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 June 30, 2026

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 August 1, 2026, BCB Bancorp, Inc. had 18,101,822 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)

	June 30, 2026	December 31, 2025
ASSETS		
Cash and amounts due from depository institutions	**$ 14,573**	$ 13,794
Interest-earning deposits	**182,314**	262,790
Total cash and cash equivalents	**196,887**	276,584
Interest-earning time deposits	**735**	735
Debt securities available for sale, at fair value	**148,428**	126,395
Equity investments, at fair value	**3,851**	9,172
Loans held for sale	**10,777**	-
Loans receivable, net of allowance for credit losses of $44,980 and $33,691, respectively	**2,587,984**	2,691,091
Federal Home Loan Bank of New York stock, at cost	**9,048**	14,176
Premises and equipment, net	**11,737**	12,056
Accrued interest receivable	**14,661**	13,834
Other real estate owned	**5,000**	5,000
Deferred income taxes, net	**24,794**	22,209
Goodwill and other intangibles	**-**	5,253
Operating lease right-of-use assets	**10,479**	10,660
Bank-owned life insurance (BOLI)	**81,229**	79,366
Other assets	**12,516**	12,935
Total Assets	**$ 3,118,126**	$ 3,279,466
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Non-interest-bearing deposits	**$ 514,648**	$ 531,140
Interest-bearing deposits	**2,121,375**	2,142,433
Total deposits	**2,636,023**	2,673,573
FHLB advances	**125,000**	235,000
Subordinated debentures	**43,335**	43,210
Operating lease liability	**10,953**	11,140
Other liabilities	**10,896**	12,259
Total Liabilities	**2,826,207**	2,975,182
STOCKHOLDERS' EQUITY		
Preferred stock: $0.01 par value, 10,000,000 shares authorized; issued and outstanding 2,548 shares Series J 8.0% and Series K 6.0% (liquidation value $10,000 per share) noncumulative perpetual preferred stock at June 30, 2026 and December 31, 2025	**-**	-
Additional paid-in capital preferred stock	**25,243**	25,243
Common stock: no par value; 40,000,000 shares authorized; issued 21,335,793 and 20,508,183 at June 30, 2026 and December 31, 2025, respectively, outstanding 18,101,822 and 17,274,212, at June 30, 2026 and December 31, 2025, respectively	**-**	-
Additional paid-in capital common stock	**204,451**	203,429
Retained earnings	**103,225**	116,415
Accumulated other comprehensive loss	**(2,653)**	(2,456)
Treasury stock, at cost, 3,233,971 shares at June 30, 2026 and December 31, 2025	**(38,347)**	(38,347)
Total Stockholders' Equity	**291,919**	304,284
Total Liabilities and Stockholders' Equity	**$ 3,118,126**	$ 3,279,466

See accompanying notes to unaudited consolidated financial statements.

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	2024	**2026**	2025	2024
Interest and dividend income:						
Loans, including fees	**$ 35,856**	$ 38,650	$ 44,036	**$ 71,734**	$ 77,577	$ 87,758
Mortgage-backed securities	**960**	765	297	**1,799**	1,326	602
Other investment securities	**1,113**	1,057	1,006	**2,103**	2,025	1,981
FHLB stock and other interest earning assets	**2,532**	2,709	4,106	**5,227**	6,445	8,389
Total interest income	**40,461**	43,181	49,445	**80,863**	87,373	98,730
Interest expense:						
Deposits:						
Demand	**5,413**	5,584	5,349	**10,583**	11,002	10,606
Savings and club	**112**	217	152	**248**	368	318
Certificates of deposit	**8,266**	9,170	14,571	**16,858**	19,932	29,554
	13,791	14,971	20,072	**27,689**	31,302	40,478
Borrowings	**3,325**	5,108	5,734	**6,992**	10,964	11,470
Total interest expense	**17,116**	20,079	25,806	**34,681**	42,266	51,948
Net interest income	**23,345**	23,102	23,639	**46,182**	45,107	46,782
Provision for credit losses on loans	**18,987**	4,891	2,438	**21,775**	25,736	4,526
Net interest income after provision for credit losses on loans	**4,358**	18,211	21,201	**24,407**	19,371	42,256
Non-interest (loss) income:						
Fees and service charges	**1,313**	1,305	1,119	**2,504**	2,478	2,334
BOLI income	**917**	786	671	**1,863**	1,394	1,346
(Loss) gain on sales of loans	**(2,607)**	-	(4,851)	**(2,600)**	-	(4,806)
Realized and unrealized losses on equity investments	**(248)**	(108)	(222)	**(341)**	(223)	(92)
Other	**155**	93	49	**205**	218	93
Total non-interest (loss) income	**(470)**	2,076	(3,234)	**1,631**	3,867	(1,125)
Non-interest expense:						
Salaries and employee benefits	**9,395**	7,713	6,992	**17,722**	15,116	13,973
Occupancy and equipment	**2,562**	2,502	2,529	**5,286**	5,225	5,173
Data processing and communications	**1,968**	2,046	1,672	**3,991**	3,890	3,525
Professional fees	**562**	767	604	**1,189**	1,459	1,199
Director fees	**244**	313	254	**490**	731	531
Regulatory assessments	**650**	804	953	**1,415**	1,513	2,095
Advertising and promotional	**489**	216	253	**689**	395	469
Other real estate owned, net	**130**	-	-	**280**	-	-
Impairment of goodwill	**5,253**	-	-	**5,253**	-	-
Other	**879**	907	730	**1,368**	1,599	1,860
Total non-interest expense	**22,132**	15,268	13,987	**37,683**	29,928	28,825
(Loss) Income before income tax provision	**(18,244)**	5,019	3,980	**(11,645)**	(6,690)	12,306
Income tax (benefit) provision	**(3,468)**	1,455	1,163	**(1,773)**	(1,930)	3,623
Net (Loss) Income	**$ (14,776)**	$ 3,564	$ 2,817	**$ (9,872)**	$ (4,760)	$ 8,683
Preferred stock dividends	**-**	482	448	**482**	964	882
Net (Loss) Income available to common stockholders	**$ (14,776)**	$ 3,082	$ 2,369	**$ (10,354)**	$ (5,724)	$ 7,801
Net (Loss) Income per common share-basic and diluted						
Basic	**$ (0.85)**	$ 0.18	$ 0.14	**$ (0.60)**	$ (0.33)	$ 0.46
Diluted	**$ (0.85)**	$ 0.18	$ 0.14	**$ (0.60)**	$ (0.33)	$ 0.46
Weighted average number of common shares outstanding						
Basic	**17,306**	17,175	17,005	**17,273**	17,144	16,968
Diluted	**17,306**	17,175	17,005	**17,273**	17,144	16,968

See accompanying notes to unaudited consolidated financial statements.

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	2024	**2026**	2025	2024
Net (Loss) Income	**$ (14,776)**	$ 3,564	$ 2,817	**$ (9,872)**	$ (4,760)	$ 8,683
Other comprehensive income (loss), net of tax:						
Available-for-sale debt securities:						
Unrealized holding gains (losses) arising during the period	**200**	226	(227)	**(261)**	1,513	(404)
Tax effect	**(49)**	(56)	56	**64**	(373)	100
Other comprehensive income (loss), net of tax:	**151**	170	(171)	**(197)**	1,140	(304)
Comprehensive (loss) income	**$ (14,625)**	$ 3,734	$ 2,646	**$ (10,069)**	$ (3,620)	$ 8,379

See accompanying notes to unaudited consolidated financial statements.

BCB BANCORP INC. AND SUBSIDIARIES
Consolidated Statements 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, 2026	**$ -**	**$ -**	**$ 228,672**	**$ 116,415**	**$ (38,347)**	**$ (2,456)**	**$ 304,284**
Net loss	-	-	-	**(9,872)**	-	-	**(9,872)**
Other comprehensive loss	-	-	-	-	-	**(197)**	**(197)**
Stock-based compensation expense	-	-	**474**	-	-	-	**474**
Dividends payable on Series J 8.0% and Series K 6.0% noncumulative perpetual preferred stock	-	-	-	**(482)**	-	-	**(482)**
Cash dividends on common stock ($0.16 per share declared)	-	-	-	**(2,738)**	-	-	**(2,738)**
Dividend reinvestment plan	-	-	**98**	**(98)**	-	-	**-**
Stock purchase plan	-	-	**450**	-	-	-	**450**
Balance at June 30, 2026	**$ -**	**$ -**	**$ 229,694**	**$ 103,225**	**$ (38,347)**	**$ (2,653)**	**$ 291,919**

	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at April 1, 2026	**$ -**	**$ -**	**$ 229,119**	**$ 119,412**	**$ (38,347)**	**$ (2,804)**	**$ 307,380**
Net loss	-	-	-	**(14,776)**	-	-	**(14,776)**
Other comprehensive income	-	-	-	-	-	**151**	**151**
Stock-based compensation expense	-	-	**326**	-	-	-	**326**
Cash dividends on common stock ($0.08 per share declared)	-	-	-	**(1,362)**	-	-	**(1,362)**
Dividend reinvestment plan	-	-	**49**	**(49)**	-	-	**-**
Stock purchase plan	-	-	**200**	-	-	-	**200**
Balance at June 30, 2026	**$ -**	**$ -**	**$ 229,694**	**$ 103,225**	**$ (38,347)**	**$ (2,653)**	**$ 291,919**

BCB BANCORP INC. AND SUBSIDIARIES
Consolidated Statements 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, 2025	**$ -**	**$ -**	**$ 225,658**	**$ 141,853**	**$ (38,347)**	**$ (5,239)**	**$ 323,925**
Net loss	-	-	-	**(4,760)**	-	-	**(4,760)**
Other comprehensive loss	-	-	-	-	-	**1,140**	**1,140**
Issuance of Series K preferred stock	-	-	**520**	-	-	-	**520**
Stock-based compensation expense	-	-	**551**	-	-	-	**551**
Dividends payable on Series J 8.0% and Series K 6.0% noncumulative perpetual preferred stock	-	-	-	**(964)**	-	-	**(964)**
Cash dividends on common stock ($0.32 per share declared)	-	-	-	**(5,347)**	-	-	**(5,347)**
Dividend reinvestment plan	-	-	**155**	**(155)**	-	-	-
Stock Purchase Plan	-	-	**670**	-	-	-	**670**
Balance at June 30, 2025	**$ -**	**$ -**	**$ 227,554**	**$ 130,627**	**$ (38,347)**	**$ (4,099)**	**$ 315,735**

	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at April 1, 2025	**$ -**	**$ -**	**$ 227,047**	**$ 130,291**	**$ (38,347)**	**$ (4,269)**	**$ 314,722**
Net income	-	-	-	**3,564**	-	-	**3,564**
Other comprehensive income	-	-	-	-	-	**170**	**170**
Stock-based compensation expense	-	-	**230**	-	-	-	**230**
Dividends payable on Series J 8.0% and Series K 6.0% noncumulative perpetual preferred stock	-	-	-	**(482)**	-	-	**(482)**
Cash dividends on common stock ($0.16 per share declared)	-	-	-	**(2,668)**	-	-	**(2,668)**
Dividend reinvestment plan	-	-	**78**	**(78)**	-	-	-
Stock Purchase Plan	-	-	**199**	-	-	-	**199**
Balance at June 30, 2025	**$ -**	**$ -**	**$ 227,554**	**$ 130,627**	**$ (38,347)**	**$ (4,099)**	**$ 315,735**

BCB BANCORP INC. AND SUBSIDIARIES
Consolidated Statements 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	-	-	-	**8,683**	-	-	**8,683**
Other comprehensive loss	-	-	-	-	-	**(304)**	**(304)**
Issuance of Series J preferred stock	-	-	**3,360**	-	-	-	**3,360**
Stock-based compensation expense	-	-	**397**	-	-	-	**397**
Dividends payable on Series I 3.0% and Series J 8.0% noncumulative perpetual preferred stock	-	-	-	**(882)**	-	-	**(882)**
Cash dividends on common stock ($0.32 per share declared)	-	-	-	**(5,202)**	-	-	**(5,202)**
Dividend reinvestment plan	-	-	**217**	**(217)**	-	-	-
Stock Purchase Plan	-	-	**625**	-	-	-	**625**
Balance at June 30, 2024	**$ -**	**$ -**	**$ 228,565**	**$ 138,309**	**$ (38,347)**	**$ (7,795)**	**$ 320,732**

	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at April 1, 2024	**$ -**	**$ -**	**$ 227,459**	**$ 138,643**	**$ (38,347)**	**$ (7,624)**	**$ 320,131**
Net income	-	-	-	**2,817**	-	-	**2,817**
Other comprehensive loss	-	-	-	-	-	**(171)**	**(171)**
Issuance of Series J preferred stock	-	-	**670**	-	-	-	**670**
Stock-based compensation expense	-	-	**202**	-	-	-	**202**
Dividends payable on Series I 3.0% and Series J 8.0% noncumulative perpetual preferred stock	-	-	-	**(448)**	-	-	**(448)**
Cash dividends on common stock ($0.16 per share declared)	-	-	-	**(2,594)**	-	-	**(2,594)**
Dividend reinvestment plan	-	-	**109**	**(109)**	-	-	-
Stock Purchase Plan	-	-	**125**	-	-	-	**125**
Balance at June 30, 2024	**$ -**	**$ -**	**$ 228,565**	**$ 138,309**	**$ (38,347)**	**$ (7,795)**	**$ 320,732**

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

	Six Months Ended June 30,		
	2026	2025	2024
Cash Flows from Operating Activities:			
Net (Loss) Income	**$ (9,872)**	$ (4,760)	$ 8,683
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation of premises and equipment	**822**	763	895
Amortization and accretion, net	**(497)**	(306)	(856)
Provision for credit losses	**21,775**	25,736	4,526
Deferred income tax (benefit) expense	**(2,521)**	(4,942)	1,086
Loans originated for sale	**(470)**	(848)	(2,815)
Proceeds from sales of loans	**478**	-	2,799
Loss (gain) on sales of loans	**2,600**	-	4,806
Gain on sale of fixed assets	**-**	-	(4)
Realized and unrealized losses on equity investments	**341**	223	92
Stock-based compensation expense	**474**	551	397
Increase in cash surrender value of BOLI	**(1,863)**	(1,394)	(1,346)
Impairment of goodwill	**5,253**	-	-
Net change in accrued interest receivable	**(827)**	(671)	(504)
Net change in other assets	**419**	1,873	881
Net change in accrued interest payable	**(639)**	(947)	(803)
Net change in other liabilities	**(724)**	64	(1,422)
Net Cash Provided by Operating Activities	**14,749**	15,342	16,415
Cash flows from investing activities:			
Proceeds from repayments, calls, and maturities on securities available for sale	**12,314**	9,853	1,396
Purchases of securities	**(34,586)**	(37,402)	-
Proceeds from sale of fixed asset	**-**	-	4
Proceeds from sales of equity investments	**4,980**	-	-
Proceeds from the sale of portfolio loans	**-**	-	2,014
Net decrease in loans receivable	**68,541**	111,159	73,726
Additions to premises and equipment	**(503)**	(447)	(184)
Redemption (purchase) of Federal Home Loan Bank of New York stock	**5,128**	5,510	(84)
Net Cash Provided by Investing Activities	**55,874**	88,673	76,872
Cash flows from financing activities:			
Net (decrease) increase in deposits	**(37,550)**	(89,324)	(43,841)
Repayment from Federal Home Loan Bank of New York Long Term Advances	**(110,000)**	(150,000)	-
Net change in Federal Home Loan Bank of New York Short Term Advances	**-**	30,000	-
Cash dividends paid on common stock	**(2,738)**	(5,347)	(5,202)
Cash dividends paid on preferred stock	**(482)**	(964)	(882)
Net proceeds from issuance of common stock	**450**	670	625
Net proceeds from issuance of preferred stock	**-**	520	3,360
Net Cash Used in Financing Activities	**(150,320)**	(214,445)	(45,940)
Net (Decrease) Increase in Cash and Cash Equivalents	**(79,697)**	(110,430)	47,347
Cash and Cash Equivalents-Beginning	**276,584**	317,282	279,523
Cash and Cash Equivalents-Ending	**$ 196,887**	$ 206,852	$ 326,870
Supplementary Cash Flow Information:			
Cash paid during the period for:			
Income taxes	**$ 664**	$ 1,056	$ 2,429
Interest	**35,319**	43,214	52,751
Transfer of loans receivable to loans held for sale	**13,385**	-	38,402

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 June 30, 2026, operated at 26 locations in Bayonne, Edison, Fairfield, Hoboken, Holmdel, Jersey City, Lyndhurst, Maplewood, Monroe Township, Newark, 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. The Bank has two active subsidiaries. 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. in 2018, the Company acquired Special Asset REO 1, LLC and Special Asset REO 2, LLC. The Bank changed the name of Special Asset REO 1, LLC to BCB Capital Finance Group, LLC in November 2023. This subsidiary is inactive. Special Asset REO 2, LLC had one foreclosed property at June 30, 2026, totaling $5.0 million.

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 Company operates as a single reportable segment under ASC 280, as the Chief Operating Decision Maker ("CODM") reviews financial performance and allocates resources based on the consolidated results of the Company as a whole. The Company, through its bank subsidiary, provides banking services to individuals and companies primarily in New Jersey and New York. These services include commercial lending, residential lending, and consumer lending, checking, savings and time deposits, and cash management. The CODM primarily evaluates performance using net interest income and net income as reported in the consolidated statements of operations. The Company's primary measure of profitability is net interest income, which represents interest earned on loans and investment securities, net of interest expense on deposits and borrowings. In addition, the CODM considers net income as a key measure of overall financial performance. The Company's CODM is the President & Chief Executive Officer.

Other performance indicators regularly reviewed by management include:

- Net Interest Margin (NIM) – Measures the profitability of interest-earning assets.
- Return on Assets (ROA) and Return on Equity (ROE) – Evaluates efficiency and shareholder returns.
- Efficiency Ratio – Assesses cost management by comparing non-interest expense to total revenue.

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 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 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, 2025, 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, 2025 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. 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.

Note 2 - Recent Accounting Pronouncements

In November 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2025-08, *Financial Instruments- Credit Losses (Topic 326): Purchased Loans*. The amendment expands the gross-up approach to certain acquired loans defined as "purchased seasoned loans" (PSLs). For PSLs the allowance for credit losses is recognized at acquisition as an adjustment to amortized cost, eliminating Day-1 provision expense. The amendments are expected to enhance comparability and simplify application for institutions acquiring loan portfolios. The update is effective for annual periods beginning after December 15, 2026. Early adoption is permitted. The Company does not anticipate adoption having an impact on the consolidated financial statements.

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 Compensation Arrangements

Inducement Award

On May 26, 2026, the Company's Board of Directors approved the issuance of 709,220 shares of restricted stock as an inducement award to an executive officer of the Company and the Bank. The grant, which was made on June 5, 2026, was an inducement award, separate from the BCB Bancorp, Inc. 2023 Equity Incentive Plan, in compliance with NASDAQ Listing Rule 5635(c)(4). The restricted stock generally vests in five equal annual installments on December 31 of each year beginning December 31, 2026, and ending December 31, 2030, subject to the executive's continued service and the terms of the award agreement which include earlier vesting in certain circumstances.

Note 4 – Equity Compensation Arrangements (continued)

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 were eligible to participate in the 2018 Stock Plan. All stock options were granted in the form of either "incentive" stock options or "non-qualified" stock options. No further grants will be made under the 2018 Stock Plan.

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. No options were permitted to be granted under the 2011 Stock Plan after April 28, 2021.

On February 10, 2026, awards of 47,616 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 3-year period, commencing on the anniversary of the award date. Also, on April 22, 2026, an award of 4,226 shares of restricted stock was declared for a new member of the Board of Directors of the Bank and the Company, which vests over a 3-year period commencing on the anniversary of the award date.

On February 24, 2025, grants of 63,763 options, in aggregate, were declared for certain officers of the Bank and the Company, which vest over a 3-year period commencing on the first anniversary of the grant date. The exercise price was recorded as of close of business on February 24, 2025.

On February 3, 2025, awards of 43,773 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 1-year period, commencing on the anniversary of the award date.

On April 25, 2024, awards of 30,000 and 20,000 shares of restricted stock were declared for an executive officer of the Bank and the Company, which vest over a 2 and 3-year period, respectively, commencing on the anniversary date of the awards.

The following table presents a summary of the status of the Company's restricted shares as of June 30, 2026 and 2025.

	Number of Shares Awarded		Weighted Average Grant Date Fair Value
Non-vested at January 1, 2026	**79,353**	**$**	**11.36**
Granted	**761,062**		**11.09**
Vested	**(68,186)**		**11.11**
Forfeited	**-**		**-**
Non-vested at June 30, 2026	**772,229**	**$**	**11.12**

	Number of Shares Awarded		Weighted Average Grant Date Fair Value
Non-vested at January 1, 2025	84,800	$	12.38
Granted	43,773		10.66
Vested	(44,530)		12.69
Forfeited	-		-
Non-vested at June 30, 2025	84,043	$	11.32

Restricted stock expense for the six months ended June 30, 2026, June 30, 2025 and June 30, 2024 was $405,000, $461,000 and $341,000, respectively. Expected future expenses relating to the non-vested restricted shares outstanding as of June 30, 2026 was approximately $7.747 million over a weighted average period of 4.36 years.

The following table presents a summary of the status of the Company's outstanding stock option awards as of June 30, 2026.

	Number of Option Shares		**Range of Exercise Prices**		**Weighted Average Exercise Price**
Outstanding at January 1, 2026	**875,738**	**$**	**9.91-13.68**	**$**	**11.72**
Options granted	**-**		**-**		**-**
Options exercised	**(26,942)**		**9.91**		**9.91**
Options forfeited	**-**		**-**		**-**
Options expired	**-**		**-**		**-**
Outstanding at June 30, 2026	**848,796**	**$**	**9.91-13.68**	**$**	**11.77**

As of June 30, 2026, stock options which were granted and were exercisable totaled 794,249. It is the Company's policy to issue new shares upon a stock option exercise.

Compensation expense for the six months ended June 30, 2026, June 30, 2025, and June 30, 2024 was $68,000, $90,000 and $56,000, respectively. Expected future compensation expense relating to the 54,547 shares of unvested options outstanding as of June 30, 2026 was $119,000 over a weighted average period of 1.41 years.

Note 5 – Net (Loss) Income per Common Share

Basic net income (loss) 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 and unvested restricted stock, if dilutive, using the treasury stock method. Dilution is not applicable in periods of net loss. For the three and six months ended June 30, 2026, 2025 and 2024, the difference in the weighted average number of basic and diluted common shares was due solely to the effects of outstanding stock options and restricted stock . There were 1,558,000, 958,000 and 920,000 outstanding options and restricted stock considered to be anti-dilutive for the three months ended June 30, 2026, 2025 and 2024, respectively. There were 1,562,000, 958,000 and 912,000 outstanding options and restricted stock considered to be anti-dilutive for the six months ended June 30, 2026, 2025 and 2024, 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 June 30,								
	2026			2025			2024		
	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)								
Basic earnings (loss) per share:									
(Loss) Income available to common stockholders	**$ (14,776)**	**17,306**	**$ (0.85)**	$ 3,082	17,175	$ 0.18	$ 2,369	17,005	$ 0.14
Effect of dilutive securities:									
Stock options	-	-		-	-		-	-	
Diluted (loss) earnings per share:									
(Loss) Income available to common stockholders	**$ (14,776)**	**17,306**	**$ (0.85)**	$ 3,082	17,175	$ 0.18	$ 2,369	17,005	$ 0.14

	For the Six Months Ended June 30,								
	2026			2025			2024		
	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)								
Basic earnings (loss) per share:									
(Loss) Income available to common stockholders	**$ (10,354)**	**17,273**	**$ (0.60)**	$ (5,724)	17,144	$ (0.33)	$ 7,801	16,968	$ 0.46
Effect of dilutive securities:									
Stock options	-	-		-	-		-	-	
Diluted (loss) earnings per share:									
(Loss) Income available to common stockholders	**$ (10,354)**	**17,273**	**$ (0.60)**	$ (5,724)	17,144	$ (0.33)	$ 7,801	16,968	$ 0.46

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 (loss) on equity securities during the three and six months ended June 30, 2026, 2025 and 2024:

	For the three months ended June 30,			For the six months ended June 30,		
(In Thousands)	**2026**	2025	2024	**2026**	2025	2024
Net losses recognized during the period on equity securities held at the reporting date	**$ (172)**	$ (108)	$ (222)	**$ (265)**	$ (223)	$ (92)
Net losses recognized during the period on equity securities sold during the period	**(76)**	-	-	**(76)**	-	-
Realized and unrealized losses on equity investments during the reporting period	**$ (248)**	$ (108)	$ (222)	**$ (341)**	$ (223)	$ (92)

Note 6 - Securities (continued)

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 June 30, 2026 and December 31, 2025:

	June 30, 2026			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
Residential Mortgage-backed securities:				
More than one to five years	$ 978	$ -	$ 43	$ 935
More than five to ten years	1,154	-	50	1,104
More than ten years	82,993	290	2,977	80,306
Sub-total:	85,125	290	3,070	82,345
Corporate Debt securities:				
Due within one year	500	-	-	500
More than one to five years	14,292	46	210	14,128
More than five to ten years	52,022	388	955	51,455
Sub-total:	66,814	434	1,165	66,083
Total securities	$ 151,939	$ 724	$ 4,235	$ 148,428

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
Residential Mortgage-backed securities:				
More than one to five years	$ 754	$ -	$ 23	$ 731
More than five to ten years	1,787	-	64	1,723
More than ten years	74,040	591	2,599	72,032
Sub-total:	76,581	591	2,686	74,486
Corporate Debt securities:				
More than one to five years	15,791	99	194	15,696
More than five to ten years	32,274	135	1,209	31,200
More than ten years	5,000	13	-	5,013
Sub-total:	53,065	247	1,403	51,909
Total securities	$ 129,646	$ 838	$ 4,089	$ 126,395

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)			
June 30 2026						
Residential mortgage-backed securities	**$ 31,103**	**$ 269**	**$ 25,388**	**$ 2,801**	**$ 56,491**	**$ 3,070**
Corporate Debt securities	**11,627**	**123**	**30,220**	**1,042**	**41,847**	**1,165**
	$ 42,730	**$ 392**	**$ 55,608**	**$ 3,843**	**$ 98,338**	**$ 4,235**
December 31, 2025						
Residential mortgage-backed securities	$ 10,908	$ 37	$ 27,036	$ 2,649	$ 37,944	$ 2,686
Corporate Debt securities	-	-	30,859	1,403	30,859	1,403
	$ 10,908	$ 37	$ 57,895	$ 4,052	$ 68,803	$ 4,089

Note 7 - Loans Receivable and Allowance for Credit Losses

The following tables present the recorded investment in loans receivable as of June 30, 2026 and December 31, 2025 by segment and class:

	June 30, 2026	December 31, 2025
	(In Thousands)	
Residential one-to-four family	$ **218,750**	$ 226,708
Commercial and multi-family [1]	**2,009,865**	2,040,768
Cannabis related [2]	**69,190**	69,293
Construction [1]	**33,298**	68,521
Commercial business [1][3]	**157,523**	168,459
Business express	**68,949**	74,862
Home equity [4]	**73,935**	74,332
Consumer	**3,401**	3,580
	2,634,911	2,726,523
Less:		
Deferred loan fees, net	**(1,947)**	(1,741)
Allowance for credit losses	**(44,980)**	(33,691)
Total Loans, net	**$ 2,587,984**	$ 2,691,091

(1) Excludes Cannabis related loans.
(2) Includes Commercial and multi-family, Construction, and Commercial business loans to borrowers involved in the cannabis industry.
(3) Excludes Business express loans.
(4) 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 one-to-four family residential real estate 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. Loans secured by commercial and multi-family real estate are generally larger and involve a greater degree of risk than one-to-four family residential mortgage loans. The borrower's creditworthiness, as well as the property's continued viability and cash flow potential are of primary concern in commercial and multi-family real estate lending. Commercial loans secured by owner occupied properties involve different risks when measured against one-to-four family residential and non-owner-occupied commercial mortgage loans. Cash flow on owner occupied properties is often dependent on the success of the business operation contained within the subject property. 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.

Cannabis related loans include commercial and multi-family, construction, and commercial business loans to borrowers involved in the cannabis industry, and have the risks inherent in such loan types discussed herein in addition to risk inherent in this industry. While medical use cannabis and recreational use businesses are legal in numerous states, including our primary markets of New Jersey and New York, such businesses are not legal at the federal level and marijuana remains a Schedule I drug under the Controlled Substances Act of 1970. Federal prosecutors have significant discretion and there can be no assurance that the federal prosecutors will not choose to strictly enforce the federal laws governing cannabis. Any change in the federal government's enforcement position could potentially subject our borrowers to criminal prosecution and other sanctions, which would have a material adverse effect on their businesses. Cannabis-related loans present greater repayment and credit risk than similar loans to borrowers outside the cannabis industry. Cannabis-related businesses are generally not able to seek protection under federal bankruptcy law, which may limit a borrower's ability to reorganize its obligations in the event of financial distress and increases the risk that the Bank will not recover the full amortized cost of a loan upon default. In addition, providing banking services to cannabis-related businesses subjects the Bank to enhanced obligations under the Bank Secrecy Act and related anti-money laundering regulations, including specialized customer due diligence and ongoing monitoring requirements, and the filing of suspicious activity reports specific to marijuana-related accounts. Compliance with these heightened requirements increases the Bank's operational costs and regulatory risk. These factors, combined with the industry's sensitivity to state regulatory and pricing volatility, may result in higher loss severities on cannabis-related loans as compared to the Bank's other loan segments.

Construction lending is generally considered to involve a greater degree of risk compared to other forms of commercial lending 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 a majority of the loans carrying a balance of $250,000 or lower. These loans were generally originated to provide businesses with expedited access to capital. As a result, the loans may involve characteristics that differ materially from the Bank's traditional commercial business lending activities and may carry a higher risk profile relative to other commercial business loans. In many cases, these loans are unsecured and were underwritten using processes tailored to address borrowers' immediate liquidity needs, which may not have involved the same level of financial analysis and ability-to-repay assessment typically applied to the Bank's broader commercial business loan portfolio. Accordingly, this portfolio is subject to heightened repayment risk and may be more vulnerable to adverse economic or borrower-specific developments than the Bank's traditional commercial business lending portfolio.

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 increased 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 tables set forth the activity in the Company's allowance for credit losses on loans for the three and six months ended June 30, 2026, and the related portion of the allowance for credit losses that is allocated to each loan class, as of June 30, 2026 (in thousands):

	Residential	Commercial & Multi-family (1)	Cannabis Related (2)	Construction (1)	Commercial Business (1) (3)	Business Express	Home Equity (4)	Consumer	Total
Allowance for credit losses:									
Beginning Balance, April 1, 2026	$ 1,776	$ 12,633	$ 1,467	$ 695	$ 5,248	$ 10,110	$ 634	$ 15	$ 32,578
Charge-offs	-	(94)	-	-	(6,331)	(1,064)	-	-	(7,489)
Recoveries	-	-	-	-	514	390	-	-	904
Provision (benefit)	128	1,420	27	(353)	16,661	1,041	63	-	18,987
Ending Balance, June 30, 2026	1,904	13,959	1,494	342	16,092	10,477	697	15	44,980
Ending Balance attributable to loans:									
Individually evaluated	-	3,163	-	-	1,355	579	-	-	5,097
Collectively evaluated	1,904	10,796	1,494	342	14,737	9,898	697	15	39,883
Ending Balance, June 30, 2026	1,904	13,959	1,494	342	16,092	10,477	697	15	44,980
Loans Receivables:									
Individually evaluated	900	114,848	-	2,587	5,745	579	173	-	124,832
Collectively evaluated	217,850	1,895,017	69,190	30,711	151,778	68,370	73,762	3,401	2,510,079
Total Gross Loans:	$ 218,750	$ 2,009,865	$ 69,190	$ 33,298	$ 157,523	$ 68,949	$ 73,935	$ 3,401	$ 2,634,911

(1) Excludes Cannabis related loans.
(2) Includes Commercial and multi-family, Construction, and Commercial business loans to borrowers involved in the cannabis industry.
(3) Excludes Business express loans.
(4) Includes Home equity lines of credit.

	Residential	Commercial & Multi-family (1)	Cannabis Related (2)	Construction (1)	Commercial Business (1) (3)	Business Express	Home Equity (4)	Consumer	Total
Allowance for credit losses:									
Beginning Balance, January 1, 2026	$ 1,776	$ 12,057	$ 1,477	$ 668	$ 6,676	$ 10,390	$ 632	$ 15	$ 33,691
Charge-offs	(2)	(2,699)	-	-	(7,305)	(1,598)	-	-	(11,604)
Recoveries	-	-	-	-	664	454	-	-	1,118
Provision (benefit)	130	4,601	17	(326)	16,057	1,231	65	-	21,775
Ending Balance, June 30, 2026	$ 1,904	$ 13,959	$ 1,494	$ 342	$ 16,092	$ 10,477	$ 697	$ 15	$ 44,980

(1) Excludes Cannabis related loans.
(2) Includes Commercial and multi-family, Construction, and Commercial business loans to borrowers involved in the cannabis industry.
(3) Excludes Business express loans.
(4) Includes Home equity lines of credit.

The increase in the allowance for credit losses on loans during the three and six months ended June 30, 2026 is primarily due to additional reserves with the commercial business segment as a result of continued credit deterioration.

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

The following tables set forth the activity in the Company's allowance for credit losses on loans for the three and six months ended June 30, 2025, and the related portion of the allowance for credit losses that is allocated to each loan class, as of June 30, 2025 (in thousands):

	Residential	Commercial & Multi-family (1)	Cannabis Related (2)	Construction (1)	Commercial Business (1) (3)	Business Express	Home Equity (4)	Consumer	Total
Allowance for credit losses:									
Beginning Balance, April 1, 2025	$ 1,790	$ 10,076	$ 14,836	$ 1,544	$ 11,763	$ 10,882	$ 579	$ 14	$ 51,484
Charge-offs	-	(85)	-	-	(1,830)	(4,115)	-	-	(6,030)
Recoveries	9	-	-	-	2	302	-	-	313
Provision (benefit)	38	2,428	16	363	(1,037)	3,024	56	3	4,891
Ending Balance, June 30, 2025	1,837	12,419	14,852	1,907	8,898	10,093	635	17	50,658
Ending Balance attributable to loans:									
Individually evaluated	-	2,143	13,714	-	4,071	4,436	-	-	24,364
Collectively evaluated	1,837	10,276	1,138	1,907	4,827	5,657	635	17	26,294
Ending Balance, June 30, 2025	1,837	12,419	14,852	1,907	8,898	10,093	635	17	50,658
Loans Receivables:									
Individually evaluated	1,142	97,044	33,512	2,048	14,559	4,436	687	-	153,428
Collectively evaluated	229,775	1,991,073	69,495	109,322	210,241	77,085	70,900	2,075	2,759,966
Total Gross Loans:	$ 230,917	$ 2,088,117	$ 103,007	$ 111,370	$ 224,800	$ 81,521	$ 71,587	$ 2,075	$ 2,913,394

(1) Excludes Cannabis related loans.
(2) Includes Commercial and multi-family, Construction, and Commercial business loans to borrowers involved in the cannabis industry.
(3) Excludes Business express loans.
(4) Includes Home equity lines of credit.

	Residential	Commercial & Multi-family (1)	Cannabis Related (2)	Construction (1)	Commercial Business (1) (3)	Business Express	Home Equity (4)	Consumer	Total
Allowance for credit losses:									
Beginning Balance, January 1, 2025	$ 1,947	$ 10,451	$ 1,613	$ 1,902	$ 10,497	$ 7,769	$ 594	$ 16	$ 34,789
Charge-offs	-	(340)	-	-	(1,848)	(8,040)	-	-	(10,228)
Recoveries	34	-	-	-	4	323	-	-	361
Provision (benefit)	(144)	2,308	13,239	5	245	10,041	41	1	25,736
Ending Balance, June 30, 2025	$ 1,837	$ 12,419	$ 14,852	$ 1,907	$ 8,898	$ 10,093	$ 635	$ 17	$ 50,658

(1) Excludes Cannabis related loans.
(2) Includes Commercial and multi-family, Construction, and Commercial business loans to borrowers involved in the cannabis industry.
(3) Excludes Business express loans.
(4) Includes Home equity lines of credit.

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

The following table sets forth the activity in the allowance for credit losses on loans and amount recorded in loans receivable at and for the year ended December 31, 2025. The table also details the amount of total loans receivable that are evaluated individually and collectively, and the related portion of the allowance for credit losses that is allocated to each loan class (in thousands):

	Residential	Commercial & Multi-family [1]	Cannabis Related [2]	Construction [1]	Commercial Business [1][3]	Business Express	Home Equity [4]	Consumer	Total
Allowance for credit losses:									
Beginning Balance, January 1, 2025	$ 1,947	$ 10,451	$ 1,613	$ 1,902	$ 10,497	$ 7,769	$ 594	$ 16	$ 34,789
Charge-offs	-	(1,183)	(12,756)	-	(19,457)	(11,328)	-	-	(44,724)
Recoveries	75	-	-	-	7	1,533	-	-	1,615
Provision (benefit)	(246)	2,789	12,620	(1,234)	15,629	12,416	38	(1)	42,011
Ending Balance, December 31, 2025	$ 1,776	$ 12,057	$ 1,477	$ 668	$ 6,676	$ 10,390	$ 632	$ 15	$ 33,691
Ending Balance attributable to loans:									
Individually evaluated	$ -	$ 2,657	$ -	$ -	$ 2,938	$ 998	$ -	$ -	$ 6,593
Collectively evaluated	1,776	9,400	1,477	668	3,738	9,392	632	15	27,098
Ending Balance, December 31, 2025	$ 1,776	$ 12,057	$ 1,477	$ 668	$ 6,676	$ 10,390	$ 632	$ 15	$ 33,691
Loans Receivables:									
Individually evaluated	$ 1,392	$ 130,581	$ -	$ 18,888	$ 10,073	$ 998	$ 294	$ -	$ 162,226
Collectively evaluated	225,316	1,910,187	69,293	49,633	158,386	73,864	74,038	3,580	2,564,297
Total Gross Loans:	$ 226,708	$ 2,040,768	$ 69,293	$ 68,521	$ 168,459	$ 74,862	$ 74,332	$ 3,580	$ 2,726,523

(1) Excludes Cannabis related loans.
(2) Includes Commercial and multi-family, Construction, and Commercial business loans to borrowers involved in the cannabis industry.
(3) Excludes Business express loans.
(4) Includes Home equity lines of credit.

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

The following tables present the activity in the allowance for credit losses on off-balance sheet exposures for the three and six months ended June 30, 2026, 2025, and 2024.

	Three Months Ended June 30,		
	2026	2025	2024
		(In thousands)	
Allowance for Credit Losses:			
Beginning balance at January 1	**$ 410**	$ 703	$ 759
Benefit for credit losses	**(124)**	(16)	(156)
Ending balance at June 30	**$ 286**	$ 687	$ 603

	Six Months Ended June 30,		
	2026	2025	2024
		(In thousands)	
Allowance for Credit Losses:			
Beginning balance at January 1	**$ 830**	$ 813	$ 694
Benefit for credit losses	**(544)**	(126)	(91)
Ending balance at June 30	**$ 286**	$ 687	$ 603

The following table sets forth the delinquency status of total loans receivable as of June 30, 2026:

	30-59 Days Past Due	60-90 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current	Total Loans Receivable
			(In Thousands)			
Residential one-to-four family	**$ 5,073**	**$ -**	**$ 302**	**$ 5,375**	**$ 213,375**	**$ 218,750**
Commercial and multi-family [1]	**46,447**	**6,112**	**47,391**	**99,950**	**1,909,915**	**2,009,865**
Cannabis related [2]	**-**	**-**	**-**	**-**	**69,190**	**69,190**
Construction [1] [5]	**-**	**-**	**2,587**	**2,587**	**30,711**	**33,298**
Commercial business [1] [3]	**2,703**	**2,747**	**4,781**	**10,231**	**147,292**	**157,523**
Business express	**2,391**	**97**	**-**	**2,488**	**66,461**	**68,949**
Home equity [4]	**1,828**	**51**	**159**	**2,038**	**71,897**	**73,935**
Consumer	**-**	**90**	**-**	**90**	**3,311**	**3,401**
Total	**$ 58,442**	**$ 9,097**	**$ 55,220**	**$ 122,759**	**$ 2,512,152**	**$ 2,634,911**

(1) Excludes Cannabis related loans.
(2) Includes Commercial and multi-family, Construction, and Commercial business loans to borrowers involved in the cannabis industry.
(3) Excludes Business express loans.
(4) Includes Home equity lines of credit.
(5) Excludes Held for sale loans.

The following table sets forth the delinquency status of total loans receivable at December 31, 2025:

	30-59 Days Past Due	60-90 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current	Total Loans Receivable
			(In Thousands)			
Residential one-to-four family	$ 4,342	$ 279	$ 594	$ 5,215	$ 221,493	$ 226,708
Commercial and multi-family [1]	17,600	3,296	51,979	72,875	1,967,893	2,040,768
Cannabis related [2]	-	-	-	-	69,293	69,293
Construction [1]	-	-	4,897	4,897	63,624	68,521
Commercial business [1] [3]	8,583	1,041	2,975	12,599	155,860	168,459
Business express	1,961	-	-	1,961	72,901	74,862
Home equity [4]	1,289	65	231	1,585	72,747	74,332
Consumer	-	-	-	-	3,580	3,580
Total	$ 33,775	$ 4,681	$ 60,676	$ 99,132	$ 2,627,391	$ 2,726,523

(1) Excludes Cannabis related loans.
(2) Includes Commercial and multi-family, Construction, and Commercial business loans to borrowers involved in the cannabis industry.
(3) Excludes Business express loans.
(4) Includes Home equity lines of credit.

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

Modifications

The following tables present the amortized cost basis of loans to borrowers experiencing financial difficulty that were modified during the three and six months ended June 30, 2026 and 2025 by loan category and type of concession granted and by payment status.

	For the Three Months Ended June 30, 2026 (In Thousands)					
	Number	Payment Delay	Term Extension	Rate Reduction & Term Extension	Total Principal	% of Total Class of Financing Receivable
Residential one-to-four family	1	$ -	$ -	$ 135	$ 135	0.06 %
Total loans	1	$ -	$ -	$ 135	$ 135	

	For the Six Months Ended June 30, 2026 (In Thousands)					
	Number	Payment Delay	Term Extension	Rate Reduction & Term Extension	Total Principal	% of Total Class of Financing Receivable
Residential one-to-four family	1	$ -	$ -	$ 135	$ 135	0.06 %
Total loans	1	$ -	$ -	$ 135	$ 135	

	For the Six Months Ended June 30, 2026 (In Thousands)				
	Current	30-59 Days Past Due	60-90 Days Past Due	Non-accrual	Total
Residential one-to-four family	$ 135	$ -	$ -	$ -	$ 135
Total	$ 135	$ -	$ -	$ -	$ 135

	For the Three Months Ended June 30, 2025 (In Thousands)					
	Number	Payment Delay	Term Extension	Rate Reduction & Term Extension	Total Principal	% of Total Class of Financing Receivable
Commercial & multi-family	1	$ -	$ 25,756	$ -	$ 25,756	1.23 %
Commercial business	2	-	-	357	357	0.16
Business express	23	-	5,083	-	5,083	6.24 %
Total loans	26	$ -	$ 30,839	$ 357	$ 31,196	

	For the Six Months Ended June 30, 2025 (In Thousands)					
	Number	Payment Delay	Term Extension	Rate Reduction & Term Extension	Total Principal	% of Total Class of Financing Receivable
Commercial & multi-family	1	$ -	$ 25,756	$ -	$ 25,756	1.23 %
Commercial business	5	-	995	357	1,352	0.60
Business express	86	-	20,106	-	20,106	24.66 %
Total loans	92	$ -	$ 46,857	$ 357	$ 47,214	

	For the Six Months Ended June 30, 2025 (In Thousands)				
	Current	30-59 Days Past Due	60-90 Days Past Due	Non-accrual	Total
Commercial & multi-family	$ 25,756	$ -	$ -	$ -	$ 25,756
Commercial business	995	-	-	357	1,352
Business express	18,504	249	463	890	20,106
Total	$ 45,255	$ 249	$ 463	$ 1,247	$ 47,214

The Company monitors the performance of loans modified to borrowers experiencing financial difficulty to understand the effectiveness of the modification efforts.

For modified loans, a subsequent payment default occurs after management evaluates a borrower's financial condition subsequent to modification and upon evaluating facts and circumstances determines the borrower is not adhering to the terms of the modification but no later than when a principal or interest payment is 90 days past due or the loan has been classified into non-accrual status during the reporting period.

There were no loans modified during the preceding twelve months that subsequently defaulted.

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 June 30, 2026 and December 31, 2025. Loans are placed on non-accrual status when they become more than 90 days delinquent, or earlier if the collection of principal and/or interest become doubtful.

As of June 30, 2026 and December 31, 2025, non-accrual loans differed from total loans past due 90 days or more because loans that were previously more than 90 days past due are maintained on non-accrual status for a minimum of six months or until the borrower has demonstrated their ability to satisfy the terms of the loan.

	As of June 30, 2026 (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	$ -	$ 1,515	$ 1,515	$ -
Commercial and multi-family (1)	2,859	51,619	54,478	-
Cannabis related (2)	-	-	-	-
Construction (1) (5)	-	13,364	13,364	-
Commercial business (1) (3)	439	1,958	2,397	2,488
Business express loans	-	-	-	-
Home equity (4)	-	257	257	-
Consumer	-	-	-	-
Total	$ 3,298	$ 68,713	$ 72,011	$ 2,488

(1) Excludes Cannabis related loans.
(2) Includes Commercial and multi-family, Construction, and Commercial business loans to borrowers involved in the cannabis industry.
(3) Excludes Business express loans.
(4) Includes Home equity lines of credit.
(5) Includes Held for sale loan.

	As of December 31, 2025 (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 Days and Still Accruing
Residential one-to-four family	$ -	$ 1,554	$ 1,554	$ -
Commercial and multi-family (1)	2,500	49,659	52,159	-
Cannabis related (2)	-	-	-	-
Construction (1)	-	4,897	4,897	-
Commercial business (1) (3)	1,660	2,065	3,725	-
Business express	626	-	626	-
Home equity (4)	-	294	294	-
Total	$ 4,786	$ 58,469	$ 63,255	$ -

(1) Excludes Cannabis related loans.
(2) Includes Commercial and multi-family, Construction, and Commercial business loans to borrowers involved in the cannabis industry.
(3) Excludes Business express loans.
(4) Includes Home equity lines of credit.

Had non-accrual loans been performing in accordance with their original terms, additional interest income recognized for the six months ended June 30, 2026, 2025, and 2024 would have been $4.0 million, $3.0 million, and $1.9 million, respectively. Interest income recognized on loans returned to accrual was $591,000, $1.1 million, and $1.1 million, for the six months ended June 30, 2026, 2025, and 2024, respectively. The Bank has not committed to lend additional funds to the borrowers whose loans have been placed on non-accrual status. At June 30, 2026 and December 31, 2025, there were $2.5 million and $0 loans which were more than ninety days past due and still accruing interest.

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 June 30, 2026 and gross charge-offs for the six months ended June 30, 2026.

Loans by Year of Origination at June 30, 2026

	2026	2025	2024	2023	2022	Prior	Revolving Loans	Revolving Loans to Term Loans	Total
Residential one-to-four family									
Pass	$ 3,985	$ 9,198	$ 11,805	$ 14,041	$ 42,485	$ 134,060	$ -	$ -	$ 215,574
Special Mention	-	-	-	-	-	1,322	-	-	1,322
Substandard	-	-	-	-	-	1,854	-	-	1,854
Total one-to-four family	**$ 3,985**	**$ 9,198**	**$ 11,805**	**$ 14,041**	**$ 42,485**	**$ 137,236**	**$ -**	**$ -**	**$ 218,750**
Commercial and multi-family [1]									
Pass	$ 80,992	$ 49,326	$ 7,229	$ 178,775	$ 549,091	$ 861,021	$ -	$ -	$ 1,726,434
Special Mention	-	-	-	-	79,291	54,560	8,500	-	142,351
Substandard	-	-	-	956	62,075	77,909	140	-	141,080
Total Commercial and multi-family	**$ 80,992**	**$ 49,326**	**$ 7,229**	**$ 179,731**	**$ 690,457**	**$ 993,490**	**$ 8,640**	**$ -**	**$ 2,009,865**
Cannabis related [2]									
Pass	$ -	$ -	$ -	$ -	$ 9,361	$ 9,861	$ 7,801	$ -	$ 27,023
Special Mention	-	-	-	18,769	16,236	6,162	1,000	-	42,167
Substandard	-	-	-	-	-	-	-	-	-
Total Cannabis related	**$ -**	**$ -**	**$ -**	**$ 18,769**	**$ 25,597**	**$ 16,023**	**$ 8,801**	**$ -**	**$ 69,190**
Construction [1]									
Pass	$ 3,394	$ 1,003	$ 2,003	$ 12,283	$ 214	$ 4,403	$ 4,603	$ -	$ 27,903
Special Mention	2,808	-	-	-	-	-	-	-	2,808
Substandard	-	-	-	-	-	2,587	-	-	2,587
Total Construction	**$ 6,202**	**$ 1,003**	**$ 2,003**	**$ 12,283**	**$ 214**	**$ 6,990**	**$ 4,603**	**$ -**	**$ 33,298**
Commercial business [1] [3]									
Pass	$ 3,398	$ -	$ 7,160	$ 1,977	$ 4,799	$ 19,479	$ 92,478	$ -	$ 129,291
Special Mention	-	-	-	-	-	3,475	10,660	-	14,135
Substandard	-	-	-	-	-	4,472	9,625	-	14,097
Total Commercial business	**$ 3,398**	**$ -**	**$ 7,160**	**$ 1,977**	**$ 4,799**	**$ 27,426**	**$ 112,763**	**$ -**	**$ 157,523**
Business express									
Pass	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 64,927	$ 64,927
Special Mention	-	-	-	-	-	-	-	3,443	3,443
Substandard	-	-	-	-	-	-	-	579	579
Total Business express	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 68,949**	**$ 68,949**
Home equity [4]									
Pass	$ 528	$ 1,502	$ 123	$ 3,043	$ 1,179	$ 4,488	$ 58,301	$ 3,763	$ 72,927
Special Mention	-	-	-	-	-	43	708	-	751
Substandard	-	-	-	-	12	95	-	150	257
Total Home equity	**$ 528**	**$ 1,502**	**$ 123**	**$ 3,043**	**$ 1,191**	**$ 4,626**	**$ 59,009**	**$ 3,913**	**$ 73,935**
Consumer									
Pass	$ 1,229	$ 1,200	$ 225	$ 402	$ 264	$ 73	$ 8	$ -	$ 3,401
Special Mention	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-
Total Consumer	**$ 1,229**	**$ 1,200**	**$ 225**	**$ 402**	**$ 264**	**$ 73**	**$ 8**	**$ -**	**$ 3,401**
Total Pass	**$ 93,526**	**$ 62,229**	**$ 28,545**	**$ 210,521**	**$ 607,393**	**$ 1,033,385**	**$ 163,191**	**$ 68,690**	**$ 2,267,480**
Total Special Mention	**$ 2,808**	**$ -**	**$ -**	**$ 18,769**	**$ 95,527**	**$ 65,562**	**$ 20,868**	**$ 3,443**	**$ 206,977**
Total Substandard	**$ -**	**$ -**	**$ -**	**$ 956**	**$ 62,087**	**$ 86,917**	**$ 9,765**	**$ 729**	**$ 160,454**
Total Loans	**$ 96,334**	**$ 62,229**	**$ 28,545**	**$ 230,246**	**$ 765,007**	**$ 1,185,864**	**$ 193,824**	**$ 72,862**	**$ 2,634,911**
Gross charge-offs	**$ -**	**$ -**	**$ -**	**$ -**	**$ 668**	**$ 2,067**	**$ 6,929**	**$ 1,940**	**$ 11,604**

(1) Excludes Cannabis related loans.
(2) Includes Commercial and multi-family, Construction, and Commercial business loans to borrowers involved in the cannabis industry.
(3) Excludes Business express loans.
(4) Includes Home equity lines of credit.

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 and gross charge-offs for the year ended December 31, 2025.

Loans by Year of Origination at December 31, 2025

	2025	2024	2023	2022	2021	Prior	Revolving Loans	Revolving Loans to Term Loans	Total
Residential one-to-four family									
Pass	$ 10,255	$ 11,887	$ 15,164	$ 43,691	$ 33,586	$ 107,069	$ -	$ -	$ 221,652
Special Mention	-	-	-	1,802	910	790	-	-	3,502
Substandard	-	-	-	-	445	1,109	-	-	1,554
Total one-to-four family	**$ 10,255**	**$ 11,887**	**$ 15,164**	**$ 45,493**	**$ 34,941**	**$ 108,968**	**$ -**	**$ -**	**$ 226,708**
Commercial and multi-family [1]									
Pass	$ 50,098	$ 8,293	$ 184,486	$ 613,331	$ 151,205	$ 773,732	$ 8,760	$ -	$ 1,789,905
Special Mention	-	-	-	28,029	11,307	58,141	140	-	97,617
Substandard	-	-	1,633	68,011	18,795	64,807	-	-	153,246
Total Commercial and multi-family	**$ 50,098**	**$ 8,293**	**$ 186,119**	**$ 709,371**	**$ 181,307**	**$ 896,680**	**$ 8,900**	**$ -**	**$ 2,040,768**
Cannabis related [2]									
Pass	$ -	$ -	$ -	$ 8,385	$ 2,067	$ 7,958	$ 8,050	$ -	$ 26,460
Special Mention	-	-	18,981	17,552	5,442	-	858	-	42,833
Substandard	-	-	-	-	-	-	-	-	-
Total Cannabis related	**$ -**	**$ -**	**$ 18,981**	**$ 25,937**	**$ 7,509**	**$ 7,958**	**$ 8,908**	**$ -**	**$ 69,293**
Construction [1]									
Pass	$ 917	$ 2,004	$ 15,752	$ 19,460	$ 4,403	$ -	$ 4,803	$ -	$ 47,339
Special Mention	-	-	2,294	-	-	-	-	-	2,294
Substandard	-	-	-	15,715	2,587	586	-	-	18,888
Total Construction	**$ 917**	**$ 2,004**	**$ 18,046**	**$ 35,175**	**$ 6,990**	**$ 586**	**$ 4,803**	**$ -**	**$ 68,521**
Commercial business [1][3]									
Pass	$ -	$ 7,388	$ 1,995	$ 4,829	$ 1,039	$ 24,455	$ 93,029	$ -	$ 132,735
Special Mention	-	-	-	-	1,458	2,358	18,153	-	21,969
Substandard	-	-	-	-	-	2,047	11,708	-	13,755
Total Commercial business	**$ -**	**$ 7,388**	**$ 1,995**	**$ 4,829**	**$ 2,497**	**$ 28,860**	**$ 122,890**	**$ -**	**$ 168,459**
Business express									
Pass	$ -	$ -	$ -	$ -	$ -	$ -	$	$ 71,843	$ 71,843
Special Mention	-	-	-	-	-	-		2,021	2,021
Substandard	-	-	-	-	-	-	397	601	998
Total Business express	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 397**	**$ 74,465**	**$ 74,862**
Home equity [4]									
Pass	$ 1,796	$ 164	$ 3,293	$ 1,246	$ 396	$ 4,914	$ 57,357	$ 4,319	$ 73,485
Special Mention	-	-	-	-	-	42	511	-	553
Substandard	-	-	-	-	-	114	30	150	294
Total Home equity	**$ 1,796**	**$ 164**	**$ 3,293**	**$ 1,246**	**$ 396**	**$ 5,070**	**$ 57,898**	**$ 4,469**	**$ 74,332**
Consumer									
Pass	$ 1,824	$ 272	$ 1,106	$ 290	$ 2	$ 80	$ 6	$ -	$ 3,580
Special Mention	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-
Total Consumer	**$ 1,824**	**$ 272**	**$ 1,106**	**$ 290**	**$ 2**	**$ 80**	**$ 6**	**$ -**	**$ 3,580**
Total Pass	**$ 64,890**	**$ 30,008**	**$ 221,796**	**$ 691,232**	**$ 192,698**	**$ 918,208**	**$ 172,005**	**$ 76,162**	**$ 2,366,999**
Total Special Mention	**$ -**	**$ -**	**$ 21,275**	**$ 47,383**	**$ 19,117**	**$ 61,331**	**$ 19,662**	**$ 2,021**	**$ 170,789**
Total Substandard	**$ -**	**$ -**	**$ 1,633**	**$ 83,726**	**$ 21,827**	**$ 68,663**	**$ 12,135**	**$ 751**	**$ 188,735**
Total Loans	**$ 64,890**	**$ 30,008**	**$ 244,704**	**$ 822,341**	**$ 233,642**	**$ 1,048,202**	**$ 203,802**	**$ 78,934**	**$ 2,726,523**
Gross charge-offs	**$ -**	**$ -**	**$ -**	**$ 12,836**	**$ 282**	**$ 3,848**	**$ 18,166**	**$ 9,592**	**$ 44,724**

(1) Excludes Cannabis related loans.
(2) Includes Commercial and multi-family, Construction, and Commercial business loans to borrowers involved in the cannabis industry.
(3) Excludes Business express loans.
(4) Includes Home equity lines of credit.

Note 8 – Stockholders' Equity

On March 15, 2025, the Company completed a private placement of 52 shares of Series K 6.0% Noncumulative Perpetual Stock, par value $0.01 per share (the "Series K Preferred Stock"), resulting in gross proceeds of $520,000.

On December 31, 2024, the Company completed a private placement of 497 shares of its Series K Preferred Stock, resulting in gross proceeds to the Company of $4,970,000.

On September 25, 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 $1,360,000 for 136 shares.

On June 21, 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 $670,000 for 67 shares.

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.

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 June 30, 2026, the Bank had $81.2 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 in connection with acquisitions. The initial recording of goodwill 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.

The Company conducts impairment analysis on goodwill at least annually or more often as conditions require. The Company reported a net loss in the first quarter of 2025 and observed a sustained decline in its stock price. Under ASC 350-20-35-30, management considered this a triggering event and performed an interim impairment assessment of goodwill as of May 31, 2025. The results of the analysis determined that there was no impairment needed.

As a result of the net loss for the year ending December 31, 2025, the Company conducted a quantitative assessment of goodwill as of December 31, 2025, and determined that it was more likely than not that goodwill was not impaired. Accordingly, there was no impairment at December 31, 2025. Refer to the Critical Accounting Estimates for additional details.

During the six months ended June 30, 2026, the Company continued to experience operating losses primarily attributable to continued credit-related matters. Management determined that the significant losses and related deterioration in operating performance and the continued trading of its stock at a substantial discount to book value constituted a triggering event. Accordingly, the Company performed an interim quantitative impairment assessment as of June 30, 2026.

Based on the results of the impairment analysis, management concluded that the carrying amount of the reporting unit exceeded its estimated fair value. As a result, the Company recorded a non-cash goodwill impairment charge of $5.3 million during the quarter ended June 30, 2026, reducing the carrying value of goodwill to zero.

The amount of goodwill totaled $0 at June 30, 2026, compared to $5.3 million at December 31, 2025.

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 June 30, 2026:				
Securities				
Debt Securities Available for Sale	**$ 148,428**	**$ -**	**$ 148,428**	**$ -**
Marketable Equities	**3,851**	**3,851**	**-**	**-**
Total Securities	**$ 152,279**	**$ 3,851**	**$ 148,428**	**$ -**
As of December 31, 2025:				
Securities				
Debt Securities Available for Sale	$ 126,395	$ -	$ 126,395	$ -
Marketable Equities	9,172	9,172	-	-
Total Securities	$ 135,567	$ 9,172	$ 126,395	$ -

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 June 30, 2026 and 2025.

There were no liabilities measured at fair value on a recurring basis at June 30, 2026 or December 31, 2025.

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 June 30, 2026:				
Individually Evaluated Loans	**$ 21,488**	**$ -**	**$ -**	**$ 21,488**
Other real estate owned	**$ 5,000**	**$ -**	**$ -**	**$ 5,000**
Loans Held for Sale	**$ 10,777**	**$ -**	**$ 10,777**	**$**
As of December 31, 2025:				
Individually Evaluated Loans	$ 20,206	$ -	$ -	$ 20,206
Other real estate owned	$ 5,000	$ -	$ -	$ 5,000

The fair value of loans held for sale was based on prices received from active buyers. During the second quarter of 2026, the Company transferred one non-accrual construction loan with a fair value of $10.8 million to held for sale. Losses on these loans held for sale for the three and six months ended June 30, 2026 were $2.6 million.

Certain individually evaluated loans and OREO were adjusted to the fair value, less costs to sell, of the underlying collateral securing these loans resulting in losses. The losses on individually evaluated loans are not recorded directly as an adjustment to current earnings, but rather as a component in determining the allowance for credit losses. The loss on OREO is recorded as a component of non-interest income. Fair value was measured using appraised values of collateral and adjusted as necessary by management based on unobservable inputs for specific properties.

During the three months ended December 31, 2025, the Company recorded write-downs of $15,077,000 related to an OREO property. This loss was the result of an updated appraisal, changes in market conditions, and management's evaluation of estimated selling costs. The valuation adjustments were included in "Other real estate owned, net" within the Consolidated Statements of Operations.

There were no liabilities measured at fair value at June 30, 2026 or December 31, 2025.

The following tables present additional quantitative information as of June 30, 2026 and December 31, 2025 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
June 30, 2026:				
Individually Evaluated Loans	**$ 21,488**	Appraisal of collateral (1)	Appraisal adjustments (2)	0%-10%
Other real estate owned	**$ 5,000**	Appraisal of collateral (1)	Appraisal adjustments (2)	5%

	Fair Value Estimate	Valuation Techniques	Unobservable Input	Range
December 31, 2025:				
Individually Evaluated Loans	$ 20,206	Appraisal of collateral (1)	Appraisal adjustments (2)	0%-10%
Other real estate owned	$ 5,000	Appraisal of collateral (1)	Appraisal adjustments (2)	5%

(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 June 30, 2026 and December 31, 2025.

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 (Carried at Lower of Cost or Fair Value)

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

Loans Receivable (Carried at Amortized 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.

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 June 30, 2026 and December 31, 2025 consisted of the loan balances of $26.6 million, net of an allowance for credit losses of $5.1 million, and $26.8 million net of an allowance for credit losses of $6.6 million, respectively.

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

Other real estate owned is 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.

Note 11 – Fair Values of Financial Instruments (Continued)

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.

The carrying values and estimated fair values of financial instruments were as follows as of June 30, 2026 and December 31, 2025:

	As of June 30, 2026				
	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	$ 196,887	$ 196,887	$ 196,887	$ -	$ -
Interest-earning time deposits	735	735	-	735	-
Debt securities available-for-sale	148,428	148,428	-	148,428	-
Equity investments	3,851	3,851	3,851	-	-
Loans held for sale	10,777	10,777	-	10,777	-
Loans receivable, net	2,587,984	2,537,244	-	-	2,537,244
FHLB of New York stock, at cost	9,048	9,048	-	9,048	-
Accrued interest receivable	14,661	14,661	-	14,661	-
Financial liabilities:					
Deposits	2,636,023	2,635,533	1,709,725	925,808	-
Debt	125,000	125,306	-	125,306	-
Subordinated debentures	43,335	40,198	-	40,198	-
Accrued interest payable	3,417	3,417	-	3,417	-

	As of December 31, 2025				
	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	$ 276,584	$ 276,584	$ 276,584	$ -	$ -
Interest-earning time deposits	735	735	-	735	-
Debt securities available-for-sale	126,395	126,395	-	126,395	-
Equity investments	9,172	9,172	9,172	-	-
Loans receivable, net	2,691,091	2,643,200	-	-	2,643,200
FHLB of New York stock, at cost	14,176	14,176	-	14,176	-
Accrued interest receivable	13,834	13,834	-	13,834	-
Financial liabilities:					
Deposits	2,673,573	2,674,494	1,702,109	972,385	-
Debt	235,000	236,514	-	236,514	-
Subordinated debentures	43,210	40,034	-	40,034	-
Accrued interest payable	4,056	4,056	-	4,056	-

Note 12 – Subordinated debt

On August 29, 2024, the Company issued $40 million of fixed-to-floating subordinated debentures (the "New Notes") in a private placement to certain qualified institutional investors. The New Notes have a 10-year term and bear interest at a fixed rate of 9.250% for the first five years of the term. The fixed interest rate is payable semiannually for the first five years and will be reset quarterly thereafter to the then-current three-month SOFR (defined below) plus 582 basis points. The Notes qualify as Tier 2 capital for the Company for regulatory purposes, when applicable, and the portion of the net proceeds that the Company contributed to the Bank qualify as Tier 1 capital for the Bank. 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 Company used the net proceeds from the offering to repurchase $33.5 million of subordinated debt issued on July 30, 2018 (the "Old Notes"), with the remainder of the net proceeds down streamed to the Bank for general corporate purposes. Subordinated debt included associated deferred costs of $789,000 at June 30, 2026.

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%. They mature on June 17, 2034.

In accordance with the Adjustable Interest Rate 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 Chicago Mercantile Exchange ("CME") Term SOFR as the applicable successor rate for 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 June 30, 2026, the interest rate for the trust preferred securities was 6.579%.

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 eight 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 June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Operating lease expense	**$ 983**	$ 953	**$ 1,948**	$ 1,893
Variable lease expense-operating leases	**$ 305**	$ 285	**$ 603**	$ 569

	At June 30, 2026	At December 31, 2025
Supplemental balance sheet information related to leases:		
Operating Leases		
Operating lease right-of-use assets	**$ 10,479**	$ 10,660
Current liabilities	**$ 1,784**	$ 3,314
Operating lease liabilities (noncurrent portion)	**10,128**	8,835
Imputed interest	**(959)**	(1,009)
Total operating lease liabilities	**$ 10,953**	$ 11,140

The weighted average remaining lease term for operating leases at June 30, 2026 and December 31, 2025 was 4.37 years and 4.64 years, respectively. The weighted average discount rate for operating leases at June 30, 2026 and December 31, 2025 was 3.70 percent and 3.55 percent, respectively.

The following table summarizes the Company's maturity of lease obligations for operating leases at June 30, 2026 and December 31, 2025 (in thousands):

Maturities of lease liabilities:	At June 30, 2026 Operating Leases	At December 31, 2025 Operating Leases
One year or less	**$ 1,784**	$ 3,314
Over one year through three years	**5,674**	4,993
Over three years through five years	**2,723**	2,250
Over five years	**1,731**	1,592
Gross operating lease liabilities	**$ 11,912**	$ 12,149
Imputed interest	**(959)**	(1,009)
Total operating lease liabilities	**$ 10,953**	$ 11,140

Note 14 – Subsequent Events

On July 7, 2026, BCB Bancorp, Inc. (the "Company") distributed a notice to the participants in its 2026 Amended and Restated Dividend Reinvestment and Stock Purchase Plan (the "Plan"), announcing that the Plan has been suspended in accordance with its terms, effective August 6, 2026.

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 factors that could cause future results to differ materially from those anticipated by our forward-looking statements include the ongoing impact of the Federal budget stalemate in Congress, higher tariffs imposed by the Trump administration, higher inflation levels, current 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. Also significant are our ability to manage liquidity and capital in a rapidly changing and unpredictable market and our level of non-performing assets and the costs associated with resolving any problem loans including litigation and other costs. 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 economic trends and geopolitical risks, including the ongoing conflicts in Ukraine and the Middle East, and changes in the rate of investment or economic growth, including as a result of sanctions, tariffs or other measures;
- unfavorable economic conditions in the United States generally and particularly in our primary market area and those of our customers;
- supply chain disruptions and labor shortages;
- the impact of any future pandemics or other natural disasters;
- 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;
- 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 credit performance of our loan portfolio, including levels of criticized and classified loans, nonaccrual loans, and charge-offs;
- 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;
- changes in liquidity levels, funding sources, or funding costs, and our ability to manage our liquidity risks;
- legislative and regulatory changes, including but not limited to, increases in Federal Deposit Insurance Corporation ("FDIC") insurance rates;
- monetary and fiscal policies of the federal and state governments, including changes in government priorities or budgets;
- 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;
- potential impact of regulatory requirements, matters, litigation, or other legal actions which could adversely affect operating results;
- failure to identify and adequately and promptly address cybersecurity risks, including data breaches and cyberattacks;
- developments in technology, such as artificial intelligence, and our ability to incorporate innovative technologies in our business and provide products and services that satisfy our customers' expectations for convenience and security;
- 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 June 30, 2026, we had $3.118 billion in consolidated assets, $2.636 billion in deposits and $291.9 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 June 30, 2026, the Bank operated twenty-two branches in Bayonne, Edison, Jersey City, Hoboken, Fairfield, Holmdel, Lyndhurst, Maplewood, Monroe Township, Newark, Plainsboro, River Edge, Rutherford, South Orange, Union, and Woodbridge, New Jersey, as well as three branches in Staten Island and one in Hicksville, New York, 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 FHLB System.

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

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

Executive Summary of Second Quarter Performance

As of June 30, 2026, the Company had total consolidated assets of $3.118 billion, a decrease of $161.3 million, or 4.9 percent, from $3.279 billion at December 31, 2025, total consolidated deposits of $2.636 billion, a decrease of $37.6 million, or 1.4 percent, from December 31, 2025, and total consolidated stockholders' equity of $291.9 million, compared to $304.3 million at December 31, 2025. The decrease in total assets was driven primarily by a decrease in net loans and cash and cash equivalents, reflecting the Bank's paydown of higher-cost brokered deposits and FHLB advances, offset by an increase in debt securities. Total criticized and classified loans were $367.4 million at June 30, 2026, compared to $403.0 million at March 31, 2026. The allowance for credit losses on loans as a percentage of non-accrual loans was 62.5 percent at June 30, 2026, compared to 54.5 percent at March 31, 2026 and 49.8 percent at June 30, 2025, while total non-accrual loans were $72.0 million at June 30, 2026, $59.8 million at March 31, 2026, and $101.8 million at June 30, 2025.

The Company reported a net loss of $14.8 million, or $(0.85) per diluted share, for the second quarter of 2026, compared to net income of $4.9 million, or $0.26 per diluted share, for the first quarter of 2026, and net income of $3.6 million, or $0.18 per diluted share, for the second quarter of 2025. The net loss for the second quarter of 2026 was primarily driven by a $19.0 million provision for credit losses, reflecting higher reserve requirements within the Company's commercial business loan portfolio, a $5.3 million non-cash goodwill impairment charge, and a $2.6 million loss on the sale of a loan transferred to held-for-sale. These factors were partially offset by a decrease in income tax provision of $4.9 million. Net interest margin improved to 3.03 percent for the second quarter of 2026, compared to 2.95 percent for the first quarter of 2026 and 2.80 percent for the second quarter of 2025, reflecting a decrease in the cost of the Company's interest-bearing liabilities. The efficiency ratio for the second quarter was 96.8 percent compared to 62.4 percent in the prior quarter, and 60.6 percent in the second quarter of 2025.

Since June 1, 2026, the Company has been engaged in a comprehensive re-evaluation of its credit portfolios with the assistance of independent consultants, as part of its broader effort to strengthen the balance sheet and position the franchise for long-term success. The initial feedback from this re-evaluation has been reflected in the Company's loan loss reserving decisions for the second quarter, and the Company is working toward completion of the review by the end of the third quarter of 2026. With respect to the Company's commercial real estate portfolio, the Company's analysis remains in the early stages, given the absolute size and complexity of this portfolio.

In connection with these efforts, the Company's Board of Directors approved the suspension of both common and preferred stock dividends during the quarter in order to preserve capital at the Bank and liquidity at the holding company. Additionally, the Company announced in June, and subsequently distributed a notice to the participants in its 2026 Amended and Restated Dividend Reinvestment and Stock Purchase Plan, that the Plan has been suspended in accordance with its terms, effective August 6, 2026. The Company also announced on August 3, 2026, that its Board of Directors approved changing the Company's state of incorporation from New Jersey to Delaware, subject to shareholder approval. The Company intends to call a special meeting of shareholders later in 2026 to seek approval of the reincorporation.

Critical Accounting Estimates

Critical accounting estimates are those accounting policies that can have a significant impact on the Company's financial position and results of operations that require the use of complex and subjective estimates based upon past experiences and management's judgment. Because of the uncertainty inherent in such estimates, actual results may differ from these estimates. Below are those policies applied in preparing the Company's consolidated financial statements that management believes are the most dependent on the application of estimates and assumptions.

Allowance for Credit Losses on Loans Receivable

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 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. 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.

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 – Loans Receivable 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 statements 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 (loss), 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 rated 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 statements of financial condition.

See further discussion of 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, 2025.

Goodwill

Goodwill represents the amount paid in a business acquisition that exceeds the fair value of the identifiable net assets. If any changes occur during the measurement period, the company might revise the goodwill balance based on updated assessments of provisional amounts.

Goodwill must be tested for impairment at least once a year or when specific events occur that could impact its value. It is assessed at the reporting unit level. The Company's policy is to test goodwill every October 31st or earlier if a triggering event takes place. Such events could include poor financial performance, a drop in the Company's stock price compared to its book value, or broader economic or industry conditions. When a test is triggered, the estimated fair value of the reporting unit is compared to its book value. If the fair value is lower, the difference is recorded as an impairment loss.

A significant amount of judgment is involved in the determination of the fair value of a reporting unit. Future events could cause the Company to conclude that the Company's goodwill has become impaired, which would result in recording an impairment loss. Management will continue evaluating the economic conditions at future reporting periods for triggering events.

During the quarter ended June 30, 2026, the Company recorded a non-cash goodwill impairment charge of $5.3 million. The goodwill impairment charge resulted from an interim quantitative impairment assessment triggered by the Company's significant quarterly loss and the continued trading of its stock at a substantial discount to book value. The non-cash impairment charge reduced the goodwill recorded on its balance sheet to zero.

See Note 10 – Goodwill and Other Intangible Assets of this Form 10-Q and in our Annual Report on Form 10-K for additional information on the Company's goodwill and intangibles.

Financial Condition

Total assets decreased by $161.3 million, or 4.9 percent, to $3.118 billion at June 30, 2026, from $3.279 billion at December 31, 2025. The decrease in total assets was mainly related to a decrease in net loans and cash and cash equivalents, offset by an increase in debt securities.

Total cash and cash equivalents decreased by $79.7 million, or 28.8 percent, to $196.9 million at June 30, 2026, from $276.6 million at December 31, 2025. The decrease in cash was primarily due to the reduction of the Bank's exposure to wholesale funding by paying down high cost brokered deposits and FHLB advances.

Loans receivable, net, decreased by $103.1 million, or 3.8 percent, to $2.588 billion at June 30, 2026, from $2.691 billion at December 31, 2025, due to loan payoffs, paydowns and charge-offs. Total loan decreases during the period included decreases of $35.2 million in construction loans, $30.9 million in commercial and multi-family loans, $10.9 million in commercial business loans, $5.9 million in business express loans, $8.0 million in one-to-four family residential loans, and $679,000 in cannabis, home equity loans and consumer loans. The decrease in the loan portfolio also reflects management's overall strategy to reduce the size of the balance sheet while managing through its problem credits. During the six months ended June 30, 2026, the Bank's loan origination activity remained below historical levels as it continued to focus on portfolio runoff, balance sheet management and risk-adjusted returns. In addition, the Bank has ceased originating residential mortgage, home equity, and consumer loans, as management believes the current risk-adjusted returns in these categories are not sufficiently attractive.

The allowance for credit losses on loans increased $11.3 million to $45.0 million, or 62.5 percent of non-accruing loans and 1.71 percent of gross loans, at June 30, 2026, as compared to an allowance for credit losses on loans of $33.7 million, or 53.3 percent of non-accruing loans and 1.24 percent of gross loans, at December 31, 2025. Additional details are provided in the Asset Quality portion of *Management's Discussion and Analysis of Financial Condition and Results of Operations.*

During the second quarter, the Company also transferred one loan on non-accrual status to held-for-sale, which was written down to fair market value resulting in a loss of $2.6 million reflected in non-interest income under the line item for net loss on the sale of loans. The remaining carrying value of the loan is $10.8 million. Loans held-for-sale are not included in past due loans or classified loans.

Total investment securities increased by $16.7 million, or 12.3 percent, to $152.3 million at June 30, 2026, from $135.6 million at December 31, 2025, representing current year purchases, offset by current year sales.

Deposits decreased by $37.6 million, or 1.4 percent, to $2.636 billion at June 30, 2026, from $2.674 billion at December 31, 2025. Certificates of deposit accounts and savings accounts decreased $45.2 million and $13.1 million, respectively, and were offset by an increase in money market accounts of $20.8 million. Brokered deposits declined by $28.6 million from $80.5 million at December 31, 2025 to $51.9 million at June 30, 2026.

Debt obligations decreased by $109.9 million to $168.3 million at June 30, 2026, from $278.2 million at December 31, 2025, due to maturities and paydowns of our Federal Home Loan Bank ("FHLB") advances. The weighted average interest rate of FHLB advances was 4.88 percent at June 30, 2026, and 4.53 percent at December 31, 2025. The weighted average maturity of FHLB advances as of June 30, 2026, was less than ninety days. The interest rate of our subordinated debt balances was 9.25 percent at June 30, 2026, and at December 31, 2025.

Stockholders' equity decreased by $12.4 million, or 4.1 percent, to $291.9 million at June 30, 2026, from $304.3 million at December 31, 2025. The decrease was attributable to the decrease in retained earnings of $13.2 million, or 11.3 percent, to $103.2 million at June 30, 2026, from $116.4 million at December 31, 2025, caused largely by the $9.9 million loss in the first six months of 2026.

Asset Quality

Since June 1, 2026, the Company has been engaged in a comprehensive re-evaluation of its credit portfolios with the assistance of independent consultants as part of its broader effort to strengthen the balance sheet and position the franchise for long-term success. The initial feedback from this re-evaluation has been reflected in the loan loss reserving decisions made during the second quarter, and the Company is working toward completion of that review by the end of the third quarter of 2026. With respect to the Company's commercial real estate portfolio, the Company's analysis remains in the early stages, given the absolute size and complexity of this portfolio. As the evaluation continues in the third quarter, the Company will fully explore various alternatives to strengthen the credits or exit the relationships, which may include workouts and loan restructurings, such as potentially seeking additional collateral, interest rate adjustments, as well as select loan sale.

The allowance for credit losses on loans of $45.0 million, as of June 30, 2026, increased by $11.3 million, or 33.5 percent, compared to December 31, 2025. The $11.3 million increase compared to December 31, 2025, was driven by a $21.8 million provision expense for the first six months of 2026 that was partially offset by $10.5 million in net charge-offs primarily attributable to the commercial business portfolio, which continued to exhibit elevated levels of credit deterioration. Net charge-offs within the commercial business portfolio totaled $6.6 million for the six months ended June 30, 2026, with $5.8 million recognized in the second quarter compared to $824,000 in the first quarter. In addition, the Bank concluded that full recovery is no longer expected on a previously charged-off $6.3 million commercial business relationship. In light of this development, along with broader adverse credit trends observed within the commercial business portfolio, management performed a targeted qualitative assessment of the portfolio during the second quarter. As a result of this evaluation, the Bank increased the allowance associated with the commercial business portfolio by $10.8 million. For reference and as presented in Note 7, $16.7 million of the $19 million of loan loss provision expense booked in the 2026 second quarter was attributed to the build-up of loan loss reserves for the commercial business portfolio.

During the three months ended June 30, 2026, there were $7.5 million of charge-offs and $904,000 of recoveries, compared to $6.0 million of charge-offs and $313,000 in recoveries for the three months ended June 30, 2025.

For the six months ended June 30, 2026, there were $11.6 million charge-offs and $1.1 million recoveries, compared to $10.2 million of charge-offs and $361,000 of recoveries for the six months ended June 30, 2025.

Loans receivable classified as Substandard totaled $160.5 million at June 30, 2026, compared to $188.7 million at December 31, 2025, and $266.8 million at June 30, 2025. The decreases were primarily attributed to charge-offs, payoffs and paydowns, as well as upgrades in borrower risk ratings. Also, during the second quarter of 2026, the Bank transferred a classified non-accrual loan with a carrying value of $13.4 million to held-for-sale, resulting in a loss of $2.6 million reflected in non-interest income under the line item for net loss on the sale of loans. The remaining value of the loan is $10.8 million. Loans classified as held-for-sale are excluded from both past due loans and classified loan balances.

As of June 30, 2026, loans classified as substandard have specific reserves of $5.1 million.

Loans receivable classified as Special Mention totaled $207.0 million at June 30, 2026, compared to $170.8 million at December 31, 2025, and $229.9 million at June 30, 2025. While loans classified as Special Mention increased during the year, they remain below the level reported a year ago. The increase from December 31, 2025, reflects the Bank's proactive efforts to identify, monitor, and transfer higher credit risks earlier in the process for closer oversight and resolution.

Total Substandard and Special Mention loans were $367.4 million, or 13.94 percent of gross loans, at June 30, 2026, as compared to $360.0 million, or 13.19 percent of gross loans, at December 31, 2025.

The Bank had non-accrual loans totaling $72.0 million, or 2.73 percent of gross loans, at June 30, 2026, as compared to $63.3 million, or 2.32 percent of gross loans at December 31, 2025, and $101.8 million or 3.50 percent of gross loans at June 30, 2025. Excluding the classified loan transferred to held-for-sale during the second quarter of 2026, non-accrual loan balances remained fairly stable when compared to December 31, 2025, and declined significantly from a year ago. The year over year decrease was primarily due to the charge-off and subsequent transfer to Other Real Estate Owned of a $33.5 million cannabis related loan in the third and fourth quarters of 2025, respectively.

The allowance for credit losses on loans was 62.5 percent of non-accrual loans at June 30, 2026, compared to 53.3 percent of non-accrual loans at December 31, 2025, and 49.8 percent at June 30, 2025. The increase in coverage reflects the results of the Bank's ongoing evaluation of its credit portfolio. Loans are generally returned to accrual status after six months of satisfactory loan payment performance and when management determines that full collection of principal and interest is reasonably assured.

Total loans receivable greater than 30 days past due were $122.8 million, or 4.66 percent of gross loans, at June 30, 2026, as compared to $99.1 million, or 3.64 percent of gross loans, at December 31, 2025, and $111.0 million, or 3.81 percent of gross loans at June 30, 2025. The increase in past due loans during the six months ended June 30, 2026, was primarily reflected in loans 30-59 days past due within the Commercial and multi-family loan portfolio. The increase was largely driven by a one large credit of approximately $16 million, secured by raw land that the Bank anticipates entering into litigation. Management believes tht this land loan is adequately secured, with collateral value expected to support full recovery of the outstanding balance. An additional $8 million increase was attributable to a mixed-use office / garage building that the Bank is in process of restructuring for payment relief.

The following table summarizes the Company's classified loans greater than $5 million at June 30, 2026 (in thousands):

	Purpose	Loan Type	Balance	Loan to Value [1]	Current/Past Due
1	Specialty Use - hospital	CRE	$ 24,536	23 %	current
2	Industrial loft and Industrial Warehouse	CRE	15,961	69	past due
3	Vacant Land	CRE	15,504	69	past due
4	Mixed Use -retail/office	CRE	15,071	94	current
5	Multi-family [3]	CRE	12,058	82	past due
6	Office building [2]	CRE	11,962	82	past due
7	Mixed use - retail/office	CRE	11,008	75	current

(1) Weighted Average LTV based upon the most recent appraised values available.
(2) Borrower has two loans that are classified and collectively exceed $5 million.
(3) Borrower has ten loans that are classified and collectively exceed $5 million.

The following table summarizes the Bank's top ten relationship loans at June 30, 2026 excluding classified loans which are presented in the table above.

	Purpose	Loan Type	Balance [2]	Loan to Value [1]	Current/Past Due
1	Educational	CRE/Commercial Business	$ 49,991	26 %	current
2	Multi-family & Retail	CRE/Commercial Business	46,829	64 [3]	current
3	Multi-family & Commercial	CRE	40,533	45	current
4	Income Producing Land	CRE	38,519	58	current
5	Strip Retail	CRE	36,174	64	current
6	Marijuana Related Business	CRE MRB	35,004	60	current
7	Multi-family & Mixed Use	CRE	34,186	62	current
8	Golf Course	CRE/Commercial Business	32,792	62 [3]	current
9	Self Storage	CRE	29,815	53	current
10	Restaurant & Office	CRE/Commercial Business	29,144	89 [3]	current

(1) Weighted Average LTV based upon the most recent appraised values available.
(2) Balance includes outstanding and committed amounts.
(3) LTV adjusted to account for commercial business loans with no credit for UCC filing.

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 June 30,					
	2026			2025		
	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]	**$ 2,660,757**	**$ 35,856**	**5.41%**	$ 2,933,851	$ 38,650	5.28%
Investment securities	**152,347**	**2,073**	**5.44%**	133,900	1,822	5.44%
FHLB stock and other interest earnings-assets	**278,413**	**2,532**	**3.65%**	239,245	2,709	4.54%
Total interest-earning assets	**3,091,517**	**40,461**	**5.25%**	3,306,996	43,181	5.24%
Non-interest-earning assets	**139,410**			113,206		
Total assets	**$ 3,230,927**			$ 3,420,202		
Interest-bearing liabilities:						
Interest-bearing demand accounts	**$ 529,612**	**$ 2,122**	**1.61%**	$ 529,120	$ 2,230	1.69%
Money market accounts	**449,469**	**3,291**	**2.94%**	418,014	3,354	3.22%
Savings accounts	**237,124**	**112**	**0.19%**	258,696	217	0.34%
Certificates of Deposit	**940,358**	**8,266**	**3.53%**	921,140	9,170	3.99%
Total interest-bearing deposits	**2,156,563**	**13,791**	**2.56%**	2,126,970	14,971	2.82%
Borrowed funds	**236,427**	**3,325**	**5.64%**	422,022	5,108	4.85%
Total interest-bearing liabilities	**2,392,990**	**17,116**	**2.87%**	2,548,992	20,079	3.16%
Non-interest-bearing liabilities	**529,508**			557,177		
Total liabilities	**2,922,498**			3,106,169		
Stockholders' equity	**308,429**			314,033		
Total liabilities and stockholders' equity	**$ 3,230,927**			$ 3,420,202		
Net interest income		**$ 23,345**			$ 23,102	
Net interest rate spread [1]			**2.38%**			2.08%
Net interest margin [2]			**3.03%**			2.80%

(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.

	Six Months Ended June 30,					
	2026			2025		
	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]	$ 2,684,502	$ 71,734	5.39%	$ 2,964,023	$ 77,577	5.28%
Investment securities	144,789	3,902	5.43%	125,598	3,351	5.38%
FHLB stock and other interest-earning assets	288,485	5,227	3.65%	285,271	6,445	4.56%
Total Interest-earning assets	3,117,776	80,863	5.23%	3,374,892	87,373	5.22%
Non-interest-earning assets	137,717			119,558		
Total assets	$ 3,255,493			$ 3,494,450		
Interest-bearing liabilities:						
Interest-bearing demand accounts	$ 526,523	$ 4,165	1.59%	$ 544,756	$ 4,598	1.70%
Money market accounts	440,938	6,418	2.94%	406,214	6,404	3.18%
Savings accounts	239,777	248	0.21%	255,479	368	0.29%
Certificates of Deposit	952,259	16,858	3.57%	963,171	19,932	4.17%
Total interest-bearing deposits	2,159,497	27,689	2.59%	2,169,620	31,302	2.91%
Borrowed funds	253,679	6,992	5.56%	455,036	10,964	4.86%
Total interest-bearing liabilities	2,413,176	34,681	2.90%	2,624,656	42,266	3.25%
Non-interest-bearing liabilities	535,232			550,454		
Total liabilities	2,948,408			3,175,110		
Stockholders' equity	307,085			319,340		
Total liabilities and stockholders' equity	$ 3,255,493			$ 3,494,450		
Net interest income		$ 46,182			$ 45,107	
Net interest rate spread [1]			2.33%			1.97%
Net interest margin [2]			2.99%			2.70%

(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.

Results of Operations Comparison for the Three Months Ended June 30, 2026 and 2025

The Company reported a net loss of $14.8 million for the quarter ended June 30, 2026, compared to net income of $3.6 million for the quarter ended June 30, 2025. This decline was primarily due to a $14.1 million increase in loan loss provisioning, a $5.3 million non-cash goodwill impairment charge, a $2.6 million loss on the sale of loans and a $1.7 million increase in salaries and employee benefits. This was offset by a decrease in tax provision of $4.9 million.

Interest income decreased by $2.7 million, or 6.3 percent, to $40.5 million for the second quarter of 2026 from $43.2 million for the second quarter of 2025. The average balance of interest-earning assets decreased $215.5 million, or 6.5 percent, to $3.092 billion for the second quarter of 2026 from $3.307 billion for the second quarter of 2025. The average yield increased 1 basis point to 5.25 percent for the second quarter of 2026 from 5.24 percent for the second quarter of 2025.

Interest expense decreased by $3.0 million to $17.1 million for the second quarter of 2026 from $20.1 million for the second quarter of 2025. The decrease resulted from a decrease in the average rate paid on interest-bearing liabilities of 29 basis points to 2.87 percent for the second quarter of 2026 from 3.16 percent for the second quarter of 2025, while the average balance of interest-bearing liabilities decreased by $156.0 million to $2.393 billion for the second quarter of 2026 from $2.549 billion for the second quarter of 2025.

The net interest margin was 3.03 percent for the second quarter of 2026 compared to 2.80 percent for the second quarter of 2025. The increase in the net interest margin compared to the second quarter of 2025 was the result of a decrease in the cost of interest-bearing liabilities.

The provision for credit losses was $19.0 million for the second quarter of 2026 compared to $4.9 million for the second quarter of 2025. The increase was primarily driven by higher reserve requirements within the commercial business loan portfolio. The commercial business portfolio generated net charge-offs of $824 thousand in the first quarter of 2026, increasing to $5.8 million in the second quarter. In addition, the Bank determined that a full recovery is no longer expected on a previously charged-off $6.3 million commercial business relationship. Reflecting these developments and broader credit trends observed within the commercial business portfolio, management separately evaluated the portfolio under its qualitative reserve framework during the second quarter, resulting in a $10.8 million increase to the allowance established for the portfolio. Additional details are provided in the Asset Quality portion of *Management's Discussion and Analysis of Financial Condition and Results of Operation.*

During the second quarter of 2026, the Company recognized $6.6 million in net charge-offs compared to $5.7 million in net charge-offs in the second quarter of 2025. The Bank had non-accrual loans totaling $72.0 million, or 2.73 percent of gross loans, at June 30, 2026, as compared to $63.3 million, or 2.32 percent of gross loans, at December 31, 2025. The allowance for credit losses on loans was $45.0 million, or 1.71 percent of gross loans, at June 30, 2026, and $33.7 million, or 1.24 percent of gross loans, at December 31, 2025. Management believes the allowance for credit losses on loans was adequate at June 30, 2026 and December 31, 2025.

Non-interest income decreased by $2.5 million to a loss of $470 thousand for the second quarter of 2026, compared to income of $2.1 million for the second quarter of 2025. The decrease in total non-interest income was primarily attributable to a $2.6 million loss on a loan transferred to held for sale, compared to no such loss in the prior year period, and a $108 thousand increase in mark-to-market losses on investment securities, partially offset by a $131 thousand increase in Bank Owned Life Insurance ("BOLI") income.

Non-interest expense increased by $6.9 million, or 45.0 percent, to $22.1 million for the second quarter of 2026 compared to $15.3 million for the second quarter of 2025. The increase was primarily driven by a $5.3 million non-cash goodwill impairment charge, a $1.7 million increase in salaries and benefits expense, and $273 thousand increase in advertising and promotion expenses. The increase in salaries and benefits included $814 thousand severance costs related to the departure of our former Chief Executive Officer and certain other employees, as well as higher compensation costs necessary to attract and retain qualified staff. These increases were partially offset by a $205 thousand decrease in professional fees.

The income tax provision decreased by $4.9 million, to an income tax benefit of $3.5 million for the second quarter of 2026 when compared to a $1.5 million provision for the second quarter of 2025.

Results of Operations Comparison for Six Months Ended June 30, 2026 and 2025

Net income decreased by $5.1 million to a net loss of $9.9 million for the first six months of 2026, compared to a net loss of $4.8 million for the first six months of 2025. The Company's loss per diluted share for the six months ended June 30, 2026 was ($0.60) compared to a loss per diluted share of ($0.33) for the six months ended June 30, 2025. The increased net loss was primarily attributable to a $5.3 million non-cash goodwill impairment charge, a $2.6 million loss on the sale of loans and a $2.6 million increase in salaries and employee benefits.

Net interest income increased $1.1 million for the first six months of 2026, as interest expense decreased by $7.6 million, or 17.9 percent, to $34.7 million from $42.3 million for the first six months of 2025 and interest income decreased $6.5 million, from $87.4 million to $80.9 million for the same period. The average balance of interest-earning assets decreased $257.1 million, or 7.6 percent, to $3.118 billion from $3.375 billion, while the average yield on interest-earning assets increased 1 basis point to 5.23 percent from 5.22 percent. The decline in average interest-earning assets was primarily due to a $279.5 million decrease in average loans, partially offset by a $19.2 million increase in average investment securities. The decrease in interest expense was driven by declines in interest expense on borrowings and deposits of $4.0 million and $3.6 million, respectively. Average borrowings decreased $201.4 million, while the average rate paid on borrowings increased by 70 basis points to 5.56 percent. Average deposits declined $10.1 million and the average rate paid on deposits declined 32 basis points to 2.59 percent.

Net interest margin was 2.99 percent for the first six months of 2026, compared to 2.70 percent for the first six months of 2025. The increase in the net interest margin compared to the prior period was the result of a decrease in the cost of the Company's interest-bearing liabilities, by 35 basis points to 2.90 percent and an increase in the rate earned on earning assets, by 1 basis point to 5.23 percent.

The provision for credit losses decreased by $4.0 million to $21.8 million for the first six months of 2026 from $25.7 million for the same period in 2025. The elevated provision in the prior-year period reflected a previously disclosed $13.7 million specific reserve related to a $34.2 million cannabis-sector lending relationship. The 2026 provision was primarily driven by increased reserve requirements within the commercial business loan portfolio. During the first six months of 2026, the Company experienced $10.5 million in net charge-offs compared to $9.9 million in net charge-offs for the same period in 2025.

Non-interest income decreased by $2.2 million to $1.6 million for the first six months of 2026, compared to $3.9 million for the same period in 2025. The decrease was primarily attributable to a $2.6 million loss on a loan transferred to held for sale in 2026, compared to no such loss in the prior year period. Partially offsetting this was a $469 thousand increase in income from Bank Owned Life Insurance ("BOLI").

Non-interest expense increased by $7.8 million, or 25.9 percent, to $37.7 million for the first six months of 2026 from $29.9 million for the same period in 2025. The increase was primarily driven by a $5.3 million non-cash goodwill impairment charge and a $2.6 million increase in salaries and employee benefits expense, which included $814 thousand severance costs related to the departure of our former Chief Executive Officer and certain other employees, as well as higher compensation costs necessary to attract and retain qualified staff. Advertising expenses and OREO expenses increased $294 thousand and $280 thousand, respectively. Partially offsetting these increases were decreases in professional fees, director fees and regulatory assessments of $270 thousand, $241 thousand and $98 thousand, respectively.

The income tax benefit decreased by $157 thousand or 8.1 percent, to an income tax benefit of $1.8 million for the first six months of 2026 when compared to a $1.9 million income tax benefit for the same period in 2025. While the pretax loss increased to $11.6 million from $6.7 million in the prior period, the income tax credit declined primarily because the $5.3 million non-cash goodwill impairment charge recognized in 2026 is not deductible for income tax purposes and therefore did not generate a corresponding tax benefit.

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 June 30, 2026 and December 31, 2025, 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 $168.3 million at June 30, 2026 as compared to $278.2 million at December 31, 2025.

At June 30, 2026, the Company had the ability to obtain additional funding of $499.7 million from the FHLB and $199.5 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 $915.7 million at June 30, 2026. 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 June 30, 2026 and a significant amount of available borrowing capacity with FHLB and Federal Reserve Bank Discount Window to fund ongoing bank operations.

Subordinated Debentures

The Company has subordinated debentures outstanding, whose aggregate principal totaled $40.0 million at June 30, 2026. Refer to Note 12 of the Notes to Unaudited Consolidated Financial Statements for additional details on the outstanding subordinated debentures.

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%, plus 2.650%. The rate paid as of June 30, 2026 and 2025 was 6.579% and 7.222%, respectively. The trust preferred debenture became callable, at the Company's option, on June 17, 2009, and quarterly thereafter. They mature on June 17, 2034.

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 federal banking agencies' regulations provide for an optional simplified measure of capital adequacy for qualifying community banking organizations (that is, the "CBLR" framework), as implemented pursuant to the Economic Growth, Regulatory Relief and Consumer Protection Act of 2018. The CBLR framework is designed to reduce the burden of the requirements for calculating and reporting risk-based capital ratios for qualifying community banking organizations that opt into the framework. In order to qualify for the CBLR framework, a community banking organization must have (i) a Tier 1 capital to average total consolidated assets (leverage) ratio of greater than 9.0%, as of June 30, 2026, which was lowered to 8.0% beginning July 1, 2026, (ii) less than $10 billion in total consolidated assets, and (iii) limited amounts of off-balance-sheet exposure and trading assets and liabilities. A qualifying community banking organization that opts into the CBLR framework and meets all requirements under the framework will be considered to have met the capital ratio requirements for the well capitalized capital category under applicable prompt corrective action regulations and will not be required to report or calculate risk-based capital under generally applicable capital adequacy requirements. Failure to meet the qualifying criteria within the grace period of two reporting periods, or to maintain a leverage ratio of 8.0% or greater, at all times, would require the institution to comply with the generally applicable capital adequacy requirements. An eligible banking organization can opt out of the CBLR framework and revert to compliance with general capital adequacy requirements and capital measurements under prompt corrective action regulations without restriction.

The Company and the Bank have determined the organization is a qualifying banking organization and the Bank has opted into the CBLR framework as of June 30, 2026. 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 June 30, 2026 and December 31, 2025, 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 June 30, 2026:					
Bank					
Community Bank Leverage Ratio	**$ 335,500**	**10.38 %**	**$ 290,896**	**9.00 %**	**N/A**
As of December 31, 2025:					
Bank					
Community Bank Leverage Ratio	$ 344,067	10.39 %	$ 298,037	9.00 %	N/A

The following table sets forth the regulatory capital ratios for the Company as well as the regulatory requirements for June 30, 2026 and December 31, 2025. The Company elected to utilize the CBLR framework effective June 30, 2026. Therefore, June 30, 2026 capital ratios are presented under the CBLR framework, while December 31, 2025 capital ratios are presented under the traditional risk-based capital framework.

	Actual		For Capital Adequacy Purposes		For Well Capitalized Under Federal Reserve Board Regulations	
	Dollars in Thousands					
As of June 30, 2026:						
Bancorp						
Community Bank Leverage Ratio	**$ 296,637**	**9.18 %**	**$ 290,821**	**9.00 %**	**N/A**	
As of December 31, 2025:						
Bancorp						
Total Capital (To Risk-Weighted Assets)	$ 377,318	13.43 %	$ 224,761	8.00 %	$ 280,952	10.00 %
Tier 1 Capital (to Risk-Weighted Assets)	304,541	10.84	168,565	6.00	168,565	6.00
Common Equity Tier 1 Capital (to Risk-Weighted Assets)	275,174	9.79	126,484	4.50	-	-
Tier 1 Capital (to adjusted total assets)	304,541	9.20	132,409	4.00	-	-

At its June 2026 meeting, the Company's Board of Directors approved the suspension of both common and preferred dividends in order to help preserve capital at the Bank and liquidity at the holding company. Additionally, on July 7, 2026, the Company announced in June and subsequently distributed a notice to the participants in its 2026 Amended and Restated Dividend Reinvestment and Stock Purchase Plan announcing that the Plan has been suspended in accordance with its terms, effective August 6, 2026.

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 quarterly or 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 June 30, 2026. 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 June 30, 2026. The following sets forth the Company's NPV as of June 30, 2026.

				NPV as a % of Assets	
Change in calculation	**Net Portfolio Value**	**$ Change from PAR**	**% Change from PAR**	**NPV Ratio**	**Change**
		(Dollars in Thousands)			
+200bp	$ 383,452	$ (34,447)	(8.24) %	12.92 %	(0.70) %
+100bp	402,331	(15,568)	(3.73) %	13.33 %	(0.29)
PAR	417,899	-	-	13.61	-
-100bp	427,544	9,645	2.31	13.70	0.08
-200bp	428,471	10,572	2.53	13.51	(0.10)
-300bp	434,439	16,540	3.96	13.43	(0.19)

bps-basis point

The table above indicates that at June 30, 2026, in the event of a 100-basis point decrease in interest rates, we would experience a 0.08 percent increase in NPV, as compared to a 0.01 percent increase at December 31, 2025.

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 June 30, 2026, 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

Please see "Item 1A. Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2025 and below for information regarding risk factors that could materially affect the Company's business, financial condition, or future results of operations. Other than as set forth below, there have been no other changes with regard to the risk factors disclosed in "Item 1A. Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

Risk Related to Credit

Our comprehensive re-evaluation of our credit portfolios may identify additional loan deterioration, which would adversely impact our financial condition, regulatory capital ratios and results of operations.

Since June 1, 2026, we have been engaged in a comprehensive re-evaluation of our credit portfolios with the assistance of independent consultants, as part of our broader effort to strengthen the balance sheet and position the Bank for long-term success. The initial feedback from this re-evaluation has been reflected in the Company's loan loss reserving decisions for the second quarter of 2026, and the Company is working toward completion of the review by the end of the third quarter of 2026. With respect to the Company's commercial real estate portfolio, the Company's analysis remains in the early stages given the absolute size and complexity of this portfolio.

As our evaluation continues, we will fully explore various alternatives to strengthen the credits identified in this review or exit the relationships, which may include workouts and loan restructurings, such as potentially seeking additional collateral, interest rate adjustments, or select loan sales. It is possible that the process of completing this review, and effecting any resulting workouts, restructurings, or loan sales, could result in higher than anticipated costs, adverse financial impacts, or the identification of additional problem loans or credit deterioration beyond what has already been reflected in our provision for credit losses and allowance for credit losses as of June 30, 2026. If difficulties with completing this review are encountered, the process may take longer than expected, and any resulting increase to our allowance for credit losses would adversely affect our net income and could adversely affect our capital position.

Risk Related to Liquidity

A lack of liquidity could adversely affect our financial condition and results of operations and result in regulatory limits being placed on the Company.

Liquidity is essential to our business. We rely on our ability to generate deposits and effectively manage the repayment and maturity schedules of our loans to ensure that we have adequate liquidity to fund our operations. An inability to raise funds through deposits, borrowings, the sale of loans and other sources could have a substantial negative effect on our liquidity. Our most important source of funds is deposits. Deposit balances can decrease when customers perceive alternative investments as providing a better risk/return tradeoff, or in response to concerns about our asset quality, financial performance or reputation. If customers move money out of deposits such as money market and time deposit accounts, we will lose a relatively low-cost source of funds, increasing our funding costs and reducing our net interest income and net income. We have in the past relied, and may in the future need to rely, on higher-cost brokered deposits and FHLB advances to fund our operations, and any reduction in our access to or increase in the cost of these funding sources could adversely affect our liquidity and results of operations. Moreover, depending on the capitalization and regulatory treatment of depository institutions, including whether an institution is subject to a supervisory prompt corrective action directive, certain additional regulatory restrictions and prohibitions may apply, including restrictions on growth, restrictions on interest rates paid on deposits, restrictions or prohibitions on payment of dividends and restrictions on the acceptance of brokered deposits. In the event such restrictions on interest rates paid on deposits become applicable to us, we will likely need to reduce our interest rates paid on a large segment of our deposits, which could result in significant deposit withdrawals. Significant deposit withdrawals could materially reduce our liquidity, and, in such an event, we may be required to replace such deposits with higher-costing borrowings.

Our other primary sources of funds 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. We also have access to unsecured overnight lines of credit and other collateralized borrowings from the Federal Reserve Bank Discount Window, the FHLB of New York, and other correspondent banks. At June 30, 2026, we had the ability to obtain additional funding of $499.7 million from the FHLB and $199.5 million from the Federal Reserve Bank Discount Window, utilizing unencumbered loan collateral. Our access to funding sources in amounts adequate to finance or capitalize our activities, or on terms that are acceptable to us, could be impaired by factors that affect us directly or the financial services industry or economy in general, such as disruptions in the financial markets, a downgrade or negative outlook in our credit quality metrics, or negative views and expectations about the prospects for the financial services industry. Our access to funding sources could also be affected by a decrease in the ability to sell loans as a result of a downturn in our markets or by one or more adverse regulatory actions against us. A lack of liquidity could also attract increased regulatory scrutiny and potential restraints imposed on us by regulators.

Any decline in available funding could adversely impact our ability to originate loans, invest in securities, meet our expenses or fulfill obligations such as repaying our borrowings or meeting deposit withdrawal demands, any of which could have a material adverse impact on our liquidity, business, financial condition and results of operations.

In addition, our recurring cash requirements at the holding company level primarily consist of interest expense on subordinated debentures. At June 30, 2026, the Company had $40.0 million of subordinated debentures outstanding and $4.1 million of trust preferred securities. The Company's ability to service this debt, and to meet its other obligations at the holding company level, depends on the amount of cash and liquidity available to the Company directly. Because the Company is a separate legal entity from the Bank, there can be no assurance that sufficient funds will be available to the Company to meet these obligations as they become due. Holding company cash needs are routinely satisfied by dividends collected from the Bank. While we expect that the holding company will continue to receive dividends from the Bank sufficient to satisfy holding company cash needs, in the event that the Bank has insufficient resources or is subject to legal or regulatory restrictions on the payment of dividends, the Bank may be unable to provide dividends or a sufficient level of dividends to the holding company. In that event, the holding company may have insufficient funds to satisfy its obligations as they become due, which in the case of the subordinated debentures would result in an event of default by the Company.

Risks Related to Company's Common Stock

In June 2026 we suspended paying dividends on our common stock and preferred stock and will need to return to profitability before we can consider reinstating dividends.

Our board of directors has approved the suspension of the payment of common and preferred stock dividends. This action followed incurring a net loss for 2025 and for the first six months of 2026. Future dividends, if any, will substantially depend upon our future earnings and financial condition, liquidity and capital requirements, regulatory and state law restrictions, general economic conditions and regulatory climate and other factors deemed relevant by our board of directors. We can provide no assurance as to when, or whether, we will resume the payment of dividends, and there is no guarantee as to the amount or level of any dividend we may declare if and when payments resume. The continued suspension of dividends could adversely affect the market price of our common stock and may make it more difficult to raise capital on favorable terms, and there can be no assurance that the suspension will be sufficient to preserve adequate liquidity at the holding company level if adverse conditions continue or worsen.

In the event our board of directors determines to resume the payment of dividends, the holders of our common stock are entitled to receive only such cash dividends as our board of directors may declare out of funds legally available for the payment of dividends. We are a holding company that conducts substantially all of our operations through the Bank. As a result, our ability to make dividend payments on our common stock will depend primarily upon the receipt of dividends and other distributions from the Bank. Under New Jersey banking law, the Bank may pay a dividend to the Company provided that following the payment of the dividend the capital stock of the Bank will be unimpaired and the Bank will have a surplus of not less than 50 percent of its capital stock, or if not, the payment of such dividend will not reduce the surplus of the Bank.

Under New Jersey law, the Company may not make a distribution, if, after giving effect to the distribution, it would be unable to pay its debts as they become due in the usual course of business or if its total assets would be less than its liabilities. It is also the policy of the Federal Reserve that a bank holding company generally may only pay dividends on common stock out of net income available to common shareholders over the past twelve months and only if the prospective rate of earnings retention appears consistent with a bank holding company's capital needs, asset quality, and overall financial condition. A bank holding company also should not maintain a dividend level that places undue pressure on the capital of such institution's subsidiaries, or that may undermine the bank holding company's ability to serve as a source of strength for such subsidiaries.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the three months ended June 30, 2026, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement".

ITEM 6. EXHIBITS

Exhibit 10.1	Employment Agreement with Thomas O'Brien
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: August 10, 2026

By: /s/ Thomas M. O'Brien
Thomas M. O'Brien
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 10, 2026

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