UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 0-50275

BCB Bancorp, Inc.

(Exact name of registrant as specified in its charter)

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

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

Not Applicable
(Former name, former address and former fiscal year if changed since last report)

Securities registered pursuant to section 12(b) of the Securities and Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	BCBP	The Nasdaq Stock Market, LLC

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☒
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of May 1, 2024, BCB Bancorp, Inc., had 16,957,391 shares of common stock, no par value, outstanding.

BCB BANCORP INC. AND SUBSIDIARIES

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PART I. CONSOLIDATED FINANCIAL INFORMATION
ITEM I. CONSOLIDATED FINANCIAL STATEMENTS

BCB BANCORP INC. AND SUBSIDIARIES
Consolidated Statements of Financial Condition
(In thousands, Except Share and Per Share Data, Unaudited)

	March 31, 2024	December 31, 2023
ASSETS		
Cash and amounts due from depository institutions	**$ 11,795**	$ 16,597
Interest-earning deposits	**340,653**	262,926
Total cash and cash equivalents	**352,448**	279,523
Interest-earning time deposits	**735**	735
Debt securities available for sale, at fair value	**86,966**	87,769
Equity investments, at fair value	**9,223**	9,093
Loans held for sale	**-**	1,287
Loans receivable, net of allowance for credit losses of $34,563 and $33,608 respectively	**3,226,877**	3,279,708
Federal Home Loan Bank of New York stock, at cost	**24,917**	24,917
Premises and equipment, net	**12,744**	13,057
Accrued interest receivable	**17,442**	16,072
Deferred income taxes, net	**17,555**	18,213
Goodwill and other intangibles	**5,253**	5,253
Operating lease right-of-use assets	**12,186**	12,935
Bank-owned life insurance ("BOLI")	**74,081**	73,407
Other assets	**8,768**	10,428
Total Assets	**$ 3,849,195**	$ 3,832,397
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Non-interest-bearing deposits	**$ 531,112**	$ 536,264
Interest-bearing deposits	**2,460,547**	2,442,816
Total deposits	**2,991,659**	2,979,080
FHLB advances	**472,949**	472,811
Subordinated debentures	**37,624**	37,624
Operating lease liability	**12,579**	13,315
Other liabilities	**14,253**	15,512
Total Liabilities	**3,529,064**	3,518,342
STOCKHOLDERS' EQUITY		
Preferred stock: $0.01 par value, 10,000,000 shares authorized; issued and outstanding 2,797 shares Series I 3.0% and Series J 8.0% (liquidation value $10,000 per share) noncumulative perpetual preferred stock at March 31, 2024 and 2,528 shares of Series I 3.0% and Series J 8.0% (liquidation value $10,000 per share) noncumulative perpetual preferred stock at December 31, 2023	**-**	-
Additional paid-in capital preferred stock	**27,733**	25,043
Common stock: no par value; 40,000,000 shares authorized; issued 20,191,362 and 20,138,294 at March 31, 2024 and December 31, 2023, respectively, outstanding 16,957,391 and 16,904,323, at March 31, 2024 and December 31, 2023, respectively	**-**	-
Additional paid-in capital common stock	**199,726**	198,923
Retained earnings	**138,643**	135,927
Accumulated other comprehensive loss	**(7,624)**	(7,491)
Treasury stock, at cost, 3,233,971 shares at March 31, 2024 and December 31, 2023	**(38,347)**	(38,347)
Total Stockholders' Equity	**320,131**	314,055
Total Liabilities and Stockholders' Equity	**$ 3,849,195**	$ 3,832,397

See accompanying notes to unaudited consolidated financial statements

BCB BANCORP INC. AND SUBSIDIARIES
Consolidated Statements of Income
(In thousands, Except for Per Share Amounts, Unaudited)

	Three Months Ended March 31,		
	2024	2023	2022
Interest and dividend income:			
Loans, including fees	**$ 43,722**	$ 38,889	$ 26,321
Mortgage-backed securities	**305**	186	159
Other investment securities	**975**	1,120	948
FHLB stock and other interest earning assets	**4,283**	2,157	296
Total interest income	**49,285**	42,352	27,724
Interest expense:			
Deposits:			
Demand	**5,257**	3,154	758
Savings and club	**166**	118	108
Certificates of deposit	**14,983**	6,453	980
	20,406	9,725	1,846
Borrowings	**5,736**	5,156	806
Total interest expense	**26,142**	14,881	2,652
Net interest income	**23,143**	27,471	25,072
Provision (benefit) for credit losses [1]	**2,088**	622	(2,575)
Net interest income after provision (benefit) for credit losses	**21,055**	26,849	27,647
Non-interest income:			
Fees and service charges	**1,215**	1,098	1,214
BOLI income	**675**	421	755
Gain on sales of loans	**45**	6	65
Gain on sale of fixed asset	**4**	-	-
Realized and unrealized gains (losses) on equity investments	**130**	(3,227)	(2,685)
Other	**40**	38	51
Total non-interest income (loss)	**2,109**	(1,664)	(600)
Non-interest expense:			
Salaries and employee benefits	**6,981**	7,618	6,736
Occupancy and equipment	**2,644**	2,552	2,695
Data processing and communications	**1,853**	1,665	1,465
Professional fees	**595**	566	494
Director fees	**277**	265	321
Regulatory assessments	**1,142**	536	304
Advertising and promotional	**216**	278	141
Other real estate owned, net	**-**	1	1
Other	**1,130**	373	802
Total non-interest expense	**14,838**	13,854	12,959
Income before income tax provision	**8,326**	11,331	14,088
Income tax provision	**2,460**	3,225	4,136
Net Income	**$ 5,866**	$ 8,106	$ 9,952
Preferred stock dividends	**434**	173	276
Net Income available to common stockholders	**$ 5,432**	$ 7,933	$ 9,676
Net Income per common share-basic and diluted			
Basic		$ 0.47	$ 0.57
	$ 0.32		
Diluted	**$ 0.32**	$ 0.46	$ 0.56
Weighted average number of common shares outstanding			
Basic	**16,930**	16,949	16,980
Diluted	**16,939**	17,208	17,343

See accompanying notes to unaudited consolidated financial statements.

[1] The Company adopted ASU 2016-13 as of January 1, 2023. Prior year periods have not been restated.

BCB BANCORP INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(In thousands, Unaudited)

	Three Months Ended March 31,		
	2024	2023	2022
Net Income	**$ 5,866**	$ 8,106	$ 9,952
Other comprehensive loss, net of tax:			
Unrealized (losses) gains on available-for-sale debt securities:			
Unrealized holding gains (losses) arising during the period	**(177)**	13	(3,195)
Tax Effect	**44**	(135)	792
Other comprehensive loss	**(133)**	(122)	(2,403)
Comprehensive income	**$ 5,733**	$ 7,984	$ 7,549

See accompanying notes to unaudited consolidated financial statements.

BCB BANCORP INC. AND SUBSIDIARIES
Consolidated Statement of Changes in Stockholders' Equity
(In thousands, Except Share and Per Share Data, Unaudited)

	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at January 1, 2024	**-**	**-**	**223,966**	**135,927**	**(38,347)**	**(7,491)**	**314,055**
Net income	-	-	-	**5,866**	-	-	**5,866**
Other comprehensive loss	-	-	-	-	-	**(133)**	**(133)**
Issuance of Series J Preferred Stock	-	-	**2,690**	-	-	-	**2,690**
Stock-based compensation expense	-	-	**195**	-	-	-	**195**
Dividends payable on Series I 3.0% and Series J 8.0% noncumulative perpetual preferred stock	-	-	-	**(434)**	-	-	**(434)**
Cash dividends on common stock ($0.16 per share declared)	-	-	-	**(2,608)**	-	-	**(2,608)**
Dividend reinvestment plan	-	-	**108**	**(108)**	-	-	-
Stock Purchase Plan	-	-	**500**	-	-	-	**500**
Balance at March 31, 2024	**$ -**	**$ -**	**$ 227,459**	**$ 138,643**	**$ (38,347)**	**$ (7,624)**	**$ 320,131**

	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2022	$ -	$ -	$ 217,167	$ 115,109	$ (34,531)	$ (6,491)	$ 291,254
Effect of Adopting ASU No. 2016 -13 ("CECL")	-	-	-	2,870	-	-	2,870
Beginning Balance at January 1, 2023	-	-	217,167	117,979	(34,531)	(6,491)	294,124
Net income	-	-	-	8,106	-	-	8,106
Other comprehensive loss	-	-	-	-	-	(122)	(122)
Exercise of stock options (61,000 shares)	-	-	418	-	-	-	418
Stock-based compensation expense	-	-	106	-	-	-	106
Treasury Stock Purchases (151,753 shares)	-	-	-	-	(2,559)	-	(2,559)
Dividends payable on Series H 3.5% and Series I 3.0% noncumulative perpetual preferred stock	-	-	-	(173)	-	-	(173)
Cash dividends on common stock ($0.16 per share declared)	-	-	-	(2,687)	-	-	(2,687)
Dividend reinvestment plan			104	(104)			-
Stock Purchase Plan	-	-	405	-	-	-	405
Balance at March 31, 2023	$ -	$ -	$ 218,200	$ 123,121	$ (37,090)	$ (6,613)	$ 297,618

	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at January 1, 2022	$ -	$ -	$ 222,850	$ 81,171	$ (31,125)	$ 1,128	$ 274,024
Net income	-	-	-	9,952	-	-	9,952
Other comprehensive loss			-	-	-	(2,403)	(2,403)
Stock-based compensation expense	-	-	95	-	-	-	95
Treasury Stock Purchases (515 shares)	-	-	-	-	(8)	-	(8)
Dividends payable on Series D 4.5%, Series H 3.5%, and Series I 3.0% noncumulative perpetual preferred stock	-	-	-	(276)	-	-	(276)
Redemption of Series G Preferred Stock	-	-	(5,330)	-	-	-	(5,330)
Issuance of Series I Preferred Stock	-	-	2,620	-	-	-	2,620
Cash dividends on common stock ($0.16 per share declared)	-	-	-	(2,601)	-	-	(2,601)
Dividend reinvestment plan	-	-	114	(114)	-	-	-
Stock Purchase Plan	-	-	86	-	-	-	86
Balance at March 31, 2022	$ -	$ -	$ 220,435	$ 88,132	$ (31,133)	$ (1,275)	$ 276,159

BCB BANCORP INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(In thousands, Unaudited)

	Three Months Ended March 31,		
	2024	2023	2022
Cash Flows from Operating Activities:			
Net Income	**$ 5,866**	$ 8,106	$ 9,952
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of premises and equipment	**457**	478	629
Amortization and accretion, net	**(530)**	(474)	(375)
Provision (benefit) for credit losses	**2,088**	622	(2,575)
Deferred income tax expense	**702**	1,149	735
Loans originated for sale	**(1,264)**	-	(2,452)
Proceeds from sales of loans	**2,596**	664	3,144
Gain on sales of loans	**(45)**	(6)	(65)
Gain on sale of fixed asset	**(4)**	-	-
Realized and unrealized (gain) loss on equity investments	**(130)**	3,227	2,685
Stock-based compensation expense	**195**	106	95
Increase in cash surrender value of BOLI	**(675)**	(421)	(755)
Net change in accrued interest receivable	**(1,370)**	(1,262)	(410)
Net change in other assets	**1,661**	1,100	(107)
Net change in accrued interest payable	**(127)**	1,304	(497)
Net change in other liabilities	**(1,132)**	1,821	1,748
Net Cash Provided by Operating Activities	**8,288**	16,414	11,752
Cash flows from investing activities:			
Proceeds from repayments, calls, and maturities on securities	**624**	4,661	3,068
Purchases of securities	**-**	-	(7,488)
Proceeds from sales of securities	**-**	-	1,233
Proceeds from sales of fixed asset	**4**	-	-
Net decrease (increase) in loans receivable	**51,426**	(183,527)	(87,723)
Additions to premises and equipment	**(144)**	(76)	(38)
Purchase of Federal Home Loan Bank of New York stock	**-**	(6,762)	(44)
Net Cash Provided by (Used in) Investing Activities	**51,910**	(185,704)	(90,992)
Cash flows from financing activities:			
Net increase in deposits	**12,579**	55,602	69,773
Proceeds from Federal Home Loan Bank of New York Long Term Advances	**-**	50,000	-
Net change in Federal Home Loan Bank of New York Short Term Advances	**-**	100,000	-
Purchases of treasury stock	**-**	(2,559)	(8)
Cash dividends paid on common stock	**(2,608)**	(2,687)	(2,601)
Cash dividends paid on preferred stock	**(434)**	(173)	(276)
Net proceeds from issuance of common stock	**500**	405	86
Net proceeds from issuance of preferred stock	**2,690**	-	2,620
Payments for redemption of preferred stock	**-**	-	(5,330)
Exercise of Stock Options	**-**	418	-
Net Cash Provided by (Used in) Financing Activities	**12,727**	201,006	64,264
Net Increase (Decrease) in Cash and Cash Equivalents	**72,925**	31,716	(14,976)
Cash and Cash Equivalents-Beginning	**279,523**	229,359	411,629
Cash and Cash Equivalents-Ending	**$ 352,448**	$ 261,075	$ 396,653
Supplementary Cash Flow Information:			
Cash paid during the period for:			
Income taxes	**$ 979**	$ 797	$ 411
Interest	**26,268**	13,578	3,150

See accompanying notes to unaudited consolidated financial statements.

BCB Bancorp Inc. and Subsidiaries
Notes to Unaudited Consolidated Financial Statements

Note 1 – Basis of Presentation

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

The Company's primary business is the ownership and operation of BCB Community Bank (the "Bank"). The Bank is a New Jersey based commercial bank which, as of March 31, 2024, operated at 28 locations in Bayonne, Edison, Fairfield, Hoboken, Holmdel, Jersey City, Lyndhurst, Maplewood, Monroe Township, Newark, Parsippany, Plainsboro, South Orange, River Edge, Rutherford, Union, and Woodbridge New Jersey, as well as Staten Island and Hicksville, New York and is subject to regulation, supervision, and examination by the New Jersey Department of Banking and Insurance and the Federal Deposit Insurance Corporation. The Bank is principally engaged in the business of attracting deposits from the general public and using these deposits, together with borrowed funds, to invest in securities and to make loans collateralized by residential and commercial real estate and, to a lesser extent, business and consumer loans. BCB Holding Company Investment Corp. (the "New Jersey Investment Company") was organized in January 2005 under New Jersey law as a New Jersey investment company primarily to hold investment and mortgage-backed securities. As a part of the merger with IA Bancorp, Inc., the Company acquired Special Asset REO 1, LLC and Special Asset REO 2, LLC. Special Asset REO 2 was inactive at March 31, 2024. The Bank changed the name of Special Asset REO 1, LLC to BCB Capital Finance Group, LLC in November 2023.

The consolidated financial statements which include the accounts of the Company and its wholly-owned subsidiaries have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP"). All significant intercompany accounts and transactions have been eliminated in consolidation.

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Regulation S-X and, therefore, do not necessarily include all information that would be included in audited consolidated financial statements. The information furnished reflects all adjustments that are, in the opinion of management, necessary for a fair presentation of consolidated financial condition and results of operations. All such adjustments are of a normal recurring nature. These results are not necessarily indicative of the results to be expected for the fiscal year ending December 31, or any other future period. The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated statement of financial condition and revenues and expenses for the periods then ended. Actual results could differ significantly from those estimates.

These unaudited consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended December 31, 2023, which are included in the Company's Annual Report on Form 10-K as filed with the Securities and Exchange Commission (the "SEC"). In preparing these consolidated financial statements, the Company evaluated the events and transactions that occurred between December 31, 2023 and the date these consolidated financial statements were issued.

Risks and Uncertainties - The occurrence of events which adversely affect the global, national and regional economies may have a negative impact on our business. Like other financial institutions, our business relies upon the ability and willingness of our customers to transact business with us, including banking, borrowing and other financial transactions. A strong and stable economy at each of the local, federal and global levels is often a critical component of consumer confidence and typically correlates positively with our customers' ability and willingness to transact certain types of business with us. Local and global events outside of our control which disrupt the New Jersey, New York, United States and/or global economy may therefore negatively impact our business and financial condition. A public health crisis such as the COVID-19 pandemic is no exception, and its adverse health and economic effects may adversely impact our business and financial condition.

Note 2 - Recent Accounting Pronouncements

In March 2022, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2022-02, *Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures.* The amendments in this update eliminate the existing accounting guidance for troubled debt restructures ("TDRs") by creditors in *Subtopic 310-40, Receivables - Troubled Debt Restructurings by Creditor*s and instead requires that an entity evaluate whether a modification represents a new loan or a continuation of an existing loan. The amendments also enhance disclosure requirements for certain loan refinancing and restructuring by creditors when a borrower is experiencing financial difficulty. All amendments in this update are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company adopted ASU 2022-02 on January 1, 2023. The adoption of this standard did not have a material effect on the Company's financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses* ASU 2016-13, and related guidance, requires entities to report "expected" credit losses on financial instruments and other commitments to extend credit rather than the current "incurred loss" model. The Company adopted ASU 2016-13 on January 1, 2023 for all financial assets measured at amortized cost and off-balance sheet credit exposures using the modified retrospective method. Results for the twelve months ended December 31, 2023 are presented under Accounting Standards Codification 326, Financial Instruments – Credit Losses, while prior period amounts continue to be reported with previously applicable GAAP and have not been restated. Effective January 1, 2023, the Company recorded a $4.2 million decrease in allowance for credit losses on loans that is referred to as the current expected credit loss ("CECL") methodology (previously allowance for loan losses), an elimination of $1.1 million of reserves related to acquired loans, and a $1.3 million increase related to allowance for off-balance sheet credit exposures included in other liabilities section of the consolidated statements of financial condition, which resulted in a total cumulative effect adjustment of $2.9 million and an increase to retained earnings a component of the stockholders' equity (net of tax).

Allowance for Credit Losses

The allowance for credit losses represents the estimated amount considered necessary to cover lifetime expected credit losses inherent in financial assets at the balance sheet date. The measurement of expected credit losses is applicable to loans receivable and securities measured at amortized cost. It also applies to off-balance sheet credit exposures such as loan commitments and unused lines of credit. The allowance is established through a provision for credit losses that is charged against income. The methodology for determining the allowance for credit 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 forecasted economic environment that could result in changes to the amount of the recorded allowance for credit losses. The allowance for credit losses is reported separately as a contra-asset on the consolidated statement of financial condition. The expected credit loss for unfunded lending commitments and unfunded loan commitments is reported on the consolidated statement of financial condition in other liabilities while the provision for credit losses related to unfunded commitments is reported in other non-interest expense.

Allowance for Credit Losses on Loans Receivable

The allowance for credit losses on loans is deducted from the amortized cost basis of the loan to present the net amount expected to be collected. Expected losses are evaluated and calculated on a collective, or pooled, basis for those loans which share similar risk characteristics. If the loan does not share risk characteristics with other loans, the Company will evaluate the loan on an individual basis. Individually evaluated loans are primarily non-accrual and collateral dependent loans. Furthermore, the Company evaluates the pooling methodology at least annually to ensure that loans with similar risk characteristics are pooled appropriately. Loans are charged off

against the allowance for credit losses when the Company believes the balances to be uncollectible. Expected recoveries do not exceed the aggregate of amounts previously charged off or expected to be charged off.

The Company has chosen to segment its portfolio consistent with the manner in which it manages credit risk. The Company calculates estimated credit losses for these loan segments using quantitative models and qualitative factors. Further information on loan segmentation and the credit loss estimation is included in Note 7 – Loan Receivables and Allowance for Credit Losses.

Individually Evaluated Loans

On a case-by-case basis, the Company may conclude that a loan should be evaluated on an individual basis based on its disparate risk characteristics. When the Company determines that a loan no longer shares similar risk characteristics with other loans in the portfolio, the allowance will be determined on an individual basis using the present value of expected cash flows or, for collateral-dependent loans, the fair value of the collateral as of the reporting date, less estimated selling costs, as applicable. If the fair value of the collateral is less than the amortized cost basis of the loan, the Company will charge off the difference between the fair value of the collateral, less costs to sell at the reporting date and the amortized cost basis of the loan.

Allowance for Credit Losses on Off-Balance Sheet Commitments

The Company is required to include unfunded commitments that are expected to be funded in the future within the allowance calculation, other than those that are unconditionally cancelable. To arrive at that reserve, the reserve percentage for each applicable segment is applied to the unused portion of the expected commitment balance and is multiplied by the expected funding rate. As noted above, the allowance for credit losses on unfunded loan commitments is included in other liabilities on the consolidated statement of financial condition and the related credit expense is recorded in other non-interest expense in the consolidated statements of operations.

Allowance for Credit Losses on Available-for-Sale Securities

For available-for-sale securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more than likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For securities available-for-sale that do not meet the above criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, the Company considers the extent to which fair value is less than amortized cost and adverse conditions related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of the cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income, net of tax. The Company elected the practical expedient of zero loss estimates for securities issued by U.S. government entities and agencies. These securities are either explicitly or implicitly guaranteed by the U.S. government, are highly rate by major agencies and have a long history of no credit losses.

Accrued Interest Receivable

The Company made an accounting policy election to exclude accrued interest receivable from the amortized cost basis of loans and available-for-sale securities. Accrued interest receivable on loans and securities is reported as a component of accrued interest receivable on the consolidated statement of financial condition.

Changes in the allowance for credit losses are recorded as provision for, or reversal of, credit loss expense. Losses are charged against the allowance when management believes the uncollectibility of a receivable is confirmed or when either of the criteria regarding intent or requirement to sell is met.

Note 3 – Reclassification

Certain amounts have been reclassified to conform to the current period's presentation. These changes had no effect on the Company's results of operations or financial position.

Note 4 – Equity Incentive Plans

Equity Incentive Plans

The Company, under the plan approved by its shareholders on April 27, 2023 ("2023 Equity Incentive Plan"), authorized the issuance of up to 1,000,000 shares of common stock of the Company pursuant to grants of stock options, restricted stock awards, restricted stock units, and performance awards. Employees and directors of the Company and the Bank are eligible to participate in the 2023 Equity Incentive Plan. All stock options are granted in the form of either "incentive" stock options or "non-qualified" stock options. Incentive stock options have certain tax advantages that must comply with the requirements of Section 422 of the Internal Revenue Code. Only employees are permitted to receive incentive stock options.

The Company, under the plan approved by its shareholders on April 26, 2018 ("2018 Equity Incentive Plan"), authorized the issuance of up to 1,000,000 shares of common stock of the Company pursuant to grants of stock options and restricted stock units. Employees and directors of the Company and the Bank are eligible to participate in the 2018 Stock Plan. All stock options are granted in the form of either "incentive" stock options or "non-qualified" stock options. Incentive stock options have certain tax advantages that must comply with the requirements of Section 422 of the Internal Revenue Code. Only employees are permitted to receive incentive stock options.

The Company, under the plan approved by its shareholders on April 28, 2011 ("2011 Stock Plan"), authorized the issuance of up to 900,000 shares of common stock of the Company pursuant to grants of stock options. Employees and directors of the Company and the Bank are eligible to participate in the 2011 Stock Plan. All stock options were granted in the form of either "incentive" stock options or "non-qualified" stock options. Incentive stock options have certain tax advantages that must comply with the requirements of Section 422 of the Internal Revenue Code. Only employees are permitted to receive incentive stock options.

On June 30, 2023, an award of 25,252 shares of restricted stock was declared for a director and executive officer of the Bank and the Company, which fully vests on the anniversary of the award date.

On January 31, 2023, awards of 27,000 shares of restricted stock, in aggregate were declared for members of the Board of Directors of the Bank and the Company, which vest over a 4-year period, commencing on the anniversary of the award date.

On September 30, 2022, awards of 36,000 shares of restricted stock, in aggregate, were declared for certain executive officers of the Bank and the Company, which fully vested on November 30, 2022. On January 12, 2022, awards of 33,000 shares of restricted stock were declared for members of the Board of Directors of the Bank and the Company, which vest over a 4-year period, commencing on the anniversary of the award date.

Note 4 – Equity Incentive Plans (Continued)

The following table presents a summary of the status of the Company's restricted shares as of March 31, 2024 and 2023.

	Number of Shares Awarded	Weighted Average Grant Date Fair Value
Non-vested at January 1, 2024	**86,752**	**$ 14.98**
Granted	**-**	**-**
Vested	**(20,625)**	**15.75**
Forfeited	**(1,725)**	**14.92**
Non-vested at March 31, 2024	**64,402**	**$ 14.73**

	Number of Shares Awarded	Weighted Average Grant Date Fair Value
Non-vested at January 1, 2023	48,150	$ 14.83
Granted	27,000	17.99
Vested	(13,650)	14.60
Forfeited	-	-
Non-vested at March 31, 2023	61,500	$ 16.27

Restricted stock expense for the three months ended March 31, 2024 and March 31, 2023 was $156,000 and $73,000, respectively. Expected future expenses relating to the non-vested restricted shares outstanding as of March 31, 2024 was approximately $642,000 over a weighted average period of 2.05 years.

The following table presents a summary of the status of the Company's outstanding stock option awards as of March 31, 2024.

	Number of Option Shares	Range of Exercise Prices	Weighted Average Exercise Price
Outstanding at January 1, 2024	**975,975**	**$ 10.55-13.68**	**$ 11.89**
Options granted	**-**	**-**	**-**
Options exercised	**-**	**-**	**-**
Options forfeited	**-**	**-**	**-**
Options expired	**(80,000)**	**13.32**	**13.32**
Outstanding at March 31, 2024	**895,975**	**$ 10.55-13.68**	**$ 11.76**

As of March 31, 2024, stock options which were granted and were exercisable totaled 752,895. It is Company policy to issue new shares upon share option exercise.

Compensation expense for the three months ended March 31, 2024 and March 31, 2023 was $39,000 and $33,000, respectively. Expected future compensation expense relating to the 143,080 shares of unvested options outstanding as of March 31, 2024 was $237,000 over a weighted average period of 2.80 years.

Note 5 – Net Income per Common Share

Basic net income per common share is computed by dividing net income less dividends on preferred stock by the weighted average number of shares of common stock outstanding. The diluted net income per common share is computed by adjusting the weighted average number of shares of common stock outstanding to include the effects of outstanding stock options, if dilutive, using the treasury stock method. Dilution is not applicable in periods of net loss. For the three months ended March 31, 2024, 2023 and 2022, the difference in the weighted average number of basic and diluted common shares was due solely to the effects of outstanding stock options. There were 508,000 outstanding options considered to be anti-dilutive at March 31, 2024. There were no outstanding options considered to be anti-dilutive at March 31, 2023 and 2022, respectively.

The following is a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations:

	For the Three Months Ended March 31,								
	2024			2023			2022		
	Income (Numerator)	**Shares (Denominator)**	**Per Share Amount**	**Income (Numerator)**	**Shares (Denominator)**	**Per Share Amount**	**Income (Numerator)**	**Shares (Denominator)**	**Per Share Amount**
	(In Thousands, except per share data)								
Net income available to common stockholders	**$ 5,432**			$ 7,933			$ 9,676		
Basic earnings per share:									
Income available to common stockholders	**$ 5,432**	**16,930**	**$ 0.32**	$ 7,933	16,949	$ 0.47	$ 9,676	16,980	$ 0.57
Effect of dilutive securities:									
Stock options	**-**	**9**		-	259		-	363	
Diluted earnings per share:									
Income available to common stockholders	**$ 5,432**	**16,939**	**$ 0.32**	$ 7,933	17,208	$ 0.46	$ 9,676	17,343	$ 0.56

Note 6 - Securities

Equity Securities

Equity securities are defined to include (a) preferred, common and other ownership interests in entities including partnerships, joint ventures and limited liability companies and (b) rights to acquire or dispose of ownership interest in entities at fixed or determinable prices.

The following is a summary of unrealized and realized gains and losses recognized in net income on equity securities during the three months ended March 31, 2024, 2023 and 2022:

	For the three months ended March 31,		
(In Thousands)	2024	2023	2022
Net gains (losses) recognized during the period on equity securities held at the reporting period	$ **130**	$ (3,227)	$ (2,626)
Net gains (losses) recognized during the period on equity securities sold during the period	**-**	-	(59)
Realized and unrealized gains (losses) on equity investments during the reporting period	$ **130**	$ (3,227)	$ (2,685)

Debt Securities Available for Sale

The following tables present by maturity the amortized cost, gross unrealized gains and losses on, and fair value of, securities available for sale as of March 31, 2024 and December 31, 2023:

	March 31, 2024			
	Amortized Cost	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
		(In Thousands)		
Residential Mortgage-backed securities:				
More than one to five years	**$ 563**	**$ -**	**$ 23**	**$ 540**
More than five to ten years	**3,914**	**-**	**257**	**3,657**
More than ten years	**32,482**	**89**	**3,237**	**29,334**
Sub-total:	**36,959**	**89**	**3,517**	**33,531**
Corporate Debt securities:				
More than one to five years	**8,982**	**-**	**444**	**8,538**
More than five to ten years	**50,582**	**-**	**5,685**	**44,897**
Sub-total:	**59,564**	**-**	**6,129**	**53,435**
Total securities	**$ 96,523**	**$ 89**	**$ 9,646**	**$ 86,966**

	December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(In Thousands)		
Residential Mortgage-backed securities:				
More than one to five years	$ 605	$ -	$ 24	$ 581
More than five to ten years	4,147	-	230	3,917
More than ten years	32,833	192	2,910	30,115
Sub-total:	37,585	192	3,164	34,613
Corporate Debt securities:				
More than one to five years	8,981	-	197	8,784
More than five to ten years	50,583	-	6,211	44,372
Sub-total:	59,564	-	6,408	53,156
Total securities	$ 97,149	$ 192	$ 9,572	$ 87,769

Note 6 - Securities (continued)

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

	12 Months or Less		More than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
			(In Thousands)			
March 31, 2024						
Residential mortgage-backed securities	**$ 5,187**	**$ 209**	**$ 21,438**	**$ 3,308**	**$ 26,625**	**$ 3,517**
Corporate Debt securities	**-**	**-**	**52,135**	**6,129**	**52,135**	**6,129**
	$ 5,187	**$ 209**	**$ 73,573**	**$ 9,437**	**$ 78,760**	**$ 9,646**
December 31, 2023						
Residential mortgage-backed securities	$ 5,316	$ 98	$ 22,153	$ 3,066	$ 27,469	$ 3,164
Corporate Debt Securities	-	-	51,856	6,408	51,856	6,408
	$ 5,316	$ 98	$ 74,009	$ 9,474	$ 79,325	$ 9,572

Note 7 - Loans Receivable and Allowance for Credit Losses

The following tables present the recorded investment in loans receivable as of March 31, 2024 and December 31, 2023 by segment and class:

	March 31, 2024	December 31, 2023
	(In Thousands)	
Residential one-to-four family	$ **244,762**	$ 248,295
Commercial and multi-family	**2,392,970**	2,434,115
Construction	**180,975**	192,816
Commercial business[1]	**276,864**	269,274
Business express	**101,209**	102,928
Home equity[2]	**65,518**	66,331
Consumer	**2,847**	3,643
	3,265,145	3,317,402
Less:		
Deferred loan fees, net	**(3,705)**	(4,086)
Allowance for credit losses	**(34,563)**	(33,608)
Total Loans, net	**$ 3,226,877**	$ 3,279,708

(1) Excludes Business express loans.
(2) Includes home equity lines of credit.

Note 7 – Loans Receivable and Allowance for Credit Losses (Continued)

Allowance for Credit Losses

The Company engages a third-party vendor to assist in the CECL calculation and has established a robust internal governance framework to oversee the quarterly estimation process for the allowance for credit losses ("ACL"). The ACL calculation methodology relies on regression-based discounted cash flow ("DCF") models that correlate relationships between certain financial metrics and external market and macroeconomic variables. Following are some of the key factors and assumptions that are used in the Company's CECL calculations:

- methods based on probability of default and loss given default which are modeled based on macroeconomic scenarios;
- a reasonable and supportable forecast period determined based on management's current review of macroeconomic environment;
- a reversion period after the reasonable and supportable forecast period;
- estimated prepayment rates based on the Company's historical experience and future macroeconomic environment;
- estimated credit utilization rates based on the Company's historical experience and future macroeconomic environment; and
- incorporation of qualitative factors not captured within the modeled results. The qualitative factors include but are not limited to changes in lending policies, business conditions, changes in the nature and size of the portfolio, portfolio concentrations, and external factors such as competition.

Allowance for credit losses are aggregated for the major loan segments, with similar risk characteristics, summarized below. However, for the purposes of calculating the reserves, these segments may be further broken down into loan classes by risk characteristics that include but are not limited to regulatory call codes, industry type, geographic location, and collateral type.

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

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

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

Commercial business lending, including lines of credit, is generally considered higher risk due to the concentration of principal in a limited number of loans and borrowers and the effects of general economic conditions on the business. Commercial business loans are primarily secured by inventories and other business assets. In many cases, any repossessed collateral for a defaulted commercial business loan will not provide an adequate source of repayment of the outstanding loan balance. The Bank has further segregated its commercial business portfolio into commercial business express loans that carry higher risk relative to other commercial business loans. The Bank had originated commercial business express loans to support small business owners coming out of the COVID crisis. The portfolio consists of a large number of loans with majority of the loans carrying a balance of $250,000 or lower.

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

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

Note 7 - Loans Receivable and Allowance for Credit Losses (Continued)

The following table sets forth the activity in the Company's allowance for credit losses for the three months ended March 31, 2024, and the related portion of the allowances for credit losses that is allocated to each loan class, as of March 31, 2024 (in thousands):

	Residential	Commercial & Multi-family	Construction	Commercial Business [1]	Business Express	Home Equity [2]	Consumer	Unallocated	Total
Allowance for credit losses:									
Beginning Balance, January 1, 2024	**$ 2,344**	**$ 16,301**	**$ 3,841**	**$ 5,811**	**$ 4,542**	**$ 691**	**$ 78**	**$ -**	**$ 33,608**
Charge-offs:	**-**	**-**	**-**	**(29)**	**(1,122)**	**-**	**-**	**-**	**(1,151)**
Recoveries:	**11**	**-**	**-**	**3**	**4**	**-**	**-**	**-**	**18**
Provision (benefit):	**(192)**	**(938)**	**(604)**	**1,855**	**1,606**	**(41)**	**402**	**-**	**2,088**
Ending Balance, March 31, 2024	**$ 2,163**	**$ 15,363**	**$ 3,237**	**$ 7,640**	**$ 5,030**	**$ 650**	**$ 480**	**$ -**	**$ 34,563**
Ending Balance attributable to loans:									
Individually evaluated	**$ -**	**$ 956**	**$ 203**	**$ 3,291**	**$ 657**	**$ -**	**$ 409**	**$ -**	**$ 5,516**
Collectively evaluated	**2,163**	**14,407**	**3,034**	**4,349**	**4,373**	**650**	**71**	**-**	**29,047**
Ending Balance, March 31, 2024	**$ 2,163**	**$ 15,363**	**$ 3,237**	**$ 7,640**	**$ 5,030**	**$ 650**	**$ 480**	**$ -**	**$ 34,563**
Loans Receivables:									
Individually evaluated	**$ 173**	**$ 52,572**	**$ 3,802**	**$ 8,315**	**$ 657**	**$ 212**	**$ -**	**$ -**	**$ 65,731**
Collectively evaluated	**244,589**	**2,340,398**	**177,173**	**268,549**	**100,552**	**65,306**	**2,847**	**-**	**3,199,414**
Total Gross Loans:	**$ 244,762**	**$ 2,392,970**	**$ 180,975**	**$ 276,864**	**$ 101,209**	**$ 65,518**	**$ 2,847**	**$ -**	**$ 3,265,145**

(1) Excludes Business express loans.
(2) Includes home equity lines of credit.

The following table sets forth the activity in the Company's allowance for credit losses for the three months ended March 31, 2023, and the related portion of the allowances for credit losses that is allocated to each loan class, as of March 31, 2023 (in thousands):

	Residential	Commercial & Multi-family	Construction	Commercial Business [1]	Business Express	Home Equity [2]	Consumer	Unallocated	Total
Allowance for credit losses:									
Ending Balance December 31, 2022	$ 2,474	$ 21,749	$ 2,094	$ 4,495	$ 872	$ 485	$ 24	$ 180	$ 32,373
Effect of adopting ASU No. 2016-13 ("CECL")	144	(7,123)	1,387	1,734	(316)	182	7	(180)	(4,165)
Beginning Balance, January 1, 2023	$ 2,618	$ 14,626	$ 3,481	$ 6,229	$ 556	$ 667	$ 31	$ -	$ 28,208
Charge-offs:	-	-	-	(1)	-	-	-	-	(1)
Recovery:	12	-	-	25	-	16	-	-	53
Provisions (benefit):	(269)	340	369	(780)	962	(3)	3	-	622
Ending Balance March 31, 2023	$ 2,361	$ 14,966	$ 3,850	$ 5,473	$ 1,518	$ 680	$ 34	$ -	$ 28,882
Ending Balance attributable to loans:									
Individually evaluated	$ -	$ -	$ 605	$ 1,942	$ 39	$ -	$ -	$ -	$ 2,586
Collectively evaluated	2,361	14,966	3,245	3,531	1,479	680	34	-	26,296
Ending Balance March 31, 2023	$ 2,361	$ 14,966	$ 3,850	$ 5,473	$ 1,518	$ 680	$ 34	$ -	$ 28,882
Loans Receivables:									
Individually evaluated	$ 358	$ 10,114	$ 3,217	$ 3,644	$ 39	$ 212	$ -	$ -	$ 17,584
Collectively evaluated	246,325	2,456,818	159,336	238,349	85,566	58,610	3,383	-	3,248,387
Total Gross Loans:	$ 246,683	$ 2,466,932	$ 162,553	$ 241,993	$ 85,605	$ 58,822	$ 3,383	$ -	$ 3,265,971

(1) Excludes Business express loans.
(2) Includes home equity lines of credit.

Note 7 - Loans Receivable and Allowance for Credit Losses (Continued)

The following table sets forth the amount recorded in loans receivable at December 31, 2023. The table also details the amount of total loans receivable that are evaluated individually, and collectively, for impairment and the related portion of the allowance for credit losses that is allocated to each loan class (in thousands):

	Residential	Commercial & Multi-family	Construction	Commercial Business (1)	Business Express	Home Equity (2)	Consumer	Unallocated	Total
Allowance for credit losses:									
Ending Balance, December 31, 2022	$ 2,474	$ 21,749	$ 2,094	$ 4,495	$ 872	$ 485	$ 24	$ 180	$ 32,373
Effect of adopting ASU No. 2016-13 ("CECL")	144	(7,123)	1,387	1,734	(316)	182	7	(180)	(4,165)
Beginning Balance, January 1, 2023	$ 2,618	$ 14,626	$ 3,481	$ 6,229	$ 556	$ 667	$ 31	$ -	$ 28,208
Charge-offs:	-	-	-	-	(805)	-	-	-	(805)
Recoveries:	45	-	-	29	11	16	-	-	101
Provision (benefit):	(319)	1,675	360	(447)	4,780	8	47	-	6,104
Ending Balance, December 31, 2023	$ 2,344	$ 16,301	$ 3,841	$ 5,811	$ 4,542	$ 691	$ 78	$ -	$ 33,608
Ending Balance attributable to loans:									
Individually evaluated	$ -	$ 990	$ 310	$ 2,132	$ 797	$ -	$ -	$ -	$ 4,229
Collectively evaluated	2,344	15,311	3,531	3,679	3,745	691	78	-	29,379
Ending Balance, December 31, 2023	$ 2,344	$ 16,301	$ 3,841	$ 5,811	$ 4,542	$ 691	$ 78	$ -	$ 33,608
Loans Receivables:									
Individually evaluated	$ 444	$ 42,259	$ 4,292	$ 6,015	$ 797	$ 212	$ -	$ -	$ 54,019
Collectively evaluated	247,851	2,391,856	188,524	263,259	102,131	66,119	3,643	-	3,263,383
Total Gross Loans	$ 248,295	$ 2,434,115	$ 192,816	$ 269,274	$ 102,928	$ 66,331	$ 3,643	$ -	$ 3,317,402

(1) Excludes Business express loans.
(2) Includes home equity lines of credit.

The following tables present the activity in the allowance for credit losses on off-balance sheet exposures for the three months ended March 31, 2023 and 2024 (in thousands):

	Three Months Ended March 31, 2024 (In thousands)
Allowance for Credit Losses:	
Balance at December 31, 2023	$ 694
Provision for credit losses	65
Balance at March 31, 2024	$ 759

	Three Months Ended March 31, 2023 (In thousands)
Allowance for Credit Losses:	
Balance at December 31, 2022	$ -
Impact of adopting ASU 2016-13 ("CECL") effective January 1, 2023	1,266
Benefit for credit losses	(577)
Balance at March 31, 2023	$ 689

Note 7 - Loans Receivable and Allowance for Credit Losses (Continued)

The following table sets forth the delinquency status of total loans receivable as of March 31, 2024:

	30-59 Days Past Due	60-90 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable	Loans Receivable >90 Days and Accruing
			(In Thousands)				
Residential one-to-four family	$ 1,499	$ 308	$ -	$ 1,807	$ 242,955	$ 244,762	$ -
Commercial and multi-family	3,600	17,100	6,842	27,542	2,365,428	2,392,970	-
Construction	577	387	586	1,550	179,425	180,975	-
Commercial business(1)	3,831	308	2,443	6,582	270,282	276,864	-
Business express	2,272	662	-	2,934	98,275	101,209	
Home equity(2)	816	330	-	1,146	64,372	65,518	-
Consumer	-	-	-	-	2,847	2,847	-
Total	$ 12,595	$ 19,095	$ 9,871	$ 41,561	$ 3,223,584	$ 3,265,145	$ -

(1) Excludes Business express loans.
(2) Includes home equity lines of credit.

The following table sets forth the delinquency status of total loans receivable at December 31, 2023:

	30-59 Days Past Due	60-90 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable	Loans Receivable >90 Days and Accruing
			(In Thousands)				
Residential one-to-four family	$ 4,701	$ -	$ 270	$ 4,971	$ 243,324	$ 248,295	$ -
Commercial and multi-family	1,853	7,876	6,842	16,571	2,417,544	2,434,115	-
Construction	3,641	-	586	4,227	188,589	192,816	-
Commercial business(1)	2,314	362	1,081	3,757	265,517	269,274	-
Business express	1,922	249	50	2,221	100,707	102,928	
Home equity(2)	907	-	-	907	65,424	66,331	-
Consumer	-	-	-	-	3,643	3,643	-
Total	$ 15,338	$ 8,487	$ 8,829	$ 32,654	$ 3,284,748	$ 3,317,402	$ -

(1) Excludes Business express loans.
(2) Includes home equity lines of credit.

Modifications

The Company adopted Accounting Standards Update ("ASU") 2022-02, Financial Instruments - Credit Losses (Topic 326) Troubled Debt Restructurings and Vintage Disclosures ("ASU 2022-02") effective January 1, 2023. The amendments in ASU 2022-02 eliminated the recognition and measurement of troubled debt restructurings and enhanced disclosures for loan modifications to borrowers experiencing financial difficulty.

The following table shows the amortized cost basis of loans modified to borrowers experiencing financial difficulty, disaggregated by loan category and type of concession granted:

	For the Three Months Ended March 31, 2024			
	(In Thousands)			
Significant Payment Delay	Number	Amortized Cost Basis	% of Total Class of Financing Receivable	Financial Effect
Residential one-to-four family	1	$ 180	0.01 %	Amortization extension

The Company monitors the performance of loans modified to borrowers experiencing financial difficulty to understand the effectiveness of the modification efforts. The loan modified during the three months ended March 31, 2024 was current with payments.

The Company did not have any loans that were both experiencing financial difficulty and modified during the three months ending March 31, 2023.

Note 7 - Loans Receivable and Allowance for Credit Losses (Continued)

The tables below set forth the amounts and types of non-accrual loans in the Bank's loan portfolio at March 31, 2024 and December 31, 2023, respectively. Loans are placed on non-accrual status when they become more than 90 days delinquent, or when the collection of principal and/or interest become doubtful.

As of March 31, 2024 and December 31, 2023, non-accrual loans differed from the amount of total loans past due 90 days due to loans that were previously 90 days past due both of which are maintained on nonaccrual status for a minimum of six months until the borrower has demonstrated their ability to satisfy the terms of the loan.

	As of March 31, 2024 (in Thousands)			
	Nonaccrual loans with an Allowance for Credit Losses	Nonaccrual loans without an Allowance for Credit Losses	Total Nonaccrual loans	Amortized Cost of Loans Past due 90 and Still Accruing
Residential one-to-four family	$ -	$ 429	$ 429	$ -
Commercial and multi-family	2,029	10,598	12,627	-
Construction	2,251	974	3,225	-
Commercial business [1]	1,983	3,933	5,916	-
Business express loans	-	-	-	-
Home equity [2]	-	44	44	-
Consumer	-	-	-	-
Total	$ 6,263	$ 15,978	$ 22,241	$ -

(1) Excludes Business express loans.
(2) Includes home equity lines of credit.

	As of December 31, 2023 (in Thousands)			
	Nonaccrual loans with an Allowance for Credit Losses	Nonaccrual loans without an Allowance for Credit Losses	Total Nonaccrual loans	Amortized Cost of Loans Past due 90 and Still Accruing
Residential one-to-four family	$ -	$ 270	$ 270	$ -
Commercial and multi-family	2,029	6,655	8,684	-
Construction	2,312	1,980	4,292	-
Commercial business [1]	2,050	2,892	4,942	-
Business express loans	549	-	549	-
Home equity [2]	-	46	46	-
Total	$ 6,940	$ 11,843	$ 18,783	$ -

(1) Excludes Business express loans.
(2) Includes home equity lines of credit.

Had non-accrual loans been performing in accordance with their original terms, the interest income recognized for the three months ended March 31, 2024 and the twelve months ended December 31, 2023 would have been approximately $710,000 and $1.9 million, respectively. Interest income recognized on loans returned to accrual was approximately $123,000 and $314,000, respectively. The Bank has not committed to lend additional funds to the borrowers whose loans have been placed on nonaccrual status. At March 31, 2024 and December 31, 2023 there were no loans more than ninety days past due and still accruing interest.

Note 7 - Loans Receivable and Allowance for Credit Losses (Continued)

Criticized and Classified Assets

Company policies provide for a classification system for problem assets. Under this classification system, problem assets are classified as "substandard," "doubtful," or "loss."

The Company's internal credit risk grades are based on the definitions currently utilized by the banking regulatory agencies. The grades assigned and definitions are as follows, and loans graded excellent, above average, good and watch list (risk ratings 1-5) are treated as "pass" for grading purposes. The "criticized" risk rating (6) and the "classified" risk ratings (7-9) are detailed below:

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

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

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

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

Note 7 - Loans Receivable and Allowance for Credit Losses (Continued)

The following table summarizes the Company's loans by year of origination and internally assigned credit risk rating at March 31, 2024 and gross charge-offs for the three months ended March 31, 2024.

Loans by Year of Origination at March 31, 2024

	2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans to Term Loans	Total
Residential one-to-four family									
Pass	$ -	$ 17,095	$ 52,521	$ 37,956	$ 31,210	$ 103,842	$ -	$ -	$ 242,624
Special Mention	-	-	489	90	-	-	-	-	579
Substandard	-	-	-	1,303	-	256	-	-	1,559
Total one-to-four family	**$ -**	**$ 17,095**	**$ 53,010**	**$ 39,349**	**$ 31,210**	**$ 104,098**	**$ -**	**$ -**	**$ 244,762**
Commercial and multi-family									
Pass	$ 1,200	$ 216,671	$ 764,734	$ 223,690	$ 213,531	$ 843,449	$ 2,000	$ -	$ 2,265,275
Special Mention	-	9,871	34,181	-	-	5,801	140	-	49,993
Substandard	-	-	14,865	4,639	3,575	54,623	-	-	77,702
Total Commercial and multi-family	**$ 1,200**	**$ 226,542**	**$ 813,780**	**$ 228,329**	**$ 217,106**	**$ 903,873**	**$ 2,140**	**$ -**	**$ 2,392,970**
Construction									
Pass	$ -	$ 25,473	$ 71,926	$ 52,767	$ 19,448	$ 1,849	$ 5,710	$ -	$ 177,173
Special Mention	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	965	586	2,251	-	-	3,802
Total Construction	**$ -**	**$ 25,473**	**$ 71,926**	**$ 53,732**	**$ 20,034**	**$ 4,100**	**$ 5,710**	**$ -**	**$ 180,975**
Commercial business									
Pass	$ -	$ 3,141	290	1,984	$ 4,135	$ 40,198	$ 207,677	$ 549	$ 257,974
Special Mention	-	-	-	421	-	1,063	4,003	-	5,487
Substandard	-	-	-	-	-	4,645	7,356	1,402	13,403
Total Commercial business	**$ -**	**$ 3,141**	**$ 290**	**$ 2,405**	**$ 4,135**	**$ 45,906**	**$ 219,036**	**$ 1,951**	**$ 276,864**
Business express									
Pass	$ -	$ -	-	-	$ -	$ -	$ 98,604	$ -	$ 98,604
Special Mention	-	-	-	-	-	-	1,703	-	1,703
Substandard	-	-	-	-	-	-	902	-	902
Total Business express	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 101,209**	**$ -**	**$ 101,209**
Home equity									
Pass	$ -	$ 3,979	$ 1,461	$ 541	$ 754	$ 7,219	$ 50,445	$ 746	$ 65,145
Special Mention	-	-	-	-	-	-	-	-	-
Substandard	-	-	44	-	-	-	117	212	373
Total Home equity	**$ -**	**$ 3,979**	**$ 1,505**	**$ 541**	**$ 754**	**$ 7,219**	**$ 50,562**	**$ 958**	**$ 65,518**
Consumer									
Pass	$ 1,059	$ 1,183	$ 451	$ 19	$ 105	$ 24	$ 6	$ -	$ 2,847
Special Mention	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-
Total Consumer	**$ 1,059**	**$ 1,183**	**$ 451**	**$ 19**	**$ 105**	**$ 24**	**$ 6**	**$ -**	**$ 2,847**
Total Loans	**$ 2,259**	**$ 277,413**	**$ 940,962**	**$ 324,375**	**$ 273,344**	**$ 1,065,220**	**$ 378,663**	**$ 2,909**	**$ 3,265,145**
Gross charge-offs	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 29**	**$ 1,122**	**$ -**	**$ 1,151**

Note 7 - Loans Receivable and Allowance for Credit Losses (Continued)

The following table summarizes the Company's loans by year of origination and internally assigned credit risk rating at December 31, 2023.

Loans by Year of Origination at December 31, 2023

	2023	2022	2021	2020	2019	Prior	Revolving Loans	Revolving Loans to Term Loans	Total
Residential one-to-four family									
Pass	$ 17,080	$ 53,623	$ 38,178	$ 31,420	$ 12,067	$ 93,764	$ -	$ -	246,132
Special Mention	-	492	91	-	-	-	-	-	583
Substandard	-	-	1,310	-	-	270	-	-	1,580
Total one-to-four family	**$ 17,080**	**$ 54,115**	**$ 39,579**	**$ 31,420**	**$ 12,067**	**$ 94,034**	**$ -**	**$ -**	**248,295**
Commercial and multi-family									
Pass	$ 222,435	$ 778,076	$ 224,823	$ 214,768	$ 50,755	$ 824,375	$ 1,922	$ -	2,317,154
Special Mention	9,908	34,375	-	-	529	4,453	140	-	49,405
Substandard	-	14,931	4,023	3,575	-	45,027	-	-	67,556
Total Commercial and multi-family	**$ 232,343**	**$ 827,382**	**$ 228,846**	**$ 218,343**	**$ 51,284**	**$ 873,855**	**$ 2,062**	**$ -**	**2,434,115**
Construction									
Pass	$ 21,730	$ 74,180	$ 59,564	$ 21,462	$ -	$ 5,878	$ 5,710	$ -	188,524
Special Mention	-	-	-	-	-	-	-	-	-
Substandard	-	1,394	-	586	-	2,312	-	-	4,292
Total Construction	**$ 21,730**	**$ 75,574**	**$ 59,564**	**$ 22,048**	**$ -**	**$ 8,190**	**$ 5,710**	**$ -**	**192,816**
Commercial business									
Pass	$ 3,179	$ 297	$ 2,967	$ 4,234	$ 7,080	$ 33,675	$ 201,008	$ 150	252,590
Special Mention	-	-	-	-	317	830	4,410	-	5,557
Substandard	-	-	-	-	-	4,703	6,424	-	11,127
Total Commercial business	**$ 3,179**	**$ 297**	**$ 2,967**	**$ 4,234**	**$ 7,397**	**$ 39,208**	**$ 211,842**	**$ 150**	**269,274**
Business express									
Pass	$ -	$ -	$ -	$ -	$ -	$ -	$ 101,531	$ -	101,531
Special Mention	-	-	-	-	-	-	600	-	600
Substandard	-	-	-	-	-	-	797	-	797
Total Business express	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 102,928**	**$ -**	**102,928**
Home equity									
Pass	$ 5,022	$ 1,487	$ 553	$ 769	$ 1,280	$ 6,181	$ 50,111	$ 553	65,956
Special Mention	-	-	-	-	-	-	-	-	-
Substandard	-	46	-	-	-	-	117	212	375
Total Home equity	**$ 5,022**	**$ 1,533**	**$ 553**	**$ 769**	**$ 1,280**	**$ 6,181**	**$ 50,228**	**$ 765**	**66,331**
Consumer									
Pass	$ 1,497	$ 471	$ 1,521	$ 109	$ 39	$ -	$ 6	$ -	3,643
Special Mention	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-
Total Consumer	**$ 1,497**	**$ 471**	**$ 1,521**	**$ 109**	**$ 39**	**$ -**	**$ 6**	**$ -**	**3,643**
Total Loans	**$ 280,851**	**$ 959,372**	**$ 333,030**	**$ 276,923**	**$ 72,067**	**$ 1,021,468**	**$ 372,776**	**$ 915**	**3,317,402**
Gross charge-offs	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 805**	**$ -**	**805**

Note 8 – Stockholders' Equity

On March 29, 2024, the Company closed a private placement of Series J Noncumulative Perpetual Stock, par value $0.01 per share (the "Series J Preferred Stock"), resulting in gross proceeds of $2,690,000 for 269 shares.

On December 14, 2023, the Company closed a private placement of Series J Noncumulative Perpetual Stock, par value $0.01 per share (the "Series J Preferred Stock"), resulting in gross proceeds of $15,270,000 for 1,527 shares.

On September 14, 2023, the Company redeemed 22 outstanding shares of its Series H 3.5% Noncumulative Perpetual Preferred Stock, at their face value of $10,000 per share, for a total redemption amount of $220,000. The Company redeemed the remaining 1,101 outstanding shares of its Series H 3.5% Noncumulative Perpetual Preferred Stock during the fourth quarter, at their face value of $10,000 per share, for a total redemption amount of $11.0 million.

Note 9 – Bank-Owned Life Insurance

BOLI involves life insurance purchased by the Bank on a chosen group of employees, and the Bank is owner and beneficiary of the policies. At March 31, 2024 the Bank had $74.1 million in BOLI. BOLI is recorded at its net realizable value.

Note 10 – Goodwill and Other Intangible Assets

The Company's intangible assets consist of goodwill and core deposit intangibles in connection with acquisitions. The initial recording of goodwill and other intangible assets requires subjective judgments concerning estimates of the fair value of the acquired assets and assumed liabilities. Goodwill is not amortized but is subject to annual tests for impairment or more often if events or circumstances indicate it may be impaired.

There was no amortization expense of the core deposit intangibles for the three months ended March 31, 2024. Amortization expense of the core deposit intangibles was $23,000 and $14,000 for the three months ended March 31, 2023 and 2022, respectively. The unamortized balance of the core deposit intangibles and the amount of goodwill at March 31, 2024 was $0 and $5.2 million, respectively. The unamortized balance of the core deposit intangibles and the amount of goodwill at March 31, 2023 was $122,000 and $5.2 million, respectively.

The Company's core deposit intangibles are amortized on an accelerated basis using an estimated life of 10 years and in accordance with U.S. GAAP are evaluated annually for impairment. An impairment loss will be recognized if the carrying amount of the intangible asset is not recoverable and exceeds fair value. The carrying amount of the intangible asset is not considered recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use of the asset.

The Company conducts impairment analysis on goodwill at least annually or more often as conditions require. Pursuant to ASC 350-20-35, the Company conducted a qualitative assessment of goodwill as of October 31, 2023, and determined that it was more likely than not that goodwill was not impaired. Accordingly, there was no impairment at December 31, 2023.

The Company believes that the fair values of its goodwill was in excess of its carrying amounts and there was no impairment at March 31, 2024.

Note 11 – Fair Values of Financial Instruments

Guidance on fair value measurements establishes a fair value hierarchy that prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

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

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

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

An asset or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Assets that the Company measured at fair value on a recurring basis were as follows (In thousands):

Description	Total	(Level 1) Quoted Prices in Active Markets for Identical Assets	(Level 2) Significant Other Observable Inputs	(Level 3) Significant Unobservable Inputs
As of March 31, 2024:				
Securities				
Debt Securities Available for Sale	**$ 86,966**	**$ -**	**$ 86,966**	**$ -**
Marketable Equities	**$ 9,223**	**$ 9,223**	**$ -**	**$ -**
Total Securities	**$ 96,189**	**$ 9,223**	**$ 86,966**	**$ -**
As of December 31, 2023:				
Securities				
Debt Securities Available for Sale	$ 87,769	$ -	$ 87,769	$ -
Marketable Equities	$ 9,093	$ 9,093	$ -	$ -
Total Securities	$ 96,862	$ 9,093	$ 87,769	$ -

There were no transfers of assets or liabilities into or out of Level 1, Level 2, or Level 3 of the fair value hierarchy during the three months ended March 31, 2024 and 2023.

There were no liabilities measured at fair value on a recurring basis at March 31, 2024 or December 31, 2023.

Assets that the Company measured at fair value on a nonrecurring basis were as follows (In thousands):

Description	Total	(Level 1) Quoted Prices in Active Markets for Identical Assets	(Level 2) Significant Other Observable Inputs	(Level 3) Significant Unobservable Inputs
As of March 31, 2024				
Individually Evaluated Loans	**$ 23,643**	**$ -**	**$ -**	**$ 23,643**
As of December 31, 2023:				
Individually Evaluated Loans	$ 23,585	$ -	$ -	$ 23,585

Certain individually evaluated loans were adjusted to the fair value, less costs to sell, of the underlying collateral securing these loans resulting in losses. The loss is not recorded directly as an adjustment to current earnings, but rather as a component in determining the allowance for credit losses. Fair value was measured using appraised values of collateral and adjusted as necessary by management based on unobservable inputs for specific properties. Losses on individually evaluated loans for the three months ended March 31, 2024 and the twelve months ended December 31, 2023 were $878,000 and $1.4 million, respectively.

There were no liabilities measured at fair value on a nonrecurring basis at March 31, 2024 or December 31, 2023.

Note 11 – Fair Values of Financial Instruments (Continued)

The following tables present additional quantitative information as of March 31, 2024 and December 31, 2023 about assets measured at fair value on a nonrecurring basis and for which the Company has utilized adjusted Level 3 inputs to determine fair value. (Dollars in thousands):

Quantitative Information about Level 3 Fair Value Measurements

	Fair Value Estimate	Valuation Techniques	Unobservable Input	Range
March 31, 2024:				
Individually Evaluated Loans	**$ 23,643**	Appraisal of collateral (1)	Appraisal adjustments (2)	0%-10%

	Fair Value Estimate	Valuation Techniques	Unobservable Input	Range
December 31, 2023:				
Individually Evaluated Loans	$ 23,585	Appraisal of collateral (1)	Appraisal adjustments (2)	0%-10%

(1) Fair value is generally determined through independent appraisals of the underlying collateral, which generally include various level 3 inputs which are not objectively determinable.
(2) Appraisals may be adjusted by management for qualitative factors such as economic conditions and estimated liquidation expenses. The range of liquidation expenses and other appraisal adjustments are presented as a percent of the appraisal.

The following information should not be interpreted as an estimate of the fair value of the entire Company since a fair value calculation is only provided for a limited portion of the Company's assets and liabilities. Due to a wide range of valuation techniques and the degree of subjectivity used in making the estimates, comparisons between the Company's disclosures and those of other companies may not be meaningful. The following methods and assumptions were used to estimate the fair values of the Company's financial instruments as of March 31, 2024 and December 31, 2023.

Cash and Cash Equivalents and Interest-Earning Time Deposits (Carried at Cost)

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

Securities (Carried at Fair Value)

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

Loans Held for Sale (Lower of Cost or Market)

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

Loans Receivable (Carried at Cost)

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

Note 11 – Fair Values of Financial Instruments (Continued)

Individually Evaluated Loans (Generally Carried at Fair Value)

Individually evaluated loans are those for which the Company has measured and recorded credit losses based on the fair value of the loan's collateral, less estimated costs to sell. Fair value is generally determined based upon independent third-party appraisals of the properties, or discounted cash flows based upon the expected proceeds. These assets are included as Level 3 fair values, based upon the lowest level of input that is significant to the fair value measurements. The fair value at March 31, 2024 and December 31, 2023 consisted of the loan balances of $28.7 million net of an allowance for credit losses of $5.1 million and $27.8 million net of an allowance for credit losses of $4.2 million, respectively.

Other Real Estate Owned (Generally Carried at Lower of Cost or Fair Value)

Other real estate owned is generally carried at fair value less estimated costs to sell which is determined based upon independent third-party appraisals of the properties or based upon the expected proceeds from a pending sale. These assets are included as Level 3 fair values, based upon the lowest level of input that is significant to the fair value measurements.

FHLB of New York Stock (Carried at Cost)

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

Accrued Interest Receivable and Payable (Carried at Cost)

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

Deposits (Carried at Cost)

The fair values disclosed for demand deposits (e.g., interest and non-interest checking, savings and money market accounts1) are, by definition, equal to the amount payable on demand at the reporting date (i.e., their carrying amounts). Fair values for fixed-rate certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered in the market on certificates to a schedule of aggregated expected monthly maturities on time deposits.

Debt Including Subordinated Debentures (Carried at Cost)

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

Off-Balance Sheet Financial Instruments

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

Note 11 – Fair Values of Financial Instruments (Continued)

The carrying values and estimated fair values of financial instruments were as follows as of March 31, 2024 and December 31, 2023:

	As of March 31, 2024				
	Carrying Value	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
			(In Thousands)		
Financial assets:					
Cash and cash equivalents	$ 352,448	$ 352,448	$ 352,448	$ -	$ -
Interest-earning time deposits	735	735	-	735	-
Debt securities available for sale	86,966	86,966	-	86,966	-
Equity investments	9,223	9,223	9,223	-	-
Loans receivable, net	3,226,877	3,077,460	-	-	3,077,460
FHLB of New York stock, at cost	24,917	24,917	-	24,917	-
Accrued interest receivable	17,442	17,442	-	17,442	-
Financial liabilities:					
Deposits	2,991,659	2,990,333	2,151,134	839,198	-
Borrowings	472,949	474,103	-	474,103	-
Subordinated debentures	37,624	34,958	-	34,958	-
Accrued interest payable	5,650	5,650	-	5,650	-

	As of December 31, 2023				
	Carrying Value	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
			(In Thousands)		
Financial assets:					
Cash and cash equivalents	$ 279,523	$ 279,523	$ 279,523	$ -	$ -
Interest-earning time deposits	735	735	-	735	-
Debt securities available-for-sale	87,769	87,769	-	87,769	-
Equity investments	9,093	9,093	9,093	-	-
Loans held for sale	1,287	1,287	-	1,287	-
Loans receivable, net	3,279,708	3,112,980	-	-	3,112,980
FHLB of New York stock, at cost	24,917	24,917	-	24,917	-
Accrued interest receivable	16,072	16,072	-	16,072	-
Financial liabilities:					
Deposits	2,979,080	2,978,654	2,120,514	858,140	-
Debt	472,811	472,184	-	472,184	-
Subordinated debentures	37,624	39,299	-	39,299	-
Accrued interest payable	5,777	5,777	-	5,777	-

Note 12 – Subordinated debt

On July 30, 2018, the Company issued $33.5 million of fixed-to-floating rate subordinated debentures (the "Notes") in a private placement. The Notes have a 10-year term and bore an interest at a fixed annual rate of 5.625% for the first five years of the term (the "Fixed Interest Rate Period"). On August 1, 2023, the interest rate was scheduled to adjust to a floating rate based on the three-month LIBOR plus 2.72% until redemption or maturity (the "Floating Interest Rate Period"). However, LIBOR was replaced as the benchmark rate per the discussion below. The Notes are scheduled to mature on August 1, 2028. The Company will pay interest in arrears quarterly during the remaining term of the Notes. The Notes constitute an unsecured and subordinated obligation of the Company and rank junior in right of payment to any senior indebtedness and obligations to general and secured creditors. The Notes qualify as Tier 2 capital for the Company for regulatory purposes, when applicable, and the portion that the Company contributes to the Bank will qualify as Tier 1 capital for the Bank. The additional capital is used for general corporate purposes including organic growth initiatives. Subordinated debt included associated deferred costs of $116,000 which were fully amortized during the year ended December 31, 2023.

The Company also has $4.1 million of mandatory redeemable trust preferred securities. The interest rate on these floating rate junior subordinated debentures adjusts quarterly and had been equal to the three-month LIBOR plus 2.65%.

In accordance with the Adjustable Interest Rate (LIBOR) Act (the "LIBOR Act") and the regulation issued by the Board of Governors of the Federal Reserve System implementing the LIBOR Act, the Company has selected the three-month CME Term Secured Overnight Financing Rate ("SOFR") as the applicable successor rate for both the Notes and the trust preferred securities. The calculation of the amount of interest payable, based on the three-month CME Term SOFR, will also include the applicable tenor spread adjustment of 0.26161% per annum as specified in the LIBOR Act. At March 31, 2024, the interest rate for the subordinated debentures and trust preferred securities was 8.288% and 8.241%, respectively.

Note 13 – Lease Obligations

The Company leases 25 of its offices under various operating lease agreements. The leases have remaining terms of one year to 10 years. The leases contain provisions for the payment by the Company of its pro-rata share of real estate taxes, insurance, common area maintenance and other variable expenses. The Company will allocate payments made under such leases between lease and non-lease components. Some leases contain renewal options and options to purchase the assets.

The Company has elected not to recognize a lease liability and a right of use asset for leases with a lease term of 12 or fewer months.

The following tables present certain information related to the Company's leases (in thousands):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Operating lease cost	$ 885	$ 936
Variable lease cost-operating leases	$ 282	$ 268

Supplemental balance sheet information related to leases:	At March 31, 2024	At December 31, 2023
Operating Leases		
Operating lease right-of-use assets	$ 12,186	$ 12,935
Current liabilities	$ 2,263	$ 3,094
Operating lease liabilities (noncurrent portion)	11,526	11,526
Imputed Interest	(1,210)	(1,305)
Total operating lease liabilities	$ 12,579	$ 13,315

The weighted average remaining lease term for operating leases at March 31, 2024 and December 31, 2023 was 5.63 years and 5.77 years, respectively. The weighted average discount rate for operating leases at March 31, 2024 and December 31, 2023 was 3.03 percent and 3.02 percent, respectively.

The following table summarizes the Company's maturity of lease obligations for operating leases at March 31, 2024 and December 31, 2023 (in thousands):

Maturities of lease liabilities:	At March 31, 2024 Operating Leases	At December 31, 2023 Operating Leases
One year or less	$ 2,263	$ 3,094
Over one year through three years	5,132	5,132
Over three years through five years	3,632	3,632
Over five years	2,762	2,762
Gross Operating Lease Liabilities	$ 13,789	$ 14,620
Imputed Interest	(1,210)	(1,305)
Total Operating Lease Liabilities	$ 12,579	$ 13,315

Note 14 – Subsequent Events

On April 11, 2024, the Board of Directors of the Company declared a cash dividend of $0.16 per share to shareholders of record of its common stock on May 3, 2024, with a payment date of May 19, 2024.

ITEM 2.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This report on Form 10-Q contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995, or the PSLRA. Such forward-looking statements, in addition to historical information, involve risk and uncertainties, and are based on the beliefs, assumptions and expectations of our management team. Words such as "expects," "believes," "should," "plans," "anticipates," "will," "potential," "could," "intend," "may," "outlook," "predict," "project," "would," "estimated," "assumes," "likely," and variation of such similar expressions are intended to identify such forward-looking statements. Forward-looking statements speak only as of the date they are made. Because forward-looking statements are subject to assumptions and uncertainties, actual results or future events could differ, possibly materially, from those that we anticipated in our forward-looking statements and future results could differ materially from historical performance.

The most significant factor that could cause future results to differ materially from those anticipated by our forward-looking statements include the ongoing impact of higher inflation levels, higher interest rates and general economic and recessionary concerns, all of which could impact economic growth and could cause a reduction in financial transactions and business activities, including decreased deposits and reduced loan originations, our ability to manage liquidity and capital in a rapidly changing and unpredictable market, supply chain disruptions, labor shortages and additional interest rate increases by the Federal Reserve. Other factors that could cause future results to vary materially from current management expectations as reflected in our forward-looking statements include, but are not limited to:

- the global impact of the military conflicts in the Ukraine and the Middle East;
- unfavorable economic conditions in the United States generally and particularly in our primary market area;
- the Company's ability to effectively attract and deploy deposits;
- changes in the Company's corporate strategies, the composition of its assets, or the way in which it funds those assets;
- shifts in investor sentiment or behavior in the securities, capital, or other financial markets, including changes in market liquidity or volatility;
- the effects of declines in real estate values that may adversely impact the collateral underlying our loans;
- increase in unemployment levels and slowdowns in economic growth;
- our level of non-performing assets and the costs associated with resolving any problem loans including litigation and other costs;
- the impact of changes in interest rates and the credit quality and strength of underlying collateral and the effect of such changes on the market value of our loan and investment securities portfolios;
- the credit risk associated with our loan portfolio;
- changes in the quality and composition of the Bank's loan and investment portfolios;
- changes in our ability to access cost-effective funding;
- deposit flows;
- legislative and regulatory changes, including increases in Federal Deposit Insurance Corporation, or FDIC, insurance rates;
- monetary and fiscal policies of the federal and state governments;
- changes in tax policies, rates and regulations of federal, state and local tax authorities;
- demands for our loan products;
- demand for financial services;
- competition;
- changes in the securities or secondary mortgage markets;
- changes in management's business strategies;
- our ability to enter new markets successfully;
- our ability to successfully integrate acquired businesses;
- changes in consumer spending;
- our ability to retain key employees;
- the effects of any reputational, credit, interest rate, market, operational, legal, liquidity, or regulatory risk;
- expanding regulatory requirements which could adversely affect operating results;
- civil unrest in the communities that we serve;
- and other factors discussed elsewhere in this report, and in other reports we filed with the SEC, including under "Risk Factors" in Part I, Item 1A of our annual Report on Form 10-K, in Part II, Item 1A of our quarterly reports on Form 10-Q, and our other periodic reports that we file with the SEC.

You should not place undue reliance on these forward-looking statements, which reflect our expectations only as of the date of this Form 10-Q. We do not assume any obligation to revise forward-looking statements except as may be required by law.

Overview

BCB Bancorp, Inc. is a New Jersey corporation, and is the holding company parent of BCB Community Bank, or the Bank. The Company has not engaged in any significant business activity other than owning all of the outstanding common stock of BCB Community Bank. Our executive office is located at 104-110 Avenue C, Bayonne, New Jersey 07002. At March 31, 2024, we had $3.849 billion in consolidated assets, $2.992 billion in deposits and $320.1 million in consolidated stockholders' equity.

BCB Community Bank opened for business on November 1, 2000 as Bayonne Community Bank, a New Jersey chartered commercial bank. The Bank changed its name from Bayonne Community Bank to BCB Community Bank in April 2007. At March 31, 2024, the Bank operated at twenty-four branches in Bayonne, Edison, Jersey City, Hoboken, Fairfield, Holmdel, Lyndhurst, Maplewood, Monroe Township, Newark, Parsippany, Plainsboro, River Edge, Rutherford, South Orange, Union, and Woodbridge, New Jersey, as well as four branches in Hicksville and Staten Island, NY, and through executive offices located at 104-110 Avenue C and an administrative office located at 591-595 Avenue C, Bayonne, New Jersey 07002. The Bank's deposit accounts are insured by the FDIC, and the Bank is a member of the Federal Home Loan Bank System.

The rapid rise in interest rates during 2022 and 2023, the resulting industry-wide reduction in the fair value of securities portfolios, and the bank runs that led to the failures of some financial institutions in March of 2023, among other events, have resulted in a current state of volatility and uncertainty with respect to the health of the U.S. banking system. There is heightened awareness around liquidity, uninsured deposits, deposit composition, unrecognized investment losses, and capital. See further discussion around some of these items in the remaining sections of the Management's Discussion and Analysis of Financial Condition and Results of Operations.

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

- loans, including commercial and multi-family real estate loans, one- to four-family mortgage loans, home equity loans, construction loans, consumer loans and commercial business loans. In recent years the primary growth in our loan portfolio has been in loans secured by commercial real estate and multi-family properties;
- FDIC-insured deposit products, including savings and club accounts, interest and non-interest bearing demand accounts, money market accounts, certificates of deposit and individual retirement accounts; and
- retail and commercial banking services including wire transfers, money orders, safe deposit boxes, a night depository, debit cards, online banking, mobile banking, gift cards, fraud detection (positive pay), and automated teller services.

Critical Accounting Estimates

Estimates and assumptions are necessary in the application of certain accounting policies and can be susceptible to significant change. Critical accounting estimates are defined as those that involve a significant level of estimation uncertainty and have had, or could have, a material impact on the Company's financial conditions or results of operation. At March 31, 2024, the Company considers the allowance for credit losses to be a critical accounting estimate.

See further discussion of this critical accounting estimate in Note 7 of this Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2023.

Financial Condition

Total assets increased by $16.8 million, or 0.4 percent, to $3.849 billion at March 31, 2024, from $3.832 billion at December 31, 2023. The increase in total assets was mainly related to the cash received from the amortization of loans and an increase in deposits.

Total cash and cash equivalents increased by $72.9 million, or 26.1 percent, to $352.4 million at March 31, 2024, from $279.5 million at December 31, 2023. The increase was primarily due to loan payments and an increase in deposits.

Loans receivable, net, decreased by $52.8 million, or 1.6 percent, to $3.227 billion at March 31, 2024, from $3.280 billion at December 31, 2023. Total loan decreases during the period included decreases of $58.1 million in commercial real estate and multi-family loans, construction loans, 1-4 family residential loans, home equity loans and consumer loans. Offsetting this was an increase in commercial business loans of $5.9 million. The allowance for credit losses increased $955 thousand to $34.6 million, or 155.4 percent of non-accruing loans and 1.06 percent of gross loans, at March 31, 2024, as compared to an allowance for credit losses of $33.6 million, or 178.9 percent of non-accruing loans and 1.01 percent of gross loans, at December 31 2023.

Total investment securities decreased by $673 thousand, or 0.7 percent, to $96.2 million at March 31, 2024, from $96.9 million at December 31, 2023, representing unrealized losses, purchases, calls, maturities and repayments.

Deposits increased by $12.6 million, or 0.4 percent, to $2.992 billion at March 31, 2024, from $2.979 billion at December 31, 2023. Certificates of deposits increased $51.7 million, and were offset by interest bearing demand, savings and club accounts, money market accounts and non-interest-bearing accounts which declined by $39.1 million.

Debt obligations increased by $138 thousand to $510.6 million at March 31, 2024 from $510.4 million at December 31, 2023. The weighted average interest rate of FHLB advances was 4.21 percent at March 31, 2024 and 4.21 percent at December 31, 2023. The weighted average maturity of FHLB advances as of March 31, 2024 was 1.68 years. The interest rate of our subordinated debt balances was 8.29 percent at March 31, 2024 and 8.36 percent at December 31, 2023.

Stockholders' equity increased by $6.1 million, or 1.9 percent, to $320.1 million at March 31, 2024, from $314.1 million at December 31, 2023. The increase was attributable to the increase in retained earnings of $2.7 million, or 2.0 percent, to $138.6 million at March 31, 2024 from $135.9 million at December 31, 2023, and an increase in additional paid in capital preferred stock of $2.7 million, or 10.7 percent to $27.7 million at March 31, 2024, from $25.0 million at December 31, 2023, due to the Company's previously announced issuance of shares of its Series J Noncumulative Perpetual Preferred Stock resulting in gross proceeds to the Company of $2.7 million.

Net Interest Income Analysis

Net interest income represents the difference between income earned on our interest-earning assets and the expense incurred on our interest-bearing liabilities, and is analyzed and monitored by the Company on a regular basis. The following tables set forth average balance sheets, yields, and costs. The yields include the effect of deferred fees, discounts, and premiums that are amortized or accreted to interest income or expense. No tax equivalent adjustments have been made as the effects would not be significant.

	Three Months Ended March 31,					
	2024			2023		
	Average Balance	Interest Earned/Paid	Average Yield/Rate (3)	Average Balance	Interest Earned/Paid	Average Yield/Rate (3)
	(Dollars in thousands)					
Interest-earning assets:						
Loans receivable (4) (5)	**$ 3,299,938**	**$ 43,722**	**5.30%**	$ 3,165,678	$ 38,889	4.91%
Investment securities (6)	**96,226**	**1,280**	**5.32%**	108,869	1,306	4.80%
Interest earnings assets	**303,291**	**4,283**	**5.65%**	208,842	2,157	4.13%
Total interest-earning assets	**3,699,455**	**49,285**	**5.33%**	3,483,389	42,352	4.86%
Non-interest-earning assets	**125,480**			116,770		
Total assets	**$ 3,824,935**			$ 3,600,159		
Interest-bearing liabilities:						
Interest-bearing demand accounts	**$ 560,190**	**$ 2,230**	**1.59%**	$ 713,788	$ 1,789	1.00%
Money market accounts	**369,096**	**3,027**	**3.28%**	314,427	1,365	1.74%
Savings accounts	**277,731**	**166**	**0.24%**	322,760	118	0.15%
Certificates of Deposit	**1,239,807**	**14,983**	**4.83%**	848,447	6,453	3.04%
Total interest-bearing deposits	**2,446,824**	**20,406**	**3.34%**	2,199,422	9,725	1.77%
Borrowed funds	**510,503**	**5,736**	**4.49%**	461,415	5,156	4.47%
Total interest-bearing liabilities	**2,957,327**	**26,142**	**3.54%**	2,660,837	14,881	2.24%
Non-interest-bearing liabilities	**552,959**			645,883		
Total liabilities	**3,510,286**			3,306,720		
Stockholders' equity	**314,649**			293,439		
Total liabilities and stockholders' equity	**$ 3,824,935**			$ 3,600,159		
Net interest income		**$ 23,143**			$ 27,471	
Net interest rate spread (1)			**1.79%**			2.62%
Net interest margin (2)			**2.50%**			3.15%

(1) Net interest rate spread represents the difference between the average yield on average interest-earning assets and the average cost of average interest-bearing liabilities.
(2) Net interest margin represents net interest income divided by average total interest-earning assets.
(3) Annualized.
(4) Excludes allowance for credit losses.
(5) Includes non-accrual loans which are immaterial to the yield.
(6) Includes Federal Home Loan Bank of New York Stock.

Results of Operations Comparison for the Three Months Ended March 31, 2024 and 2023

Net income was $5.9 million for the quarter ended March 31, 2024 and $8.1 million for the quarter ended March 31, 2023. The decline was primarily driven by lower net interest income, higher credit loss provisioning and higher non-interest expenses, which were partially offset by an increase in non-interest income for the first quarter of 2024 as compared with the first quarter of 2023.

Net interest income decreased by $4.3 million, or 15.8 percent, to $23.1 million for the first quarter of 2024, from $27.5 million for the first quarter of 2023. The decrease in net interest income resulted from higher interest expense which was partially offset by higher interest income.

Interest income increased by $6.9 million, or 16.4 percent, to $49.3 million for the first quarter of 2024 from $42.4 million for the first quarter of 2023. The average balance of interest-earning assets increased $216.1 million, or 6.2 percent, to $3.699 billion for the first quarter of 2024 from $3.483 billion for the first quarter of 2023, while the average yield increased 47 basis points to 5.33 percent for the first quarter of 2024 from 4.86 percent for the first quarter of 2023.

Interest expense increased by $11.3 million to $26.1 million for the first quarter of 2024 from $14.9 million for the first quarter of 2023. The increase resulted primarily from an increase in the average rate on interest-bearing liabilities of 130 basis points to 3.54 percent for the first quarter of 2024 from 2.24 percent for the first quarter of 2023, while the average balance of interest-bearing liabilities increased by $296.5 million to $2.957 billion for the first quarter of 2024 from $2.661 billion for the first quarter of 2023.

The net interest margin was 2.50 percent for the first quarter of 2024 compared to 3.15 percent for the first quarter of 2023. The decrease in the net interest margin compared to the first quarter of 2023 was the result of the increase in the cost of interest-bearing liabilities partially offset by the increase in the yield on interest-earning assets.

During the first quarter of 2024, the Company recognized $1.1 million in net charge-offs compared to a $52 thousand net recoveries in the first quarter of 2023. The Bank had non-accrual loans totaling $22.2 million, or 0.68 percent of gross loans, at March 31, 2024 as compared to $18.8 million, or 0.57 percent of gross loans, at December 31, 2023. The allowance for credit losses on loans was $34.6 million, or 1.06 percent of gross loans at March 31, 2024, and $33.6 million, or 1.01 percent of gross loans, at December 31, 2023. The provision for credit losses was $2.1 million for the first quarter of 2024 compared to $622,000 for the first quarter of 2023. Management believes that the allowance for credit losses on loans was adequate at March 31, 2024 and December 31, 2023.

Non-interest income increased by $3.8 million to $2.1 million for the first quarter of 2024 from a net loss of $1.7 million in the first quarter of 2023. The increase in total non-interest income was mainly related to an increase in gains on equity securities of $3.4 million and an increase in BOLI income of $254 thousand.

Non-interest expense increased by $984 thousand, or 7.1 percent, to $14.8 million for the first quarter of 2024 from $13.9 million for the first quarter of 2023. The increase in these expenses for the first quarter of 2024 was primarily driven by higher regulatory assessment charges, and the increase in other expenses related to higher off-balance sheet reserves, in the first quarter of 2024 when compared with the first quarter of 2023.

The income tax provision decreased by $765 thousand, or 23.7 percent, to $2.5 million for the first quarter of 2024 from $3.2 million for the first quarter of 2023. The consolidated effective tax rate was 29.6 percent for the first quarter of 2024 compared to 28.5 percent for the first quarter of 2023.

Liquidity and Capital Resources

Liquidity

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

The Company's primary sources of funds to satisfy its objectives are net growth in deposits (primarily retail), principal and interest payments on loans and investment securities, proceeds from the sale of originated loans and FHLB and other borrowings. The scheduled amortization of loans is a predictable source of funds. Deposit flows and mortgage prepayments are greatly influenced by general interest rates, economic conditions and competition. The Company has other sources of liquidity if a need for additional funds arises, including unsecured overnight lines of credit and other collateralized borrowings from the Federal Reserve Bank Discount Window, the FHLB and other correspondent banks. Our Asset / Liability Management Committee is responsible for establishing and monitoring our liquidity targets and strategies in order to ensure that sufficient liquidity exists for meeting the borrowing needs of our customers as well as unanticipated contingencies.

At March 31, 2024 and December 31, 2023, the Company had no overnight borrowings outstanding with the FHLB. The Company utilizes overnight borrowings from time to time to fund short-term liquidity needs. The Company had total outstanding borrowings of $510.6 million at March 31, 2024 as compared to $510.4 million at December 31, 2023.

At March 31, 2024, the Company had the ability to obtain additional funding from the FHLB of $191.6 million and $589.0 million from the Federal Reserve Bank Discount Window, utilizing unencumbered loan collateral. The Company expects to have sufficient funds available to meet current loan commitments in the normal course of business through typical sources of liquidity. Time deposits scheduled to mature in one year or less totaled $1.256 billion at March 31, 2024. Based upon historical experience data, management estimates that a significant portion of such deposits will remain with the Company.

The Company was well-positioned with adequate levels of cash and liquid assets as of March 31, 2024 and a significant amount of available borrowing capacity with FHLB and Federal Reserve Bank Discount Window.

Subordinated Debentures

The Company has subordinated debentures outstanding, whose aggregate principal totaled $33.5 million at March 31, 2024. The subordinated debentures have a ten-year term and bore an interest at a fixed annual rate of 5.625% for the first five years of the term. Beginning August 1, 2023, the interest rate adjusted to a floating rate based on the CME Term Secured Overnight Financing Rate ("SOFR") published by the Federal Reserve Bank of New York, as adjusted by the spread adjustment of 0.26161 percent, plus 2.72% until redemption or maturity. The rate paid as of March 31, 2024 and 2023 was 8.288% and 5.625%, respectively. The Notes are scheduled to mature on August 1, 2028.

The Company also has $4.1 million of mandatory redeemable Trust Preferred securities outstanding. Effective September 18, 2023, the interest rate on these floating rate junior subordinated debentures adjusts quarterly based on the three-month CME Term SOFR, as adjusted by the spread adjustment of 0.26161 percent, plus 2.650%. Prior to September 18, 2023 the rate was based on the three-month LIBOR. The rate paid as of March 31, 2024 and 2023 was 8.241% and 7.557%, respectively. The trust preferred debenture became callable, at the Company's option, on June 17, 2009, and quarterly thereafter.

Capital Resources

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet the minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of its assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. Our capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk-weightings and other factors.

The Bank has opted into the community bank leverage ratio (tier 1 capital to average consolidated assets) ("CBLR") framework, with a minimum requirement of 9% for institutions under $10 billion in assets. Such institutions meeting that requirement may elect to utilize the CBLR in lieu of the general applicable risk-based capital requirements under Basel III. Such institutions that meet the CBLR and certain other qualifying criteria will automatically be deemed to be well-capitalized.

At March 31, 2024 and December 31, 2023, the Bank exceeded all of its regulatory capital requirements. The following table sets forth the regulatory capital ratios for the Bank as well as regulatory capital requirements for the periods presented.

	Actual		For Capital Adequacy Purposes		For Well Capitalized Under Prompt Corrective Action	
			Dollars in Thousands			
As of March 31, 2024:						
Bank						
Community Bank Leverage Ratio	**$ 356,905**	**9.33 %**	**$ 306,111**	**8.00 %**	**344,375**	**9.00 %**
As of December 31, 2023:						
Bank						
Community Bank Leverage Ratio	$ 350,749	9.09 %	$ 308,608	8.00 %	$ 347,184	9.00 %

The following table sets forth the regulatory capital ratios for the Company as well as the regulatory requirements for March 31, 2024 and December 31, 2023.

	Actual		For Capital Adequacy Purposes		For Well Capitalized Under Prompt Corrective Action	
			Dollars in Thousands			
As of March 31, 2024:						
Bancorp						
Total Capital (to Risk-Weighted Assets)	**$ 386,623**	**11.56%**	**$ 267,559**	**8.00%**	**$ 334,449**	**10.00%**
Tier 1 Capital (to Risk-Weighted Assets)	**325,460**	**9.73**	**200,695**	**6.00**	**267,593**	**8.00**
Common Equity Tier 1 Capital (to Risk-Weighted Assets)	**293,603**	**8.77**	**150,651**	**4.50**	**217,608**	**6.50**
Tier 1 Capital (to adjust total assets)	**325,460**	**8.51**	**152,978**	**4.00**	**191,222**	**5.00**
As of December 31, 2023:						
Bancorp						
Total Capital (To Risk-Weighted Assets)	$ 379,562	11.14 %	$ 272,564	8.00 %	$ 340,705	10.00 %
Tier 1 Capital (to Risk-Weighted Assets)	319,154	9.37	204,422	6.00	272,563	8.00
Common Equity Tier 1 Capital (to Risk-Weighted Assets)	289,987	8.51	153,317	4.50	221,458	6.50
Tier 1 Capital (to adjusted total assets)	319,154	8.27	154,315	4.00	192,894	5.00

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

Management of Market Risk

Market risk is a broad term for the risk of economic loss due to adverse changes in the fair value of a financial instrument. These changes may be the result of various factors, including interest rates, foreign exchange prices, commodity prices, or equity prices. Financial instruments that are subject to market risk can be classified either as held for trading or held for purposes other than trading.

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

Quantitative Analysis. The following table presents the Company's net portfolio value ("NPV"). These calculations were based upon assumptions believed to be fundamentally sound, although they may vary from assumptions utilized by other financial institutions. The information set forth below is based on data that included all financial instruments as of March 31, 2024. Assumptions have been made by the Company relating to interest rates, loan prepayment rates, core deposit duration, and the market values of certain assets and liabilities under the various interest rate scenarios. Actual maturity dates were used for fixed rate loans and certificate accounts. Investment securities were scheduled at either the maturity date or the next scheduled call date based upon management's judgment of whether the particular security would be called in the current interest rate environment and under assumed interest rate scenarios. Variable rate loans were scheduled as of their next scheduled interest rate repricing date. The NPV at "PAR" represents the difference between the Company's estimated value of assets and estimated value of liabilities assuming no change in interest rates. The NPV for an increase of 200 to 300 basis points has been excluded since it would not be meaningful in the interest rate environment as of March 31, 2024. The following sets forth the Company's NPV as of March 31, 2024.

					NPV as a % of Assets	
Change in calculation	Net Portfolio Value	$ Change from PAR	% Change from PAR	NPV Ratio	Change	
		(Dollars in Thousands)				
+100bp	$ 338,362	$ (31,680)	(8.56) %	9.33 %	(0.68)	%
PAR	370,042	-	0.00	10.00	0.00	
-100bp	399,338	29,296	7.92	10.59	0.58	
-200bp	424,415	54,373	14.69	11.03	1.03	
-300bp	440,026	69,984	18.91	11.21	1.21	

bps-basis point

The table above indicates that at March 31, 2024, in the event of a 100-basis point decrease in interest rates, we would experience an 0.58 percent increase in NPV, as compared to a 0.66 percent increase at December 31, 2023.

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

ITEM 4. Controls and Procedures

Under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, the Company has evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this quarterly report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this quarterly report, the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms.

There was no change to our internal controls over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved, from time to time, as plaintiff or defendant in various legal actions arising in the normal course of business. As of March 31, 2024, we were not involved in any material legal proceedings the outcome of which, if determined in a manner adverse to the Company, would have a material adverse effect on our financial condition or results of operations.

ITEM 1.A. RISK FACTORS

There have been no material changes to the risk factors set forth under the Part I, Item 1.A. Risk Factors as set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFTEY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

In the Company's definitive proxy statement mailed to shareholders in connection with the Company's 2024 annual meeting of shareholders, which was filed with the SEC on March 15, 2024, the Company inadvertently stated on page 31 of the proxy statement: "If within two years after the occurrence of a change in control of the Company or the Bank, Mr. Chaudhry's employment is terminated by the Bank (or its successor) without cause or the executive voluntarily terminates for Good Reason (as defined in the agreement), he will receive a lump sum payment equal to two (2) times his annual base salary at the time of a change in control." Mr. Chaudhry's payment in that situation under his employment agreement is actually three (3) times his annual base salary at the time of a change in control plus a bonus equal to the highest bonus received over the three years prior to the change in control. That error occurs again on page 34 under "POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL," and in the last two columns of the table on page 35 where its states that Mr. Chaudhry's payment in the event a qualifying termination of employment would be $700,000. The payment reflected in each such column should be $1,150,000.

Also, in the header to the table on page 24 of the proxy statement under "*Base Salary",* the year 2023 should be 2022 and the year 2022 should be 2023.

ITEM 6. EXHIBITS

Exhibit 10.1	Employment Agreement between BCB Bancorp, Inc. and BCB Community Bank and Jawad Chaudhry, dated October 11, 2022 (Incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022.)
Exhibit 31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31.2	Certification of Principal Accounting Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32	Officers' Certification filed pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 101.INS	XBRL Instance Document
Exhibit 101.SCH	XBRL Taxonomy Extension Schema
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation LinkBase
Exhibit 101.DEF	XBRL Taxonomy Extension Definition LinkBase
Exhibit 101.LAB	XBRL Taxonomy Extension Label LinkBase
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation LinkBase
Exhibit 104	Cover page Interactive Data File (embedded within the Inline XBRL document)

Signatures

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

BCB BANCORP, INC.

Date: May 6, 2024

By: /s/ Michael A. Shriner
Michael A. Shriner
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 6, 2024

By: /s/ Jawad Chaudhry
Jawad Chaudhry
Chief Financial Officer
(Principal Accounting and Financial Officer)