

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 30, 2024

Ponce Financial Group, Inc.

(Exact name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

001-41255
(Commission File Number)

87-1893965
(IRS Employer
Identification No.)

2244 Westchester Avenue
Bronx, New York
(Address of Principal Executive Offices)

10462
(Zip Code)

Registrant's Telephone Number, Including Area Code: (718) 931-9000

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	PDLB	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

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

Item 7.01 Regulation FD Disclosures.

Ponce Financial Group, Inc., (the “Company”), the holding company for Ponce Bank (the “Bank”), will be presenting at the 2024 CEO Forum hosted by Janney Montgomery Scott. Carlos P. Naudon, President and CEO, Sergio Vaccaro, Chief Financial Officer, and Frank Perez, Chief Investor Relations Officer will be in attendance and representing the Company.

The Company's slide presentation is furnished as Exhibit 99.1 to this Current Report, and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Presentation of Ponce Financial Group
104	Cover Page Interactive Data File (embedded within the Inline XBRL)

SIGNATURE

Pursuant to the requirements 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.

Ponce Financial Group, Inc.

Date: January 30, 2023

By: /s/ Carlos P. Naudon

Carlos P. Naudon
President and Chief Executive Officer



PONCE FINANCIAL GROUP, INC. (NASDAQ:PDLB)

JANNEY MONTGOMERY SCOTT - CEO FORUM JANUARY 31, 2023

Forward Looking Statements

Certain statements herein constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements may be identified by words such as “believes,” “will,” “would,” “expects,” “project,” “may,” “could,” “developments,” “strategic,” “launching,” “opportunities,” “anticipates,” “estimates,” “intends,” “plans,” “targets” and similar expressions. These statements are based upon the current beliefs and expectations of management and are subject to significant risks and uncertainties. Actual results may differ materially from those set forth in the forward-looking statements as a result of numerous factors. Factors that could cause such differences to exist include, but are not limited to, adverse conditions in the capital and debt markets and the impact of such conditions on business activities; changes in interest rates; competitive pressures from other financial institutions; the effects of general economic conditions on a national basis or in the local markets in which Ponce Bank operates, including changes that adversely affect borrowers’ ability to service and repay Ponce Bank’s loans; anticipated losses with respect to the Company’s investment in Grain and Ponce Bank’s attempts at mitigation; changes in the value of securities in the investment portfolio; changes in loan default and charge-off rates; fluctuations in real estate values; the adequacy of loan loss reserves; decreases in deposit levels necessitating increased borrowing to fund loans and investments; operational risks including, but not limited to, cybersecurity, fraud and natural disasters; changes in government regulation; changes in accounting standards and practices; the risk that intangibles recorded in the financial statements will become impaired; demand for loans in Ponce Bank’s market area; Ponce Bank’s ability to attract and maintain deposits; risks related to the implementation of acquisitions, dispositions, and restructurings; the risk that Ponce Financial Group, Inc. may not be successful in the implementation of its business strategy; changes in assumptions used in making such forward-looking statements and the risk factors described in Ponce Financial Group’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q as filed with the Securities and Exchange Commission (the “SEC”), which are available at the SEC’s website, www.sec.gov. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Ponce Financial Group, Inc. disclaims any obligation to publicly update or revise any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes, except as may be required by applicable law or regulation.

Market and Industry Data

The market and industry data used throughout this presentation is based, in part, on third-party sources, as indicated. Although management believes these third-party sources are reliable, they have not independently verified the information and cannot guarantee its accuracy and completeness.

Ponce Financial Group, Inc.
Executive Management
Team



President & CEO

Carlos P. Naudon



**Executive Chairman
of the Board**

Steven A. Tsavaris



**Chief Financial
Officer**

Sergio Vaccaro



**Chief Operating
Officer**

Luis Gonzalez Jr.



**Chief Investor
Relations Officer**

Frank Perez



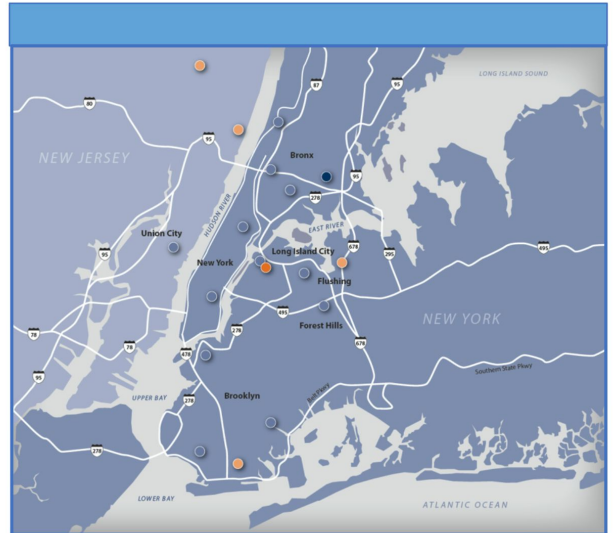
**Chief Investor Relations
Officer**

Madeline V. Marquez

FRANCHISE MAP

- Ponce Financial Group, Inc. (the “Company”), is a savings and loan holding company and the parent company of Ponce Bank (the “Bank”).
- The Bank was originally chartered in the 1960 as a federally chartered mutual savings and loan association under the name Ponce De Leon Federal Savings and Loan Association.
- Converted from the mutual to stock form of organization in 2022.

TICKER	NASDAQ: PDLB
Established	1960
Headquarters	Bronx, NY
Branches	13 full-service branches and 6 mortgage loan offices
Total Assets	\$2.751 billion (as of 12/31/2023)
Total Loans	\$1.922 billion (as of 12/31/2023)
Total Deposits	\$1.508 billion (as of 12/31/2023)
TBV Per Common Share*	\$11.20 (as of 12/31/2023)
Market Cap	\$208.3 million (as of 01/30/2024)
Total Stockholders Equity Per Common Share	\$20.6 (as of 12/31/2023)



*TBV Per Common Share is a Non-GAAP financial measure. Non-GAAP financial measures are not a substitute for GAAP financial measures. See the appendix of this presentation for a reconciliation, which is the most directly comparable GAAP financial measure.

- Branch Offices
- Loan Offices

- Net income of \$0.5 million, or \$0.02 per diluted share for the three months ended December 31, 2023, as compared to net income of \$2.6 million, or \$0.12 per diluted share for the three months ended September 30, 2023 and net loss of (\$9.2) million, or (\$0.40) per diluted share for the three months ended December 31, 2022.
- Included in the \$0.5 million of net income for the fourth quarter of 2023 results is \$35.0 million in interest and dividend income and \$1.3 million in non-interest income, offset by \$17.9 million in non-interest expense and \$17.8 million in interest expense.
- Net interest income of \$17.2 million for the fourth quarter of 2023 increased \$0.7 million, or 3.96%, from the prior quarter and increased \$1.0 million, or 6.38%, from the same quarter last year.
- Net interest margin was 2.66% for the fourth quarter of 2023, increased from 2.58% for the prior quarter and decreased from 2.97% for the same quarter last year.

FULL YEAR 2023 HIGHLIGHTS *(Compared to 2022)*

- Net income of \$3.4 million, or \$0.15 per diluted share for the year ended December 31, 2023, as compared to a net loss of (\$30.0) million, or (\$1.32) per diluted share for the year ended December 31, 2022.
- Net interest income for the year ended December 31, 2023 was \$65.3 million, decreased \$1.3 million, or 2.01%, compared to \$66.6 million for the year ended December 31, 2022.
- Non-interest income for the year ended December 31, 2023 was \$10.2 million, increased \$3.8 million, or 59.26%, compared to \$6.4 million for the year ended December 31, 2022.
- Non-interest expense for the year ended December 31, 2023 was \$68.7 million, decreased \$17.2 million, or 19.99%, compared to \$85.8 million for the year ended December 31, 2022.
- Net interest margin was 2.66% for the year ended December 31, 2023, decreased from 3.66% for the same period last year.

- Cash and equivalents were \$139.2 million as of December 31, 2023, increased \$84.8 million, or 156.05%, from December 31, 2022, as we decided to keep ample sources of liquidity at hand while taking advantage of the positive spread between our interest bearing overnight deposits at the Fed and borrowing costs under the Bank Term Funding Program ("BTFP").
- Securities totaled \$581.7 million as of December 31, 2023, decreased \$58.7 million, or 9.16%, from December 31, 2022, primarily due to a call on one of the securities amounting to \$10.0 million and regular principal payments.
- Net loans receivable were \$1.90 billion as of December 31, 2023, increased \$402.8 million, or 26.97%, from December 31, 2022.
- Deposits were \$1.51 billion as of December 31, 2023, increased \$255.2 million, or 20.38%, from December 31, 2022.

COMPANY VISION



INCREASE STAKEHOLDER VALUE

- Robust capital position - \$225 million ECIP
- Leverage strategic partners
- Enhance capital deployment

PRODUCTS & SERVICES

- Entrance to new markets
- Expand real estate investor loan program
- Launch of project "easy" lower-cost relationship deposits



MDI/CDFI

- Mission driven business model aligns with ESG
- Over \$4 million in grants in 2023 from the CDFI
- Corporate low-cost deposits

TECHNOLOGY & INNOVATION

- Maximize efficiencies and effectiveness
- Expand distribution channels
- Enhance customer experience



GROW RELATIONSHIPS

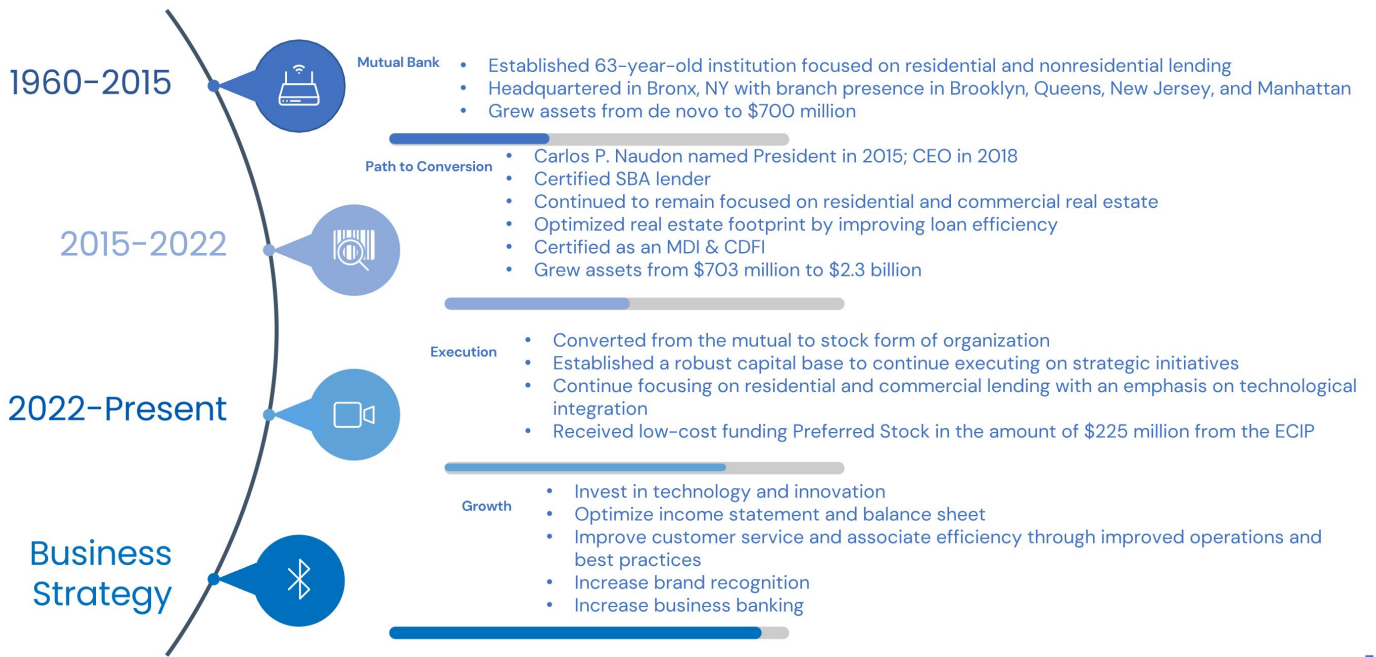
- Expand CRE & non-residential loans
- Enhance and build upon most profitable clients
- Increase SBA-based lending to 10% of portfolio
- Business Banking

HIGH-PERFORMING WORKFORCE

- Refine performance management system
- Alignment with strategic initiatives
- Enhance and leverage Ponce Bank culture



PATH TO CONVERSION





- ✓ Repurchased 1,235,000 shares or 5% of the Company's issued and outstanding shares at the time the plan was implemented.
- ✓ Received a \$3.7 million grant from the U.S. Treasury as part of the Community Development Financial Institutions Equitable Recovery Program.
- ✓ Awarded a \$0.5 million grant from the Community Development Financial Institution fund.
- ✓ Accepted into the Department of the Treasury, Bureau of Fiscal Service, Minority Bank Deposit Program.



- ✓ The Company is now in the latter stages of its multi-faceted effort to **upgrade infrastructure**, adopt digital banking services and restructure the retail business model.
- ✓ **Salesforce deployment** across retail services, lending processes, back-office operations, digital banking, and loan underwriting.
- ✓ **Core processor upgrades** have updated technology, cybersecurity and network infrastructure enabling the Company to better operate remotely through added resiliency, capacity, and redundancies.
- ✓ **Fintech partnerships** including Bamboo, LendingFront and Raisin



- ✓ Ponce Bank is a **Minority Depository Institution** (MDI) serving minority, low- or moderate-income (LMI), and rural communities at a higher rate than mainstream banks.
- ✓ Ponce Bank is known as a **“mission-driven bank”** because of the role it plays in transforming the lives of underserved citizens and communities by ensuring that residents and businesses in the communities it serves have access to safe and affordable financial services.
- ✓ Private companies, philanthropic organizations, or others can and **have partnered with Ponce Bank** via grants, equity investments, deposits, and technology support.
- ✓ As of September 30, 2023, there are **148 MDIs** in the country, Ponce Bank is the **20th largest** in total assets and **3rd** largest in New York.



- ✓ Ponce Bank is also a **Community Development Financial Institution (CDFI)** playing an important role in generating economic growth and opportunity in some of our most distressed communities.
- ✓ Ponce Bank offers **tailored resources and innovative programs** that invest federal dollars alongside private sector capital, that support the economically disadvantaged communities that we serve.
- ✓ Ponce Bank received over **\$4 million** in grants from the CDFI in 2023.
- ✓ As of September 30, 2023, there are **197 CDFI Banks** in the country and only **32 Banks** that are **both MDI and CDFI**.

GROSS LOANS

<i>(in thousands)</i>	<u>September 30, 2023</u>		<u>December 31, 2022</u>		<u>Increase/ (Decrease)</u>	
Mortgage loans:	Amount	Percent	Amount	Percent	Dollars	Percent
1-4 Family residential						
Investor- Owned	\$ 347,082	19.1%	\$ 343,968	22.5%	\$ 3,114	0.9%
Owner- Occupied	15,1866	8.4%	134,878	8.8%	16,988	12.6%
Multifamily residential	553,694	30.5%	494,667	32.4%	59,027	11.9%
Nonresidential	321,472	17.7%	308,043	20.2%	13,429	4.4%
Construction and Land	411,383	22.7%	185,018	12.1%	226,365	122.3%
Total mortgage loans	\$ 1,785,497	98.4%	\$ 1,466,574	96.1%	\$ 318,923	21.7%
Nonmortgage Loans:						
Business Loans (1)	18,416	10%	39,965	2.6%	\$ (21,549)	- 53.9%
Consumer Loans (2)	10,416	0.6%	19,129	13%	\$ (8,713)	- 45.5%
Total nonmortgage loans	28,832	1.6%	59,094	3.9%	(30,262)	- 51.2%
Total loans, gross	\$ 1,814,329	100.0%	\$ 1,525,668	100.0%	\$ 288,661	18.9%

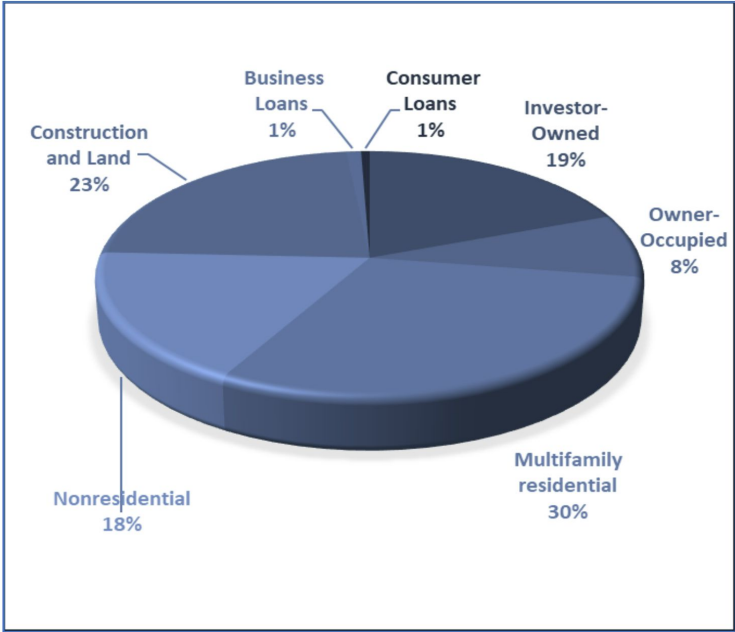
(1) As of September 30, 2023, and December 31, 2022, business loans include \$1.1 million and \$20.0 million, respectively, of SBA Paycheck Protection Program.

(2) As of September 30, 2023, and December 31, 2022, consumer loans include \$9.3 million and \$18.2 million of microloans originated by Grain.

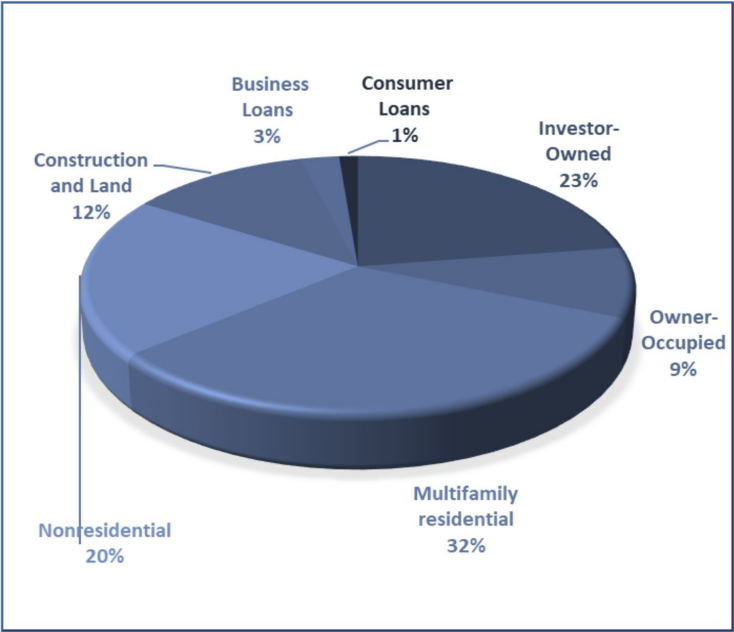
- As of September 30, 2023, and December 31, 2022, there were \$445.1 million and \$207.1 million, commitments to grant mortgage loans and \$62.1 million and \$72.5 million of unfunded commitments, respectively.
- The weighted average loan-to-value ratio is 58.3%

LOAN MIX

September 30, 2023



December 31, 2022



LOAN RISK RATINGS/PAST DUE SUMMARY

Risk Ratings

<i>(in thousands)</i>					
September 30, 2023					
Risk Rating:	Mortgage Loans		Nonmortgage Loans		Total Loans
	\$	%	\$	%	
Pass	\$ 1,360,585	99.0%	\$ 433,349	98.4%	\$ 1,793,934
Special Mention	5,673	0.4%	-	0.0%	5,673
Substandard	7,856	0.6%	6,866	16%	14,722
Total	\$ 1,374,114	100.00%	\$ 440,215	100%	\$ 1,814,329

<i>(in thousands)</i>					
December 31, 2022					
Risk Rating:	Mortgage Loans		Nonmortgage Loans		Total Loans
	\$	%	\$	%	
Pass	\$ 1,435,340	97.9%	\$ 59,094	13.4%	\$ 1,494,434
Special Mention	9,735	0.7%	-	0.0%	9,735
Substandard	21,499	15%	-	0.0%	21,499
Total	\$ 1,466,574	100.00%	\$ 59,094	13%	\$ 1,525,668

Past Dues

<i>(in thousands)</i>					
Status	September 30, 2023		December 31, 2022		
	\$	%	\$	%	
Current	\$ 1,803,902	99.4%	\$ 1,482,970	97.2%	
30-59 Days Past Due	134	0.0%	16,705	10%	
60-89 Days Past Due	897	0.0%	13,773	0.9%	
90 Days or More Past Due	9,396	0.5%	13,220	0.9%	
	\$ 1,814,329	100.0%	\$ 1,525,668	100.0%	

LOAN GROWTH



INVESTMENT PORTFOLIO

September 30, 2023	Gross		Gross		Fair Value
	Amortized Cost	Unrealized Gains	Unrealized Losses		
Available-for-Sale Securities:					
U.S. Government Bonds	\$ 2,989	\$ -	\$ (276)		\$ 2,713
Corporate Bonds	25,799	-	(2,609)		23,190
Mortgage-Backed Securities:					
Collateralized Mortgage Obligations (1)	40,646	-	(7,657)		32,989
FHLMC Certificates	10,441	-	(1,904)		8,537
FNMA Certificates	62,771	-	(13,552)		49,219
GNMA Certificates	108	-	(3)		105
Total available-for-sale securities	\$ 142,754	\$ -	\$ (26,001)		\$ 116,753
Held-to-Maturity Securities:					
U.S. Agency Bonds	\$ 25,000	\$ -	\$ (504)		\$ 24,496
Corporate Bonds	82,500	-	(5,117)		77,383
Mortgage-Backed Securities:					
Collateralized Mortgage Obligations (1)	217,632	-	(12,198)		205,434
FHLMC Certificates	3,923	-	(358)		3,565
FNMA Certificates	12,194	-	(8,818)		13,376
SBA Certificates	20,717	147	-		20,864
Allowance for Credit Losses	(647)	-	-		-
Total held-to-maturity securities	\$ 471,065	\$ 147	\$ (26,995)		\$ 444,864

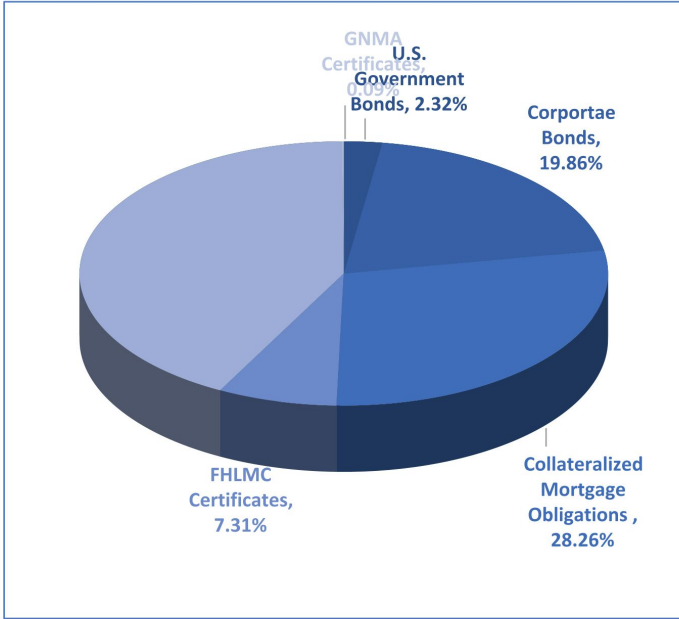
December 31, 2022	Gross		Gross		Fair Value
	Amortized Cost	Unrealized Gains	Unrealized Losses		
Available-for-Sale Securities:					
U.S. Government Bonds	\$ 2,985	\$ -	\$ (296)		\$ 2,689
Corporate Bonds	25,824	-	(2,465)		23,359
Mortgage-Backed Securities:					
Collateralized Mortgage Obligations (1)	44,503	-	(6,726)		37,777
FHLMC Certificates	1130	-	(1676)		9,634
FNMA Certificates	67,199	-	(1,127)		55,928
GNMA Certificates	122	-	(4)		118
Total available-for-sale securities	\$ 151,943	\$ -	\$ (22,438)		\$ 129,505
Held-to-Maturity Securities:					
U.S. Agency Bonds	\$ 35,000	\$ -	\$ (380)		\$ 34,620
Corporate Bonds	82,500	57	(3,819)		78,738
Mortgage-Backed Securities:					
Collateralized Mortgage Obligations (1)	235,479	192	(5,558)		230,113
FHLMC Certificates	4,120	-	(268)		3,852
FNMA Certificates	13,191	-	(5,227)		12,691
SBA Certificates	2,1803	34	-		2,1837
Allowance for Credit Losses	-	-	-		-
Total held-to-maturity securities	\$ 510,820	\$ 283	\$ (15,252)		\$ 495,851

(1) Comprised of FHLMC, FNMA, and GNMA issued securities.

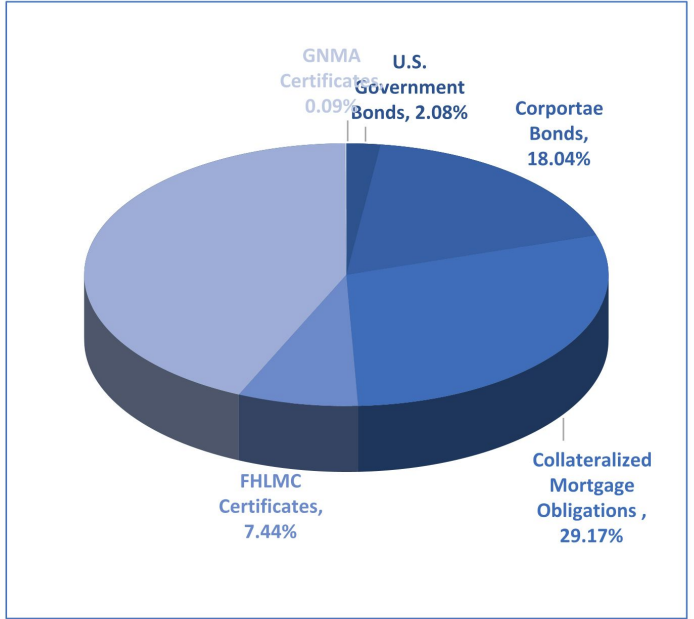
Note: Total gross unrealized losses were primarily attributable to changes in interest rates relative to when the investment securities were purchased and not due to the credit quality of the investment securities.

INVESTMENT PORTFOLIO MIX

September 30, 2023



December 31, 2022



INVESTMENT PORTFOLIO - CONTRACTUAL MATURITIES

September 30, 2023		
Available-for-Sale Securities: <i>(in thousands)</i>		
Amounts Maturing:		
Three months or less	\$ -	\$ -
More than three months through one year	4,000	3,802
More than one year through five years	3,989	3,442
More than five years through ten years	20,799	18,659
Mortgage- Backed Securities	113,966	90,850
Total Available-for- Sale Securities	\$ 142,754	\$ 116,753
Held-to-Maturity Securities:		
Amounts Maturing:		
Three months or less	\$ -	\$ -
More than three months through one year	-	-
More than one year through five years	100,000	94,877
More than five years through ten years	7,500	7,002
Mortgage- Backed Securities	364,212	342,985
Total Available-for- Sale Securities	\$ 471,712	\$ 444,864

December 31, 2022		
Available-for-Sale Securities: <i>(in thousands)</i>		
Amounts Maturing:		
Three months or less	\$ -	\$ -
More than three months through one year	-	-
More than one year through five years	6,985	6,399
More than five years through ten years	21,824	19,649
Mortgage- Backed Securities	123,134	103,457
Total Available-for- Sale Securities	\$ 151,943	\$ 129,505
Held-to-Maturity Securities:		
Amounts Maturing:		
Three months or less	\$ -	\$ -
More than three months through one year	-	-
More than one year through five years	10,000	105,948
More than five years through ten years	7,500	7,410
Mortgage- Backed Securities	393,320	382,493
Total Available-for- Sale Securities	\$ 510,820	\$ 495,851

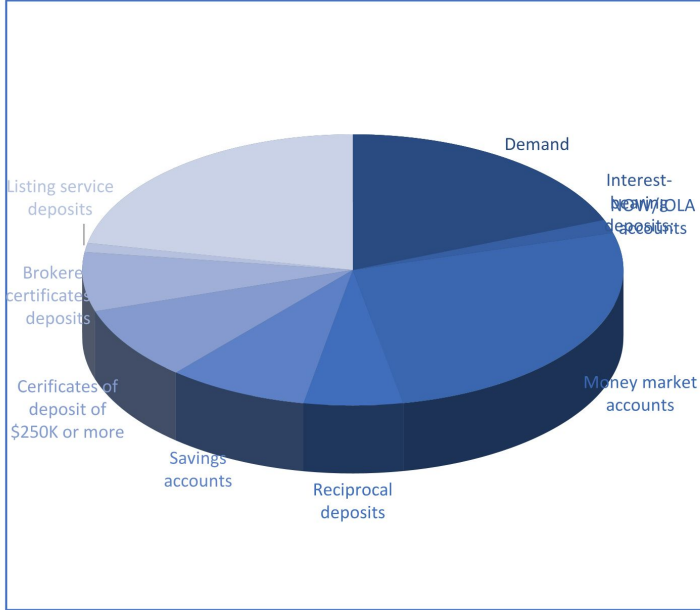
DEPOSIT MIX

			Increase/(Decrease)	
	September 30, 2023	December 31, 2022	\$	%
<i>(in thousands)</i>				
Demand	\$ 265,862	\$ 289,149	\$ (23,287)	- 8.1%
Interest-bearing deposits:				
NOW/IOLA accounts	22,519	24,349	\$ (1,830)	- 7.5%
Money market accounts	370,500	236,143	134,357	56.9%
Reciprocal deposits	82,670	111,049	(28,379)	- 25.5%
Savings accounts	17,870	19,432	(1,562)	- 8.0%
Total NOW, money market, reciprocal and saving:	593,559	504,973	88,586	17.5%
Certificates of deposit of \$250K or more	22,353	16,336	6,017	36.8%
Brokered certificates of deposits	98,729	98,754	(25)	0.0%
Listing service deposits	5,180	35,813	(30,633)	- 85.5%
Certificates of deposit less than \$250K	305,449	217,387	88,062	40.5%
Total certificates of deposit	541,711	458,290	83,421	18.2%
Total interest-bearing deposits	1,052,270	963,263	89,007	9.2%
Total deposits	\$ 1,646,129	\$ 1,552,412	\$ 93,717	6.0%

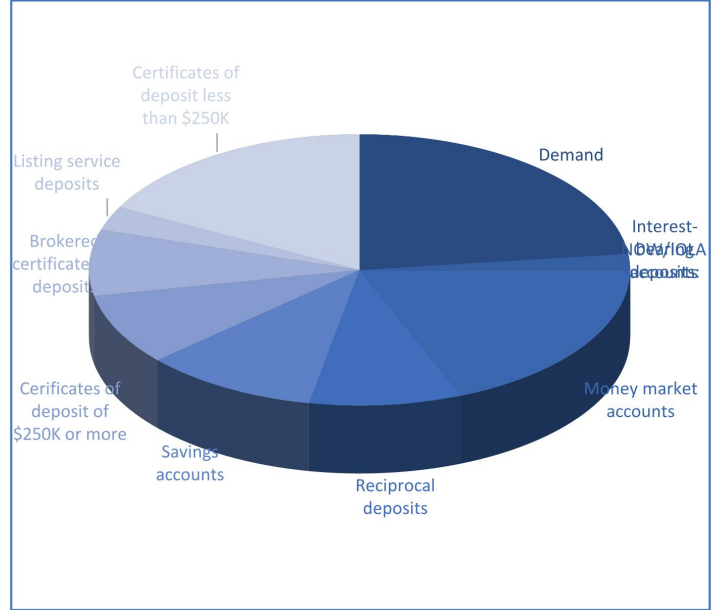
Scheduled Maturities of CDs	
<i>(in thousands)</i>	
2023	\$ 203,736
2024	194,609
2025	51,183
2026	42,372
2027	48,257
Thereafter	1,554
Total CDs	\$ 541,711

DEPOSIT MIX

September 30, 2023



December 31, 2022



FHLB NY ADVANCES

Term advances ending:	September 30, 2022			December 31, 2022		
	Scheduled Maturity	Redeemable at Call Date	Weighted Average Rate	Scheduled Maturity	Redeemable at Call Date	Weighted Average Rate
<i>(Dollars in thousands)</i>						
Overnight line of Credit Advance	\$ -	\$ -	0.00%	\$ 6,000	\$ 6,000	4.61%
2023	\$ -	\$ -	0.00%	\$ 178,375	\$ 178,375	4.32%
2024	354,000	354,000	4.53%	50,000	50,000	4.75%
2025	50,000	50,000	4.41%	50,000	50,000	4.41%
2026	-	-	0.00%	-	-	0.00%
2027	212,000	212,000	3.44%	183,000	183,000	3.25%
Thereafter	59,100	59,100	3.43%	50,000	50,000	3.35%
	\$ 675,100	\$ 675,100	4.08%	\$ 517,375	\$ 517,375	3.90%

- Interest expense for the three months ended September 30, 2023, and 2022 was \$7.0 million and \$1.5 million, respectively.
- Interest expense for the nine months ended September 30, 2023, and 2022 was \$17.6 million and \$2.5 million, respectively.
- FHLB NY – eligible collateral of approximately \$853.6 million and \$478.8 million, respectively, in residential 1-4 family and multifamily mortgage loans at September 30, 2023.
- FRB NY – \$304.0 million of outstanding term advances with additional borrowing capacity under a secured line secured by 49.4% of total securities with an amortized cost of \$303.8 million at September 30, 2023.

RESULTS OF OPERATIONS

Three Months Ended September				
	Actual		Change	
	2023	2022	Amount	Percent
<i>(dollars in thousands)</i>				
Interest and dividend income	\$ 33,506	\$ 21,634	\$ 11,872	54.9%
Interest expense	16,964	4,023	\$ 12,941	3217%
Net interest income	16,542	17,611	(1,069)	-6.1%
Provision for credit losses	535	9,330	(8,795)	-94.3%
Net interest income after provision for loan losses	16,007	8,281	7,726	93.3%
Non-interest income	5,627	1,577	4,050	256.8%
Non-interest expense	17,316	25,416	(8,100)	-31.9%
Income (loss) before income taxes	4,318	(15,558)	19,876	-127.8%
Provision (benefit) for income taxes	1,728	(820)	6,315	-770.1%
Net income (loss)	2,590	(14,738)	13,561	-92.0%
Earnings (loss) per share:				
Basic	\$ 0.12	\$ (0.64)	\$ 0.76	-118.4%
Diluted	\$ 0.12	\$ (0.64)	\$ 0.76	-118.4%

Nine Months Ended September				
	Actual		Change	
	2023	2022	Amount	Percent
<i>(dollars in thousands)</i>				
Interest and dividend income	\$ 90,917	\$ 57,819	\$ 33,098	57.2%
Interest expense	42,848	7,382	\$ 35,466	480.4%
Net interest income	48,069	50,437	(2,368)	-4.7%
Provision for credit losses	1,348	11,405	(10,057)	-88.2%
Net interest income after provision for loan losses	46,721	39,032	7,689	19.7%
Non-interest income	8,938	5,982	2,956	49.4%
Non-interest expense	50,766	70,057	(19,291)	-27.5%
Income (loss) before income taxes	4,893	(25,043)	29,936	-119.5%
Provision (benefit) for income taxes	2,059	(4,256)	6,315	-148.4%
Net income (loss)	2,834	(20,787)	23,621	-113.6%
Earnings (loss) per share:				
Basic	\$ 0.12	\$ (0.92)	\$ 1.04	-112.3%
Diluted	\$ 0.12	\$ (0.92)	\$ 1.04	-112.3%

INTEREST AND DIVIDEND INCOME

Three Months Ended September						
	(dollars in thousands)		Actual		Change	
	2023	2022	Amount	Percent		
1-4 Family residential	\$ 7,610	\$ 5,023	\$ 2,587	51.5%		
Multifamily residential	6,883	4,472	2,411	53.9%		
Nonresidential properties	4,020	3,142	878	27.9%		
Construction and land	6,133	3,011	3,122	103.7%		
Business loans	321	539	(218)	-40.4%		
Consumer loans	309	871	(562)	-64.5%		
Interest on due from banks	1,968	346	1,622	468.8%		
Interest on securities	5,821	4,154	1,667	40.1%		
Dividend on FHLB NY stock	441	76	365	480.3%		
Total interest income	\$ 33,506	\$ 21,634	\$ 11,872	54.9%		

Nine Months Ended September						
	(dollars in thousands)		Actual		Change	
	2023	2022	Amount	Percent		
1-4 Family residential	\$ 21,257	\$ 15,173	\$ 6,084	40.1%		
Multifamily residential	19,705	12,445	7,260	58.3%		
Nonresidential properties	11,476	9,089	2,387	26.3%		
Construction and land	13,091	7,428	5,663	76.2%		
Business loans	1,259	4,250	(2,991)	-70.4%		
Consumer loans	1,203	2,930	(1,727)	-58.9%		
Interest on due from banks	3,982	514	3,468	674.7%		
Interest on securities	17,627	5,779	11,848	205.0%		
Dividend on FHLB NY stock	1,317	211	1,106	524.2%		
Total interest income	\$ 90,917	\$ 57,819	\$ 33,098	57.2%		

INTEREST EXPENSE

Three Months Ended September				
	Actual		Change	
	<i>(dollars in thousands)</i>			
	2023	2022	Amount	Percent
Certificates of deposit	\$ 4,362	\$ 855	\$ 3,507	410.2%
Money market	5,600	1,305	4,295	329.1%
Savings	29	55	(26)	-47.3%
NOW/IOLA	8	13	(5)	-38.5%
Advance payments by borrowers	2	2	-	0.0%
Borrowings	6,963	1,793	5,170	288.3%
Total interest expense	\$ 16,964	\$ 4,023	\$ 12,941	321.7%

Nine Months Ended September				
	Actual		Change	
	<i>(dollars in thousands)</i>			
	2023	2022	Amount	Percent
Certificates of deposit	\$ 11,468	\$ 2,361	\$ 9,107	385.7%
Money market	12,745	1,987	10,758	541.4%
Savings	88	120	(32)	-26.7%
NOW/IOLA	25	43	(18)	-41.9%
Advance payments by borrowers	6	4	2	50.0%
Borrowings	18,516	2,867	15,649	545.8%
Total interest expense	\$ 42,848	\$ 7,382	\$ 35,466	480.4%

NON-INTEREST INCOME

Three Months Ended September

	Actual		Change	
	2023	2022	Amount	Percent
(dollars in thousands)				
Service charges and fees	\$ 516	\$ 464	\$ 52	112%
Brokerage commissions	7	288	(271)	-94.1%
Late and prepayment charges	899	109	790	724.8%
Income on sale of mortgage loans	173	16	57	49.1%
Loan origination	-	522	(522)	-100.0%
Grant income	3,718	-	3,718	-%
Loss on sale of premises and equipment	-	(436)	436	-100.0%
Other	304	514	(210)	-40.9%
Total non-interest income	\$ 5,627	\$ 1,577	\$ 4,050	256.8%

Nine Months Ended September

	Actual		Change	
	2023	2022	Amount	Percent
(dollars in thousands)				
Service charges and fees	\$ 1,488	\$ 1,349	\$ 139	10.3%
Brokerage commissions	67	840	(773)	-92.0%
Late and prepayment charges	2,000	360	1,640	455.6%
Income on sale of mortgage loans	354	734	(380)	-51.8%
Loan origination	-	1,843	(1,843)	-100.0%
Grant income	3,718	-	3,718	-%
Loss on sale of premises and equipment	-	(436)	436	-100.0%
Other	1,311	1,292	19	1.5%
Total non-interest income	\$ 8,938	\$ 5,982	\$ 2,956	49.4%

NON-INTEREST EXPENSE

Three Months Ended September				
	Actual		Change	
	<i>(dollars in thousands)</i>		Amount	Percent
	2023	2022		
Compensation and benefits	\$ 7,566	\$ 7,377	\$ 189	2.6%
Occupancy and equipment	3,588	3,611	(23)	-0.6%
Data processing expenses	1,582	994	588	59.2%
Direct loan expenses	369	654	(285)	-43.6%
Provision for contingencies	391	519	(128)	-24.7%
Insurance and surety bond premiums	255	297	(42)	-14.1%
Office supplies, telephone and postage	301	369	(68)	-18.4%
Professional fees	1,693	1,251	442	35.3%
Grain recoveries and write-off	(69)	8,881	(8,950)	-100.8%
Marketing and promotional expenses	248	214	34	15.9%
Director fees and regulatory assessment	169	188	(19)	-10.1%
Other operating expenses	1,223	1,061	162	15.3%
Total non-interest income	\$ 17,316	\$ 25,416	\$ (8,100)	-31.9%

Nine Months Ended September				
	Actual		Change	
	<i>(dollars in thousands)</i>		Amount	Percent
	2023	2022		
Compensation and benefits	\$ 22,437	\$ 21,413	\$ 1,024	4.8%
Occupancy and equipment	10,882	10,040	842	8.4%
Data processing expenses	3,982	2,665	1,317	49.4%
Direct loan expenses	1,126	2,033	(907)	-44.6%
Provision for contingencies	1,893	566	1,327	234.5%
Insurance and surety bond premiums	768	600	168	28.0%
Office supplies, telephone and postage	1,189	1,180	9	0.8%
Professional fees	5,052	4,333	719	16.6%
Contribution to Ponce De Leon Foundation	-	4,995	(4,995)	-100.0%
Grain recoveries and write-off	(1,329)	18,455	(19,784)	-107.2%
Marketing and promotional expenses	679	337	342	101.5%
Director fees and regulatory assessment	484	509	(25)	-4.9%
Other operating expenses	3,603	2,931	672	22.9%
Total non-interest income	\$ 50,766	\$ 70,057	\$ (19,291)	-27.5%

BASIC/DILUTED EARNINGS PER SHARE

	Three Months Ended		Nine Months Ended	
	2023	2022	2023	2022
<i>(Dollars in thousands except per share data)</i>				
Net income (loss)	\$ 2,590	\$ (14,738)	\$ 2,834	\$ (20,787)
Common shares outstanding for basic EPS:				
Weighted average common shares outstanding	23,774,317	24,727,459	24,456,108	24,072,543
Less: Weighted average unallocated Employee Stock				
Ownership Plan (ESOP) shares	1,502,241	1,632,600	1,535,428	1,548,066
Basic weighted average common shares outstanding	22,272,076	23,094,859	22,920,680	22,524,477
Basic earnings (loss) per common share	\$ 0.12	\$ (0.64)	\$ 0.12	\$ (0.92)
Potential dilutive common shares:				
Add: Dilutive effect of restricted stock awards and stock options	77,411	-	42,276	
Diluted weighted average common shares outstanding	22,349,217	23,094,859	22,962,956	22,524,477
Diluted earnings (loss) per common share	\$ 0.12	\$ (0.64)	\$ 0.12	\$ (0.92)

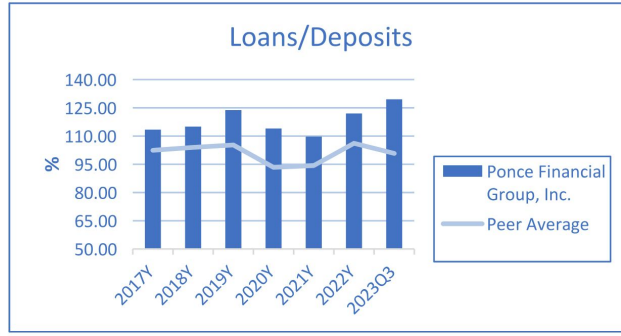
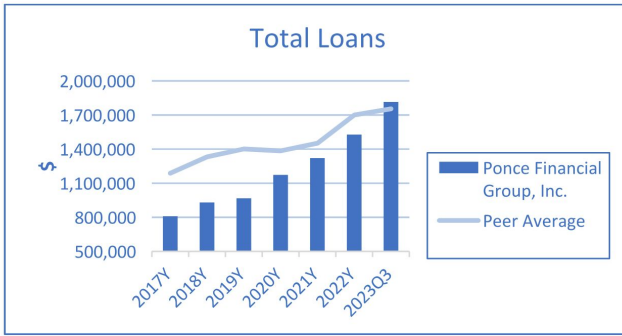
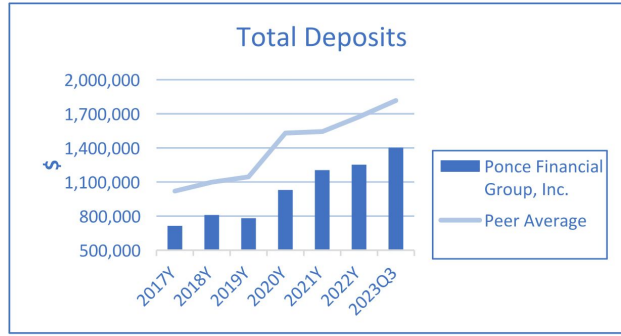
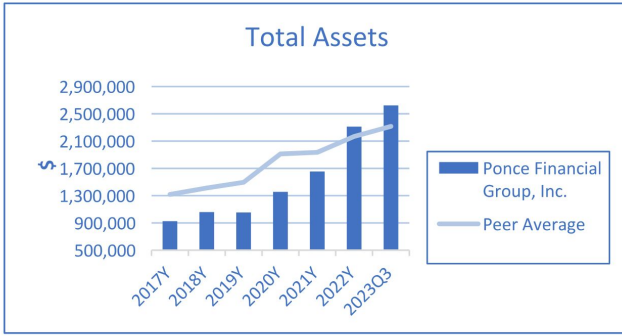
REGULATORY CAPITAL RATIOS

Well-capitalized for future opportunities

September 30, 2023			
Ponce Financial Group, Inc.	Actual	Adequately	Well
Total Capital to Risk-Weighted Assets	27.07%	10.00%	8.00%
Tier 1 Capital to Risk-Weighted Assets	25.82%	6.00%	8.00%
Common Equity Tier 1 Capital Ratio	25.82%	4.50%	6.50%
Tier 1 Capital to Total Assets	19.90%	4.00%	5.00%
Ponce Bank			
Total Capital to Risk-Weighted Assets	25.10%	8.00%	10.00%
Tier 1 Capital to Risk-Weighted Assets	23.85%	6.00%	8.00%
Common Equity Tier 1 Capital Ratio	23.85%	4.50%	6.50%
Tier 1 Capital to Total Assets	17.51%	4.00%	5.00%

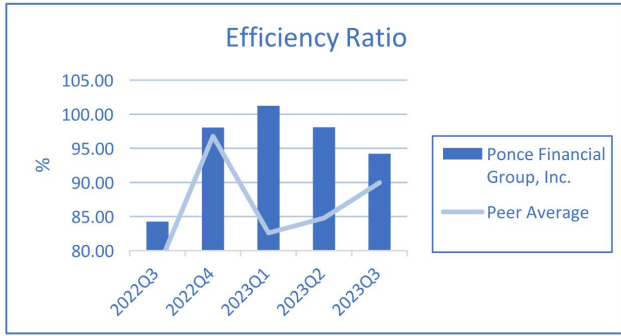
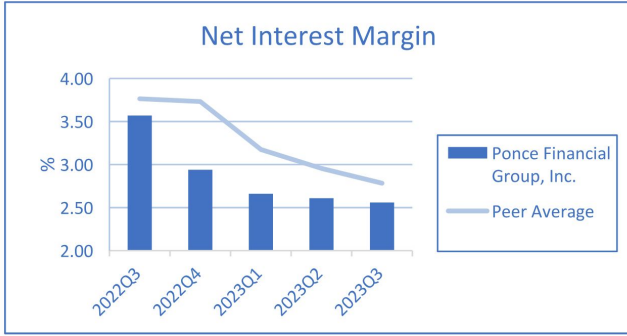
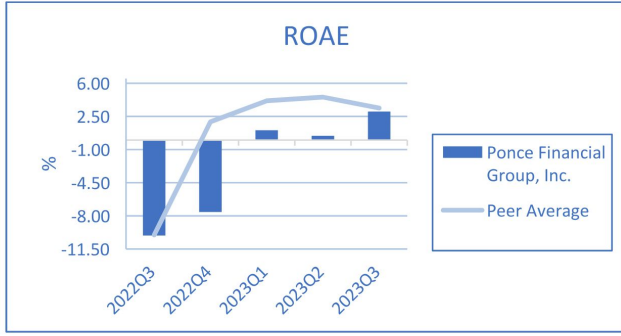
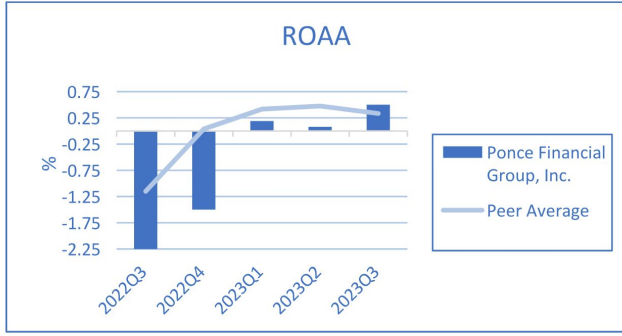
December 31, 2022			
Ponce Financial Group, Inc.	Actual	Adequately	Well
Total Capital to Risk-Weighted Assets	33.72%	10.00%	8.00%
Tier 1 Capital to Risk-Weighted Assets	32.47%	6.00%	8.00%
Common Equity Tier 1 Capital Ratio	32.47%	4.50%	6.50%
Tier 1 Capital to Total Assets	26.29%	4.00%	5.00%
Ponce Bank			
Total Capital to Risk-Weighted Assets	30.53%	8.00%	10.00%
Tier 1 Capital to Risk-Weighted Assets	29.26%	6.00%	8.00%
Common Equity Tier 1 Capital Ratio	29.26%	4.50%	6.50%
Tier 1 Capital to Total Assets	20.47%	4.00%	5.00%

PEER ANALYSIS – BALANCE SHEET



Source: S&P Capital IQ. Peer group: Fully Converted Mutual Holding Companies in the last ten years with assets between \$1 - \$5 billion.

PEER ANALYSIS - PROFITABILITY



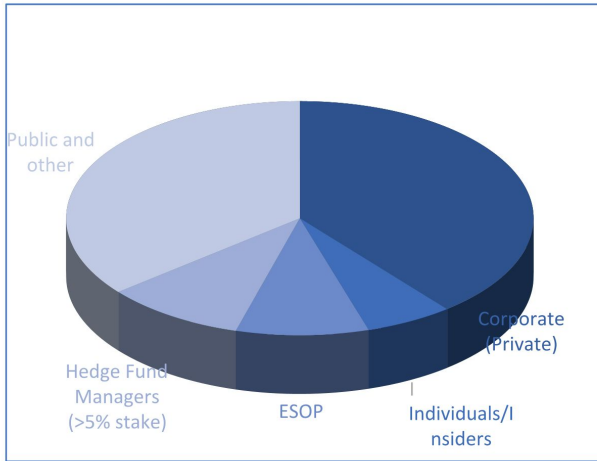
Source: S&P Capital IQ. Peer group: Fully Converted Mutual Holding Companies in the last ten years with assets between \$1 - \$5 billion.

COMPANY NAME	TICKER	TOTAL ASSETS
Third Coast Bancshares, Inc.	TCBX	3,773,148
Sterling Bancorp, Inc. (Southfield, MI)	SBT	2,444,735
Ponce Financial Group, Inc.	PDLB	2,311,989
Blue Foundry Bancorp	BLFY	2,043,338
First Northwest Bancorp	FNWB	2,042,070
Provident Bancorp, Inc.	PVBC	1,636,381
ECB Bancorp, Inc.	ECBK	1,064,462

Source: S&P Capital IQ. Peer group: Fully Converted Mutual Holding Companies in the last ten years with assets between \$1 - \$5 billion.

OWNERSHIP SUMMARY

September 30, 2023



Type	Common Shares	% of O/S	Market Value
Institutional	8,684,396	39.15%	81,546,478
Public and other	6,701,336	30.2%	62,925,545
Hedge Fund Managers (>5% stake)	2,159,719	9.74%	20,279,761
ESOP	2,036,437	9.18%	19,122,143
Ponce De Leon Foundation	1,249,588	5.63%	11,733,631
Individuals/Insiders	1,350,347	6.09%	12,679,758
Corporate (Private)	2,610	0.01%	24,508
Total	22,184,433	100.00%	208,311,826

ESOP, Ponce De Leon Foundation, and Individuals/Insiders hold 20.9% of total shares outstanding

Market Value as of January 30, 2023

Source: S&P Capital IQ.

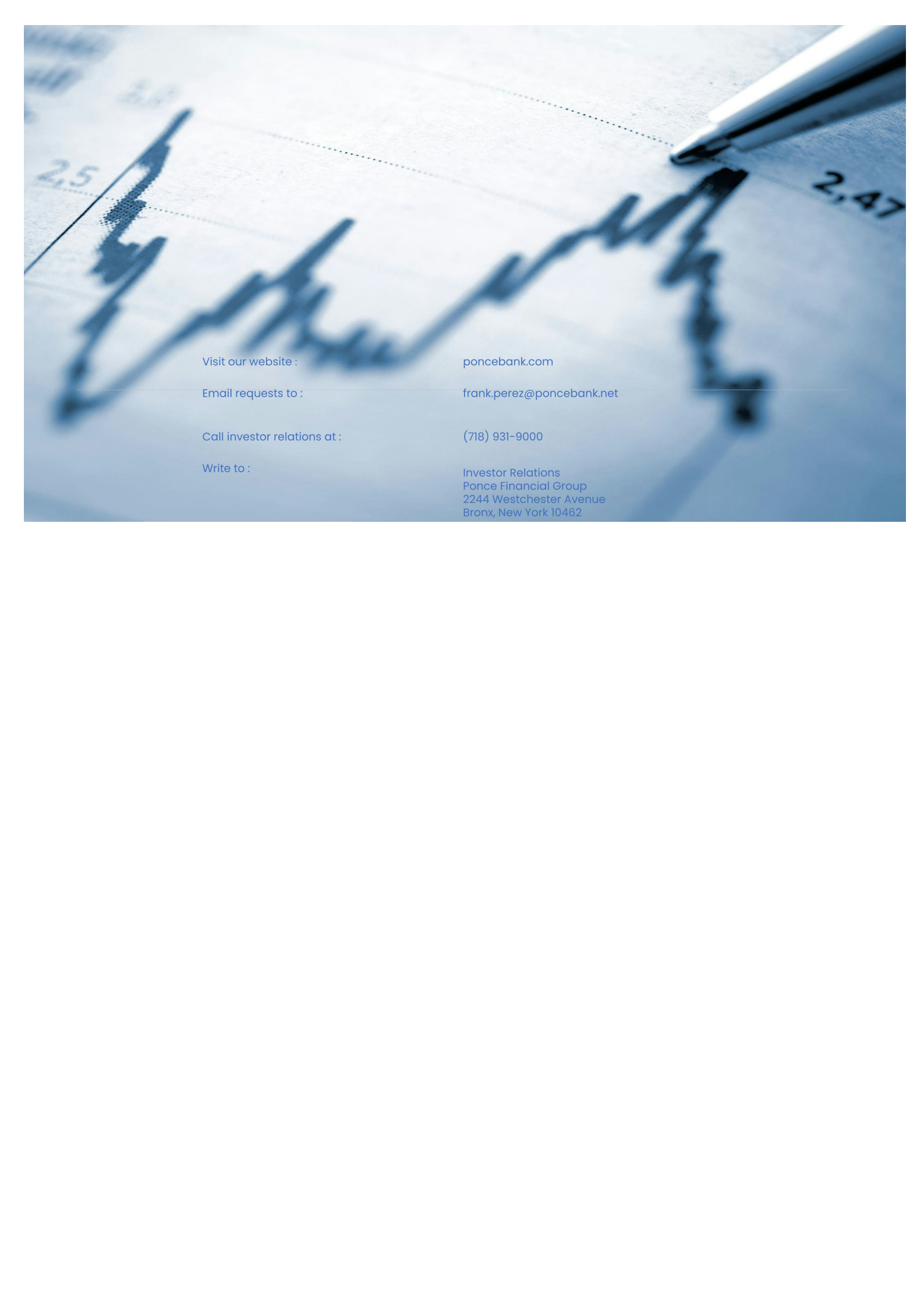
TOP 25 INSTITUTIONAL HOLDERS



Holder	Common Stock Equivalent Held (actual)	Percent of Common Shares Outstanding (%)	Market Value (\$M)
T. Rowe Price Group Inc.	2,513,061	11.33	22.4
BlackRock Inc.	1,546,308	6.97	13.8
Vanguard Group Inc.	1,055,634	4.76	9.4
Dimensional Fund Advisors LP	520,264	2.35	4.6
Bank of America Corp.	509,119	2.29	4.5
Geode Capital Management LLC	414,483	1.87	3.7
AllianceBernstein LP	330,949	1.49	2.9
Maltese Capital Management LLC	255,000	1.15	2.3
First Pacific Advisors LP	181,562	0.82	1.6
Northern Trust Global Investments	168,131	0.76	1.5
683 Capital Management LLC	106,137	0.48	0.9
Wittenberg Investment Management Inc	105,317	0.47	0.9
Renaissance Technologies LLC	86,794	0.39	0.8
Bridgeway Capital Management LLC	83,336	0.38	0.7
BNY Asset Management	62,548	0.28	0.6
Charles Schwab Investment Management	57,735	0.26	0.5
Beese Fulmer Investment Management Inc.	48,974	0.22	0.4
Teachers Insurance and Annuity Association- College Retirement Equities Fund	39,028	0.18	0.3
Keeley-Teton Advisors LLC	38,718	0.17	0.3
Stilwell Value LLC	30,000	0.14	0.3
Rhumbline Advisers Ltd Partnership	24,750	0.11	0.2
Banking Spectrum, Inc.	20,000	0.09	0.2
SEI Investments Co.	19,973	0.09	0.2
SKYVIEW Investment Advisors LLC	16,089	0.07	0.1
JP Morgan Asset Management	13,261	0.06	0.1

Source: S&P Capital IQ.

<u>Tangible book value per common share (Non- GAAP) :</u>	
Common shares outstanding	23,785,520
Shareholders' equity	491,395,000
Less: Preferred Stock	225,000,000
Tangible common shareholders' equity (Non- GAAP)	266,395,000
Tangible book value per common share (Non- GAAP)	11.20

A blue-tinted background image showing a financial chart with a pen pointing to a data point. The chart has a grid and a line graph. The pen is silver and is pointing to a peak in the line graph. The background is slightly blurred, focusing attention on the pen and the chart.

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