76%	3.28%	3.62%

Employees

As of June 30, 2012, we had 255 full-time employees and 42 part-time employees. Our employees are not represented by any collective bargaining group. Management believes that we have a good working relationship with our employees.

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Subsidiary Activities

Northfield-Federal owns 100% of Northfield Investments, Inc., an inactive New Jersey investment company, and 100% of Northfield Bank. Northfield Bank owns 100% of NSB Services Corp., a Delaware corporation, which in turn owns 100% of the voting common stock of NSB Realty Trust. NSB Realty Trust is a Maryland real estate investment trust that holds mortgage loans, mortgage-backed securities and other investments. These entities enable us to segregate certain assets for management purposes, and promote our ability to raise regulatory capital in the future through the sale of preferred stock or other capital-enhancing securities or borrow against assets or stock of these entities for liquidity purposes. At June 30, 2012, Northfield Bank s investment in NSB Services Corp. was $609.4 million, and NSB Services Corp. had assets of $609.5 million and liabilities of $120,000 at that date. At June 30, 2012, NSB Services Corp. s investment in NSB Realty Trust was $615.3 million, and NSB Realty Trust had $615.3 million in assets, and liabilities of $19,000 at that date. NSB Insurance Agency, Inc. is a New York corporation that receives nominal commissions from the sale of life insurance by employees of Northfield Bank. At June 30, 2012, Northfield Bank s investment in NSB Insurance Agency was $1,000.

Legal Proceedings

In the normal course of business, we may be party to various outstanding legal proceedings and claims. In the opinion of management, the consolidated financial statements will not be materially affected by the outcome of such legal proceedings and claims as of June 30, 2012.

Expense and Tax Allocation Agreements

Northfield Bank will enter into an agreement with Northfield-Delaware to provide it with certain administrative support services, whereby Northfield Bank will be compensated at not less than the fair market value of the services provided. In addition, Northfield Bank and Northfield-Delaware will enter into an agreement to establish a method for allocating and for reimbursing the payment of their consolidated tax liability.

Properties

We operate from our home office located at 1731 Victory Boulevard, Staten Island, New York, our operations center located at 581 Main Street, Woodbridge, New Jersey, our additional 24 branch offices located in New York and New Jersey and our commercial loan center. Our branch offices are located in the New York Counties of Richmond, and Kings and the New Jersey Counties of Middlesex and Union. The net book value of our premises, land, and equipment was $23.1 million at June 30, 2012.

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The following table sets forth information with respect to our full-service banking offices and our loan centers, including the expiration date of leases with respect to leased facilities.

Avenel 1410 St. Georges Ave. Avenel, New Jersey 07001 3/31/2035	Bay Ridge 8512 Third Ave. Brooklyn, New York 11209 10/31/2025	Bay Street 385 Bay St. Staten Island, New York 10301 1/31/2027
Boro Park 4602 13th Avenue Brooklyn, New York 11219 8/24/2026	Bulls Head 1497 Richmond Ave. Staten Island, New York 10314 3/31/2037	Castleton Corners (Northfield Bank main office) 1731 Victory Blvd. Staten Island, New York 10314
Dyker Heights 1501 86th Street Brooklyn, New York 11228 2/28/2021	East Brunswick 755 State Highway 18 East Brunswick, New Jersey 08816 6/30/2013	Eltingville 4355 Amboy Rd. Staten Island, New York 10312 7/5/2018
Forest Avenue Shoppers Town 1481 Forest Ave. Staten Island, New York 10302 11/1/2016	Grasmere 1158 Hylan Boulevard Staten Island, New York 10305 1/31/2028	Gravesend 247 Avenue U Brooklyn, New York 11223 1/31/2026
Greenridge 3227 Richmond Ave. Staten Island, New York 10312 12/31/2015	Highlawn 283 Kings Highway Brooklyn, New York 11223 5/7/2025	Linden 501 N. Wood Ave. Linden, New Jersey 07036 3/1/2029
Milltown 336 Ryders Lane Milltown, New Jersey 08850 9/30/2040	Monroe Township 1600 Perrineville Rd. Monroe, New Jersey 08831 3/1/2024	New Dorp Shopping Center 2706 Hylan Blvd. Staten Island, New York 10306 9/30/2021

Pathmark Shopping Mall 1351 Forest Ave. Staten Island, New York 10302 10/21/2016	Pleasant Plains 6420 Amboy Rd. Staten Island, New York 10309 5/31/2032	Prince s Bay 5775 Amboy Rd. Staten Island, New York 10309
Rahway 1515 Irving St. Rahway, New Jersey 07065	West Brighton 519 Forest Ave. Staten Island, New York 10310 6/30/2055	Westfield 828 South Avenue W Westfield, New Jersey 07090 11/30/2021
Woodbridge 624 Main St. Woodbridge, New Jersey 07095 9/1/2031	Woodbridge (corporate headquarters) 581 Main St. Woodbridge, New Jersey 07095 6/30/2018	Commercial Loan Center 8517 Fourth Ave., 2nd Floor Brooklyn, New York 11209 9/30/2013

SUPERVISION AND REGULATION

General

Northfield Bank is a federally chartered savings bank that is regulated, examined and supervised by the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation. This regulation and supervision establishes a comprehensive framework of activities in which an institution may engage and is intended primarily for the protection of the Federal Deposit Insurance Corporation s deposit insurance fund and depositors, and not for the protection of security holders. Under this system of federal regulation, financial institutions are periodically examined to ensure that they satisfy applicable standards with respect to their capital adequacy, assets, management, earnings, liquidity and sensitivity to market interest rates. Northfield Bank also is regulated to a lesser extent by the Federal Reserve Board, governing reserves to be maintained against deposits and other matters. The Office of the Comptroller of the Currency examines Northfield Bank and prepares reports for the consideration of its board of directors on any operating deficiencies. Northfield Bank s relationship with its depositors and borrowers also is regulated to a great extent by federal law and, to a much lesser extent, state law, especially in matters concerning the ownership of deposit accounts and the form and content of Northfield Bank s loan documents. Northfield Bank is also a member of and owns stock in the Federal Home Loan Bank of Boston, which is one of the twelve regional banks in the Federal Home Loan Bank System.

As a savings and loan holding company following the conversion, Northfield-Delaware will be required to comply with the rules and regulations of the Federal Reserve Board. It will be required to file certain reports with and will be subject to examination by and the enforcement authority of the Federal Reserve Board. Northfield-Delaware will also be subject to the rules and regulations of the Securities and Exchange Commission under the federal securities laws.

Any change in applicable laws or regulations, whether by the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Federal Reserve Board or Congress, could have a material adverse impact on Northfield-Delaware and Northfield Bank and their operations.

Set forth below is a brief description of material regulatory requirements that are or will be applicable to Northfield Bank and Northfield-Delaware. The description is limited to certain material aspects of the statutes and regulations addressed and is not intended to be a complete description of such statutes and regulations and their effects on Northfield Bank and Northfield-Delaware.

Dodd-Frank Act

The Dodd-Frank Act significantly changed the bank regulatory structure and has affected the lending, investment, trading and operating activities of depository institutions and their holding companies. The Dodd-Frank Act eliminated our primary federal regulator, the Office of Thrift Supervision, as of July 21, 2011, and required Northfield Bank to be supervised and examined by the Office of the Comptroller of the Currency, the primary federal regulator for national banks. On the same date, the Federal Reserve Board assumed regulatory jurisdiction over savings and loan holding companies, in addition to its role of supervising bank holding companies.

The Dodd-Frank Act also created a new Consumer Financial Protection Bureau with expansive 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 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 Northfield Bank, will continue to be examined by their applicable federal bank regulators. The legislation gives state attorneys general the ability to enforce applicable federal consumer protection laws.

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The Dodd-Frank Act also broadened the base for Federal Deposit Insurance Corporation assessments for deposit insurance, permanently increased the maximum amount of deposit insurance to $250,000 per depositor and provided non-interest bearing transaction accounts with unlimited deposit insurance through December 31, 2012. 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 shareholder influence over boards of directors by requiring companies to give shareholders a non-binding vote on executive compensation and so-called golden parachute payments. The legislation also directs the Federal Reserve Board to promulgate rules prohibiting excessive compensation paid to company executives, regardless of whether the company is publicly traded or not.

Many of the provisions of the Dodd-Frank Act are subject to delayed effective dates and/or require the issuance of implementing regulations. Their impact on operations cannot yet fully be assessed. However, there is a significant possibility that the Dodd-Frank Act will, in the long run, increase regulatory burden, compliance costs and interest expense for Northfield Bank and Northfield-Delaware.

Business Activities

A federal savings bank derives its lending and investment powers from the Home Owners Loan Act, as amended, and the regulations of the Office of the Comptroller of the Currency. Under these laws and regulations, Northfield Bank may originate mortgage loans secured by residential and commercial real estate, commercial business loans and consumer loans, and it may invest in certain types of debt securities and certain other assets. Certain types of lending, such as commercial and consumer loans, are subject to aggregate limits calculated as a specified percentage of Northfield Bank s capital or assets. Northfield Bank also may establish subsidiaries that may engage in a variety of activities, including some that are not otherwise permissible for Northfield Bank, including real estate investment and securities and insurance brokerage.

The Dodd-Frank Act removed federal statutory restrictions on the payment of interest on commercial demand deposit accounts, effective July 21, 2011.

Loans-to-One-Borrower

We generally may not make a loan or extend credit to a single or related group of borrowers in excess of 15% of our unimpaired capital and unimpaired surplus. An additional amount may be lent, equal to 10% of unimpaired capital and unimpaired surplus, if the loan is secured by readily marketable collateral, which is defined to include certain financial instruments and bullion, but generally does not include real estate. As of June 30, 2012, we were in compliance with our loans-to-one-borrower limitations.

Qualified Thrift Lender Test

We are required to satisfy a qualified thrift lender (QTL) test, under which we either must qualify as a domestic building and loan association as defined by the Internal Revenue Code or maintain at least 65% of our portfolio assets in qualified thrift investments. Qualified thrift investments consist primarily of residential mortgages and related investments, including mortgage-backed and related securities. Portfolio assets generally means total assets less specified liquid assets up to 20% of total assets, goodwill and other intangible assets and the value of property used to conduct business. A savings institution that fails the qualified thrift lender test must operate under specified restrictions. The Dodd-Frank Act made noncompliance with the QTL test also subject to agency enforcement action for a violation of law. As of June 30, 2012, we maintained 84.1% of our portfolio assets in qualified thrift investments and, therefore, we met the qualified thrift lender test.

Standards for Safety and Soundness

Federal law requires each federal banking agency to prescribe for insured depository institutions under its jurisdiction standards relating to, among other things, internal controls, information systems and internal audit systems, loan documentation, credit underwriting, interest rate risk exposure, asset growth, employee compensation, and other operational and managerial standards as the agency deems appropriate. The federal banking agencies adopted Interagency Guidelines Prescribing Standards for Safety and Soundness to implement the safety and soundness standards required under federal law. 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. 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. If an institution fails to submit or implement an acceptable plan, the appropriate federal banking agency may issue an enforceable order requiring correction of the deficiencies.

Capital Requirements

Federal regulations require savings institutions to meet three minimum capital standards: a 1.5% tangible capital ratio, a 4% leverage ratio (3% for institutions receiving the highest rating on the CAMELS rating system) and an 8% risk-based capital ratio. In addition, the prompt corrective action standards discussed below also establish, in effect, a minimum 2% tangible capital standard, a 4% leverage ratio (3% for institutions receiving the highest rating on the CAMELS financial institution rating system) and, together with the risk-based capital standard itself, a 4% Tier 1 risk-based capital standard. Federal regulations also require that in meeting the tangible, leverage and risk-based capital standards, institutions must generally deduct investments in and loans to subsidiaries engaged in activities as principal that are not permissible for a national bank.

The risk-based capital standard for savings institutions requires the maintenance of Tier 1 (core) and total capital (which is defined as core capital and supplementary capital) to risk-weighted assets of at least 4% and 8%, respectively. In determining the amount of risk-weighted assets, all assets, including certain off-balance sheet assets, are multiplied by a risk-weight factor of 0% to 100%, assigned by capital regulations based on the risks believed inherent in the type of asset. Core capital is defined as common shareholders equity (including retained earnings), certain noncumulative perpetual preferred stock and related surplus and minority interests in equity accounts of consolidated subsidiaries, less intangibles other than certain mortgage servicing rights and credit card relationships. The components of supplementary capital currently include cumulative preferred stock, long-term perpetual preferred stock, mandatory convertible securities, subordinated debt and intermediate preferred stock, the allowance for loan and lease losses limited to a maximum of 1.25% of risk-weighted assets, and up to 45% of unrealized gains on available-for-sale equity securities with readily determinable fair market values. Overall, the amount of supplementary capital included as part of total capital cannot exceed 100% of core capital. Additionally, a savings institution that retains credit risk in connection with an asset sale may be required to maintain additional regulatory capital because of the recourse back to the savings bank. In assessing an institution s capital adequacy, the Office of the Comptroller of the Currency takes into consideration not only these numeric factors but also qualitative factors as well, and has the authority to establish higher capital requirements for individual associations where necessary.

On June 6, 2012, the Office of the Comptroller of the Currency and the other federal bank regulatory agencies issued a series of proposed rules to revise their risk-based and leverage capital requirements and their method for calculating risk-weighted assets to make them consistent with the agreements that were reached by the Basel Committee on Banking Supervision in Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems (Basel III). The proposed rules would apply to all depository institutions, top-tier bank holding companies with total consolidated assets of $500 million or more, and top-tier savings and loan holding companies (banking organizations). Among other things, the proposed rules establish a new common equity tier 1 minimum capital requirement and a higher minimum tier 1 capital requirement, and assign higher risk weightings (150%) to exposures that are more than 90 days past due or are on nonaccrual status and certain commercial real estate facilities that finance the acquisition, development or construction of real property. The proposed rules also limit a banking organization s capital distributions and certain discretionary bonus payments if the banking organization does not hold a capital conservation buffer consisting of a specified amount of common equity tier 1 capital in addition to the amount necessary to meet its minimum risk-based capital requirements. The final rules will become effective on January 1, 2013, and the changes set forth in the final rules will be phased in from January 1, 2013 through January 1, 2019.

At June 30, 2012, Northfield Bank met each of its capital requirements.

Prompt Corrective Regulatory Action

Under federal Prompt Corrective Action statute, the Office of the Comptroller of the Currency is required to take supervisory actions against undercapitalized savings institutions under its jurisdiction, the severity of which depends upon the institution s level of capital. A savings institution that has total risk-based capital of less than 8% or a leverage ratio or a Tier 1 risk-based capital ratio that generally is less than 4% is considered to be undercapitalized. A savings institution that has total risk-based capital less than 6%, a Tier 1 core risk-based capital ratio of less than 3% or a leverage ratio that is less than 3% is considered to be significantly undercapitalized. A savings institution that has a tangible capital to assets ratio equal to or less than 2% is deemed to be critically undercapitalized.

Generally, the Office of the Comptroller of the Currency is required to appoint a receiver or conservator for a savings institution that is critically undercapitalized within specific time frames. The regulations also provide that a capital restoration plan must be filed with the Office of the Comptroller of the Currency within 45 days of the date a savings institution receives notice that it is undercapitalized, significantly undercapitalized or critically undercapitalized. Any holding company for the savings institution required to submit a capital restoration plan must guarantee the lesser of an amount equal to 5% of the savings institution s assets at the time it was notified or deemed to be undercapitalized by the Office of the Comptroller of the Currency, or the amount necessary to restore the savings institution to adequately capitalized status. This guarantee remains in place until the Office of the Comptroller of the Currency notifies the savings institution that it has maintained adequately capitalized status for each of four consecutive calendar quarters, and the Office of the Comptroller of the Currency has the authority to require payment and collect payment under the guarantee. Various restrictions, such as on capital distributions and growth, also apply to undercapitalized institutions. The Office of the Comptroller of the Currency may also take any one of a number of discretionary supervisory actions against undercapitalized institutions, including the issuance of a capital directive and the replacement of senior executive officers and directors.

Capital Distributions

Federal regulations restrict capital distributions by savings institutions, which include cash dividends, stock repurchases and other transactions charged to the capital account of a savings institution. A federal savings institution must file an application with the Office of the Comptroller of the Currency for approval of the capital distribution if:

- the total capital distributions for the applicable calendar year exceeds the sum of the institution s net income for that year to date plus the institution s retained net income for the preceding two years that is still available for dividend;
- the institution would not be at least adequately capitalized following the distribution;
- the distribution would violate any applicable statute, regulation, agreement or written regulatory condition; or
- the institution is not eligible for expedited review of its filings (i.e., generally, institutions that do not have safety and soundness, compliance and Community Reinvestment Act ratings in the top two categories or fail a capital requirement).

A savings institution that is a subsidiary of a holding company, which is the case with Northfield Bank, must file a notice with the Federal Reserve Board at least 30 days before the board of directors declares a dividend or approves a capital distribution and receive Federal Reserve Board non-objection to the payment of the dividend.

Applications or notices may be denied if the institution will be undercapitalized after the dividend, the proposed dividend raises safety and soundness concerns or the proposed dividend would violate a law, regulation enforcement order or regulatory condition.

In the event that a savings institution s capital falls below its regulatory requirements or it is notified by the regulatory agency that it is in need of more than normal supervision, its ability to make capital distributions would be restricted. In addition, any proposed capital distribution could be prohibited if the regulatory agency determines that the distribution would constitute an unsafe or unsound practice.

Transactions with Related Parties

A savings institution s authority to engage in transactions with related parties or affiliates is limited by Sections 23A and 23B of the Federal Reserve Act and its implementing regulation, Federal Reserve Board Regulation W. The term affiliate generally means any company that controls or is under common control with an institution, including Northfield-Delaware and its non-savings institution subsidiaries. Applicable law limits the aggregate amount of covered transactions with any individual affiliate, including loans to the affiliate, to 10% of the capital and surplus of the savings institution. The aggregate amount of covered transactions with all affiliates is limited to 20% of the savings institution s capital and surplus. Certain covered transactions with affiliates, such as loans to or guarantees issued on behalf of affiliates, are required to be secured by specified amounts of collateral. Purchasing low quality assets from affiliates is generally prohibited. Regulation W also provides that transactions with affiliates, including covered transactions, must be on terms and under circumstances, including credit standards, that are substantially the same or at least as favorable to the institution as those prevailing at the time for comparable transactions with non-affiliated companies. In addition, savings institutions are prohibited by law from lending to any affiliate that is engaged in activities that are not permissible for bank holding companies and no savings institution may purchase the securities of any affiliate other than a subsidiary.

Our authority to extend credit to executive officers, directors and 10% or greater shareholders (insiders), as well as entities controlled by these persons, is governed by Sections 22(g) and 22(h) of the Federal Reserve Act and its implementing regulation, Federal Reserve Board Regulation O. Among other things, loans to insiders must 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 bank-wide lending programs that do not discriminate in favor of insiders. Regulation O also places individual and aggregate limits on the amount of loans that may be made to insiders based, in part, on the institution s capital position, and requires that certain prior board approval procedures be followed. Extensions of credit to executive officers are subject to additional restrictions on the types and amounts of loans that may be made. At March 31, 2012, we were in compliance with these regulations.

Enforcement

The Office of the Comptroller of the Currency has primary enforcement responsibility over federal savings institutions, including the authority to bring enforcement action against institution-related parties, including officers, directors, certain shareholders, and attorneys, appraisers and accountants who knowingly or recklessly participate in wrongful action likely to have an adverse effect on an insured institution. Formal enforcement action may range from the issuance of a capital directive or cease and desist order to removal of officers and/or directors of the institution, receivership, conservatorship or the termination of deposit insurance. Civil penalties cover a wide range of violations and actions, and range up to $25,000 per day, unless a finding of reckless disregard is made, in which case penalties may be as high as $1 million per day.

Deposit Insurance

Northfield Bank is a member of the Deposit Insurance Fund, which is administered by the Federal Deposit Insurance Corporation. Deposit accounts in Northfield Bank are insured up to a maximum of $250,000 for each separately insured depositor. In addition, certain non-interest-bearing transaction accounts are fully insured, regardless of the dollar amount, until December 31, 2012.

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The Federal Deposit Insurance Corporation imposes an assessment for deposit insurance on all depository institutions. Under the Federal Deposit Insurance Corporation s risk-based assessment system, insured institutions are assigned to risk categories based on supervisory evaluations, regulatory capital levels and certain other factors. An institution s assessment rate depends upon the category to which it is assigned and certain adjustments specified by Federal Deposit Insurance Corporation regulations, with less risky institutions paying lower rates. Assessment rates (inclusive of possible adjustments) currently range from 2 $^{1}/_{2}$ to 45 basis points of each institution s total assets less tangible capital. The Federal Deposit Insurance Corporation may increase or decrease the scale uniformly, except that no adjustment can deviate more than two basis points from the base scale without notice and comment rulemaking. The Federal Deposit Insurance Corporation s current system represents a change, required by the Dodd-Frank Act, from its prior practice of basing the assessment on an institution s volume of deposits.

In addition to the Federal Deposit Insurance Corporation assessments, the Financing Corporation is authorized to impose and collect, through the Federal Deposit Insurance Corporation, assessments for anticipated payments, issuance costs and custodial fees on bonds issued by the Financing Corporation in the 1980s to recapitalize the former Federal Savings and Loan Insurance Corporation. The bonds issued by the Financing Corporation are due to mature in 2017 through 2019. For the quarter ended June 30, 2012, the annualized Financing Corporation assessment was equal to 0.66 basis points of total assets less tangible capital.

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

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

Insurance of deposits may be terminated by the Federal Deposit Insurance Corporation 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. Management of Northfield Bank does not know of any practice, condition or violation that may lead to termination of our deposit insurance.

Federal Home Loan Bank System

Northfield Bank is a member of the Federal Home Loan Bank System, which consists of 12 regional Federal Home Loan Banks. The Federal Home Loan Bank System provides a central credit facility primarily for member institutions. As a member of the Federal Home Loan Bank of New York, we are required to acquire and hold a specified amount of shares of capital stock in Federal Home Loan Bank.

Community Reinvestment Act and Fair Lending Laws

Savings institutions have a responsibility under the Community Reinvestment Act and related regulations to help meet the credit needs of their communities, including low- and moderate-income neighborhoods. An institution s failure to comply with the provisions of the Community Reinvestment Act could, at a minimum, result in regulatory restrictions on certain activities such as branching and acquisitions. Northfield Bank received a Satisfactory Community Reinvestment Act rating in its most recent examination.

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Other Regulations

Interest and other charges collected or contracted for by Northfield Bank are subject to state usury laws and federal laws concerning interest rates. Northfield Bank s operations are also subject to federal laws applicable to credit transactions, such as the:

- Truth-In-Lending Act, governing disclosures of credit terms to consumer borrowers;
- Real Estate Settlement Procedures Act, requiring that borrowers for mortgage loans for one- to four-family residential real estate receive various disclosures, including good faith estimates of settlement costs, lender servicing and escrow account practices, and prohibiting certain practices that increase the cost of settlement services;
- Home Mortgage Disclosure Act, requiring financial institutions to provide information to enable the public and public officials to determine whether a financial institution is fulfilling its obligation to help meet the housing needs of the community it serves;
- Equal Credit Opportunity Act, prohibiting discrimination on the basis of race, creed or other prohibited factors in extending credit;
- Fair Credit Reporting Act, governing the use and provision of information to credit reporting agencies;
- Fair Debt Collection Act, governing the manner in which consumer debts may be collected by collection agencies;
- Truth in Savings Act; and
- Rules and regulations of the various federal agencies charged with the responsibility of implementing such federal laws.

The operations of Northfield Bank also are subject to the:

- Right to Financial Privacy Act, which imposes a duty to maintain confidentiality of consumer financial records and prescribes procedures for complying with administrative subpoenas of financial records;
- Electronic Funds Transfer Act, which governs automatic deposits to and withdrawals from deposit accounts and customers rights and liabilities arising from the use of automated teller machines and other electronic banking services;
- Check Clearing for the 21st Century Act (also known as Check 21), which gives substitute checks, such as digital check images and copies made from that image, the same legal standing as the original paper check;
- The USA PATRIOT Act, which requires banks and savings institutions to, among other things, establish broadened anti-money laundering compliance programs and due diligence policies and controls to ensure the detection and reporting of money laundering. Such required compliance programs are intended to supplement pre-existing compliance requirements that apply to financial institutions under the Bank Secrecy Act and the Office of Foreign Assets Control regulations; and

The Gramm-Leach-Bliley Act, which places limitations on the sharing of consumer financial information by financial institutions with unaffiliated third parties and requires all financial institutions offering products or services to retail customers to provide such customers with the financial institution s privacy policy and allow such customers the opportunity to opt out of the sharing of certain personal financial information with unaffiliated third parties.

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Holding Company Regulation

Northfield-Delaware will be a unitary savings and loan holding company subject to regulation and supervision by the Federal Reserve Board, which replaced the Office of Thrift Supervision in that capacity due to the Dodd-Frank Act regulatory restructuring. The Federal Reserve Board will have enforcement authority over Northfield-Delaware and its non-savings institution subsidiaries. Among other things, that authority permits the Federal Reserve Board to restrict or prohibit activities that are determined to be a risk to Northfield Bank.

As a savings and loan holding company, Northfield-Delaware s activities will be limited to those activities permissible by law for financial holding companies or multiple savings and loan holding companies. A financial holding company may engage in activities that are financial in nature, incidental to financial activities or complementary to a financial activity. Such activities include lending and other activities permitted for bank holding companies, insurance and underwriting equity securities. The Dodd-Frank Act added that any savings and loan holding company that engages in activities that are solely permissible for a financial holding company must meet the qualitative requirements for a bank holding company to be a financial holding company and conduct the activities in accordance with the requirements that would apply to a financial holding company s conduct of the activity.

Federal law prohibits a savings and loan holding company, directly or indirectly, or through one or more subsidiaries, from acquiring more than 5% of another savings institution or savings and loan holding company without prior written approval of the Federal Reserve Board and from acquiring or retaining control of any depository not insured by the Federal Deposit Insurance Corporation. In evaluating applications by holding companies to acquire savings institutions, the Federal Reserve Board must consider such things as the financial and managerial resources and future prospects of the company and institution involved, the effect of the acquisition on and the risk to the federal deposit insurance fund, the convenience and needs of the community and competitive factors. An acquisition by a savings and loan holding company of a savings institution in another state to be held as a separate subsidiary may not be approved unless it is a supervisory acquisition under Section 13(k) of the Federal Deposit Insurance Act or the law of the state in which the target is located authorizes such acquisitions by out-of-state companies.

Savings and loan holding companies have not historically been subjected to consolidated regulatory capital requirements. However, the Dodd-Frank Act requires the Federal Reserve Board to set for all depository institution holding companies minimum consolidated capital levels that are as stringent as those required for the insured depository subsidiaries. The components of Tier 1 capital would be restricted to capital instruments that are currently considered to be Tier 1 capital for insured depository institutions, which would exclude instruments such as trust preferred securities and cumulative preferred stock. Instruments issued before May 19, 2010 are grandfathered for companies of consolidated assets of $15 billion or less. Holding companies that were not regulated by the Federal Reserve Board as of May 19, 2010 receive a five year phase-in from the July 21, 2010 date of enactment of the Dodd-Frank Act.

The Dodd-Frank Act extended the source of strength doctrine to savings and loan holding companies. The regulatory agencies must promulgate regulations implementing the source of strength policy that requires holding companies act as a source of strength to their subsidiary depository institutions by providing capital, liquidity and other support in times of financial stress.

The Federal Reserve Board has issued a policy statement regarding the payment of dividends and the repurchase of shares of common stock by bank holding companies that it has made applicable to savings and loan holding companies as well. In general, the policy provides that dividends should be paid only out of current earnings and only if the prospective rate of earnings retention by the holding company appears consistent with the organization s capital needs, asset quality and overall financial condition. Regulatory guidance provides for prior

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regulatory review of capital distributions in certain circumstances such as where the company s net income for the past four quarters, net of dividends previously paid over that period, is insufficient to fully fund the dividend or the company s overall rate of earnings retention is inconsistent with the company s capital needs and overall financial condition. The ability of a holding company to pay dividends may be restricted if a subsidiary bank becomes undercapitalized. The policy statement also provides for regulatory review prior to a holding company redeeming or repurchasing regulatory capital instruments when the holding company is experiencing financial weaknesses or redeeming or repurchasing common stock or perpetual preferred stock that would result in a net reduction as of the end of a quarter in the amount of such equity instruments outstanding compared with the beginning of the quarter in which the redemption or repurchase occurred. These regulatory policies could affect the ability of Northfield-Delaware to pay dividends, repurchase shares of common stock or otherwise engage in capital distributions.

Federal Securities Laws

Northfield-Delaware common stock will be registered with the Securities and Exchange Commission after the conversion and stock offering. Northfield-Delaware will be subject to the information, proxy solicitation, insider trading restrictions and other requirements under the Securities Exchange Act of 1934.

The registration under the Securities Act of 1933 of shares of common stock issued in Northfield-Delaware s public offering does not cover the resale of those shares. Shares of common stock purchased by persons who are not affiliates of Northfield-Delaware may be resold without registration. Shares purchased by an affiliate of Northfield-Delaware will be subject to the resale restrictions of Rule 144 under the Securities Act of 1933. If Northfield-Delaware meets the current public information requirements of Rule 144 under the Securities Act of 1933, each affiliate of Northfield-Delaware that complies with the other conditions of Rule 144, including those that require the affiliate s sale to be aggregated with those of other persons, would be able to sell in the public market, without registration, a number of shares not to exceed, in any three-month period, the greater of 1% of the outstanding shares of Northfield-Delaware, or the average weekly volume of trading in the shares during the preceding four calendar weeks. In the future, Northfield-Delaware may permit affiliates to have their shares registered for sale under the Securities Act of 1933.

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 existing policies, procedures and systems designed to comply with these regulations, and we are further enhancing and documenting such policies, procedures and systems to ensure continued compliance with these regulations.

Change in Control Regulations

Under the Change in Bank Control Act, no person may acquire control of a savings and loan holding company such as Northfield-Delaware unless the Federal Reserve Board has been given 60 days prior written notice and has not issued a notice disapproving the proposed acquisition, taking into consideration certain factors, including the financial and managerial resources of the acquirer and the competitive effects of the acquisition. Control, as defined under federal law, means ownership, control of or holding irrevocable proxies representing more than 25% of any class of voting stock, control in any manner of the election of a majority of the institution s directors, or a determination by the regulator that the acquiror has the power to direct, or directly or indirectly to exercise a controlling influence over, the management or policies of the institution. Acquisition of more than 10% of any class of a savings and loan holding company s voting stock constitutes a rebuttable determination of control under the regulations under certain circumstances including where, as will be the case with Northfield-Delaware, the issuer has registered securities under Section 12 of the Securities Exchange Act of 1934.

In addition, federal regulations provide that no company may acquire control of a savings and loan holding company without the prior approval of the Federal Reserve Board. Any company that acquires such control becomes a savings and loan holding company subject to registration, examination and regulation by the Federal Reserve Board.

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TAXATION

Federal Taxation

General. Northfield Bancorp, MHC, Northfield-Federal and Northfield Bank are, and Northfield-Delaware will be, subject to federal income taxation in the same general manner as other corporations, with some exceptions discussed below. The following discussion of federal taxation is intended only to summarize certain pertinent federal income tax matters and is not a comprehensive description of the tax rules applicable to Northfield-Federal, Northfield-Delaware or Northfield Bank.

Northfield-Federal s consolidated federal tax returns are currently under audit for the tax years of 2009 and 2010.

Method of Accounting. For federal income tax purposes, Northfield-Federal currently reports its income and expenses on the accrual method of accounting and uses a tax year ending December 31 for filing its federal and state income tax returns.

Bad Debt Reserves. Historically, Northfield Bank was subject to special provisions in the tax law applicable to qualifying savings banks regarding allowable tax bad debt deductions and related reserves. Tax law changes were enacted in 1996 that eliminated the ability of savings banks to use the percentage of taxable income method for computing tax bad debt reserves for tax years after 1995, and required recapture into taxable income over a six-year period of all bad debt reserves accumulated after a savings bank s last tax year beginning before January 1, 1988. Northfield Bank recaptured its post December 31, 1987, bad-debt reserve balance over the six-year period ended December 31, 2004.

Northfield-Federal is required to use the specific charge off method to account for tax bad debt deductions.

Taxable Distributions and Recapture. Prior to 1996, bad debt reserves created prior to 1988 were subject to recapture into taxable income if Northfield Bank failed to meet certain thrift asset and definitional tests or made certain distributions. Tax law changes in 1996 eliminated thrift-related recapture rules. However, under current law, pre-1988 tax bad debt reserves remain subject to recapture if Northfield Bank makes certain non-dividend distributions, repurchases any of its common stock, pays dividends in excess of earnings and profits, or fails to qualify as a bank for tax purposes.

At December 31, 2011, the total federal pre-base year bad debt reserve of Northfield Bank was approximately $5.9 million.

Alternative Minimum Tax. The Internal Revenue Code of 1986, as amended, imposes an alternative minimum tax at a rate of 20% on a base of regular taxable income plus certain tax preferences, less any available exemption. The alternative minimum tax is imposed to the extent it exceeds the regular income tax. Net operating losses can offset no more than 90% of alternative taxable income. Certain payments of alternative minimum tax may be used as credits against regular tax liabilities in future years. Northfield-Federal s consolidated group has not been subject to the alternative minimum tax and has no such amounts available as credits for carryover.

Net Operating Loss Carryovers. A financial institution may carry back net operating losses to the preceding two taxable years and forward to the succeeding 20 taxable years. At December 31, 2011, Northfield Bancorp Inc. s consolidated group had no net operating loss carryforwards for federal income tax purposes.

Corporate Dividends-Received Deduction. Northfield-Federal may exclude from its federal taxable income 100% of dividends received from Northfield Bank as a wholly-owned subsidiary by filing consolidated tax returns. The corporate dividends-received deduction is 80% when the corporation receiving the dividend owns at least 20% of the stock of the distributing corporation. The dividends-received deduction is 70% when the corporation receiving the dividend owns less than 20% of the distributing corporation.

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State Taxation

Northfield Bancorp, MHC and Northfield Bank report income on a calendar year basis to New York State. New York State franchise tax on corporations is imposed in an amount equal to the greater of (a) 7.1% of entire net income allocable to New York State, (b) 3% of alternative entire net income allocable to New York State, or (c) 0.01% of the average value of assets allocable to New York State plus nominal minimum tax of $250 per company. Entire net income is based on federal taxable income, subject to certain modifications. Alternative entire net income is equal to entire net income without certain modifications.

Northfield Bancorp, MHC and Northfield Bank report income on a calendar year basis to New York City. New York City franchise tax on corporations is imposed in an amount equal to the greater of (a) 9.0% of entire net income allocable to New York State, (b) 3% of alternative entire net income allocable to New York City, or (c) 0.01% of the average value of assets allocable to New York City plus nominal minimum tax of $250 per company. Entire net income is based on federal taxable income, subject to certain modifications. Alternative entire net income is equal to entire net income without certain modifications.

The State of New York passed legislation in August of 2010 to conform the bad debt deduction allowed under Article 32 of the New York State tax law to the bad debt deduction allowed for federal income tax purposes. As a result, Northfield Bank no longer establishes, or maintains, a New York reserve for losses on loans, and is required to claim a deduction for bad debts in an amount equal to its actual loan loss experience. In addition, this legislation eliminated the potential recapture of the New York tax bad debt reserve that could have otherwise occurred in certain circumstances under New York State tax law prior to August of 2010. As a result of this new legislation, Northfield-Federal reversed approximately $738,000 in deferred tax liabilities during the third quarter of 2010.

Northfield-Federal and Northfield Bank file New Jersey Corporation Business Tax returns on a calendar year basis. Generally, the income derived from New Jersey sources is subject to New Jersey tax. Northfield-Federal and Northfield Bank pay the greater of the corporate business tax at 9% of taxable income or the minimum tax of $1,200 per entity.

At December 31, 2005, Northfield Bank did not meet the definition of a domestic building and loan association for New York State and City tax purposes. As a result, we were required to recognize a $2.2 million deferred tax liability for state and city thrift-related base-year bad debt reserves accumulated after December 31, 1987.

Our New York State tax returns are currently under audit for tax years 2007, 2008 and 2009.

As a Delaware business corporation, Northfield-Delaware is required to file an annual report with and pay franchise taxes to the state of Delaware.

MANAGEMENT

Shared Management Structure

The directors of Northfield-Delaware are the same persons who are the directors of Northfield Bank. In addition, each executive officer of Northfield-Delaware is also an executive officer of Northfield Bank. We expect that Northfield-Delaware and Northfield Bank will continue to have common executive officers until there is a business reason to establish separate management structures.

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Executive Officers of Northfield-Delaware and Northfield Bank

The following table sets forth information regarding the executive officers of Northfield-Delaware and Northfield Bank. Age information is as of December 31, 2011. The executive officers of Northfield-Delaware and Northfield Bank are elected annually.

Name	Age	Position
John W. Alexander	62	Chairman of the Board, President and Chief Executive Officer
Kenneth J. Doherty	54	Executive Vice President, Chief Lending Officer
Steven M. Klein	46	Executive Vice President, Chief Operating Officer and Chief Financial Officer
Michael J. Widmer	52	Executive Vice President, Operations

The business experience for the past five years of each of our executive officers other than Mr. Alexander is set forth below. Unless otherwise indicated, executive officers have held their positions for at least the past five years.

Kenneth J. Doherty joined Northfield Bank in 1988, and currently serves as Executive Vice President and Chief Lending Officer.

Steven M. Klein joined Northfield-Federal and Northfield Bank in March 2005 and has served as Chief Financial Officer since that time. Effective March 1, 2011, Mr. Klein also was named Chief Operating Officer. Mr. Klein is a licensed certified public accountant in the State of New Jersey, and a member of the American Institute of Certified Public Accountants.

Michael J. Widmer joined Northfield Bank in 2002 and currently serves as Executive Vice President, Operations.

Directors of Northfield-Delaware and Northfield Bank

Northfield-Delaware has nine directors. Directors serve three-year staggered terms so that approximately one-third of the directors are elected at each annual meeting. Directors of Northfield Bank will be elected by Northfield-Delaware as its sole stockholder.

The following details include for each of our directors: their age as of December 31, 2011; the year in which they first became a director of Northfield Bank; the year that their term expires; and their business experience for at least the past five years. With the exception of Ms. Catino, none of the directors listed below currently serves as a director, or served as a director during the past five years, of a publicly-held entity (other than Northfield-Federal). Ms. Catino previously served on the board of directors of Middlesex Water Company, which is traded on the Nasdaq Stock Market, LLC under the symbol MSEX. Ms. Catino resigned from the board of directors of Middlesex Water Company effective October 26, 2010. The following also includes the particular experience, qualifications, attributes, or skills, considered by the Nominating and Corporate Governance Committee that led the board of directors to conclude that such person should serve as a director of Northfield-Federal. The mailing address for each person listed is 581 Main Street, Suite 810, Woodbridge, New Jersey 07095. Each of the persons listed as a director is also a trustee of Northfield Bancorp, MHC and a director of Northfield Bank.

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Name, Age, Director Since, Term Expiration	Experience, Qualifications, Attributes, Skills
John W. Alexander, 62, director since 1997, term expires 2014	*Business Experience:* Mr. Alexander joined Northfield Bank in 1997, and has served as Chairman of the Board and Chief Executive Officer since 1998 and Chairman of the Board of Northfield-Federal since 2002. Mr. Alexander was also named President of Northfield Bank and Northfield-Federal in October 2006.
	Reasons why this person should serve as a director: Mr. Alexander is a former tax partner with a national accounting and auditing firm, specializing in bank taxation and asset securitization. Mr. Alexander is a registered certified public accountant, with strong analytical and leadership skills. Mr. Alexander resides in Staten Island, New York, and is involved in state and national professional organizations including the New York Bankers Association, where he serves as a director, the New Jersey Bankers Association, the American Bankers Association and the American Institute of Certified Public Accountants. He is also a member of many community organizations including Staten Island University Hospital, the Staten Island Economic Development Corporation and the Northfield Bank Foundation.
John R. Bowen, 71, director since 2003, term expires 2013	*Business and Other Experience:* Mr. Bowen has over 35 years of experience in all aspects of community banking, and retired as the Chief Executive Officer of Liberty Bank in 2002.
	Reasons why this person should serve as a director: Mr. Bowen has extensive knowledge of banking regulation and internal control, and has strong risk assessment and leadership skills. Mr. Bowen also has extensive experience in loan origination and monitoring. Mr. Bowen is a resident of New Jersey and is involved in local professional and community organizations including the Gateway Regional Chamber of Commerce and as a director of the Northfield Bank Foundation.
Annette Catino, 55, director since 2003, term expires 2014	*Business Experience:* Ms. Catino has served since 2002 as President and Chief Executive Officer of QualCare Alliance Networks, Inc., Piscataway, New Jersey, the parent company of QualCare, Qual-Lynx, Health-Lynx and QualCare Insurance Services. QualCare Alliance Networks, Inc. is a privately held company. Ms. Catino also serves as Chief Executive Officer of QualCare, Inc., and served as its President as well from 1991 through September, 2012.
	Reasons why this person should serve as a director: Ms. Catino has over 30 years of business experience in the healthcare industry. Ms. Catino has strong analytical and leadership skills with extensive experience with healthcare, municipal, and state governmental entities. Ms. Catino is a resident of New Jersey and is involved in local professional and community organizations including the Boards of Caucus Educational Corporation, the Val Skinner Foundation, Children s Specialized Hospital Foundation and Virtua Foundation: She served on New Jersey Governor Christie s transition committee on healthcare and was named by *NJBIZ* as Executive of the Year in 2011 and named as one of the 100 Most Important People in Business in 2010, 2011 and 2012.

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Name, Age, Director Since, Term Expiration	**Experience, Qualifications, Attributes, Skills**
Gil Chapman, 58, director since 2005, term expires 2013	*Business Experience:* Mr. Chapman has over 25 years of business experience, most recently owning and operating an automobile dealership in Staten Island, New York.
	Reasons why this person should serve as a director: Mr. Chapman has strong marketing, sales, and customer service assessment skills. Mr. Chapman has significant experience in employee development, training, and business management. Mr. Chapman also has extensive experience in actively supervising financial personnel while operating his automobile business and has the requisite qualifications to be designated as an audit committee financial expert under the Securities and Exchange Commission s rules and regulations. Mr. Chapman is a resident of New Jersey, and is involved in local professional and community organizations including the National Association of Corporate Directors and, as a former Staten Island businessman, the Staten Island Economic Development Corporation and the Staten Island Urban League.
John P. Connors, Jr., 55, director since 2002, term expires 2014	*Business Experience:* Mr. Connors is the managing partner of the law firm of Connors & Connors, P.C., located in Staten Island, New York.
	Reasons why this person should serve as a director: Mr. Connors has over 26 years of business experience as a practicing lawyer. Mr. Connors is admitted to practice in the state and federal courts of New York and New Jersey and the District of Columbia. Mr. Connors has strong risk management skills and in-depth knowledge of contract and professional liability law related to key areas of the Company s operations. Mr. Connors also has knowledge of and relationships with many of the residents and businesses located in Staten Island, New York. Mr. Connors is a resident of Staten Island, and is involved in local professional and community organizations including the Richmond County Bar Association, Notre Dame Academy and the Northfield Bank Foundation.
John J. DePierro, 71, director since 1984, term expires 2013	*Business Experience:* Mr. DePierro has over 45 years of business experience in the healthcare industry. Mr. DePierro is currently a consultant to the healthcare industry and is a retired Chief Executive Officer of a major Staten Island health care system.
	Reasons why this person should serve as a director: Mr. DePierro has strong leadership skills, and extensive knowledge of corporate governance, as well as knowledge of and relationships with many of the residents and businesses located in Staten Island, New York. Mr. DePierro is a resident of Staten Island, New York, and is involved in local professional and community organizations including directorships at the Seton Foundation for Learning, Mount Manresa Jesuit Retreat House and the Northfield Bank Foundation.

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Name, Age, Director Since, Term Expiration	Experience, Qualifications, Attributes, Skills
Susan Lamberti, 69, director since 2001, term expires 2015	*Business Experience:* Ms. Lamberti was an educator with the New York City public schools until her retirement in 2002.
	Reasons why this person should serve as a director: Ms. Lamberti has over 30 years of experience in the New York City Public School system. Ms. Lamberti has strong training and development skills, and has extensive knowledge of and relationships with many residents and businesses located in Staten Island, New York. Ms. Lamberti is a resident of Staten Island, and is involved in local professional and community organizations including the National Association of Corporate Directors, Sisters of Charity Housing Development Fund Corporation, and Service Auxiliary of Staten Island University Hospital. Ms. Lamberti also serves as Chairman of the Northfield Bank Foundation.
Albert J. Regen, 74, director since 1990, term expires 2015	*Business Experience:* Mr. Regen served as the President of Northfield Bank from 1990 until his retirement in September 2006.
	Reasons why this person should serve as a director: Mr. Regen has over 30 years of experience in community banking. Mr. Regen has extensive knowledge in the treasury area as well as interest rate risk management. Mr. Regen is currently a resident of New Jersey and is a director of the Northfield Bank Foundation. Mr. Regen was formerly a resident of Staten Island, New York and has extensive knowledge of and relationships with many of the residents and businesses located in Staten Island, New York.
Patrick E. Scura, Jr., 67, director since 2006, term expires 2015	*Business Experience:* Mr. Scura was an audit partner with a national accounting and auditing firm for 27 years, until his retirement in 2005.
	Reasons why this person should serve as a director: Mr. Scura is a former audit partner with a national accounting and auditing firm, specializing in community banking. Mr. Scura has over 35 years of experience auditing public company financial institutions in New Jersey. Mr. Scura is a licensed certified public accountant, and has strong risk assessment, financial reporting, and internal control expertise. Mr. Scura also has extensive knowledge of and relationships with community banks in our market area. Mr. Scura has the requisite qualifications to be designated as an audit committee financial expert under the Securities and Exchange Commission s rules and regulations. Mr. Scura resides in New Jersey, and is involved in local professional and community organizations including St. Peter s College and the American Institute of Certified Public Accountants.

Board Independence

The board of directors affirmatively determines the independence of each director in accordance with Nasdaq Stock Market rules, which include all elements of independence as set forth in the listing requirements for Nasdaq securities. The board of directors has determined that each of the following non-employee Directors is independent of Northfield-Federal:

John R. Bowen	John J. DePierro
Annette Catino	Susan Lamberti

Gil Chapman	Albert J. Regen
John P. Connors, Jr.	Patrick E. Scura, Jr.

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Codes of Conduct and Ethics

Northfield-Federal has adopted a Code of Conduct and Ethics for Senior Financial Officers that is applicable to our chief executive officer, chief financial officer, and controller. The Code of Conduct and Ethics for Senior Financial Officers is available on our website at www.eNorthfield.com. Amendments to and waivers of the Code of Conduct and Ethics for Senior Financial Officers will be disclosed on our website, or otherwise in the manner required by applicable law, rule, or listing standard.

Northfield-Federal and Northfield Bank have also adopted a Code of Conduct and Ethics that is applicable to all employees, officers and directors, which is available on our website at www.eNorthfield.com. Employees, officers, and directors acknowledge annually that they will comply with all aspects of the Code of Conduct and Ethics for Employees, Officers, and Directors.

Transactions With Certain Related Persons

Loans and Extensions of Credit. The Sarbanes-Oxley Act of 2002 generally prohibits us from making loans to our executive officers and directors, but it contains a specific exemption from such prohibition for loans made by Northfield Bank to our executive officers and directors in compliance with federal banking regulations.

The aggregate amount of our outstanding loans to our executive officers and directors and their related entities was approximately $430,474 at December 31, 2011. All of such loans were made in the ordinary course of business, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to Northfield Bank, and did not involve more than the normal risk of collectibility or present other unfavorable features. These loans were performing according to their original terms at December 31, 2011, and were made in compliance with federal banking regulations.

Other Transactions. John P. Connors, Jr. is a practicing attorney who performs legal work directly for or on behalf of Northfield Bank. During the year ended December 31, 2011, Mr. Connors received fees, either from Northfield Bank, or directly from our customers, in connection with transactions with Northfield Bank, in the amount of approximately $5,191. The board of directors authorizes the appointment of Mr. Connors each year, and the Compensation Committee of the board of directors reviews a summary of the services performed and the total fees paid for services on an annual basis. All transactions with Mr. Connors are in the ordinary course of business, and the terms and fees are considered to be consistent with those prevailing at the time for comparable transactions with other persons.

Director Compensation

Every three years, director compensation is reviewed in detail by the Compensation Committee, in consultation with the Nominating and Corporate Governance Committee. The Compensation Committee considers, among other things, the size and complexity of Northfield-Federal, as well as the responsibilities, marketplace availability of necessary skill sets, and the time commitment necessary for the board of directors, its committees, and its committee chairs, to adequately discharge their oversight role and responsibilities. The Compensation Committee utilizes the assistance of a third-party compensation consultant, Pearl Meyer & Partners (PM&P), and available peer and survey data, regarding director compensation at other comparable financial institutions, as part of this process. For interim years between detailed reviews, the Compensation Committee reviews current market conditions and trends in director compensation in consultation with its third-party compensation consultant. In 2010, the Compensation Committee performed its triennial detailed review of director (and executive) compensation for 2011.

In December 2008, stockholders approved the Northfield-Federal 2008 Equity Incentive Plan. The objective of equity awards is to further align the interests of our employees and directors with those of other stockholders and reward sustained performance. In January 2009 the Compensation Committee granted equity awards to each director, consisting of 27,750 shares of restricted common stock, and 69,300 options to purchase shares of common stock at a price of $9.94 per share, representing the closing price of Northfield-Federal s common stock on the grant date. The equity awards vest in equal installments over a five-year period, commencing one year from the date of the grant.

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Prior to November 2007, Northfield Bank was a mutual organization and did not have equity compensation available to employees or directors. The Compensation Committee s objectives in granting equity awards in January 2009 included further aligning the interests of directors with those of other stockholders of Northfield-Federal, consistent with comparable peers that recently completed initial public offerings, and with organizations that were established stock companies. The Compensation Committee consulted with PM&P during this process.

The following table sets forth the director and committee fee structure for the board of directors and its standing committees (all of which were due and payable in cash) for the year ended December 31, 2011. Directors who are also employees of Northfield-Federal receive no additional compensation for service as a director. Attendance fees, and one-fourth of any annual retainer, are paid on a quarterly basis, in arrears, unless a director elects to have such fees or a portion thereof, deferred under our non-qualified deferred compensation plan, described below.

	Board of Directors	Nominating and Corporate Governance	Compensation Committee	Audit Committee
Annual Retainer	$ 30,000			
Annual Retainer-Chair		$ 3,000	$ 4,000	$ 6,000
Per Meeting Fee	$ 1,250	$ 850	$ 850	$ 1,250

Members of other committees of the Board receive, in cash, an $850 per meeting attendance fee and an annual committee chair retainer of $3,000. In addition, the Lead Independent Director receives an annual retainer of $3,000.

Northfield-Federal also pays directly or reimburses directors for normal, customary, and necessary business expenses, which includes computer equipment, services, and supplies, relevant professional memberships, and participation in professional training seminars.

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The following table sets forth for the year ended December 31, 2011, certain information as to the total remuneration we paid or was earned by our directors. Mr. Alexander does not receive separate compensation for his service as a director. The Stock awards, Options awards, Non-equity incentive plan compensation, and Change in pension value and nonqualified deferred compensation earnings columns have been omitted from the table because no director earned any compensation during the year ended December 31, 2011, of a type required to be disclosed in those columns.

Name	Fees earned or paid in cash (2) ($)	All other compensation (4) ($)	Total ($)
John R. Bowen	80,500	1,943	82,443
Annette Catino	68,400	1,943	70,343
Gil Chapman	88,500	1,943	90,443
John P. Connors, Jr. (1)	62,400	1,943	64,343
John J. DePierro	66,650	1,943	68,593
Susan Lamberti	68,500	1,943	70,443
Albert J. Regen (3)	78,800	1,943	80,743
Patrick E. Scura, Jr.	91,500	1,943	93,443

(1) During 2011, Mr. Connors provided legal services to or for the benefit of Northfield Bank that are not included in the table above. See Transactions With Certain Related Persons for a discussion of fees received for legal services provided in 2011.
(2) Includes retainer payments, meeting fees, and committee and/or chairmanship fees earned during the calendar year, whether the director received payment of such amounts or elected to defer them.
(3) Includes amounts received by Mr. Regen for service as a director of NSB Services Corp and NSB Realty Trust. Northfield-Federal s wholly-owned subsidiary, Northfield Bank, is the sole owner of the outstanding common stock of these two entities.
(4) Other compensation consists solely of dividends paid upon the vesting of restricted stock awards that were withheld while the restricted stock awards were unvested.

Executive Compensation

Compensation Committee Report

The Compensation Committee has reviewed and discussed the section entitled Compensation Discussion and Analysis included in this prospectus with management. Based on this review and discussion, the Compensation Committee recommended to the board of directors that the Compensation Discussion and Analysis be included in this prospectus. The members of the Compensation Committee are: Annette Catino, who serves as Chairman, Gil Chapman, John J. DePierro and Patrick E. Scura, Jr.

Compensation Discussion and Analysis

Persons Covered. This discussion and analysis addresses compensation for 2011 for the following executive officers: John W. Alexander, Chairman, President and Chief Executive Officer; Steven M. Klein, Chief Operating and Financial Officer; Kenneth J. Doherty, Executive Vice President and Chief Lending Officer; Michael J. Widmer, Executive Vice President of Operations; and Madeline G. Frank, former Senior Vice President and Assistant Corporate Secretary who retired from those positions effective June 30, 2012. These five executives are referred to in this discussion as the Named Executive Officers .

Executive Summary. Prior to completing our initial public offering in November 2007, we were wholly-owned by our mutual holding company. As a mutually owned company, our compensation programs were, by nature, limited, and consisted primarily of base salary and annual cash incentive compensation.

As part of our transition to a public company, our compensation program continues to evolve and is being augmented and modified, as appropriate, to ensure that we attract and retain superior financial services executive talent, and reward sustainable performance within the context of appropriate risk management parameters and safe and sound operation of Northfield-Federal, and its subsidiary, Northfield Bank.

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We strive to create a compensation program that rewards performance and the long-term success of Northfield-Federal. Our compensation program is designed to achieve an appropriate balance between shorter-term and longer-term performance, fixed and performance-based compensation, and cash and equity compensation. A primary objective of our current compensation program is to align the interests of our executives with those of our stockholders. Our 2011 compensation program included competitively benchmarked base salaries, a formal annual cash incentive compensation program directly linked to, among other things, Northfield-Federal s strategic objectives, and beginning in January 2009, an equity incentive plan. Northfield-Federal has remained committed to its disciplined and balanced approach to providing community banking services and utilizes the same philosophy in designing a compensation program that is consistent with effective risk management.

Role of the Compensation Committee. The Compensation Committee of the board of directors is responsible for overseeing and approving, subject to ratification by the board of directors, the compensation of the Named Executive Officers, including the Chief Executive Officer. As part of these duties, the Committee administers Northfield-Federal s cash and equity incentive compensation plans and conducts an annual performance review of the Chief Executive Officer and, in consultation with the Chief Executive Officer, reviews the performance of the other Named Executive Officers. The board of directors has ultimate authority to ratify the compensation of all Named Executive Officers, including the Chief Executive Officer.

The Compensation Committee also reviews, oversees, and approves the management and implementation of Northfield Bank s employee benefit plans. The Committee has a formal charter that describes the Committee s scope of authority and its duties.

The Compensation Committee consists of four Directors, all of whom are independent as set forth in the listing requirements for NASDAQ securities. The Nominating and Corporate Governance Committee of the board of directors evaluates the independence of Committee members at least annually, using the standards contained in NASDAQ listing requirements. This evaluation, and the determination that each member of the Committee is independent, was made most recently in March 2012.

Role of Executives in Committee Activities. The executive officers who serve as a resource to the Compensation Committee are the Chief Executive Officer, the Chief Risk Officer the Chief Operating and Financial Officer, and the Director of Human Resources. Executives provide the Compensation Committee with input regarding employee compensation philosophy, processes, risk considerations, and decisions for employees other than Named Executive Officers. This communication assists in the design and alignment of compensation programs throughout Northfield-Federal. In addition to providing factual information such as Northfield-Federal-wide performance on relevant measures, these executives articulate management s views on current compensation programs and processes, recommend relevant performance measures to be used for future evaluations, and otherwise supply information to assist the Compensation Committee. The Chief Executive Officer also provides information about individual performance assessments for the other Named Executive Officers, and expresses to the Compensation Committee his views on the appropriate levels of compensation for the other Named Executive Officers for the ensuing year. At the request of the Compensation Committee, the Chief Financial Officer communicates directly with third-party consultants, providing third-party consultants with Northfield-Federal-specific data and information, and assisting in the evaluation of the estimated financial effect regarding any proposed changes to the various components of compensation.

Executives participate in Committee activities purely in an informational and advisory capacity and have no vote in the Committee s decision-making process. The Chief Executive Officer and Chief Financial Officer do not attend those portions of Compensation Committee meetings during which their performance is evaluated or their compensation is being determined. No executive officer other than the Chief Executive Officer attends those portions of Compensation Committee meetings during which the performance of the other Named Executive Officers is evaluated or their compensation is being determined. In addition, the Compensation Committee meets, as appropriate, without management being present.

Use of Consultants. The Compensation Committee periodically engages an independent compensation consultant to assist it in the compensation process for Named Executive Officers. The consultant is retained by and reports directly to the Compensation Committee. The Compensation Committee places no restrictions on the consultant within the scope of contracted services and such consultant is not engaged by management for any purpose. The consultant provides expertise and information about competitive trends in the employment marketplace, including established and emerging compensation practices at other companies. The consultant also provides proxy statement and survey data, and assists in assembling relevant comparison groups for various purposes and establishing benchmarks for base salary, equity awards, and cash incentives from the comparison group proxy statement and survey data.

For 2011, the Compensation Committee engaged PM&P, an independent compensation consulting firm, as its advisor on executive and Board compensation matters. PM&P assisted the Compensation Committee in the development of the 2011 cash incentive plan and assisted in a detailed review of executive compensation. The Committee undertakes a comprehensive assessment every three years, it utilizes PM&P to provide ongoing market trends and guidance for pay structures in the intervening years.

Compensation Objectives and Philosophy. The overall objectives of Northfield-Federal s compensation program are to retain, motivate, and reward employees and officers (including the Named Executive Officers) for sustained performance, and to provide competitive compensation, including incentive compensation, to attract talent to Northfield-Federal, consistent with effective risk management. The methods used to achieve these goals for Named Executive Officers are influenced by the compensation and employment practices of our competitors within the financial services industry, and elsewhere in the marketplace, for executive talent. Other considerations include each Named Executive Officer s individual performance in achieving both financial and non-financial corporate goals.

Our compensation program is designed to reward the Named Executive Officers based on their level of assigned management responsibilities, individual experience and performance levels, and knowledge of banking and our business. The creation of long-term value is highly dependent on the development and effective execution of our business strategy by our executive officers.

Factors that influence the design of our executive compensation program include, among other things, the items listed below.

- We operate in a highly regulated industry, and we value industry-specific experience that promotes the safe and sound operation of Northfield Bank.

- We value executives with sufficient experience in our markets relating to the behavior of our customers, products, and investments in various phases of the economic cycle.

- We operate in interest rate and credit markets that are often volatile. We value disciplined decision-making that respects our business plan but adapts appropriately to change.

- We value the retention and development of performing incumbent executives. Recruitment of executives can have substantial monetary costs, unpredictable outcomes, and a disruptive effect on our operations.

Our 2011 compensation program for our Named Executive Officers included three key components. The first component is base salary, which is designed to provide a reasonable level of predictable income commensurate with market standards of the position held. The second component is an annual cash incentive plan, designed to reward our executives for attaining specific performance goals that support the strategic objectives of Northfield-Federal, and the third component, which was added in January 2009, is the granting of equity incentive awards in the form of Northfield-Federal common stock, and options to purchase Northfield-Federal common stock at a specified price. We also provide benefits and perquisites to the Named Executive Officers at levels that are competitive and appropriate for their roles.

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Benchmarking. Our compensation program is periodically evaluated in relation to benchmark data derived from information reported in publicly-available proxy statements and from market survey data. The Compensation Committee will generally review and consider updated peer proxy and market survey compensation data every three years. In 2010, the Compensation Committee engaged PM&P to assist it in completing a comprehensive competitive review. PM&P selected the peer group using objective criteria to reflect banks similar in asset size, business model and region to Northfield-Federal. The asset size ranged from one-half to two times Northfield-Federal s asset size with a median of $2 billion. The Compensation Committee approved the following peer group:

Dime Community Bancshares, Inc.	State Bancorp, Inc.	Smithtown Bancorp, Inc.
Provident New York Bancorp	Sandy Spring Bancorp, Inc.	First of Long Island Corporation
Flushing Financial Corporation	Suffolk Bancorp	Financial Institutions, Inc.
OceanFirst Financial Corp.	Sun Bancorp, Inc.	Eagle Bancorp, Inc.
Kearny Financial Corp.	Oritani Financial Corp.	Roma Financial Corporation
Sterling Bancorp	Hudson Valley Holding Corp.	First United Corporation
Center Bancorp, Inc.	Lakeland Bancorp, Inc.	First Mariner Bancorp

Assembling the Components of Compensation. The Compensation Committee analyzes the level and relative mix of executive compensation by component (e.g., base salary, incentives, and benefits) and in the aggregate. The Chief Executive Officer provides recommendations to the Committee relating to compensation to be paid to the Named Executive Officers other than himself. Based on their analysis, the Compensation Committee approves each Named Executive Officer s compensation, subject to ratification by the board of directors.

When evaluating the mix of total compensation, the Compensation Committee considers among other things, general market practices, benchmarking studies conducted by the consultant, the alignment of cash and equity incentive awards with our strategic objectives and Northfield-Federal performance, and the desire to reward performance through incentive compensation within Board-approved risk parameters. The Compensation Committee seeks to create appropriate incentives without encouraging behaviors that result in undue risk. These components are periodically evaluated in relation to benchmark data derived from information reported in publicly-available proxy statements and from market survey data.

Base Salary. Base salary is designed to provide a reasonable level of predictable income commensurate with market standards of the position held adjusted for specific job responsibilities assigned, individual experience, and demonstrated performance. Named Executive Officers are eligible for periodic adjustments to their base salary as a result of changes in the cost of living, individual performance, updated market analysis, or significant changes in their duties and responsibilities. The Compensation Committee annually reviews and approves base salaries, and changes thereto, for Named Executive Officers, including our Chief Executive Officer.

Base salary amounts for 2011 were determined based on a review of peer proxy and survey data provided by PM&P after an analysis of current financial services industry compensation trends. The Compensation Committee reviewed the 50^{th} percentile of peer proxy and survey data, and a pay range around the median to allow for recognition of each Named Executive Officer s specific experience, responsibilities and performance, estimated value in the marketplace, and the Committee s view of each Named Executive Officer s role in the future success of Northfield-Federal. For 2011, the Compensation Committee generally targeted base salary compensation at the 65^{th} percentile for each of the Named Executive Officers.

The Committee considered the responsibility, significant experience, contributions, and performance of each Named Executive Officer, their value in the marketplace, and their critical roles in the future successes of Northfield-Federal, and determined in November 2010, that existing base salaries properly reflected these factors and made a determination not to change base salaries for any Named Executive Officers in 2011, with the exception of Michael Widmer, whose base salary was increased 8.7% to $250,000. In March 2011, Mr. Klein s role and responsibilities were expanded to include the position of Chief Operating Officer and his base salary was increased to $350,000, or 16.6%, as compared to his 2010 base salary of $300,000.

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Cash Incentives. The Compensation Committee developed and implemented a management incentive plan (the Cash Incentive Plan) for 2011. The Cash Incentive Plan provides performance-based annual cash incentives to reward Northfield-Federal s Named Executive Officers for the execution of specific financial and non-financial elements of our strategic business plan, as well as individual goals related to each executive s functional area. A defined level (80% or greater) of Corporate performance is required for the Plan to activate or turn on. Once the Plan is active, incentives are based on Corporate and Individual performance. The Corporate goal is designed to reflect a significant portion of the Named Executive s incentive (70% to 75%) while the individual performance reflects between 25% to 30% of the incentive.

The Compensation Committee evaluates the reasonableness and likelihood of attaining designated incentive goals, including stretch goals, in an effort to ensure that such targets appropriately reward performance, but do not encourage undue risk taking. Actual performance over the applicable measurement period may exceed or fall short of the targets resulting in the Named Executive Officer receiving an annual incentive cash award that is above or below the initial targeted level. Annual incentive cash awards granted in prior years are not taken into account by the Compensation Committee in the process of setting performance targets for the current year. The Committee believes that doing so would be inconsistent with the underlying reasons for the use of incentive compensation.

For 2011, the Compensation Committee set a target total cash incentive award of 20% of base salary for each Named Executive Officer. The actual cash incentive award range was defined as 10% of base salary for threshold performance and 30% for stretch performance. These targets were intentionally set lower than current market practice as part of Northfield-Federal s shift from its former compensation philosophy as a mutually owned bank (greater focus on cash compensation weighted towards base salary) to that of a public company (which includes equity compensation and a greater weighting of compensation towards long-term incentive compensation rather than short-term incentives).

The Compensation Committee established one shared corporate goal (the Corporate Goal) and individual performance goals for each Named Executive Officer. The target Corporate Goal measured the attainment of the Board-approved, budgeted basic earnings per share of $0.34. The stretch goal was 120% or greater of budgeted basic earnings per share and the threshold was 90% of budgeted basic earnings per share. If 90% of budgeted basic earnings per share was not achieved, Named Executive Officers were not eligible to receive incentive payments for achievement of their individual performance goals.

Individual performance goals were aligned with our strategic business plan and focused on the following areas: for Messrs. Alexander, Klein, Doherty and Widmer and Ms. Frank, maintaining the efficiency ratio at 58% or less; for Mr. Doherty, originating loans to specified targets while minimizing credit risk, and reducing non-accruing loans to specified targets; and for Mr. Widmer, increasing deposits to specified targets.

In March of 2012, the Compensation Committee evaluated achievement of the Corporate Goal and Individual Goals. Regarding the Corporate Goal, Northfield-Federal reported 2011 basic earnings per share of $0.42 exceeding the target goal of $0.34 basic earnings per share. Based on the achievement of $0.42 basic earnings per share, the Corporate Goal stretch award of 22.50% of base salary (30% stretch award times 75% weighting) was earned by Mr. Alexander, and a stretch award of 21.00% of base salary (30% stretch award times 70% weighting) was earned by all other Named Executive Officers

The remaining 25% of Mr. Alexander s eligible award, and 30% of each other Named Executive Officer s eligible award, was determined based on each Named Executive s attainment of individual goals, which were assessed by the Compensation Committee in its annual evaluation of each Named Executive Officer s performance.

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The Compensation Committee concluded the following related to each Named Executive Officer s performance related to their Corporate and individual goals in accordance with the 2011 Management (Cash) Incentive Plan:

Mr. Alexander s award for the Corporate Goal was $152,100 (22.50% of salary). Based on the achievement of an efficiency ratio of 53.63%, Mr. Alexander s individual goal target award of 5% of base salary (20% target award times 25% weighting) increased to approximately 6.09% or $41,185.

Mr. Klein s award for the Corporate Goal was $73,500 (21.00% of salary). Based on the achievement of an efficiency ratio of 53.63%, Mr. Klein s individual goal target award of 6% of base salary (20% target award times 30% weighting) increased to approximately 7.31% or $25,589.

Mr. Doherty s award for the Corporate Goal was $58,800 (21.00% of salary). Mr. Doherty s individual goal cash incentive payment of $23,621 reflects the Compensation Committee s determination that Mr. Doherty exceeded the target level for the efficiency ratio goal, while loan originations and the reduction in non-accrual loans exceeded the stretch goals.

Mr. Widmer s award for the Corporate goal was $52,500 (21.00% of salary). Mr. Widmer s individual cash incentive payment of $20,389 for 2011 reflects the Compensation Committee s determination that Mr. Widmer exceeded the target level for the efficiency ratio goal, while deposit growth exceeded the stretch goal.

Ms. Frank s award for the Corporate goal was $35,700 (21.00% of salary). Based on the achievement of an efficiency ratio of 53.63%, Ms. Frank s individual goal target award of 6% of base salary (20% target award times 30% weighting) increased to approximately 7.31% or $12,429.

In recognition of Northfield-Federal s overall performance and the Executives contributions to executing on Northfield-Federal s strategic plan, including capital deployment, franchise enhancement, and asset quality improvement, the Compensation Committee granted discretionary awards to Messrs. Alexander, Klein, Doherty, and Widmer, of $34,400, $23,000, $11,600, and $11,000, respectively.

For 2011, the Named Executive Officers total target award opportunities, and actual incentives awarded as a percentage of target are detailed below. The amounts shown for Messrs. Alexander, Klein, Widmer and Doherty also include the discretionary awards referred to above.

Name	Target Award Opportunity ($)	Actual Award ($)	Actual Award as a percentage of Target Award Opportunity (%)
John W. Alexander	135,200	227,685	168.4
Steven M. Klein	70,000	122,089	174.4
Kenneth J. Doherty	56,000	94,021	167.9
Michael J. Widmer	50,000	83,889	167.8
Madeline G. Frank	34,000	48,129	141.6

Equity Awards. In December 2008, the stockholders of Northfield-Federal approved the Northfield Bancorp, Inc. 2008 Equity Incentive Plan. The objective of equity awards is to further align the interests of our executives with those of stockholders and reward sustained performance. In January 2009 the Compensation Committee, granted equity awards in the form of common stock, and options to purchase common stock at $9.94 per share, representing the closing price of Northfield-Federal s common stock on the grant date, to each of the Named Executive Officers. The equity awards vest in equal installments over a five-year period, commencing one year from the date of the grant. The Compensation Committee consulted with PM&P during this process.

Prior to November 2007, Northfield-Federal was a mutual organization and did not have equity compensation available to employees. The Compensation Committee s objective in granting equity awards in January 2009 was to provide employees with a substantial equity interest in Northfield-Federal, consistent with comparable peers that recently completed initial public offerings.

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***Broad-based benefits*.** We also provide to our Named Executive Officers certain broad-based benefits available to all qualifying employees of Northfield-Federal, as well as fringe benefits and perquisites, and restoration and other termination benefits, not generally available to all qualifying employees of Northfield-Federal.

The following summarizes the significant broad-based benefits in which the Named Executive Officers were eligible to participate in 2011:

- a defined contribution 401(k) retirement plan and discretionary profit-sharing plan;
- an employee stock ownership plan;
- medical coverage (all employees share between 20% to 30% of the cost, depending on their elections);
- pre-tax health and dependent care spending accounts; and
- group life insurance coverage (death benefit capped at $750,000, with the value of the death benefit over $50,000 being reported as taxable income to all employees).

The Northfield Bank Employee Stock Ownership Plan (the ESOP) was established effective January 1, 2007. The ESOP allocates a certain number of shares of Northfield-Federal s common stock on an annual basis among plan participants primarily on the basis of eligible compensation in the year of allocation, subject to Internal Revenue Code limitations. All eligible employees, including Named Executive Officers, participate in the plan and received an allocation of common stock for 2011.

Executive Benefits and Perquisites. In addition to the broad-based benefits described above, the specifically Named Executive Officers received the following fringe benefits and perquisites in 2011:

- all Named Executive Officers may participate in a non-qualified deferred compensation plan. The plan provides restoration of benefits capped under Northfield Bank s broad-based benefits due to Internal Revenue Code salary limitations or limitations due to participation requirements under tax-qualified plans. The plan also permits elective salary and cash incentive award deferrals;
- Messrs. Klein, Doherty, and Widmer received a monthly automobile allowance of $800;
- all Named Executive Officers pay for and are provided with reimbursement for long-term disability insurance coverage;
- Messrs. Alexander, Klein, Doherty, and Widmer are reimbursed for appropriate spousal expenses for attendance at business events; and
- Messrs. Alexander, Klein, Doherty, and Widmer are provided a cellular phone allowance of $100 per month for business usage. Northfield-Federal also reimburses individuals for the cost of cellular phone equipment.

Northfield-Federal incurs the expense of one country club membership and related expenses for Mr. Alexander. Mr. Alexander reimburses Northfield Bank for personal expenses pertaining to club usage. In lieu of a monthly automobile allowance, Mr. Alexander received use of an automobile (including all operating expenses) leased by Northfield Bank for business and personal use. Personal use of the automobile is reported as taxable income to Mr. Alexander. In addition, Northfield Bank pays an annual premium on a whole-life insurance policy for the benefit of Mr. Alexander.

The Compensation Committee reviews the other components of executive compensation (broad-based benefits, and executive benefits and perquisites) on an annual basis. Changes to the level or types of broad-based benefits within these categories, including considerations relating to the addition or elimination of benefits and plan design changes, are made by the Compensation Committee on an aggregate basis with respect to the group of employees entitled to those benefits, and not necessarily with reference to a particular Named Executive Officer s compensation. Decisions about these components of compensation are made without reference to the Named Executive Officers salary and annual cash incentives, as they involve issues of more general application and often include consideration of trends in the industry or in the employment marketplace.

Employment Agreements. In addition to the components of executive compensation described above, Messrs. Alexander, Klein, Doherty, and Widmer are each parties to employment agreements with Northfield Bank. See Employment Agreements for a description of these agreements and Potential Payments to Named Executive Officers for information about potential payments to these individuals upon termination of their employment with Northfield Bank. Our employment agreements contain no payment provisions for tax gross-ups to executives under any circumstance.

The executive employment agreements are designed to allow Northfield-Federal to retain the services of the designated executives while reducing, to the extent possible, unnecessary disruptions to Northfield Bank s operations. In addition, the Compensation Committee believes that the employment agreements better align the interests of the executive with those of our stockholders. The Compensation Committee believes that these agreements allow executives to more objectively evaluate opportunities for stockholders without causing undue personal financial conflicts.

The Compensation Committee reviewed prevailing market practices, consulted with PM&P on the competitiveness and reasonableness of the terms of the agreements, and negotiated the agreements with the individuals. The Compensation Committee believes such agreements are common and necessary to retain executive talent.

The agreements are for a three-year period, are reviewed for renewal annually by the Compensation Committee of the board of directors, and provide for salary and incentive cash compensation payments, as well as additional post-employment benefits, primarily health benefits (or equivalent cash payments), under certain conditions, as defined in the employment agreements. See Employment Agreements for further discussion.

Exceptions to Usual Procedures. The Compensation Committee may recommend to the board of directors that they approve the payment of special cash compensation to one or more Named Executive Officers in addition to payments approved during the normal annual compensation-setting cycle. The Committee may make such a recommendation if it believes it would be appropriate to reward one or more Named Executive Officers in recognition of contributions to a particular project, or in response to competitive and other factors that were not addressed during the normal annual compensation-setting cycle. The Compensation Committee made discretionary awards to the Named Executive Officers for 2011 totaling $80,000. See Cash Incentives, above, for further discussion.

The Committee will consider off-cycle compensation adjustments whenever a Named Executive Officer s status, role or responsibilities change, or an executive officer is hired. The Committee may depart from the compensation guidelines it would normally follow for executives in the case of outside hires.

The Compensation Committee considers, but is not bound by, the tax treatment of each component of compensation. Under Section 162(m) of the Internal Revenue Code, annual compensation paid to a Named Executive Officer is not deductible if it exceeds $1 million unless it qualifies as performance-based compensation as defined in the Internal Revenue Code and related tax regulations. Base salary is not a form of performance-based compensation. Fringe benefits and perquisites also do not qualify as performance-based compensation. Annual incentive cash awards may qualify as a form of performance-based compensation under the income tax regulations. For 2011, we estimate that approximately $140,000 of the total amount of executive compensation earned for our Named Executive Officers will not be deductible for tax purposes due to limitations under Section 162(m).

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Committee Actions During 2011 Affecting 2012 Compensation, and Other Actions by the Committee.

The Compensation Committee completed a review, in consultation with PM&P, of executive compensation in 2011. Based on this review, which included an assessment of current compensation trends and practices, a determination was made that Named Executive Officers base salaries were competitive and would remain unchanged for 2012. In December of 2011, the Compensation Committee approved the 2012 cash incentive compensation plan. The plan contains similar terms and conditions as our prior year plan.

Effective January 1, 2012, Mr. Klein s automobile allowance ceased and he is provided full-time use of a Northfield-Federal-maintained vehicle. The automobile allowance for Messrs. Doherty and Widmer was increased to $875 per month. Reimbursement for cellular and data plans was increased to $120 per month for Messrs. Alexander, Klein, Doherty and Widmer.

Compensation Tables

Summary Compensation Table. The following table sets forth for the three years ended December 31, 2011, certain information as to the total remuneration we paid to Mr. Alexander, who serves as Chairman of the Board, President and Chief Executive Officer, Mr. Klein, who serves as Chief Operating and Financial Officer, and the three most highly compensated executive officers of Northfield-Federal or Northfield Bank other than Messrs. Alexander and Klein. The Change in Pension Value and Nonqualified Deferred Compensation Earnings column has been omitted from the Summary Compensation Table because no listed individual earned any compensation during the years ended December 31, 2011, 2010, or 2009 of a type required to be disclosed in those columns.

Summary Compensation Table

Name and principal position	Year	Salary ($)	Stock Awards (2)($)	Option Awards (3)($)	Bonus ($)	Non-equity incentive plan compensation ($)	All other compensation (1)($)	Total ($)
John W. Alexander, Chairman of the Board, President and Chief Executive Officer	2011	676,000			34,400	193,285	147,523	1,051,208
	2010	676,000				122,544	138,504	937,048
	2009	676,000	1,669,920	1,356,425		107,388	141,951	3,951,684
Steven M. Klein, Chief Operating and Financial Officer	2011	342,308			23,000	99,089	59,811	524,208
	2010	300,000				55,758	54,551	410,309
	2009	300,000	778,302	661,710		50,157	53,422	1,843,591
Kenneth J. Doherty, Executive Vice President and Chief Lending Officer	2011	280,000			11,600	82,421	56,573	430,594
	2010	280,000				51,111	53,401	384,512
	2009	280,000	725,620	618,240		42,438	53,540	1,719,838
Michael J. Widmer, Executive Vice President, Operations	2011	250,000			11,000	72,889	51,030	384,919
	2010	230,000				43,898	48,379	322,277
	2009	220,000	596,400	507,955		37,376	46,325	1,418,056
Madeline G. Frank, Senior Vice President and Asst. Corporate Secretary	2011	170,000				48,129	31,100	249,229
	2010	170,000				34,996	27,708	232,704
	2009	170,000	132,202	85,330		26,829	28,896	443,257

(footnotes begin on following page)

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(footnotes from previous page)

(1) The individuals listed in this table participate in certain medical and dental coverage plans, not disclosed in the Summary Compensation Table, that are generally available to salaried employees and do not discriminate in scope, terms and operation. The amount shown below for each individual for the year ended December 31, 2011, includes our direct out-of-pocket costs (reduced for Mr. Alexander, in the case of the figures shown for automobiles, by the amount that we would otherwise have paid in cash reimbursements during the year for business use) for the following items:

	Mr. Alexander	Mr. Klein	Mr. Doherty	Mr. Widmer	Ms. Frank
Employer contributions to qualified and non-qualified deferred compensation plans (including 401(k), ESOP and non-qualified deferred compensation plans)	$ 67,591	$ 39,877	$ 36,720	$ 33,728	$ 25,901
Life insurance premiums	37,536	599	1,137	577	1,487
Long-term disability	5,200	2,362	1,932	1,725	1,181
Automobile	10,449	9,600	9,600	9,600	
Club dues	12,398				
Dividends paid on restricted stock awards (4)	11,760	5,481	5,110	4,200	931
Travel expense for spouse to accompany on business travel	1,389	692	874		
Other (5)					1,600
Reimbursement for business cell phone and data usage	1,200	1,200	1,200	1,200	
Total	$ 147,523	$ 59,811	$ 56,573	$ 51,030	$ 31,100

(2) Represents the aggregate grant date fair value of restricted stock of Northfield-Federal awarded to the employee on January 30, 2009, based upon a grant date stock price of $9.94 per share, which was the final reported sales price of Northfield-Federal s common stock on the date of the grant. The restricted stock awards vest in equal installments over a five-year period, commencing one year from the date of the grant. No forfeitures were assumed in calculating the aggregate grant date fair value. For further information see footnote 11 to the consolidated financial statements included in Northfield-Federal s Form 10-K for the fiscal year ended December 31, 2011.

(3) Represents the aggregate grant date fair value of options to purchase Northfield-Federal common stock awarded to each employee on January 30, 2009. The options vest in equal installments over a five-year period, commencing one year from the date of the grant and have an exercise price of $9.94 per share, which was the final reported sales price of Northfield-Federal s common stock on the date of the grant. The grant date fair value was $3.22 per option and was determined using the Black-Scholes method assuming an option s average life of 6.5 years; 2.17% risk free rate of return; 35.33% volatility, and 1.61% dividend yield. No forfeitures were assumed in calculating the aggregate grant date fair value. For further information see footnote 11 to the consolidated financial statements included in Northfield-Federal s Form 10-K for the fiscal year ended December 31, 2011.

(4) Amounts represent dividends paid upon the vesting of restricted stock awards that were withheld while the restricted stock awards were unvested.

(5) Amount represents an annual discretionary stipend provided to employees whose work location was moved from New York to New Jersey.

Plan-Based Awards. As further discussed in Compensation Discussion and Analysis Assembling the Components of Compensation, Northfield-Federal maintained a cash incentive award program and equity incentive award program (both based upon Board and shareholder approved plans) for its Named Executive Officers for the year ended December 31, 2011.

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The following table sets forth for the year ended December 31, 2011, certain information as to grants of plan-based cash and equity awards.

Grants of Plan-based Awards Table 2011

Name	Grant date	Estimated future payouts under non-equity incentive plan awards Threshold ($)	Target ($)	Maximum ($)	All other stock awards: number of shares of stock or units	All other option awards number of securities underlying options	Exercise or base price of option awards ($)	Grant date fair value of stock and option awards ($)
John W. Alexander	12/22/10	67,600	135,200	202,800				
Steven M. Klein	12/22/10	35,000	70,000	105,000				
Kenneth J. Doherty	12/22/10	28,000	56,000	84,000				
Michael J. Widmer	12/22/10	25,000	50,000	75,000				
Madeline G. Frank	12/22/10	17,000	34,000	51,000				

The following table sets forth certain information regarding stock awards and stock options outstanding at December 31, 2011:

		Option Awards				Stock Awards	
Name	Grant date	Number of securities underlying unexercised options (exercisable) (#)	Number of securities underlying unexercised options (unexercisable) (#)	Option exercise price ($)	Option expiration date (1)	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested(2) ($)
John W. Alexander	01/30/09	168,500	252,750	9.94	01/30/19	100,800	1,427,328
Steven M. Klein	01/30/09	82,200	123,300	9.94	01/30/19	46,980	665,237
Kenneth J. Doherty	01/30/09	76,800	115,200	9.94	01/30/19	43,800	620,208
Michael J. Widmer	01/30/09	63,100	94,650	9.94	01/30/19	36,000	509,760
Madeline G. Frank	01/30/09	10,600	15,900	9.94	01/30/19	7,980	112,997

(1) Stock options expire if unexercised 10 years from the grant date.

(2) Amount is based on a $14.16 per share which is the last reported closing price of Northfield-Federal s common stock on December 31, 2011.

The following table provides information concerning stock option exercises and the vesting of stock awards for each Named Executive Officer during 2011.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($) (1)
John W. Alexander			33,600	428,736
Steven M. Klein			15,660	199,822
Kenneth J. Doherty			14,600	186,296
Michael J. Widmer			12,000	153,120
Madeline G. Frank			2,660	33,942

(1) Represents the market value of the vested stock on the day the stock vested (January 30, 2011) as determined by the last reported closing price of the stock of $12.76.

Nonqualified Deferred Compensation Plan. Northfield Bank maintains a non-qualified deferred compensation plan to provide for the elective deferral of non-employee director fees by participating members of the Boards of Directors, and the elective deferral of compensation and/or performance-based compensation payable to eligible employees of Northfield-Federal and Northfield Bank. A designated amount of director fees, compensation and/or performance based compensation may be deferred until one of the specified events in the plan occurs, which permits all or part of the monies so deferred, together with earnings, to be distributed to participants or their beneficiaries. In addition, the plan provides eligible employees of Northfield Bank with supplemental retirement income from Northfield Bank when such amounts are not payable under the contribution formula of the Northfield Bank 401(k) Savings Plan (the 401(k) Savings Plan), due to reductions and other limitations imposed under the Internal Revenue Code.

Members of the Boards of Directors of Northfield-Federal and Northfield Bank, and certain employees are eligible to participate in the plan. Eligible directors or employees become participants upon agreeing in a written enrollment agreement to defer any portion of their trustee fees, director fees, compensation, and/or performance-based compensation. In Northfield-Federal s sole discretion, each participant may request that his or her deferred compensation account be deemed to be invested in any one or more of the investment options available to Northfield-Federal or Northfield Bank. A participant may periodically request a change to his or her investment allocation deemed available under the plan. In the event any participant fails to direct the investment of his or her deferred compensation account, or to the extent the employer chooses not to honor the participant s request, the deferred compensation account will be deemed to bear interest at the rate prevailing for 30-year United States Treasury Bonds.

With respect to amounts of deferred trustee or director fees, deferred compensation or performance-based compensation, distributions will be made under the plan in the event of the participant s retirement, death, termination due to disability, separation from service prior to the participant s retirement date, upon the establishment of an unforeseeable emergency, upon a change in control, or upon the attainment of a specific date of distribution, in a single lump sum or in up to 15 annual installment payments, as designated by the participant in his or her enrollment agreement. In the case of an unforeseeable emergency, the amounts distributed will not exceed the amounts necessary to satisfy the emergency plus an amount necessary to pay any taxes owed on the distribution. In the event the participant fails to designate a payment schedule on his enrollment agreement or if the entire balance credited to the participant s account is less than $10,000, payment will be made in a single lump sum. In the event a participant dies before receiving the full amount of his benefit, the remaining amounts will be paid to the participant s designated beneficiary according to the participant s form of election or, if there is no designated beneficiary at the time of the participant s death, to the participant s estate in a single lump sum. Distributions to certain specified employees on account of their separation from service may be delayed for six months, if necessary, to comply with Internal Revenue Code Section 409A.

In addition, the non-qualified deferred compensation plan provides for benefits which supplement those paid under the 401(k) Savings Plan in the event of normal, early or postponed retirement, death or termination of service. Such benefits will be equal to the sum of: (i) the maximum amount of employer matching contributions provided to a participant each calendar year, assuming a participant s maximum contributions, reduced by the amount of employer matching contributions made for the participant under the 401(k) Savings Plan for such year, adjusted by gains and losses; (ii) commencing January 1, 2000, the amount of employer matching contributions not credited to a participant s 401(k) Savings Plan account as a result of an employer error, adjusted by gains and losses, if any; and (iii) the maximum amount of discretionary employer contributions that would be provided to a participant under the 401(k) Savings Plan, assuming an allocation without taking into account the limitations imposed by the Internal Revenue Code, reduced by the amount of discretionary employer contributions actually made to a participant under the 401(k) Savings Plan for each such year, adjusted by gains and losses, if any. Benefits payable under this plan that supplement matching contributions under the 401(k) Savings Plan will be aggregated with benefits payable under the Supplemental ESOP (described below). Upon the occurrence of a distribution event, such benefits will be payable in either a lump sum or installments over a period of up to 15 years, at the election of the participant made in accordance with Section 409A of the Internal Revenue Code.

The non-qualified deferred compensation plan is considered an unfunded plan for tax and Employee Retirement Income Security Act purposes. All obligations owing under the plan are payable from the general assets of Northfield Bank and Northfield-Federal and are subject to the claims of Northfield Bank s or Northfield-Federal s creditors.

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Supplemental Employee Stock Ownership Plan. The Northfield Bank Supplemental Employee Stock Ownership Plan (the Supplemental ESOP) is a benefit restoration plan that provides additional cash benefits, equal to the participant s account balance, at retirement or other termination of employment (or upon a change in control) to participants who are key employees, who are approved by the Compensation Committee and whose benefits under the tax-qualified ESOP, described below, are limited by tax law limitations applicable to tax-qualified plans. In 2011, Messrs. Alexander, Klein, and Doherty were the only participants receiving a benefit from this plan. The Supplemental ESOP credits each participant who also participates in the tax-qualified ESOP with an annual amount equal to the sum of the difference (expressed in dollars) between (a) the number of shares of common stock of Northfield-Federal that would have been allocated to the participant s account in the employee stock ownership plan, but for the tax law limitations, plus earnings thereon, and (b) the actual number of shares allocated to the participant s account in the employee stock ownership plan plus earnings thereon. In each case, the number of shares will be multiplied by the fair market value of the shares on the allocation date to determine the annual allocation amount. Each participant is permitted to make investment recommendations for the annual amount credited to his or her account among a broadly diversified group of mutual funds selected for investment by a committee appointed by Northfield Bank s board of directors to administer the Supplemental ESOP. Northfield Bank has established a rabbi trust to hold assets attributable to the Supplemental ESOP to informally fund its benefit obligation. Northfield Bank, at its discretion, may account for the Supplemental ESOP solely as bookkeeping entries. Whether or not a rabbi trust is established, the participant s account value is based on the value of the investments in which the participant invests, or is deemed to invest, his account. Benefits distributed to participants from the Supplemental ESOP will be aggregated with benefits payable under the matching contributions portion of the Nonqualified Deferred Compensation Plan (described above). Upon the occurrence of a distribution event, such benefits will be payable in either a lump sum or installments over a period of up to 15 years, at the election of the participant made in accordance with Section 409A of Internal Revenue Code.

The following table sets forth certain information with respect to our nonqualified deferred compensation plans at and for the year ended December 31, 2011.

Nonqualified Deferred Compensation At And For The Year Ended December 31, 2011

Name	Executive contributions in last fiscal year ($)(1)	Registrant contributions in last fiscal year ($)(1)	Aggregate earnings in last fiscal year ($)(2)	Aggregate withdrawals/ distributions ($)	Aggregate balance at last fiscal year end ($)(3)
John W. Alexander	26,000	32,979	11,780		1,820,949
Steven M. Klein	1,589	5,283	(4,214)		138,204
Kenneth J. Doherty	2,552	2,108	(1,233)		172,569
Michael J. Widmer	312	150	(127)		56,156
Madeline G. Frank	7,220		1,567		87,382

(1) Contributions included in the Executive contributions in last fiscal year and the Registrant contributions in last fiscal year columns are included as compensation for the listed individuals in the Summary Compensation Table.
(2) Amounts included in the Aggregate earnings in last fiscal year are not included as compensation for the listed individuals in the Summary Compensation Table as such earnings are not preferential or above market.
(3) Amounts included in the Aggregate balance at last fiscal year end previously were reported as compensation for the listed individuals except to the extent that such balances reflect earnings, all of which were not preferential or above market.

Short- and Long-Term Disability

Named Executive Officers and certain other members of senior management at Northfield Bank will be paid their full salary for the duration of any period of short-term disability, up to 26 weeks. Senior management receives this benefit in lieu of the ability to bank paid time off for future use, which is only available to employees of Northfield Bank who are not senior management. With respect to long-term disability, senior management employees are required to purchase long-term disability coverage and Northfield Bank provides such persons a bonus payment, including related income taxes, in recognition of their payment of such coverage. The amount of the bonus is in the sole discretion of Northfield Bank.

Life Insurance Coverage

Employees of Northfield Bank receive life insurance coverage of up to three times salary if hired before January 1, 2003, and up to two times salary if hired on or after January 1, 2003. Such life insurance coverage is generally capped at $500,000. However, in the case of senior management, such life insurance coverage is capped at $750,000.

401(k) Savings Plan

Northfield Bank maintains the 401(k) Savings Plan, which is a tax-qualified defined contribution plan with a salary deferral feature under Section 401(k) of the Internal Revenue Code. Salaried employees, who have completed at least three months of eligible service, as defined in the plan, are eligible to participate in the plan. Employees who are paid on an hourly basis, employees who are paid exclusively on a commission basis, leased employees or employees covered by a collective bargaining agreement are not eligible to participate in the 401(k) Savings Plan. Eligible employees may contribute from 2% to 15% of their base salary to the 401(k) Savings Plan on a pre-tax basis each year, subject to the limitations of the Internal Revenue Code (for 2011, the limit was $16,500, exclusive of any catch-up contributions). After 12 months of eligible service, employees who have been making before-tax contributions for less than 36 months will receive an employer matching contribution equal to 25% of the first 6% of before-tax base salary contributions. Employees who have participated for 36 or more months will receive an employer matching contribution equal to 50% of their first 6% of before-tax base salary contributions. In addition, we may make discretionary employer contributions on behalf of eligible employees.

The 401(k) Savings Plan permits employees to invest in common stock of Northfield-Federal.

Employee Stock Ownership Plan and Trust

We maintain the ESOP to promote employee ownership of Northfield-Federal s common stock. At the ESOP s inception, the ESOP trust borrowed funds from Northfield-Federal. and used those funds to purchase 1,756,279 shares of common stock of Northfield-Federal. The collateral for the loan is the common stock purchased by the ESOP. The loan will be repaid principally from discretionary contributions made by Northfield Bank to the ESOP over a period of up to 30 years. The loan documents provide that the loan may be repaid over a shorter period, without penalty for prepayments. The interest rate on the loan equals the prime interest rate as of closing of the stock offering, and adjusts annually at the beginning of each calendar year. Shares purchased by the ESOP are held in a suspense account for allocation among participants as the loan is repaid primarily on the basis of compensation in the year of allocation, subject to Internal Revenue Code limitations. Benefits under the plan vest at the rate of 20% per year of credited service beginning in the second year of credited service so that a participant with six years of credited service will become fully vested. Credit is given for vesting purposes to participants for years of service with Northfield Bank prior to the adoption of the plan. Credit is also given to those employees who were employed at Liberty Bank at the time of its acquisition by Northfield Bank for their years of service at Liberty Bank. A participant s interest in his account under the plan fully vests in the event of termination of service due to a participant s normal retirement, death, disability, or upon a change in control (as defined in the plan). In the event of a change in control, the ESOP will terminate, loan amounts outstanding will be repaid, and remaining shares will fully vest.

Pension Benefits

None of the individuals listed in the Summary Compensation Table had accumulated pension benefits either at or during the year ended December 31, 2011.

Employment Agreements

Northfield Bank has entered into employment agreements with each of Messrs. Alexander, Klein, Doherty, and Widmer. Northfield-Federal is a signatory to each of the agreements for the sole purpose of guaranteeing payments thereunder. Each of these agreements has an initial term of three years. Each year, on the July 1

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anniversary date of the agreements for Messrs. Klein and Doherty, the employment agreements renew for an additional year so that the remaining term will be three years unless notice of nonrenewal is provided to the executive prior to such anniversary date. The Compensation Committee of the board of directors conducts an annual performance evaluation of each executive for purposes of determining whether to renew the employment agreement. The Compensation Committee also evaluates the terms and conditions of the agreements prior to renewal, in consultation with an independent third party compensation consultant, to determine that such terms and conditions are competitive with the market for the designated positions.

The employment agreements for Messrs. Alexander and Widmer, were revised on their most recent anniversary date of January 1, 2012, so that the board of directors of Northfield Bank is required to evaluate the services of the executive for purposes of determining whether to renew the agreement for an additional three-year period. Initially, the Compensation Committee will conduct a performance evaluation and review of the executive for purposes of determining whether to extend the agreements. The Compensation Committee will present its findings to the board of directors and the independent members of the Board, or the full Board will approve the renewal or nonrenewal. If the Board determines not to renew an employment agreement, it must give notice to the executive not less than thirty and not more than sixty days prior to the anniversary date. It is expected that Messrs. Klein s and Doherty s agreements will be modified on or prior to the their next July 1 effective date to contain terms similar to those in Messrs. Alexander s and Widmer s employment agreements.

Under the employment agreements, base salaries for Messrs. Alexander, Klein, Doherty, and Widmer on December 31, 2011, were \$676,000, \$350,000, \$280,000, and \$250,000, respectively. In addition to base salary, each agreement provides for, among other things, participation in cash incentive programs and other employee retirement benefit and fringe benefit plans applicable to executive employees. Northfield Bank also will pay or reimburse each executive for all reasonable business expenses incurred by the executive in the performance of his obligations. In addition, Northfield Bank will provide Mr. Alexander with a life insurance policy, pay or reimburse Mr. Alexander for the annual dues associated with his membership in a country club, and pay directly or reimburse Mr. Alexander for the expense of leasing an automobile and reasonable expenses associated with the use of such automobile. Each employment agreement may be terminated for cause at any time, in which event the executive would have no right to receive compensation or other benefits under the employment agreement for any period after termination.

Certain events resulting in the executive s termination or resignation entitle the executive to payments of severance benefits following termination of employment. In the event the executive s employment is terminated for reasons other than just cause (as defined in the employment agreements), disability (as defined in the employment agreements), or death, or in the event the executive resigns during the term of the agreement following:

(i) the failure to elect or reelect or to appoint or reappoint the executive to his executive position, and in the case of Mr. Alexander, the failure to nominate or re-nominate him as a director of Northfield Bank or Northfield-Federal;

(ii) a material change in the nature or scope of the executive s authority that would cause the executive s position to become one of lesser importance;

(iii) a relocation of the executive s principal place of employment by more than 30 miles from designated areas;

(iv) a material reduction in the benefits and perquisites of executive, other than a reduction in pay or benefits of all Northfield Bank employees;

(v) the liquidation or dissolution of Northfield Bank or Northfield-Federal that would affect the status of the executive; or

(vi) a material breach of the employment agreement by Northfield Bank,

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the executive would be entitled to a lump sum cash severance payment and the continuation of certain welfare benefits for a period of time after termination of employment, as more fully described under the table Potential Payments to Named Executive Officers.

In the event an executive resigns in connection with or following a change in control (as defined in the employment agreement), (due in the case of Messrs. Alexander and Widmer to the occurrence of one of the events described in the immediately preceding paragraph) the executive would also be entitled to a lump sum cash severance payment and the continuation of certain welfare benefits, including health and life insurance benefits for a period of time after termination of employment, as more fully described under the table Potential Payments to Named Executive Officers. Payments will be made in a lump sum within 30 days after the date of termination, or, if necessary to avoid penalties under Section 409A of the Internal Revenue Code, no later than the first day of the seventh month following the date of termination. In addition, the executive and his family would be entitled, at no expense to the executive, to the continuation of life, medical, dental and disability coverage for 36 months following the date of termination. If such benefits cannot be provided, a lump sum cash payment for the value of such benefits will be made to the executive.

Notwithstanding the foregoing, in the event payments to the executive would result in an excess parachute payment as defined in Section 280G of the Internal Revenue Code, payments under the employment agreements would be reduced in order to avoid such a result.

In the event Mr. Alexander becomes disabled, his obligation to perform services under the employment agreement will terminate and he will receive the benefits provided under any disability program sponsored by Northfield-Federal or Northfield Bank. To the extent disability benefits for Mr. Alexander are less than his base salary on the effective date of his termination of employment, and less than 66 2/3% of his base salary after the first year following termination, he will receive a supplemental disability benefit equal to the difference between the benefits provided under any disability program sponsored by Northfield-Federal or Northfield Bank and his base salary for one year following the date of termination, and 66 2/3% of his base salary after the first year following termination, until the earliest to occur of his death, recovery of disability or the date he attains age 65. If disability payments to Mr. Alexander are not taxable to him for federal income tax purposes, such amounts shall be tax adjusted assuming a combined federal, state and city tax rate of 38%, for purposes of determining the reduction in payments under the agreement, to reflect the tax-free nature of the disability payments. In addition, Mr. Alexander and his dependents will continue to be covered, at no cost to them, under all benefit plans, including retirement plans, life insurance plans and non-taxable medical and dental plans in which they participated prior to the occurrence of his disability, until the earliest of his recovery from disability or attaining age 65.

The employment agreements for Messrs. Klein, Doherty, and Widmer provide that in the event of the executive s disability, the executive s obligation to perform services under the employment agreement will terminate, and the executive will continue to receive his then current base salary for one year. Such payment will be reduced by the amount of any short- or long-term disability benefits payable under any disability program sponsored by Northfield-Federal or Northfield Bank. If disability payments to Messrs. Klein, Doherty, or Widmer are not subject to federal income tax, then amounts payable to the executives under the employment agreements shall be tax adjusted in a manner similar to payments to Mr. Alexander. In addition, the executive and his dependents will continue to be provided with certain medical, dental and other health benefits on the same terms as those provided prior to the executive s termination for a period of one year.

In the event of the executive s death, the executive s estate or beneficiaries will be paid the executive s base salary for one year and will receive continued medical, dental, and other health benefits for one year on the same terms as those provided prior to the executive s death. Upon retirement at age 65 or such later date determined by the board of directors, the executive will receive only those benefits to which he is entitled under any retirement plan of Northfield Bank to which he is a party.

Upon termination of the executive s employment other than in connection with a change in control or for cause, the executive agrees not to compete with Northfield Bank for a period of two years in any city, town or county in which the executive s normal business office is located and Northfield Bank has an office or has filed an application for regulatory approval to establish an office.

Potential Payments to Named Executive Officers

The following table sets forth estimates of the amounts that would be payable to the listed individuals, under their employment agreements and stock option and restricted stock agreements in the event of their termination of employment on December 31, 2011, under designated circumstances. Ms. Frank is not subject to an employment contract, but is party to stock option and restricted stock agreements. Amounts related to the acceleration of equity awards for Ms. Frank would be $180,095 in the event of a discharge without cause or resignation with good reason in connection with a change in control at December 31, 2011. See note 9 to the table below for further information. The table does not include vested or accrued benefits under qualified and non-qualified benefit plans or qualified or non-qualified deferred compensation plans that are disclosed elsewhere in this proxy statement. The estimates shown are highly dependent on a variety of factors, including but not limited to the date of termination, interest rates, federal, state, and local tax rates, and compensation history. Actual payments due could vary substantially from the estimates shown. For example, the amounts presented in the table below for discharge without cause or resignation with good reason in connection with a change in control have not been reduced to reflect any cut-back required to avoid an excess parachute payment under section 280G of the Internal Revenue Code. We consider each termination scenario listed below to be exclusive of all other scenarios and do not expect that any of our executive officers would be eligible to collect the benefits shown under more than one termination scenario. If an executive officer is terminated for just cause as defined in the employment agreement, Northfield-Federal has no contractual payment or other obligations under the employment agreement.

	Mr. Alexander	Mr. Klein	Mr. Doherty	Mr. Widmer
Disability				
Salary continuation (1)	$ 978,380	$ 165,773	$ 129,644	$ 114,160
Medical, dental and other health benefits (2)	72,483	15,867	15,867	15,867
Life insurance (3)	111,463			
Total	$ 1,162,326	$ 181,640	$ 145,511	$ 130,027
Death				
Salary (lump-sum payment) (4)	$ 676,000	$ 350,000	$ 280,000	$ 250,000
Medical, dental and other health benefits (4)	15,867	15,867	15,867	15,867
Total	$ 691,867	$ 365,867	$ 295,867	$ 265,867
Discharge Without Cause or Resignation With Good Reason no Change in Control (5)				
Salary (lump sum)	$ 2,028,000	$ 1,050,000	$ 840,000	$ 750,000
Bonus (lump sum)	297,532	137,165	123,299	104,649
Retirement contributions (lump sum)	202,773	125,424	110,160	102,489
Medical, dental and other health benefits (6)	72,542	72,542	72,542	72,542
Life insurance contributions (7)	111,463	1,928	4,054	1,919
Total	$ 2,712,310	$ 1,387,059	$ 1,150,055	$ 1,031,599
Discharge Without Cause or Resignation With Good Reason Change in Control Related (8)				
Salary (lump sum)	$ 2,028,000	$ 1,050,000	$ 840,000	$ 750,000
Bonus (lump sum)	367,632	167,274	153,333	131,694
Acceleration of vesting of equity awards (9)	2,493,933	1,185,563		