

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

Annual Report Pursuant To Section 13 or 15(d) Of The Securities Exchange Act of 1934
For the fiscal year ended December 31, 2023.

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: 000-50275

BCB BANCORP, INC.

(Exact name of registrant as specified in its charter)

New Jersey

(State or other jurisdiction of incorporation or organization)

26-0065262

(I.R.S. Employer Identification No.)

104-110 Avenue C, Bayonne, New Jersey

(Address of principal executive offices)

07002

(Zip Code)

Registrant's telephone number, including area code: 1-(800)-680-6872

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Common Stock, no par value

Name of each exchange on which registered

The NASDAQ Stock Market, LLC

Trading Symbol
BCBP

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

YES NO

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 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, a smaller reporting company, or an emerging growth company. See definitions 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 any 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES NO

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, computed by reference to the last sale price on June 30, 2023, as reported by the Nasdaq Global Market, was approximately \$172.2 million.

As of March 1, 2024, there were 16,957,391 shares of the Registrant's Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

(1) Proxy Statement for the 2023 Annual Meeting of Stockholders of the Registrant (Part III)

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PART I

ITEM 1. BUSINESS

Forward-Looking Statements

This report on Form 10-K contains forward-looking statements that are based on assumptions and may describe future plans, strategies and expectations of BCB Bancorp, Inc. and subsidiaries. This document may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and is including this statement for purposes of said safe harbor provisions. Forward-looking information is inherently subject to risks and uncertainties, and actual results could differ materially from those currently anticipated due to a number of factors, which include, but are not limited to, factors discussed in this Annual Report on Form 10-K and in other documents filed with the Securities and Exchange Commission. These forward-looking statements, which are based on certain assumptions and describe future plans, strategies, and expectations of the Company, are generally identified by use of the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “project,” “seek,” “strive,” “try,” or future or conditional verbs such as “will,” “would,” “should,” “could,” “may,” or similar expressions. Although we believe that our plans, intentions and expectations, as reflected in these forward-looking statements are reasonable, we can give no assurance that these plans, intentions or expectations will be achieved or realized. By identifying these statements for you in this manner, we are alerting you to the possibility that our actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Important factors that could cause our actual results and financial condition to differ from those indicated in the forward-looking statements include, among others, changes in market interest rates, general economic conditions, legislation, and regulation; changes in monetary and fiscal policies of the United States Government, including policies of the United States Treasury and Federal Reserve Board; changes in the quality or composition of the loan or investment portfolios; changes in deposit flows, competition, and demand for financial services, loans, deposits and investment products in our local markets; changes in accounting principles and guidelines; war or terrorist activities; and other economic, competitive, governmental, regulatory, geopolitical and technological factors affecting the our operations, pricing and services, and those discussed under “Risk Factors” in Part I, Item 1A of this Annual Report on Form 10-K. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. You should not place undue reliance on these forward-looking statements, which reflect our expectations only as of the date of this report. We do not assume any obligation to revise forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made, except as may be required by law.

BCB Bancorp, Inc.

BCB Bancorp, Inc. (individually referred to herein as the “Parent Company” and together with its subsidiaries, collectively referred to herein as the “Company”) is a New Jersey corporation established in 2003, and is the holding company parent of BCB Community Bank (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. Our telephone number is 1-(800)-680-6872 and our website is www.bcb.bank. Information on our website is not incorporated into this Annual Report on Form 10-K. At December 31, 2023 we had \$3.832 billion in consolidated assets, \$2.979 billion in deposits and \$314.1 million in consolidated stockholders’ equity. The Parent Company is subject to extensive regulation by the Board of Governors of the Federal Reserve System.

BCB Community Bank

The 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 December 31, 2023, the Bank operated at twenty-four branches in Bayonne, Edison, Hoboken, Fairfield, Holmdel, Jersey City, Lyndhurst, Maplewood, Monroe Township, Newark, Parsippany, Plainsboro, River Edge, Rutherford, South Orange, Union, and Woodbridge, New Jersey, as well as four branches in Staten Island and Hicksville, New York, 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 Federal Deposit Insurance Corporation (the “FDIC”) and the Bank is a member of the Federal Home Loan Bank (“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, commercial business loans, construction loans, home equity loans, and consumer 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, night depository, debit cards, online banking, mobile banking, fraud detection (positive pay), and automated teller services.

Recent Events

On December 14, 2023, the Company completed a private placement of 1,527 shares of Series J Noncumulative Perpetual Stock, par value \$0.01 per share (the “Series J Preferred Stock”), resulting in gross proceeds of \$15,270,000. Also during the fourth quarter of 2023, the Company redeemed the remaining 1,101 outstanding shares of its Series H 3.5% Noncumulative Perpetual Preferred Stock, at their face value of \$10,000 per share, for a total redemption amount of \$11.0 million.

On September 14, 2023, the Company redeemed 22 outstanding shares of its Series H 3.5% Noncumulative Perpetual Preferred Stock, at their face value of \$10,000 per share, for a total redemption amount of \$220,000.

Business Strategy

Our business strategy is to operate as a well-capitalized, profitable, and independent community-oriented financial institution dedicated to providing the highest quality customer service. Management’s and the Board of Directors’ extensive knowledge of the markets we serve helps to differentiate us from our competitors. Our business strategy incorporates the following elements: maintaining a community focus, focusing on profitability, strengthening our balance sheet, emphasizing real estate- based lending, capitalizing on market dynamics, providing attentive and personalized service, and attracting highly qualified and experienced personnel. These attributes coupled with our desire to seek out under-served markets for banking products and services, facilitate the growth of our franchise footprint organically and synergistically.

Maintaining a community focus. Our management and Board of Directors have strong ties to the communities we serve. Many members of the management team are New Jersey natives and are active in the communities we serve through non-profit board membership, local business development organizations, and industry associations. In addition, our board members are well-established professionals and business leaders in the communities we serve. Management and the Board are interested in making a lasting contribution to these communities, and they have succeeded in attracting deposits and loans through attentive and personalized service.

Focusing on profitability. Management is focused on optimizing profitability while also meeting the needs of businesses and individuals in its community. The persistently high interest rate environment and competition for liquidity have negatively impacted margins for our industry. Management continues to prudently manage its balance sheet to protect its spread income in a challenging operating environment. Additionally, Management continues to be committed to managing and controlling our non-interest expenses to improve our efficiency ratio.

Strengthening our balance sheet. Management has slowed its balance sheet growth to strengthen its liquidity and capital position. Management is focused on reducing reliance on wholesale borrowing that is expensive and not core to the Bank’s operating philosophy. Additionally, slower balance sheet growth combined with profitability are expected to continue to enhance the Company’s capital position. Management remains committed to strengthening the Company’s statements of financial condition and maintaining profitability by diversifying the products, pricing and services we offer. Additionally, the Company is very focused on maintaining robust asset quality as the industry continues to face challenges from an uncertain macroeconomic environment.

Emphasizing real estate-based lending. A primary focus of our business strategy is to originate loans secured by commercial and multi-family properties. Such loans generally provide higher returns than loans secured by one-to-four family properties. As a result of our underwriting practices, including debt service requirements for commercial real estate and multi-family loans, management believes that such loans offer us an opportunity to obtain higher returns without a significant increased level of risk.

Capitalizing on market dynamics. The consolidation of the banking industry in northeast New Jersey has provided a unique opportunity for a customer-focused banking institution, such as our Bank. We believe our local roots and community focus provide the Bank with an opportunity to capitalize on the consolidation in our market area. This consolidation has moved decision making away from local, community-based banks to much larger banks headquartered outside of New Jersey. We believe our local roots and community focus provide the Bank with an opportunity to capitalize on the consolidation in our market area.

Providing attentive and personalized service. Management believes that providing attentive and personalized service is the key to gaining deposit and loan relationships in the markets we serve and their surrounding communities.

Attracting highly experienced and qualified personnel. An important part of our strategy is to hire bankers who have prior experience in the markets we serve, as well as pre-existing business relationships. Our management team averages over decades of banking experience, while our lenders and branch personnel have significant experience at community banks and regional banks throughout the region. Management believes that its knowledge of these markets has been a critical element in the success of the Bank. Management’s extensive knowledge of the local communities has allowed us to develop and implement a highly focused and disciplined approach to lending, and has enabled the Bank to attract a high percentage of low-cost deposits.

Our Market Area

We are located in Bayonne, Jersey City and Hoboken in Hudson County, Edison, Monroe Township, Plainsboro and Woodbridge in Middlesex County, Lyndhurst, River Edge, and Rutherford in Bergen County; Fairfield, Maplewood, Newark, and South Orange in Essex County, Holmdel in Monmouth County, Parsippany in Morris County, and Union in Union County, New Jersey. The Bank also operates three branches in Staten Island, New York and one in Hicksville, New York. The Bank’s locations are easily accessible and provide convenient services to businesses and individuals throughout our market area. These areas are all considered “bedroom” or “commuter” communities to Manhattan. Our market area is well-served by a network of arterial roadways, including Route 440 and the New Jersey Turnpike.

Our market area has a high level of commercial business activity. Businesses are concentrated in the service sector and retail trade areas. Major employers in our market area include certain medical centers, municipalities, and school districts.

Competition

The banking industry in northeast New Jersey and New York City is extremely competitive. We compete for deposits and loans with existing New Jersey and out-of-state financial institutions that have longer operating histories, larger capital reserves, and more established customer bases. Our competition includes large financial services companies and other entities, in addition to traditional banking institutions, such as savings and loan associations, savings banks, commercial banks and credit unions. Our larger competitors have a greater ability to finance wide-ranging advertising campaigns through greater capital resources. Our marketing efforts depend heavily upon referrals from officers, directors, stockholders, advertising in local media, and through a social media presence. We compete for business principally on the basis of personal service to customers, customer access to our business development officers, loan officers, executive officers and directors, and competitive interest rates and fees.

In the financial services industry in recent years, intense market demands, technological and regulatory changes, and economic pressures have eroded industry classifications that were once clearly defined. Banks have diversified their services, competitively priced their deposit products and become more cost-effective as a result of competition with each other and with new types of financial service companies, including non-banking competitors. Some of these market dynamics have resulted in a number of new bank and non-bank competitors, increased merger activity, and increased customer awareness of product and service differences among competitors

Lending Activities

Loan Maturities. The following table sets forth the contractual maturity of our loan portfolio at December 31, 2023. The amount shown represents outstanding principal balances. Demand loans, loans having no stated schedule of repayments and no stated maturity and overdrafts are reported as being due in one year or less. The table does not include prepayments or scheduled principal repayments.

	<u>Due within 1 Year</u>	<u>Due after 1 through 5 Years</u>	<u>After 5 Years through 15 Years</u>	<u>After 15 Years</u>	<u>Total</u>
	(In Thousands)				
Residential One-to-four family	\$ 9	\$ 9,215	\$ 25,285	\$ 213,786	\$ 248,295
Construction	178,515	9,378	-	4,923	192,816
Commercial business ⁽¹⁾	151,025	133,523	75,997	11,657	372,202
Commercial and multi-family	151,674	555,795	440,250	1,286,396	2,434,115
Home equity ⁽²⁾	565	2,070	12,930	50,766	66,331
Consumer	1,853	1,491	299	-	3,643
Total amount due	<u>\$ 483,641</u>	<u>\$ 711,472</u>	<u>\$ 554,761</u>	<u>\$ 1,567,528</u>	<u>\$ 3,317,402</u>

(1) Includes business lines of credit.

(2) Includes home equity lines of credit.

Loans with Fixed or Floating or Adjustable Rates of Interest. The following table sets forth the dollar amount of all loans at December 31, 2023 that are due after December 31, 2024, and have fixed interest rates or that have floating or adjustable interest rates.

	<u>Fixed Rates</u>	<u>Floating or Adjustable Rates</u>	<u>Total</u>
	(In Thousands)		
Residential One-to-four family	\$ 157,792	\$ 90,494	\$ 248,286
Construction	-	14,301	14,301
Commercial business ⁽¹⁾	74,263	146,914	221,177
Commercial and multi-family	387,039	1,895,402	2,282,441
Home equity ⁽²⁾	15,552	50,214	65,766
Consumer	1,200	590	1,790
Total amount due	<u>\$ 635,846</u>	<u>\$ 2,197,915</u>	<u>\$ 2,833,761</u>

(1) Includes business lines of credit.

(2) Includes home equity lines of credit.

Commercial and Multi-family Real Estate Loans. Commercial real estate loans are secured by improved property such as office buildings, mixed use buildings, retail stores, shopping centers, warehouses, and other non-residential buildings. Loans secured by multi-family properties contain five or more residential units. Generally, the Bank offers fully amortizing loans on both property types at loan amounts up to 75 percent of the appraised value of the property. Both commercial and multi-family real estate loans are generally made at rates that adjust above the Federal Home Loan Bank of New York interest rate, with terms of up to 30 years. In addition, the Bank offers balloon loans with fixed interest rates which generally mature in three to five years with amortization periods up to 30 years. The Bank's owner-occupied loans represented 21% of total Commercial and multi-family loans as of December 31, 2023 and the Bank's multi-family portfolio represented 23% of the total Commercial and multi-family real estate loans. The rent controlled portion comprised 5% of total multi-family loans. The Bank's multi-family loan portfolio had average LTVs of 55%. As of December 31, 2023, the Bank's largest commercial real estate loan had an outstanding principal balance of \$42.5 million. The borrower is a well-known private university, and the loan is secured by various properties which are associated with University functions. This loan is performing in accordance with its terms at December 31, 2023.

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 Bank intends to continue the origination of loans secured by commercial real estate and multi-family properties.

Construction Loans. The Bank offers loans to finance the construction of various types of commercial and residential properties. Generally, construction loans are offered with terms of up to thirty months, with adjustable interest rates tied to a margin above Prime Rate. Customarily, the Bank originates loans on projects which have all necessary permits in place to the Bank's satisfaction. Construction loan funds are disbursed as the project progresses. The Bank also offers construction loans that convert to a permanent mortgage on the property upon completion of the project, provided compliance with conditions set forth at loan approval. Terms of such permanent mortgage loans are similar to other mortgage loans secured by similar properties, with the interest rate established at the time of conversion. As of December 31, 2023, the Bank's largest construction loan has a borrowing capacity of \$24.8 million, of which \$200,000 has not been disbursed. The loan is recourse to a well-capitalized borrower, with proceeds used to construct a transit-oriented multifamily development in northern New Jersey. This loan is performing in accordance with its terms at December 31, 2023.

Construction financing is generally considered a higher risk lending product. To mitigate risks, the Bank will, among other things, obtain a plan and cost review from a third-party vendor, which reviews the borrowers proposed construction budget for appropriateness. The Bank will also obtain an appraisal report which provides values based on various possible project results. These reports generally include value scenarios such as "As Is," "As Completed," "As a Rental," "As Sellout," and "As a Bulk Sale."

Commercial Business Loans. The Bank offers a variety of commercial business loans in the form of either lines of credit or fully amortizing term loans. Lines of credit (LOCs) are typically utilized for working capital purposes. LOCs are either revolving or non-revolving and provide loan terms between one and three years. LOC repayment is generally interest only with adjustable interest rates tied to a margin above Prime Rate. Term loans are typically utilized for the purchase of a business or

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equipment for a business, and carry fully amortizing terms up to seven years. Term loan interest rates may be fixed or adjustable and tied to a margin above the Federal Home Loan Bank of New York rate. Commercial business loans are underwritten based upon the borrower's ability to service such debt from income. These loans are generally made to small and mid-sized companies located within the Bank's primary and secondary lending areas. Depending on the circumstances, a commercial business loan may be secured by equipment, accounts receivable, inventory, chattel or other assets. As of December 31, 2023, the Bank's largest commercial business loan has an outstanding balance of \$24.3 million and is collateralized by 2nd mortgages on various franchises. This loan is performing in accordance with its terms at December 31, 2023.

Commercial business loans generally have higher rates and shorter terms than one-to-four family residential loans, but may also involve higher average balances and a higher risk of default, as their repayment generally depends on the success of the borrower's business.

SBA Lending. The Bank offers qualifying business loans guaranteed by the U.S. Small Business Administration ("SBA"). Amongst other characteristics, SBA borrowers are often sound businesses, but may have a smaller amount of equity funds to invest in their businesses, may be at an emergent stage of business development, or have other characteristics that may make them ineligible for conventional bank loans. There is a well-developed market for the sale of the guaranteed portion of SBA 7(a) loans. As of December 31, 2023, the Bank's largest SBA loan has an outstanding balance of \$4.9 million and is secured by a gym located in Marlboro, NJ. This loan is performing in accordance with its terms at December 31, 2023.

Residential Lending. Residential loans are secured by one-to-four family dwellings, condominiums and cooperative units. Residential mortgage loans are secured by properties located in our primary lending areas of Bergen, Essex, Middlesex, Hudson, Monmouth and Richmond Counties; adjoining counties are considered as our secondary lending areas. Generally, we originate residential mortgage loans up to 80 percent loan-to-value at a maximum loan amount of \$2.5 million and 75 percent loan-to-value at a maximum loan amount of \$5.0 million for primary residences. The loan-to-value ratio is based on the lesser of the appraised value or the purchase price without the requirement of private mortgage insurance. We will originate loans with loan-to-value ratios up to 90 percent, provided the borrower obtains private mortgage insurance approval. We originate both fixed and adjustable rate residential loans with a term of up to 30 years. We offer 15, 20, and 30 year fixed, 15/30-year balloon and 3/1, 5/1, 7/1 and 10/1 adjustable rate loans with payments being calculated to include principal, interest, taxes and insurance. The 3/1 and 5/1 adjustable rate loans are qualified at 2.0 percent above the start rate; all other loans are qualified at the start rate. We have a number of correspondent relationships with third party lenders in which we deliver closed first mortgage loans. Our correspondent banking relationships allow us to offer customers competitive long-term fixed and adjustable rate loans we could not otherwise originate, while providing the Bank a source of fee income. During 2023, loans totaling approximately \$2.3 million were sold in the secondary market and gains of approximately \$36,000 were recognized from the sale of such loans.

Home Equity Loans and Home Equity Lines of Credit. The Bank offers home equity loans and lines of credit that are secured by either the borrower's primary residence, a secondary residence or an investment property. Our home equity loans can be structured as loans that are disbursed in full at closing or as lines of credit. Home equity lines of credit are offered with terms up to 20 years. Virtually all of our home equity loans are originated with fixed rates of interest and home equity lines of credit are originated with adjustable interest rates tied to the prime rate. Home equity loans and lines of credit are underwritten utilizing the same criteria used to underwrite one-to-four family residential loans. Home equity lines of credit may be underwritten with a loan-to-value ratio of up to 80 percent in a first lien position. At December 31, 2023, the outstanding and committed balances of home equity loans and lines of credit totaled \$56.9 million and \$57.0 million, respectively.

Consumer Loans. The Bank makes secured passbook, automobile and, on occasion, unsecured consumer loans. Consumer loans generally have terms between one and five years. They generally are made on a fixed rate basis, fully-amortizing.

Loan Approval Authority and Underwriting. The Bank's Lending Policy has established lending limits for executive management. Two senior officers have the authority to approve loan requests up to \$3.0 million (Level 1). Two officers with authority, one designated senior officer and one executive officer (CEO, CLO, and/or COO), have authority to approve loan requests greater than \$3.0 million (Level 2). For loan requests greater than \$20.0 million, with certain policy exceptions, Level 3 authorization is required. Level 3 requires Level 2 signatures plus a majority of the Bank's Loan Committee Members. Deviation of 5 basis points or less from Policy DSCR and/or LTV calculations (regardless of single credit or exposure amount), may be approved at the discretion of management. Loans approved by the Loan Committee shall be presented to the Board of Directors for ratification in a timely manner.

The Bank will customarily begin its underwriting analysis of a loan request upon receipt of a completed loan application, and all appropriate financial information from a prospective borrower. Property valuations or appraisals are required for all real estate collateralized loans. Appraisals are prepared by a state certified independent appraiser approved by the Bank Board of Directors.

Loan Commitments. Written commitments are given to prospective borrowers on all approved loans. Generally, we honor commitments for up to 60 days from the date of issuance. At December 31, 2023, our outstanding loan origination commitments totaled \$975,000, standby letters of credit totaled \$13.4 million, undisbursed construction funds totaled \$63.4 million, and undisbursed lines of credit funds totaled \$235.3 million.

Loan Delinquencies. Notices of nonpayment are generated to borrowers once the loan account(s) becomes either 10 or 15 days past due, as specified in the applicable promissory note. A nonresponsive borrower will receive collection calls and a site visit from a bank representative in addition to follow-up delinquency notices. If such payment is not received after 60 days, a notice of right to cure default is sent to the borrower providing 30 additional days to bring the loan current before foreclosure or other remedies are commenced. The Bank utilizes various reporting tools to closely monitor the performance and asset quality of the loan portfolio. The Bank complies with all federal, state and local laws regarding collection of its delinquent accounts.

Nonaccrual Status. Loans are placed on a nonaccrual status when the loan becomes more than 90 days delinquent or when, in our opinion, the collection of payment is doubtful. Once placed on nonaccrual status, the accrual of interest income is discontinued until the loan has been returned to accrual status. At December 31, 2023, the Bank had \$18.8 million in non-accruing loans. The largest exposure of non-performing loans was a commercial real estate loan with an outstanding principal balance of approximately \$3.6 million fully collateralized by a 21 unit condominium in New York.

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

Troubled Debt Restructuring. The Company adopted Accounting Standards Update ("ASU") 2022-02, Financial Instruments - Credit Losses (Topic 326) Troubled Debt Restructurings and Vintage Disclosures ("ASU 2022-02") effective January 1, 2023. The amendments in ASU 2022-02 eliminated the recognition and measurement of troubled debt restructurings and enhanced disclosures for loan modifications to borrowers experiencing financial difficulty. The Company did not have any loans that were both experiencing financial difficulty and modified during the twelve months ending December 31, 2023.

Criticized and Classified Loans. The Bank's Lending Policy contains an internal rating system which evaluates the overall risk of a problem loan. When a loan is classified and determined to be impaired, the Bank may establish specific allowances for credit losses. General allowances represent loss allowances which have been established to recognize the inherent risk associated with lending activities, but which, unlike specific allowances, have not been allocated to particular problem assets. A portion of general loss allowances established to cover possible losses related to assets classified as substandard or doubtful may be included in determining our regulatory capital. Specific valuation allowances for credit losses generally do not qualify as regulatory capital. At December 31, 2023, the Bank reported \$85.7 million in classified assets.

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 "nonaccrual" 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 of recovery.

The grades are determined through the use of qualitative and quantitative matrices that consider various characteristics of the loan such as payment performance, quality of management, principals'/guarantors' character, balance sheet strength, collateral quality, cash flow coverage, position within the industry, loan structure and documentation.

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

Allowance for Credit Losses on Loans Receivable. The allowance for credit losses on loans is deducted from the amortized cost basis of the loan to present the net amount expected to be collected. Expected losses are evaluated and calculated on a collective, or pooled, basis for those loans which share similar risk characteristics. If the loan does not share risk characteristics with other loans, the Company will evaluate the loan on an individual basis. Individually evaluated loans are primarily nonaccrual and collateral dependent loans. Furthermore, the Company evaluates the pooling methodology at least annually to ensure that loans with similar risk characteristics are pooled appropriately. Loans are charged off against the allowance for credit losses when the Company believes the balances to be uncollectible. Expected recoveries do not exceed the aggregate of amounts previously charged off or expected to be charged off.

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

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

Allowance for Credit Losses on Off-Balance Sheet Commitments. The Company is required to include unfunded commitments that are expected to be funded in the future within the allowance calculation, other than those that are unconditionally cancelable. To arrive at that reserve, the Company relies on a third-party econometric model that calculates current utilization rates and projected utilization rates for different loan segments. The model then develops projections for future draws on the lines and forecasts losses to estimate reserves for each loan segment. The allowance for credit losses on unfunded loan commitments is included in other liabilities on the consolidated statement of financial condition and the related credit expense is recorded in other non-interest expense in the consolidated statements of income.

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

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 an available for sale security is confirmed or when either of the criteria regarding intent or requirement to sell is met.

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

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Allocation of the Allowance for Credit losses. The following table illustrates the allocation of the allowance for credit losses for each category of loan. The allocation of the allowance to each category is not necessarily indicative of future loss in any particular category and does not restrict our use of the allowance to absorb losses in other loan categories.

	December 31,					
	2023		2022		2021	
	Amount	Percent of Loans in each Category to Total Loans	Amount	Percent of Loans in each Category to Total Loans (Dollars in Thousands)	Amount	Percent of Loans in each Category to Total Loans
Residential one-to-four family	\$ 2,344	7.48 %	\$ 2,474	8.11 %	\$ 4,094	9.58 %
Commercial and Multi-family	16,301	73.38	21,749	76.08	22,065	73.39
Construction	3,841	5.81	2,094	4.70	2,231	6.57
Commercial business ⁽¹⁾	10,353	11.22	5,367	9.15	8,000	8.15
Home equity ⁽²⁾	691	2.0	485	1.85	533	2.15
Consumer	78	0.11	24	0.11	14	0.16
Unallocated	-	-	180	-	182	-
Total	\$ 33,608	100.00 %	\$ 32,373	100.00 %	\$ 37,119	100.00 %

(1) Includes business lines of credit.

(2) Includes home equity lines of credit.

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The following table presents, for the years indicated, an analysis of the allowance for credit losses and other related data.

	Years Ended December 31,		
	2023	2022	2021
Allowance for credit losses to total loans outstanding	1.01 %	1.05 %	1.58 %
Allowance for credit losses	\$ 33,608	\$ 32,373	\$ 37,119
Total loans outstanding	\$ 3,313,316	\$ 3,077,704	\$ 2,342,061
Nonaccrual loans to total loans outstanding	0.57 %	0.17 %	0.64 %
Nonaccrual loans	\$ 18,783	\$ 5,109	\$ 14,889
Total loans outstanding	\$ 3,313,316	\$ 3,077,704	\$ 2,342,061
Allowance for credit losses to nonaccrual loans	178.90 %	633.65 %	249.30 %
Allowance for credit losses	\$ 33,608	\$ 32,373	\$ 37,119
Nonaccrual loans	\$ 18,783	\$ 5,109	\$ 14,889
Net charge-offs (recovery) during the period to daily average loans outstanding			
Residential one-to-four family	(0.02)%	0.01 %	0.02 %
Net charge-off (recovery) during the period	(45)	(23)	42
Average amount outstanding	\$ 248,847	\$ 232,916	\$ 228,478
Commercial and multi-family	- %	- %	- %
Net charge-off (recovery) during the period	-	-	-
Average amount outstanding	\$ 2,445,876	\$ 1,981,862	\$ 1,725,947
Construction	- %	- %	- %
Net charge-off (recovery) during the period	-	-	-
Average amount outstanding	\$ 162,984	\$ 147,411	\$ 145,649
Commercial business	0.21 %	(0.91)%	0.12 %
Net charge-off (recovery) during the period	765	1,904	202
Average amount outstanding	\$ 358,048	\$ 208,996	\$ 172,816
Home equity	(0.03)%	0.02 %	(0.13)%
Net charge-off (recovery) during the period	(16)	(12)	(67)
Average amount outstanding	\$ 62,311	\$ 53,038	\$ 53,495
Consumer	- %	7.96 %	14.18 %
Net charge-off (recovery) during the period	-	(198)	198
Average amount outstanding	\$ 3,268	\$ 2,487	\$ 1,396
Total Loans	0.02 %	(0.06)%	0.02 %
Net charge-off (recovery) during the period	704	1,671	375
Average amount outstanding	\$ 3,281,334	\$ 2,626,710	\$ 2,327,781

Investment Activities

Investment Securities. We are required, under federal regulations, to maintain a minimum amount of liquid assets that may be invested in specified short-term securities and certain other investments. The level of liquid assets varies depending upon several factors, including: (i) the yields on investment alternatives, (ii) our judgment as to the attractiveness of the yields then-available in relation to other opportunities, (iii) expectation of future yield levels, and (iv) our projections as to the short-term demand for funds to be used in loan origination and other activities. Debt securities, including mortgage-backed securities, are classified at the time of purchase, based upon management's intentions and abilities, as securities held-to-maturity or securities available-for-sale. Debt securities acquired with the intent and ability to hold to maturity may be classified as held-to-maturity and stated at cost and adjusted for amortization of premium and accretion of discount, which are computed using the level yield method and recognized as adjustments of interest income. All other debt securities are classified as available-for-sale to serve principally as a source of liquidity.

As of December 31, 2023, there were no securities classified as held-to-maturity. We had \$87.8 million in securities classified as available for sale, \$9.1 million in equity investments, and no securities classified as trading. Securities classified as available for sale were reported for financial reporting purposes at the fair value with net changes in the fair value from period to period included as a separate component of stockholders' equity, net of income taxes. Changes in the fair value of debt securities classified as held-to-maturity or available-for-sale do not affect our income, unless we determine there to be an other-than-temporary impairment for those securities in an unrealized loss position. As of December 31, 2023, management concluded that all unrealized losses were temporary in nature since they were related to interest rate fluctuations rather than any underlying credit quality of the issuers.

As of December 31, 2023, our investment policy allowed investments in instruments such as: (i) U.S. Treasury obligations; (ii) U.S. federal agency or federally sponsored enterprise obligations; (iii) mortgage-backed securities; (iv) municipal obligations; (v) equity securities (including preferred stock); (vi) certificates of deposit; and (vii) corporate debt (including subordinated debt). The Board of Directors may authorize additional investments.

To supplement our lending activities, we have invested in residential mortgage-backed securities. Mortgage-backed securities generally yield less than the loans that underlie such securities because of payment guarantees or credit enhancements that reduce credit risk. Mortgage-backed securities can serve as collateral for borrowings, to insure New Jersey municipal deposits through the Governmental Unit Deposit Protection Act ("GUDPA") and, through repayments, as a source of liquidity. Mortgage-backed securities represent a participation interest in a pool of single-family or other types of mortgages. Principal and interest payments are passed from the mortgage originators, through intermediaries (generally government-sponsored enterprises) that pool and repack the participation interests in the form of securities, to investors. The government-sponsored enterprises guarantee the payment of principal and interest to investors and include Freddie Mac, Ginnie Mae, and Fannie Mae.

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Mortgage-backed securities typically are issued with stated principal amounts. The securities are backed by pools of mortgage loans that have interest rates that are within a set range and have varying maturities. The underlying pool of mortgages can be composed of either fixed rate or adjustable rate mortgage loans. Mortgage-backed securities are generally referred to as mortgage participation certificates or pass-through certificates. The interest rate risk characteristics of the underlying pool of mortgages (i.e., fixed rate or adjustable rate) and the prepayment risk, are passed on to the certificate holder. The life of a mortgage-backed pass-through security is equal to the life of the underlying mortgages. Expected maturities will differ from contractual maturities due to scheduled repayments and because borrowers may have the right to call or prepay obligations with or without prepayment penalties.

Maturities and yields of Securities Portfolio. The following table sets forth information regarding the scheduled maturities, amortized cost, estimated fair values, and weighted average yields for the Bank's debt securities portfolio at December 31, 2023 by final contractual maturity. Average yield calculation equals the investments estimated annual income divided by the amortized cost. The following table does not take into consideration the effects of scheduled repayments, the effects of possible prepayments, or equity investments. Certain securities have interest rates that are adjustable and will reprice annually within the various maturity ranges. The effect of these repricings are not reflected in the table below.

	More than One to five years		More than five to ten years		More than ten years		Total investment securities		
	Amortized Cost	Average Yield	Amortized Cost	Average Yield	Amortized Cost	Average Yield	Fair Value	Amortized Cost	Average Yield
Mortgage-backed securities	\$ 605	1.68 %	\$ 4,147	2.81 %	\$ 32,833	3.34 %	\$ 34,613	\$ 37,585	3.26 %
Corporate debt securities	8,981	8.99	50,583	5.05	-	-	53,156	59,564	5.64
Total Debt Securities	\$ 9,586	8.53 %	\$ 54,730	4.88 %	\$ 32,833	3.34 %	\$ 87,769	\$ 97,149	4.72 %

Sources of Funds

Our major external source of funds for lending and other investment purposes is deposits. Funds are also derived from the receipt of payments on loans, prepayment of loans, maturities of investment securities and mortgage-backed securities and borrowings. Scheduled loan principal repayments are a relatively stable source of funds, while deposit inflows and outflows and loan prepayments are significantly influenced by general interest rates and market conditions.

Deposits. Consumer and commercial deposits are attracted principally from within our primary market area through the offering of a selection of deposit instruments including demand, NOW, savings and club accounts, money market accounts, and term certificate accounts. Deposit account terms vary according to the minimum balance required, the time period the funds must remain on deposit, and the interest rate.

The interest rates paid by us on deposits are set at the direction of our senior management. Interest rates are determined based on our liquidity requirements, interest rates paid by our competitors, our growth goals, and applicable regulatory restrictions and requirements. As of December 31, 2023, we had \$505.4 million in brokered certificate deposits. Reciprocal deposits are not considered brokered deposits under applicable regulations.

Deposit Accounts. The following table sets forth the dollar amount of deposits in the various types of deposit programs we offered as of the dates indicated.

	December 31,					
	2023		2022		2021	
	Weighted Average Rate ⁽¹⁾	Amount	Weighted Average Rate ⁽¹⁾	Amount	Weighted Average Rate ⁽¹⁾	Amount
	(Dollars in Thousands)					
Non-interest bearing accounts	-	\$ 536,264	-	\$ 613,910	-	\$ 588,207
Interest bearing checking	1.28	564,912	0.40	757,615	0.42	668,262
Savings and club accounts	0.20	284,273	0.13	329,752	0.16	329,724
Money market	2.54	370,934	0.66	305,556	0.50	337,126
Certificates of deposit	3.99	1,222,697	1.12	804,774	0.92	638,083
Total	2.49%	\$ 2,979,080	0.61%	\$ 2,811,607	0.56%	\$ 2,561,402

(1) Represents annual interest expense divided by daily average balance.

The following table sets forth our deposit flows during the years indicated.

	Years Ended December 31,		
	2023	2022	2021
	(Dollars in Thousands)		
Beginning of year	\$ 2,811,607	\$ 2,561,402	\$ 2,318,050
Net deposits	113,286	238,502	232,124
Interest credited on deposit accounts	54,187	11,703	11,228
Total increase in deposit accounts	167,473	250,205	243,352
Ending balance	\$ 2,979,080	\$ 2,811,607	\$ 2,561,402
Percent increase	5.96%	9.77%	10.50%

Uninsured Deposits. The following table indicates the amount of uninsured deposits and the portion of uninsured time deposits in excess of FDIC insurance limits by time remaining until maturity.

	For the Year Ended December 31,		
	2023	2022	2021
	(Dollars in thousands)		
Uninsured deposits	\$ 1,111,756	\$ 1,087,703	\$ 1,055,945
Uninsured U.S. time deposits with a maturity of:			
3 months or less	\$ 97,312	\$ 35,089	\$ 38,355
Over 3 months through 6 months	35,657	26,826	27,639
Over 6 months through 12 months	99,638	67,584	101,221
Over 12 months	5,611	8,705	18,530
Total	\$ 238,218	\$ 138,204	\$ 185,745

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The following table presents, by rate category, our certificate of deposit accounts as of the dates indicated.

	At December 31,					
	2023		2022		2021	
	Amount	Percent	Amount	Percent	Amount	Percent
	(Dollars in Thousands)					
Certificate of deposit rates:						
0.00% - 0.99%	\$ 89,455	7.32 %	\$ 219,120	27.23 %	\$ 580,002	90.90 %
1.00% - 1.99%	5,471	0.45	45,228	5.62	23,305	3.65
2.00% - 2.99%	17,686	1.45	89,872	11.17	31,783	4.98
3.00% - 3.99%	68,877	5.63	206,496	25.66	2,993	0.47
4.00% - 4.99%	177,750	14.54	226,734	28.17	-	-
5.00% - 5.99%	863,458	70.61	17,324	2.15	-	-
Total	\$ 1,222,697	100.00 %	\$ 804,774	100.00 %	\$ 638,083	100.00 %

The following table presents, by rate category, the remaining period to maturity of certificate of deposit accounts outstanding as of December 31, 2023.

	Maturity Date				
	1 Year or Less	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 Years	Total
	(In Thousands)				
Interest rate:					
0.00% - 0.99%	\$ 73,105	\$ 11,752	\$ 3,004	\$ 1,594	\$ 89,455
1.00% - 1.99%	4,316	1,150	-	5	5,471
2.00% - 2.99%	16,116	58	565	947	17,686
3.00% - 3.99%	67,826	723	-	328	68,877
4.00% - 4.99%	175,772	1,978	-	-	177,750
5.00% - 5.99%	861,985	1,473	-	-	863,458
Total	\$ 1,199,120	\$ 17,134	\$ 3,569	\$ 2,874	\$ 1,222,697

Borrowings. The Overnight Advance Program permits the Bank to borrow overnight up to its maximum borrowing capacity at the FHLB. At December 31, 2023, the Bank's total credit exposure cannot exceed 50 percent of its total assets, or \$1.916 billion, based on the borrowing limitations outlined in the FHLB member products guide. The total credit exposure limit to 50 percent of total assets is recalculated each quarter. Additionally, at December 31, 2023 we had floating rate junior subordinated debentures of \$4.1 million which have been callable at the Bank's option since June 17, 2009, and quarterly thereafter, and fixed-to-floating rate 10-year subordinated debentures of \$33.5 million.

The following table sets forth information concerning balances and interest rates on our over-night borrowings at the dates and for the years indicated.

	At or For the Years Ended December 31,					
	2023		2022		2021	
	(Dollars in Thousands)					
Balance at end of year	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -
Average balance during year	\$ 804	\$ 1,313	\$ 48	\$ -	\$ -	\$ -
Maximum outstanding at any month end	\$ 65,000	\$ 87,000	\$ -	\$ -	\$ -	\$ -
Weighted average interest rate at end of year	-	% 4.61	% -	% -	% -	% -
Average interest rate during year	4.77	% 3.13	0.50	% -	% -	% -

Subsidiaries

We have three non-bank subsidiaries. BCB Holding Company Investment Corp. was established in 2004 for the purpose of holding and investing in securities. Only securities authorized to be purchased by BCB Community Bank are held by BCB Holding Company Investment Corp. At December 31, 2023, this company held \$96.9 million in securities. As a part of the merger with IAB in April, 2018, the Company acquired Special Asset REO 1, LLC and Special Asset REO 2, LLC. Special Asset REO 2, LLC was inactive at December 31, 2023. The Bank changed the name of Special Asset REO 1, LLC to BCB Capital Finance Group, LLC in November 2023. It has not conducted any business as of December 31, 2023.

Human Capital

The Company's long-term growth and success depends on its ability to attract, develop and retain a high-performing and diverse workforce. The Company strives to provide a work environment that promotes collaboration, productivity, and employee engagement, which in turn drives both employee and customer success, as well as benefits the communities in which the Company does business.

The Company's Board of Directors and executive team oversee the strategic management of the Company's human capital resources, and the Company's Human Resources Department manages the day-to-day of those resources.

Employee profile

As of December 31, 2023, the Company had 266 full-time employees, 46 part-time employees, and no commissioned employees, for a total of 312 employees. In addition, approximately 67% of the Company's employees are female and 33% are male, and the average tenure was 7 years as of December 31, 2023.

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Total Rewards

As part of the Company's compensation philosophy, market competitive programs are maintained for employees to attract and retain superior talent. In addition to competitive base wages, additional programs include annual bonus compensation opportunities, a Company-matched 401(k) Plan, health and welfare benefits, flexible spending accounts, paid time off, family leave, and employee assistance programs. Some employees also receive grants of equity awards in the Company's stock. In addition, the Company promotes health and wellness by encouraging work-life balance, and offering flexible work schedules.

Talent and Promoting Diversity

A core tenet of the Company's talent philosophy is to both develop talent from within and supplement with external hires. Whenever possible, the Company seeks to fill positions by promotion and transfer from within the organization. The Company's talent acquisition team uses internal and external resources to recruit highly skilled and talented candidates; employee referrals are also encouraged.

The Company is dedicated to recruitment and career development practices that support its employees and promotes diversity in its workforce at all levels of the Company. The Company is committed to having a workforce that reflects the communities in which it serves. Partnerships are in place with several sources to assist in attracting diverse talent from a broad population, including the African American, Asian American, and Latino chamber of commerce affiliations. In addition, career opportunities are shared with colleges and universities with diverse student bodies. The Company's internship program also serves as a pipeline of diverse talent for full time employment. Other available tools are also utilized to connect with prospective new hires. As of December 31, 2023, 48% of the Company's employees were persons of color.

Following a multi-pronged recruiting strategy, which includes sourcing diverse candidate pools, new hires participate in an onboarding program which includes an introduction to the Company's culture, policies, and procedures. Retention strategies include espousing a culture that inspires loyalty and trust through ongoing communication of strategic initiatives, in addition to the benefits mentioned above in Total Rewards. The Company's leadership development programs and opportunities offered through the Company's continuing education program help ensure that motivated individuals have the opportunity for continuous improvement. Employees each maintain a professional development action plan and participate in regular evaluation and growth opportunities.

This approach has yielded loyalty and commitment from employees which in turn grows the business, products, and customers. This approach has also added new employees and ideas, which support a continuous improvement mindset and the goals of a diverse and inclusive workforce.

The Company strives to promote inclusion through defined Company values and behaviors. With the support from the Board of Directors, the Company continues to explore additional diversity, equity, inclusion, and belonging efforts through multiple approaches to inclusion: candidates, employees, and the marketplace. The Company is focused on sourcing and hiring with fair and equitable approaches, creating an environment where all employees can develop and thrive.

Supervision and Regulation

Bank holding companies and banks are extensively regulated under both federal and state law. These laws and regulations are primarily intended to protect depositors and the deposit insurance funds, rather than to protect shareholders and creditors. The description below is limited to certain material aspects of the statutes and regulations addressed, and is not intended to be a complete description of such statutes and regulations and their effects on the Parent Company or the Bank.

Set forth below is a summary of certain material regulatory requirements applicable to the Parent Company and the Bank. These and any other changes in applicable laws or regulations, whether by Congress or regulatory agencies, may have a material effect on the business and prospects of the Parent Company and the Bank.

The Dodd-Frank Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") significantly changed bank regulation and has affected the lending, investment, trading, and operating activities of depository institutions and their holding companies. The Dodd-Frank Act also created the Consumer Financial Protection Bureau (the "CFPB") with extensive powers to supervise and enforce consumer protection laws. The CFPB has broad rule-making authority for a wide range of consumer protection laws that apply to all banks and savings institutions, including the authority to prohibit "unfair, deceptive, or abusive" acts and practices. The Dodd-Frank Act required the CFPB to issue regulations requiring lenders to make a reasonable good faith determination as to a prospective borrower's ability to repay a residential mortgage loan. The final "Ability to Repay" rules, which were effective beginning January 2014, established a "qualified mortgage" safe harbor for loans whose terms and features are deemed to make the loan less risky.

The Dodd-Frank Act broadened the base for FDIC assessments for deposit insurance and permanently increased the maximum amount of deposit insurance to \$250,000 per depositor. The legislation also, among other things, requires originators of certain securitized loans to retain a portion of the credit risk, stipulates regulatory rate-setting for certain debit card interchange fees, repealed restrictions on the payment of interest on commercial demand deposits, and contains a number of reforms related to mortgage originations. The legislation also directed the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") to promulgate rules prohibiting excessive compensation paid to company executives, regardless of whether the company is publicly traded or not.

Bank Holding Company Regulation

As a bank holding company registered under the Bank Holding Company Act of 1956, as amended, the Company is subject to the regulation and supervision applicable to bank holding companies by the Federal Reserve Board. The Company is also subject to the provisions of the New Jersey Banking Act of 1948 (the "New Jersey Banking Act") and the regulations of the Commissioner of the New Jersey Department of Banking and Insurance ("Commissioner"). The Company is required to file reports with the Federal Reserve Board and the Commissioner regarding its business operations and those of its subsidiaries.

Federal Regulation. The Company is required to obtain the prior approval of the Federal Reserve Board to acquire all, or substantially all, of the assets of any bank or bank holding company. Prior Federal Reserve Board approval would be required for the Company to acquire direct or indirect ownership or control of any voting securities of any bank or bank holding company if it would, directly or indirectly, own or control more than 5.0 percent of any class of voting shares of the bank or bank holding company.

A bank holding company is generally prohibited from engaging in, or acquiring, direct or indirect control of more than 5.0 percent of the voting securities of any company engaged in non-banking activities. One of the principal exceptions to this prohibition is for activities found by the Federal Reserve Board to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. Some of the principal activities that the Federal Reserve Board has determined by regulation to be closely related to banking are: (i) making or servicing loans; (ii) performing certain data processing services; (iii) providing securities brokerage services; (iv) acting

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as fiduciary, investment or financial advisor; (v) leasing personal or real property under certain conditions; (vi) making investments in corporations or projects designed primarily to promote community welfare; and (vii) acquiring a savings association.

A bank holding company that meets specified conditions, including depository institutions subsidiaries that are “well capitalized” and “well managed,” may opt to become a “financial holding company.” A “financial holding company” may engage in a broader array of financial activities than permitted a typical bank holding company. Such activities can include insurance underwriting and investment banking. The Company has not elected “financial holding company” status.

A bank holding company is generally required to give the Federal Reserve Board prior written notice of any purchase or redemption of then-outstanding equity securities if the gross consideration for the purchase or redemption, when combined with the net consideration paid for all such purchases or redemptions during the preceding 12 months, is equal to 10.0 percent or more of the company’s consolidated net worth. The Federal Reserve Board may disapprove such a purchase or redemption if it determines that the proposal would constitute an unsafe and unsound practice, or would violate any law, regulation, Federal Reserve Board order or directive, or any condition imposed by, or written agreement with, the Federal Reserve Board. The Federal Reserve Board has adopted an exception to that approval requirement for well-capitalized bank holding companies that meet certain other conditions.

The Federal Reserve Board has issued a policy statement regarding the payment of dividends by bank holding companies. In general, the Federal Reserve Board’s policies provide that dividends should be paid only out of current earnings and only if the prospective rate of earnings retention by the bank holding company appears consistent with the organization’s capital needs, asset quality and overall financial condition. The Federal Reserve Board’s policies also require that a bank holding company serve as a source of financial strength to its subsidiary banks by using available resources to provide capital funds during periods of financial stress or adversity and by maintaining the financial flexibility and capital-raising capacity to obtain additional resources for assisting its subsidiary banks where necessary. The Dodd-Frank Act codified the source of strength policy. Under the prompt corrective action laws, the ability of a bank holding company to pay dividends may be restricted if a subsidiary bank becomes undercapitalized. These regulatory policies could affect the ability of the Company to pay dividends or otherwise engage in capital distributions.

The Company’s status as a registered bank holding company under the Bank Holding Company Act will not exempt it from certain federal and state laws and regulations applicable to corporations generally, including, without limitation, certain provisions of the federal securities laws.

New Jersey Regulation. Under the New Jersey Banking Act, a company owning or controlling a bank is regulated as a bank holding company and must file certain reports with the Commissioner and is subject to examination by the Commissioner. Under the New Jersey Banking Act, as well as Federal law, no person may acquire control of the Company or the Bank without first obtaining approval of such acquisition of control from the Federal Reserve Board and the Commissioner.

Bank Regulation

As a New Jersey-chartered commercial bank, the Bank is subject to the regulation, supervision, and examination of the Commissioner. As a state-chartered bank, the Bank is subject to the regulation, supervision, and examination of the FDIC as its primary federal regulator. The regulations of the FDIC and the Commissioner impact virtually all of our activities, including the minimum level of capital we must maintain, our ability to pay dividends, our ability to expand through new branches or acquisitions, and various other matters.

Capital Requirements. Federal regulations require FDIC-insured depository institutions to meet several minimum capital standards: a common equity Tier 1 capital to risk-based assets ratio of 4.5 percent, a Tier 1 capital to risk-based assets ratio of 6.0 percent, a total capital to risk-based assets of 8.0 percent, and a 4.0 percent Tier 1 capital to total assets leverage ratio.

In addition to establishing the minimum regulatory capital requirements, the regulations limit capital distributions and certain discretionary bonus payments to management if the institution does not hold a “capital conservation buffer” consisting of 2.5 percent of common equity Tier 1 capital to risk-weighted asset above the amount necessary to meet its minimum risk-based capital requirements.

In lieu of complying with the capital requirements set forth above, qualifying community banking organizations may opt-in to the community bank leverage ratio (“CBLR”) framework (tier 1 capital to average consolidated assets). Such institutions that maintain a CBLR of at least 9.0 percent, are under \$10.0 billion in assets and meet certain other qualifying criteria will automatically be deemed to be well-capitalized.

Standards for Safety and Soundness. As required by statute, the federal banking agencies adopted final regulations and Interagency Guidelines Establishing Standards for Safety and Soundness to implement safety and soundness standards. The guidelines set forth the safety and soundness standards that the federal banking agencies use to identify and address problems at insured depository institutions before capital becomes impaired. The guidelines address internal controls and information systems, internal audit system, credit underwriting, loan documentation, interest rate exposure, asset growth, asset quality, earnings, compensation, fees and benefits and, more recently, safeguarding customer information. If the appropriate federal banking agency determines that an institution fails to meet any standard prescribed by the guidelines, the agency may require the institution to submit to the agency an acceptable plan to achieve compliance with the standard.

Business and Investment Activities. Under federal law, all state-chartered FDIC-insured banks have been limited in their activities as principal and in their equity investments to the type and the amount authorized for national banks, notwithstanding state law. Federal law permits exceptions to these limitations. For example, certain state-chartered banks may, with FDIC approval, continue to exercise state authority to invest in common or preferred stocks listed on a national securities exchange and in the shares of an investment company registered under the Investment Company Act of 1940, as amended. The maximum permissible investment is the lesser of 100.0 percent of Tier 1 capital or the maximum amount permitted by New Jersey law.

The FDIC is also authorized to permit state banks to engage in state-authorized activities or investments not permissible for national banks (other than non-subsidary equity investments) if they meet all applicable capital requirements and it is determined that such activities or investments do not pose a significant risk to the FDIC insurance fund. The FDIC has adopted regulations governing the procedures for institutions seeking approval to engage in such activities or investments. The Gramm-Leach-Bliley Act of 1999 specified that a state bank may control a subsidiary that engages in activities as principal that would only be permitted for a national bank to conduct in a “financial subsidiary,” if a bank meets specified conditions and deducts its investment in the subsidiary for regulatory capital purposes.

Prompt Corrective Regulatory Action. Federal law requires, among other things, that federal bank regulatory authorities take “prompt corrective action” with respect to banks that do not meet minimum capital requirements. For these purposes, the law establishes five capital categories: well-capitalized, adequately-capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized.

Under FDIC regulations, an institution is deemed to be “well-capitalized” if it has a total risk-based capital ratio of 10.0 percent or greater, a Tier 1 risk-based capital ratio of 8.0 percent or greater, a leverage ratio of 5.0 percent or greater, and a common equity Tier 1 ratio of 6.5 percent or greater. An institution is “adequately-capitalized” if it has a total risk-based capital ratio of 8.0 percent or greater, a Tier 1 risk-based capital ratio of 6.0 percent or greater, a leverage ratio of 4.0 percent or

greater and a common equity Tier 1 ratio of 4.5 percent or greater. An institution is “undercapitalized” if it has a total risk-based capital ratio of less than 8.0 percent, a Tier 1 risk-based capital ratio of less than 6.0 percent, a leverage ratio of less than 4.0 percent or a common equity Tier 1 ratio of less than 4.5 percent. An institution is deemed to be “significantly undercapitalized” if it has a total risk-based capital ratio of less than 6.0 percent, a Tier 1 risk-based capital ratio of less than 4.0 percent, a leverage ratio of less than 3.0 percent or a common equity Tier 1 ratio of less than 3.0 percent. An institution is considered to be “critically undercapitalized” if it has a ratio of tangible equity (as defined in the regulations) to total assets that is equal to or less than 2.0 percent.

As noted above, these requirements do not apply to banks with less than \$10.0 billion in assets who elect to follow the CBLR. The FDIC’s rule provides that the bank will be well-capitalized, with a community bank leverage ratio of 9.0 percent or greater. A banking organization that has a leverage ratio that is greater than 8.0 percent and equal to or less than 9.0 percent is allowed a two-quarter grace period after which it must either (i) again meet all qualifying criteria or (ii) apply and report the generally applicable rule. During this two-quarter period, a banking organization that is an insured depository institution and that has a leverage ratio that is greater than 8.0 percent would be considered to have met the well-capitalized capital ratio requirements for prompt corrective action purposes. An electing banking organization with a leverage ratio of 8.0 percent or less is not eligible for the grace period and must comply with the generally applicable rule, i.e. for the quarter in which the banking organization reports a leverage ratio of 8.0 percent or less. An electing banking organization experiencing or anticipating such an event would be expected to notify its primary federal supervisory agency, which would respond as appropriate to the circumstances of the banking organization.

“Undercapitalized” banks must adhere to growth, capital distribution (including dividend) and other limitations and are required to submit a capital restoration plan. A bank’s compliance with such a plan must be guaranteed by any company that controls the undercapitalized institution in an amount equal to the lesser of 5.0 percent of the institution’s total assets when deemed undercapitalized or the amount necessary to achieve the status of adequately capitalized. If an “undercapitalized” bank fails to submit an acceptable plan, it is treated as if it is “significantly undercapitalized.” “Significantly undercapitalized” banks must comply with one or more of a number of additional measures, including, but not limited to, a required sale of sufficient voting stock to become adequately capitalized, a requirement to reduce total assets, cessation of taking deposits from correspondent banks, the dismissal of directors or officers, restrictions on interest rates paid on deposits, compensation of executive officers, and capital distributions by the parent holding company. “Critically undercapitalized” institutions are subject to additional measures including, subject to a narrow exception, the appointment of a receiver or conservator within 270 days after it obtains such status.

Enforcement. The FDIC has extensive enforcement authority over insured state banks, including the Bank. That enforcement authority includes, among other things, the ability to assess civil money penalties, issue cease and desist orders, and remove directors and officers. In general, enforcement actions may be initiated in response to violations of laws and regulations and unsafe or unsound practices. The FDIC also has authority under federal law to appoint a conservator or receiver for an insured bank under certain circumstances. The FDIC is required, with certain exceptions, to appoint a receiver or conservator for an insured state non-member bank if that bank was “critically undercapitalized” on average during the calendar quarter beginning 270 days after the date on which the institution became “critically undercapitalized.”

Federal Insurance of Deposit Accounts. Our deposits are insured by the FDIC in the maximum amount permitted of \$250,000 per depositor.

The Bank pays assessments to the FDIC to support its Deposit Insurance Fund (“DIF”). The FDIC has adopted a risk-based assessment system whereby FDIC-insured institutions pay insurance premiums at rates based on their risk classification. For institutions like the Bank that are not considered large and highly complex banking organizations, assessments are now based on examination ratings and financial ratios. The total base assessment rates currently range from 1.5 basis points to 30 basis points. At least semi-annually, the FDIC updates its loss and income projections for the DIF and, if needed, increases or decreases the assessment rates, following notice and comment on proposed rulemaking. The assessment base against which an FDIC-insured institution’s deposit insurance premiums paid to the DIF has been calculated since effectiveness of the Dodd-Frank Act based on its average consolidated total assets less its average tangible equity.

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

Insurance of deposits may be terminated by the FDIC upon a finding that an institution has engaged in unsafe or unsound practices, is in an unsafe or unsound condition to continue operations, or has violated any applicable law, regulation, rule, order, or condition imposed by the FDIC. We do not currently know of any practice, condition or violation that may lead to termination of our deposit insurance.

Community Reinvestment Act. All FDIC-insured institutions have a responsibility under the Community Reinvestment Act (“CRA”) and related regulations to help meet the credit needs of their communities, including low- and moderate-income neighborhoods. In connection with its examination of a state-chartered bank, the FDIC is required to assess the institution’s record of compliance with the CRA. On October 24, 2023, the FDIC, the Federal Reserve Board, and the Office of the Comptroller of the Currency issued a final rule to strengthen and modernize the CRA regulations. Under the final rule, banks with assets of at least \$2 billion as of December 31 in both of the prior two calendar years will be a “large bank.” The agencies will evaluate large banks under four performance tests: the Retail Lending Test, the Retail Services and Products Test, the Community Development Financing Test, and the Community Development Services Test. The applicability date for the majority of the provisions in the CRA regulations is January 1, 2026, and additional requirements will be applicable on January 1, 2027. BCB Community Bank’s latest FDIC CRA rating, dated September 20, 2021 was “satisfactory.”

Cyber-security. Federal regulators have issued two related statements regarding cyber-security. One statement indicates that financial institutions should design multiple layers of security controls to establish lines of defense and ensure their risk management processes also address the risk posed by compromised client credentials, including security measures to reliably authenticate clients accessing internet-based services of the financial institution. The other statement indicates that a financial institution’s management is expected to maintain sufficient business continuity planning processes to ensure the rapid recovery, resumption, and maintenance of the institution’s operations after a cyber-attack involving destructive malware. A financial institution is also expected to develop appropriate processes to enable recovery of data and business operations and address rebuilding network capabilities and restoring data if the institution or its critical service providers fall victim to this type of cyber-attack. If we fail to observe the regulatory guidance, we could be subject to various regulatory sanctions, including financial penalties.

In the ordinary course of business, we rely on electronic communications and information systems to conduct our operations and to store sensitive data. We employ a variety of preventative and detective controls and tools to monitor, block, and provide alerts regarding suspicious activity and to report on any suspected advanced persistent threats. We also offset cyber risk through internal training, testing of our employees, and we procure insurance to provide assistance on significant incidents and to offset potential liability.

We have not experienced a significant compromise, significant data loss, or any material financial losses related to cyber-security attacks. Risks and exposures related to cyber-security attacks are expected to remain high for the foreseeable future due to the rapidly evolving nature and sophistication of these threats, as well as due to the expanding use of third-party service providers, internet banking, mobile banking, and other technology-based products and services by us and our clients.

Transactions with Affiliates

Transactions between banks and their related parties or affiliates are limited by Sections 23A and 23B of the Federal Reserve Act. An affiliate of a bank is any company or entity that controls, is controlled by, or is under common control with the bank. In a holding company context, the parent bank holding company and any companies which are controlled by such parent holding company are affiliates of the bank. Generally, Sections 23A and 23B of the Federal Reserve Act and Regulation W (i) limit the extent to which the bank or its subsidiaries may engage in “covered transactions” with any one affiliate to an amount equal to 10.0 percent of such institution’s capital stock and surplus, and contain an aggregate limit on all such transactions with all affiliates to an amount equal to 20.0 percent of such institution’s capital stock and surplus and (ii) require that all such transactions be on terms substantially the same, or at least as favorable, to the institution or subsidiary as those provided to non-affiliates. The term “covered transaction” includes the making of loans, purchasing of assets, issuance of a guarantee, and other similar transactions. In addition, loans or other extensions of credit by the financial institution to the affiliate are required to be collateralized in accordance with the requirements set forth in Section 23A of the Federal Reserve Act. The Sarbanes-Oxley Act of 2002 generally prohibits loans by a company to its executive officers and directors. However, the law contains a specific exception for loans by a depository institution to its executive officers and directors in compliance with federal banking laws assuming such loans are also permitted under the law of the institution’s chartering state. Under such laws, the Bank’s authority to extend credit to executive officers, directors and 10.0 percent shareholders (“insiders”), as well as entities such person’s control, is limited. The law limits both the individual and aggregate amount of loans the Bank may make to insiders based, in part, on the Bank’s capital position and requires certain board approval procedures to be followed. Such loans are required to be made on terms substantially the same as those offered to unaffiliated individuals and not involve more than the normal risk of repayment. There is an exception for loans made pursuant to a benefit or compensation program that is widely available to all employees of the institution and does not give preference to insiders over other employees. Loans to executive officers are further limited by specific categories.

Dividends

The primary source of cash to pay dividends to the Company’s shareholders and to meet the Company’s obligations is dividends paid to the Company by the Bank. The Bank may pay dividends to the Company as declared from time to time by the Board of Directors out of funds legally available, subject to certain restrictions. Under the New Jersey Banking Act of 1948, as amended, the Bank may not pay a cash dividend unless, following the payment, the Bank’s capital stock will be unimpaired and the Bank will have a surplus of no less than 50.0 percent of the Bank capital stock or, if not, the payment of the dividend will not reduce the surplus. In addition, the Bank cannot pay dividends in amounts that would reduce the Bank’s capital below regulatory imposed minimums.

See the discussion above under “Bank Holding Company Regulation” for a description of the Federal Reserve Board’s policy on bank holding companies paying cash dividends. Under New Jersey law, corporations like the Parent Company may not pay dividends when insolvent.

Federal Securities Laws

The Company’s common stock is registered with the SEC under the Securities Exchange Act of 1934, as amended (“Exchange Act”). The Company is subject to the information, proxy solicitation, insider trading restrictions, and other requirements under the Securities Exchange Act of 1934. We prepare this Annual Report on Form 10-K, our proxy materials and our other periodic and current reports as a “smaller reporting company” consistent with the rules of the Securities and Exchange Commission.

Under the Exchange Act, the Company is required to conduct a comprehensive review and assessment of the adequacy of our existing financial systems and controls. For the year ended December 31, 2023, the Company’s auditors are required to audit our internal control over financial reporting.

AVAILABILITY OF ANNUAL REPORT

Our Annual Report is available on our website, www.bcb.bank. We will also provide our Annual Report on Form 10-K free of charge to shareholders who request a copy in writing from the Corporate Secretary at 104-110 Avenue C, Bayonne, New Jersey 07002.

ITEM 1A. RISK FACTORS

Our business and results of operations are subject to numerous risks and uncertainties, many of which are beyond our control. The material risks and uncertainties that management believes affect the Company are described below. Additional risks and uncertainties that management is not aware of or that management currently deems immaterial may also impair the Company’s business operations. This report is qualified in its entirety by these risk factors. If any of the following risks actually occur, our business, financial condition, and results of operations could be materially and adversely affected.

Our risk factors can be broadly summarized by the following categories:

- Credit and Interest Rate Risks;
- Risks Related to the Company’s Common Stock;
- Economic Risks;
- Operational Risks;
- Risks Related to the Regulation of our Industry; and,
- Strategic Risks.

CREDIT AND INTEREST RATE RISKS

Our loan portfolio consists of a high percentage of loans secured by commercial real estate and multi-family real estate. These loans are riskier than loans secured by one-to-four family properties.

At December 31, 2023, \$2.434 billion, or 73.37 percent, of our loan portfolio consisted of commercial and multi-family real estate loans. We intend to continue to emphasize the origination of these types of loans. These loans generally expose a lender to greater risk of nonpayment and loss than one-to-four family residential mortgage loans because repayment of the loans often depends on the successful operation and income stream of the collateral that is pledged. Such loans typically involve larger loan balances to single borrowers or groups of related borrowers compared to one-to-four family residential mortgage loans. Consequently, an adverse development with respect to one loan or one credit relationship can expose us to a significantly greater risk of loss compared to an adverse development with respect to a one-to-four family residential mortgage loan.

Commercial loans and commercial real estate loans generally carry larger balances and can involve a greater degree of financial and credit risk than other loans. As a result, banking regulators continue to give greater scrutiny to lenders with a high concentration of commercial real estate loans in their portfolios, such as us, and such lenders are expected to implement stricter underwriting standards, internal controls, risk management policies, and portfolio stress testing, as well as higher capital levels and loss allowances. The increased financial and credit risk associated with these types of loans are a result of several factors, including the concentration of principal in a limited number of loans and borrowers, the size of loan balances, the effects of general economic conditions on income-producing properties, and the increased difficulty of evaluating and monitoring these types of loans. If we cannot effectively manage the risk associated with our high concentration of commercial real estate loans, our financial condition and results of operations may be adversely affected.

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

Our loan customers may not repay their loans according to the terms of their loans, and the collateral securing the payment of their loans may be insufficient to assure repayment. We may experience significant credit losses, which could have a material adverse effect on our operating results. We maintain allowance for credit losses on loans and off-balance sheet exposures. The calculation of allowance for credit losses utilizes the use of econometric models that rely on various assumptions including but not limited to historical credit loss experience, economic forecasts, and expected future credit risks and trends. Additionally, Management relies on qualitative adjustments, as deemed necessary, to supplement the quantitative results generated by the models. Several factors including possibility of a recession, inflation, global pandemics, natural disasters, changes in regulations, identification of additional loan downgrades and other factors that are within and outside of our control may require a material increase in the allowance for credit losses for both on balance sheet loans and off-balance sheet credit exposures. Any increase in the allowance for credit losses will negatively impact our net income, possibly capital, and may have an adverse impact on our business and results of operations.

While we have only been operating for 23 years, we have experienced significant growth in our loan portfolio, particularly in loans secured by commercial real estate. Although we believe we have underwriting standards to manage normal lending risks, it is difficult to assess the future performance of our loan portfolio due to the relatively recent origination of many of these loans. We can give you no assurance that our non-performing loans will not increase or that our non-performing or delinquent loans will not adversely affect our future performance.

In addition, federal and state regulators periodically review our allowance for credit losses and may require us to increase our allowance for credit losses or recognize further loan charge-offs. Any increase in our allowance for credit losses or loan charge-offs as required by these regulatory agencies could have a material adverse effect on our results of operations and financial condition.

The asset quality of our loan portfolio may deteriorate if the economy falters, resulting in a portion of our loans failing to perform in accordance with their terms. Under such circumstances our profitability will be adversely affected.

At December 31, 2023, we had \$85.7 million in classified loans of which none were classified as doubtful or loss. We also had \$56.1 million of loans that were classified as special mention. In addition, at that date we had \$18.8 million in non-accruing loans, or 0.57 percent of total loans. We have adhered to stringent underwriting standards in the origination of our loans, but there can be no assurance that loans that we originated will not experience asset quality deterioration as a result of a downturn in the local or broader economy. Should our local or regional economy weaken, our asset quality may deteriorate resulting in losses to the Company.

Changes in interest rates could hurt our profits.

Our profitability, like most financial institutions, depends to a large extent upon our net interest income, which is the difference between interest income on interest-earning assets, such as loans and securities, and interest expense on interest-bearing liabilities, such as deposits and borrowed funds. Accordingly, our results of operations depend largely on movements in market interest rates and our ability to manage our interest-rate-sensitive assets and liabilities in response to these movements. Factors such as inflation, recession, and instability in financial markets, among other factors beyond our control, may affect interest rates.

If interest rates rise, and if rates on our deposits and variable rate borrowings reprice upwards faster than the rates on our long-term loans and investments, we could experience compression of our interest rate spread, which would have a negative effect on our profitability. Conversely, decreases in interest rates can result in increased prepayments of loans and mortgage-related securities, as borrowers refinance to reduce their borrowing costs. Under these circumstances, we are subject to reinvestment risk, as we may have to redeploy such loan or securities proceeds into lower-yielding assets, which might also negatively impact our income.

Any substantial, unexpected, prolonged change in market interest rates could have a material adverse effect on our financial condition, liquidity and results of operations. Also, our interest rate risk-modeling techniques and assumptions likely may not fully predict or capture the impact of actual interest rate changes on our balance sheet or projected operating results.

While we pursue an asset/liability strategy designed to mitigate our risk from changes in interest rates, changes in interest rates can still have a material adverse effect on our financial condition and results of operations. Changes in the level of interest rates also may negatively affect our ability to originate real estate loans, the value of our assets and our ability to realize gains from the sale of our assets, all of which ultimately affect our earnings. For further discussion of how changes in interest rates could impact us, see "Item 7A. – Quantitative and Qualitative Disclosure About Market Risk."

Rising interest rates have decreased the value of a portion of the Company's securities portfolio, and the Company would realize losses if it were required to sell such securities to meet liquidity needs.

As a result of inflationary pressures and the resulting rapid increases in interest rates over the last year, the fair value of our securities classified as available for sale has declined. At December 31, 2023, the fair value of our total debt securities portfolio was \$87.8 million, down from \$91.7 million at December 31, 2022. The Company's unrealized net loss on debt securities totaled \$9.4 million on a pre-tax basis at December 31, 2023. If the Company were required to sell such securities to meet liquidity needs, including in the event of deposit outflows or slower deposit growth, it may incur losses, which could negatively impact the Company's capital, financial condition, and results of operations. While the Company has taken actions to maximize its funding sources, there is no guarantee that such actions will be successful or sufficient in the event of sudden liquidity needs.

RISKS RELATED TO THE COMPANY'S COMMON STOCK

Our dividend policy may change without notice, and our future ability to pay dividends is also subject to regulatory restrictions.

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. Our current intention is to continue to pay a quarterly cash dividend of \$0.16 per share. However, any declaration and payment of dividends on common stock will substantially depend upon our 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. Furthermore, consistent with our strategic plans, growth initiatives, capital availability, projected liquidity needs, and other factors, we have made, and will continue to make, capital management decisions and policies that could adversely impact the amount of dividends, if any, paid to our stockholders.

Our common stock is not heavily traded, and the stock price may fluctuate significantly.

Our common stock is traded on the NASDAQ under the symbol "BCBP." Certain brokers currently make a market in the common stock, but such transactions are infrequent and the volume of shares traded is relatively small. Management cannot predict whether these or other brokers will continue to make a market in our common stock. Prices on stock that is not heavily traded, such as our common stock, can be more volatile than heavily traded stock. Factors such as our financial results, the introduction of new products and services by us or our competitors, publicity regarding the banking industry, inflation, changing interest rates, and various other factors affecting the banking industry may have a significant impact on the market price of the shares of the common stock. Management cannot predict the extent to which an active public market for our common stock will develop or be sustained in the future. Accordingly, stockholders may not be able to sell their shares of our common stock at the volumes, prices, or times that they desire.

ECONOMIC RISKS

Inflation can have an adverse impact on the Company's business and its customers.

Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. Over the past year, in response to a pronounced rise in inflation, the Federal Reserve has raised certain benchmark interest rates to combat inflation. As discussed above under CREDIT AND INTEREST RATE RISKS— Changes in interest rates could hurt our profits, as inflation increases and market interest rates rise, the value of the Company's investment securities, particularly those with longer maturities, decreases, although this effect can be less pronounced for floating rate instruments. In addition, inflation generally increases the cost of goods and services the Company uses in its business operations, such as electricity and other utilities, and also generally increases employee wages, any of which can increase the Company's non-interest expenses. Furthermore, the Company's customers are also affected by inflation and the rising costs of goods and services used in their households and businesses, which could have a negative impact on their ability to repay their loans with the Company. Sustained higher interest rates by the Federal Reserve Board to tame persistent inflationary price pressures could also push down asset prices and weaken economic activity. A deterioration in economic conditions in the United States and the Company's markets could result in an increase in loan delinquencies and non-performing assets, decreases in loan collateral values and a decrease in demand for the Company's products and services, all of which, in turn, would adversely affect the Company's business, financial condition and results of operations.

Events similar to the COVID-19 pandemic could adversely affect our business activities, financial condition, and results of operations.

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

OPERATIONAL RISKS

Our deposit services for businesses in the state licensed cannabis industry could expose us to liabilities and regulatory compliance costs.

In 2014 we implemented specialized deposit services intended for a limited number of state-licensed medical-use cannabis business customers. Medical use cannabis, as well as recreational use businesses are legal in numerous states and the District of Columbia, including our primary markets of New Jersey and New York. However, such businesses are not legal at the federal level and marijuana remains a Schedule I drug under the Controlled Substances Act of 1970. In 2014, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) published guidelines for financial institutions servicing state legal cannabis businesses. We have implemented a comprehensive control framework that includes written policies and procedures related to the on-boarding of such businesses and the monitoring and maintenance of such business accounts that comports with the FinCEN guidance. Additionally, our policies call for due diligence review of the cannabis business before the business is on-boarded, including confirmation that the business is properly licensed and maintains the license in good standing in the applicable state. Throughout the relationship, our policies call for continued monitoring of the business, including site visits, to determine if the business continues to meet our requirements, including maintenance of required licenses and calls for undertaking periodic financial reviews of the business. The Bank's program originally was limited to offering depository products to medical cannabis businesses. Deposit transactions are monitored for compliance with the applicable state medical program rules and other regulations. In 2022, the Bank expanded its cannabis-related business offerings to some limited lending on real estate and deposit services to licensed recreational dispensaries. The Bank may offer additional banking products and services to such customers in the future.

While we believe our policies and procedures allow us to operate in compliance with the FinCEN guidelines, there can be no assurance that compliance with the FinCEN guidelines will protect us from federal prosecution or other regulatory sanctions. 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 us to criminal prosecution and other regulatory sanctions. As a general matter, the medical and recreational cannabis business is considered high-risk.

thus increasing the risk of a regulatory action against our BSA/AML program that has adverse consequences, including but not limited to, preventing us from undertaking mergers, acquisitions and other expansion activities.

Adverse events in New Jersey and the New York metropolitan area, where our business is generally concentrated, could adversely affect our results and future growth.

Our business, the location of our branches, and the real estate collateralizing our real estate loans are generally concentrated in New Jersey and the New York metropolitan area. As a result, we are exposed to geographic risks. The occurrence of an economic downturn in New Jersey or the New York metropolitan area, or adverse changes in laws or regulations in New Jersey or the New York metropolitan area, could impact the credit quality of our assets, the business of our customers and our ability to expand our business.

Our success significantly depends upon the growth in population, income levels, deposits, and housing in our market area. If the communities in which we operate do not grow or if prevailing economic conditions locally, regionally, or nationally are unfavorable, our business may be negatively affected. In addition, the economies of the communities in which we operate are substantially dependent on the growth of the economy in the State of New Jersey and the New York metropolitan area. To the extent that economic conditions in New Jersey are unfavorable or do not continue to grow as projected, the economy in our market area would be adversely affected. Moreover, we cannot give any assurance that we will benefit from any market growth or favorable economic conditions in our market area if they do occur.

In addition, the market value of the real estate securing loans as collateral could be adversely affected by unfavorable changes in market and economic conditions. As of December 31, 2023, approximately 89.5 percent of our total loans were secured by real estate. Adverse developments affecting commerce or real estate values in the local economies in our primary market areas could increase the credit risk associated with our loan portfolio. In addition, a significant percentage of our loans are to individuals and businesses in New Jersey. Our business customers may not have customer bases that are as diverse as businesses serving regional or national markets. Consequently, any decline in the economy of our market area could have an adverse impact on our revenues and financial condition. In particular, we may experience increased loan delinquencies, which could result in a higher provision for credit losses and increased charge-offs. Any sustained period of increased non-payment, delinquencies, foreclosures, or losses caused by adverse market or economic conditions in our market area could adversely affect the value of our assets, revenues, results of operations and financial condition.

We depend primarily on net interest income for our earnings rather than fee income.

Net interest income is the most significant component of our operating income. We have less reliance on traditional sources of fee income utilized by some community banks, such as fees from sales of insurance, securities, or investment advisory products or services. For the years ended December 31, 2023 and 2022, our net interest income was \$104.1 million and \$113.9 million, respectively. The amount of our net interest income is influenced by the overall interest rate environment, competition, and the amount of our interest-earning assets relative to the amount of our interest-bearing liabilities. In the event that one or more of these factors were to result in a decrease in our net interest income, we do not have significant sources of fee income to make up for decreases in net interest income.

Risks associated with system failures, interruptions, or breaches of security could negatively affect our earnings.

Information technology systems are critical to our business. We use various technology systems to manage our customer relationships, general ledger, securities investments, deposits, and loans. We have established policies and procedures to prevent or limit the impact of system failures, interruptions, and security breaches (including privacy breaches and cyber-attacks), but such events may still occur or may not be adequately addressed if they do occur. In addition, any compromise of our systems could deter customers from using our products and services. Although we take protective measures, the security of our computer systems, software, and networks may be vulnerable to breaches, unauthorized access, misuse, computer viruses, or other malicious code and cyber-attacks that could have an impact on information security.

In addition, we outsource a majority of our data processing to certain third-party providers. If these third-party providers encounter difficulties, or if we have difficulty communicating with them, our ability to adequately process and account for transactions could be affected, and our business operations could be adversely affected. Threats to information security also exist in the processing of customer information through various other vendors and their personnel.

There have been increasing efforts on the part of third parties, including through cyber-attacks, to breach data security at financial institutions or with respect to financial transactions. Cybercrime risks have increased as electronic and mobile banking activities increased as a result of the COVID-19 pandemic. There have been several recent instances involving financial services and consumer-based companies reporting the unauthorized disclosure of client or customer information or the destruction or theft of corporate data. In addition, because the techniques used to cause such security breaches change frequently and often are not recognized until launched against a target and may originate from less-regulated and remote areas of the world, we may be unable to proactively address these techniques or to implement adequate preventative measures. The ability of our customers to bank remotely, including through online and mobile devices, requires secure transmission of confidential information and increases the risk of data security breaches.

The occurrence of any system failures, interruption, or breach of security could damage our reputation and result in a loss of customers and business, thereby subjecting us to additional regulatory scrutiny, or could expose us to litigation and possible financial liability. Any of these events could have a material adverse effect on our financial condition and results of operations.

The Bank's reliance on brokered and reciprocal deposits could adversely affect its liquidity and operating results.

Among other sources of funds, the Company, from time to time, relies on brokered deposits to provide funds with which to make loans and provide for other liquidity needs. At December 31, 2023, the Bank had \$505.4 million in brokered certificate deposits. One of the Bank's sources for brokered deposits is the Certificate of Deposit Account Registry Service ("CDARS"). At December 31, 2023, the Bank has \$38.6 million in CDARS reciprocal deposits and \$48.1 million in Insured Cash Sweep or ICS network deposits. These amounts, are reciprocal and are not considered brokered deposits under recent regulatory reform.

Generally, brokered and reciprocal deposits may not be as stable as other types of deposits. In the future, those depositors may not replace their brokered or reciprocal deposits with us as they mature, or we may have to pay a higher rate of interest to keep those deposits, or to replace them with other deposits or other sources of funds. Not being able to maintain or replace those deposits as they mature would adversely affect our liquidity. Paying higher deposit rates to maintain or replace such deposits would adversely affect our net interest margin and operating results.

If deposit levels are not sufficient, it may be more expensive to fund loan originations.

Our deposits have been our primary funding source. In current market conditions, depositors may choose to redeploy their funds into the stock market or other investment alternatives, regardless of our effort to retain such depositors. If this occurs, it would hamper our ability to grow deposits and could result in a net outflow of deposits. We will continue to focus on deposit growth, which we use to fund loan originations. However, if we are unable to sufficiently increase our deposit balances, we may be required to increase our use of alternative sources of funding, including Federal Home Loan Bank advances, or to increase our deposit rates in order to attract additional deposits, each of which would increase our cost of funds.

We could be adversely affected by failure in our internal controls.

A failure in our internal controls could have a significant negative impact not only on our earnings, but also on the perception that customers, regulators and investors may have of us. We continue to devote a significant amount of effort, time and resources to continually strengthening our internal controls and ensuring compliance with complex accounting standards and banking regulations.

If we cannot favorably assess the effectiveness of our internal controls over financial reporting or if our independent registered public accounting firm is unable to provide an unqualified attestation report on our internal controls, we may be subject to additional regulatory scrutiny.

Under the rules of the FDIC and the SEC, Company management is required to prepare a report that contains an assessment by management of the effectiveness of our internal control structure and procedures for financial reporting (including the Call Report that is submitted to the FDIC) as of the end of each fiscal year. Our independent registered public accounting firm is also required to examine, attest to and report on the assessment of our management concerning the effectiveness of our internal control structure and procedures for financial reporting. The rules that must be met for management to assess our internal controls over financial reporting are complex and require significant documentation and testing and possible remediation of internal control weaknesses. The effort to comply with regulatory requirements relating to internal controls will likely cause us to incur increased expenses and will cause a diversion of management's time and other internal resources. We also may encounter problems or delays in completing the implementation of any changes necessary to make a favorable assessment of our internal control over financial reporting. In addition, in connection with the attestation process, we may encounter problems or delays in completing the implementation of any requested improvements or receiving a favorable attestation from our independent registered public accounting firm. If we cannot favorably assess the effectiveness of our internal control over financial reporting, or if our independent registered public accounting firm is unable to provide an unqualified attestation report on our internal controls, investor confidence and the price of our common stock could be adversely affected and we may be subject to additional regulatory scrutiny.

The increasing use of social media platforms presents new risks and challenges and the inability or failure to recognize, respond to, and effectively manage the accelerated impact of social media could materially adversely impact the Bank's business.

There has been a marked increase in the use of social media platforms, including weblogs (blogs), podcasts, social media websites, and other forms of Internet-based communications which allow individuals' access to a broad audience of consumers and other interested persons. Social media practices in the banking industry are evolving, which creates uncertainty and risk of noncompliance with regulations applicable to the Bank's business. Consumers value readily available information concerning businesses and their goods and services and often act on such information without further investigation and without regard to its accuracy. Many social media platforms immediately publish the content their subscribers and participants' post, often without filters or checks on accuracy of the content posted. Information posted on such platforms at any time may be adverse to the Bank's interests and/or may be inaccurate. The dissemination of information online could harm the Bank's business, prospects, financial condition, and results of operations, regardless of the information's accuracy. The harm may be immediate without affording the Bank an opportunity for redress or correction.

Other risks associated with the use of social media include improper disclosure of proprietary information, negative comments about the Bank's business, exposure of personally identifiable information, fraud, out-of-date information, and improper use by employees, directors and customers. The inappropriate use of social media by the Bank's customers, directors or employees could result in negative consequences such as remediation costs including training for employees, additional regulatory scrutiny and possible regulatory penalties, litigation, or negative publicity that could damage the Bank's reputation adversely affecting customer or investor confidence.

Market conditions and economic cyclical may adversely affect our industry.

Market developments, including unemployment, price levels, stock and bond volatility, and other changes due to world events, affect consumer confidence levels, economic activity and inflation. Changes in payment behaviors and payment rates may increase in delinquencies and default rates, which could affect our earnings and credit quality.

Negative developments in the banking industry could adversely affect our business operations and our financial condition and results of operations.

Actual events involving bank failures, limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to negative media attention and market-wide liquidity problems. The closures by the regulators of First Republic Bank, Silicon Valley Bank, and Signature Bank in the first half of 2023 are examples of these events. These developments negatively impact customer confidence in regional and community banks, which could prompt customers to maintain their deposits with larger financial institutions. Further, competition for deposits has increased in recent periods, and the cost of funding has similarly increased, putting pressure on our net interest margin. If we were required to sell a portion of our securities portfolio to address liquidity needs, we may incur losses, including as a result of the negative impact of rising interest rates on the value of our securities portfolio, which could negatively affect our earnings and our capital. If we were required to raise additional capital in the current environment, any such capital raise may be on unfavorable terms, thereby negatively impacting book value and profitability. While we have taken actions to improve our funding, there is no guarantee that such actions will be successful or sufficient in the event of sudden liquidity needs.

There has also been increased regulatory scrutiny – in the course of routine examinations and otherwise – and new regulations directed towards banks of similar size to the Bank, designed to address the 2023 negative developments in the banking industry, all of which may increase our costs of doing business and reduce our profitability. Among other things, there may be an increased focus by both regulators and investors on deposit composition, the level of uninsured deposits, losses embedded in our securities portfolio, contingent liquidity, CRE composition and concentration, capital position and our general oversight and internal control structures regarding the foregoing. As a result, the Bank could face increased scrutiny or be viewed as higher risk by regulators and the investor community.

RISKS RELATED TO THE REGULATION OF OUR INDUSTRY

We are subject to stringent capital requirements, which may adversely impact our return on equity or constrain us from paying dividends or repurchasing shares.

Federal regulations require FDIC-insured depository institutions to meet several minimum capital standards: a common equity Tier 1 capital to risk-based assets ratio of 4.5 percent, a Tier 1 capital to risk-based assets ratio of 6.0 percent, a total capital to risk-based assets of 8.0 percent, and a 4.0 percent Tier 1 capital to total assets leverage ratio. In addition to establishing the minimum regulatory capital requirements, the regulations limit capital distributions and certain discretionary bonus payments to management if the institution does not hold a “capital conservation buffer” consisting of 2.5 percent of common equity Tier 1 capital to risk-weighted asset above the amount necessary to meet its minimum risk-based capital requirements.

In 2019, the FDIC passed a final rule providing qualifying community banking organizations the ability to opt-in to a new community bank leverage ratio (“CBLR”) framework, (tier 1 capital to average consolidated assets) at 9.0 percent for institutions under \$10.0 billion in assets that such institutions may elect to utilize 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. The Bank decided to opt-in to the new CBLR, effective for the quarter ended March 31, 2020. Pursuant to the “Regulatory Relief Act”, the Federal Reserve Board raised the asset threshold under its Small Bank Holding Company Policy Statement from \$1.0 billion to \$3.0 billion for bank or savings and loan holding companies are permitted to have debt levels higher than would be permitted for larger holding companies, provided that such companies meet certain other conditions such as not engaging in significant nonbanking activities. The Company no longer meets the definition of a Small Bank Holding Company and the qualifications set forth in the “Regulatory Relief Act” at December 31, 2022 and was subject to the larger company capital requirements at March 31, 2023.

The application of more stringent capital requirements likely will result in lower returns on equity and could require raising additional capital in the future or result in regulatory actions if we are unable to comply with such requirements.

We operate in a highly regulated environment, and we may be adversely affected by changes in federal, state and local laws and regulations.

We are subject to extensive regulation, supervision, and examination by federal and state banking authorities. Any change in applicable regulations or federal, state or local legislation could have a substantial impact on us and our operations. Additional legislation and regulations that could significantly affect our powers, authority, and operations may be enacted or adopted in the future, which could have a material adverse effect on our financial condition and results of operations. Further, regulators have significant discretion and authority to prevent or remedy unsafe or unsound practices or violations of laws by banks and bank holding companies in the performance of their supervisory and enforcement duties. The exercise of regulatory authority may have a negative impact on our results of operations and financial condition.

The USA PATRIOT and Bank Secrecy Acts require financial institutions to develop programs to prevent financial institutions from being used for money laundering and terrorist activities. If such activities are detected, financial institutions are obligated to file suspicious activity reports with the U.S. Treasury’s Office of Financial Crimes Enforcement Network. These rules require financial institutions to establish procedures for identifying and verifying the identity of customers seeking to open new financial accounts. Failure to comply with these regulations could result in fines or sanctions, including restrictions on conducting acquisitions or establishing new branches. During the last few years, several banking institutions have received large fines for non-compliance with these laws and regulations. While we have developed policies and procedures designed to assist in compliance with these laws and regulations, these policies and procedures may not be effective in preventing violations of these laws and regulations. Because we operate our business in the highly urbanized greater Newark/New York City metropolitan area, we may be at greater risk of scrutiny by government regulators for compliance with these laws.

The level of our commercial real estate loan portfolio subjects us to additional regulatory scrutiny.

The FDIC and the other federal bank regulatory agencies have promulgated joint guidance on sound risk management practices for financial institutions with concentrations in commercial real estate lending. Under the guidance, a financial institution that, like us, is actively involved in commercial real estate lending should perform a risk assessment to identify concentrations. A financial institution may have a concentration in commercial real estate lending if, among other factors, (i) total reported loans for construction, land acquisition and development, and other land represent 100 percent or more of total capital, or (ii) total reported loans secured by multi-family and non-owner occupied, non-farm, non-residential properties, loans for construction, land acquisition and development and other land, and loans otherwise sensitive to the general commercial real estate market, including loans to commercial real estate related entities, represent 300 percent or more of total capital. Based on these factors, we have a concentration in loans of the type described in (ii) above of 480.6 percent of our risk-based capital at December 31, 2023. The purpose of the guidance is to assist banks in developing risk management practices and capital levels commensurate with the level and nature of real estate concentrations. The guidance states that management should employ heightened risk management practices including board and management oversight and strategic planning, development of underwriting standards, risk assessment and monitoring through market analysis and stress testing. Our bank regulators could require us to implement additional policies and procedures consistent with their interpretation of the guidance that may result in additional costs to us or that may result in a curtailment of our commercial real estate and multi-family lending and/or the requirement that we maintain higher levels of regulatory capital, either of which would adversely affect our loan originations and profitability.

We are subject to the Community Reinvestment Act and fair lending laws, and failure to comply with these laws could lead to material penalties.

The CRA, the Equal Credit Opportunity Act, the Fair Housing Act and other fair lending laws and regulations impose nondiscriminatory lending requirements on financial institutions. A successful regulatory challenge to an institution’s performance under the CRA or fair lending laws and regulations could result in a wide variety of sanctions, including the required payment of damages and civil money penalties, injunctive relief, imposition of restrictions on mergers and acquisitions activity and restrictions on expansion. Private parties may also have the ability to challenge an institution’s performance under fair lending laws in private class action litigation. Such actions could have a material adverse effect on our business, financial condition and results of operations.

Future legislative or regulatory actions responding to perceived financial and market problems could impair our ability to foreclose on collateral.

There have been proposals made by members of Congress and others that would reduce the amount distressed borrowers are otherwise contractually obligated to pay under their mortgage loans and limit an institution’s ability to foreclose on mortgage collateral. Were proposals such as these, or other proposals limiting our rights as a creditor, to be implemented, we could experience increased credit losses or increased expense in pursuing our remedies as a creditor.

STRATEGIC RISKS

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

Competition is intense within the banking and financial services industry in New Jersey and the New York metropolitan area. In our market area, we compete with commercial banks, savings institutions, mortgage brokerage firms, credit unions, finance companies, mutual funds, insurance companies, and brokerage and investment banking firms operating locally and elsewhere. Many of these competitors have substantially greater resources, higher lending limits and offer services that we do not or cannot provide. This competition makes it more difficult for us to originate new loans and retain and attract new deposits. Price competition for loans may result in originating fewer loans or earning less on our loans. Price competition for deposits may result in a reduction of our deposit base or paying more on our deposits.

The small to mid-sized businesses that we lend to may have fewer resources to weather a downturn in the economy, which may impair a borrower's ability to repay a loan to us that could materially harm our operating results.

We target our business development and marketing strategy primarily to serve the banking and financial services needs of small to mid-sized businesses. These small to mid-sized businesses frequently have smaller market share than their competition, may be more vulnerable to economic downturns, often need substantial additional capital to expand or compete and may experience significant volatility in operating results. In addition, the success of a small to midsized business often depends on the management talents and efforts of one or two persons or a small group of persons, and the death, disability or resignation of one or more of these persons could have a material adverse impact on the business and its ability to repay a loan. Economic downturns and other events that negatively impact our market areas could cause us to incur substantial credit losses that could negatively affect our results of operations and financial condition.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cybersecurity Risk Management and Strategy

Cybersecurity risks are continually evolving, becoming increasingly complex and pervasive across all industries. To mitigate these cybersecurity risks and protect nonpublic, personally identifiable customer data, financial transactions and our classified information systems, the Bank has implemented a comprehensive information security program, which is a component of its overarching enterprise risk management program. Key components of the information security program include:

- A risk assessment process that identifies and prioritizes material cybersecurity risks; defines and evaluates the effectiveness of controls to mitigate the risks; and reports results to executive management and the Board of Directors.
- Annual security assessments that proactively identify potential vulnerabilities that are both externally facing and internal within the bank's infrastructure; reports the results for all assessments to executive management and the Board of Directors with tracking and resolution to potential areas of risk.
- Vulnerability management program that patches known vulnerabilities across operating systems and software platforms.
- Strong controls around user access including creation, changes and termination of access, ongoing user access reviews, multifactor authentication and password policies.
- A technology team covering all critical cyber defense functions such as engineering, data protection, identity and access management, insider risk management, security operations, threat emulation and threat intelligence.
- A training program that educates employees about cybersecurity risks and how to protect themselves from cyberattacks.
- An awareness program that keeps employees informed about cybersecurity threats and how to stay safe online.
- An incident response plan that outlines the steps the Bank will take to respond to a cybersecurity incident, which is tested on a periodic basis.
- Adoption and implementation of a layered defense / defense in depth model in which security systems are linked or stacked so that the strengths of one security system compensate the weaknesses of the other system.
- Additional controls that include but not limited to data encryption; change management; end of life management; asset management; malware and antivirus detection, response and mitigation; physical security; business continuity and disaster recovery management.

The Bank engages reputable third-party assessors to conduct various independent audits on a regular basis, including but not limited to maturity assessments and various testing. Following a defense-in-depth strategy, the Bank leverages both in-house resources and third-party service providers to implement and maintain processes and controls to manage the identified risks.

The Bank's Third-Party / Vendor Risk Management program is designed to ensure that our vendors meet our cybersecurity requirements. This includes conducting periodic risk assessments of vendors, requiring vendors to implement appropriate cybersecurity controls and monitoring vendor compliance with our cybersecurity requirements.

The Bank's information security program and strategy are designed to ensure the Bank's information and information systems are resilient and appropriately protected from a variety of threats, both natural and man-made. Periodic audits and risk assessments are performed to validate control requirements and ensure that the Bank's information is protected at a level commensurate with its sensitivity, value, and criticality. Preventative and detective security controls and policies are employed on all media where information is stored, the systems that process it, and infrastructure components that facilitate its transmission to ensure the confidentiality, integrity, and availability of Bank information. These controls and policies include, but are not limited to access control, data encryption, data loss prevention, incident response, security monitoring, third party risk management, and vulnerability management.

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The Bank's information security program and strategy are regularly reviewed and updated to ensure that they are aligned with the Bank's business objectives and are designed to address evolving cybersecurity threats and satisfy regulatory requirements and industry standards.

Material Effects of Cybersecurity Threats

While cybersecurity risks have the potential to materially affect the Bank's business, financial condition, and results of operations, the Bank does not believe that risks from cybersecurity threats or attacks, including as a result of any previous cybersecurity incidents, have materially affected the Bank, including its business strategy, results of operations or financial condition. Accordingly, no matter how well designed or implemented the Bank's controls are, there is a risk that it may not be able to anticipate all zero-day cyber security exploits and vulnerabilities, and it may not be able to implement effective preventive measures against such exploits / vulnerabilities and potentially associated security breaches in a timely manner.

Governance

Board of Directors Oversight

The Bank's Board of Directors is charged with overseeing the establishment and execution of the Bank's security management framework and monitoring adherence to related policies required by applicable statutes, regulations and principles of safety and soundness. Consistent with this responsibility the Board has delegated primary oversight responsibility over the Bank's security management framework, including oversight of cybersecurity risk and cybersecurity risk management, to the Information Technology /Information Security Committee of the Board of Directors. The Information Technology /Information Security Committee receives regular updates on cybersecurity risks and incidents and the cybersecurity program through direct interaction with the Chief Information Technology Officer and provides periodic updates regarding cybersecurity risks and the cybersecurity program to the full Board of Directors. Additionally, awareness and training on cybersecurity topics is provided to the Board on an annual basis.

Management's Role

The Information Technology department is responsible for implementing and maintaining the Bank's cybersecurity risk management program. The Information Technology department consists of cybersecurity and information risk professionals who assess, identify, and manage cybersecurity risks. Information Security is led by Chief Information Technology Officer, who reports directly to the Chief Operating Officer and dotted lined to the Board of Directors. The Bank's CITO has over 23 years of experience in technology and cybersecurity across the financial services industry. Prior to joining the Bank, the Bank's CITO served as Chief Information Officer and Information Security Officer at First Choice Bank and the Director of Technology and IT Governance at OceanFirst Bank. The Information Technology department is responsible for ensuring the protection of electronic and physical information through the identification and management of risk activities. Information security risk is reported by the Information Technology Department through quarterly management reporting to achieve an appropriate flow of information risk reporting to the Board. The committees and working groups that monitor information security risks include the Cybersecurity Incident Response Team, and the Information Technology / Information Security Committee of the Board of Directors. These committees and working groups establish and oversee policies, programs, and other guidance to provide specific expectations for managing the cybersecurity risk.

ITEM 2. PROPERTIES

At December 31, 2023, the Bank conducted its business through an executive office, two administrative offices, and 28 branch offices. 13 offices have drive-up facilities. The Bank has 37 automatic teller machines at its branch facilities and three other off-site locations. The following table sets forth information relating to each of the Bank's offices at December 31, 2023. The total net book value of the Bank's premises and equipment at December 31, 2023 was \$13.1 million.

<u>Location</u>	<u>Year Office Opened</u>		<u>Net Book Value</u>
			<u>(In Thousands)</u>
Executive Office			
104-110 Avenue C, Bayonne, New Jersey	2003	\$	2,179
Administrative and Other Offices			
591-597 Avenue C, Bayonne, New Jersey	2010		50(1)
27 West 18th Street, Bayonne, New Jersey	2014		191(1)
Branch Offices			
860 Broadway, Bayonne, New Jersey	2000		478(1)
510 Broadway, Bayonne, New Jersey	2003		19(1)
401 Washington Street, Hoboken, New Jersey	2010		135(1)
987 Broadway, Bayonne, New Jersey	2010		-(1)
473 Spotswood Englishtown Rd., Monroe Township, New Jersey	2010		97(1)
611 Avenue C, Bayonne, New Jersey	2010		29(1)
181 Avenue A, Bayonne, New Jersey	2010		1,984
211 Washington St., Jersey City, New Jersey	2010		-(1)
200 Valley Street, South Orange, New Jersey	2011		927
378 Amboy Road, Woodbridge, New Jersey	2019		6(1)
165 Passaic Avenue, Fairfield, New Jersey	2014		-(1)
354 New Dorp Lane, Staten Island, New York	2015		-(1)
190 Park Avenue, Rutherford, New Jersey	2015		23(1)
1500 Forest Avenue, Staten Island, New York	2016		625(1)
626 Laurel Avenue, Holmdel, New Jersey	2016		15(1)
734 Ridge Road, Lyndhurst, New Jersey	2016		63(1)
2000 Morris Avenue, Union, New Jersey	2016		13(1)
156 Maplewood Avenue, Maplewood, New Jersey	2018		354(1)
1630 Oak Tree Road, Edison, New Jersey	2018		190(1)
1452 Route 46 West, Parsippany, New Jersey	2018		89(1)
781 Newark Avenue, Jersey City, New Jersey	2018		3,185
70 Broadway, Hicksville, New York	2018		-(1)
10 Schalks Crossing Road, Plainsboro, New Jersey	2018		64(1)
876 Kinderkamack Road, River Edge, New Jersey	2019		93(1)
1100 Washington Street, Hoboken, New Jersey	2019		192(1)
269 Ferry Street, Newark, New Jersey	2020		322(1)
240 Page Avenue, Staten Island, New York	2023		306(1)
Net book value of properties			11,629
Net book value of furnishings and equipment			1,428(2)
Total premises and equipment		\$	<u>13,057</u>

- (1) Leased property
- (2) Includes off-site ATMs

ITEM 3. 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 December 31, 2023, 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 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES****Market Information**

The Company's common stock trades on the Nasdaq Global Market under the symbol "BCBP."

Stockholders.

At March 1, 2024, the Company had approximately 5,500 stockholders of record.

Recent Sales of Unregistered Securities

None.

Dividends

The Company declared and paid cash dividends of \$0.16 per share in each quarter for the year ended December 31, 2023. The payment of dividends to shareholders of the Company is dependent on the Bank paying dividends to the Company. The Bank may pay dividends as declared from time to time by the Board of Directors out of funds legally available, subject to certain restrictions. Under the New Jersey Banking Act of 1948, as amended, the Bank may not pay a cash dividend unless, following the payment, the Bank's capital stock will be unimpaired and the Bank will have a surplus of no less than 50.0 percent of the Bank's capital stock or, if not, the payment of the dividend will not reduce the surplus. In addition, the Bank cannot pay dividends in amounts that would reduce the Bank's capital below regulatory imposed minimums.

Issuer Purchases of Equity Securities

On December 11, 2020, the Company issued a press release announcing the adoption of a new stock repurchase program, effective December 16, 2020. Under the stock repurchase program, management is authorized to repurchase up to 500,000 shares of the Company's common stock. On October 17, 2022, the Company issued a press release announcing an amendment to its stock repurchase program. The amendment to the stock repurchase program increased the number of shares yet to be repurchased from 82,350 shares to a total number of 500,000 shares. The Company repurchased 266,753 shares during the year ended December 31, 2023, and has 150,897 remaining to be repurchased under the program. No shares were repurchased during the three months ended December 31, 2023.

Compensation Plans

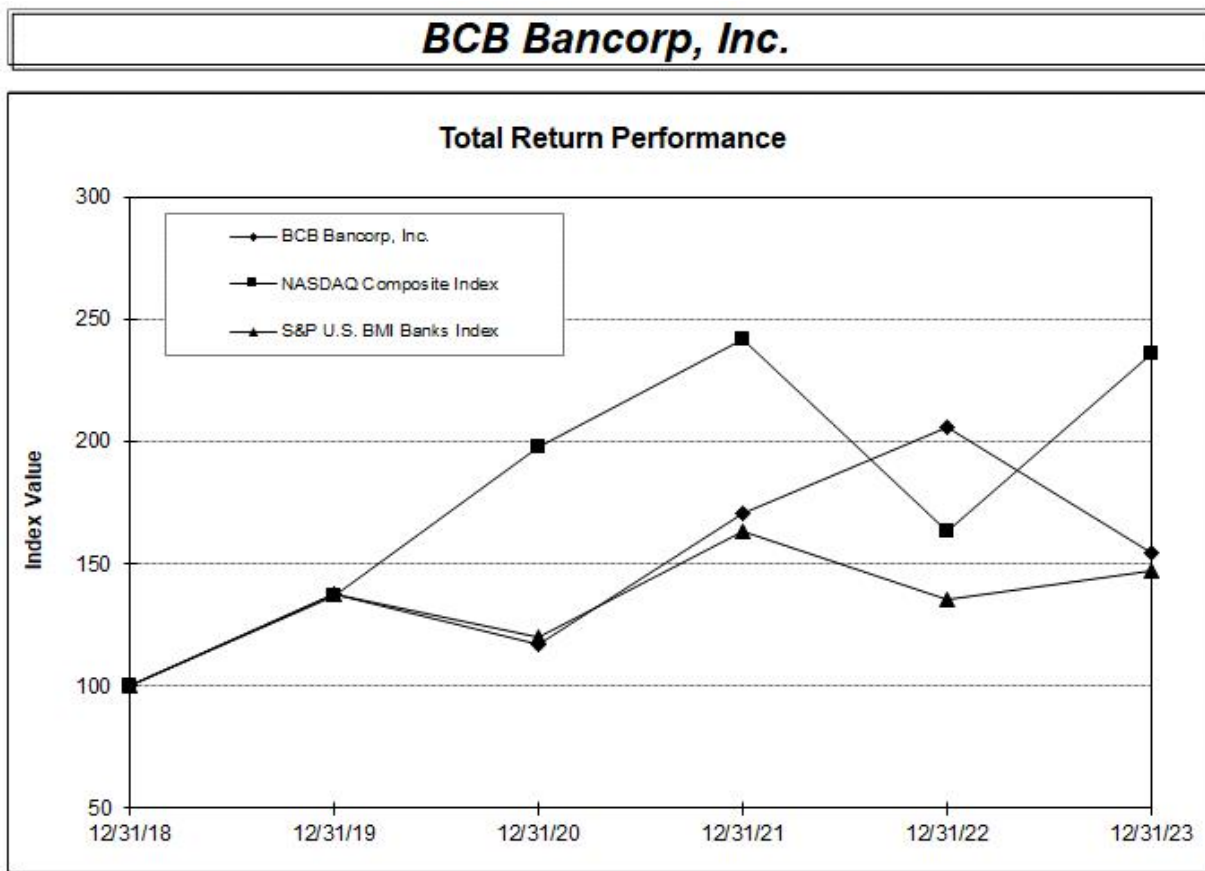
Set forth below is information as of December 31, 2023 regarding equity compensation plans that have been approved by shareholders. The Company has no equity-based benefit plans that were not approved by shareholders.

Plan	Number of securities to be issued upon exercise of outstanding options and rights	Weighted average Exercise price ⁽¹⁾	Number of securities remaining available for issuance under plans
2011 Stock Option Plan	639,600	\$12.06	-
2018 Equity Incentive Plan	423,127	\$12.27	-
2023 Equity Incentive Plan	-	-	1,000,000
Equity compensation plans not approved by shareholders	-	-	-
Total	1,062,727	\$12.14	1,000,000

- (1) The weighted average exercise price reflects the exercise prices ranging from \$10.55-\$13.68 per share for options granted under the 2011 Stock Option Plan and the 2018 Equity Incentive Plan. As of December 31, 2023, the 2011 Stock Option Plan and the 2018 Equity Incentive Plan have expired.

Common Stock Performance Graph

Set forth hereunder is a stock performance graph comparing (a) the cumulative total return on the common stock for the period beginning with the closing sales price on December 31, 2018 through December 31, 2023, (b) the cumulative total return on all publicly traded commercial bank stocks over such period, as repriced on the SNL Banks Index, and (c) the cumulative total return of the Nasdaq Market Index over such period. Cumulative return assumes the reinvestment of dividends, and is expressed in dollars based on an assumed investment of \$100.



<i>Index</i>	<i>Period Ending</i>					
	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23
BCB Bancorp, Inc.	100.00	137.75	117.09	170.37	205.59	154.65
NASDAQ Composite Index	100.00	136.69	198.10	242.03	163.28	236.17
S&P U.S. BMI Banks Index	100.00	137.36	119.83	162.92	135.13	147.41

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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. For additional accounting policies, see Note 2 of "Notes to Consolidated Financial Statements."

Allowance for Credit losses

On January 1, 2023, the Company adopted ASU 2016-13 (Topic 326), which replaced the incurred loss methodology with CECL for financial instruments measured at amortized cost and other commitments to extend credit. Loans receivable are presented net of an allowance for credit losses and net deferred loan fees. In determining the appropriate level of the allowance, management considers a combination of factors, such as economic and industry trends, real estate market conditions, size and type of loans in portfolio, nature and value of collateral held, borrowers' financial strength and credit ratings, and prepayment and default history. The calculation of the appropriate allowance for credit losses relies on econometric models to estimate the quantitative reserves and also the use of qualitative factors to supplement the quantitative calculation. The process of establishing allowance for credit losses is complex and requires a substantial amount of judgment regarding the impact of the aforementioned factors, as well as other factors, on the ultimate realization of loans receivable. In addition, our determination of the amount of the allowance for credit losses is subject to review by the New Jersey Department of Banking and Insurance and the FDIC, as part of their examination process. After a review of the information available, our regulators might require the establishment of an additional allowance. Any increase in the allowance for loan loss required by regulators would have a negative impact on our earnings. Refer to Note 5 of the accompanying consolidated financial statements for additional information on the Company's allowance for credit loss process.

Goodwill

The Company accounts for goodwill and other intangible assets in accordance with FASB ASC Topic 350, "Intangibles – Goodwill and Other," which allows an entity to first assess qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. Based on a qualitative assessment, management determined that the Company's recorded goodwill totaling \$5.2 million, is not impaired as of December 31, 2023.

Financial Condition at December 31, 2023 and 2022

Total assets increased by \$286.2 million, or 8.1 percent, to \$3.832 billion at December 31, 2023, from \$3.546 billion at December 31, 2022. The increase in total assets was mainly related to increases in total loans and in cash and cash equivalents.

Total cash and cash equivalents increased by \$50.2 million, or 21.9 percent, to \$279.5 million at December 31, 2023, from \$229.4 million at December 31, 2022. The increase was primarily due to an increase in Federal Home Loan Bank (“FHLB”) borrowings and in deposits.

Loans receivable, net, increased by \$234.4 million, or 7.7 percent, to \$3.280 billion at December 31, 2023, from \$3.045 billion at December 31, 2022. Total loan increases during 2023 included increases of \$90.2 million in commercial business loans, \$88.9 million in commercial real estate and multi-family loans, \$47.9 million in construction loans and \$9.8 million in home equity and consumer loans. 1-4 family residential loans decreased \$1.8 million. The allowance for credit losses increased \$1.2 million to \$33.6 million, or 178.9 percent of non-accruing loans and 1.01 percent of gross loans, at December 31, 2023, as compared to an allowance for credit losses of \$32.4 million, or 633.6 percent of non-accruing loans and 1.05 percent of gross loans, at December 31, 2022.

Total investment securities decreased by \$12.5 million, or 11.5 percent, to \$96.9 million at December 31, 2023, from \$109.4 million at December 31, 2022, representing unrealized losses, calls and maturities, and repayments.

Deposit liabilities increased by \$167.5 million, or 6.0 percent, to \$2.979 billion at December 31, 2023, from \$2.812 billion at December 31, 2022. Certificates of deposits and money market accounts increased \$417.9 million and \$65.4 million, respectively, offset by interest bearing demand, non-interest bearing and savings and club accounts which declined \$315.8 million during the twelve months of 2023.

Debt obligations increased by \$90.7 million to \$510.4 million at December 31, 2023 from \$419.7 million at December 31, 2022. The weighted average interest rate of FHLB advances was 4.21 percent at December 31, 2023 and 4.07 percent at December 31, 2022. The weighted average maturity of FHLB advances as of December 31, 2023 was 1.93 years. The interest rate of our subordinated debt balances was 8.36 percent at December 31, 2023 and 5.62 percent at December 31, 2022 due to the fixed-rate period on such debt ending as of July 31, 2023.

Stockholders' equity increased by \$22.8 million, or 7.8 percent, to \$314.1 million at December 31, 2023, from \$291.3 million at December 31, 2022. The increase was primarily attributable to the increase in retained earnings of \$20.8 million, or 18.1 percent, to \$135.9 million at December 31, 2023 from \$115.1 million at December 31, 2022.

Analysis of Net Interest Income

Net interest income is the difference between interest income on interest-earning assets and interest expense on interest-bearing liabilities. Net interest income depends on the relative amounts of interest-earning assets and interest-bearing liabilities and the interest rates earned or paid on them, respectively.

The following table sets forth average balance sheets, yields and costs, and certain other information for the years indicated. All average balances are daily average balances. The yields set forth below include the effect of deferred fees, discounts and premiums, which are included in interest income.

	Year ended December 31, 2023			Year ended December 31, 2022			Year ended December 31, 2021		
	Average Daily Balance	Interest Earned/Paid	Average Yield/Rate	Average Daily Balance	Interest Earned/Paid	Average Yield/Rate	Average Daily Balance	Interest Earned/Paid	Average Yield/Rate
(Dollars in Thousands)									
Interest-earning assets:									
Loans receivable ^{(1) (2)}	\$ 3,281,334	\$ 169,559	5.17 %	\$ 2,626,710	\$ 123,577	4.70%	\$ 2,327,781	\$ 107,660	4.63%
Investment securities ⁽³⁾	100,000	5,106	5.11	109,604	4,731	4.32	108,545	3,954	3.64
Interest-earning deposits	270,659	13,695	5.06	274,649	3,133	1.14	377,209	959	0.25
Total interest-earning assets	3,651,993	188,360	5.16 %	3,010,963	131,441	4.37%	2,813,535	112,573	4.00%
Non-interest-earning assets	123,651			106,712			106,039		
Total assets	\$ 3,775,644			\$ 3,117,675			\$ 2,919,574		
Interest-bearing liabilities:									
Interest-bearing demand accounts	\$ 658,023	\$ 8,426	1.28 %	\$ 751,708	\$ 2,970	0.40%	\$ 637,671	\$ 2,657	0.42%
Money market accounts	334,353	8,489	2.54	350,207	2,313	0.66	335,824	1,678	0.50
Savings accounts	305,778	620	0.20	340,232	449	0.13	317,301	505	0.16
Certificates of deposit	980,617	39,157	3.99	614,346	6,889	1.12	673,233	6,160	0.92
Total interest-bearing deposits	2,278,771	56,692	2.49	2,056,493	12,621	0.61	1,964,029	11,000	0.56
Borrowed funds	594,564	27,606	4.64	149,354	4,875	3.26	173,341	4,180	2.41
Total interest-bearing liabilities	2,873,335	84,298	2.93 %	2,205,847	17,496	0.79%	2,137,370	15,180	0.71%
Non-interest-bearing liabilities	602,691			636,217			524,668		
Total liabilities	3,476,026			2,842,064			2,662,038		
Stockholders' equity	299,618			275,611			257,536		
Total liabilities and stockholders' equity	3,775,644			3,117,675			2,919,574		
Net interest income		\$ 104,062			\$ 113,945			\$ 97,393	
Net interest rate spread ⁽⁴⁾			2.22 %			3.57%			3.29%
Net interest margin ⁽⁵⁾			2.85 %			3.78%			3.46%

(1) Excludes allowance for credit losses.

(2) Includes nonaccrual loans which are immaterial to the yield.

(3) Includes Federal Home Loan Bank of New York stock.

(4) Interest rate spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.

(5) Net interest margin represents net interest income as a percentage of average interest-earning assets.

Rate/Volume Analysis

The table below sets forth certain information regarding changes in our interest income and interest expense for the years indicated. For each category of interest-earning assets and interest-bearing liabilities, information is provided on changes attributable to (i) changes in average volume (changes in average volume multiplied by old rate); (ii) changes in rate (change in rate multiplied by old average volume); (iii) changes due to combined changes in rate and volume; and (iv) the net change.

	Years Ended December 31,											
	2023 vs. 2022				2022 vs. 2021				2021 vs. 2020			
	Increase (Decrease) Due to				Increase (Decrease) Due to				Increase (Decrease) Due to			
	Volume	Rate	Rate/ Volume	Total Increase (Decrease)	Volume	Rate	Rate/ Volume	Total Increase (Decrease)	Volume	Rate	Rate/ Volume	Total Increase (Decrease)
(In thousands)												
Interest income:												
Loans receivable	\$ 30,798	\$ 12,155	\$ 3,029	\$ 45,982	\$ 13,825	1,854	238	\$ 15,917	\$ 371	136	-\$	507
Investment securities	(415)	865	(76)	374	39	731	7	777	(277)	862	(69)	516
Interest-earning deposits	(45)	10,764	(156)	10,563	(261)	3,344	(909)	2,174	(175)	(1,813)	112	(1,876)
Total interest-earning assets	30,338	23,784	2,797	56,919	13,603	5,929	(664)	18,868	(81)	(815)	43	(853)
Interest expense:												
Interest-bearing demand accounts	(370)	6,656	(830)	5,456	475	(138)	(24)	313	950	(1,024)	(319)	(393)
Money market deposits	(105)	6,579	(298)	6,176	72	540	23	635	144	(1,494)	(69)	(1,419)
Savings deposits	(46)	241	(24)	171	36	(86)	(6)	(56)	64	-	-	64
Certificates of Deposits	4,107	17,643	10,519	32,269	(538)	1,389	(122)	729	(5,369)	(10,835)	3,005	(13,199)
Borrowings	14,532	2,060	6,139	22,731	(578)	1,478	(205)	695	(2,636)	(404)	151	(2,889)
Total interest-bearing liabilities	18,118	33,179	15,506	66,803	(533)	3,183	(334)	2,316	(6,847)	(13,757)	2,768	(17,836)
Change in net interest income	\$ 12,220	\$ (9,395)	\$ (12,709)	\$ (9,884)	\$ 14,136	2,746	(330)	\$ 16,552	\$ 6,766	\$ 12,942	\$ (2,725)	\$ 16,983

Results of Operations for the Years Ended December 31, 2023 and 2022

Net income decreased by \$16.1 million, or 35.3 percent, to \$29.5 million for the year ended December 31, 2023 from \$45.6 million for the year ended December 31, 2022. The decrease in net income was primarily driven by less net interest income and an increased provision for credit losses on loans being recorded.

Net interest income decreased by \$9.9 million, or 8.7 percent, to \$104.1 million for the year ended December 31, 2023 from \$113.9 million for the year ended December 31, 2022. The decrease in net interest income resulted from a \$66.8 million increase in interest expense, offset by an increase of \$56.9 million in interest income.

The \$56.9 million increase in interest income to \$188.4 million for the twelve months of 2023, was a 43.3 percent increase from \$131.4 million for the twelve months of 2022. The average balance of interest-earning assets increased \$641.0 million, or 21.3 percent, to \$3.652 billion for the twelve months of 2023, from \$3.011 billion for the twelve months of 2022, while the average yield increased 79 basis points to 5.16 percent from 4.37 percent for the same comparable period. The increase in the average balance of interest-earning assets and in interest income mainly related to an increase in the average balance of loans receivable of \$654.6 million to \$3.281 billion for the twelve months of 2023, from \$2.627 billion for the twelve months of 2022.

The \$66.8 million increase in interest expense to \$84.3 million for the twelve months of 2023, was a 381.8 percent increase from \$17.5 million for the 2022 comparable period. This increase resulted primarily from an increase in the average rate on interest-bearing liabilities of 214 basis points to 2.93 percent for the twelve months of 2023, from 0.79 percent for the twelve months of 2022, and an increase in the average balance of interest-bearing liabilities of \$667.5 million, or 30.3 percent, to \$2.873 billion from \$2.206 billion over the same comparable periods. The increase in the average cost of funds primarily resulted from the high interest rate environment and an increase in the level of borrowed funds in the twelve months of 2023 compared to the same period in 2022.

Net interest margin was 2.85 percent for the twelve months of 2023, compared to 3.78 percent for the twelve months of 2022. The decrease in the net interest margin compared to the prior period was primarily the result of an increase in the average volume of interest-bearing liabilities as well as an increase in the cost of interest-bearing liabilities.

During the twelve months of 2023, the Company recognized \$704,000 in net-charge offs compared to \$1.7 million in net-charge offs for the same period in 2022.

Non-interest income increased by \$2.5 million to \$4.1 million for the twelve months of 2023 from \$1.6 million for the twelve months of 2022. The improvement in total non-interest income was mainly related to a \$2.9 million decrease in the realized and unrealized losses on equity securities. The realized and unrealized losses on equity securities are based on market conditions.

Non-interest expense increased by \$5.1 million, or 9.2 percent, to \$60.6 million for the twelve months of 2023 from \$55.5 million for the same period in 2022. The increase in operating expenses for 2023 was driven primarily by an increase in salaries and employee benefits, an increase in regulatory assessments, and higher data processing expenses. The 2023 salaries and benefits expense includes a one-time payment of \$1.17 million to the Company's former President and Chief Executive Officer.

The income tax provision decreased by \$5.5 million or 31.7 percent, to \$12.0 million for the twelve months of 2023 from \$17.5 million for the same period in 2022. The decrease in the income tax provision was a result of the lower taxable income for the twelve months ended December 31, 2023 compared to the same period in 2022. The consolidated effective tax rate was 28.9 percent for the twelve months of 2023 compared to 27.8 percent for the twelve months of 2022.

Results of Operations for the Years Ended December 31, 2022 and 2021

The results of operations comparison of 2022 compared to 2021 can be found in the Company’s previously filed Annual Report on Form 10-K for the year-ended December 31, 2022 under Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations”- Results of Operations for the Years Ended December 31, 2022 and 2021 on pages 28 and 29.

Liquidity and Capital Resources

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 December 31, 2023 and 2022, the Company had \$0 and \$60 million in overnight borrowings outstanding with the FHLB, respectively. The Company utilizes overnight borrowings from time to time to fund short-term liquidity needs. The Company had total outstanding borrowings of \$510.4 million at December 31, 2023 as compared to \$419.8 million at December 31, 2022.

At December 31, 2023, the Company had the ability to obtain additional funding from the FHLB of \$408.3 million and \$309.2 million from the Federal Reserve Bank Discount Window, utilizing unencumbered loan collateral. The Company expects to have sufficient funds available to meet current loan commitments in the normal course of business through typical sources of liquidity. Time deposits scheduled to mature in one year or less totaled \$1.199 billion at December 31, 2023. 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 December 31, 2023 and a significant amount of available borrowing capacity with FHLB and Federal Reserve Bank Discount Window.

At December 31, 2023 and 2022, the capital ratios of the Bank exceeded the quantitative capital ratios required for an institution to be considered “well-capitalized” under prompt corrective action provisions.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Management of Market Risk

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

Quantitative Analysis. The following table presents the Company’s net portfolio value (“NPV”). These calculations were based upon assumptions believed to be fundamentally sound, although they may vary from assumptions utilized by other financial institutions. The information set forth below is based on data that included all financial instruments as of December 31, 2023. 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. Additional assumptions made in the preparation of the NPV table include prepayment rates on loans and mortgage-backed securities, core deposits without stated maturity dates were scheduled with an assumed term of 48 months, and money market and noninterest bearing accounts were scheduled with an assumed term of 24 months. 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 a decrease of 200 to 300 basis points has been excluded since it would not be meaningful in the interest rate environment as of December 31, 2023. The following sets forth the Company’s NPV as of December 31, 2023.

Change in calculation (Dollars in Thousands)	Net Portfolio Value	\$ Change from PAR	% Change from PAR	NPV as a % of Assets	
				NPV Ratio	Change
+100bp	\$ 305,247	\$ (34,563)	(10.17)	% 8.51	% (0.77) bps
PAR	339,810	-	0.00	9.28	0.00 bps
-100bp	371,622	31,812	9.36	9.94	0.66 bps
-200bp	400,009	60,199	17.72	10.47	1.19 bps
-300bp	420,099	80,289	23.63	10.76	1.48 bps

bps-basis point

The table above indicates that at December 31, 2023, in the event of a 100-basis point decrease in interest rates, we would experience a 0.66 basis point increase in NPV, as compared to a 0.02 percent decrease at December 31, 2022.

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 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of BCB Bancorp, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial condition of BCB Bancorp, Inc. (the “Company”) as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income, changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes to the consolidated financial statements (collectively, the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013 and our report dated March 8, 2024 expressed an unqualified opinion on the effectiveness of the Company’s internal control over financial reporting.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Company changed its method of accounting for the recognition and measurement of credit losses as of January 1, 2023 upon the adoption of Accounting Standards Codification Topic 326, *Financial Instruments – Credit Losses* (“ASC 326”).

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for Credit Losses – Loans Evaluated on a Collective Basis

As described in Notes 2 and 5 to the financial statements, the Company has recorded an allowance for credit losses (“ACL”) in the amount of \$33.6 million as of December 31, 2023, representing management’s estimate of credit losses over the remaining expected life of the Bank’s loan portfolio as of that date. Upon adoption of ASC 326 on January 1, 2023, the Company recorded a cumulative effect adjustment to increase opening retained earnings and decrease the ACL by \$4.2 million, net of related deferred income tax effects. Management determined these amounts, and corresponding provision for credit loss expense during the year ended December 31, 2023, pursuant to the application of ASC 326.

The Company’s methodology to determine its ACL incorporates the use of third-party software to arrive at an expected life-of-loan loss amount that incorporates a probability of default approach for commercial and commercial real estate loans and a discounted cash flow approach for residential real estate and consumer loans. Both of these approaches use industry-based loss history and Company specific prepayment rates that are adjusted based on various current and forecasted economic factors including, as relevant, home price indices, treasury yields, national and local unemployment rates and national real disposable income growth rates which incorporate reasonable and supportable forecasts. The results of these calculations are then qualitatively adjusted by management based on portfolio specific attributes including recent growth trends, credit concentrations, personnel changes and other portfolio relevant information. We determined that performing procedures relating to these components of the Company’s methodology is a critical audit matter.

The principal considerations for our determination are (i) the application of significant judgment and estimation on the part of management, which in turn led to a high degree of auditor judgment and subjectivity in performing procedures and evaluating audit evidence obtained, and (ii) significant audit effort was necessary in evaluating management’s methodology, significant assumptions and calculations.

How the Critical Audit Matter was addressed in the Audit

Following are some of the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's measurement of the collective ACL, including controls over the:

- Methodologies used to calculate the estimate
- External model validation of the third-party model for appropriateness of model usage along with recalculation of model results
- Completeness and accuracy of loan data
- Evaluation of model assumptions including economic forecasts and loss-given default rates
- Development of qualitative adjustments to model results

Addressing the above matters involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures also included, among others, reviewing the Bank's model validation ensuring appropriate recalculation of the models used along with management's review of model validation results, testing various assumptions used in the calculation, testing management's process for determining the qualitative reserve component, evaluating the appropriateness of management's methodology relating to the qualitative reserve component and testing the completeness and accuracy of data utilized by management.

/s/ Wolf & Company, P.C.
Auditor ID: 392
Boston, Massachusetts
March 8, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of BCB Bancorp, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited BCB Bancorp Inc. and subsidiaries' (the "Company") internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in 2013. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO in 2013.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the December 31, 2023 consolidated financial statements of the Company and our report dated March 8, 2024 expressed an unqualified opinion.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting in the accompanying *Management Report*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

An entity's internal control over financial reporting is a process affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. Because management's assessment and our audit were conducted to meet the reporting requirements of Section 112 of the Federal Deposit Insurance Corporation Improvement Act (FDICIA), our audit of the Company's internal control over financial reporting included controls over the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and with the instructions to the Consolidated Financial Statements for Bank Holding Companies (Form FR Y-9C) and the Federal Financial Institutions Examination Council Instructions for Consolidated Reports of Condition and Income. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that the receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction, of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

We were not engaged to, and we have not performed any procedures with respect to management's assertion regarding compliance with laws and regulations included in the accompanying *Management Report*. Accordingly, we do not express any opinion, or any other form of assurance, on management's assertion regarding compliance with laws and regulations.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors and management of the Company and regulatory authorities and is not intended to be, and should not be, used by anyone other than these specified parties.

/s/ Wolf & Company, P.C.
Auditor ID: 392
Boston, Massachusetts
March 8, 2024

BCB Bancorp, Inc. and Subsidiaries
Consolidated Statements of Financial Condition

	December 31,	
	2023	2022
(In Thousands, Except Share and Per Share Data)		
ASSETS		
Cash and amounts due from depository institutions	\$ 16,597	\$ 11,520
Interest-earning deposits	262,926	217,839
Total cash and cash equivalents	<u>279,523</u>	<u>229,359</u>
Interest-earning time deposits	735	735
Debt securities available for sale, at fair value	87,769	91,715
Equity investments	9,093	17,686
Loans held for sale	1,287	658
Loans receivable, net of allowance for credit losses of \$33,608 and \$32,373, respectively	3,279,708	3,045,331
Federal Home Loan Bank of New York stock, at cost	24,917	20,113
Premises and equipment, net	13,057	10,508
Accrued interest receivable	16,072	13,455
Other real estate owned	-	75
Deferred income taxes	18,213	16,462
Goodwill and other intangibles	5,253	5,382
Operating lease right-of-use assets	12,935	13,520
Bank-owned life insurance ("BOLI")	73,407	71,656
Other assets	10,428	9,538
Total Assets	<u>\$ 3,832,397</u>	<u>\$ 3,546,193</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Non-interest-bearing deposits	\$ 536,264	\$ 613,910
Interest bearing deposits	2,442,816	2,197,697
Total deposits	<u>2,979,080</u>	<u>2,811,607</u>
FHLB Advances	472,811	382,261
Subordinated debentures	37,624	37,508
Operating lease liability	13,315	13,859
Other liabilities	15,512	9,704
Total Liabilities	<u>3,518,342</u>	<u>3,254,939</u>
STOCKHOLDERS' EQUITY		
Preferred stock: \$0.01 par value, 10,000,000 shares authorized; issued and outstanding 2,528 shares of Series I 3.0% and Series J 8.0% (liquidation value \$10,000 per share) noncumulative perpetual preferred stock at December 31, 2023 and 2,124 shares of Series H 3.5% and Series I 3% (liquidation value \$10,000 per share) noncumulative perpetual preferred stock at December 31, 2022	-	-
Additional paid-in capital preferred stock	25,043	21,003
Common stock: no par value; 40,000,000 shares authorized, issued 20,138,294 and 19,898,197 at December 31, 2023 and December 31, 2022, respectively, outstanding 16,904,323 shares and 16,930,979 shares, at December 31, 2023 and December 31, 2022, respectively	-	-
Additional paid-in capital common stock	198,923	196,164
Retained earnings	135,927	115,109
Accumulated other comprehensive loss	(7,491)	(6,491)
Treasury stock, at cost, 3,233,971 and 2,967,218 shares at December 31, 2023 and December 31, 2022, respectively	(38,347)	(34,531)
Total Stockholders' Equity	<u>314,055</u>	<u>291,254</u>
Total Liabilities and Stockholders' Equity	<u>\$ 3,832,397</u>	<u>\$ 3,546,193</u>

See accompanying notes to consolidated financial statements.

BCB Bancorp, Inc. and Subsidiaries
Consolidated Statements of Operations

	Years Ended December 31,		
	2023	2022	2021
	(In Thousands, Except for Per Share Data)		
Interest and dividend income:			
Loans, including fees	\$ 169,559	\$ 123,577	\$ 107,660
Mortgage-backed securities	880	564	680
Other investment securities	4,226	4,167	3,274
FHLB stock dividends and other interest-earning assets	13,695	3,133	959
Total interest and dividend income	188,360	131,441	112,573
Interest expense:			
Deposits:			
Demand	16,915	5,283	4,335
Savings and club	620	449	505
Certificates of deposit	39,157	6,889	6,160
	56,692	12,621	11,000
Borrowings	27,606	4,875	4,180
Total interest expense	84,298	17,496	15,180
Net interest income	104,062	113,945	97,393
Provision (benefit) for credit losses	6,104	(3,075)	3,855
Net interest income after provision (benefit) for credit losses	97,958	117,020	93,538
Non-interest income:			
Fees and service charges	5,334	4,816	3,972
BOLI income	1,751	2,671	2,952
Gain on sales of loans	36	129	667
(Loss) gain on sale of impaired loans held in portfolio	-	-	(64)
Gain on sales of other real estate owned	77	-	11
Gain on sale of premises	-	-	371
Realized and unrealized (loss) gain on equity investments	(3,361)	(6,269)	147
Other	251	248	639
Total non-interest income	4,088	1,595	8,695
Non-interest expense:			
Salaries and employee benefits	30,827	28,021	26,410
Occupancy and equipment	10,340	10,627	11,360
Data processing service fees	6,968	6,033	6,024
Professional fees	2,735	3,766	1,919
Director fees	1,083	1,253	1,043
Regulatory assessments	3,585	1,243	1,310
Advertising and promotional	1,348	941	554
Other real estate owned, net	7	10	35
Loss from extinguishment of debt	-	-	1,597
Other	3,698	3,611	3,723
Total non-interest expense	60,591	55,505	53,975
Income before income tax provision	41,455	63,110	48,258
Income tax provision	11,972	17,531	14,018
Net Income	\$ 29,483	\$ 45,579	\$ 34,240
Preferred stock dividends	702	796	1,160
Net Income available to common stockholders	\$ 28,781	\$ 44,783	\$ 33,080
Net Income per common share-basic and diluted			
Basic	\$ 1.71	\$ 2.64	\$ 1.94
Diluted	\$ 1.70	\$ 2.58	\$ 1.92
Weighted average number of common shares outstanding			
Basic	16,870	16,969	17,063
Diluted	16,932	17,349	17,239

See accompanying notes to consolidated financial statements.

BCB Bancorp, Inc. and Subsidiaries**Consolidated Statements of Comprehensive Income**

	2023	Years Ended December 31, 2022	2021
		(In Thousands)	
Net Income	\$ 29,483	\$ 45,579	\$ 34,240
Other comprehensive income (loss), net of tax:			
Unrealized losses on available-for-sale securities:			
Unrealized holding losses arising during the period	(1,493)	(10,327)	(242)
Reclassification adjustment for gains realized in income	-	-	-
Net unrealized losses	(1,493)	(10,327)	(242)
Tax effects	355	2,560	60
Net-of-tax amount	(1,138)	(7,767)	(182)
Benefit Plans:			
Actuarial gain	131	212	2,165
Income tax benefit (expense)	7	(64)	(650)
Net-of-tax amount	138	148	1,515
Total other comprehensive (loss) income	(1,000)	(7,619)	1,333
Comprehensive income	\$ 28,483	\$ 37,960	\$ 35,573

See accompanying notes to consolidated financial statements.

BCB Bancorp, Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity

	Preferred Stock	Common Stock	Additional Paid In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	(In Thousands, Except Per Share Data)						
Balance at December 31, 2020	\$ -	\$ -	\$ 217,999	\$ 58,335	\$ (26,918)	\$ (205)	\$ 249,211
Net income	-	-	-	34,240	-	-	34,240
Other comprehensive income	-	-	-	-	-	1,333	1,333
Redemption of Series C and F Preferred Stock	-	-	-	-	-	-	-
Issuance of Series I Preferred Stock	-	-	3,200	-	-	-	3,200
Exercise of Stock Options (39,291 shares)	-	-	287	-	-	-	287
Stock-based compensation expense	-	-	417	-	-	-	417
Dividends payable on Series D 4.5%, Series G 6%, Series H 3.5% and Series I 3.0% noncumulative perpetual preferred stock	-	-	-	(1,160)	-	-	(1,160)
Cash dividends on common stock (\$0.14 per share declared for the first two quarters ended June 30, 2021, and \$0.16 per share for the last two quarters ended December 31, 2021).	-	-	-	(9,775)	-	-	(9,775)
Dividend Reinvestment Plan	-	-	469	(469)	-	-	-
Stock Purchase Plan	-	-	478	-	-	-	478
Treasury Stock Purchases (301,024 shares)	-	-	-	-	(4,207)	-	(4,207)
Balance at December 31, 2021	\$ -	\$ -	\$ 222,850	\$ 81,171	\$ (31,125)	\$ 1,128	\$ 274,024
Net income	-	-	-	45,579	-	-	45,579
Other comprehensive income	-	-	-	-	-	(7,619)	(7,619)
Redemption of Series D and G Preferred Stock	-	-	(14,730)	-	-	-	(14,730)
Issuance of Series I Preferred Stock	-	-	6,810	-	-	-	6,810
Exercise of Stock Options (72,846 shares)	-	-	220	-	-	-	220
Stock-based compensation expense	-	-	1,132	-	-	-	1,132
Dividends payable on Series D 4.5%, Series G 6%, Series H 3.5% and Series I 3% noncumulative perpetual preferred stock	-	-	-	(796)	-	-	(796)
Cash dividends on common stock (\$0.64 per share declared)	-	-	-	(10,379)	-	-	(10,379)
Dividend Reinvestment Plan	-	-	466	(466)	-	-	-
Stock Purchase Plan	-	-	419	-	-	-	419
Treasury Stock Purchases (198,976 shares)	-	-	-	-	(3,406)	-	(3,406)
Balance at December 31, 2022	\$ -	\$ -	\$ 217,167	\$ 115,109	\$ (34,531)	\$ (6,491)	\$ 291,254
Effect of adopting ASU No. 2016-13 ("CECL")	-	-	-	2,870	-	-	2,870
Beginning Balance at January 1, 2023	-	-	217,167	117,979	(34,531)	(6,491)	294,124
Net income	-	-	-	29,483	-	-	29,483
Other comprehensive income	-	-	-	-	-	(1,000)	(1,000)
Redemption of Series H Preferred Stock	-	-	(11,230)	-	-	-	(11,230)
Issuance of Series J Preferred Stock	-	-	15,270	-	-	-	15,270
Exercise of Stock Options (51,372 shares)	-	-	418	-	-	-	418
Stock-based compensation expense	-	-	593	-	-	-	593
Dividends payable on Series H 3.5%, Series I 3.0% and Series J 8% noncumulative perpetual preferred stock	-	-	-	(702)	-	-	(702)
Cash dividends on common stock (\$0.64 per share declared)	-	-	-	(10,440)	-	-	(10,440)
Dividend Reinvestment Plan	-	-	393	(393)	-	-	-
Stock Purchase Plan	-	-	1,355	-	-	-	1,355
Treasury Stock Purchases (266,753 shares)	-	-	-	-	(3,816)	-	(3,816)
Ending balance at December 31, 2023	\$ -	\$ -	\$ 223,966	\$ 135,927	\$ (38,347)	\$ (7,491)	\$ 314,055

See accompanying notes to consolidated financial statements.

BCB Bancorp, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

	Years Ended December 31,		
	2023	2022	2021
Cash flows from Operating Activities:	(In Thousands)		
Net income	\$ 29,483	\$ 45,579	\$ 34,240
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of premises and equipment	1,978	2,246	2,989
Amortization and accretion, net	(2,533)	(1,607)	(767)
Provision (benefit) for credit losses	6,104	(3,075)	3,855
Deferred income tax benefit	(2,537)	(1,007)	(975)
Loans originated for sale	(2,964)	(6,608)	(26,159)
Proceeds from sale of loans	2,371	7,031	29,404
Gains on sales of loans	(36)	(129)	(667)
Fair value adjustment of OREO	-	-	6
Gain on sales of premises	-	-	(371)
Realized and unrealized loss (gain) on equity investments	3,361	6,269	(147)
(Gain) loss from sales of other real estate owned	(77)	-	(11)
Loss (gain) on sale of impaired loans	-	-	64
Increase in cash surrender value of BOLI	(1,751)	(2,671)	(2,952)
Stock-based compensation expense	593	1,132	417
Net change in accrued interest receivable	(2,617)	(4,272)	3,741
Net change in other assets	(890)	(1,552)	1,025
Net change in accrued interest payable	2,704	2,022	(412)
Net change in other liabilities	1,969	(2,469)	2,613
Net Cash Provided by Operating Activities	35,158	40,889	45,893
Cash flows from Investing Activities:			
Proceeds from repayments, calls, and maturities on securities	14,745	10,102	32,597
Purchases of securities	(12,498)	(27,468)	(26,141)
Proceeds from sales of securities	5,232	1,232	-
Proceeds from sales of premises	-	-	742
Purchase of BOLI	-	-	(8,500)
Proceeds from BOLI	-	3,500	-
Proceeds from sales of other real estate owned	152	-	425
Proceeds from bulk sale of impaired loans held in portfolio	-	-	3,442
Net increase in loans receivable	(231,622)	(734,321)	(15,148)
Additions to premises and equipment	(4,527)	(518)	(325)
(Purchase) sale of Federal Home Loan Bank of New York stock	(4,804)	(14,029)	5,240
Net Cash Used In Investing Activities	(233,322)	(761,502)	(7,668)
Cash flows from Financing Activities:			
Net increase in deposits	167,473	250,205	243,352
Proceeds from Federal Home Loan Bank of New York Long Term Advances	400,000	150,000	10,000
Repayments Federal Home Loan Bank of New York Long Term Advances	(150,000)	-	(130,000)
Net change in Federal Home Loan Bank of New York Short Term Advances	(160,000)	160,000	-
Purchase of treasury stock	(3,816)	(3,406)	(4,207)
Cash dividends paid on common stock	(10,440)	(10,379)	(9,775)
Cash dividends paid on preferred stock	(702)	(796)	(1,160)
Net proceeds from issuance of common stock	1,355	419	478
Net proceeds from issuance of preferred stock	15,270	6,810	3,200
Payments for redemption of preferred stock	(11,230)	(14,730)	-
Exercise of stock options	418	220	287
Net Cash Provided by (Used In) Financing Activities	248,328	538,343	112,175
Net Increase (Decrease) in Cash and Cash Equivalents	50,164	(182,270)	150,400
Cash and Cash Equivalents-Beginning	229,359	411,629	261,229
Cash and Cash Equivalents-Ending	\$ 279,523	\$ 229,359	\$ 411,629

BCB Bancorp, Inc. and Subsidiaries**Consolidated Statements of Cash Flows**

	<u>2023</u>	<u>Years Ended December 31,</u>		<u>2021</u>
		2022		
		(In Thousands)		
Supplementary Cash Flow Information				
Cash paid during the year for:				
Income taxes	\$	18,027	\$ 18,804	\$ 12,020
Interest	\$	81,594	\$ 15,475	\$ 15,592
Non-cash items:				
Transfer of loans to other real estate owned	\$	-	\$ -	\$ 81

See accompanying notes to consolidated financial statements.

Note 1 - Organization

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

Note 2 - Summary of Significant Accounting Policies

Basis of Consolidated Financial Statement Presentation

The consolidated financial statements which include the accounts of the Company and its wholly-owned subsidiaries, the Bank, the New Jersey Investment Company, BCB Capital Finance Group LLC, and Special Asset REO 2, LLC have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”). All significant intercompany accounts and transactions have been eliminated in consolidation.

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses for the years then ended. Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for credit losses and a determination as to possible impairment of goodwill. Management believes that the allowance for credit losses is adequate. While management uses available information to recognize losses on loans, future additions to the allowance for credit losses may be necessary based on changes in economic conditions in the market area. Management’s assessment regarding impairment of securities is based on future projections of cash flow which are subject to change. Management performed a quantitative assessment of goodwill and determined there was no impairment as of December 31, 2023.

In addition, various regulatory agencies, as an integral part of their examination process, periodically review the Bank’s allowance for credit losses. Such agencies may require the Bank to recognize additions to the allowance based on their judgments about information available to them at the time of their examination.

In preparing these consolidated financial statements, the Company evaluated the events that occurred between December 31, 2023 and the date these consolidated financial statements were issued.

Cash and Cash Equivalents

Cash and cash equivalents include cash and amounts due from depository institutions and interest-earning deposits in other banks having original maturities of three months or less.

Note 2 - Summary of Significant Accounting Policies (continued)

Debt Securities

Investments in debt securities that the Bank has the positive intent and ability to hold to maturity are classified as held-to-maturity securities and reported at amortized cost. Debt securities that are bought and held principally for the purpose of selling them in the near-term are classified as trading securities and reported at fair value, with unrealized holding gains and losses included in earnings. Debt securities not classified as trading securities or as held-to-maturity securities are classified as available-for-sale securities ("AFS") and reported at fair value, with unrealized holding gains or losses, net of applicable deferred income taxes, reported in the accumulated other comprehensive income (loss) component of stockholders' equity. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method. There were no debt securities classified as held-to-maturity on December 31, 2023 and 2022.

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

Discounts on securities are amortized/accreted to maturity using the interest method. Premiums on securities are amortized to maturity or the earliest call date for callable securities using the interest method. Interest and dividend income on securities, which includes amortization of premiums and accretion of discounts, are recognized in the consolidated financial statements when earned.

Loans Held For Sale

Loans held for sale consist primarily of residential mortgage loans intended for sale and are carried at the lower of cost or estimated fair market value using the aggregate method. These loans are generally sold with servicing rights released. Gains and losses recognized on loan sales are based upon the cash proceeds received and the cost of the related loans sold.

Loans Receivable

Loans receivable are stated at unpaid principal balances, less net deferred loan origination fees and the allowance for credit losses. Loan origination fees and certain direct loan origination costs are deferred and amortized/accreted, as an adjustment of yield, over the contractual lives of the related loans.

Generally, the accrual of interest on loans that are contractually delinquent more than ninety days is discontinued and the related loans are placed on nonaccrual status. All payments received while in nonaccrual status, are applied to principal until the loan has performed as expected for a minimum of six (6) months or until the loan is determined to qualify for return to normal accruing status. Loans may be returned to accrual status when all the principal and interest contractually due are brought current and future payments are reasonably assured.

Concentration of Risk

Financial instruments which potentially subject the Company and its subsidiaries to concentrations of credit risk consist of cash and cash equivalents, investment and mortgage-backed securities and loans.

Cash and cash equivalents include amounts placed with highly rated financial institutions. Securities include securities backed by the U.S. Government and other highly rated instruments. The Bank's lending activity is primarily concentrated in loans collateralized by real estate in the State of New Jersey and the New York metropolitan area as a result, credit risk related to loans is broadly dependent on the real estate market and general economic conditions in the area.

Note 2 - Summary of Significant Accounting Policies (continued)**Allowance for Credit losses**

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

Allowance for Credit Losses on Loans Receivable

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

The Company has chosen to segment its portfolio consistent with the manner in which it manages credit risk. The Company calculates estimated credit losses for these loan segments using quantitative models and qualitative factors. Further information on loan segmentation and the credit loss estimation is included in Note 5 – Loan Receivables and Allowance for Credit Losses.

Individually Evaluated Loans

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

Allowance for Credit Losses on Off-Balance Sheet Commitments

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

Allowance for Credit Losses on Available-for-Sale Securities

For available-for-sale securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more than likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For securities available-for-sale that do not meet the above criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, the Company considers the extent to which fair value is less than amortized cost and adverse conditions related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of the cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income, net of tax. The Company elected the practical expedient of zero loss estimates for securities issued by U.S. government entities and agencies. These securities are either explicitly or implicitly guaranteed by the U.S. government, are highly 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 statement of financial condition.

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

Premises and Equipment

Land is carried at cost. Buildings, building improvements, leasehold improvements and furniture, fixtures and equipment are carried at cost less accumulated depreciation and amortization. Significant renovations and additions are charged to the property and equipment account. Maintenance and repairs are charged to expense in the period incurred. Depreciation charges are computed on the straight-line method over the following estimated useful lives of each type of asset.

	Years
Buildings	40
Building improvements	7 - 40
Furniture, fixtures and equipment	5 - 7
Leasehold improvements	Shorter of useful life or term of lease

Note 2 - Summary of Significant Accounting Policies (continued)

Federal Home Loan Bank of New York Stock

Federal law requires a member institution of the FHLB system to purchase and hold restricted stock of its district FHLB according to a predetermined formula. Such stock is carried at cost. The Company reviews for impairment based on the ultimate recoverability of the cost basis of the stock. No impairment charges were recorded related to the FHLB of New York stock during 2023, 2022 or 2021.

Other Real Estate Owned

Assets acquired through, or in lieu of, loan foreclosures are held for sale and are initially recorded at fair value less cost to sell at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Costs relating to development and improvement of property are capitalized, whereas costs relating to the holding of property are expensed. At December 31, 2023 the Bank owned no properties. At December 31, 2022, the Bank owned one property totaling \$75,000.

Interest Rate Risk

The Bank is principally engaged in the business of attracting deposits from the general public and using these deposits, together with other funds, to make loans primarily secured by real estate and to purchase securities. The potential for interest-rate risk exists as a result of the difference in duration of the Bank's interest-sensitive liabilities compared to its interest-sensitive assets. For this reason, management regularly monitors the maturity structure of the Bank's interest-earning assets and interest-bearing liabilities in order to measure its level of interest-rate risk and to plan for future volatility.

Fair Value Hierarchy

ASC Topic 820, Fair Value Measurements and Disclosures, 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 or 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's 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.

Mortgage Servicing Rights

The Company recognizes as separate assets the rights to service mortgage loans. The right to service loans for others is generally obtained through the sale of loans with servicing retained. The initial asset recognized for originated mortgage servicing rights ("MSR") is measured at fair value. The estimated fair value of MSR is obtained through independent third-party valuations through an analysis of future cash flows, incorporating assumptions market participants would use in determining fair value including market discount rates, prepayment speeds, servicing income, servicing costs, default rates and other market driven data, including the market's perception of future interest rate movements. MSR are amortized in proportion to and over the period of estimated net servicing income. We apply the amortization method for measurements of our MSR. MSR are assessed for impairment based on fair value at each reporting date. MSR impairment, if any, is recognized in a valuation allowance through charges to earnings as a component of fees and service charges. Subsequent increases in the fair value of impaired MSR are recognized only up to the amount of the previously recognized valuation allowance. Fees earned for servicing loans are reported as income when the related mortgage loan payments are collected.

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales, when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Bank-Owned Life Insurance

Bank-Owned Life Insurance policies are reflected on the consolidated statements of financial condition at cash surrender value. Changes in the net cash surrender value of the policies, as well as insurance proceeds received in excess of carrying value, are reflected in non-interest income on the consolidated statements of operations and are not subject to income taxes.

Goodwill and Other Intangible Assets

Goodwill resulting from a business combination is generally determined as the excess of the fair value of the consideration transferred over the fair value of the net assets acquired as of the acquisition date. Goodwill acquired in a business combination and determined to have an indefinite useful life is not amortized, but tested for impairment at least annually. The Company has selected October 31 as the date to perform the annual goodwill impairment test.

Income Taxes

The Company and its subsidiaries file a consolidated federal income tax return. Income taxes are allocated to the Company and its subsidiaries based upon their respective income or loss included in the consolidated income tax return. Separate state income tax returns are filed by the Company and its subsidiaries.

Note 2 – Summary of Significant Accounting Policies (continued)

Federal and state income tax expense has been provided on the basis of reported income. The amounts reflected on the tax returns differ from these provisions due principally to temporary differences in the reporting of certain items for financial reporting and income tax reporting purposes. The tax effect of these temporary differences is accounted for as deferred taxes applicable to future periods. Deferred income tax expense or (benefit) is determined by recognizing deferred tax assets and liabilities for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. The realization of deferred tax assets is assessed and a valuation allowance provided, when necessary, for that portion of the asset which is not more likely than not to be realized.

The Company accounts for uncertainty in income taxes recognized in the consolidated financial statements in accordance with ASC Topic 740, *Income Taxes*, which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that has a likelihood of being realized on examination of more than 50 percent. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. Under the “more likely than not” threshold guidelines, the Company believes no significant uncertain tax positions exist, either individually or in the aggregate, that would give rise to the non-recognition of an existing tax benefit. The Company recognizes interest and penalties on unrecognized tax benefits in income taxes expense in the consolidated statement of operations. The Company did not recognize any interest and penalties for the years ended December 31, 2023, 2022, or 2021. The tax years subject to examination by the Federal taxing authority are the years ended December 31, 2022, 2021, and 2020. The tax years subject to examination by the State taxing authorities are the years ended December 31, 2022, 2021, and 2020. In 2022, the Company received notice that it had been selected for audit by the State of New Jersey for the years ending December 31, 2020, 2019, and 2018. The audit was completed in 2022 and resulted in a nominal audit adjustment. In 2022, the Company received notice that it had been selected for an audit by the City of New York for the years ending December 31, 2020, 2019, 2018, and 2017. The audit was completed in 2022 and resulted in a nominal audit adjustment.

Net Income per Common Share

Basic net income per common share is computed by dividing net income less dividends on preferred stock by the weighted average number of shares of common stock outstanding. The diluted net income per common share is computed by adjusting the weighted average number of shares of common stock outstanding to include the effects of outstanding stock options, if dilutive, using the treasury stock method. Dilution is not applicable in periods of net loss. For the years ended December 31, 2023 and 2022, the difference in the weighted average number of basic and diluted common shares was due solely to the effects of outstanding stock options. No adjustments to net income were necessary in calculating basic and diluted net income per share. For the year ended December 31, 2023, the Company had 6,476 shares considered to be anti-dilutive. For the year ended December 31, 2022, the Company had no shares considered to be anti-dilutive.

	For the Year Ended December 31,								
	2023			2022			2021		
	Net Income (Numerator)	Shares (Denominator)	Per Share Amount	Net Income (Numerator)	Shares (Denominator)	Per Share Amount	Net Income (Numerator)	Shares (Denominator)	Per Share Amount
	(In Thousands, Except per share data)								
Net income	\$ 29,483			\$ 45,579			\$ 34,240		
Basic earnings per share-									
Income available to									
Common stockholders	\$ 28,781	16,870	\$ 1.71	\$ 44,783	16,969	\$ 2.64	\$ 33,080	17,063	\$ 1.94
Effect of dilutive securities:									
Stock options		62			380			176	
Diluted earnings per share-									
Income available to									
Common stockholders	\$ 28,781	16,932	\$ 1.70	\$ 44,783	17,349	\$ 2.58	\$ 33,080	17,239	\$ 1.92

Stock-Based Compensation Plans

The Company, under plans approved by its stockholders in 2018 and 2011, has granted stock options to employees and outside directors. See Note 12 for additional information as to option grants. Compensation expense recognized for option grants is net of estimated forfeitures and is recognized over the awards’ respective requisite service periods. The fair values relating to options granted are estimated using a Black-Scholes option pricing model. Expected volatilities are based on historical volatility of the Company’s stock and other factors, such as implied market volatility using the respective options’ expected term. The Company used the mid-point of the original vesting period and original option life to estimate the options’ expected term, which represents the period of time that the options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The Company recognizes compensation expense for the fair values of option awards, which have graded vesting, on a straight-line basis.

Benefit Plans

The Company acquired, through the merger with Pamrapo Bancorp, Inc., a non-contributory defined benefit pension plan covering all eligible employees of Pamrapo Savings Bank. Effective January 1, 2010, the defined benefit pension plan (the “Pension Plan”), was frozen by Pamrapo Savings Bank. All benefits for eligible participants accrued in the Pension Plan to January 1, 2010 have been retained. The benefits are based on years of service and employee’s compensation. The Pension Plan is funded in conformity with funding requirements of applicable government regulations. Prior service costs for the Pension Plan generally are amortized over the estimated remaining service periods of employees.

Note 2 – Summary of Significant Accounting Policies (continued)

The Bank entered into a Supplemental Executive Retirement Agreement (the “SERP Agreement”) with its Chief Executive Officer (“the CEO”) in December 2021. Upon the CEO’s retirement, the Bank will provide for a monthly retirement payment for his lifetime. The SERP Agreement provides that a retirement benefit is payable upon his attaining age sixty-five (65) while in service to the Bank and a lesser benefit is payable upon early retirement. The SERP Agreement provides the CEO with supplemental retirement income payable in the form of a life annuity. Upon the Executive’s separation from service after reaching normal retirement age (age 65), for any reason other than death, benefit payments will commence on the first day of the second month following CEO’s separation from service, payable monthly and continuing for the CEO’s lifetime. The monthly benefit payment will be \$10,000. The amount charged to expense follows the vesting schedule in the SERP Agreement and was \$350,000 and \$328,000, during the years ended December 31, 2023 and 2022, respectively.

Comprehensive Income (Loss)

The Company records unrealized gains and losses, net of deferred income taxes, on securities available-for-sale in accumulated other comprehensive income (loss). Realized gains and losses, if any, are reclassified to non-interest income upon sale of the related securities or upon the recognition of an impairment loss. Accumulated other comprehensive income (loss) also includes benefit plan amounts recognized in accordance with ASC 715, *Compensation-Retirement Benefits*, which reflect, net of tax, the unrecognized actuarial gains (losses) on the benefit plans.

Recent Accounting Pronouncements

In March 2022, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2022-02, *Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*. The amendments in this update eliminate the existing accounting guidance for troubled debt restructures (“TDRs”) by creditors in *Subtopic 310-40, Receivables - Troubled Debt Restructurings by Creditors* and instead requires that an entity evaluate whether a modification represents a new loan or a continuation of an existing loan. The amendments also enhance disclosure requirements for certain loan refinancing and restructuring by creditors when a borrower is experiencing financial difficulty. All amendments in this update are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company adopted ASU 2016-13 on January 1, 2023. The adoption of this standard did not have a material effect on the Company’s financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses* ASU 2016-13, and related guidance, requires entities to report “expected” credit losses on financial instruments and other commitments to extend credit rather than the current “incurred loss” model. The Company adopted ASU 2016-13 on January 1, 2023 for all financial assets measured at amortized cost and off-balance sheet credit exposures using the modified retrospective method. Results for the twelve months ended December 31, 2023 are presented under Accounting Standards Codification 326, *Financial Instruments - Credit Losses*, while prior period amounts continue to be reported with previously applicable GAAP and have not been restated. Effective January 1, 2023, the Company recorded a \$4.2 million decrease in allowance for credit losses on loans that is referred to as the current expected credit loss (“CECL”) methodology (previously allowance for loan losses), an elimination of \$1.1 million of reserves related to acquired loans, and a \$1.3 million increase related to allowance for off-balance sheet credit exposures included in other liabilities section of the consolidated statements of financial condition, which resulted in a total cumulative effect adjustment of \$2.9 million and an increase to retained earnings a component of the stockholders’ equity (net of tax). Further information regarding the impact of CECL can be found in Note 5 – Loan Receivable and Allowance for Credit Losses.

Note 3 - Related Party Transactions

The Bank leases a property from New Bay, LLC. (“New Bay”), a limited liability company 100 percent owned by Directors of the Bank and the Company. In conjunction with the lease, New Bay substantially removed the pre-existing structure on the site and constructed a new building suitable to the Bank for its banking operations. Under the terms of the lease, the cost of this project was reimbursed to New Bay by the Bank. The amount reimbursed, which occurred during the year 2000, was \$943,000, and is included in property and equipment under the caption “Building and improvements” (see Note 6). On May 1, 2006, the Bank renegotiated the lease to a twenty-five-year term. The Bank paid New Bay \$165,000 a year (\$13,750 per month) which is included in the consolidated statements of operations for 2023, 2022 and 2021, within occupancy expense. The rent is to be adjusted every five years thereafter at the fair market rental value. The Bank expects to pay \$165,000 in rental expense for the year 2024.

On March 6, 2014, the Bank entered into a ten-year lease of property in Rutherford, New Jersey with 190 Park Avenue, LLC, which is owned by Directors of the Bank and the Company. The rent is \$7,816 per month and lease payments of \$105,000, \$102,000 and \$99,000 were made in years 2023, 2022 and 2021, which is reflected in the consolidated statements of operations within occupancy expense. The Bank expects to pay \$31,264 in rental expense for the year 2024.

On August 3, 2018, the Bank entered in to a ten-year lease of property in River Edge, New Jersey with 876 Kinderkamack, LLC, which is owned by a majority of the Directors of the Bank and the Company. The rent is \$8,240 per month and lease payments of \$97,000, \$96,000 and \$96,000 were made in the years 2023, 2022 and 2021, which is reflected in the consolidated statements of operations within occupancy expense. The Bank expects to pay \$98,880 in rental expense for the year 2024.

On April 2, 2021, the Bank renewed a five-year lease of property in Lyndhurst, New Jersey with 734 Ridge Realty, LLC, which is owned by Directors of the Bank and the Company. The rent is \$7,718 per month and lease payments of \$93,000, \$93,000 and \$91,000 were made in years 2023, 2022 and 2021, which is reflected in the consolidated statements of operations within occupancy expense. The Bank expects to pay \$93,000 in rental expense for the year 2024.

During the year ended December 31, 2022, legal fees were paid to a law firm owned by a Director of the Bank and the Company totaling \$75,000. No payments were made during the years ended December 31, 2023 and 2021.

Note 4 - Securities

Equity Securities

Equity securities are reported at fair value on the Company’s consolidated statements of financial condition. The Company’s portfolio of equity securities had an estimated fair value of \$9.1 million and \$17.7 million as of December 31, 2023 and December 31, 2022, respectively. Included in this category are equity holdings of financial institutions. 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.

Equity securities are generally required to be measured at fair value with market value adjustments being reflected in net income.

Note 4- Securities (continued)

The following table presents the disaggregated net gains and losses on equity securities reported in the consolidated statements of operations (In Thousands):

	For the Twelve Months Ended December 31, 2023	For the Twelve Months Ended December 31, 2022	For the Twelve Months Ended December 31, 2021
Net gains (losses) recognized during the period on equity securities	\$ (3,361)	\$ (6,269)	\$ 147
Less: Net gains (losses) recognized during the period on equity securities sold during the period	(24)	(59)	-
Unrealized gains (losses) recognized during the reporting period on equity securities still held at the reporting date	\$ (3,337)	\$ (6,210)	\$ 147

Debt Securities Available-for-Sale

The following table sets forth information regarding the amortized cost, estimated fair values, and unrealized gains and losses for the Bank's debt securities portfolio at December 31 by final contractual maturity. The following table does not take into consideration the effects of scheduled repayments or the effects of possible prepayments. Certain securities have interest rates that are adjustable and will reprice annually within the various maturity ranges. The effect of these repricings are not reflected in the table below.

	December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
Residential Mortgage-backed securities:				
More than one to five years	\$ 605	\$ -	\$ 24	\$ 581
More than five to ten years	4,147	-	230	3,917
More than ten years	32,833	192	2,910	30,115
Sub-total:	37,585	192	3,164	34,613
Corporate Debt Securities:				
More than one to five years	8,981	-	197	8,784
More than five to ten years	50,583	-	6,211	44,372
Sub-total:	59,564	-	6,408	53,156
Total Debt Securities Available-for-Sale	\$ 97,149	\$ 192	\$ 9,572	\$ 87,769
	December 31, 2022			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In Thousands)			
Residential Mortgage-backed securities				
More than five to ten years	\$ 5,445	\$ -	\$ 350	\$ 5,095
More than ten years	23,210	-	3,435	19,775
Sub-total:	28,655	-	3,785	24,870
Corporate Debt Securities:				
Due within one year	7,321	-	91	7,230
More than five to ten years	59,629	-	4,005	55,624
Sub-total:	66,950	-	4,096	62,854
Municipal obligations:				
Due after ten years	3,997	-	6	3,991
Sub-total:	3,997	-	6	3,991
Total Debt Securities Available-for-Sale	\$ 99,602	\$ -	\$ 7,887	\$ 91,715

Note 4 - 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:

	Less than 12 Months		More than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(In Thousands)					
December 31, 2023						
Residential mortgage-backed securities	\$ 5,316	\$ 98	\$ 22,153	\$ 3,066	\$ 27,469	\$ 3,164
Corporate Debt Securities	-	-	51,856	6,408	51,856	6,408
	<u>\$ 5,316</u>	<u>\$ 98</u>	<u>\$ 74,009</u>	<u>\$ 9,474</u>	<u>\$ 79,325</u>	<u>\$ 9,572</u>
December 31, 2022						
Residential mortgage-backed securities	\$ 17,362	\$ 2,022	\$ 7,508	\$ 1,763	\$ 24,870	\$ 3,785
Corporate Debt Securities	51,607	3,199	9,948	897	61,555	4,096
Municipal obligations	3,991	6			3,991	6
	<u>\$ 72,960</u>	<u>\$ 5,227</u>	<u>\$ 17,456</u>	<u>\$ 2,660</u>	<u>\$ 90,416</u>	<u>\$ 7,887</u>

Note 5 - Loans Receivable and Allowance for Credit losses

The following table presents the recorded investment in loans receivable at December 31, 2023 and December 31, 2022 by segment and class:

	December 31, 2023		December 31, 2022	
	(In Thousands)			
Loans:				
Residential one-to-four family	\$	248,295	\$	250,123
Commercial and multi-family		2,434,115		2,345,229
Construction		192,816		144,931
Commercial business ⁽¹⁾		372,202		282,007
Home equity ⁽²⁾		66,331		56,888
Consumer		3,643		3,240
Total Loans		<u>3,317,402</u>		<u>3,082,418</u>
Less:				
Deferred loan fees, net		(4,086)		(4,714)
Allowance for credit losses		(33,608)		(32,373)
		<u>(37,694)</u>		<u>(37,087)</u>
Total Loans, net	\$	<u>3,279,708</u>	\$	<u>3,045,331</u>

(1) Includes business lines of credit.

(2) Includes home equity lines of credit.

The Company occasionally transfers a portion of its originated commercial loans to participating lending partners. The amounts transferred have been accounted for as sales and are therefore not included in the Company's accompanying consolidated statements of financial condition. The Company and its lending partners share proportionally in any gains or losses that may result from a borrower's lack of compliance with contractual terms of the loan. The Company continues to service the loans, collects cash payments from the borrowers, remits payments (net of servicing fees), and disburses required escrow funds to relevant parties.

Note 5 - Loans Receivable and Allowance for Credit losses (continued)

At December 31, 2023 and 2022, loans serviced by the Bank for the benefit of others totaled \$135.4 million and \$159.3 million, respectively.

Related-Party Loans

The Bank grants loans to its officers and directors and to their associates. The activity with respect to loans to directors, officers and associates of such persons, is as follows:

	Years Ended December 31,	
	2023	2022
	(In Thousands)	
Balance – beginning	\$ 26,265	\$ 31,696
Loans originated	2,882	-
Collections of principal	(939)	(5,431)
Balance - ending	<u>\$ 28,208</u>	<u>\$ 26,265</u>

Allowance for Credit losses

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

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

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

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

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

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

Commercial business lending, including lines of credit, is generally considered higher risk due to the concentration of principal in a limited number of loans and borrowers and the effects of general economic conditions on the business. Commercial business loans are primarily secured by inventories and other business assets. In many cases, any repossessed collateral for a defaulted commercial business loans will not provide an adequate source of repayment of the outstanding loan balance.

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

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

Note 5- Loans Receivable and Allowance for Credit losses (continued)

The following tables set forth the activity in the Bank's allowance for credit losses and recorded investment in loans receivable at December 31, 2023 and December 31, 2022. The table also details the amount of total loans receivable, that are evaluated individually, and collectively, for impairment, and the related portion of the allowance for credit losses that is allocated to each loan class (In Thousands):

	Residential	Commercial & Multi-family	Construction	Commercial Business (1)	Home Equity (2)	Consumer	Unallocated	Total
Allowance for credit losses:								
Ending Balance, December 31, 2022	2,474	21,749	2,094	5,367	485	24	180	32,373
Effect of adopting ASU No. 2016-13 ("CECL")	144	(7,123)	1,387	1,418	182	7	(180)	(4,165)
Beginning Balance, January 1, 2023	\$ 2,618	\$ 14,626	\$ 3,481	\$ 6,785	\$ 667	\$ 31	\$ -	\$ 28,208
Charge-offs:	-	-	-	(805)	-	-	-	(805)
Recoveries:	45	-	-	40	16	-	-	101
Provision (benefit):	(319)	1,675	360	4,333	8	47	-	6,104
Ending Balance, December 31, 2023	\$ 2,344	\$ 16,301	\$ 3,841	\$ 10,353	\$ 691	\$ 78	\$ -	\$ 33,608
Ending Balance attributable to loans:								
Individually evaluated	\$ -	\$ 990	\$ 310	\$ 2,929	\$ -	\$ -	\$ -	\$ 4,229
Collectively evaluated	2,344	15,311	3,531	7,424	691	78	-	29,379
Ending Balance, December 31, 2023	\$ 2,344	\$ 16,301	\$ 3,841	\$ 10,353	\$ 691	\$ 78	\$ -	\$ 33,608
Loans Receivables:								
Individually evaluated	\$ 444	\$ 42,259	\$ 4,292	\$ 6,812	\$ 212	\$ -	\$ -	\$ 54,019
Collectively evaluated	247,851	2,391,856	188,524	365,390	66,119	3,643	-	3,263,383
Total Gross Loans	\$ 248,295	\$ 2,434,115	\$ 192,816	\$ 372,202	\$ 66,331	\$ 3,643	\$ -	\$ 3,317,402

- (1) Includes business lines of credit.
(2) Includes home equity lines of credit.

	Residential	Commercial & Multi-family	Construction	Commercial Business (1)	Home Equity (2)	Consumer	Unallocated	Total
Allowance for credit losses:								
Beginning Balance, December 31, 2021	\$ 4,094	\$ 22,065	\$ 2,231	\$ 8,000	\$ 533	\$ 14	\$ 182	\$ 37,119
Charge-offs:	-	-	-	(2,095)	-	-	-	(2,095)
Recoveries:	23	-	-	191	12	198	-	424
Provision (benefit):	(1,643)	(316)	(137)	(729)	(60)	(188)	(2)	(3,075)
Ending Balance, December 31, 2022	\$ 2,474	\$ 21,749	\$ 2,094	\$ 5,367	\$ 485	\$ 24	\$ 180	\$ 32,373
Ending Balance attributable to loans:								
Individually evaluated for impairment	\$ 196	\$ -	\$ 518	\$ 2,066	\$ 4	\$ -	\$ -	\$ 2,784
Collectively evaluated for impairment	2,278	21,749	1,576	3,301	481	24	180	29,589
Ending Balance, December 31, 2022	\$ 2,474	\$ 21,749	\$ 2,094	\$ 5,367	\$ 485	\$ 24	\$ 180	\$ 32,373
Loans Receivables:								
Individually evaluated for impairment	\$ 5,147	\$ 15,397	\$ 3,180	\$ 3,821	\$ 727	\$ -	\$ -	\$ 28,272
Collectively evaluated for impairment	244,976	2,329,832	141,751	278,186	56,161	3,240	-	3,054,146
Total Gross Loans	\$ 250,123	\$ 2,345,229	\$ 144,931	\$ 282,007	\$ 56,888	\$ 3,240	\$ -	\$ 3,082,418

- (1) Includes business lines of credit.
(2) Includes home equity lines of credit.

Note 5- Loans Receivable and Allowance for Credit losses (continued)

The tables below set forth the amounts and types of nonaccrual loans in the Bank's loan portfolio at December 31 2023 and 2022, respectively. Loans are generally placed on nonaccrual status when they become more than 90 days delinquent, or when the collection of principal and/or interest become doubtful.

As of December 31, 2023, nonaccrual loans differed from the amount of total loans past due greater than 90 days due to loans 90 days past due but still accruing interest or loans that were previously 90 days past due both of which are maintained on nonaccrual status for a minimum of six months until the borrower has demonstrated their ability to satisfy the terms of the loan.

	As of December 31, 2023					
	Nonaccrual loans with Allowance for Credit Losses		Nonaccrual loans without Allowance for Credit Losses		Total Nonaccrual loans	Amortized Cost of Loans Past due 90 and Still Accruing
	\$	\$	\$	\$	\$	\$
Residential one-to-four family	-		270	270	-	-
Commercial and multi-family	2,029		6,655	8,684	-	-
Construction	2,312		1,980	4,292	-	-
Commercial business ⁽¹⁾	2,599		2,892	5,491	-	-
Home equity ⁽²⁾	-		46	46	-	-
Total	<u>\$ 6,940</u>	<u>\$</u>	<u>11,843</u>	<u>\$ 18,783</u>	<u>\$</u>	<u>-</u>

(1) Includes business lines of credit.

(2) Includes home equity lines of credit.

	As of December 31, 2022 (In Thousands)
Non-Accruing Loans:	
Residential one-to-four family	\$ 243
Commercial and multi-family	346
Construction	3,180
Commercial business ⁽¹⁾	1,340
Total	<u>\$ 5,109</u>

(1) Includes business lines of credit.

Had nonaccrual loans been performing in accordance with their original terms, the interest income recognized for the years ended December 31, 2023 and 2022 would have been approximately \$1.9 million and \$1.0 million, respectively. Interest income recognized on loans returned to accrual was approximately \$314,000 and \$1.6 million, respectively. The Bank is not committed to lend additional funds to the borrowers whose loans have been placed on a nonaccrual status. At December 31, 2023 and 2022, there were no loans which were more than ninety days past due and still accruing interest.

The following Table summarizes the recorded investment and unpaid principal balances of individually evaluated loans for the year ended December 31, 2022.
(In Thousands):

	As of December 31, 2022		
	Recorded Investment	Unpaid Principal Balance	Related Allowance
Loans with no related allowance:			
Residential one-to-four family	\$ 3,313	\$ 3,472	\$ -
Commercial and multi-family	15,397	16,355	-
Commercial business ⁽¹⁾	691	4,648	-
Home equity ⁽²⁾	500	500	-
Total Individually Evaluated Loans with no related allowance recorded:	<u>\$ 19,901</u>	<u>\$ 24,975</u>	<u>\$ -</u>
Loans with an allowance recorded:			
Residential one-to-four family	\$ 1,834	\$ 1,856	\$ 196
Commercial and Multi-family	-	-	-
Construction	3,180	3,180	518
Commercial business ⁽¹⁾	3,130	8,276	2,066
Home equity ⁽²⁾	227	227	4
Total Individually Evaluated Loans with an allowance recorded:	<u>\$ 8,371</u>	<u>\$ 13,539</u>	<u>\$ 2,784</u>
Total Individually Evaluated Loans:	<u>\$ 28,272</u>	<u>\$ 38,514</u>	<u>\$ 2,784</u>

(1) Includes business lines of credit.

(2) Includes home equity lines of credit.

Note 5- Loans Receivable and Allowance for Credit losses (continued)

The following table summarizes the average recorded investment and actual interest income recognized on individually evaluated loans for the year ended December 31, 2022. (In Thousands)

	2022 Average Recorded Investment	2022 Interest Income Recognized
Loans with no related allowance recorded:		
Residential one-to-four family	\$ 2,981	\$ 149
Commercial and multi-family	22,511	1,088
Construction	-	-
Commercial business ⁽¹⁾	1,250	73
Home equity ⁽²⁾	540	24
Total Individually Evaluated Loans with no allowance recorded:	\$ 27,282	\$ 1,334
Loans with an allowance recorded:		
Residential one-to-four family	\$ 1,948	\$ 63
Commercial and Multi-family	2,841	266
Construction	3,041	41
Commercial business ⁽¹⁾	4,924	105
Home equity ⁽²⁾	272	5
Total Individually Evaluated Loans with an allowance recorded:	\$ 13,026	\$ 480
Total Individually Evaluated Loans:	\$ 40,308	\$ 1,814

(1) Includes business lines of credit.

(2) Includes home equity lines of credit.

The Company adopted ASU 2022-02, *Financial Instruments - Credit Losses (Topic 326) Troubled Debt Restructurings and Vintage Disclosures* (“ASU 2022-02”) effective January 1, 2023. The amendments in ASU 2022-02 eliminated the recognition and measurement of troubled debt restructurings and enhanced disclosures for loan modifications to borrowers experiencing financial difficulty. The Company did not have any loans that were both experiencing financial difficulty and modified during the twelve months ending December 31, 2023.

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

	30-59 Days Past Due	60-90 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable	Loans Receivable >90 Days and Accruing
(In Thousands)							
Residential one-to-four family	\$ 4,701	\$ -	\$ 270	\$ 4,971	\$ 243,324	\$ 248,295	\$ -
Commercial and multi-family	1,853	7,876	6,842	16,571	2,417,544	2,434,115	-
Construction	3,641	-	586	4,227	188,589	192,816	-
Commercial business ⁽¹⁾	4,236	611	1,131	5,978	366,224	372,202	-
Home equity ⁽²⁾	907	-	-	907	65,424	66,331	-
Consumer	-	-	-	-	3,643	3,643	-
Total	\$ 15,338	\$ 8,487	\$ 8,829	\$ 32,654	\$ 3,284,748	\$ 3,317,402	\$ -

(1) Includes business lines of credit.

(2) Includes home equity lines of credit.

The following table sets forth the delinquency status of total loans receivable at December 31, 2022:

	30-59 Days Past Due	60-90 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable	Loans Receivable >90 Days and Accruing
(In Thousands)							
Residential one-to-four family	\$ 253	\$ 314	\$ -	\$ 567	\$ 249,556	\$ 250,123	\$ -
Commercial and multi-family	2,163	428	-	2,591	2,342,638	2,345,229	-
Construction	-	-	3,180	3,180	141,751	144,931	-
Commercial business ⁽¹⁾	190	1,115	1,086	2,391	279,616	282,007	-
Home equity ⁽²⁾	699	-	-	699	56,189	56,888	-
Consumer	-	-	-	-	3,240	3,240	-
Total	\$ 3,305	\$ 1,857	\$ 4,266	\$ 9,428	\$ 3,072,990	\$ 3,082,418	\$ -

(1) Includes business lines of credit.

(2) Includes home equity lines of credit.

Note 5 - Loans Receivable and Allowance for Credit losses (continued)

Criticized and Classified Assets

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

When the Company classifies problem assets, the Company may establish general allowances for credit losses in an amount deemed prudent by management. General allowances represent loss allowances which have been established to recognize the inherent risk associated with lending activities, but which, unlike specific allowances, have not been allocated to particular problem assets. A portion of general loss allowances established to cover possible losses related to assets classified as substandard or doubtful may be included in determining our regulatory capital. Specific valuation allowances for credit losses generally do not qualify as regulatory capital. As of December 31, 2023, the Company had \$85.7 million in assets classified as substandard, of which \$54.0 million were individually evaluated for impairment. As of December 31, 2022, the Company had \$17.8 million in assets classified as substandard, which were also individually evaluated for impairment. The loans classified as substandard represent primarily commercial loans secured either by residential real estate, commercial real estate or heavy equipment. The loans that have been classified substandard were classified as such primarily due to payment status, because updated financial information has not been timely provided, or the collateral underlying the loan is in the process of being revalued.

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 "nonaccrual" 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.

Residential, home equity, and consumer loans are rated pass at origination with subsequent adjustments based on delinquency status.

Note 5 - Loans Receivable and Allowance for Credit losses (continued)

The following table presents the loan portfolio types summarized by the aggregate pass rating and the classified ratings of special mention, substandard, doubtful, and loss within the Company's internal risk rating system as of December 31, 2023 and 2022 (In Thousands):

Loans by Year of Origination at December 31, 2023

	2023	2022	2021	2020	2019	Prior	Revolving Loans	Revolving Loans to Term Loans	Total
Residential one-to-four family									
Pass	\$ 17,080	\$ 53,623	\$ 38,178	\$ 31,420	\$ 12,067	\$ 93,764	\$ -	\$ -	\$ 246,132
Special Mention	-	492	91	-	-	-	-	-	583
Substandard	-	-	1,310	-	-	270	-	-	1,580
Total one-to-four family	\$ 17,080	\$ 54,115	\$ 39,579	\$ 31,420	\$ 12,067	\$ 94,034	\$ -	\$ -	\$ 248,295
Commercial and multi-family									
Pass	\$ 222,435	\$ 778,076	\$ 224,823	\$ 214,768	\$ 50,755	\$ 824,375	\$ 1,922	\$ -	\$ 2,317,154
Special Mention	9,908	34,375	-	-	529	4,453	140	-	49,405
Substandard	-	14,931	4,023	3,575	-	45,027	-	-	67,556
Total Commercial and multi-family	\$ 232,343	\$ 827,382	\$ 228,846	\$ 218,343	\$ 51,284	\$ 873,855	\$ 2,062	\$ -	\$ 2,434,115
Construction									
Pass	\$ 21,730	\$ 74,180	\$ 59,564	\$ 21,462	\$ -	\$ 5,878	\$ 5,710	\$ -	\$ 188,524
Special Mention	-	-	-	-	-	-	-	-	-
Substandard	-	1,394	-	586	-	2,312	-	-	4,292
Total Construction	\$ 21,730	\$ 75,574	\$ 59,564	\$ 22,048	\$ -	\$ 8,190	\$ 5,710	\$ -	\$ 192,816
Commercial business									
Pass	\$ 3,328	\$ 297	\$ 2,967	\$ 4,234	\$ 7,080	\$ 33,675	\$ 302,540	\$ -	\$ 354,121
Special Mention	-	-	-	-	317	830	5,010	-	6,157
Substandard	-	-	-	-	-	4,703	7,221	-	11,924
Total Commercial business	\$ 3,328	\$ 297	\$ 2,967	\$ 4,234	\$ 7,397	\$ 39,208	\$ 314,771	\$ -	\$ 372,202
Home equity									
Pass	\$ 5,022	\$ 1,487	\$ 553	\$ 769	\$ 1,280	\$ 6,181	\$ 50,111	\$ 553	\$ 65,956
Special Mention	-	-	-	-	-	-	-	-	-
Substandard	-	46	-	-	-	-	117	212	375
Total Home equity	\$ 5,022	\$ 1,533	\$ 553	\$ 769	\$ 1,280	\$ 6,181	\$ 50,228	\$ 765	\$ 66,331
Consumer									
Pass	\$ 1,497	\$ 471	\$ 1,521	\$ 109	\$ 39	\$ -	\$ 6	\$ -	\$ 3,643
Special Mention	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-
Total Consumer	\$ 1,497	\$ 471	\$ 1,521	\$ 109	\$ 39	\$ -	\$ 6	\$ -	\$ 3,643
Total Loans	\$ 281,000	\$ 959,372	\$ 333,030	\$ 276,923	\$ 72,067	\$ 1,021,468	\$ 372,777	\$ 765	\$ 3,317,402
Gross charge-offs	\$ 500	\$ 305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 805

	Pass	Special Mention	Substandard	Doubtful	Loss	Total
December 31, 2022						
Residential one-to-four family	\$ 249,398	\$ 303	\$ 422	\$ -	\$ -	\$ 250,123
Commercial and multi-family	2,320,865	14,183	10,181	-	-	2,345,229
Construction	141,751	-	3,180	-	-	144,931
Commercial business ⁽¹⁾	273,770	4,416	3,821	-	-	282,007
Home equity ⁽²⁾	56,676	-	212	-	-	56,888
Consumer	3,240	-	-	-	-	3,240
Total Gross Loans	\$ 3,045,700	\$ 18,902	\$ 17,816	\$ -	\$ -	\$ 3,082,418

(1) Includes business lines of credit.

(2) Includes home equity lines of credit.

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Note 6 - Premises and Equipment

Premises and equipment as of December 31, 2023 and 2022 consists of the following:

	December 31,	
	2023	2022
	(In Thousands)	
Land	\$ 1,646	\$ 1,447
Buildings and improvements	10,023	6,514
Leasehold improvements	12,009	12,750
Furniture, fixtures and equipment	8,928	9,111
Accumulated depreciation and amortization	(32,606)	(29,822)
	<u>\$ 13,057</u>	<u>\$ 10,508</u>

Depreciation and amortization expense for the years ended December 31, 2023 and 2022 was \$2.0 million and \$2.2 million, respectively.

Buildings and improvements include a building constructed on property leased from a related party (see Note 3).

Note 7 - Interest Receivable

The distribution of interest receivable at December 31, 2023 and 2022 was as follows:

	December 31,	
	2023	2022
	(In Thousands)	
Loans	\$ 15,188	\$ 12,577
Securities	884	878
	<u>\$ 16,072</u>	<u>\$ 13,455</u>

Note 8 – Deposits

The distribution of deposits at December 31, 2023 and 2022 were as follows:

	December 31,	
	2023	2022
	(In Thousands)	
Demand:		
Non-interest bearing	\$ 536,264	\$ 613,910
Interest bearing	564,912	757,615
Money market	370,934	305,556
	1,472,110	1,677,081
Savings and club	284,273	329,752
Certificates of deposit	1,222,697	804,774
	<u>\$ 2,979,080</u>	<u>\$ 2,811,607</u>

Deposits of certain municipalities and local government agencies are collateralized by \$34.6 million of investment securities and by a \$270.0 million Municipal Letter of Credit with the FHLB.

At December 31, 2023 and 2022, certificates of deposit of \$250,000 or more totaled approximately \$341.9 million and \$207.7 million, respectively.

At December 31, 2023, deposits from officers, directors and their associates totaled approximately \$87.3 million.

The scheduled maturities of certificates of deposit at December 31, 2023, were as follows (In thousands):

	Amount
2024	\$ 1,199,120
2025	17,134
2026	3,569
2027	1,785
Thereafter	1,089
	<u>\$ 1,222,697</u>

As of December 31, 2023, the Company had \$505.4 million in brokered certificate deposits. As of December 31, 2022, the Company had \$335.0 million in brokered certificate deposits and \$35.0 million in brokered demand deposits. The Company had no brokered demand deposits at December 31, 2023. Reciprocal deposits are not considered brokered deposits under applicable regulations.

Note 9 - Short-Term Debt and Long-Term Debt

Information regarding short-term borrowings is as follows:

	December 31,	
	2023	2022
	<u>Amount</u>	<u>Amount</u>
	(In Thousands)	
Balance at end of period	\$ -	\$ 60,000
Average balance outstanding during the year	\$ 60,941	\$ 1,313
Highest month-end balance during the year	\$ 350,000	\$ 87,000
Average interest rate during the year	5.25 %	3.13 %
Weighted average interest rate at year-end	-%	4.61 %

Long-term debt consists of the following:

	December 31,			
	2023		2022	
	Weighted Average Rate	Amount (\$000s)	Weighted Average Rate	Amount (\$000s)
Federal Home Loan Bank Advances:				
	Maturing by December 31,			
	2023	-	%	\$ 250,000
	2024	0.48	%	18,000
	2025	4.15	%	44,261
	2026	4.53	%	10,000
	4.21 %	\$ 472,811	4.07 %	\$ 322,261

FHLB advances are presented net of unamortized prepayment penalties totaling \$988,000 at December 31, 2023, \$1.5 million at December 31, 2022 and \$2.1 million at December 31, 2021.

At December 31, 2023 and 2022, loans with carrying values of approximately \$1.7 billion and \$1.2 billion, respectively, were pledged to secure the above noted Federal Home Loan Bank of New York borrowings. No securities were pledged for borrowings at December 31, 2023 and 2022. The Bank's total credit exposure cannot exceed 50.0 percent of its total assets, or \$1.916 billion, based on the borrowing limitations outlined in the FHLB of New York's member products guide. The total credit exposure limit of 50.0 percent of total assets is recalculated each quarter.

During the year ended December 31, 2021, the Company opted to extinguish \$115.0 million of FHLB advances which held an average rate of 1.60 percent and were originally set to mature in 2021, 2022, 2023 and 2024. The effect of the extinguishment of the debt reduced the weighted average cost of FHLB borrowings by approximately 16 basis points on an annualized basis. The related expense for the extinguishment of this debt is included in non-interest expense.

Note 10 – Subordinated Debt

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

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

In accordance with the Adjustable Interest Rate (LIBOR) Act (the "LIBOR Act") and the regulation issued by the Board of Governors of the Federal Reserve System implementing the LIBOR Act, the Company has selected the three-month CME Term SOFR as the applicable successor rate for both the Notes and the trust preferred securities. The calculation of the amount of interest payable, based on the three-month CME Term SOFR, will also include the applicable tenor spread adjustment of 0.26161% per annum as specified in the LIBOR Act. At December 31, 2023, the interest rate for the subordinated debentures and trust preferred securities was 8.359% and 8.289%, respectively.

Note 11 - Regulatory Matters

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 the Bank's assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk-weightings and other factors.

In July 2013, the FDIC and the other federal bank regulatory agencies issued a final rule that revised their leverage and risk-based capital requirements and the method for calculating risk-weighted assets to make them consistent with agreements that were reached by the Basel Committee on Banking Supervision and certain provisions of the Dodd-Frank Act. Among other things, the new rule established a new common equity Tier 1 minimum capital requirement (4.5 percent of risk-weighted assets), increased the minimum Tier 1 capital to risk-based assets requirement (from 4.0 percent to 6.0 percent of risk-weighted assets) and assigned a higher risk weight (150 percent) to exposures that are more than 90 days past due or are on nonaccrual status and to certain commercial real estate facilities that finance the acquisition, development or construction of real property. The final rule also requires unrealized gains and losses on certain available-for-sale securities holdings and defined benefit plan obligations to be included for purposes of calculating regulatory capital requirements unless a one-time opt-in or opt-out is exercised. The Bank exercised the opt-out election.

On September 17, 2019, the FDIC passed a final rule providing qualifying community banking organizations the ability to opt-in to a new community bank leverage ratio ("CBLR") framework, (tier 1 capital to average consolidated assets) at 9.0 percent for institutions under \$10.0 billion in assets that such institutions may elect to utilize in lieu of the general applicable risk-based capital requirements under Basel III. Such institutions that meet the community bank leverage ratio and certain other qualifying criteria will automatically be deemed to be well-capitalized.

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

At December 31, 2023 and December 31, 2022, 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.

	<u>Actual</u>		<u>For Capital Adequacy Purposes</u>		<u>To be Well Capitalized under Prompt Corrective Action Provisions</u>	
	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u> (Dollars in Thousands)	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
As of December 31, 2023						
<u>Bank</u>						
Community Bank Leverage Ratio	\$ 350,749	9.09 %	\$ 308,608	8.00 %	\$ 347,184	9.00 %
As of December 31, 2022						
<u>Bank</u>						
Community Bank Leverage Ratio	\$ 327,806	9.86%	\$ 265,557	8.00%	\$ 298,752	9.00%

The following table sets forth the regulatory capital ratios for the Company as well as the regulatory requirements for the year ended December 31, 2023.

	<u>Actual</u>		<u>For Capital Adequacy Purposes</u>		<u>To be Well Capitalized under Prompt Corrective Action Provisions</u>	
	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u> (Dollars in Thousands)	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
As of December 31, 2023						
<u>Bancorp</u>						
Total Capital (to Risk-Weighted Assets)	\$ 379,562	11.14 %	\$ 272,564	8.00 %	\$ 340,705	10.00 %
Tier 1 Capital (to Risk-Weighted Assets)	319,154	9.37	204,422	6.00	272,563	8.00
C/E Tier 1 Capital (to Risk-Weighted Assets)	289,987	8.51	153,317	4.50	221,458	6.50
Tier 1 Capital (to adjusted total assets)	319,154	8.27	154,315	4.00	192,894	5.00

At December 31, 2022, the Company was not subject to the larger capital requirements set forth in the "Regulatory Relief Act".

As of December 31, 2023 and 2022, the most recent notification from the Company and the Bank's regulators categorized the Bank as "well-capitalized" under the regulatory framework for prompt corrective action. There are no conditions or events occurring since that notification that management believes have changed the Bank's category.

On December 11, 2020, the Company authorized another stock repurchase plan, which would allow it to repurchase up to 500,000 shares of stock. On October 17, 2022, the Company authorized an amendment to its stock repurchase program to increase the number of shares yet to be repurchased from 82,350 shares to a total number of 500,000 shares. The Company repurchased 266,753 shares during the year ended December 31, 2023.

Note 12- Benefits Plans
Pension Plan

The Company acquired, through the merger with Pamrapo Bancorp, Inc. a non-contributory defined benefit pension plan ("Pension Plan") covering all eligible employees of Pamrapo Savings Bank. Effective January 1, 2010, the Pension Plan was frozen by Pamrapo Savings Bank. All benefits for eligible participants accrued in the Pension Plan to the freeze date have been retained. The benefits are based on years of service and employee's compensation. The Pension Plan is funded in conformity with funding requirements of applicable government regulations. Prior service costs for the Pension Plan generally are amortized over the estimated remaining service periods of employees.

The following tables set forth the Pension Plan's funded status at December 31, 2023, 2022 and 2021 and components of net periodic pension cost for the years ended December 31, 2023, 2022 and 2021:

Change in Benefit Obligation:

	December 31,		
	2023	2022	2021
	(In Thousands)		
Benefit obligation, beginning of year	\$ 4,935	\$ 6,492	\$ 8,194
Interest cost	238	178	201
Actuarial gain	(25)	(1,362)	(929)
Benefits paid	(346)	(363)	(459)
Lump sum distributions	-	(10)	(515)
Benefit obligation, ending	\$ 4,802	\$ 4,935	\$ 6,492
Change in Plan Assets:			
Fair value of assets, beginning of year	\$ 5,965	\$ 7,144	\$ 7,112
Actual return on plan assets	393	(806)	1,006
Benefits paid	(346)	(363)	(459)
Lump sum distributions	-	(10)	(515)
Fair value of assets, ending	\$ 6,012	\$ 5,965	\$ 7,144
Fair value of assets	\$ 6,012	\$ 5,965	\$ 7,144
Projected benefit obligation	4,802	4,935	6,492
Funded status, included in other liabilities, net	\$ 1,210	\$ 1,030	\$ 652
Valuation assumptions used to determine benefit obligation at period end:			
Discount rate	4.83%	5.02%	2.83%
Salary increase rate	N/A	N/A	N/A

Net Periodic Pension Expense:

	December 31,		
	2023	2022	2021
	(In Thousands)		
Interest cost	\$ 238	\$ 178	\$ 201
Expected return on assets	(346)	(417)	(413)
Amortization of net loss	55	66	635
Net periodic pension cost (benefit)	\$ (53)	\$ (173)	\$ 423
Valuation assumptions used to determine net periodic cost (benefit) cost for the year:			
Discount rate	5.02%	2.83%	2.52%
Long term rate of return on plan assets	6.00%	6.00%	6.00%
Salary increase rate	N/A	N/A	N/A

At December 31, 2023, 2022 and December 31, 2021, unrecognized net losses of \$580,000, \$559,000 and \$707,000, respectively, were included, net of deferred income tax, in accumulated other comprehensive loss in accordance with ASC 715-20 and ASC 715-30.

Note 12 - Benefits Plan (continued)**Plan Assets****Investment Policies and Strategies**

The primary long-term objective for the Pension Plan is to maintain assets at a level that will sufficiently cover future beneficiary obligations. The Pension Plan is structured to include a volatility reducing component (the fixed income commitment) and a growth component (the equity commitment).

To achieve the Bank's long-term investment objectives, the trustee invests the assets of the Pension Plan in a diversified combination of asset classes, investment strategies, and pooled vehicles. The asset allocation guidelines in the table below reflect the Bank's risk tolerance and long-term objectives for the Pension Plan. These parameters will be reviewed on a regular basis and subject to change following discussions between the Bank and the trustee.

The following asset allocation targets and ranges guides the trustee in structuring the overall allocation in the Pension Plan's investment portfolio. The Bank or the trustee may amend these allocations to reflect the most appropriate standards consistent with changing circumstances. Any such fundamental amendments in strategy will be discussed between the Bank and the trustee prior to implementation.

Based on the above considerations, the following asset allocation ranges will be implemented:

	Asset Allocation Parameters by Asset Class		
	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
<u>Equity</u>			
Large-Cap U.S.		42%	
Mid/Small-Cap U.S.		11%	
Non-U.S.		26%	
Total-Equity	40%	55%	60%
<u>Fixed Income</u>			
Long/Short Duration		43%	
Money Market/Certificates of Deposit		2%	
Total-Fixed Income	40%	45%	60%

The parameters for each asset class provide the trustee with the latitude for managing the Pension Plan within a minimum and maximum range. The trustee has full discretion to buy, sell, invest and reinvest in these asset segments based on these guidelines which includes allowing the underlying investments to fluctuate within the stated policy ranges. The Pension Plan maintains a cash equivalents component (not to exceed 3 percent under normal circumstances) within the fixed income allocation for liquidity purposes.

The trustee monitors the actual asset segment exposures of the Pension Plan on a regular basis and, periodically, may adjust the asset allocation within the ranges set forth above as it deems appropriate. Periodic reallocations of assets are based on the trustee's perception of the changing risk/return opportunities of the respective asset classes.

Determination of Long-Term Rate of Return

The long-term rate of return on assets assumption was set based on historical returns earned by equities and fixed income securities, adjusted to reflect expectations of future returns as applied to the Pension Plan's target allocation of asset classes. Equities and fixed income securities were assumed to earn real rates of return in the ranges of 6.0 to 10.0 percent and 2.0 to 6.0 percent, respectively. The long-term inflation rate was estimated to be 3.0 percent. When these overall return expectations are applied to the Pension Plan's target allocation, the result is an expected rate of return of 4.0 to 7.0 percent.

Note 12 - Benefits Plan (continued)

The fair values of the Pension Plan assets at December 31, 2023, by asset category (see Note 2 for the definitions of levels), are as follows (In Thousands):

Asset Category	Total	(Level 1)	(Level 2)	(Level 3)
Mutual funds-Equity				
Large-Cap Value (a)	\$ 1,120	\$ 1,120	\$ -	\$ -
Large-Cap Growth (b)	261	261	-	-
Diversified Emerging Markets (f)	95	95	-	-
Large Blend (d)	1,025	1,025	-	-
Technology (g)	137	137	-	-
Mutual Funds-Fixed Income				
Long Government (h)	46	46	-	-
Multi-Sector Bond (c)	1,244	1,244	-	-
High Yield Bond (e)	648	648	-	-
Intermediate Core Bond (i)	656	656	-	-
BCB Common Stock	666	666	-	-
Cash Equivalents				
Money Market	114	114	-	-
Total	<u>\$ 6,012</u>	<u>\$ 6,012</u>	<u>\$ -</u>	<u>\$ -</u>

The fair values of the Company's pension plan assets at December 31, 2022, by asset category (see Note 2 for the definitions of levels), are as follows (In Thousands):

Asset Category	Total	(Level 1)	(Level 2)	(Level 3)
Mutual funds-Equity				
Large-Cap Value (a)	\$ 1,052	\$ 1,052	\$ -	\$ -
Large-Cap Growth (b)	170	170	-	-
Diversified Emerging Markets (f)	96	96	-	-
Large Blend (d)	957	957	-	-
Technology (g)	96	96	-	-
Mutual Funds-Fixed Income				
Long Government (h)	48	48	-	-
Multi-Sector Bond (c)	1,244	1,244	-	-
High Yield Bond (e)	622	622	-	-
Intermediate Core Bond (i)	670	670	-	-
BCB Common Stock	932	932	-	-
Cash Equivalents				
Money Market	78	78	-	-
Total	<u>\$ 5,965</u>	<u>\$ 5,965</u>	<u>\$ -</u>	<u>\$ -</u>

- a) Large-value portfolios invest primarily in big U.S. companies that are less expensive or growing more slowly than other large-cap stocks. Stocks in the top 70 percent of the capitalization of the U.S. equity market are defined as large cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).
- b) Large Cap Growth Stocks of large cap companies that are projected to grow faster than other large cap stocks. Stocks in the top 70% of the capitalization of the U.S. equity market defined as large cap. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields).
- c) Multi Sector portfolios seek income by diversifying their assets among several fixed-income sectors, usually U.S. government obligations, foreign bonds, and high-yield domestic debt securities.
- d) This fund invests in 500 of the largest U.S. companies, which span many different industries and account for about three-fourths of the U.S. Stock Markets value.
- e) High Yield Bond funds invest at least 65 percent of assets in bonds rated below BBB. This fund seeks to provide shareholders with a high level of current income with capital growth as a secondary objective.
- f) The fund invests at least 80% of the value of its assets in equity securities and equity related instruments that are tied economically to emerging markets.
- g) The fund normally invests at least 80% of the fund's net assets in securities of issuers principally engaged in offering, using or developing products, processes or services that will provide or benefit significantly from technological advances and improvements.
- h) The fund normally invests at least 80% of assets in securities included in the Bloomberg Barclays U.S. Long Treasury Bond Index.
- i) Intermediate term core bond portfolios invest primarily in investment grade U.S. fixed-income issues including government, corporate, and securitized debt, and hold less than 5% in below-investment grade exposures.

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Note 12 - Benefits Plan (continued)

The Company does not expect to contribute, based upon actuarial estimates, to the Pension Plan in 2024.

Benefit payments are expected to be paid for the years ended December 31 as follows (In thousands):

2024	\$	369
2025		376
2026		377
2027		380
2028		378
2029-2033		1,732

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 will be granted in the form of either "incentive" stock options or "non-qualified" stock options. Incentive stock options have certain tax advantages that must comply with the requirements of Section 422 of the Internal Revenue Code. Only employees are permitted to receive incentive stock options.

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

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

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

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

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

The following table presents the share-based compensation expense for the years ended December 31, 2023, 2022 and 2021 (In Thousands).

	Years Ended December 31,		
	2023	2022	2021
Stock Option Expense	\$ 133	\$ 216	\$ 230
Restricted Stock Expense	460	916	187
Total share-based compensation expense	\$ 593	\$ 1,132	\$ 417

The following is a summary of the status of the Company's restricted shares as of December 31, 2023.

	Number of Shares Awarded	Weighted Average Grant Date Fair Value
Non-vested at December 31, 2022	48,150	\$ 14.83
Granted	52,252	15.01
Vested	(13,650)	14.60
Forfeited	-	-
Non-vested at December 31, 2023	86,752	\$ 14.98

The remaining non-vested restricted shares outstanding as of December 31, 2023 will be charged to expense in 2024-2025, totaling \$814,000

Note 12 - Benefits Plan (continued)

A summary of stock option activity, follows:

	Number of Options	Range of Exercise Price	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (000's)
Outstanding at January 1, 2022	1,194,425	\$ 9.02-13.68	\$ 11.64	5.44	\$ 4,528
Options forfeited	-	-	-	-	-
Options exercised ⁽¹⁾	(157,450)	9.03-13.68	11.1	-	-
Options granted	-	-	-	-	-
Options expired	-	-	-	-	-
Outstanding at December 31, 2022	<u>1,036,975</u>	\$ 9.03-13.68	\$ 11.72	4.47	\$ 6,502
Options forfeited	-	-	-	-	-
Options exercised	(61,000)	9.03	9.03	-	-
Options granted	-	-	-	-	-
Options expired	-	-	-	-	-
Outstanding at December 31, 2023	<u>975,975</u>	\$ 10.55-13.68	\$ 11.89	3.83	\$ 984
Exercisable at December 31, 2023	<u>809,495</u>				

⁽¹⁾ Includes 9,628 and 84,604 cashless exercise of options during 2023 and 2022, respectively.

It is Company policy to issue new shares upon share option exercise. Expected future compensation expense relating to the 166,480 shares of unvested options outstanding as of December 31, 2023, is \$272,000 and will be recognized over a weighted average period of 2.95 years.

There were no options awarded during the years ended December 31, 2023 and 2022.

Supplemental Executive Retirement Plan

The Bank entered into a Supplemental Executive Retirement Agreement (the "SERP Agreement") with its Chief Executive Officer ("the CEO") in December 2021, payable in the form of a life annuity.

The SERP Agreement is an unfunded arrangement maintained primarily to provide supplemental retirement benefits and comply with Section 409A of the Internal Revenue Code. The cost of the benefit is being amortized over a three-year vesting period beginning in 2021. The Bank recorded compensation expense of \$350,000 and \$328,000 related to the Plan during the years ended December 31, 2023 and 2022, respectively. For each of the years ended December 31, 2024 and 2025, the anticipated expense is \$45,000. The Bank has elected to fund the retirement benefit by purchasing annuities that have been designed to provide a future source of funds for the lifetime retirement benefits of the SERP Agreement, totaling \$1.81 million, which is included in other assets.

Note 13 – Stockholders' Equity

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

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

Note 14 – Goodwill and Other Intangible Assets

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

Amortization expense of the core deposit intangibles was \$129,000, \$49,000 and \$57,000 for the years ended December 31, 2023, 2022 and 2021, respectively. The unamortized balance of the core deposit intangibles and the amount of goodwill at December 31, 2023 was \$0 and \$5.2 million, respectively. The unamortized balance of the core deposit intangibles and the amount of goodwill at December 31, 2022 was \$129,000 and \$5.2 million, respectively.

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

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

Note 15 - Dividend Restrictions

Payment of cash dividends on common stock is conditional on earnings, financial condition, cash needs, capital considerations, the discretion of the Board of Directors of the Company, and compliance with regulatory requirements. State and federal law and regulations impose limitations on the Bank's ability to pay dividends to the Company. Under New Jersey law, the Company is permitted to declare dividends on its common stock only if, after payment of the dividend, the capital stock of the Bank will be unimpaired and the Bank will have a surplus of no less than 50 percent of its capital stock or, if not, the payment of the dividend will not reduce the Bank's surplus. During 2023, 2022 and 2021, the Bank paid the Company total dividends of \$20,580,000, \$22,338,000 and \$15,885,000, respectively. The Company's ability to declare dividends is dependent upon the amount of dividends paid to the Company by the Bank.

Note 16 - Income Taxes

The components of income tax expense are summarized as follows:

	Years Ended December 31,		
	2023	2022	2021
	(In Thousands)		
Current income tax expense:			
Federal	\$ 8,917	\$ 12,323	\$ 8,736
State	5,592	6,215	6,257
	<u>14,509</u>	<u>18,538</u>	<u>14,993</u>
Deferred income tax benefit:			
Federal	(1,634)	(967)	(571)
State	(903)	(40)	(404)
	<u>(2,537)</u>	<u>(1,007)</u>	<u>(975)</u>
Total Income Tax Expense	<u>\$ 11,972</u>	<u>\$ 17,531</u>	<u>\$ 14,018</u>

The tax effects of existing temporary differences that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities are as follows:

	December 31,	
	2023	2022
	(In Thousands)	
Deferred income tax assets:		
Allowance for credit losses	\$ 9,805	\$ 9,253
Other real estate owned expenses	-	2
Non-accrual interest	176	279
Benefit plan-accumulated other comprehensive loss	166	159
Purchase accounting adjustment on loans receivable acquired	-	752
Net operating loss carry forwards	1,166	1,263
Lease liability	3,806	3,961
Unrealized loss on securities	2,860	2,974
Capital loss carryover	477	66
Deferred fees and costs	1,168	1,348
Other	3,002	1,369
	<u>22,626</u>	<u>21,426</u>
Deferred income tax liabilities:		
Purchase accounting adjustment on premises and equipment acquired	71	74
Right-of-use assets	3,697	3,865
SBA servicing asset	319	368
Borrowing modification	282	440
Benefit plans	44	217
	<u>4,413</u>	<u>4,964</u>
Net Deferred Tax Asset	<u>\$ 18,213</u>	<u>\$ 16,462</u>

Note 16 - Income Taxes (continued)

A summary of the change in the net deferred tax asset is as follows:

	Years Ended December 31,		
	2023	2022	2021
	(In Thousands)		
Balance at beginning of year:	\$ 16,462	\$ 12,959	
Effect of adopting ASU No. 2016-13 ("CECL")	(1,148)	-	
Deferred tax benefit	2,537	1,007	
Other comprehensive income			
Available-for-sale securities	355	2,560	
Benefit plan	7	(64)	
Balance at end of year	\$ 18,213	\$ 16,462	

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. In making this assessment, management has considered the profitability of current core operations, future market growth, forecasted earnings, future taxable income, and ongoing, feasible and permissible tax planning strategies. If the Company was to determine that it would not be able to realize a portion of its net deferred tax asset in the future for which there is currently no valuation allowance, an adjustment to the net deferred tax asset would be charged to earnings in the period such determination was made. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and capital gains during the periods in which temporary differences are deductible and carry forwards are available. The Company believes it will generate sufficient future taxable income and taxable gains to realize the tax benefits related to the remaining net deferred tax assets in our consolidated balance sheet.

In conjunction with the Company's acquisition of IA Bancorp in 2018, the Company acquired a federal net operating loss carry forward of \$8.7 million. This carry forward is available for use through 2035; however, in accordance with Internal Revenue Code Section 382, usage of the carry forward is limited to \$459,000 annually on a cumulative basis (portions of the \$459,000 not used in a particular year may be added to subsequent usage). At December 31, 2023 and 2022, the Company had approximately \$5.6 million and \$6.0 million remaining of this federal net operating loss carry forward available to offset future taxable income for federal tax reporting purposes.

The following table presents a reconciliation between the reported income tax expense and the income tax expense which would be computed by applying the normal federal income tax rate of 21.0 percent to income before income tax expense.

	Years Ended December 31,		
	2023	2022	2021
	(In Thousands)		
Federal income tax expense at statutory rate	\$ 8,706	\$ 13,253	\$ 10,134
Increases in income taxes resulting from:			
State income tax, net of federal income tax effect	3,704	4,878	4,684
Tax-exempt income	(30)	(63)	(45)
Bank-owned life insurance earnings	(368)	(561)	(620)
Other items, net	(40)	24	(135)
Effective Income Tax Expense	\$ 11,972	\$ 17,531	\$ 14,018
Effective Income Tax Rate	28.9 %	27.8 %	29.0 %

Note 17- Commitments and Contingencies

The Bank is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments primarily include commitments to extend credit. The Bank's exposure to credit loss, in the event of nonperformance by the other party to the financial instrument for commitments to extend credit, is represented by the contractual amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

Outstanding loan related commitments were as follows:

	December 31,		
	2023	2022	2021
	(In Thousands)		
Loan origination commitments	\$ 975	\$ 165,579	\$ 67,392
Standby letters of credit	13,353	3,701	3,309
Construction loans in process	63,395	96,905	84,195
Unused lines of credit	235,329	218,865	114,779
	\$ 313,052	\$ 485,050	\$ 269,675

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, total commitment amounts do not necessarily represent future cash requirements. The Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral held varies but primarily includes residential real estate properties.

Note 17- Commitments and Contingencies (continued)

Leases

At December 31, 2023, the Company leased 27 of its offices under various operating lease agreements. The leases have remaining terms of 1 year to 12 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 evaluates its contracts and service agreements in order to determine if there is an asset imbedded in such contracts and agreements. Such determination is based upon whether there is a specific asset covered by the agreement, whether the Company is entitled to all of the economic benefits to the asset over the term of the agreement, and whether the Company has full control and use of the asset over the term of the agreement without substitution rights or direction of use of the asset by the lessor.

The Company includes in its determination of its lease liability and concurrent right of use asset those renewal or purchase options for which it is reasonably certain it will exercise. Currently, the Company does not expect to exercise such purchase options and, accordingly, those are excluded in the determination of the lease liabilities and the concurrent right of use 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.

To calculate its lease liabilities, the Company used a discount rate based upon the applicable borrowing rates of the Federal Home Loan Bank at the inception of the lease agreement, which corresponds to the length of the lease term.

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Note 17- Commitments and Contingencies (continued)

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

	<u>Twelve Months Ended</u> <u>December 31, 2023</u>	<u>Twelve Months Ended</u> <u>December 31, 2022</u>
Operating lease cost	\$ 3,591	\$ 3,758
Variable lease cost-operating leases	1,056	1,002
	<u>\$ 4,647</u>	<u>\$ 4,760</u>
	<u>At December 31, 2023</u>	<u>At December 31, 2022</u>
Supplemental balance sheet information related to leases:		
Operating Leases		
Operating lease right-of-use assets	\$ 12,935	\$ 13,520
Operating Lease Liabilities:		
Current liabilities	\$ 3,094	\$ 3,062
Operating lease liabilities (noncurrent portion)	11,526	12,218
Imputed interest	(1,305)	(1,421)
Total operating lease liabilities	<u>\$ 13,315</u>	<u>\$ 13,859</u>

The following tables summarize the Company's weighted average remaining lease terms and weighted average discount rates:

Weighted Average Remaining Lease Term			
Operating leases	5.77 years	6.49 years	5.99 years
Weighted Average Discount Rate			
Operating leases	3.02 %	2.83 %	2.60 %

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

	<u>At December 31, 2023</u> <u>Operating Leases</u>
One year or less	\$ 3,094
Over one year through three years	5,132
Over three years through five years	3,632
Over five years	2,762
Gross Operating Lease Liabilities	<u>\$ 14,620</u>
Imputed Interest	<u>(1,305)</u>
Total Operating Lease Liabilities	<u>\$ 13,315</u>

Legal Contingencies

The Company is involved, from time to time, as plaintiff or defendant in various legal actions arising in the normal course of business. As of December 31, 2023, the Company was 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.

Note 18 - Fair Value Measurements and Fair Values of Financial Instruments

Management uses its best judgment in estimating the fair value of the Company's financial instruments; however, there are inherent weaknesses in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates herein are not necessarily indicative of the amounts the Company could have realized in a sales transaction on the dates indicated. The estimated fair value amounts have been measured as of their respective year-ends and have not been re-evaluated or updated for purposes of these consolidated financial statements subsequent to those respective dates. As such, the estimated fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each year-end.

ASC Topic 820, *Fair Value Measurements and Disclosures*, 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 or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

An asset's 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. There were no liabilities measured at fair value on a recurring or nonrecurring basis at December 31, 2023 and 2022.

For assets measured at fair value on a recurring basis, the fair value measurements, by level, within the fair value hierarchy are as follows:

Description	Total	(Level 1) Quoted Prices in Active Markets for Identical Assets	(Level 2) Significant Other Observable Inputs	(Level 3) Significant Unobservable Inputs
	(In Thousands)			
As of December 31, 2023:				
Securities Available-for-Sale				
Debt Securities Available-for-Sale	\$ 87,769	\$ -	\$ 87,769	\$ -
Marketable Equities	9,093	9,093	-	-
Total Securities Available-for-Sale	\$ 96,862	\$ 9,093	\$ 87,769	\$ -
As of December 31, 2022:				
Securities Available for Sale				
Debt Securities Available-for-Sale	\$ 91,715	\$ -	\$ 91,715	\$ -
Marketable Equities	17,686	17,686	-	-
Total Securities Available-for-Sale	\$ 109,401	\$ 17,686	\$ 91,715	\$ -
As of December 31, 2021:				
Securities Available for Sale				
Debt Securities Available-for-Sale	\$ 85,186	\$ -	\$ 85,186	\$ -
Marketable Equities	25,187	25,187	-	-
Total Securities Available-for-Sale	\$ 110,373	\$ 25,187	\$ 85,186	\$ -

For assets measured at fair value on a nonrecurring basis, the fair value measurements by level within the fair value hierarchy are as follows:

Description	Total	(Level 1) Quoted Prices in Active Markets for Identical Assets	(Level 2) Significant Other Observable Inputs	(Level 3) Significant Unobservable Inputs
	(In Thousands)			
As of December 31, 2023:				
Individually Evaluated Loans	\$ 23,585	\$ -	\$ -	\$ 23,585
As of December 31, 2022:				
Individually Evaluated Loans	\$ 5,587	\$ -	\$ -	\$ 5,587
Other real estate owned	\$ 75	\$ -	\$ -	\$ 75

Certain individually evaluated loans were adjusted to the fair value, less costs to sell, of the underlying collateral securing these loans resulting in losses. The loss is not recorded directly as an adjustment to current earnings, but rather as a component in determining the allowance for credit losses. Fair value was measured using appraised values of collateral and adjusted as necessary by management based on unobservable inputs for specific properties. Losses (recoveries) on individually evaluated loans for the years ended December 31, 2023, 2022 and 2021 were \$1.4 million, (\$5.0) million and \$5.7 million respectively.

Note 18 - Fair Value Measurements and Fair Values of Financial Instruments (continued)

The following table presents additional quantitative information 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
December 31, 2023:					
Individually Evaluated Loans	\$	23,585	Appraisal of collateral (1)	Appraisal adjustments (2)	0%-10%
December 31, 2022:					
Individually Evaluated Loans	\$	5,587	Appraisal of collateral (1)	Appraisal adjustments (2)	0%-10%
Other Real Estate Owned	\$	75	Appraisal of collateral (1)	Appraisal adjustments (2)	0%-10%

- (1) Fair value is generally determined through independent appraisals of the underlying collateral, which generally include various level 3 inputs which are not identifiable.
- (2) Appraisals may be adjusted by management for qualitative factors such as age of appraisal, expected condition of property, 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 at December 31, 2023 and 2022.

Cash and Cash Equivalents (Carried at Cost)

The carrying amounts reported in the consolidated statements of financial condition for cash and interest-earning deposits approximate those assets' fair values.

Securities (Carried at Fair Value)

The fair value of securities is determined by obtaining quoted market prices on nationally recognized securities exchanges (Level 1), or 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 an ACL generally 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 December 31, 2023 and 2022 consists of the loan balances of \$27.8 million and \$8.4 million net of an ACL of \$4.2 million and \$2.8 million, respectively.

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.

Note 18 - Fair Value Measurements and Fair Values of Financial Instruments (continued)

Deposits (Carried at Cost)

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

Debt Including Subordinated Debentures (Carried at Cost)

Fair values of debt are estimated using discounted cash flow analysis, based on quoted prices for new long-term debt with similar credit risk characteristics, terms and remaining maturity. These 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 Bank'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 at December 31, 2023 and 2022:

		As of December 31, 2023				
	Carrying Value	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
(In Thousands)						
Financial assets:						
Cash and cash equivalents	\$ 279,523	\$ 279,523	\$ 279,523	\$ -	\$ -	\$ -
Interest-earning time deposits	735	735	-	735	-	-
Debt securities available-for-sale	87,769	87,769	-	87,769	-	-
Equity investments	9,093	9,093	9,093	-	-	-
Loans held for sale	1,287	1,287	-	1,287	-	-
Loans receivable, net	3,279,708	3,112,980	-	-	-	3,112,980
FHLB of New York stock, at cost	24,917	24,917	-	24,917	-	-
Accrued interest receivable	16,072	16,072	-	16,072	-	-
Financial liabilities:						
Deposits	2,979,080	2,978,654	2,120,514	858,140	-	-
Debt	472,811	472,184	-	472,184	-	-
Subordinated debentures	37,624	39,299	-	39,299	-	-
Accrued interest payable	5,777	5,777	-	5,777	-	-
		As of December 31, 2022				
	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	\$ 229,359	\$ 229,359	\$ 229,359	\$ -	\$ -	\$ -
Interest-earning time deposits	735	735	-	735	-	-
Debt securities available-for-sale	91,715	91,715	-	91,715	-	-
Equity investments	17,686	17,686	17,686	-	-	-
Loans held for sale	658	658	-	658	-	-
Loans receivable, net	3,045,331	2,876,925	-	-	-	2,876,925
FHLB of New York stock, at cost	20,113	20,113	-	20,113	-	-
Accrued interest receivable	13,455	13,455	-	13,455	-	-
Financial liabilities:						
Deposits	2,811,607	2,499,978	1,713,754	786,224	-	-
Debt	382,261	377,227	-	377,227	-	-
Subordinated debentures	37,508	40,113	-	40,113	-	-
Accrued interest payable	3,073	3,073	-	3,073	-	-

Note 19 - Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss included in stockholders' equity are as follows:

	At December 31,		
	2023	2022	2021
(In Thousands)			
Net unrealized loss on securities available-for-sale	\$ (9,380)	\$ (7,887)	\$ 2,440
Tax effect	2,310	1,955	(605)
Net of tax amount	<u>(7,070)</u>	<u>(5,932)</u>	<u>1,835</u>
Benefit plan adjustments	(587)	(718)	(930)
Tax effect	166	159	223
Net of tax amount	<u>(421)</u>	<u>(559)</u>	<u>(707)</u>
Accumulated other comprehensive loss	<u>\$ (7,491)</u>	<u>\$ (6,491)</u>	<u>\$ 1,128</u>

Note 20 - Parent Only Condensed Financial Information

STATEMENTS OF FINANCIAL CONDITION

	Years Ended December 31,	
	2023	2022
(In Thousands)		
Assets		
Cash and due from banks	\$ 1,290	\$ 1,553
Investment in subsidiaries	349,775	327,960
Restricted common stock	124	124
Other assets	1,172	110
Total assets	<u>352,361</u>	<u>329,747</u>
Liabilities and Stockholders' Equity		
Liabilities		
Subordinated debentures	\$ 37,624	\$ 37,508
Other liabilities	682	985
Total liabilities	<u>38,306</u>	<u>38,493</u>
Stockholders' Equity	<u>314,055</u>	<u>291,254</u>
Total Liabilities and Stockholders' Equity	<u>\$ 352,361</u>	<u>\$ 329,747</u>

STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2023	2022	2021
(In Thousands)			
Dividends from Bank	\$ 20,580	\$ 22,338	\$ 15,885
Interest and dividends from investments	2	-	-
Total Income	<u>20,582</u>	<u>22,338</u>	<u>15,885</u>
Interest expense, borrowed money	2,725	2,299	2,230
Other	422	366	353
Total Expense	<u>3,147</u>	<u>2,665</u>	<u>2,583</u>
Income before Income Tax Benefit and Equity in Undistributed Earnings of Subsidiaries	<u>17,435</u>	<u>19,673</u>	<u>13,302</u>
Income tax benefit	(924)	(843)	(777)
Income before Equity in Undistributed Earnings of Subsidiaries	<u>18,359</u>	<u>20,516</u>	<u>14,079</u>
Equity in undistributed earnings of subsidiaries	11,124	25,063	20,161
Net Income	<u>\$ 29,483</u>	<u>\$ 45,579</u>	<u>\$ 34,240</u>

Note 20 - Parent Only Condensed Financial Information**STATEMENTS OF CASH FLOWS**

	Years Ended December 31,		
	2023	2022	2021
	(In Thousands)		
Cash Flows from Operating Activities			
Net Income	\$ 29,483	\$ 45,579	\$ 34,240
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization	116	233	233
Equity in undistributed earnings of subsidiaries	(11,124)	(25,063)	(20,161)
Decrease (increase) in other assets	(1,062)	1,223	(781)
(Decrease) increase in other liabilities	(303)	(149)	10
Net Cash Provided By Operating Activities	17,110	21,823	13,541
Cash Flows from Investing Activities			
Additional investment in subsidiary	(8,227)	(2,220)	(289)
Net Cash Used In Investing Activities	\$ (8,227)	\$ (2,220)	\$ (289)
Cash Flows from Financing Activities			
Proceeds from issuance of preferred stock	15,270	6,810	3,200
Redemption of preferred stock	(11,230)	(14,730)	-
Proceeds from issuance of common stock	1,773	639	765
Cash dividends paid	(11,142)	(11,175)	(10,935)
Purchase of treasury stock	(3,816)	(3,406)	(4,207)
Net Cash Used in Financing Activities	(9,145)	(21,862)	(11,177)
Net Increase (Decrease) in Cash and Cash Equivalents	(263)	(2,259)	2,075
Cash and Cash Equivalents - Beginning	\$ 1,553	\$ 3,812	\$ 1,737
Cash and Cash Equivalents - Ending	\$ 1,290	\$ 1,553	\$ 3,812

Note 21 - Subsequent Events

Subsequent Events are events or transactions that occur after the balance sheet date but before financial statements are issued or available to be issued. Financial statements are considered issued when they are widely distributed to stockholders and other financial statement users for general use and reliance in a form and format that complies with GAAP.

On January 25, 2024, the Company declared a cash dividend of \$0.16 per share and was paid to stockholders on February 16, 2024, with a record date of February 2, 2024.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2023 (the "Evaluation Date"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, our disclosure controls and procedures were effective in timely alerting them to the material information relating to us (or our consolidated subsidiaries) required to be included in our periodic SEC filings.

(b) Management's Annual Report on Internal Control over Financial Reporting.

Management of BCB Bancorp, Inc., and subsidiaries (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's system of internal control is designed under the supervision of management, including our Chief Executive Officer and Chief Financial Officer, to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of the Company's consolidated financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with GAAP, and that receipts and expenditures are made only in accordance with the authorization of management and the Board of Directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on our consolidated financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections on any evaluation of effectiveness to future periods are subject to the risk that the controls may become inadequate because of changes in conditions or that the degree of compliance with policies and procedures may deteriorate.

As of December 31, 2023, management assessed the effectiveness of the Company's internal control over financial reporting based upon the framework established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based upon its assessment, management believes that the Company's internal control over financial reporting as of December 31, 2023 is effective and meets the criteria of the *Internal Control – Integrated Framework (2013)*.

There were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fourth fiscal quarter of 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Wolf and Company, P.C., the independent registered public accounting firm that audited the Company's consolidated financial statements, has issued an audit report on the Company's internal control over financial reporting as of December 31, 2023 that appears in Item 8 of this Form 10-K.

ITEM 9B. OTHER INFORMATION

- (a) Kenneth G. Emerson, the Chief Risk Officer of the Bank, resigned from his employment with the Bank on March 5, 2024.
- (b) During the three months ended December 31, 2023, no directors or executive officers of the Company adopted or terminated any contract, instruction or written plan for the purchase or sale of the Company securities that was included to satisfy the affirmative defense conditions of Rule 10b5-1(c) and/or any "Rule 10b5-1 trading arrangement".

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The Company has adopted a Code of Ethics that applies to the Company's Chief Executive Officer, Chief Financial Officer, Controller, and/or any persons performing similar functions. The Code of Ethics is available for free by writing to: President and Chief Executive Officer, BCB Bancorp, Inc., 104-110 Avenue C, Bayonne, New Jersey 07002. The Code of Ethics was filed as an exhibit to the Form 10-K for the year ended December 31, 2004 and is incorporated by reference as an exhibit to this report.

The section entitled "PROPOSAL NO. 1 ELECTION OF THE DIRECTOR NOMINEES OF THE BOARD OF DIRECTORS" section of the Company's definitive Proxy Statement for the Company's 2024 Annual Meeting of Stockholders (the "2024 Proxy Statement").

In addition, the information under the captions "DELINQUENT SECTION 16(A) REPORTS", "Code of Business Conduct and Ethics" and "CORPORATE GOVERNANCE - Committees of our Board of Directors – Audit Committee" of the 2024 Proxy Statement is incorporated herein by reference.

There have been no changes during the last year in the procedures by which security holders may recommend nominees to the Company's board of directors.

ITEM 11. EXECUTIVE COMPENSATION

The sections of the 2024 Proxy Statement entitled "EXECUTIVE COMPENSATION", "DIRECTOR COMPENSATION" and "CORPORATE GOVERNANCE - Committees of our Board of Directors – Compensation Committee Interlocks and Insider Participation" are incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The section of the 2024 Proxy Statement entitled "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT" is incorporated herein by reference.

The disclosure in this Form 10-K under the caption "ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES - Compensation Plans" is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The sections of the 2024 Proxy Statement entitled "CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS" and "CORPORATE GOVERNANCE - Independence of Directors" are incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by Item 14 is incorporated by reference to the sections of the 2024 Proxy Statement entitled "AUDIT COMMITTEE REPORT - Fees of Independent Auditors' and 'Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services by Independent Auditors.'"

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements

The exhibits and financial statement schedules filed as a part of this Form 10-K are as follows:

- (A) Report of Independent Registered Public Accounting Firm
- (B) Consolidated Statements of Financial Condition as of December 31, 2023 and 2022
- (C) Consolidated Statements of Operations for the years ended December 31, 2023, 2022 and 2021
- (D) Consolidated Statements of Comprehensive Income for the years ended December 31, 2023, 2022 and 2021
- (E) Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2023, 2022 and 2021
- (F) Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021
- (G) Notes to Consolidated Financial Statements

(a)(2) Financial Statement Schedules

All schedules are omitted because they are not required or applicable, or the required information is shown in the consolidated statements or the notes thereto.

(b) Exhibits

3.1	Restated Certificate of Incorporation of BCB Bancorp, Inc.
3.2	Bylaws of BCB Bancorp, Inc. (1)
4.1	Specimen Stock Certificate (2)
4.2	Description of Common Stock (3)
4.3	Form of Subordinated Note Purchase Agreement (4)
4.4	Form of Subordinated Note (5)
10.1	BCB Community Bank Executive and Director Deferred Compensation Plan (6)
10.2	Employment Agreement with Michael A. Shriner
10.3	BCB Bancorp, Inc. 2011 Stock Option Plan (7)
10.4	BCB Bancorp, Inc. 2018 Equity Incentive Plan (8)
10.5	Defined Benefit Supplemental Executive Retirement Plan (9)
10.6	Employment Agreement with Ryan Blake (10)
10.7	Employment Agreement with Sandra L. Sievwright (11)
10.8	BCB Bancorp, Inc. 2023 Equity Incentive Plan (12)
10.9	Employment Agreement with Jawad Chaudhry (13)
14	Conflicts of Interest, Usurpation of Corporate Opportunity & Code of Conduct Policy (14)
21	Subsidiaries of the Company
23	Consent of Independent Registered Public Accounting Firm – Wolf & Company, P.C.,
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.1	BCB Bancorp Inc., Clawback Policy

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- (1) Incorporated by reference to Exhibit 3.1 to the Form 8-K filed with the Securities and Exchange Commission on February 22, 2023.
- (2) Incorporated by reference to Exhibit 4 to the Form 8-K-12g3 filed with the Securities and Exchange Commission on May 1, 2003.
- (3) Incorporated by reference to Exhibit 4.3 to the Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 11, 2020.
- (4) Incorporated by reference to Exhibit 10.1 to the Form 8-K filed with the Securities and Exchange Commission on July 31, 2018.
- (5) Incorporated by reference to Exhibit 4.1 to the Form 8-K filed with the Securities and Exchange Commission on July 31, 2018.
- (6) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed with the Securities and Exchange Commission on March 21, 2023.
- (7) Incorporated by reference to Appendix A to the proxy statement for the Company's Annual Meeting of Shareholders (File No. 000-50275), filed by the Company with the Securities and Exchange Commission on Schedule 14A on March 28, 2011.
- (8) Incorporated by reference to Appendix A to the proxy statement for the Company's Annual Meeting of Stockholders by the Company with the Securities and Exchange Commission on March 26, 2018.
- (9) Incorporated by reference to Exhibit 10.1 to the Form 8-K filed with the Securities and Exchange Commission on January 3, 2022.
- (10) Incorporated by reference to Exhibit 10.11 to the Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 9, 2022.
- (11) Incorporated by reference to Exhibit 10.12 to the Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 9, 2022.
- (12) Incorporated by reference to Appendix A to the proxy statement for the Company's 2023 Annual Meeting of Stockholders filed by the Company with the Securities and Exchange Commission on March 21, 2023.
- (13) Incorporated by reference to Exhibit 10.2 to the Form 8-K filed with the Securities and Exchange Commission on September 29, 2022.
- (14) Incorporated by reference to Exhibit 10.2 to the Form 8-K filed with the Securities and Exchange Commission on March 21, 2023.

ITEM 16. FORM 10-K SUMMARY

None.

Signatures

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

BCB BANCORP, INC.

Date: March 8, 2024

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

Pursuant to the requirements of the Securities Exchange of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Signatures</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Michael A. Shriner</u> Michael A. Shriner	President, Chief Executive Officer and Director (Principal Executive Officer)	March 8, 2024
<u>/s/ Jawad Chaudhry</u> Jawad Chaudhry	Chief Financial Officer (Principal Financial and Accounting Officer)	March 8, 2024
<u>/s/ Mark D. Hogan</u> Mark D. Hogan	Chairman of the Board	March 8, 2024
<u>/s/ Robert Ballance</u> Robert Ballance	Director	March 8, 2024
<u>/s/ Judith Q. Bielan</u> Judith Q. Bielan	Director	March 8, 2024
<u>/s/ Ryan Blake</u> Ryan Blake	Director	March 8, 2024
<u>/s/ James E. Collins</u> James E. Collins	Director	March 8, 2024
<u>/s/ Thomas Coughlin</u> Thomas Coughlin	Director	March 8, 2024
<u>/s/ Vincent DiDomenico, Jr.</u> Vincent DiDomenico, Jr.	Director	March 8, 2024
<u>/s/ Joseph Lyga</u> Joseph Lyga	Director	March 8, 2024
<u>/s/ John Pulomena</u> John Pulomena	Director	March 8, 2024
<u>/s/ James Rizzo</u> James Rizzo	Director	March 8, 2024
<u>/s/ Spencer B. Robbins</u> Spencer B. Robbins	Director	March 8, 2024

**RESTATED CERTIFICATE OF INCORPORATION
OF
BCB BANCORP, INC.**

**ARTICLE I
Corporate Name**

The name of the Corporation shall be BCB Bancorp, Inc.

**ARTICLE II
Registered Office and Registered Agent**

The address of the Corporation's registered office is:

BCB Bancorp, Inc.
104-110 Avenue C
Bayonne, New Jersey 07002

The name of the registered agent at that address is:

Thomas Coughlin
President and Chief Executive Officer

**ARTICLE III
Current Board of Directors and Number of Directors**

The number of directors shall be governed by the By-laws of the Corporation. The number of directors constituting the current Board of Directors shall be twelve (12). The names and addresses of the current Board of Directors are as follows:

<u>Name</u>	<u>Address</u>
Robert Ballance	76 West 8th Street, Bayonne, New Jersey 07002
Judith Q. Bielani	21 Blaine Avenue, Unit 6, Seaside Heights, New Jersey 08751
Joseph Brogan	300 3rd Avenue, Belmar, New Jersey 07719
James E. Collins	1009 Central Ponds Drive, Summerville, South Carolina 29483
Thomas Coughlin	190 West 52nd Street, Bayonne, New Jersey 07002
Vincent DiDomenico, Jr.	120 Overleigh Road, Bernardsville, New Jersey 07924
Mark Hogan	9 West 8th Street, Bayonne, New Jersey 07002
Joseph Lyga	78 West 14th Street, Bayonne, New Jersey 07002
August Pellegrini	21 Columbus Avenue, Berkeley Heights, New Jersey 07922
John Pulomena	5 Holly Park Drive, South Plainfield, New Jersey 07080
James Rizzo	395 Feronia Way, Rutherford, New Jersey 07070
Spencer B. Robbins	568 Amboy Avenue, Woodbridge, NJ 07095

ARTICLE IV
Corporate Purpose

The purpose for which the Corporation is organized is to engage in any activities for which corporations may be organized under the New Jersey Business Corporation Act.

ARTICLE V
Capital Stock

(A) The aggregate number of shares which the Company shall have authority to issue is 50,000,000 shares, 40,000,000 of which shall be common shares, having no par value ("Common Shares") and 10,000,000 of which shall be preferred shares, having a par value of One Cent (\$0.01) per share ("Preferred Shares").

(B) The Board of Directors is authorized, subject to any limitations prescribed by law, to provide for the issuance of the shares of Preferred Shares in series, and by filing a certificate of amendment pursuant to the applicable law of the State of New Jersey (such certificate being hereinafter referred to as a "Preferred Share Designation"), to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences, and rights of the shares of each such series and any qualifications, limitations or restrictions thereof. The number of authorized shares of Preferred Shares may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the Common Stock, without a vote of the holders of the Preferred Stock, or of any series thereof, unless a vote of any such holders is required pursuant to the terms of any Preferred Stock Designation.

(C) Series A 6% Noncumulative Perpetual Preferred Stock:

Section 1. Designation and Amount.

The shares of such series shall be designated as "Series A 6% Noncumulative Perpetual Preferred Stock," par value \$0.01 per share (the "Series A Preferred Stock"), and the number of shares constituting the Series A Preferred Stock shall be 1,500. The shares of Series A Preferred Stock shall have a designated face value of \$10,000.00.

Section 2. Dividends and Distributions.

(a) Dividends when and if declared will be paid quarterly in arrears (based upon March 31, June 30, September 30 and December 31 quarters) on or about April 15, July 15, October 15 and January 15. Dividends will be paid on a pro rata basis based upon a 360 day year from the date of the completion of the offering or portion thereof.

(b) Dividends will be discretionary and non-cumulative.

Section 3. Voting Rights

The Series A Preferred Stock shall not have any voting rights.

Section 4. Reacquired Shares.

Any shares of Series A Preferred Stock purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof.

Section 5. Liquidation, Dissolution, or winding up.

Upon any liquidation, dissolution or winding up of BCB Community Bank (the "Bank"), the Company, as the sole holder of the Bank's capital stock, shall be entitled to receive all of the Bank's assets available for distribution after payment or provision for payment of all debts and liabilities of the Bank, including all deposit

accounts and accrued interest. Upon liquidation, dissolution or winding up of the Company, the holders of Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, taken together, shall be entitled to receive all of the assets of the Company available for distribution after payment or provision for payment of all its debts and liabilities and any security ranking senior to the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock. Holders of Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, taken together, have priority rights over holders of Common Stock in the liquidation, dissolution or winding up of the Company.

Section 6. Redemption Feature.

Shares of Series A Preferred Stock may not be redeemed until after December 31, 2015 by the Company (in whole or in part) at its option, upon receipt of necessary regulatory approval, at the face value of \$10,000.00 per share plus any pro rata dividend that may be declared by the Board of Directors.

Section 7. Rank.

Shares of the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, taken together, will rank senior to common stock, no par value, and will rank junior to all the Company's indebtedness and other non-equity claims on the Company.

(D) Series B 6% Noncumulative Perpetual Preferred Stock:

Section 1. Designation and Amount.

The shares of such series shall be designated as "Series B 6% Noncumulative Perpetual Preferred Stock," par value \$0.01 per share (the "Series B Preferred Stock"), and the number of shares constituting the Series B Preferred Stock shall be 1,500. The shares of Series B Preferred Stock shall have a designated face value of \$10,000.00.

Section 2. Dividends and Distributions.

(a) Dividends when and if declared will be paid quarterly in arrears (based upon March 31, June 30, September 30 and December 31 quarters) on or about April 15, July 15, October 15 and January 15. Dividends will be paid on a pro rata basis based upon a 360 day year from the date of the completion of the offering or portion thereof.

(b) Dividends will be discretionary and non-cumulative.

Section 3. Voting Rights.

The Series B Preferred Stock shall not have any voting rights.

Section 4. Recquired Shares.

Any shares of Series B Preferred Stock purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof.

Section 5. Liquidation, Dissolution, or winding up.

Upon any liquidation, dissolution or winding up the Bank, the Company, as the sole holder of the Bank's capital stock, shall be entitled to receive all of the Bank's assets available for distribution after payment or provision for payment of all debts and liabilities of the Bank, including all deposit accounts and accrued interest. Upon liquidation, dissolution or winding up of the Company, the holders of Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, taken together, shall be entitled to receive all of the assets of the Company available for distribution after payment or provision for payment of all its debts and liabilities and any security

ranking senior to the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock. Holders of Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, taken together, have priority rights over holders of Common Stock in the liquidation, dissolution or winding up of the Company.

Section 6. Redemption Feature.

Shares of Series B Preferred Stock may not be redeemed until after December 31, 2016 by the Company (in whole or in part) at its option, upon receipt of necessary regulatory approval, at the face value of \$10,000.00 per share plus any pro rata dividend that may be declared by the Board of Directors.

Section 7. Rank.

Shares of the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, taken together, will rank senior to common stock, no par value, and will rank junior to all the Company's indebtedness and other non-equity claims on the Company.

(E) Series C 6% Noncumulative Perpetual Preferred Stock:

Section 1. Designation and Amount.

The shares of such series shall be designated as "Series C 6% Noncumulative Perpetual Preferred Stock," par value \$0.01 per share (the "Series C Preferred Stock"), and the number of shares constituting the Series C Preferred Stock shall be 2,500. The shares of Series C Preferred Stock shall have a designated face value of \$10,000.00.

Section 2. Dividends and Distributions.

(a) Dividends when and if declared will be paid quarterly in arrears (based upon March 31, June 30, September 30 and December 31 quarters) on or about April 15, July 15, October 15 and January 15. Dividends will be paid on a pro rata basis based upon a 360 day year from the date of the completion of the offering or portion thereof.

(b) Dividends will be discretionary and non-cumulative.

Section 3. Voting Rights.

The Series C Preferred Stock shall not have any voting rights.

Section 4. reacquired Shares.

Any shares of Series C Preferred Stock purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof.

Section 5. Liquidation, Dissolution, or winding up.

(a) In the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, holders of Series C Preferred Stock shall be entitled to receive for each share of Series C Preferred Stock, out of the assets of the Company or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Company, subject to the rights of any creditors of the Company, before any distribution of such assets or proceeds is made to or set aside for the holders of common stock and any other stock of the Company ranking junior to the Series C Preferred Stock, payment in full in an amount equal to the sum of: (i) the Series C designated face value (as set forth in Part (E), Section 1 of this Article); and, (ii) the amount of any declared and unpaid dividend on each such share (such amounts, collectively, the "Series C Liquidation Preference").

(b) If, in any distribution described in Section 5(a) above, the assets of the Company or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Series C Preferred Stock and the corresponding amounts payable with respect to any other stock of the Company ranking equally with Series C Preferred Stock as to such distribution, holders of Series C Preferred Stock and the holders of such other stock of the Company ranking equally with Series C Preferred Stock shall share ratably in any such distribution in proportion to the full respective distributions to which they are entitled.

(c) If the Series C Liquidation Preference has been paid in full to all holders of Series C Preferred Stock and the corresponding amounts payable with respect to any other stock of the Company ranking equally with Series C Preferred Stock as to such distribution has been paid in full, the holders of other stock of the Company shall be entitled to receive all remaining assets of the Company (or proceeds thereof) according to their respective rights and preferences.

(d) For purposes of this Section 5, the merger or consolidation of the Company with any other corporation or other entity, including a merger or consolidation in which the holders of Series C Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Company, shall not constitute a liquidation, dissolution or winding up of the Company.

Section 6. Redemption Feature.

Shares of Series C Preferred Stock may not be redeemed until after December 31, 2017 by the Company (in whole or in part) at its option, at the face value of \$10,000.00 per share plus any pro rata dividend that may be declared by the Board of Directors.

Section 7. Rank.

Shares of the Series C Preferred Stock and any other stock of the Company ranking equally with the Series C Preferred Stock, taken together, will rank senior to common stock, no par value, and will rank junior to all the Company's indebtedness and other non-equity claims on the Company.

(F) Series D 4.5% Noncumulative Perpetual Preferred Stock:

Section 1. Designation and Amount.

The shares of such series shall be designated as "Series D 4.5% Noncumulative Perpetual Preferred Stock," par value \$0.01 per share (the "Series D Preferred Stock"), and the number of shares constituting the Series D Preferred Stock shall be 2,500. The shares of Series D Preferred Stock shall have a designated face value of \$10,000.00.

Section 2. Dividends and Distributions.

(a) Dividends when and if declared will be paid quarterly in arrears (based upon March 31, June 30, September 30 and December 31 quarters) on or about April 15, July 15, October 15 and January 15. Dividends will be paid on a pro rata basis based upon a 360 day year from the date of the completion of the offering or portion thereof.

(b) Dividends will be discretionary and non-cumulative.

Section 3. Voting Rights.

The Series D Preferred Stock shall not have any voting rights.

Section 4. Reacquired Shares.

Any shares of Series D Preferred Stock purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof.

Section 5. Liquidation, Dissolution, or winding up.

(a) In the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, holders of Series D Preferred Stock shall be entitled to receive for each share of Series D Preferred Stock, out of the assets of the Company or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Company, subject to the rights of any creditors of the Company, before any distribution of such assets or proceeds is made to or set aside for the holders of common stock and any other stock of the Company ranking junior to the Series D Preferred Stock, payment in full in an amount equal to the sum of: (i) the Series D designated face value (as set forth in Part (F), Section 1 of this Article); and, (ii) the amount of any declared and unpaid dividend on each such share (such amounts, collectively, the “Series D Liquidation Preference”).

(b) If, in any distribution described in Section 5(a) above, the assets of the Company or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Series D Preferred Stock and the corresponding amounts payable with respect to any other stock of the Company ranking equally with Series D Preferred Stock as to such distribution, holders of Series D Preferred Stock and the holders of such other stock of the Company ranking equally with Series D Preferred Stock shall share ratably in any such distribution in proportion to the full respective distributions to which they are entitled.

(c) If the Series D Liquidation Preference has been paid in full to all holders of Series D Preferred Stock and the corresponding amounts payable with respect to any other stock of the Company ranking equally with Series D Preferred Stock as to such distribution has been paid in full, the holders of other stock of the Company shall be entitled to receive all remaining assets of the Company (or proceeds thereof) according to their respective rights and preferences.

(d) For purposes of this Section 5, the merger or consolidation of the Company with any other corporation or other entity, including a merger or consolidation in which the holders of Series D Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Company, shall not constitute a liquidation, dissolution or winding up of the Company.

Section 6. Redemption Feature.

Shares of Series D Preferred Stock may not be redeemed until after January 1, 2020 by the Company (in whole or in part) at its option, at the face value of \$10,000.00 per share plus any pro rata dividend that may be declared by the Board of Directors.

Section 7. Rank.

Shares of the Series D Preferred Stock and any other stock of the Company ranking equally with the Series D Preferred Stock, taken together, will rank senior to common stock, no par value, and will rank junior to all the Company’s indebtedness and other non-equity claims on the Company.

(G) Series E Noncumulative Perpetual Preferred Stock

Section 1. Designation and Amount.

The shares of such series shall be designated as “Series E Noncumulative Perpetual Preferred Stock,” par value \$0.01 per share (the “Series E Preferred Stock”), and the number of shares constituting the Series E Preferred Stock shall be 438,889. The Series E Preferred Stock shall be perpetual, with no maturity date.

Section 2. Dividends and Distributions.

(a) The holders of shares of Series E Preferred Stock shall be entitled to receive out of any funds legally available therefor noncumulative dividends at the same rate and at the same time as any dividend declared on the Company’s common stock, when, as and if declared by the Board of Directors; provided that, for the purposes of this Section 2 only, the holders of the Series E Preferred Stock shall be deemed to own the number of shares of common stock into which such shares of Series E Preferred Stock are convertible on the record date for such dividend.

(b) So long as any share of Series E Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on any series of preferred stock or any class of capital stock of the Company ranking, as to dividends, junior to (“Series E Junior Stock”) this Series E Preferred Stock (other than dividends payable solely in shares of common stock) and nor shall any Series E Junior Stock be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Company or any of its subsidiaries during any Series E Dividend Period, as defined below, unless full dividends on all outstanding shares of Series E Preferred Stock for the most recently completed Series E Dividend Period have been or are contemporaneously declared and paid (or have been declared and a sum sufficient for the

payment thereof has been set aside for the benefit of the holders of shares of Series E Preferred Stock on the applicable record date). Series E Dividend Period shall mean the quarters ending March 31, June 30, September 30 and December 31. The foregoing limitation shall not apply to redemptions, purchases or other acquisitions of shares of common stock or other Series E Junior Stock in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, securities or other property) as may be determined by the Board may be declared and paid on any securities, including other Series E Junior Stock, from time to time out of any funds legally available for such payment, and holders of Series E Preferred Stock shall not be entitled to participate in any such dividends.

Section 3. Voting Rights.

Holders of Series E Preferred Stock shall not have the right to receive notice of nor the right to vote at any meeting of stockholders, and shall not vote together with the common stock; provided, that Holders of the Series E Preferred Stock shall vote as a separate class on any proposal which would revise the terms of the Series E Preferred Stock, or any other matter specifically provided by law.

Section 4. Liquidation, Dissolution, or Winding Up.

(a) Voluntary or Involuntary Liquidation. In the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, holders of Series E Preferred Stock shall be entitled to receive for each share of Series E Preferred Stock, out of the assets of the Company or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Company, subject to the rights of any creditors of the Company, before any distribution of such assets or proceeds is made to or set aside for the holders of common stock and any other Series E Junior Stock, payment in full in an amount equal to the sum of (i) the Series E Stated Value (as hereinafter defined) and (ii) the amount of any declared and unpaid dividend on each such share (such amounts collectively, the "Series E Liquidation Preference"). The Series E Stated Value of the shares shall mean \$2.25 per share.

(b) Partial Payment. If in any distribution described in Section 4(a) above the assets of the Company or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Series E Preferred Stock and the corresponding amounts payable with respect of any other stock of the Company ranking equally with Series E Preferred Stock as to such distribution, holders of Series E Preferred Stock and the holders of such other stock shall share ratably in any such distribution in proportion to the full respective distributions to which they are entitled.

(c) Residual Distributions. After the distributions described in Section 4(a) above have been paid, the remaining assets of the Company available for distribution to stockholders shall be distributed among the holders of Series E Preferred Stock, the common stock and any other Series E Parity Stock, pro rata, based on the number of shares of common stock held by each (as if all such shares of Series E Preferred Stock and other Series E Parity Stock had been converted to common stock).

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 4, the merger or consolidation of the Company with any other corporation or other entity, including a merger or consolidation in which the holders of Series E Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Company, shall not constitute a liquidation, dissolution or winding up of the Company.

Section 5. Rank.

For the purposes hereof any stock of any series or class of the Company shall be deemed to rank:

(a) prior to the shares of this Series E Preferred Stock, as to dividends or upon liquidation, if the holders of such series or class shall be entitled to the receipt of dividends or of amounts distributable upon a Liquidation Event, as the case may be, in preference or priority to the holders of shares of this Series E Preferred Stock;

(b) as on parity with Series E Preferred Stock ("Series E Parity Stock"), as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share or sinking fund provisions, if any, be different from those of this Series E Preferred Stock, if the holders of such stock shall be entitled to the receipt of dividends or of amounts distributable upon a Liquidation Event, as the case may be, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and the holders of shares of this Series E Preferred Stock, including, but not limited to, the Series C Preferred Stock and the Series D Preferred Stock; and;

(c) as Series E Junior Stock, as to dividends or upon liquidation, if such stock shall be common stock or if the holders of shares of this Series E Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon a Liquidation Event, as the case may be, in preference or priority to the holders of shares of such series or class.

Section 6. Conversion.

(a) Right to Convert Series E Preferred Stock. Subject to the limitation contained in Section 6(l) below,

each share of Series E Preferred Stock shall be convertible, without the payment of any additional consideration and at the option of the holder thereof, at any time, at the office of the Company (or of any transfer agent for the Series E Preferred Stock) into shares of common stock at the Series E Conversion Rate (as defined in Section 6(c) hereof) and adjusted on a per share basis giving effect to any adjustment required by Section 6 hereof.

(b) Automatic Conversion. Each share of Series E Preferred Stock may, at the option of the holder thereof be converted into shares of common stock at the then effective Series E Conversion Rate (as defined in Section 6(c) hereof) and adjusted on a per share basis giving effect to any adjustments required by Section 6 hereof, upon 30 days' notice at the Series E Conversion Rate.

(c) Conversion Ratio. Subject to the adjustments provided in subsections (e) through (g) of this Section 6, each share of Series E Preferred Stock shall be convertible into 0.189 share of common stock (the "Series E Conversion Rate").

(d) Mechanics of Conversion. Before any holder of Series E Preferred Stock shall be entitled to convert the same into shares of common stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any transfer agent for the Series E Preferred Stock, and shall give written notice to the Company at its principal corporate office of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of common stock are to be issued. The Company shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series E Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of common stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series E Preferred Stock to be converted, and the person or persons entitled to receive the shares of common stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of common stock as of such date.

(e) Adjustments for Certain Dilutive Issuances, Splits and Combinations.

i. In the event the Company should at any time or from time to time after the date that shares of Series E Preferred Stock are first issued and sold by the Company (the "Series E Purchase Date") fix a record date for the effectuation of a split or subdivision of the outstanding shares of common stock or the determination of holders of common stock entitled to receive a dividend or other distribution payable in additional shares of common stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of common stock, including additional shares of common stock issuable upon conversion or exercise thereof (hereinafter referred to as "Common Stock Equivalents"), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Series E Conversion Rate applicable to the Series E Preferred Stock shall be appropriately increased so that the number of shares of common stock issuable on conversion of each share of Series E Preferred Stock shall be increased in proportion to such increase of the aggregate of shares of common stock outstanding and those issuable with respect to such Common Stock Equivalents.

ii. If the number of shares of common stock outstanding at any time after the Series E Purchase Date is decreased by a combination of the outstanding shares of common stock, then following the record date of such combination, the Series E Conversion Rate for the Series E Preferred Stock shall be appropriately decreased so that the number of shares of common stock issuable on conversion of each share of such Series E Preferred Stock shall be decreased in proportion to such decrease in outstanding common stock.

(f) Other Distributions. In the event the Company shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not referred to in Section 6(e), then, in each such case for the purpose of this Section 6(f), the holders of the Series E Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of common stock of the Company into which their shares of Series E Preferred Stock are convertible as of the record date fixed for the determination of the holders of common stock of the Company entitled to receive such distribution.

(g) Recapitalizations. If at any time or from time to time there shall be a recapitalization of the common stock (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Section 6) provision shall be made so that the holders of the Series E Preferred Stock shall thereafter be entitled to receive upon conversion of the Series E Preferred Stock the number of shares of stock or other securities or property of the Company or otherwise, to which a holder of common stock deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 6 with respect to the rights of the holders of the Series E Preferred Stock after the recapitalization to the end that the provisions of this Section 6 shall be applicable after that event as nearly equivalent as may be practicable.

(h) No Fractional Shares; Certificate as to Adjustments. No fractional shares shall be issued upon the conversion of any share or shares of the Series E Preferred Stock, and the number of shares of common stock to be issued shall be rounded to the nearest whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Series E Preferred Stock the holder is at the time converting into common stock and the number of shares of common stock issuable upon such aggregate conversion.

(i) Notices of Record Date. In the event of any taking by the Company of a record of the holders of any

class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, the Company shall mail to each holder of Series E Preferred Stock, at least 20 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

(j) Reservation of Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of common stock, solely for the purpose of effecting the conversion of the shares of the Series E Preferred Stock, such number of its shares of common stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series E Preferred Stock; and if at any time the number of authorized but unissued shares of common stock shall not be sufficient to effect the conversion of all then-outstanding shares of the Series E Preferred Stock, in addition to such other remedies as shall be available to the holder of such Series E Preferred Stock, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of common stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to these articles.

(k) Notices. Any notice required by the provisions of this Section 6 to be given to the holders of shares of Series E Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Company.

(l) Limitation. Notwithstanding anything in this Section 6 to the contrary, no shares of the Series E Preferred Stock held by a single holder, directly or indirectly (as such terms are defined under Section 3:1-2.19(d) of the regulations of the New Jersey Department of Banking and Insurance) may be converted into shares of the common stock if as a result of such conversion, such holder would own, directly or indirectly, in excess of 24.9% of the outstanding common stock of the Company.

Section 7. Severability.

If any provision of this Certificate of Amendment or any application of such provision is determined to be invalid by any federal or state court having jurisdiction, the validity of the remaining provisions hereunder shall not be affected and other applications of such provision shall be affected only to the extent necessary to comply with the determination of such court. To the extent the provisions of this Certificate of Amendment may be inconsistent with any other provision of the Certificate of Incorporation, this Certificate of Amendment shall be controlling.

(H) Series F Noncumulative Perpetual Preferred Stock

Section 1. Designation and Amount.

The shares of such series shall be designated as "Series F Noncumulative Perpetual Preferred Stock," par value \$0.01 per share (the "Series F Preferred Stock"), and the number of shares constituting the Series F Preferred Stock shall be 6,500. The Series F Preferred Stock shall be perpetual, with no maturity date.

Section 2. Dividends and Distributions.

(a) Rate. Holders of Series F Preferred Stock shall be entitled to receive, on each share of Series F Preferred Stock if, as and when declared by the Board of Directors or any duly authorized committee of the Board of Directors (the "Board"), but only out of assets legally available therefor, non-cumulative cash dividends at six (6%) percent per annum (the "Rate"), on a stated value of \$1,000 per share (the "Series F Stated Value"), and no more, payable quarterly on January 15, April 15, July 15 and October 15 or on such other date or dates as may be determined by the Board of Directors (the "Series F Dividend Payment Date"). In the event that any Series F Dividend Payment Date would otherwise fall on a day that is not a Business Day, as hereinafter defined, the dividend payment due on that date will be postponed to the next day that is a Business Day and no additional dividends will accrue as a result of that postponement. The period from and including any Series F Dividend Payment Date to, but excluding, the next Series F Dividend Payment Date is a "Series F Dividend Period". "Business Day" means any day except Saturday, Sunday and any day on which banking institutions in the State of New Jersey generally are authorized or required by law or other governmental actions to close.

Dividends that are declared and payable on Series F Preferred Stock on any Series F Dividend Payment Date will be payable to holders of record of Series F Preferred Stock as they appear on the stock register of the Company on the applicable record date, which shall be the 15th calendar day immediately preceding such Series F Dividend Payment Date or such other record date fixed by the Board that is not more than 60 nor less than 10 days prior to such Series F Dividend Payment Date (each, a "Series F Dividend Record Date"). Any such day that is a Series F Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Holders of Series F Preferred Stock shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on Series F Preferred Stock as specified in this Section 2 (subject to the other provisions of the Certificate of Amendment).

(b) Non-Cumulative. Dividends on shares of Series F Preferred Stock shall be non-cumulative. If the

Board does not declare a dividend on the Series F Preferred Stock in respect of any Series F Dividend Period, the holders of Series F Preferred Stock shall have no right to receive any dividend for such Series F Dividend Period, and the Company shall have no obligation to pay a dividend for such Series F Dividend Period, whether or not dividends are declared for any subsequent Series F Dividend Period with respect to the Series F Preferred Stock.

(c) Priority of Dividends. So long as any share of Series F Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on any series of preferred stock or any class of capital stock of the Company ranking, as to dividends, on a parity with ("Series F Parity Stock"), which shall be deemed to include the Company's Series C Preferred Stock, the Company's Series D Preferred Stock, and the Company's Series E Preferred Stock or ranking junior to ("Series F Junior Stock") this Series F Preferred Stock (other than dividends payable solely in shares of common stock) and nor shall any Series F Junior Stock or Series F Parity Stock be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Company or any of its subsidiaries during any Series F Dividend Period unless full dividends on all outstanding shares of Series F Preferred Stock for the most recently completed Series F Dividend Period have been or are contemporaneously declared and paid (or have been declared and a sum sufficient for the payment thereof has been set aside for the benefit of the holders of shares of Series F Preferred Stock on the applicable record date). The foregoing limitation shall not apply to redemptions, purchases or other acquisitions of shares of common stock or other Series F Junior Stock in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, securities or other property) as may be determined by the Board may be declared and paid on any securities, including common stock and other Series F Junior Stock, from time to time out of any funds legally available for such payment, and holders of Series F Preferred Stock shall not be entitled to participate in any such dividends.

Section 3. Voting Rights.

Holders of Series F Preferred Stock shall not have the right to receive notice of nor the right to vote at any meeting of stockholders; provided, that Holders of the Series F Preferred Stock shall vote as a separate class on any proposal which would revise the terms of the Series F Preferred Stock, or any other matter specifically provided by law.

Section 4. Liquidation, Dissolution, or Winding Up.

(a) Voluntary or Involuntary Liquidation. In the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, holders of Series F Preferred Stock shall be entitled to receive for each share of Series F Preferred Stock, out of the assets of the Company or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Company, subject to the rights of any creditors of the Company, before any distribution of such assets or proceeds is made to or set aside for the holders of common stock and any other stock of the Company ranking junior to the Series F Preferred Stock, payment in full in an amount equal to the sum of (i) the Series F Stated Value (as hereinafter defined) and (ii) the amount of any declared and unpaid dividend on each such share (such amounts collectively, the "Series F Liquidation Preference").

(b) Partial Payment. If in any distribution described in Section 4(a) above the assets of the Company or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Series F Preferred Stock and the corresponding amounts payable with respect of any other stock of the Company ranking equally with Series F Preferred Stock as to such distribution, holders of Series F Preferred Stock and the holders of such other stock shall share ratably in any such distribution in proportion to the full respective distributions to which they are entitled.

(c) Residual Distributions. If the Series F Liquidation Preference has been paid in full to all holders of Series F Preferred Stock and the corresponding amounts payable with respect of any other stock of the Company ranking equally with Series F Preferred Stock as to such distribution has been paid in full, the holders of other stock of the Company shall be entitled to receive all remaining assets of the Company (or proceeds thereof) according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 4, the merger or consolidation of the Company with any other corporation or other entity, including a merger or consolidation in which the holders of Series F Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Company, shall not constitute a liquidation, dissolution or winding up of the Company.

Section 5. Rank.

For the purposes hereof any stock of any series or class of the Company shall be deemed to rank:

(a) prior to the shares of this Series F Preferred Stock, as to dividends or upon liquidation, if the holders of such series or class shall be entitled to the receipt of dividends or of amounts distributable upon a Liquidation Event, as the case may be, in preference or priority to the holders of shares of this Series F Preferred Stock;

(b) as Series F Parity Stock, as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share or sinking fund provisions, if any, be different from those of this Series F Preferred Stock, if the holders of such stock shall be entitled to the receipt of dividends or of amounts

distributable upon a Liquidation Event, as the case may be, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and the holders of shares of this Series F Preferred Stock, including, but not limited to, the Series C Preferred Stock, the Series D Preferred Stock, and the Series E Preferred Stock and;

(c) as Series F Junior Stock, as to dividends or upon liquidation, if such stock shall be common stock or if the holders of shares of this Series F Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon a Liquidation Event, as the case may be, in preference or priority to the holders of shares of such series or class.

Section 6. Conversion.

(a) The Series F Preferred Stock may be converted into shares of common stock by any holder at any time after the date of the issuance of the Series F Preferred Stock. Subject to and upon compliance with the provisions of this Section 6, the holder of any shares of this Series F Preferred Stock of the Company may convert the shares of this Series F Preferred Stock into such number of validly issued, fully paid and nonassessable shares of common stock which are equal to the product obtained by multiplying (1) the Series F Stated Value divided by the product of one and twenty five hundredths (1.25) times \$2.85 by (2) 0.189 (the "Series F Conversion Ratio") surrendering the shares to be converted, in the manner provided in Section 6(c) below; provided, that if the Company shall have called some or all of the shares of this Series F Preferred Stock for redemption, such right shall terminate on the close of business on the third Business Day next preceding the date fixed for redemption, unless the Company has defaulted in making or providing for the payment due on the date fixed for redemption.

(b) The Company has the right, upon 30 days prior written notice to each holder, to require that the Series F Preferred Stock be converted into common stock at any time after the date of issuance of the Series F Preferred Stock upon the happening of any of the following:

i. a merger, consolidation or similar transaction involving the Company as a result of which the shareholders of the Company prior to such transaction do not own a majority of the voting power of the resulting entity;

ii. the sale or disposition of all or substantially all of the Company's assets; or

iii. if the Board, in the exercise of its good faith discretion, in connection with a capital raising transaction through the sale of the Company's capital stock, determines that the existence of the outstanding Series F Preferred Stock presents an impediment to the consummation of such transaction such that the failure to convert the Series F Preferred Stock would not be in the best interests of the Company and its common stock holders.

The Series F Preferred Stock shall be converted into that number of shares of the Company's common stock derived by applying the Series F Conversion Ratio.

(c)

i. In order to exercise the conversion privilege provided for under Section 6(a) hereof: or in the event the Company gives notice of a mandatory conversion pursuant to Section 6(b) hereof, the holder of each share of this Series F Preferred Stock to be converted shall surrender the certificate representing such share to the Conversion Agent for this Series F Preferred Stock appointed for such purpose by the Company (the "Series F Conversion Agent"), or, if no Series F Conversion Agent has been appointed or if the holder has not received notice of such appointment, then to the Company, and in the event the conversion is pursuant to Section 6(a) hereof, with the Notice of Election to Convert on the back of said certificate duly completed and signed at the principal office of the Series F Conversion Agent or the Company, as the case may be. Unless the shares issuable on conversion are to be issued in the same name as the name in which the shares of this Series F Preferred Stock are registered, each share surrendered for conversion shall be accompanied by instruments of transfer, in form satisfactory to the Company, duly executed by the holder or its duly authorized attorney and by funds in an amount sufficient to pay any transfer or similar tax.

ii. The holders of shares of this Series F Preferred Stock at the close of business on a Dividend Record Date shall be entitled to receive the dividend payable on those shares on the corresponding Series F Dividend Payment Date notwithstanding the conversion of the shares after the Dividend Record Date.

iii. As promptly as practicable after the surrender by a holder of the certificates of shares of this Series F Preferred Stock in accordance with Section 6(c), the Company shall issue and shall deliver at the office of the Series F Conversion Agent to the holder, or on his written order, a certificate or certificates for the number of full shares of common stock issuable upon the conversion of those shares in accordance with the provisions of this Section 6(c)(iii), and any fractional interest in respect of a share of common stock arising upon the conversion shall be settled as provided in Section 6(d) below.

iv. In the event of a voluntary conversion under Section 6(a) hereof, each conversion shall be deemed to have been effected as of the close of business on the date on which all of the conditions specified in Section 6(c)(i) above shall have been satisfied, and, the person or persons in whose name or names any certificate or certificates for shares of common stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the shares of common stock represented by those certificates at such time on such date and such conversion shall be at the Series F Conversion Ratio in effect at such time on such date. All shares of common stock delivered upon

conversion of this Series F Preferred Stock will upon delivery be duly and validly issued and fully paid and nonassessable, free of all liens and charges are not subject to any preemptive rights. Upon the surrender of certificates representing shares of this Series F Preferred Stock to be converted, the shares will no longer be deemed to be outstanding and all rights of a holder with respect to the shares surrendered for conversion shall immediately terminate except the right to receive the common stock or other securities, cash or other assets as herein provided (including without limitation any dividend payable as specified in Section 6(b)(ii) above).

v. In the event of a mandatory conversion under Section 6(b) hereof, each conversion shall be deemed to have been effected as of the close of business on the tenth day after expiration of the 30 day notice period provided for under Section 6(b) hereof, and thereafter the shares of Series F Preferred Stock called for conversion shall no longer be deemed outstanding, and no dividends shall thereafter accrue or be payable on such shares, and such shares shall be deemed converted into common stock of the Company; provided, that the Company shall not be required to issue certificates representing such shares of common stock until the holder has complied with all of the provisions of this Section 6.

(d) No fractional shares or securities representing fractional shares of common stock shall be issued upon conversion of this Series F Preferred Stock. Any fractional interest in a share of common stock resulting from conversion of a share of this Series F Preferred Stock shall be paid in cash based on the value of the common stock at the Series F Conversion Ratio, or in the discretion of the Company's management, rounded upward or downward to the nearest whole share.

(e) If:

i. the Company shall authorize the granting to the holders of the common stock of rights or warrants to subscribe for or purchase any shares of any class or any other rights or warrants; or

ii. there shall be any reclassification of the common stock (other than a subdivision or combination of the outstanding common stock and other than a change in the par value, or from par value to no par value, or from no par value to par value), or any consolidation, merger, or statutory share exchange to which the Company is a party, or any sale or transfer of all or substantially all the assets of the Company, or

iii. there shall be a voluntary or an involuntary dissolution liquidation or winding up of the Company;

then the Company shall cause to be filed with the Series F Conversion Agent, and shall cause to be mailed to the holders of shares of this Series F Preferred Stock at their addresses as shown on the stock books of the Company, at least 15 days prior to the applicable date hereinafter specified, a notice stating (i) the date on which a record is to be taken for the purpose of the dividend, distribution or rights or warrants, or, if a record is not to be taken, the date as of which the holders of common stock of record to be entitled to the dividend, distribution of rights or warrants are to be determined or (ii) the date on which the reclassification, consolidation, merger, statutory share exchange, sale, transfer, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of common stock of record shall be entitled to exchange their shares of common stock for securities or other property deliverable upon the reclassification, consolidation, merger, statutory share exchange, sale, transfer, dissolution, liquidation or winding up. Failure to give any such notice or any defect in the notice shall not affect the legality or validity of the proceedings described in this Section 6(e).

(f)

i. The Company covenants that it will at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued shares of common stock or its issued shares of common stock held in its treasury, or both, for the purpose of effective conversions of this Series F Preferred Stock the full number of shares of common stock deliverable upon the conversion of all outstanding shares of this Series F Preferred Stock not theretofore converted.

ii. The Company may impose any such restrictions on the common stock issued upon conversion of the Series F Preferred Stock as it may deem advisable in order to comply with the Securities Act of 1933, as amended, the requirements of any stock exchange or automated quotation system upon which the stock is then listed or quoted, any applicable state securities laws, any provision of the Company's certificate of incorporation or bylaws, or any other law, regulation, or binding contract to which the Company is a party, and may request the holder of the Series F Preferred Stock to provide such investment representations or agreements as may be required to ensure such compliance.

(g) The Company will pay any and all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of shares of common stock on conversion of this Series F Preferred Stock pursuant hereto; provided, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issue or delivery of shares of common stock in a name other than that of the holder of this Series F Preferred Stock to be converted and no such issue or delivery shall be made unless and until the person requesting the issue or delivery has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that the tax has been paid.

(h) In case of any reclassification or change of outstanding shares of common stock (other than change in

par value, or as a result of subdivision or combination), or in case of any consolidation of the Company with, or merger of the Company with or into, any other entity that requires the vote of the holders of common stock or that results in a reclassification, change, conversion, exchange or cancellation of outstanding shares of common stock or any sale or transfer of all or substantially all of the assets of the Company, each holder of shares of this Series F Preferred Stock then outstanding shall, in connection with such transaction, have the right to convert the shares of this Series F Preferred Stock held by the holder into the kind and amount of securities, cash and other property which the holder would have been entitled to receive upon such reclassification, change, consolidation, merger, sale or transfer if the holder had held the common stock issuable upon the conversion of the shares of this Series F Preferred Stock immediately prior to the reclassification, change, consolidation, merger, sale or transfer, and the Company may require the holders of the Series F Preferred Stock to accept such consideration in exchange for their shares of Series F Preferred Stock in the event such transaction is approved by any requisite vote of shareholders legally required.

(i) In the event that the Company shall consummate any consolidation or merger or similar business combination, pursuant to which the outstanding shares of common stock are by operation of law exchanged solely for or changed, reclassified or converted into stock, securities or cash or any other property, or any combination thereof, then provision shall be made so that shares of this Series F Preferred Stock that are not immediately converted and receive the consideration provided in Section 6(h), shall, in connection with such consolidation, merger or similar business combination, be assumed by and shall become preferred stock of such successor or resulting corporation, having in respect of such corporation the same powers, preferences and relative rights, and the qualifications, limitations or restrictions thereon, that this Series F Preferred Stock had immediately prior to the transaction, except that after such transaction each share of this Series F Preferred Stock shall be immediately convertible into the nature and kind of consideration so receivable by a holder of the number of shares of common stock into which such shares of this Series F Preferred Stock could have been converted immediately prior to such transaction. The Company shall not consummate any such merger, consolidation or similar transaction unless all then outstanding shares of this Series F Preferred Stock (other than such shares that are converted pursuant to Section 6(h)) shall be assumed and authorized by the successor or resulting corporation as aforesaid.

Section 7. Exchange for Bank Preferred Stock.

Upon the consummation of any transaction whereby the Company is dissolved, and the holders of the common stock of the Company immediately prior to such dissolution exchange their shares for common stock of BCB Community Bank (the "Bank"), the Company's sole asset and subsidiary, each share of Series F Preferred Stock shall automatically, and without any further action by the holder thereof, be converted into or exchanged for one share of preferred stock of the Bank having a liquidation preference and other terms and conditions, including the dividend payment rate and conversion features, as similar to those of the Series F Preferred Stock as are permitted by applicable law.

Section 8. Redemption.

(a) At any time after the issuance date of the Series F Preferred Stock, shares of this Series F Preferred Stock shall be redeemable by the Company in whole or, from time to time, in part at the Company's option at the Series F Stated Value, plus in each case an amount equal to any dividends declared but unpaid for the then current Series F Dividend Period at the Rate to, but excluding, the date fixed for redemption.

(b) In the event that fewer than all the outstanding shares of this Series F Preferred Stock are to be redeemed as permitted by this Section 8, the number of shares to be redeemed shall be determined by the Board, and the shares to be redeemed shall be determined on a pro rata basis unless another method is required to comply with any rule or regulation of any stock exchange upon which the shares of this Series F Preferred Stock may at any time be listed.

(c) Notice of any redemption of shares of this Series F Preferred Stock, specifying the date fixed for redemption (herein referred to as the "Redemption Date") and place of redemption, shall be given by first class mail to each holder of record of the shares to be redeemed, at his address of record, not more than 60 nor less than 30 days prior to the Redemption Date. Each such notice shall also specify the redemption price applicable to the share to be redeemed and that dividends on shares to be redeemed shall cease to accrue and accumulate on the Redemption Date. If less than all the shares owned by such stockholder are then to be redeemed, the notice shall also specify the number of shares thereof which are to be redeemed and the fact that a new certificate or certificates representing any unredeemed shares shall be issued without cost to such holder.

(d) Notice of redemption of shares of this Series F Preferred Stock having been given as provided in Section 8(c), then, unless the Company shall have defaulted in providing for the payment of the redemption price and an amount equal to all declared and unpaid dividends to the Redemption Date, dividends shall cease to accrue on the shares of this Series F Preferred Stock called for redemption at the Redemption Date, all rights of the holders thereof (except the right to receive the redemption price and all accrued and unpaid dividends to the Redemption Date) shall cease with respect to such shares and such shares shall not, after the Redemption Date, be deemed to be outstanding and shall not have the status of preferred stock. In case fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof.

(e) Any shares of this Series F Preferred Stock which shall at any time have been redeemed or converted shall, after such redemption or conversion, have the status of authorized but unissued shares of preferred stock, without designation as to series until such shares are once more designated as part of a particular Series F by the Board of Directors.

(f) The Series F Preferred Stock will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Series F Preferred Stock will have no right to require redemption or repurchase of any shares of Designated Preferred Stock.

Section 9. Severability.

If any provision of this Certificate of Amendment or any application of such provision is determined to be invalid by any federal or state court having jurisdiction, the validity of the remaining provisions hereunder shall not be affected and other applications of such provision shall be affected only to the extent necessary to comply with the determination of such court. To the extent the provisions of this Certificate of Amendment may be inconsistent with any other provision of the Certificate of Incorporation, this Certificate of Amendment shall be controlling.

(I) Series G 6% Noncumulative Perpetual Preferred Stock

Section 1. Designation and Amount.

The shares of such series shall be designated as "Series G 6% Noncumulative Perpetual Preferred Stock," par value \$0.01 per share (the "Series G Preferred Stock"), and the number of shares constituting the Series G Preferred Stock shall be 533. The shares of Series G Preferred Stock shall have a designated face value of \$10,000.00. The Series G Preferred Stock shall be perpetual, with no maturity date.

Section 2. Dividends and Distributions.

(a) Dividends when and if declared will be paid quarterly in arrears (based upon March 31, June 30, September 30 and December 31 quarters) on or about April 15, July 15, October 15 and January 15. Dividends will be paid on a pro rata basis based upon a 360-day year from the date of the completion of the offering or portion thereof.

(b) Dividends will be discretionary and non-cumulative.

(c) So long as any share of Series G Preferred Stock and any other stock of the Company ranking equally with the Series G Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on any series of preferred stock or any class of capital stock of the Company ranking, as to dividends, junior to this Series G Preferred Stock (other than dividends payable solely in shares of common stock) unless full dividends on all outstanding shares of Series G Preferred Stock for the most recently completed quarter have been or are contemporaneously declared and paid (or have been declared and a sum sufficient for the payment thereof has been set aside for the benefit of the holders of shares of Series G Preferred Stock on the applicable record date).

Section 3. Voting Rights.

The Series G Preferred Stock shall not have any voting rights, provided that holders of the Series G Preferred Stock shall vote as a separate class on any proposal which would revise the terms of the Series G Preferred Stock, or any other matter specifically provided by law.

Section 4. Reacquired Shares.

Any shares of Series G Preferred Stock purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof.

Section 5. Liquidation, Dissolution, or winding up.

(a) In the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, holders of Series G Preferred Stock shall be entitled to receive for each share of Series G Preferred Stock, out of the assets of the Company or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Company, subject to the rights of any creditors of the Company, before any distribution of such assets or proceeds is made to or set aside for the holders of common stock and any other stock of the Company ranking junior to the Series G Preferred Stock, payment in full in an amount equal to the sum of: (i) the Series G designated face value (as set forth in Part (I), Section 1 of this Article); and, (ii) the amount of any declared and unpaid dividend on each such share (such amounts collectively, the "Series G Liquidation Preference").

(b) If, in any distribution described in Section 5(a), above the assets of the Company or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Series G Preferred Stock and the corresponding amounts payable with respect to any other stock of the Company ranking equally with Series G Preferred Stock as to such distribution, holders of Series G Preferred Stock and the holders of such other stock of the Company ranking equally with Series G Preferred Stock shall share ratably in any such distribution in proportion to the full respective distributions to which they are entitled.

(c) If the Series G Liquidation Preference has been paid in full to all holders of Series G Preferred Stock and the corresponding amounts payable with respect to any other stock of the Company ranking equally with Series G Preferred Stock as to such distribution has been paid in full, the holders of other stock of the Company shall be entitled to receive all remaining assets of the Company (or proceeds thereof) according to their respective rights and preferences.

(d) For purposes of this Section 5, the merger or consolidation of the Company with any other corporation or other entity, including a merger or consolidation in which the holders of Series G Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Company, shall not constitute a liquidation, dissolution or winding up of the Company.

Section 6. Redemption Feature.

Shares of Series G Preferred Stock may not be redeemed until after January 1, 2022 by the Company (in whole or in part) at its option, at the face value of \$10,000.00 per share plus any pro rata dividend that may be declared by the Board of Directors.

Section 7. Rank.

Shares of the Series G Preferred Stock and any other stock of the Company ranking equally with Series G Preferred Stock, taken together, will rank senior to common stock, no par value, and will rank junior to all the Company's indebtedness and other non-equity claims on the Company.

(J) Series H 3.5% Noncumulative Perpetual Preferred Stock

Section 1. Designation and Amount.

The shares of such series shall be designated as "Series H 3.5% Noncumulative Perpetual Preferred Stock," par value \$0.01 per share (the "Series H Preferred Stock"), and the number of shares constituting the Series H Preferred Stock shall be 3,000. The shares of Series H Preferred Stock shall have a designated face value of \$10,000.00. The Series H Preferred Stock shall be perpetual, with no maturity date.

Section 2. Dividends and Distributions.

(a) Dividends when and if declared will be paid quarterly in arrears (based upon March 31, June 30, September 30 and December 31 quarters) on or about April 15, July 15, October 15 and January 15. Dividends will be paid on a pro rata basis based upon a 360-day year from the date of the completion of the offering or portion thereof.

(b) Dividends will be discretionary and non-cumulative.

(c) So long as any share of Series H Preferred Stock and any other stock of the Company ranking equally with Series H Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on any series of preferred stock or any class of capital stock of the Company ranking, as to dividends, junior to this Series H Preferred Stock (other than dividends payable solely in shares of common stock) unless full dividends on all outstanding shares of Series H Preferred Stock for the most recently completed quarter have been or are contemporaneously declared and paid (or have been declared and a sum sufficient for the payment thereof has been set aside for the benefit of the holders of shares of Series H Preferred Stock on the applicable record date).

Section 3. Voting Rights.

The Series H Preferred Stock shall not have any voting rights, provided that holders of the Series H Preferred Stock shall vote as a separate class on any proposal which would revise the terms of the Series H Preferred Stock, or any other matter specifically provided by law.

Section 4. Reacquired Shares.

Any shares of Series H Preferred Stock purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof.

Section 5. Liquidation, Dissolution, or Winding Up.

(a) In the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, holders of Series H Preferred Stock shall be entitled to receive for each share of Series H Preferred Stock, out of the assets of the Company or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Company, subject to the rights of any creditors of the Company, before any distribution of such assets or proceeds is made to or set aside for the holders of common stock and any other stock of the Company ranking junior to the Series H Preferred Stock, payment in full in an amount equal to the sum of: (i) the Series H designated face value (as set forth in Part (J), Section 1 of this Article); and, (ii) the amount of any declared and unpaid dividend on each such share (such amounts collectively, the "Series H Liquidation Preference").

(b) If, in any distribution described in Section 5(a) above, the assets of the Company or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Series H Preferred Stock and the corresponding amounts payable with respect to any other stock of the Company ranking equally with Series H Preferred Stock as to such distribution, holders of Series H Preferred Stock and the holders of such other stock of the Company

ranking equally with Series H Preferred Stock shall share ratably in any such distribution in proportion to the full respective distributions to which they are entitled.

(c) If the Series H Liquidation Preference has been paid in full to all holders of Series H Preferred Stock and the corresponding amounts payable with respect to any other stock of the Company ranking equally with Series H Preferred Stock as to such distribution has been paid in full, the holders of other stock of the Company shall be entitled to receive all remaining assets of the Company (or proceeds thereof) according to their respective rights and preferences.

(d) For purposes of this Section 5, the merger or consolidation of the Company with any other corporation or other entity, including a merger or consolidation in which the holders of Series H Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Company, shall not constitute a liquidation, dissolution or winding up of the Company.

Section 6. Redemption Feature.

Shares of Series H Preferred Stock may not be redeemed until after June 30, 2023. After June 30, 2023, the Company may redeem shares of Series H Preferred Stock (in whole or in part) at its option, at the face value of \$10,000.00 per share plus any pro rata dividend that may be declared by the Board of Directors.

Section 7. Rank.

Shares of the Series H Preferred Stock will rank senior to common stock, no par value, and will rank junior to all the Company's indebtedness and other non-equity claims on the Company. Shares of the Series H Preferred Stock will rank on parity with Shares of the Series C 6% Noncumulative Perpetual Preferred Stock, Shares of the Series D 4.5% Noncumulative Perpetual Preferred Stock, Shares of the Series F 6% Noncumulative Perpetual Preferred Stock and shares of the Series G 6% Noncumulative Perpetual Preferred Stock.

(K) Series I Noncumulative Perpetual Preferred Stock

Section 1. Designation and Amount.

The shares of such series shall be designated as "Series I Noncumulative Perpetual Preferred Stock," par value \$0.01 per share (the "Series I Preferred Stock"), and the number of shares constituting the Series I Preferred Stock shall be 3,000. The shares of Series I Preferred Stock shall have a designated face value of \$10,000.00. The Series I Preferred Stock shall be perpetual, with no maturity date.

Section 2. Dividends and Distributions.

(a) Dividends when and if declared will be paid quarterly in arrears (based upon March 31, June 30, September 30 and December 31 quarters) on or about April 15, July 15, October 15 and January 15. Dividends will be paid on a pro rata basis based upon a 360-day year from the date of the completion of the offering or portion thereof.

(b) Dividends will be discretionary and non-cumulative.

(c) So long as any share of Series I Preferred Stock and any other stock of the Company ranking equally with Series I Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on any series of preferred stock or any class of capital stock of the Company ranking, as to dividends, junior to this Series I Preferred Stock (other than dividends payable solely in shares of common stock) unless full dividends on all outstanding shares of Series I Preferred Stock for the most recently completed quarter have been or are contemporaneously declared and paid (or have been declared and a sum sufficient for the payment thereof has been set aside for the benefit of the holders of shares of Series I Preferred Stock on the applicable record date).

Section 3. Voting Rights.

The Series I Preferred Stock shall not have any voting rights, provided that holders of the Series I Preferred Stock shall vote as a separate class on any proposal which would revise the terms of the Series I Preferred Stock, or any other matter specifically provided by law.

Section 4. Reacquired Shares.

Any shares of Series I Preferred Stock purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof.

Section 5. Liquidation, Dissolution, or Winding Up.

(a) In the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, holders of Series I Preferred Stock shall be entitled to receive for each share of Series I Preferred Stock, out of the assets of the Company or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Company, subject to the rights of any creditors of the Company, before any distribution of such assets or proceeds is made to or set aside for the holders of common stock and any other stock of the Company ranking junior to the

Series I Preferred Stock, payment in full in an amount equal to the sum of: (i) the Series I designated face value (as set forth in Section 1 above); and, (ii) the amount of any declared and unpaid dividend on each such share (such amounts collectively, the “Series I Liquidation Preference”).

(b) If, in any distribution described in Section 5(a) above, the assets of the Company or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Series I Preferred Stock and the corresponding amounts payable with respect to any other stock of the Company ranking equally with Series I Preferred Stock as to such distribution, holders of Series I Preferred Stock and the holders of such other stock of the Company ranking equally with Series I Preferred Stock shall share ratably in any such distribution in proportion to the full respective distributions to which they are entitled.

(c) If the Series I Liquidation Preference has been paid in full to all holders of Series I Preferred Stock and the corresponding amounts payable with respect to any other stock of the Company ranking equally with Series I Preferred Stock as to such distribution has been paid in full, the holders of other stock of the Company shall be entitled to receive all remaining assets of the Company (or proceeds thereof) according to their respective rights and preferences.

(d) For purposes of this Section 5, the merger or consolidation of the Company with any other corporation or other entity, including a merger or consolidation in which the holders of Series I Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Company, shall not constitute a liquidation, dissolution or winding up of the Company.

Section 6. Redemption Feature.

Shares of Series I Preferred Stock may not be redeemed until after August 31, 2024. After August 31, 2024, the Company may redeem shares of Series I Preferred Stock (in whole or in part) at its option, at the face value of \$10,000.00 per share plus any pro rata dividend that may be declared by the Board of Directors. To the extent required by applicable Federal regulations, any such redemption shall require the prior approval of the Federal Reserve Board.

Section 7. Rank.

Shares of the Series I Preferred Stock will rank senior to the Company’s common stock, no par value, and will rank junior to all the Company’s indebtedness and other non-equity claims on the Company. Shares of the Series I Preferred Stock will rank on parity with shares of the Series D 4.5% Noncumulative perpetual Preferred Stock, the Series G 6% Noncumulative Perpetual Preferred Stock and Series H 3.5% Noncumulative Perpetual Preferred Stock.

(L) Series J Noncumulative Perpetual Preferred Stock

Section 1. Designation and Amount.

The shares of such series shall be designated as “Series J Noncumulative Perpetual Preferred Stock,” par value \$0.01 per share (the “Series J Preferred Stock”), and the number of shares constituting the Series J Preferred Stock shall be 4,000. The shares of Series J Preferred Stock shall have a designated face value of \$10,000.00. The Series J Preferred Stock shall be perpetual, with no maturity date.

Section 2. Dividends and Distributions.

(a) Dividends when and if declared will be paid quarterly in arrears (based upon March 31, June 30, September 30 and December 31 quarters) on or about April 15, July 15, October 15 and January 15. Dividends will be paid on a pro rata basis based upon a 360-day year from the date of the completion of the offering or portion thereof.

(b) Dividends will be discretionary and non-cumulative.

(c) So long as any share of Series J Preferred Stock and any other stock of the Company ranking equally with the Series J Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on any series of preferred stock or any class of capital stock of the Company ranking, as to dividends, junior to this Series J Preferred Stock (other than dividends payable solely in shares of common stock) unless full dividends on all outstanding shares of Series J Preferred Stock for the most recently completed quarter have been or are contemporaneously declared and paid (or have been declared and a sum sufficient for the payment thereof has been set aside for the benefit of the holders of shares of Series J Preferred Stock on the applicable record date).

Section 3. Voting Rights.

The Series J Preferred Stock shall not have any voting rights, provided that holders of the Series J Preferred Stock shall vote as a separate class on any proposal which would revise the terms of the Series J Preferred Stock, or any other matter specifically provided by law.

Section 4. Reacquired Shares.

Any shares of Series J Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof.

Section 5. Liquidation, Dissolution, or Winding Up.

(a) In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary

or involuntary, holders of Series J Preferred Stock shall be entitled to receive for each share of Series J Preferred Stock, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, subject to the rights of any creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of the Common Stock and any other stock of the Corporation ranking junior to the Series J Preferred Stock, payment in full in an amount equal to the sum of: (i) the Series J designated face value (as set forth in Section 1 above) and, (ii) the amount of any declared and unpaid dividend on each such share (such amounts collectively, the "Series J Liquidation Preference"). The Series J Liquidation Preference shall be proportionately adjusted in the event of a stock split, stock combination or similar event so that the aggregate liquidation preference allocable to all outstanding shares of Series J Preferred Stock immediately prior to such event is the same immediately after giving effect to such event.

(b) If, in any distribution described in Section 5(a) above, the assets of the Corporation or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Series J Preferred Stock and the corresponding amounts payable with respect to any other stock of the Corporation ranking equally with Series J Preferred Stock as to such distribution, holders of Series J Preferred Stock and the holders of such other stock of the Corporation ranking equally with Series J Preferred Stock shall share ratably in any such distribution in proportion to the full respective distributions to which they are entitled.

(c) If the Series J Liquidation Preference has been paid in full to all holders of Series J Preferred Stock and the corresponding amounts payable with respect to any other stock of the Corporation ranking equally with Series J Preferred Stock as to such distribution has been paid in full, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Series J Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 6. Redemption Feature.

Shares of Series J Preferred Stock may not be redeemed until after the fifth anniversary of the date of issuance of such Series J Preferred Stock (as applicable, the "Issue Date"). After the fifth anniversary of the Issue Date, the Corporation may redeem shares of Series J Preferred Stock (in whole or in part) at its option, at the face value of \$10,000.00 per share plus any declared and unpaid dividends thereon to, but not including, the date fixed for redemption. To the extent required by applicable Federal regulations, any such redemption shall require the prior approval of the Federal Reserve Board.

Section 7. Rank.

The Series J Preferred Stock will rank: (a) senior to the Common Stock, and to all other equity securities issued by the Corporation other than equity securities referred to in clauses (b) and (c) of this Section 7; (b) on parity with the Series H 3.5% Noncumulative Perpetual Preferred Stock, the Series I Noncumulative Perpetual Preferred Stock, and all equity securities issued by the Corporation with terms specifically providing that those equity securities rank on parity with the Series J Preferred Stock; (c) junior to all equity securities issued by the Corporation with terms specifically providing that those equity securities rank senior to the Series J Preferred Stock; and (d) effectively junior to all existing and future indebtedness (including indebtedness convertible into our Common Stock or Preferred Stock) of the Corporation and to any indebtedness and other liabilities of (as well as any preferred equity interest held by others in) existing subsidiaries of the Corporation. The term "equity securities" shall not include convertible debt securities.

ARTICLE VI Limitation of Liability

Subject to the following, a director or officer of the Corporation shall not be personally liable to the Corporation or its shareholders for damages for breach of any duty owed to the Corporation or its shareholders. The preceding sentence shall not relieve a director or officer from liability for any breach of duty based upon an act or omission (i) in breach of such person's duty of loyalty to the Corporation or its shareholders, (ii) not in good faith or involving a knowing violation of law, or (iii) resulting in receipt by such person of an improper personal benefit. If the New Jersey Business Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer or both of the Corporation shall be eliminated or limited to the fullest extent permitted by the New Jersey Business Corporation Act as so amended. Any amendment to this Certificate of Incorporation, or change in law which authorizes this paragraph shall not adversely affect any then existing right or protection of a director or officer of the Corporation.

ARTICLE VII Indemnification

The Corporation shall indemnify its officers, directors, employees and agents and former officers, directors, employees and agents, and any other persons serving at the request of the Corporation as an officer, director, employee or agent of another corporation, association, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees, judgments, fines and amounts paid in settlement) incurred in connection with any pending or threatened action, suit, or proceeding, whether civil, criminal, administrative or investigative, with respect to which such officer, director, employee, agent or other person is party, or is threatened to be made a party, to the full extent permitted by the New Jersey Business Corporation Act. The indemnification provided herein (i) shall not be deemed exclusive of any other right to which any person seeking indemnification may be entitled under any by-law, agreement, or vote of shareholders of disinterested directors or otherwise, both as to action in his or her official capacity and as to action in any other capacity, and (ii) shall insure to the benefit of the heirs, executors, and the administrators of any such person. The Corporation shall

have the power, but shall not be obligated, to purchase and maintain insurance on behalf of any person or persons enumerated above against any liability asserted against or incurred by them or any of them arising out of their status as corporate directors, officers, employees, or agents whether or not the Corporation would have the power to indemnify them against such liability under the provisions of this article.

The Corporation shall, from time to time, reimburse or advance to any person referred to in this article the funds necessary for payment of expenses, including attorneys' fees, incurred in connection with any action, suit or proceeding referred to in this article, upon receipt of a written undertaking by or on behalf of such person to repay such amount(s) if a judgment or other final adjudication adverse to the director or officer establishes that the director's or officer's acts or omissions (i) constitute a breach of the director's or officer's duty of loyalty to the corporation or its shareholders, (ii) were not in good faith, (iii) involved a knowing violation of law, (iv) resulted in the director or officer receiving an improper personal benefit, or (v) were otherwise of such a character that New Jersey law would require that such amount(s) be repaid.

ARTICLE VIII Staggered Board of Directors

The number of directors shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the whole board. The directors shall be divided into three classes, with the term of office of the first class to expire at the next annual meeting of stockholders, the term of office of the second class to expire at the annual meeting of stockholders one year thereafter and the term of office of the third class to expire at the annual meeting of stockholders two years thereafter. At each annual meeting of stockholders following such initial classification and election, directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election.

EMPLOYMENT AGREEMENT

This Employment Agreement (the “Agreement”) is made effective as of January 1, 2024 (the “Effective Date”), by and between BCB BANCORP, INC. (the “Company”), a New Jersey corporation, and BCB COMMUNITY BANK, a New Jersey state-chartered bank (the “Bank”), and MICHAEL SHRINER (“Executive”).

WHEREAS, the Company and the Bank desire to employ the Executive and the Executive is willing to serve on the terms and conditions herein provided; and,

WHEREAS, in order to effect the foregoing, and to set forth the rights and responsibilities of Executive and the compensation payable to Executive, the parties hereto desire to enter into this employment agreement on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and upon the other terms and conditions hereinafter provided, the parties hereby agree as follows:

1. POSITION AND RESPONSIBILITIES

During the term of this Agreement, Executive agrees to serve as Chief Executive Officer and President of the Company and the Bank (the “Executive Position”), and will perform all duties and will have all powers associated with such position as set forth in the respective bylaws of the Company and the Bank, and otherwise assigned to him by the Board of Directors of the Company or the Bank (collectively, the “Board”). Executive shall be responsible for compliance with all regulations governing the operation of the Company and the Bank, and if appointed by the Board or elected by the Company’s shareholders, shall serve as a member of the Board and upon any committees thereof as requested by the Board. During the term of the Agreement, Executive also agrees to serve, if elected, as a director of the Company and the Bank and as an officer and/or director of any subsidiary or affiliate of the Company or the Bank and in such capacity carry out such duties and responsibilities reasonably appropriate to that office. Executive shall also have the duties set forth in Section 3 hereof.

2. TERM AND ANNUAL REVIEW

(a) **Term.** Unless terminated at an earlier date in accordance with Section 6 of this Agreement, the term of this Agreement shall be the period commencing on the Effective Date and ending December 31, 2026 (the “Term”).

(b) **Annual Review.** Prior to April 1 of each year of the Term, the Compensation Committee (the “Committee”) of the Board will conduct a comprehensive performance evaluation and review of Executive’s performance.

(c) **Continued Employment Following Expiration of Term.** Nothing in this Agreement shall mandate or prohibit a continuation of Executive’s employment following the expiration of the term of this Agreement, upon such terms and conditions as the Bank and Executive may mutually agree.

3. PERFORMANCE OF DUTIES

During the period of his employment hereunder, except for periods of absence occasioned by illness, reasonable vacation periods, and reasonable leaves of absence, Executive will devote all of his business time, attention, skill and efforts to the faithful performance of his duties under this Agreement, including activities and duties directed by the Board. Notwithstanding the preceding sentence, subject to the prior approval of the Board, Executive may serve as a member of the board of directors of business, community and charitable organizations, provided that in each case such service shall not interfere with the performance of his duties under this Agreement, adversely affect the reputation of the Company or the Bank or any other affiliates of the Bank, or present any conflict of interest. If in its sole discretion the Board deems such service to and participation in any such outside organizations to be for the benefit of the Bank, the Bank will reimburse Executive his reasonable expenses associated therewith, to the extent Executive's expenses are not reimbursed by such organizations.

4. COMPENSATION, BENEFITS AND REIMBURSEMENT

(a) **Base Salary.** The Bank agrees to pay or cause to be paid to Executive for Executive's services an annual base salary at the gross rate prior to taxes and other withholdings of \$675,000.00 ("Base Salary"). This Base Salary shall be subject to annual review and adjustment pursuant to Section 2(b). If Executive's Base Salary increases, pursuant to the above annual review, any such increased amounts shall be considered the Executive's Base Salary for all sections of this Agreement. Such Base Salary will be payable in accordance with the customary payroll practices of the Bank.

(b) **Annual Bonus.** The Bank under the direction of the Compensation Committee may pay or cause to be paid to Executive an annual cash incentive bonus pursuant to the terms of the Bank's Incentive Bonus Program. Any such bonus shall be paid at such time or times and in such manner as directed by the Compensation Committee jointly during the term of this Agreement.

(c) **Incentive Compensation.** Executive shall be entitled to participate in the Company's equity incentive plans as well as any other long-term incentive compensation plans and short-term incentive plans or arrangements of the Bank or the Company, in the Company or Bank's discretion. Any incentive compensation will be paid in accordance with the terms of such plans or arrangements, or on a discretionary basis by the Compensation Committee. Nothing paid to the Executive under any such plans or arrangements will be deemed to be in lieu of other compensation to which the Executive is entitled under this Agreement.

(d) **Benefit Plans.** Executive will be entitled to participate in all employee benefit plans, arrangements and perquisites offered to employees and executives of the Company or the Bank. Without limiting the generality of the foregoing provisions of this Section 4(d), Executive will be entitled to participate in any stock benefit plans, retirement plans, pension plans, profit-sharing plans, health-and-accident plans, or any other employee benefit plan or arrangement made available by the Bank in the future to its senior executives and key management employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements.

(e) **Health, Dental, Life and Disability Coverage**. The Bank shall provide Executive with life, medical, dental and disability coverage made available by the Bank to its senior executives and key management employees, subject to and on a basis consistent with the terms, conditions and overall administration of such coverage.

(f) **Vacation and Leave**. Executive will be entitled to paid vacation time each year during the term of this Agreement measured on a fiscal or calendar year basis, as well as sick leave, holidays and other paid absences in accordance with the Bank's policies and procedures for senior executives. Any unused paid time off during an annual period will be treated in accordance with the Bank's personnel policies as in effect from time to time.

(g) **Expense Reimbursements**. The Bank will reimburse Executive for all reasonable travel, entertainment and other reasonable expenses incurred by Executive during the course of performing his obligations under this Agreement, including, without limitation, fees for memberships in such organizations as Executive and the Board mutually agree are necessary and appropriate in connection with the performance of his duties under this Agreement, upon substantiation of such expenses in accordance with applicable policies and procedures of the Bank. All reimbursements pursuant to this Section 4(g) shall be paid promptly by the Bank.

(h) **Automobile Allowance**. During the term of his employment, the Executive shall be entitled to a monthly automobile allowance in an amount no more than \$2,000 (the "Automobile Allowance"). The Bank Board or the Compensation Committee will review the Automobile Allowance, as needed.

5. WORKING FACILITIES

Executive's principal place of employment will be at such place as directed by the Board. The Bank will provide Executive at his principal place of employment with a private office, secretarial and other support services and facilities suitable to his position with the Bank and necessary or appropriate in connection with the performance of his duties under this Agreement.

6. TERMINATION AND TERMINATION PAY

Subject to Section 7 of this Agreement which governs the occurrence of a Change in Control, Executive's employment under this Agreement may be terminated in the following circumstances:

(a) **Death**. Executive's employment under this Agreement will terminate upon his death during the term of this Agreement, in which event Executive's estate or beneficiary will receive the compensation due to Executive through the last day of the calendar month in which his death occurred and vested rights and benefits earned through the date of the Agreement and any expense reimbursements due Executive on the date of his death.

(b) **Retirement**. This Agreement will terminate upon Executive's "Retirement" under the retirement benefit plan or plans of the Bank in which the Executive participates. Executive will not be entitled to the termination benefits specified in Sections 6 or 7 hereof in the event of termination due to Retirement.

(c) **Disability.** The Company or the Bank may initiate the termination of the Executive's employment with the Company and the Bank and this Agreement for "Disability" at any time. In the case of a termination of the Executive's employment with the Bank on account of Disability, the Executive shall remain entitled to long-term disability benefits pursuant to the Bank's plans, programs, arrangements and practices (if any). For purposes of this Agreement, "Disability" will occur on the date on which the insurer or administrator of the Bank's program of long-term disability insurance determines that the Executive is eligible to commence benefits under such insurance.

(d) **Termination for Cause.**

(i) The Board may by written notice to Executive in the form and manner specified in this paragraph, immediately terminate the Executive's employment at any time for cause ("Cause"). Executive shall have no right to receive compensation or other benefits for any period after termination for Cause, except for earned but unpaid Base Salary plus payment and vested benefits and expense reimbursements due through the date of termination. Termination for Cause shall mean termination (as determined by the Bank in good faith) because of the Executive's:

(1) material act of fraud or dishonesty in performing Executive's duties on behalf of the Bank;

(2) willful misconduct or gross negligence that, in the judgment of the Board, will likely cause material economic damage to the Company or the Bank or injury to the business reputation of the Bank;

(3) incompetence (in determining incompetence, the acts or omissions shall be measured against standards generally prevailing in the commercial banking industry);

(4) breach of fiduciary duty;

(5) failure to perform the duties of his employment with the Company and the Bank or any valid and legal written directive of the Board, and the failure to correct such failure within thirty (30) days after receiving written notice from the Bank specifying such failure in detail;

(6) willful violation of any law, rule or regulation (other than traffic violations or similar offenses) that reflects adversely on the reputation of the Bank, any felony conviction, any violation of law involving moral turpitude, or any violation of a regulatory order;

(7) material breach of any provision of this Agreement;

(8) actions or inactions causing the Company or the Bank to receive a written requirement or direction of a federal or state regulatory agency having jurisdiction over the Company or the Bank that the Executive's employment with the Company or the Bank be terminated,

(9) willful engagement in conduct which constitutes a violation of the established written policies or procedures of the bank regarding the conduct of its employees, or any material violation of the Bank's code of ethics or conduct policies, or

(10) the standard background check being conducted by the Bank at and after the Effective Time discloses activity of Executive prior to the Effective Time that would have permitted the Bank to terminate Executive's employment pursuant to clauses (1) through (9) above had this Agreement been in effect at the time of such activity.

(ii) Executive's termination for Cause will not become effective unless the Board has delivered to Executive a copy of a notice of termination in accordance with Section 8(a) hereof.

(e) **Voluntary Termination by Executive.** In addition to the Executive's other rights to terminate employment under this Agreement, the Executive may voluntarily terminate employment during the term of this Agreement upon at least sixty (60) days prior written notice to the Board. Upon Executive's voluntary termination, the executive will only receive compensation and vested rights and benefits earned through the date of termination along with any expense reimbursements due through such date, unless otherwise agreed by the Company, or the Bank, and the Executive. Following termination of employment under this Section, the Executive will be subject to the restrictions set forth in Section 9 of this Agreement.

(f) **Termination Without Cause.**

(i) The Bank may, by written notice to Executive, immediately terminate his employment at any time for a reason other than for cause (a termination "Without Cause"). Any termination of Executive's employment, other than Termination for Cause, shall have no effect on or prejudice the vested rights of Executive under the Bank's qualified or non-qualified retirement, pension, savings, thrift, profit-sharing or stock bonus plans, group life, health (including hospitalization, medical and major medical), dental, accident and long term disability insurance plans or other employee benefit plans or programs, or compensation plans or programs in which Executive was a participant.

(ii) In the event of termination Without Cause under this Section 6(f), the Bank shall pay Executive or, in the event of Executive's subsequent death, Executive's estate, \$675,000.00. Such payment shall be payable within thirty (30) days following Executive's date of termination, and will be subject to applicable withholding taxes.

(g) **Termination and Board Membership.** To the extent Executive is a member of the board of directors of the Company or the Bank, or any of its affiliates and subsidiaries, on the date of termination of employment with the Bank, unless mutually agreed, said termination of employment shall be deemed automatic resignation by Executive from any and all of the boards of directors, and such resignation will not be conditioned upon any event or payment.

7. CHANGE IN CONTROL

(a) **Change in Control Defined.** For purposes of this Agreement, a “Change in Control” shall mean a change in the effective control of the Company or Bank, and shall be deemed to occur on the earliest of any of the following events:

(i) **MERGER:** The Company or the Bank merges into or consolidates with another corporation, or merges another corporation into the Company or the Bank, and as a result (A) less than a majority of the combined voting power of the resulting corporation immediately after the merger or consolidation is held by persons who were stockholders of the Company or the Bank immediately before the merger or consolidation; and (B) the directors of the Company and the Bank prior to such merger or consolidation do not constitute at least a majority of the Board of Directors of the Company and the Bank or the entity that directly or indirectly controls them after such merger or consolidation;

(ii) **ACQUISITION OF SIGNIFICANT SHARE OWNERSHIP:** There is filed or required to be filed a report on Schedule 13D or another form or schedule (other than Schedule 13G) required under Sections 13(D) or 14(D) of the Securities Exchange Act of 1934, if the schedule discloses that the filing person or persons acting in concert has or have become the beneficial owner of 50% or more of a class of the Company’s voting securities; or

(iii) **SALE OF ASSETS:** The Company sells to a third party all or substantially all of its assets.

(b) **Post-Change In Control Termination Benefits.** Subject to (i) the Executive’s timely execution and filing of a Release in accordance with Section 10(b), (ii) the expiration of any applicable waiting periods contained herein, and (iii) the provisions of this Section 7, the Bank shall provide the Executive with the payments and benefits set forth in this Section 7, in lieu of severance payments or benefits under Section 6, if, during the Term and concurrent with or within twelve (12) months after a Change of Control, either (A) the Company or the Bank terminates the Executive’s employment with the Bank and this Agreement other than pursuant to paragraphs (a), (c) or (d) of Section 6, or (B) the Executive terminates his employment with the Bank and this Agreement for Good Reason pursuant Section 7(d), the Bank (or its successor) shall pay Executive a lump sum cash payment equal to one and one-half (1.50) times an amount equal to (i) the annual Base Salary of the Executive at the time of a Change in Control plus (ii) the bonus paid to the Executive during the most recent prior year in which he received a bonus. Such payment shall be payable within thirty (30) days following the date of the Change in Control, and will be subject to all applicable withholding taxes. Notwithstanding the foregoing, the cash payment made pursuant to this Section 7(b) shall be made in lieu of any cash payments which may be subsequently triggered pursuant to Section 6 hereof.

(c) **280G Cutback.** Notwithstanding anything in this Agreement to the contrary, in no event shall the aggregate payments or benefits to be made or afforded to Executive under this Agreement, either as a stand-alone benefit or when aggregated with other payments to, or for the benefit of, Executive that are contingent on a Change in Control, constitute an “excess parachute payment” under Section 280G of the Internal Revenue Code (“Code”) or any successor thereto, and in order to avoid such a result, Executive’s benefits hereunder shall be reduced, if necessary, to an amount, the value of which is one dollar (\$1.00) less than an amount equal to three (3) times Executive’s “base amount,” as determined in accordance with Code Section 280G. In the event a reduction is necessary, the cash severance payable pursuant to this Section 7 hereof shall be reduced by the minimum amount necessary to result in no portion of the payments and benefits payable by the Bank under this Section 7 being non-deductible pursuant to Code Section 280G and subject to excise tax imposed under Code Section 4999.

(d) **Resignation by Executive for Good Reason.** If, during the Term and concurrent with or within twelve (12) months after a Change of Control, an event of Good Reason occurs, the Executive may initiate the termination of the Executive’s employment with the Company and the Bank on account of such Good Reason event only by, at any time within the ninety (90) day period following the initial occurrence of such event, providing to the Bank Board a written notice of termination specifying the event of Good Reason and notifying the Bank of his intention to terminate his employment with the Company and the Bank upon the Bank’s failure to correct the event of Good Reason within thirty (30) days following receipt of the Executive’s notice of termination. If the Bank fails to correct the event of Good Reason and provide the Executive with written notice of such correction within such thirty (30) day period, the Executive’s employment with the Bank and this Agreement shall terminate as of the end of such period and the Executive shall be entitled to benefits as provided in this Section 7. For purposes of this Agreement, “Good Reason” means the occurrence of any of the following without the express written consent of the Executive:

(i) a material reduction in the Executive's Base Salary;

(ii) a material change in the primary location at which the Executive is required to perform the duties of his employment with the Bank (for this purpose, a change in such location that results in an increase in the Executive's one-way commute by twenty-five (25) or more miles shall be deemed to be a material change);

(iii) a material diminution in the Executive's authorities, duties or responsibilities; or

(iv) a material breach by the Company or the Bank of this Agreement or any other written material agreement between the Executive, on the one hand, and any of the Company, the Bank or any other affiliate of the Bank, on the other hand, unless arising from the Executive's inability to materially perform his duties contemplated hereunder.

8. NOTICE REQUIREMENTS

(a) **Notice of Termination.** A "notice of termination" shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon as a basis for termination of Executive's employment.

(b) **Date of Termination.** "Date of termination" shall mean: (i) if Executive's employment is terminated for Disability, thirty (30) days after a notice of termination is given (provided that he shall not have returned to the performance of his duties on a full-time basis during such thirty (30) day period); or (ii) if Executive's employment is terminated for any other reason, the date specified in the notice of termination.

(c) **Good Faith Resolution.** If the party receiving a notice of termination desires to dispute or contest the basis or reasons for termination, the party receiving the notice of termination must notify the other party within thirty (30) calendar days after receiving the notice of termination that such a dispute exists, and shall pursue the resolution of such dispute in good faith and with reasonable diligence pursuant to Section 18 of this Agreement. During the thirty (30) days after receiving notice of termination and during the pendency of any such dispute, the Bank shall not be obligated to pay Executive compensation or other payments beyond the date of termination. Any amounts paid to Executive upon resolution of such dispute under this Section shall be offset against or reduce any other amounts which may be due under this Agreement.

(d) **Requirements.** Any notice, request, instruction, or other document to be given hereunder to any party shall be in writing and delivered (1) personally; or (2) by a reputable overnight delivery service with all expenses of delivery prepaid, at the address specified for such party below (or such other address as specified by such party by like notice):

If to the Executive:	At the address maintained in the personnel records of the Bank.
If to the Company or the Bank:	9 West 8th Street, Bayonne, New Jersey 07002. Attn: Chairman, Board of Directors, with a copy emailed to mhogan@bcb.bank

9. POST-TERMINATION OBLIGATIONS

(a) **Covenant Not to Compete.** The Executive hereby understands and acknowledges that, by virtue of his position with the Bank, he will obtain advantageous familiarity and personal contacts with customers and prospective customers of the Bank, wherever located, and the business, operations, and affairs of the Bank. Accordingly, during the term of this Agreement and for a period of one (1) year following the termination of his employment with the Bank (including but not limited to by reason of retirement) ("Restriction Period"), the Executive shall not, directly or indirectly, except as agreed to by a duly adopted resolution of the Bank Board, as owner, officer, director, stockholder, investor, proprietor, organizer, employee, agent, representative, consultant, independent contractor, or otherwise, engage in the same trade or business as the Bank; provided, however, that this subsection (a) shall not prevent or limit the Executive's right to own less than one percent (1%) of the publicly traded securities of any entity or less than five percent (5%) of the non publicly traded securities of any entity which is not a financial institution or otherwise similar to the Bank. The Executive acknowledges and agrees that, given the level of trust and responsibility given to him while in the Bank's employ, and the level and depth of trade secrets and confidential information entrusted to him, any immediately subsequent employment with a competitor would result in the inevitable use or disclosure of the Bank's trade secrets and confidential information and, therefore, the duration of this year restriction is reasonable and necessary to protect against such inevitable disclosure.

The restrictions on the activities of the Executive contained in this Section 9 shall be limited to the following geographical areas: within a 25 mile radius of any branch or office of the Bank as of the date of Executive's termination of employment, provided, however, that if Executive's termination of employment occurs within twelve (12) months after a Change in Control, the geographic limitation under this section shall be the area as determined as of the date immediately prior to such Change in Control.

(b) **Non-Solicitation.** The Executive agrees that during the Restriction Period, Executive shall not, without the written consent of the Bank, either directly or indirectly:

(i) solicit, offer employment to, or take any other action intended (or that a reasonable person acting in like circumstances would expect) to have the effect of causing any officer or employee of the Company or the Bank, or any of their respective subsidiaries or affiliates, to terminate his or her employment and accept employment or become affiliated with, or provide services for compensation in any capacity whatsoever to, any business whatsoever which competes with the business of the Bank, or any of its direct or indirect subsidiaries or affiliates, which has headquarters or offices within twenty-five (25) miles of any location(s) in which the Bank has business operations or has filed an application for regulatory approval to establish business operations; or

(ii) solicit, provide any information, advice or recommendation, or take any other action intended (or that reasonable person acting in like circumstances would expect) to have the effect of causing any customer of the Bank to terminate an existing business or commercial relationship with the Bank.

(c) **Confidentiality.** Executive recognizes and acknowledges that the knowledge of the business activities, plans for business activities, and all other proprietary information of the Company and the Bank, as it may exist from time to time, are valuable, special and unique assets of the business of the Company and the Bank. Executive will not, during or after the term of his employment, disclose any knowledge of the past, present, planned or considered business activities or any other similar proprietary information of the Company or the Bank to any person, firm, corporation, or other entity for any reason or purpose whatsoever unless expressly authorized by the Board or required by law. Notwithstanding the foregoing, Executive may disclose any knowledge of banking, financial and/or economic principles, concepts or ideas which are not solely and exclusively derived from the business plans and activities of the Company or the Bank. Further, Executive may disclose information regarding the business activities of the Company and the Bank to any bank regulator having regulatory jurisdiction over the activities of the Company or the Bank pursuant to a formal regulatory request. In the event of a breach or threatened breach by Executive of the provisions of this Section, the Company and the Bank will be entitled to an injunction restraining Executive from disclosing, in whole or in part, the knowledge of the past, present, planned or considered business activities of the Company or the Bank or any other similar proprietary information, or from rendering any services to any person, firm, corporation, or other entity to whom such knowledge, in whole or in part, has been disclosed or is threatened to be disclosed.

(d) **Information/Cooperation.** Executive shall, upon reasonable notice, furnish such information and assistance to the Company and the Bank as may be reasonably requested by the Bank, in connection with any litigation in which it or any of its subsidiaries or affiliates is, or may become, a party; provided, however, that Executive shall not be required to provide information or assistance with respect to any litigation between Executive and the Company or the Bank or any other subsidiaries or affiliates.

(e) **Reliance.** All payments and benefits to Executive under this Agreement shall be subject to Executive's compliance with this Section 9, to the extent applicable. The parties hereto, recognizing that irreparable injury will result to the Company and the Bank, their business and property in the event of Executive's breach of this Section 9, agree that, in the event of any such breach by Executive, the Company and the Bank will be entitled, in addition to any other remedies and damages available, to an injunction to restrain the violation hereof by Executive and all persons acting for or with Executive. Executive represents and admits that Executive's experience and capabilities are such that Executive can obtain employment in a business engaged in other lines of business than the Company and the Bank, and that the enforcement of a remedy by way of injunction will not prevent Executive from earning a livelihood. Nothing in this Agreement will be construed as prohibiting the Company and the Bank from pursuing any other remedies available to them for such breach or threatened breach, including the recovery of damages from Executive.

10. SOURCE OF PAYMENTS/RELEASE

(a) All payments provided in this Agreement shall be timely paid in cash or check from the general funds of the Bank.

(b) Notwithstanding anything to the contrary in this Agreement, Executive shall not be entitled to any payments or benefits (excluding reimbursements) under this Agreement unless and until Executive executes an unconditional release, in form and substance satisfactory to the Bank, of any claims against the Company or the Bank, and its affiliates, including its officers, directors, successors and assigns, releasing said persons from any and all claims, rights, demands, causes of action, suits, arbitrations or grievances relating to the employment relationship other than claims for benefits under tax-qualified plans or other benefit plans in which Executive is vested, claims for benefits required by applicable law or claims with respect to obligations set forth in this Agreement that survive the termination of this Agreement.

11. CLAWBACK AND FORFEITURE. Notwithstanding any other provision to the contrary contained herein, the Executive and his estate or other beneficiaries shall forfeit all rights to receive or retain all payments and benefits provided, and shall reimburse the Bank for all such payments and benefits received, pursuant to Sections 4, 6 and 7, if:

(a) Executive breaches any of his agreements contained in Section 9;

(b) Executive makes, except as required by law, any disparaging remark, orally or in writing, about the Company or the Bank or about the Bank's operations except to those persons who have a need to know and a corresponding fiduciary or contractual obligation to keep such conversations confidential, provided that this obligation shall not prohibit Executive from enforcing or defending any legal right he may have at law or in equity in appropriate legal proceedings against any other person;

(c) Any financial statement filed is materially misleading as to the Company's or the Bank's results of operation for a fiscal year or the Company or the Bank's financial condition at the end of a fiscal year during which Executive was the chief executive officer because of (i) any overstatement of the amount of one or more items of income or understatement of the amount of one or more items of expense or other charges against income for such fiscal year; or (ii) any material overstatement in value of any one or more items of assets or understatement in value of any one or more items of liabilities at the end of such fiscal year;

(d) Executive, directly or indirectly, falsified or cause to be falsified, any book, record, or account or made or caused to be made a materially false or misleading statement, or omitted to state, or caused another person to omit to state, any material fact necessary in order to make statements made.

12. REQUIRED REGULATORY PROVISIONS

(a) Notwithstanding anything herein contained to the contrary, any payments to Executive by the Bank, whether pursuant to this Agreement or otherwise, are subject to and conditioned upon their compliance with Section 18(k) of the Federal Deposit Insurance Act, 12 U.S.C. Section 1828(k), and the regulations promulgated thereunder in 12 C.F.R. Part 359.

(b) Notwithstanding anything else in this Agreement to the contrary, Executive's employment shall not be deemed to have been terminated unless and until Executive has a "Separation from Service" within the meaning of Code Section 409A. For purposes of this Agreement, a "Separation from Service" shall have occurred if the Bank and Executive reasonably anticipate that either no further services will be performed by Executive after the date of the termination (whether as an employee or as an independent contractor) or the level of further services performed is less than 50% of the average level of bona fide services in the thirty-six (36) months immediately preceding the termination. For all purposes hereunder, the definition of Separation from Service shall be interpreted consistent with Treasury Regulation Section 1.409A-1(h)(ii).

(c) Notwithstanding the foregoing, in the event the Executive is a "Specified Employee" (as defined herein), then, solely, to the extent required to avoid penalties under Code Section 409A, the Executive's payments shall be delayed until the first day of the seventh month following the Executive's Separation from Service. A "Specified Employee" shall be interpreted to comply with Code Section 409A and shall mean a key employee within the meaning of Code Section 416(i) (without regard to paragraph 5 thereof), but an individual shall be a "Specified Employee" only if the Bank or Company is or becomes a publicly traded company.

13. NO ATTACHMENT

Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation, or to execution, attachment, levy, or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action shall be null, void, and of no effect.

14. ENTIRE AGREEMENT; MODIFICATION AND WAIVER

(a) This Agreement contains the entire agreement of the parties relating to the subject matter hereof, and supersedes in its entirety any and all prior agreements, understandings or representations relating to the subject matter hereof, except that the parties acknowledge that this Agreement shall not affect any of the rights and obligations of the parties under any agreement or plan entered into with or by the Bank pursuant to which Executive may receive compensation or benefits except as set forth in Section 6(d) hereof.

(b) This Agreement may not be modified or amended except by an instrument in writing signed by each of the parties hereto.

(c) No term or condition of this Agreement shall be deemed to have been waived, nor shall there be any estoppel against the enforcement of any provision of this Agreement, except by written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future as to any act other than that specifically waived.

(d) The terms defined in this Agreement have the meanings assigned to them in this Agreement, and they include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender.

15. SEVERABILITY

If, for any reason, any provision of this Agreement, or any part of any provision, is held invalid, such invalidity shall not affect any other provision of this Agreement or any part of such provision not held so invalid, and each such other provision and part thereof shall to the full extent consistent with law continue in full force and effect.

16. HEADINGS FOR REFERENCE ONLY

The headings of sections and paragraphs herein are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

17. GOVERNING LAW

This Agreement shall be governed by the laws of the State of New Jersey, but only to the extent not superseded by federal law.

18. ARBITRATION

Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by binding, confidential arbitration, as an alternative to civil litigation and without any trial by jury to resolve such claims, conducted by a single arbitrator mutually acceptable to the Bank and Executive, sitting in a location selected by the Bank within twenty-five (25) miles from the main office of the Bank, in accordance with the rules of the American Arbitration Association's National Rules for the Resolution of Employment Disputes then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction.

19. INDEMNIFICATION

The Company and the Bank shall indemnify the Executive (and his heirs, executors and administrators) to the fullest extent permitted under the Company's and the Bank's respective certificates of incorporation, bylaws and applicable law against all expenses and liabilities reasonably incurred by him in connection with or arising out of any action, suit or proceeding in which he may be involved by reason of his having been a director or officer of the Bank (whether or not he continues to be a director or officer at the time of incurring such expenses or liabilities), such expenses and liabilities to include, but not be limited to, judgments, court costs and attorneys' fees and the costs of reasonable settlements. During the term of this Agreement, the Company will provide Executive with coverage under a directors' and officers' liability policy, at the Company's expense, that is at least equivalent to the coverage provided to directors and senior executives of the Company and the Bank. Said coverage shall, without limitation, provide coverage for claims arising out of the fact that Executive is or was a director, officer or employee of the Company or the Bank or any subsidiary thereof and pertaining to matters existing or occurring at or prior to Executive's termination of employment.

20. SUCCESSORS AND ASSIGNS

The Company and the Bank shall require any successor or assignee, whether direct or indirect,

by purchase, merger, consolidation or otherwise to all or substantially all the business or assets of the Company or the Bank, to expressly and unconditionally assume and agree to perform the Company and the Bank's obligations under this Agreement, in the same manner and to the same extent that the Company or the Bank would be required to perform if no such succession or assignment had taken place.

21. ATTORNEYS' FEES AND COSTS

If any action is brought by either party against the other party to enforce the terms of this Agreement, the prevailing party shall be entitled to recover from the other party the reasonable attorneys' fees and costs incurred by the prevailing party in connection with the prosecution or defense of such action.

[End of text. Signatures on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the dates set forth below.

BCB BANCORP, INC.

Date: December 18, 2023

By: /s/ Mark D. Hogan
Mark D. Hogan
Chairman of the Board

BCB COMMUNITY BANK

Date: December 18, 2023

By: /s/ Mark D. Hogan
Mark D. Hogan
Chairman of the Board

EXECUTIVE

Date: December 18, 2023

By: /s/ Michael Shriner _____
Michael Shriner

EXHIBIT 21

SUBSIDIARIES OF THE COMPANY

Subsidiaries of the Registrant

The following is a list of the Subsidiaries of BCB Bancorp, Inc.

Name	State of Incorporation
BCB Community Bank	New Jersey
BCB Holding Company Investment Corp.	New Jersey
BCB Capital Finance Group, LLC	New Jersey
Special Asset REO 2, LLC	New Jersey

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements (Nos. 333-273416 and 333-197366) on Form S-3 and (Nos. 333-273417, 333-224925, 333-175545, 333-174639, and 333-165127) on Form S-8 of BCB Bancorp, Inc. (the "Company") of our reports dated March 8, 2024 related to the consolidated financial statements and the effectiveness of internal control over financial reporting of the Company, as they appear in this Annual Report on Form 10-K of the Company for the year ended December 31, 2023.

/s/ Wolf & Company, P.C.

Boston, Massachusetts
March 8, 2024

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael Shriner, certify that:

1. I have reviewed this Annual Report on Form 10-K of BCB Bancorp, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 8, 2024

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

Certification of Principal Accounting Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jawad Chaudhry, certify that:

1. I have reviewed this Annual Report on Form 10-K of BCB Bancorp, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 8, 2024

/s/ Jawad Chaudhry

Jawad Chaudhry
Chief Financial Officer
(Principal Financial and Accounting Officer)

**Certification pursuant to
18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

Michael Shriner, President and Chief Executive Officer and Jawad Chaudhry, Chief Financial Officer of BCB Bancorp, Inc. (the "Company") each certify in his capacity as an officer of the Company that he has reviewed the annual report of the Company on Form 10-K for the fiscal year ended December 31, 2023 and that to the best of his knowledge:

- (1) the report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- (2) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The purpose of this statement is solely to comply with Title 18, Chapter 63, Section 1350 of the United States Code, as amended by Section 906 of the Sarbanes-Oxley Act of 2002.

Date: March 8, 2024

/s/ Michael A. Shriner

President and Chief Executive Officer
(Principal Executive Officer)

Date: March 8, 2024

/s/ Jawad Chaudhry

Chief Financial Officer
(Principal Financial and Accounting Officer)

BCB BANCORP, INC.**CLAWBACK POLICY****Introduction**

The Audit Committee (the “Audit Committee”) of the Board of Directors of the Company (the “**Board**”) believes that it is in the best interests of BCB Bancorp, Inc. (the “**Company**”) to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company’s pay-for-performance compensation philosophy. The Audit Committee has therefore adopted this policy which provides for the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws (the “**Policy**”). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934 (the “**Exchange Act**”) and Nasdaq Listing Rule 5608 (the “**Clawback Listing Standards**”).

Administration

This Policy shall be administered by the Audit Committee or, if so later designated by the Board, the Board or the Compensation Committee, in which case references herein to the Audit Committee shall be deemed references to the Board or the Compensation Committee as applicable. Any determinations made by the Audit Committee or the Board shall be final and binding on all affected individuals.

Covered Executives

This Policy applies to the Company’s current and former executive officers, as determined by the Audit Committee or the Board in accordance with the definition in Section 10D of the Exchange Act and the Clawback Listing Standards (“**Covered Executives**”).

Recoupment; Accounting Restatement

In the event the Company is required to prepare an accounting restatement of its financial statements due to the Company’s material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period, the Audit Committee or the Board will require reimbursement or forfeiture of any excess Incentive Compensation (defined below) received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an accounting restatement.

Incentive Compensation

For purposes of this Policy, *Incentive Compensation* (“**Incentive Compensation**”) means any of the following, *provided, however*, that, such compensation is granted, earned, or vested based wholly or in part on the attainment of a financial reporting measure:

- Annual bonuses and other short- and long-term cash incentives.
- Stock options.
- Stock appreciation rights.
- Restricted stock.
- Restricted stock units.
- Performance shares.
- Performance units.

*Financial reporting measures*¹ include, but are not limited to:

- Company stock price.
- Total shareholder return.
- Revenues.
- Net income.
- Liquidity measures such as working capital or operating cash flow.
- Return measures such as return on equity capital or return on assets.
- Earnings measures such as earnings per share.

Excess Incentive Compensation: Amount Subject to Recovery

The amount to be recovered will be the excess of the Incentive Compensation paid to the Covered Executive based on the erroneous data over the Incentive Compensation that would have been paid to the Covered Executive had it been based on the restated results, as determined

¹ Defined for purposes of the Clawback Listing Standards as (i) any measure determined and presented in accordance with accounting principles used in preparing financial statements or any measure derived wholly or in part from the financial statements or (ii) stock price and total shareholder return.

by the Audit Committee, without regard to any taxes paid by the Covered Executive in respect of the Incentive Compensation paid based on the erroneous data.

If the Audit Committee cannot determine the amount of excess Incentive Compensation received by the Covered Executive directly from the information in the accounting restatement, then it will make its determination based on a reasonable estimate of the effect of the accounting restatement.

Method of Recoupment

The Audit Committee will determine, in its sole discretion, the method for recouping Incentive Compensation under this Policy which may include, without limitation:

- (a) requiring reimbursement of cash Incentive Compensation previously paid;
- (b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;
- (c) offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Executive;
- (d) cancelling outstanding vested or unvested equity awards; and/or
- (e) taking any other remedial and recovery action permitted by law, as determined by the Audit Committee.

No Indemnification

The Company shall not indemnify any Covered Executives against the loss of any incorrectly awarded Incentive Compensation.

Interpretation

The Audit Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act, any applicable rules or standards adopted by the Securities and Exchange Commission, and the Clawback Listing Standards.

Effective Date

This Policy shall be effective as of December 1, 2023 (the “**Effective Date**”) and shall apply to Incentive Compensation that is received by Covered Executives on or after October 2, 2023, even if such Incentive Compensation was approved, awarded, or granted to Covered Executives prior to October 2, 2023.

Amendment; Termination

The Audit Committee may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to reflect regulations adopted by the Securities and Exchange Commission under Section 10D of the Exchange Act and to comply with the Clawback Listing Standards and any other rules or standards adopted by a national securities exchange on which the Company's securities are then listed. The Audit Committee may terminate this Policy at any time.

Other Recoupment Rights

Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

Relationship to Other Plans and Agreements

The Audit Committee or the Board may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. In the event of any inconsistency between the terms of the Policy and the terms of any employment agreement, equity award agreement, or similar agreement under which Incentive Compensation has been granted, awarded, earned or paid to a Covered Executive, whether or not deferred, the terms of the Policy shall govern.

Acknowledgment

The Audit Committee or the Board may require that a Covered Executive sign an acknowledgment form in which they acknowledge that they have read and understand the terms of the Policy and are bound by the Policy.

Impracticability

The Company shall recover any excess Incentive Compensation in accordance with this Policy unless such recovery would be impracticable, as determined by the Audit Committee in accordance with Rule 10D-1 of the Exchange Act and the listing standards of the national securities exchange on which the Company's securities are listed.

Successors

This Policy shall be binding and enforceable against all current and former Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.
