

OFFICE OF THRIFT SUPERVISION

APPROVAL OF HOLDING COMPANY APPLICATION

ORDER NO.: 97-14
DATE: March 3, 1997

Columbia Financial, Inc. ("Stock Holding Company") seeks approval of the Office of Thrift Supervision ("OTS"), pursuant to 12 U.S.C. § 1467a(e) and 12 C.F.R. § 574.3, to acquire Columbia Savings Bank, Fair Lawn, New Jersey ("Savings Bank"), in a multi-step transaction (the "Application") in conjunction with a previously approved mutual holding company reorganization. In Order No. 96-93, dated September 13, 1996, the OTS approved the formation of Columbia Savings Bank, MHC ("Mutual Holding Company") as the parent mutual holding company of the Savings Bank, including various actions necessary to accomplish the mutual holding company reorganization.

The OTS has considered the Application under the factors set forth in 12 U.S.C. §§ 1467a(e), and 1467a(o), and 12 C.F.R. § 574.7, under the Community Reinvestment Act, 12 U.S.C. §§ 2901, et seq., and under the OTS regulations thereunder at 12 C.F.R. Part 563e. In addition, the OTS has considered a digest by the OTS Northeast Regional Office, an analysis by Corporate Activities, and a legal opinion issued by the Business Transactions Division. Based on the foregoing statutes, regulations, and materials, the OTS has determined that the proposed transaction would be in compliance with all of the applicable standards and criteria, provided the conditions set forth below are satisfied. Accordingly, the Application is hereby approved, provided that the following conditions are complied with in a manner satisfactory to the Northeast Regional Director, or his designee ("Regional Director"):

1. The Stock Holding Company shall receive all required regulatory approvals prior to consummation of the proposed transaction with copies of all such approvals supplied to the Regional Director;
2. The proposed acquisition shall be consummated within 120 calendar days after the date of the approval order;
3. On the business day prior to the date of consummation of the proposed acquisition, the chief financial officers of the Stock Holding Company and the Savings Bank shall certify in writing to the Regional Director that no material adverse events or material adverse changes have occurred with respect to the financial condition or operations of the Stock Holding Company or the Savings Bank since the date of the financial statements submitted with the Application;
4. Prior to consummation of the proposed transaction, the Stock Holding Company shall submit final tax opinions, acceptable to the Regional Director, regarding the federal and state tax consequences of the proposed transaction;
5. Prior to consummation of the proposed transaction, the Stock Holding Company shall submit a final tax sharing agreement, acceptable to the Regional Director;
6. Upon completion of the organization of the interim Federal savings banks, the board of directors of the interim Federal savings banks, the Stock Holding Company, and the Savings Bank shall ratify the Agreement of Merger and Amended Plan of Reorganization;
7. No later than 5 calendar days from the date of consummation of the acquisition, the Stock Holding Company shall file with the Regional Director, a certification by legal counsel stating the effective date of the acquisition, the exact number of shares of stock of Savings Bank acquired by the Stock Holding Company, the exact number of shares of stock of Stock Holding Company acquired by the Mutual Holding Company, the interim Federal savings Banks did not open for business, and that the acquisition

has been consummated in accordance with all applicable laws and regulations, the Application, the Agreement of Merger and Amended Plan of Reorganization, and the approval order;

8. The Stock Holding Company shall be subject to the provisions of the Mutual Holding Company ("MHC") Regulations pertaining to minority stock issuances as if it were a former mutual savings association that reorganized into an MHC structure. For the purposes of 12 C.F.R. § 575.11(e), the Stock Holding Company shall be deemed to be a subsidiary savings association;

9. The Stock Holding Company shall be subject to the same restrictions (including, but not limited to, the activities limitations) that the Mutual Holding Company is subject to under section 10(o)(5) of the HOLA and 12 C.F.R. §§ 575.10, 575.11 and 575.12, as well as any other pertinent statutory or regulatory provisions;

10. The Stock Holding Company must hold all of the issued and outstanding common stock of the Savings Bank, and the Savings Bank may not issue any other class of equity security;

11. The Stock Holding Company and the Savings Bank must obtain approval from the OTS prior to issuing any securities;

12. The Stock Holding Company must receive the OTS's non-objection to any proposed amendments to the Stock Holding Company's charter and bylaws;

13. The Stock Holding Company shall cease any activity, reverse any action, or amend any provision of its charter or bylaws, to which the OTS objects as being contrary to the MHC regulations in effect at this time or as subsequently amended; and

14. If the Mutual Holding Company undertakes a mutual-to-stock conversion, OTS policies regarding purchases of stock in the conversion will apply to shareholders of the Stock Holding Company.

Any time period specified herein may be extended by the Regional Director, for good cause, for up to 120 calendar days.

By Order of the Director of the Office of Thrift Supervision, or his designee, effective March 3, 1997.

A handwritten signature in cursive script, appearing to read "John F. Downey", written over a horizontal line.

John F. Downey
Executive Director, Supervision