

Pandemic Oversight Committee Investor Response Example

Timeline of Actions

Management initiated preparations beginning in January with continuous updates implemented as COVID-19 spread

JANUARY

Monitor

Monitoring information regarding flu season and COVID-19 in China.

January 28- Employee communications begin with reminders regarding precautions during flu season.

Ordered gloves and masks as a precaution.

FEBRUARY

Act

Feb. 4 – First Pandemic Planning Meeting with Core team members.

Feb. 7 – Headquarters equipped with hand sanitizer dispensers on every floor.

Feb. 24 – Instituted Loan Price Floors.

Feb. 27 – Initial COVID-19 response information, instructions shared with all employees for 3/1 implementation. Employees instructed to report illness to HR.

Feb. 28 – Suspend share repurchases.

MARCH

Escalate

Begin testing work from home and arranging alternate locations for staff in HQs. IT orders laptops, increases VPN licenses, reviews video and conference line functionality.

March 9, 10, 13 and 15 – Communications include reinforcement of best practices and escalating precautionary measures.

March 16th – Announce temporary branch closures, robust Borrower Relief Programs, OceanFirst Foundation \$250,000 grant program.

Week of March 16th – Multiple emails to customers, social media messages and website updated to reflect expanded initiatives and digital banking functionality.

POC Activated on March 6, 2020

Pandemic Oversight Committee (POC) Engaged

Meetings 7-days a week, 2x a day

- Chairman, President and CEO
- Chief Operating Officer
- Chief Risk Officer (Committee Chair)
- Chief Administrative Officer
- EVP, General Counsel
- Chief Information Officer
- Chief Financial Officer
- Regional Presidents
 - Central, Southern, Greater Philadelphia, Metropolitan NYC
- Chief Retail Banking Officer
- Chief Technology Officer
- Chief Information Security Officer
- Business Continuity Coordinator

Board Involvement

Finance Committee

HR/Compensation
Committee

Risk Committee
(Updated Weekly)

Leadership Committee

Operational Response and Preparedness

- Dispersion of key operating functions, (e.g. wire, treasury, call center, and executive)
- Since March 3rd, Executive and other key officers have been dispersed and either working from home or other OFB locations
- 20 Customer Care Center Agents are working remotely, while 10 remain in the operations campus. Overflow call groups established in branches
- Wireroom full remote access capabilities were implemented in 2018
- Treasury Client Services has been dispersed to alternate locations and has remote access

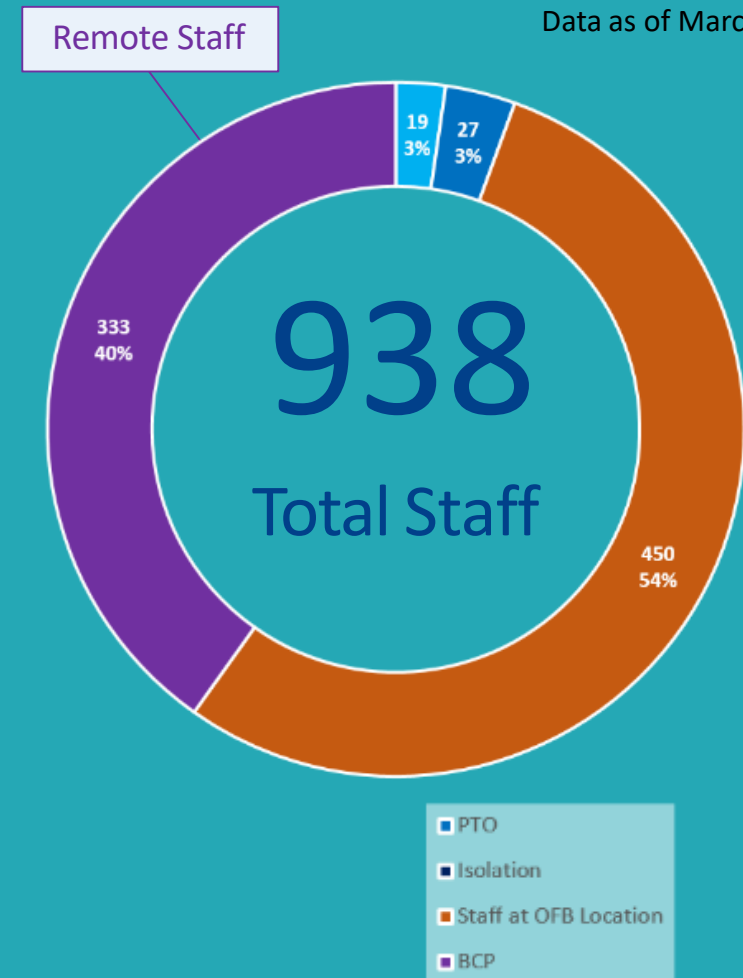
Employee Protection & Assistance

Taking Care of Employees

- Employees continue to rise to the challenge to deliver banking services with extraordinary care
- Pandemic Personal Time Off (PTO) Bank established for employees who need to care for family members or are ill
- Health benefits expanded to cover COVID- 19 related issues
 - Waiver of prior authorization for diagnosis
 - No cost share for plan members for test
 - Increased access to prescription medications
 - No cost for Telemedicine and Nurse Advice Hotlines

Daily Staff Readiness Reporting

Data as of March 24, 2020



PROGRAMS TO SUPPORT OUR CLIENTS AND COMMUNITIES

On March 16, 2020, we announced Borrower Relief Programs to provide relief for our business clients and mortgage customers. These programs require Bank approval and must be requested by the customer.

- Public accommodation businesses forced to close due to COVID-19
 - Full deferral of loan payments for up to 90-days
 - Immediate working capital facilities up to \$200,000
- Public accommodation businesses reducing services in response to pandemic
 - Interest-only loan payments and defer principal payments for up to 90-days
 - Immediate working capital facilities up to \$100,000
- Residential and consumer loan customers impacted by COVID-19
 - Deferral of loan payments for up to 90-days
- Residential and Consumer Loan Hardship Requests (as of March 23, 2020):

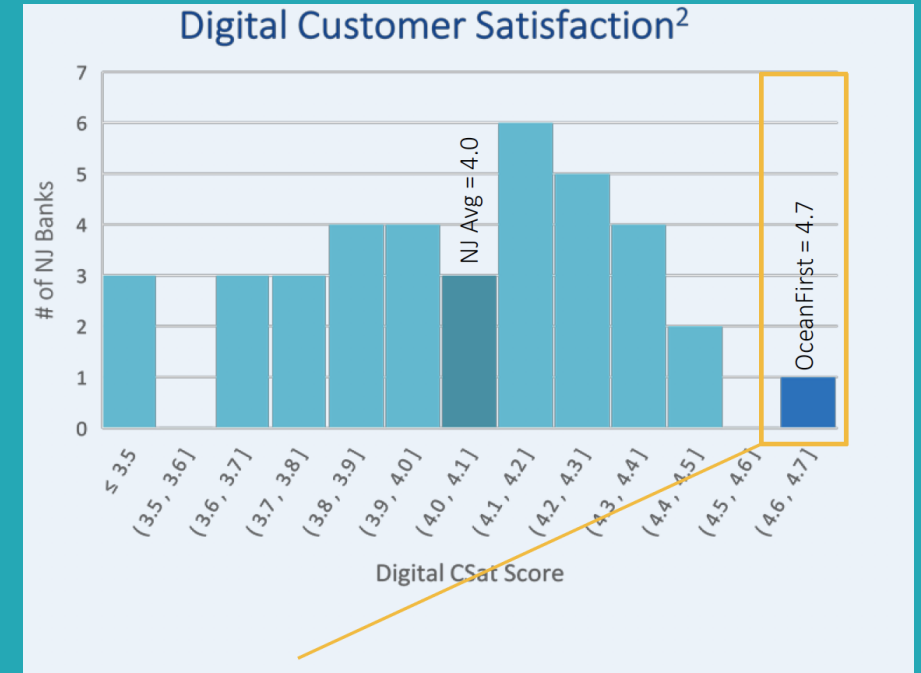
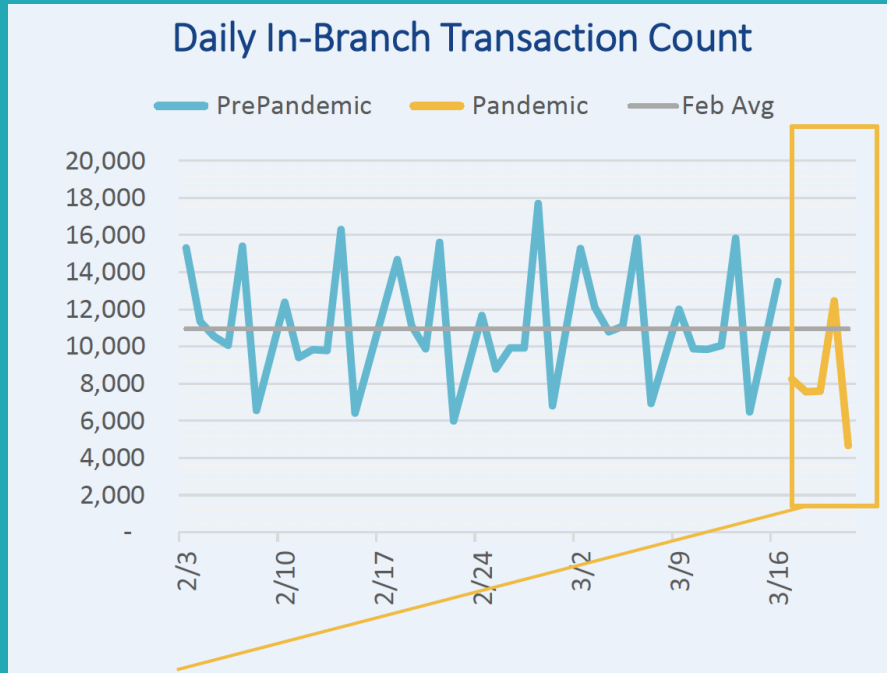
Branch Delivery Changes

- Temporarily closed 12 branches and directed customers to local receiving branches with additional temporary closures and changes to branch hours continually assessed
- Branches are providing drive-thru only service for customer transactions
- Modified hours at NYC branch locations
- Accommodate customers in lobby for special needs such as safe deposit box access or large cash transactions
- Emergency Cash Protocol
 - Increased physical cash inventory at select strategic locations
 - Daily monitoring of cash activities and vault balances to maintain sufficient supply
 - Frequent replenishment of ATM's to ensure cash access for customers

Additional Customer Considerations

- Waive late payment fees and overdraft fees for healthcare workers, first responders and customers directly impacted by COVID-19 – upon request.
- Waive early CD withdrawal penalties.
- Assist debit card customers with merchant disputes for cancelled services.

Digital Support Plays Critical Role¹



- 26% fewer in-branch transactions in first days of limited operations
- Mobile & online banking training programs in place and communicated to customers
- 350+ mobile activations in March

XYZ has highest *Digital Customer Satisfaction* of every bank in New Jersey according to Google & Apple.

Customer Reaction to Pandemic Programs

Customer Satisfaction has been positive since beginning of limited branch operations:

"They were very flexible in these trying times...we are living in a shutdown zone, nothing that the bank can make better except for maintaining its high customer service."

10 Score NPS Survey 3.17.2020

"Since the bank was closed due to the virus...Debbie was (still) able to...take care of everything!"

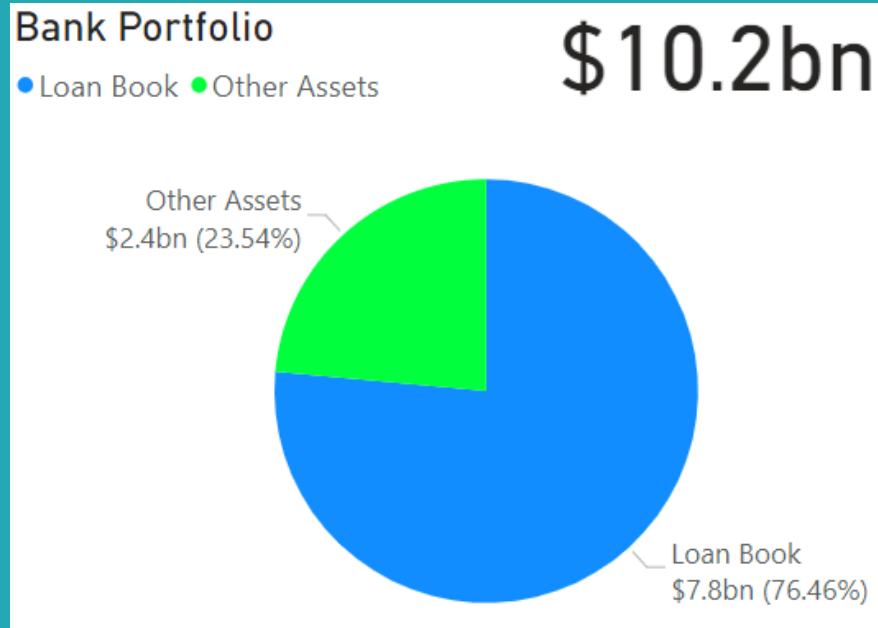
10 Score NPS Survey 3.19.2020

"...In this craziness, it is so appreciative to have someone take the time and have patience for someone who needed help and could not go inside the bank. It was an excellent experience."

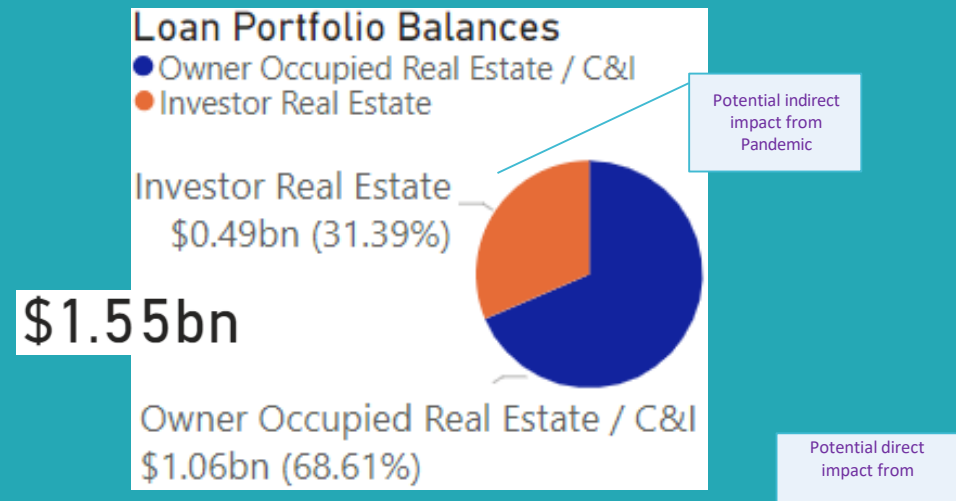
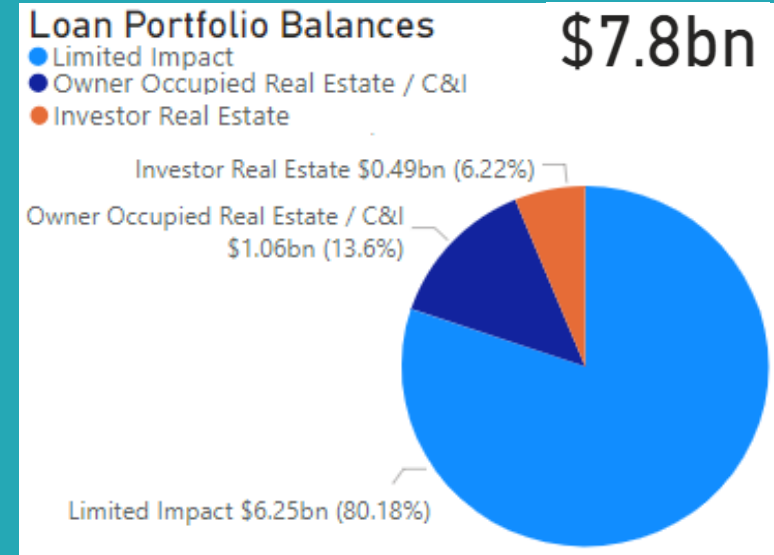
5-Star Google Review 3.18.2020

- Google Local Rating Before Pandemic: 4.7
- Google Local Rating During Pandemic: **5.0** (7 new ratings)
- NPS Rating Before Pandemic: 79
- NPS Rating During Pandemic: **80** (83 new surveys)

Balance Sheet Concentrations

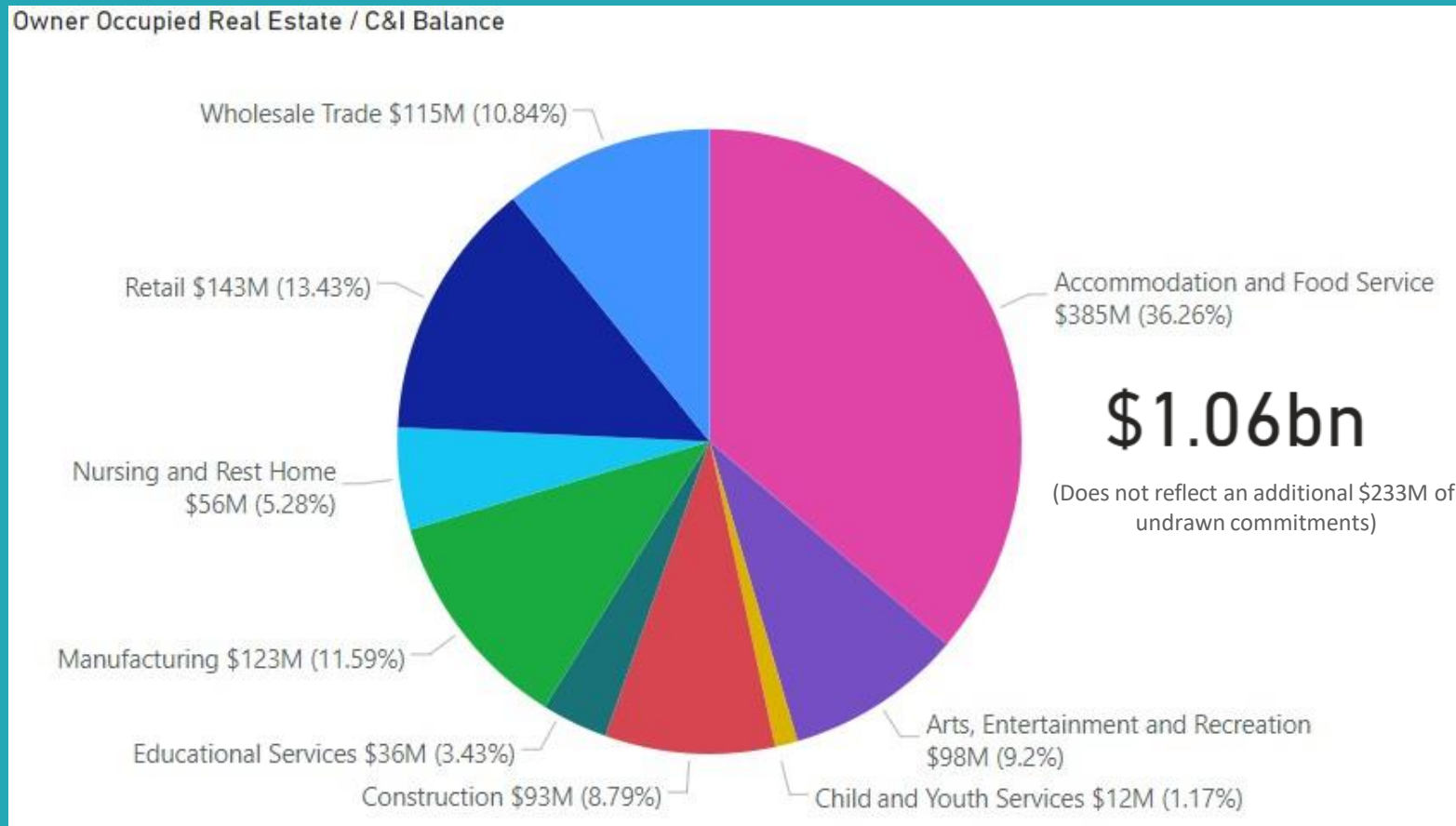


Only 15% of the balance sheet has been extended to commercial borrowers that may be sensitive to Pandemic impacts.



Owner Occupied Real Estate / C&I by Industries

Sectors that May Experience Direct Impacts from the Pandemic



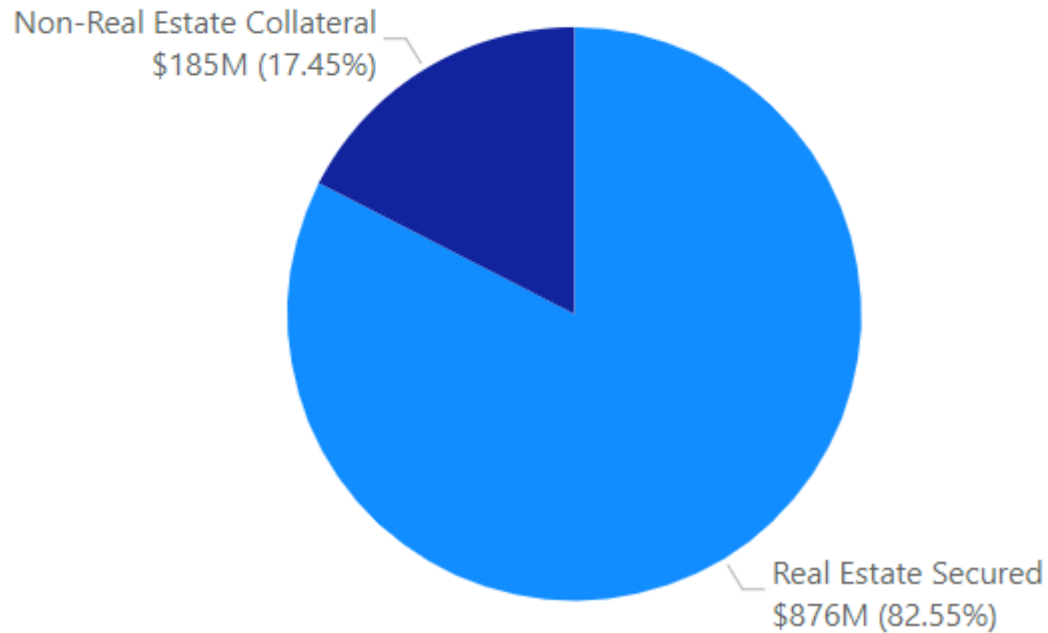
OWNER OCCUPIED REAL ESTATE / C&I

(Secured By Real Estate vs Non-Real Estate Collateral)

Sectors that May Experience Direct Impacts from the Pandemic

Owner Occupied Real Estate / C&I

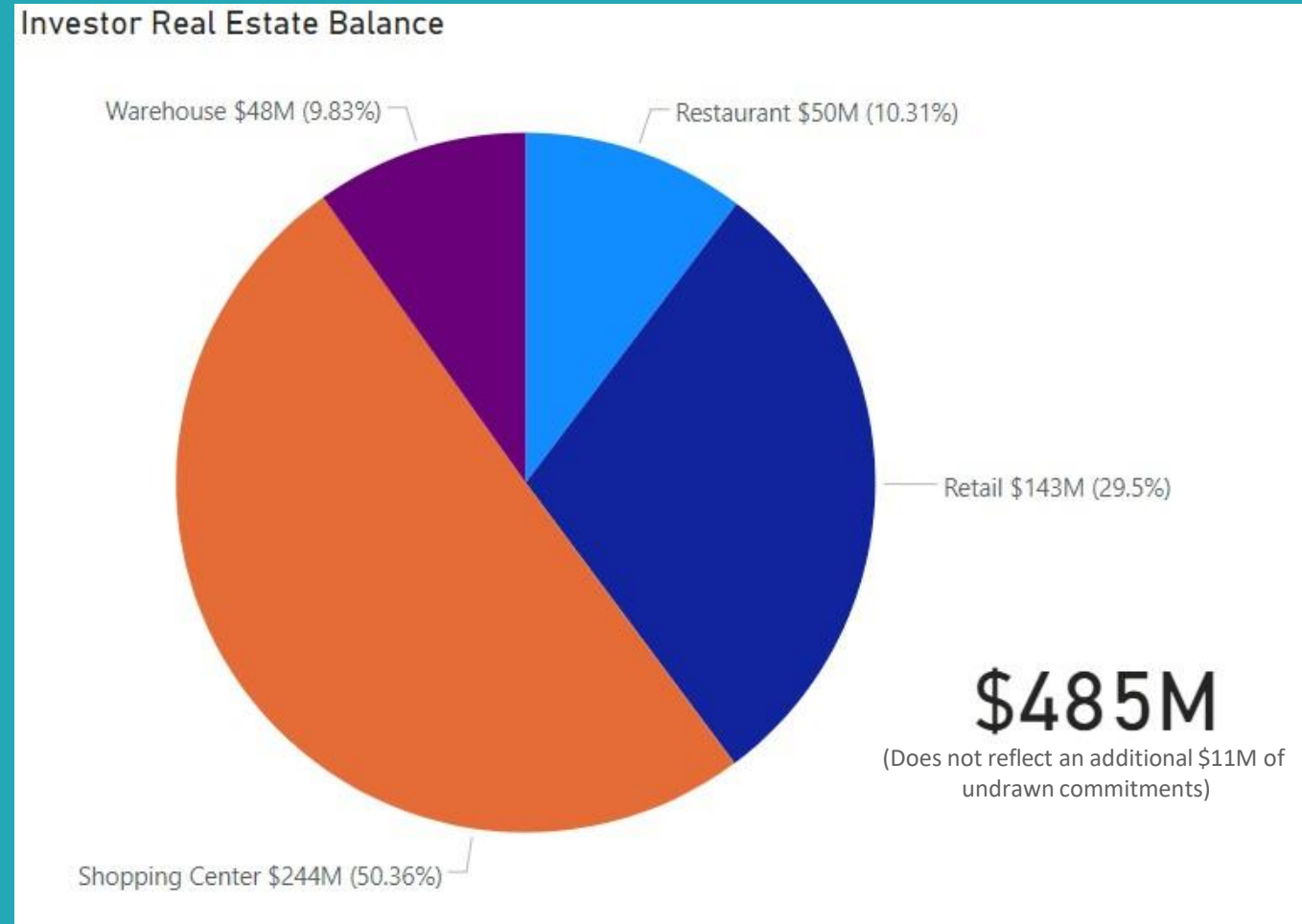
Secured By ● Real Estate Secured ● Non-Real Estate Collateral



Industries	Non-Real Estate Collateral	Real Estate Secured	Total
Accommodation and Food Service	\$21M	\$363M	\$385M
Arts, Entertainment and Recreation	\$14M	\$84M	\$98M
Child and Youth Services	\$0M	\$12M	\$12M
Construction	\$38M	\$55M	\$93M
Educational Services	\$1M	\$35M	\$36M
Manufacturing	\$46M	\$76M	\$123M
Nursing and Rest Home	\$0M	\$56M	\$56M
Retail	\$18M	\$125M	\$143M
Wholesale Trade	\$47M	\$68M	\$115M
Total	\$185M	\$876M	\$1,061M

Investor Real Estate by Industries

Sectors that May Experience Indirect Impacts from the Pandemic



Recap of Hurricane Sandy Experience

Experience from Superstorm Sandy (October 2012) offers insight to create strategy for Coronavirus Borrower Relief Programs

Loans Impacted

- 133 Loans
- \$38.1 Million in Balances

Financial Impact (Forbearance Program)

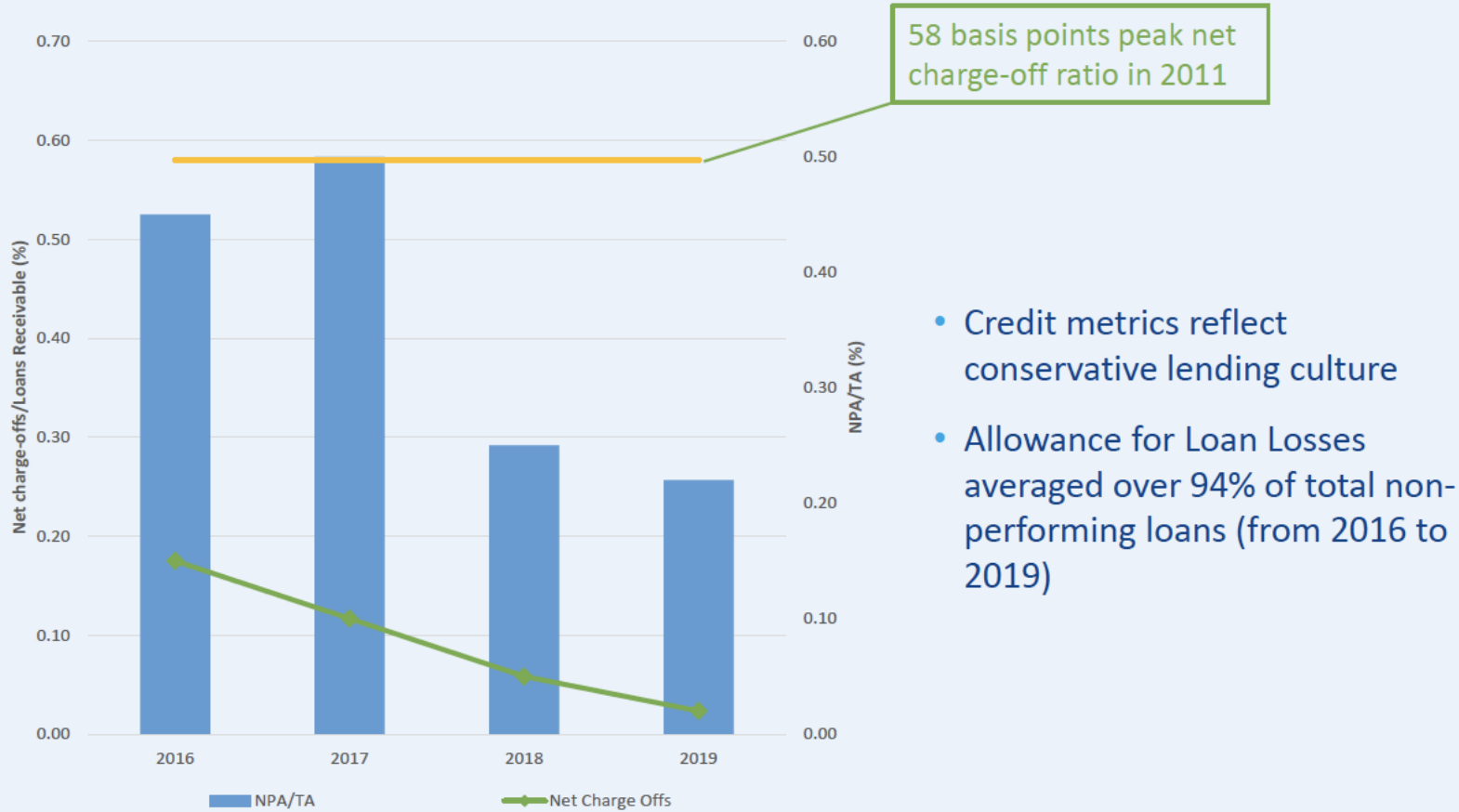
- \$1.8 Million provision – Q4 2012
- Net Charge-offs of less than \$500,000
- 1.2% Net Charge-off experience



Actions to Offset NIM Compression

- Established floors for fixed and floating rate commercial loans
- Required minimum loan spreads over LIBOR and US Treasuries
- Focus on Interest Rate Swaps for longer term, higher loan amounts to reduce bank interest rate risk
- Re-priced over \$630 million in deposits for estimated annual save of \$1.75 million
- Lengthened FHLB term borrowings maturities from 25 months to a weighted average of 35 months on maturity scale while reducing the average interest rate from 1.84% at year-end by approximately 30 basis points.

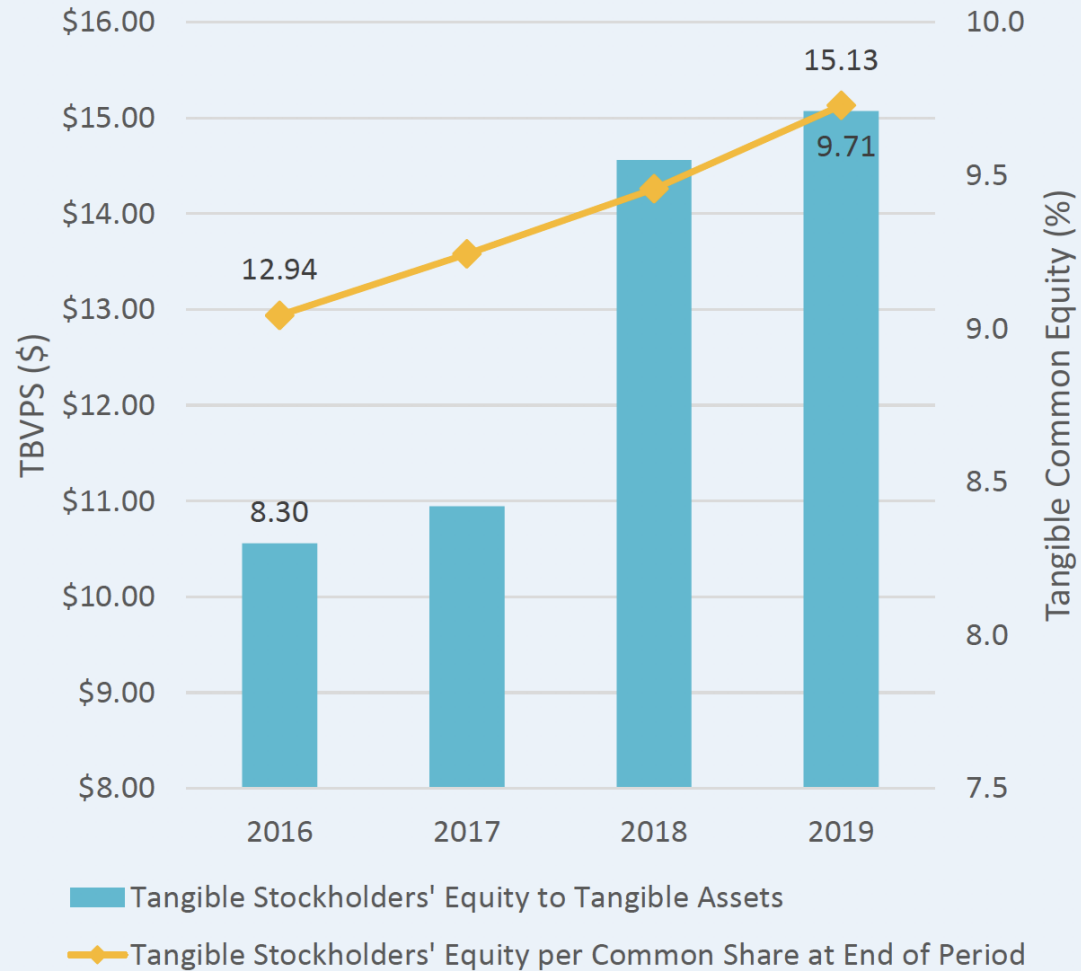
Historical Credit Quality



- Credit metrics reflect conservative lending culture
- Allowance for Loan Losses averaged over 94% of total non-performing loans (from 2016 to 2019)

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Capital Ratio & Tangible Book Value Review



- Strong and stable capital position with 17% in TBVPS growth from 2016 to 2019
- Limited tangible book value dilution in 2020 resulting from the Two River and Country Bank acquisitions
- Preserving strong capital levels by suspending share buyback program at the end of February 2020

LINKS TO REGULATORY RESOURCES: OFFICE OF THE COMPTROLLER OF CURRENCY (OCC) INFORMATION

- COVID-19 is a respiratory disease caused by a novel (new) coronavirus that was first detected in Wuhan, Hubei Province, China.
- The OCC is working cooperatively with all state and federal banking agencies and other organizations to assist regulated institutions and their customers in managing the impact of the outbreak. If you have questions concerning the operations of your financial institution, please call your financial institution or visit your financial institution's website. The following is additional information for use by national banks, federal savings associations, federal branches of foreign banks operating in the United States, and their customers.
- **Consumer Information**
- [OCC Frequently Asked Questions for Bank Customers Regarding COVID-19](#)
- [Information to help protect yourself financially from the Consumer Financial Protection Bureau](#)
- [Answers to frequently asked questions from the Federal Deposit Insurance Corporation](#)
- [Assistance with questions and complaints regarding national banks and federal savings associations](#)
- [News Releases](#)
- [NR 2020-39 Agencies Provide Additional Information to Encourage Financial Institutions to Work with Borrowers Affected by COVID-19](#)
- [NR 2020-38 OCC Revises Short-Term Investment Fund Rule](#)
- [NR 2020-36 Federal Bank Regulatory Agencies Issue Interim Final Rule for Money Market Liquidity Facility](#)
- [NR 2020-34 Federal Banking Agencies Provide Banks Additional Flexibility to Support Households and Businesses](#)
- [NR 2020-32 Federal Banking Agencies Encourage Banks to Use Federal Reserve Discount Window](#)
- [NR 2020-30 Agencies Encourage Financial Institutions to Meet Financial Needs of Communities Affected by Coronavirus](#)

LINKS TO REGULATORY RESOURCES: OFFICE OF THE COMPTROLLER OF CURRENCY (OCC) ADDITIONAL LINKS

- [Supervisory Guidance](#)
- [OCC Bulletin 2020-22: Short-Term Investment Funds: Interim Final Rule and Order](#)
- [OCC Bulletin 2020-21: Troubled Debt Restructurings: Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working With Customers Affected by COVID-19](#)
- [OCC Bulletin 2020-20: Licensing Filings: Use of Electronic Methods for Submission of Licensing Filings](#)
- [OCC Bulletin 2020-19: Pandemic Planning: Joint Statement on Community Reinvestment Act Consideration for Activities in Response to COVID-19](#)
- [OCC Bulletin 2020-18: Money Market Liquidity Facility: Interim Final Rule](#)
- [OCC Bulletin 2020-17: Pandemic Planning: Joint Questions and Answers Regarding Statement About the Use of Capital and Liquidity Buffers](#)
- [OCC Bulletin 2020-15: Pandemic Planning: Working With Customers Affected by Coronavirus and Regulatory Assistance](#)
- [FFIEC Highlights Pandemic Preparedness Guidance](#)
- [OCC Bulletin 2020-13: Pandemic Planning: Updated FFIEC Guidance](#)
- [OCC Bulletin 2006-12: Interagency advisory on influenza pandemic preparedness](#)
- **[Resources](#)**
- [Centers for Disease Control and Prevention](#)
- [Department of Homeland Security](#)
- [U.S. Department of State overseas travel information](#)
- [World Health Organization](#)
- [Ready.gov Prepare your home and family in the event of a pandemic.](#)
- [\(Spanish: •What the U.S. Government is Doing <https://gobierno.usa.gov/coronavirus>\)](#)

LINKS TO REGULATORY RESOURCES: TROUBLED DEBT RESTRUCTURINGS (TDRS)

FFIEC website

- https://www.ffiec.gov/pdf/FFIEC_forms/FFIEC031_FFIEC041_201912_i.pdf

Bank Accounting Advisory Series (BAAS)

- Refer to Topic 12B•<https://www.occ.gov/publications-and-resources/publications/banker-education/files/pub-bank-accounting-advisory-series.pdf>

Federal Reserve Board of Governors

- <https://www.federalreserve.gov/newsevents/pressreleases.htm>
- Interagency Statement•<https://www.fdic.gov/news/news/press/2020/pr20038a.pdf>