UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2026

OR

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

For the transition period from _________ to

Commission File Number: 001-41255

Ponce Financial Group, Inc.
(Exact Name of Registrant as Specified in its Charter)

Maryland	**87-1893965**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2244 Westchester Avenue	
Bronx, NY	**10462**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (718) 931-9000

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 Stock Market, LLC

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the 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 an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of August 4, 2026, the registrant had 24,187,901 shares of common stock, $0.01 par value per share, outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements.

Ponce Financial Group, Inc. and Subsidiaries

Consolidated Statements of Financial Condition (Unaudited)
June 30, 2026 and December 31, 2025
(Dollars in thousands, except share data)

	June 30, 2026 (unaudited)	December 31, 2025
ASSETS		
Cash and due from banks:		
Cash	$ 25,567	$ 28,511
Interest-bearing deposits	114,443	97,643
Total cash and cash equivalents	140,010	126,154
Available-for-sale securities, at fair value (Note 3)	84,774	92,196
Held-to-maturity securities, net of allowance for credit losses of $210 at June 30, 2026 and $236 at December 31, 2025; at amortized cost (fair value of $246,965 at June 30, 2026 and $268,875 at December 31. 2025) (Note 3)	253,616	272,982
Placement with banks	249	249
Mortgage loans held for sale, at fair value (Note 4)	3,050	3,388
Loans receivable, net of allowance for credit losses of $27,554 at June 30, 2026 and $25,449 at December 31, 2025 (Note 5)	2,879,740	2,599,258
Accrued interest receivable	19,939	17,905
Premises and equipment, net	14,645	15,638
Right of use assets (Note 6)	27,055	27,583
Federal Home Loan Bank of New York (FHLBNY) stock, at cost	30,689	29,309
Federal Reserve Bank of New York (FRBNY) stock, at cost	10,714	10,698
Deferred tax assets	12,979	11,501
Other assets	17,251	17,109
Total assets	$ 3,494,711	$ 3,223,970
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits (Note 7)	$ 2,271,809	$ 2,046,635
Borrowings (Note 8)	621,100	596,100
Operating lease liabilities	28,874	29,353
Accrued interest payable	3,837	3,788
Other liabilities	8,121	6,545
Total liabilities	2,933,741	2,682,421
Commitments and contingencies (Note 10)		
Stockholders' Equity:		
Preferred stock, $0.01 par value; 100,000,000 shares authorized:		
Series A, senior non-cumulative perpetual, $1,000 per share liquidation preference, 225,000 shares issued and outstanding as of June 30, 2026 and December 31, 2025	225,000	225,000
Common stock, $0.01 par value; 200,000,000 shares authorized; 24,886,711 shares issued at both June 30, 2026 and December 31, 2025; 24,187,901 shares outstanding as of June 30, 2026 and 24,135,926 shares outstanding as of December 31, 2025	249	249
Treasury stock, at cost; 698,810 shares as of June 30, 2026 and 750,785 shares as of December 31, 2025	(5,738)	(6,164)
Additional paid-in-capital	210,339	208,604
Retained earnings	151,887	135,332
Accumulated other comprehensive loss (Note 13)	(10,698)	(10,820)
Unearned compensation ─ ESOP; 1,101,372 shares as of June 30, 2026 and 1,168,244 shares as of December 31, 2025	(10,069)	(10,652)
Total stockholders' equity	560,970	541,549
Total liabilities and stockholders' equity	$ 3,494,711	$ 3,223,970

The accompanying notes are an integral part of the consolidated financial statements (unaudited).

Ponce Financial Group, Inc. and Subsidiaries

Consolidated Statements of Operations (Unaudited)
Three and Six Months Ended June 30, 2026 and 2025
(Dollars in thousands, except share data)

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Interest and dividend income:				
Interest on loans receivable	$ 46,835	$ 40,291	$ 90,817	$ 77,427
Interest on deposits due from banks	954	807	1,724	2,475
Interest and dividend on securities and FHLBNY stock	3,863	4,762	7,773	9,955
Total interest and dividend income	51,652	45,860	100,314	89,857
Interest expense:				
Interest on certificates of deposit	6,785	7,382	13,200	15,136
Interest on other deposits	9,544	9,058	18,174	17,612
Interest on borrowings	5,262	4,994	10,653	10,480
Total interest expense	21,591	21,434	42,027	43,228
Net interest income	30,061	24,426	58,287	46,629
Provision for credit losses (Note 3) (Note 5)	2,148	1,626	3,804	1,341
Net interest income after provision for credit losses	27,913	22,800	54,483	45,288
Non-interest income:				
Service charges and fees	600	511	1,139	1,036
Brokerage commissions	—	—	—	4
Late and prepayment charges	138	530	864	1,227
Income on sale of mortgage loans	161	169	281	317
Income on sale of SBA loans	—	—	—	404
Grant income	—	428	—	428
Other	628	422	1,285	1,025
Total non-interest income	1,527	2,060	3,569	4,441
Non-interest expense:				
Compensation and benefits	9,070	7,627	17,733	15,407
Occupancy and equipment	3,901	3,907	7,573	7,820
Data processing expenses	1,195	1,188	2,414	2,340
Direct loan expenses	187	241	308	629
Insurance and surety bond premiums	332	297	665	612
Office supplies, telephone and postage	152	174	345	344
Professional fees	1,470	1,367	2,816	2,731
Marketing and promotional expenses	190	266	418	349
Federal deposit insurance and regulatory assessment	408	546	817	1,007
Other operating expenses	1,230	1,256	2,286	2,518
Total non-interest expense	18,135	16,869	35,375	33,757
Income before income taxes	11,305	7,991	22,677	15,972
Provision for income taxes	2,810	1,891	5,559	3,913
Net income	$ 8,495	$ 6,100	$ 17,118	$ 12,059
Dividends on preferred shares	282	282	563	563
Net income available to common stockholders	$ 8,213	$ 5,818	$ 16,555	$ 11,496
Earnings per common share (Note 9):				
Basic	$ 0.36	$ 0.26	$ 0.72	$ 0.51
Diluted	$ 0.35	$ 0.25	$ 0.71	$ 0.50
Weighted average common shares outstanding (Note 9):				
Basic	23,053,460	22,716,615	23,021,069	22,689,914
Diluted	23,508,153	22,947,769	23,419,915	22,920,841

The accompanying notes are an integral part of the consolidated financial statements (unaudited).

Ponce Financial Group, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income (Unaudited)
Three and Six Months Ended June 30, 2026 and 2025
(In thousands)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Net income	$ 8,495	$ 6,100	$ 17,118	$ 12,059
Net change in unrealized gain on securities:				
Unrealized (loss) gain	(22)	595	156	2,859
Income tax effect	4	(127)	(34)	(609)
Total other comprehensive (loss) income, net of tax	(18)	468	122	2,250
Total comprehensive income	8,477	6,568	17,240	14,309
Less: Dividends on preferred shares	282	282	563	563
Total comprehensive income available to common stockholders	$ 8,195	$ 6,286	$ 16,677	$ 13,746

The accompanying notes are an integral part of the consolidated financial statements (unaudited).

Ponce Financial Group, Inc. and Subsidiaries

Consolidated Statements of Stockholders' Equity (Unaudited)
Three and Six Months Ended June 30, 2026 and 2025
(Dollars in thousands, except share data)

	Preferred Stock		Common Stock		Treasury Stock,	Additional Paid-in	Retained	Accumulated Other Comprehensive	Unallocated Common Stock	
	Shares	Amount	Shares	Amount	At Cost	Capital	Earnings	Loss	of ESOP	Total
Balance, December 31, 2025	225,000	$ 225,000	24,135,926	$ 249	$ (6,164)	$ 208,604	$ 135,332	$ (10,820)	$ (10,652)	$ 541,549
Net income	—	—	—	—	—	—	8,623	—	—	8,623
Preferred stock dividend	—	—	—	—	—	—	(281)	—	—	(281)
Other comprehensive income, net of tax	—	—	—	—	—	—	—	140	—	140
Release of restricted stock units	—	—	26,094	—	214	(214)		—	—	—
Exercise of stock options	—	—	25,881	—	212	10	—	—	—	222
ESOP shares committed to be released (33,436 shares)	—	—	—	—	—	267	—	—	291	558
Share-based compensation	—	—	—	—	—	552	—	—	—	552
Balance, March 31, 2026	225,000	$ 225,000	24,187,901	$ 249	$ (5,738)	$ 209,219	$ 143,674	$ (10,680)	$ (10,361)	$ 551,363
Net income	—	—	—	—	—	—	8,495	—	—	8,495
Preferred Stock Dividend		—	—	—	—	—	(282)	—	—	(282)
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	(18)	—	(18)
ESOP shares committed to be released (33,436 shares)	—	—	—	—	—	375	—	—	292	667
Share-based compensation	—	—	—	—	—	745	—	—	—	745
Balance, June 30, 2026	225,000	$ 225,000	$ 24,187,901	$ 249	$ (5,738)	$ 210,339	$ 151,887	$ (10,698)	$ (10,069)	$ 560,970

	Preferred Stock		Common Stock		Treasury Stock,	Additional Paid-in	Retained	Accumulated Other Comprehensive	Unallocated Common Stock	
	Shares	Amount	Shares	Amount	At Cost	Capital	Earnings	Loss	of ESOP	Total
Balance, December 31, 2024	225,000	$ 225,000	23,961,214	$ 249	$ (7,707)	$ 207,319	$ 107,754	$ (15,297)	$ (11,818)	$ 505,500
Net income	—	—	—	—	—	—	5,959	—	—	5,959
Preferred stock dividend	—	—	—	—	—	—	(281)	—	—	(281)
Other comprehensive income, net of tax	—	—	—	—	—	—	—	1,782	—	1,782
Release of restricted stock units	—	—	4,977	—	66	(66)	—	—	—	—
ESOP shares committed to be released (33,436 shares)	—	—	—	—	—	132	—	—	291	423
Share-based compensation	—	—	—	—	—	503	—	—	—	503
Balance, March 31, 2025	225,000	$ 225,000	23,966,191	$ 249	$ (7,641)	$ 207,888	$ 113,432	$ (13,515)	$ (11,527)	$ 513,886
Net income	—	—	—	—	—	—	6,100	—	—	6,100
Preferred Stock Dividend		—	—	—	—	—	(282)	—	—	(282)
Other comprehensive income, net of tax	—	—	—	—	—	—	—	468	—	468
Release of restricted stock units	—	—	18,609	—	237	(237)	—	—	—	—
ESOP shares committed to be released (33,436 shares)	—	—	—	—	—	171	—	—	292	463
Share-based compensation	—	—	—	—	—	453	—	—	—	453
Balance, June 30, 2025	225,000	$ 225,000	23,984,800	$ 249	$ (7,404)	$ 208,275	$ 119,250	$ (13,047)	$ (11,235)	$ 521,088

The accompanying notes are an integral part of the consolidated financial statements (unaudited).

Ponce Financial Group, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (Unaudited)
Six Months Ended June 30, 2026 and 2025
(In thousands)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Cash Flows From Operating Activities:		
Net income	$ 17,118	$ 12,059
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of premiums/discounts on securities, net	(19)	(39)
Gain on sale of loans	(281)	(721)
Provision for credit losses	3,804	1,341
Depreciation and amortization	2,468	2,427
ESOP compensation expense	1,283	1,053
Share-based compensation expense	1,297	955
Deferred income taxes	(1,512)	(678)
Changes in assets and liabilities:		
Decrease in mortgage loans held for sale, fair value	619	5,350
Increase in accrued interest receivable	(2,034)	(1,355)
Increase in other assets	(143)	(1,670)
Increase in accrued interest payable	49	449
Decrease in operating lease liabilities	(1,380)	(1,355)
Increase in other liabilities	655	1,445
Net cash provided by operating activities	21,924	19,261
Cash Flows From Investing Activities:		
Net (purchases) redemptions of FHLBNY stock	(1,380)	2,562
Net purchases of FRBNY stock	(16)	—
Proceeds from maturities, calls and principal repayments on securities	26,989	42,382
Proceeds from sale of loans	4,247	5,738
Net increase in loans	(287,691)	(179,518)
Purchases of premises and equipment	(50)	(407)
Net cash used in investing activities	(257,901)	(129,243)
Cash Flows From Financing Activities:		
Net increase in deposits	225,174	157,345
Net proceeds (repayment) from borrowings	25,000	(60,000)
Stock options exercised	222	—
Dividends paid on preferred stock	(563)	(563)
Net cash provided by financing activities	249,833	96,782
Net increase (decrease) in cash and cash equivalents	13,856	(13,200)
Cash and cash equivalents at beginning of period	126,154	139,839
Cash and cash equivalents at end of period	$ 140,010	$ 126,639
Supplemental disclosures of cash flow information:		
Cash paid for interest on deposits and borrowings	$ 42,358	$ 42,778
Cash paid for income taxes, net of refunds	$ 6,550	$ 3,335
Operating lease assets in exchange for operating lease liabilities	$ 901	$ —

The accompanying notes are an integral part of the consolidated financial statements (unaudited).

Ponce Financial Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note 1. Nature of Business

Basis of Presentation and Consolidation:

Ponce Financial Group, Inc. (hereafter referred to as "we," "our," "us," "Ponce Financial Group, Inc.," or the "Company") is a financial holding company and the holding company of Ponce Bank, National Association. ("Ponce Bank" or the "Bank"), a national bank. The Company's Consolidated Financial Statements presented herein have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiary Ponce Bank. All significant intercompany transactions and balances have been eliminated in consolidation. For further information, refer to the audited Consolidated Financial Statements and Notes included in the Company' Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on March 13, 2026 (the "2025 Form 10-K").

Use of Estimates: In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as of the date of the consolidated statement of financial condition, and revenues and expenses for the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for credit losses, the valuation of real estate acquired in connection with foreclosures or in satisfaction of loans, the valuation of loans held for sale, the valuation of deferred tax assets and investment securities and the estimates relating to the valuation for share-based awards.

Segment Reporting: Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker (the "CODM") in deciding how to allocate resources to an individual segment and in assessing performance. The Company's Chief Executive Officer is the Company's CODM. The CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance. As such, the Company has determined that it operates as one operating segment and one reportable segment.

Note 2. Preferred Stock

On June 7, 2022 (the "Original Closing Date"), the Company issued 225,000 shares of the Company's Preferred Stock, par value $0.01 (the "Preferred Stock") for an aggregate purchase price equal to $225,000,000 in cash to the Treasury, pursuant to the Treasury's ECIP. Under the ECIP, Treasury provided investment capital directly to depository institutions that are CDFIs or MDIs or their holding companies, to provide loans, grants, and forbearance for small businesses, minority-owned businesses, and consumers, in low-income and underserved communities. No dividends accrued or were due for the first two years after issuance. For years three through ten, depending upon the level of qualified and/or deep impact lending made in targeted communities, as defined in the ECIP guidelines, dividends will be at an annual rate of either 2.0%, 1.25% or 0.5% and, thereafter, will be fixed at one of the foregoing rates. If we are unable to make qualified and/or deep impact loans at required levels, we will be required to pay dividends at the higher annual rates. Additionally, we may make qualified and/or deep impact loans that are riskier than we otherwise would in an effort to meet the lending requirements for the lower dividend rates and/or to qualify for the purchase option under the Repurchase Agreement (as described below).

Holders of Preferred Stock generally do not have any voting rights, with the exception of voting rights on certain matters as outlined in the Certificate of Designations. The Treasury is the holder of the Preferred Stock and a governmental entity, and the Treasury may hold interests that are different from a private investor in exercising its voting and other rights. In the event of a liquidation, dissolution or winding up of the Company, the Preferred Stock will be entitled to a liquidation preference, subject to certain limitations, in the amount of the sum of $1,000 per share plus declared and unpaid dividends (without accumulation of undeclared dividends) on each share.

As a participant in the ECIP, the Company must comply with certain operating requirements. Specifically, the Company must adopt the Treasury's standards for executive compensation and luxury expenses for the period during which the Treasury holds equity issued under the ECIP. These restrictions may make it difficult to adequately compensate our management team, which could impact our ability to retain qualified management. Additionally, under the ECIP regulations, the Company cannot pay dividends or repurchase its common stock unless it meets certain income-based tests and has paid the required dividends on the Preferred Stock. In June 2024, the Company began paying dividends on its Preferred Stock, which dividends were $0.6 million and $0.6 million for the six months ended June 30, 2026 and 2025, respectively.

Ponce Financial Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

On December 20, 2024, the Company entered into an ECIP Securities Purchase Option Agreement (the "Repurchase Agreement") with Treasury. Pursuant to the Repurchase Agreement, Treasury has granted the Company an option to purchase all of the Preferred Stock during the Option Period, which is the first fifteen years following the Original Closing Date. The purchase price for the Preferred Stock pursuant to the purchase option is determined based on a formula equal to the present value of the Preferred Stock, calculated as set forth in the Repurchase Agreement, together with any accrued and unpaid dividends thereon, as of the closing date. Subject to variations in interest rates and the equity risk premium, which are components included in the purchase price calculation, the Company presently expects that the purchase price will be at a substantial discount from the face value of the Preferred Stock.

The purchase option may not be exercised unless and until at least one of the Threshold Conditions under the Repurchase Agreement has been met. The Threshold Conditions are as follows: during the ten years that follow the Original Closing Date (the "ECIP Period") either (1) over any sixteen consecutive quarters, an average of at least 60% of the Company's Total Originations, as defined pursuant to the terms of the ECIP, qualifies as "Deep Impact Lending," as defined pursuant to the terms of the ECIP (the "Deep Impact Condition"); (2) over any twenty-four consecutive quarters, an average of at least 85% of the Company's Total Originations qualifies as "Qualified Lending," as defined pursuant to the terms of the ECIP (the "Qualified Lending Condition"); or (3) the Preferred Stock has a dividend rate of no more than 0.5%, which dividend rate is calculated pursuant to the ECIP and the terms thereof, at each of six consecutive Reset Dates, as defined in the ECIP.

The earliest possible date by which a Threshold Condition may be met is June 30, 2026, which is the end of the sixteenth consecutive quarter following the Original Closing Date. The Company believes it has met the Threshold Conditions to exercise the purchase option as of June 30, 2026 because the Company has reported sixteen consecutive quarters for which it has met both the Deep Impact and Qualified Lending Conditions. The Preferred Stock currently has a dividend rate of 0.5%.

The closing of the repurchase of the Preferred Stock, if consummated, would occur between thirty and ninety days following the satisfaction of all applicable conditions, including the Threshold Condition. In addition to the requirement that a Threshold Condition be met, the Repurchase Agreement requires that the Company meet certain other eligibility conditions in order to exercise the purchase option in the future, including compliance with the terms of the original ECIP purchase agreement and the terms of the Preferred Stock, maintaining qualification as either a CDFI or an MDI, and meeting other legal and regulatory criteria. Although the Company currently expects that it will satisfy all other necessary conditions, there can be no assurance if and when such repurchase will be consummated with Treasury.

The purchase option granted under the agreement is a freestanding financial instrument under GAAP. The Company analyzed the fair value of the repurchase option in accordance with ASC Topic 820 "Fair Value Measurements" and determined that the purchase option value is de minimis as of December 20, 2024, December 31, 2025 and June 30, 2026.

Ponce Financial Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note 3. Securities

The amortized cost, gross unrealized gains and losses, and fair value of securities at June 30, 2026 and December 31, 2025 are summarized as follows:

	June 30, 2026			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in thousands)			
Available-for-Sale Securities:				
Corporate Bonds	$ 13,500	$ —	$ (406)	$ 13,094
Mortgage-Backed Securities:				
Collateralized Mortgage Obligations [(1)]	29,262	—	(4,780)	24,482
FHLMC Certificates	7,391	—	(818)	6,573
FNMA Certificates	48,148	—	(7,595)	40,553
GNMA Certificates	71	1	—	72
Total available-for-sale securities	$ 98,372	$ 1	$ (13,599)	$ 84,774
Held-to-Maturity Securities:				
Corporate Bonds	$ 7,500	$ 21	$ (98)	$ 7,423
Mortgage-Backed Securities:				
Collateralized Mortgage Obligations [(1)]	148,066	35	(4,374)	143,727
FHLMC Certificates	2,924	34	(122)	2,836
FNMA Certificates	84,975	—	(2,417)	82,558
SBA Certificates	10,361	60	—	10,421
Allowance for Credit Losses	(210)	—	—	—
Total held-to-maturity securities	$ 253,616	$ 150	$ (7,011)	$ 246,965

(1) Comprised of Federal Home Loan Mortgage Corporation ("FHLMC"), Federal National Mortgage Association ("FNMA") and Ginnie Mae ("GNMA") issued securities.

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in thousands)			
Available-for-Sale Securities:				
U.S. Government Bonds	$ 2,999	$ —	$ (20)	$ 2,979
Corporate Bonds	13,501	—	(738)	12,763
Mortgage-Backed Securities:				
Collateralized Mortgage Obligations [(1)]	30,839	—	(4,493)	26,346
FHLMC Certificates	7,915	—	(790)	7,125
FNMA Certificates	50,620	—	(7,714)	42,906
GNMA Certificates	76	1	—	77
Total available-for-sale securities	$ 105,950	$ 1	$ (13,755)	$ 92,196
Held-to-Maturity Securities:				
Corporate Bonds	$ 7,500	$ 36	$ (138)	$ 7,398
Mortgage-Backed Securities:				
Collateralized Mortgage Obligations [(1)]	160,786	100	(2,876)	158,010
FHLMC Certificates	3,133	22	(119)	3,036
FNMA Certificates	90,868	53	(1,453)	89,468
SBA Certificates	10,931	32	—	10,963
Allowance for Credit Losses	(236)	—	—	—
Total held-to-maturity securities	$ 272,982	$ 243	$ (4,586)	$ 268,875

Ponce Financial Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

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

The Company’s securities portfolio had 33 and 34 available-for-sale securities and 28 and 28 held-to-maturity securities at June 30, 2026 and December 31, 2025, respectively. There were no available-for-sale and held-to-maturity securities sold during the six months ended June 30, 2026 and for the year ended December 31, 2025. There was one available-for-sale security in the amount of $3.0 million that matured during the six months ended June 30, 2026. There were four available-for-sale securities in the total amount of $8.3 million and three held-to-maturity securities in the total amount of $50.0 million that matured or were called during the year ended December 31, 2025. The Company did not purchase any available-for-sale securities and held-to-maturity securities during the six months ended June 30, 2026 and during the year ended December 31, 2025.

The following table presents the Company's gross unrealized losses and fair values of its securities, aggregated by the length of time the individual securities have been in a continuous unrealized loss position, at June 30, 2026 and December 31, 2025:

	June 30, 2026					
	Securities With Gross Unrealized Losses					
	Less Than 12 Months		12 Months or More		Total	Total
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(in thousands)					
Available-for-Sale Securities:						
Corporate Bonds	$ —	$ —	$ 13,094	$ (406)	$ 13,094	$ (406)
Mortgage-Backed Securities:						
Collateralized Mortgage Obligations	—	—	24,482	(4,780)	24,482	(4,780)
FHLMC Certificates	—	—	6,573	(818)	6,573	(818)
FNMA Certificates	—	—	40,553	(7,595)	40,553	(7,595)
Total available-for-sale securities	$ —	$ —	$ 84,702	$ (13,599)	$ 84,702	$ (13,599)
Held-to-Maturity Securities:						
Corporate Bonds	$ —	$ —	$ 5,402	$ (98)	$ 5,402	$ (98)
Mortgage-Backed Securities:						
Collateralized Mortgage Obligations	15,133	(150)	121,407	(4,224)	136,540	(4,374)
FHLMC Certificates	—	—	594	(122)	594	(122)
FNMA Certificates	3,226	(84)	79,332	(2,333)	82,558	(2,417)
Total held-to-maturity securities	$ 18,359	$ (234)	$ 206,735	$ (6,777)	$ 225,094	$ (7,011)

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	December 31, 2025					
	Securities With Gross Unrealized Losses					
	Less Than 12 Months		12 Months or More		Total	Total
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(in thousands)					
Available-for-Sale Securities:						
U.S. Government Bonds	$ —	$ —	$ 2,979	$ (20)	$ 2,979	$ (20)
Corporate Bonds	—	—	12,763	(738)	12,763	(738)
Mortgage-Backed Securities:						
Collateralized Mortgage Obligations	—	—	26,346	(4,493)	26,346	(4,493)
FHLMC Certificates	—	—	7,125	(790)	7,125	(790)
FNMA Certificates	—	—	42,906	(7,714)	42,906	(7,714)
Total available-for-sale securities	$ —	$ —	$ 92,119	$ (13,755)	$ 92,119	$ (13,755)
Held-to-Maturity Securities:						
Corporate Bonds	$ —	$ —	$ 5,362	$ (138)	$ 5,362	$ (138)
Mortgage-Backed Securities:						
Collateralized Mortgage Obligations	16,561	(50)	132,942	(2,826)	149,503	(2,876)
FHLMC Certificates	—	—	616	(119)	616	(119)
FNMA Certificates	—	—	85,670	(1,453)	85,670	(1,453)
Total held-to-maturity securities	$ 16,561	$ (50)	$ 224,590	$ (4,536)	$ 241,151	$ (4,586)

At June 30, 2026 and December 31, 2025, the Company had 32 and 33 available-for-sale securities and 22 and 21 held-to-maturity securities at June 30, 2026 and December 31, 2025, respectively, with gross unrealized loss positions. Management reviewed the financial condition of the entities underlying the securities at both June 30, 2026 and December 31, 2025. The unrealized losses related to the Company debt securities were issued by U.S. government-sponsored entities and agencies and corporate bonds. The Company does not believe that the debt securities that were in an unrealized loss position as of June 30, 2026 represents a credit loss impairment. The gross unrealized loss positions related to mortgage-backed securities and other obligations issued by the U.S. government agencies or U.S. government-sponsored enterprises carry the explicit and/or implicit guarantee of the U.S. government and have a long history of zero credit loss. 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.

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Management reviewed the collectability of the corporate bonds taking into consideration of such factors as the financial condition of the issuers, reported regulatory capital ratios of the issuers, credit ratings, including ratings in effect as of the reporting date. Management believes the unrealized losses on the corporate bonds are primarily attributable to changes in the interest rates and not changes in the credit quality of the issuers of the corporate bonds.

The following is a summary of maturities of securities at June 30, 2026. Amounts are shown by contractual maturity. Because borrowers for mortgage-backed securities have the right to prepay obligations with or without prepayment penalties, at any time, these securities are included as a total within the table.

	June 30, 2026	
	Amortized Cost	Fair Value
	(in thousands)	
Available-for-Sale Securities:		
Corporate Bonds:		
Amounts maturing:		
Three months or less	$ —	$ —
More than three months through one year	—	—
More than one year through five years	4,000	3,690
More than five years through ten years	9,500	9,404
	13,500	13,094
Mortgage-Backed Securities	84,872	71,680
Total available-for-sale securities	$ 98,372	$ 84,774
Held-to-Maturity Securities:		
Corporate Bonds:		
Amounts maturing:		
Three months or less	$ —	$ —
More than three months through one year	—	—
More than one year through five years	—	—
More than five years through ten years	7,500	7,423
	7,500	7,423
Mortgage-Backed Securities	246,326	239,542
Allowance for Credit Losses	(210)	—
Total held-to-maturity securities	$ 253,616	$ 246,965

At June 30, 2026 and December 31, 2025, no securities were pledged as collateral for borrowing activities.

The following table presents the activity in the allowance for credit losses for held-to-maturity securities:

	For the Six Months Ended June 30, 2026	For the Year Ended December 31, 2025
	(in thousands)	
Allowance for credit losses on securities at beginning of period	$ 236	$ 216
(Benefit) provision for credit losses	(26)	20
Allowance for credit losses on securities at end of period	$ 210	$ 236

At June 30, 2026 and December 31, 2025, the entire allowance for credit losses on securities was allocated to corporate bonds.

Note 4. Mortgage Loans Held-for-Sale

The following table provides the fair value and contractual principal balance outstanding of mortgage loans held-for-sale accounted for under the fair value option:

	June 30, 2026	December 31, 2025
	(in thousands)	
Mortgage loans held-for-sale, at fair value	$ 3,050	$ 3,388
Mortgage loans held-for-sale, contractual principal outstanding	2,996	3,337
Fair value less unpaid principal balance	$ 54	$ 51

At June 30, 2026 and December 31, 2025, the Company had 6 loans and 10 loans in the amount of $3.1 million and $3.4 million, respectively, that were classified as held-for-sale and accounted for under the fair value option accounting guidance for financial assets and financial liabilities.

At June 30, 2026 and December 31, 2025, there were no mortgage loans held for sale, at fair value that were greater than 90 days past due and non-accrual with a substandard risk rating.

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Note 5. Loans Receivable, Net and Allowance for Credit Losses

Loans receivable, net at June 30, 2026 and December 31, 2025 are summarized as follows:

	June 30, 2026	December 31, 2025
	(in thousands)	
Mortgage loans:		
1-4 Family residential [(1)]	$ 426,343	$ 434,374
Multifamily residential	1,057,612	756,542
Nonresidential properties	535,521	526,210
Construction and land	817,151	854,096
Total mortgage loans	2,836,627	2,571,222
Nonmortgage loans:		
Business loans	72,438	53,063
Consumer loans	577	625
Total non-mortgage loans	73,015	53,688
Total loans, gross	2,909,642	2,624,910
Net deferred loan origination fees	(2,348)	(203)
Allowance for Credit Losses	(27,554)	(25,449)
Loans receivable, net	$ 2,879,740	$ 2,599,258

(1) Includes both investor owned and owner occupied 1-4 family residential properties combined, which were previously reported separately.

The Company's lending activities are conducted principally in metropolitan New York City. The Company primarily grants loans secured by real estate to individuals and businesses pursuant to an established credit policy applicable to each type of lending activity in which it engages. Although collateral provides assurance as a secondary source of repayment, the Company ordinarily requires the primary source of repayment to be based on the borrowers' ability to generate continuing cash flows. The Company also evaluates the collateral and creditworthiness of each customer. The credit policy provides that depending on the borrowers' creditworthiness and type of collateral, credit may be extended up to predetermined percentages of the market value of the collateral or on an unsecured basis. Real estate is the primary form of collateral. Other important forms of collateral are time deposits and marketable securities.

For disclosures related to the allowance for credit losses and credit quality, the Company does not have any disaggregated classes of loans below the segment level.

Credit-Quality Indicators: Internally assigned risk ratings are used as credit-quality indicators, which are reviewed by management on a quarterly basis.

The objectives of the Company's risk-rating system are to provide the Board of Directors and senior management with an objective assessment of the overall quality of the loan portfolio, to promptly and accurately identify loans with well-defined credit weaknesses so that timely action can be taken to minimize credit loss, to identify relevant trends affecting the collectability of the loan portfolio, to isolate potential problem areas and to provide essential information for determining the adequacy of the allowance for credit losses.

Below are the definitions of the internally assigned risk ratings:

- **Strong Pass** – Loans to a new or existing borrower collateralized at least 90 percent by an unimpaired deposit account at the Company.
- **Good Pass** – Loans to a new or existing borrower in a well-established enterprise in excellent financial condition with strong liquidity and a history of consistently high level of earnings, cash flow and debt service capacity.
- **Satisfactory Pass** – Loans to a new or existing borrower of average strength with acceptable financial condition, satisfactory record of earnings and sufficient historical and projected cash flow to service the debt.
- **Performance Pass** – Existing loans that evidence strong payment history but document less than average strength, financial condition, record of earnings, or projected cash flows with which to service the debt.
- **Special Mention** – Loans in this category are currently protected but show one or more potential weaknesses and risks which may inadequately protect collectability or borrower's ability to meet repayment terms at some future date if the weakness or weaknesses are not monitored or remediated.

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- **Substandard** – Loans that are inadequately protected by the repayment capacity of the borrower or the current sound net worth of the collateral pledged, if any. Loans in this category have well defined weaknesses and risks that jeopardize the repayment. They are characterized by the distinct possibility that some loss may be sustained if the deficiencies are not remediated.
- **Doubtful** – Loans that have all the weaknesses of loans classified as "Substandard" with the added characteristics that the weaknesses make collection or liquidation in full, on the basis of current existing facts, conditions, and values, highly questionable and improbable.

Loans within the top four categories above are considered pass rated, as commonly defined. Risk ratings are assigned as necessary to differentiate risk within the portfolio. Risk ratings are reviewed on an ongoing basis and revised to reflect changes in the borrowers' financial condition and outlook, debt service coverage capability, repayment performance, collateral value and coverage as well as other considerations.

The following tables summarize total loans by year of origination and internally assigned credit risk ratings:

	2026	2025	2024	2023	2022	2021 and Prior	Total
			(in thousands)				
June 30, 2026							
Mortgage Loans:							
1-4 Family residential							
Pass	$ 4,881	$ 6,359	$ 6,863	$ 41,027	$ 96,344	$ 260,612	$ 416,086
Special mention	—	—	—	836	—	780	1,616
Substandard	—	—	—	—	—	8,641	8,641
Total 1-4 Family residential	4,881	6,359	6,863	41,863	96,344	270,033	426,343
Multifamily residential							
Pass	334,357	136,378	104,316	70,038	154,795	235,893	1,035,777
Special mention	—	—	—	1,115	—	4,493	5,608
Substandard	—	—	—	7,650	—	8,577	16,227
Total Multifamily residential	334,357	136,378	104,316	78,803	154,795	248,963	1,057,612
Nonresidential properties							
Pass	40,462	166,736	74,138	28,009	73,154	151,678	534,177
Special mention	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	1,344	1,344
Total Nonresidential properties	40,462	166,736	74,138	28,009	73,154	153,022	535,521
Construction and Land							
Pass	183,218	320,664	142,175	160,973	—	—	807,030
Special mention	—	—	—	5,081	—	—	5,081
Substandard	—	—	—	—	—	5,040	5,040
Total Construction and land	183,218	320,664	142,175	166,054	—	5,040	817,151
Total mortgage loans	562,918	630,137	327,492	314,729	324,293	677,058	2,836,627
Nonmortgage Loans:							
Business loans							
Pass	5,925	41,464	15,974	5,969	100	1,835	71,267
Special mention	—	239	589	—	—	175	1,003
Substandard	—	58	33	—	9	68	168
Total Business loans	5,925	41,761	16,596	5,969	109	2,078	72,438
Consumer loans							
Pass	153	176	86	121	40	1	577
Special mention	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—
Total Consumer loans	153	176	86	121	40	1	577
Total nonmortgage loans	6,078	41,937	16,682	6,090	149	2,079	73,015
Total loans, gross	$ 568,996	$ 672,074	$ 344,174	$ 320,819	$ 324,442	$ 679,137	$ 2,909,642

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	2025	2024	2023	2022	2021	2020 and Prior	Total
			(in thousands)				
December 31, 2025							
Mortgage Loans:							
1-4 Family residential							
Pass	$ 3,843	$ 4,108	$ 43,110	$ 98,048	$ 53,740	$ 221,194	$ 424,043
Special mention	—	—	842	—	823	1,180	2,845
Substandard	—	—	—	—	2,302	5,184	7,486
Total 1-4 Family residential	3,843	4,108	43,952	98,048	56,865	227,558	434,374
Multifamily residential							
Pass	149,358	107,129	73,769	157,228	58,343	186,331	732,158
Special mention	—	4,462	1,121	—	4,332	1,357	11,272
Substandard	—	—	5,063	—	—	8,049	13,112
Total Multifamily residential	149,358	111,591	79,953	157,228	62,675	195,737	756,542
Nonresidential properties							
Pass	170,449	77,935	28,328	74,281	59,835	112,768	523,596
Special mention	—	—	—	2,614	—	—	2,614
Substandard	—	—	—	—	—	—	—
Total Nonresidential properties	170,449	77,935	28,328	76,895	59,835	112,768	526,210
Construction and Land							
Pass	279,271	143,515	358,926	56,297	—	—	838,009
Special mention	—	—	4,659	—	—	—	4,659
Substandard	—	—	—	—	3,180	8,248	11,428
Total Construction and land	279,271	143,515	363,585	56,297	3,180	8,248	854,096
Total mortgage loans	602,921	337,149	515,818	388,468	182,555	544,311	2,571,222
Nonmortgage Loans:							
Business loans							
Pass	26,618	17,183	6,421	105	457	1,609	52,393
Special mention	344	—	—	7	—	192	543
Substandard	—	37	—	12	78	—	127
Total Business loans	26,962	17,220	6,421	124	535	1,801	53,063
Consumer loans							
Pass	275	127	160	57	6	—	625
Special mention	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—
Total Consumer loans	275	127	160	57	6	—	625
Total nonmortgage loans	27,237	17,347	6,581	181	541	1,801	53,688
Total loans, gross	$ 630,158	$ 354,496	$ 522,399	$ 388,649	$ 183,096	$ 546,112	$ 2,624,910

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An aging analysis of loans, as of June 30, 2026 and December 31, 2025, is as follows:

	June 30, 2026						
	Current	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due	Total	Nonaccrual Loans	90 Days or More Accruing
	(in thousands)						
Mortgage loans:							
1-4 Family residential	$ 419,150	$ —	$ 875	$ 6,318	$ 426,343	$ 6,318	$ —
Multifamily residential	1,045,479		—	12,133	1,057,612	12,133	—
Nonresidential properties	535,061	—	460	—	535,521	—	—
Construction and land	812,111	—	—	5,040	817,151	5,040	—
Nonmortgage loans:							
Business	70,698	1,074	589	77	72,438	77	—
Consumer	577	—	—	—	577	—	—
Total	$ 2,883,076	$ 1,074	$ 1,924	$ 23,568	$ 2,909,642	$ 23,568	$ —

	December 31, 2025						
	Current	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due	Total	Nonaccrual Loans	90 Days or More Accruing
	(in thousands)						
Mortgage loans:							
1-4 Family residential	$ 420,591	$ 6,836	$ 2,110	$ 4,837	$ 434,374	$ 4,837	$ —
Multifamily residential	740,222	3,208	—	13,112	756,542	13,112	—
Nonresidential properties	524,446	1,764	—	—	526,210	—	—
Construction and land	845,849	—	—	8,247	854,096	8,247	—
Nonmortgage loans:							
Business	52,278	118	—	667	53,063	667	—
Consumer	625	—	—	—	625	—	—
Total	$ 2,584,011	$ 11,926	$ 2,110	$ 26,863	$ 2,624,910	$ 26,863	$ —

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The following schedules detail the composition of the allowance for credit losses on loans and the related recorded investment in loans as of and for the six months ended June 30, 2026 and 2025, and as of and for the year ended December 31, 2025:

	For the Six Months Ended June 30, 2026						
	Mortgage Loans				Nonmortgage Loans		
	1-4 Family Residential	Multifamily	Nonresidential	Construction and Land	Business	Consumer	Total for the Period
				(in thousands)			
Allowance for Credit Losses:							
Balance, beginning of period	$ 3,873	$ 9,041	$ 4,353	$ 6,149	$ 2,017	$ 16	$ 25,449
Provision (benefit) charged to expense	1,421	491	535	265	254	(4)	2,962
Charge-offs	—	—	—	—	(858)	—	(858)
Recoveries	1	—	—	—	—	—	1
Balance, end of period	$ 5,295	$ 9,532	$ 4,888	$ 6,414	$ 1,413	$ 12	$ 27,554
Ending balance: individually evaluated for impairment	$ —	$ —	$ —	$ —	$ 77	$ —	$ 77
Ending balance: collectively evaluated for impairment	5,295	9,532	4,888	6,414	1,336	12	27,477
Total	$ 5,295	$ 9,532	$ 4,888	$ 6,414	$ 1,413	$ 12	$ 27,554
Loans:							
Ending balance: individually evaluated for impairment	$ 6,318	$ 12,133	$ —	$ 5,040	$ 77	$ —	$ 23,568
Ending balance: collectively evaluated for impairment	420,025	1,045,479	535,521	812,111	72,361	577	2,886,074
Total	$ 426,343	$ 1,057,612	$ 535,521	$ 817,151	$ 72,438	$ 577	$ 2,909,642

	For the Three Months Ended June 30, 2026						
	Mortgage Loans				Nonmortgage Loans		
	1-4 Family Residential	Multifamily	Nonresidential	Construction and Land	Business	Consumer	Total for the Period
				(in thousands)			
Allowance for loan losses:							
Balance, beginning of period	$ 4,674	$ 7,946	$ 4,742	$ 5,608	$ 3,258	$ 10	$ 26,238
Provision (benefit) charged to expense	620	1,586	146	806	(1,491)	2	1,669
Charge-offs	—	—	—	—	(354)	—	(354)
Recoveries	1	—	—	—	—	—	1
Balance, end of period	$ 5,295	$ 9,532	$ 4,888	$ 6,414	$ 1,413	$ 12	$ 27,554

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	For the Six Months Ended June 30, 2025						
	Mortgage Loans				Nonmortgage Loans		
	1-4 Family Residential	Multifamily	Nonresidential	Construction and Land	Business	Consumer	Total for the Period
				(in thousands)			
Allowance for loan losses:							
Balance, beginning of period	$ 5,932	$ 5,004	$ 2,697	$ 7,710	$ 1,113	$ 46	$ 22,502
(Benefit) provision charged to expense	(2,211)	3,859	597	(815)	672	(23)	2,079
Charge-offs	(38)	—	—	—	(444)	(3)	(485)
Recoveries	—	—	—	—	4	—	4
Balance, end of period	$ 3,683	$ 8,863	$ 3,294	$ 6,895	$ 1,345	$ 20	$ 24,100
Ending balance: individually evaluated for impairment	$ —	$ —	$ —	$ —	$ 276	$ —	$ 276
Ending balance: collectively evaluated for impairment	3,683	8,863	3,294	6,895	1,069	20	23,824
Total	$ 3,683	$ 8,863	$ 3,294	$ 6,895	$ 1,345	$ 20	$ 24,100
Loans:							
Ending balance: individually evaluated for impairment	$ 2,283	$ 11,703	$ 405	$ 4,807	$ 276	$ —	$ 19,474
Ending balance: collectively evaluated for impairment	450,067	681,967	404,107	878,655	47,096	840	2,462,732
Total	$ 452,350	$ 693,670	$ 404,512	$ 883,462	$ 47,372	$ 840	$ 2,482,206

	For the Three Months Ended June 30, 2025						
	Mortgage Loans				Nonmortgage Loans		
	1-4 Family Residential	Multifamily	Nonresidential	Construction and Land	Business	Consumer	Total for the Period
				(in thousands)			
Allowance for loan losses:							
Balance, beginning of period	$ 4,501	$ 7,840	$ 2,997	$ 6,646	$ 947	$ 43	$ 22,974
(Benefit) provision charged to expense	(818)	1,023	297	249	620	(23)	1,348
Charge-offs	—	—	—	—	(222)	—	(222)
Recoveries	—	—	—	—	—	—	—
Balance, end of period	$ 3,683	$ 8,863	$ 3,294	$ 6,895	$ 1,345	$ 20	$ 24,100

	For the Year Ended December 31, 2025						
	Mortgage Loans				Nonmortgage Loans		
	1-4 Family Residential	Multifamily	Nonresidential	Construction and Land	Business	Consumer	Total for the Period
				(in thousands)			
Allowance for loan losses:							
Balance, beginning of year	$ 5,932	$ 5,004	$ 2,697	$ 7,710	$ 1,113	$ 46	$ 22,502
(Benefit) provision charged to expense	(1,990)	4,037	1,656	(1,561)	2,309	18	4,469
Charge-offs	(69)	—	—	—	(1,444)	(48)	(1,561)
Recoveries	—	—	—	—	39	—	39
Balance, end of year	$ 3,873	$ 9,041	$ 4,353	$ 6,149	$ 2,017	$ 16	$ 25,449
Ending balance: individually evaluated for impairment	$ —	$ —	$ —	$ —	$ 667	$ —	$ 667
Ending balance: collectively evaluated for impairment	3,873	9,041	4,353	6,149	1,350	16	24,782
Total	$ 3,873	$ 9,041	$ 4,353	$ 6,149	$ 2,017	$ 16	$ 25,449
Loans:							
Ending balance: individually evaluated for impairment	$ 4,837	$ 13,112	$ —	$ 8,247	$ 667	$ —	$ 26,863
Ending balance: collectively evaluated for impairment	429,537	743,430	526,210	845,849	52,396	625	2,598,047
Total	$ 434,374	$ 756,542	$ 526,210	$ 854,096	$ 53,063	$ 625	$ 2,624,910

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The following tables summarize gross charge-offs by vintage:

	2026	2025	2024	2023	2022	2021 and Prior	Total
				(in thousands)			
For the Six Months Ended June 30, 2026							
Business loans	$ —	$ —	$ 300	$ 393	$ 19	$ 146	$ 858
Total charge-offs	$ —	$ —	$ 300	$ 393	$ 19	$ 146	$ 858

	2025	2024	2023	2022	2021	2020 and Prior	Total
				(in thousands)			
For the Six Months Ended June 30, 2025							
1-4 Family residential	$ —	$ —	$ —	$ —	$ —	$ 38	$ 38
Business loans	—	197	222	—	—	25	444
Consumer loans	—	—	3	—	—	—	3
Total charge-offs	$ —	$ 197	$ 225	$ —	$ —	$ 63	$ 485

Loans are evaluated for collectability when current information and events indicate that all amounts due may not be collectible according to the contractual terms of the related loan agreements. Loans are identified for individual evaluation by applying normal loan review procedures in accordance with the allowance for credit losses methodology. Management periodically assesses loans to determine whether they continue to share similar risk characteristics with their respective pools. Any loan that is, or will potentially be, no longer performing in accordance with the terms of the original loan contract is evaluated individually when it no longer shares similar risk characteristics with the pool.

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The following information relates to non-accrual loans as of and for the six months ended June 30, 2026 and 2025 and as of and for the year ended December 31, 2025:

As of and For the Six Months Ended June 30, 2026	Unpaid Principal Balance	Recorded Investment With No Allowance	Recorded Investment With Allowance	Total Recorded Investment	Related Allowance	Average Recorded Investment	Interest Income Recognized on a Cash Basis
				(in thousands)			
Mortgage loans:							
1-4 Family residential	$ 6,354	$ 6,318	$ —	$ 6,318	$ —	$ 4,930	$ 87
Multifamily residential	12,133	12,133	—	12,133	—	11,491	185
Nonresidential properties	—	—	—	—	—	—	—
Construction and land	5,040	5,040	—	5,040	—	6,783	—
Nonmortgage loans:							
Business	77	—	77	77	77	391	3
Consumer	—	—	—	—	—	—	—
Total	$ 23,604	$ 23,491	$ 77	$ 23,568	$ 77	$ 23,595	$ 275

As of and For the Six Months Ended June 30, 2025	Unpaid Principal Balance	Recorded Investment With No Allowance	Recorded Investment With Allowance	Total Recorded Investment	Related Allowance	Average Recorded Investment	Interest Income Recognized on a Cash Basis
				(in thousands)			
Mortgage loans:							
1-4 Family residential	$ 2,270	$ 2,283	$ —	$ 2,283	$ —	$ 2,494	$ 26
Multifamily residential	11,393	11,703	—	11,703	—	10,587	147
Nonresidential properties	395	405	—	405	—	203	2
Construction and land	4,807	4,807	—	4,807	—	8,308	—
Nonmortgage loans:							
Business	276	—	276	276	276	263	3
Consumer	—	—	—	—	—	—	—
Total	$ 19,141	$ 19,198	$ 276	$ 19,474	$ 276	$ 21,855	$ 178

As of and for the Year Ended December 31, 2025	Unpaid Principal Balance	Recorded Investment With No Allowance	Recorded Investment With Allowance	Total Recorded Investment	Related Allowance	Average Recorded Investment	Interest Income Recognized on a Cash Basis
				(in thousands)			
Mortgage loans:							
1-4 Family residential	$ 4,819	$ 4,837	$ —	$ 4,837	$ —	$ 3,182	$ 209
Multifamily residential	12,731	13,112	—	13,112	—	11,815	390
Nonresidential properties	—	—	—	—	—	101	—
Construction and land	8,800	8,247	—	8,247	—	7,596	—
Nonmortgage loans:							
Business	667	—	667	667	667	467	10
Consumer	—	—	—	—	—	—	—
Total	$ 27,017	$ 26,196	$ 667	$ 26,863	$ 667	$ 23,161	$ 609

Collateral Dependent Loans

A loan is considered collateral dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral.

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The Company had collateral dependent loans which were individually evaluated to determine expected credit losses as of the dates indicated.

	June 30, 2026		December 31, 2025	
	Collateral Dependent	Associated Allowance for Credit Losses	Collateral Dependent	Associated Allowance for Credit Losses
	(in thousands)			
1-4 Family residential	$ 6,318	$ —	$ 4,837	$ —
Multifamily residential	12,133	—	13,112	—
Construction and land	5,040	—	8,247	—
Total	$ 23,491	$ —	$ 26,196	$ —

Loan Modifications to Borrowers Experiencing Financial Difficulty

The Company adopted Accounting Standards Update (“ASU”) 2022-02 on January 1, 2023. Since adoption, the Company has modified one loan with borrowers experiencing financial difficulty. These modifications may include a reduction in interest rate, an extension in term, principal forgiveness and/or other than insignificant payment delay. At June 30, 2026 and December 31, 2025, there was one loan in the amount of $0.2 million with modifications to a borrower experiencing financial difficulty.

Prior to the adoption of ASU 2022-02 on January 1, 2023, the Company classified certain loans as troubled debt restructuring (“TDR”) loans when credit terms to a borrower in financial difficulty were modified, in accordance with ASC 310-40. With the adoption of ASU 2022-02 as of January 1, 2023, the Company has ceased to recognize or measure for new TDRs but those existing at December 31, 2022 will remain until settled.

At June 30, 2026 and December 31, 2025, there were 13 and 14 troubled debt restructured loans totaling $3.5 million and $3.6 million, respectively, of which $3.1 million and $3.2 million are on accrual status at June 30, 2026 and December 31, 2025, respectively. There were no commitments to lend additional funds to borrowers whose loans have been modified in a troubled debt restructuring.

Off-Balance Sheet Credit Losses

Also included within the scope of the CECL standard are off-balance sheet loan commitments, which includes the unfunded portion of committed lines of credit and construction loans.

The Company estimates expected credit losses over the contractual period in which the company is exposed to credit risk through a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. The allowance for credit losses on off-balance sheet exposures is adjusted as a provision for credit loss expense. The Company uses similar assumptions and risk factors that are developed for collectively evaluated financing receivables. This estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments to be funded over its estimated life.

At June 30, 2026 and December 31, 2025, the allowance for off-balance sheet credit losses was $3.0 million and $2.1 million, respectively, which is included in the "Other liabilities" on the Consolidated Statements of Financial Condition. During the three months ended June 30, 2026 and 2025, the Company had $0.4 million and $0.3 million charged for the provision for credit losses, respectively, and during the six months ending June 30, 2026 and 2025, $0.8 million charged for the provision for credit losses and $0.7 million in benefit for credit losses, respectively, for off-balance items, which are included in "Provision for loan losses" in the Consolidated Statements of Operations.

Note 6. Leases

The Company has 16 operating leases for branches and office spaces (including headquarters) and six operating leases for equipment at both June 30, 2026 and December 31, 2025. Our leases have remaining lease terms ranging from less than one year to approximately 13.6 years, none of which has a renewal option reasonably certain of exercise, which has been reflected in the Company’s calculation of lease term. Certain leases have escalation clauses for operating expenses and real estate taxes. The Company’s non-cancelable operating lease agreements expire through February of 2040.

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Supplemental balance sheet information related to leases was as follows:

	June 30, 2026	December 31, 2025
	(Dollars in thousands)	
Operating lease ROU assets	$ 27,055	$ 27,583
Operating lease liabilities	28,874	29,353
Weighted-average remaining lease term-operating leases	10.8 years	11.2 years
Weighted average discount rate-operating leases	5.1%	5.1%

The components of lease expense and cash flow information related to leases were as follows:

		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2026	2025	2026	2025
		(Dollars in thousands)			
Lease Cost					
Operating lease cost	Occupancy and equipment	$ 1,050	$ 1,047	$ 2,099	$ 2,172
Operating lease cost	Other operating expenses	4	4	7	4
Short-term lease cost	Other operating expenses	8	7	15	16
Variable lease cost	Occupancy and equipment	35	41	73	88
Total lease cost		$ 1,097	$ 1,099	$ 2,194	$ 2,280

The Company's minimum annual rental payments under the terms of the leases are as follows at June 30, 2026:

Years ended December 31:	Minimum Rental (in thousands)
Remainder of 2026	$ 2,049
2027	3,866
2028	3,808
2029	3,360
2030	3,423
Thereafter	21,157
Total Minimum payments required	37,663
Less: implied interest	8,789
Present value of lease liabilities	$ 28,874

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Note 7. Deposits

Deposits at June 30, 2026 and December 31, 2025 are summarized as follows:

	June 30, 2026	December 31, 2025
	(in thousands)	
Demand	$ 251,919	$ 208,250
Interest-bearing deposits:		
NOW/IOLA accounts	71,987	84,012
Money market accounts [1]	929,002	779,532
Reciprocal deposits	164,883	152,630
Savings accounts	115,233	117,708
Total NOW, money market, reciprocal and savings	1,281,105	1,133,882
Certificates of deposit of $250K or more	194,462	202,500
Brokered certificates of deposits [2]	94,557	67,942
Listing service deposits [2]	994	4,150
Certificates of deposit less than $250K	448,772	429,911
Total certificates of deposit	738,785	704,503
Total interest-bearing deposits	2,019,890	1,838,385
Total deposits	$ 2,271,809	$ 2,046,635

(1) At June 30, 2026 and December 31, 2025, there were $50.2 million and $0.3 million, respectively, in brokered deposits.

(2) At June 30, 2026 and December 31, 2025, there were no individual listing service deposits amounting to $250,000 or more. All other brokered certificates of deposit individually amounted to less than $250,000.

At June 30, 2026 scheduled maturities of certificates of deposit were as follows:

	(in thousands)
2026	$ 433,108
2027	244,572
2028	46,217
2029	9,880
2030	3,301
Thereafter	1,707
	$ 738,785

Overdrawn deposit accounts that have been reclassified to loans amounted to $0.1 million as of both June 30, 2026 and December 31, 2025.

Note 8. Borrowings

The Bank had outstanding term advances from the FHLBNY at June 30, 2026 and December 31, 2025 as indicated below.

FHLBNY Advances: As a member of the FHLBNY, the Bank has the ability to borrow from the FHLBNY based on a certain percentage of the value of the Bank's qualified collateral, as defined in the FHLBNY Statement of Credit Policy, at the time of the borrowing. In accordance with an agreement with the FHLBNY, the qualified collateral must be free and clear of liens, pledges and encumbrances.

The Bank had $621.1 million and $596.1 million of outstanding term advances from the FHLBNY at June 30, 2026 and December 31, 2025, respectively. The Bank had no overnight line of credit advance from the FHLBNY at June 30, 2026 and December 31, 2025.

FRBNY Advances: The Bank had no term and overnight line of credit advances outstanding from the FRBNY at June 30, 2026 and December 31, 2025.

Letters of Credit: The Bank had two unsecured lines of credit in the amount of $75.0 million with two correspondent banks for both periods at June 30, 2026 and December 31, 2025.

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Borrowed funds at June 30, 2026 and December 31, 2025 consist of the following and are summarized by maturity and call date below:

	June 30, 2026			December 31, 2025		
	Scheduled Maturity	Redeemable at Call Date	Weighted Average Rate	Scheduled Maturity	Redeemable at Call Date	Weighted Average Rate
	(Dollars in thousands)					
FHLBNY Term advances ending:						
2026	$ 200,000	$ 200,000	4.00%	$ 225,000	$ 225,000	4.20%
2027	212,000	212,000	3.44	212,000	212,000	3.44
2028	109,100	109,100	3.74	109,100	109,100	3.74
2029	100,000	100,000	3.50	50,000	50,000	3.35
	$ 621,100	$ 621,100	3.68%	$ 596,100	$ 596,100	3.78%

Interest expense on advances totaled $5.3 million and $5.0 million for the three months ended June 30, 2026 and 2025, and $10.7 million and $10.5 million for the six months ended June 30, 2026 and 2025, respectively.

Note 9. Earnings Per Common Share

The following table presents a reconciliation of the number of common shares used in the calculation of basic and diluted earnings per common share:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
	(Dollars in thousands except share data)			
Net income available to common stockholders	$ 8,213	$ 5,818	$ 16,555	$ 11,496
Common shares outstanding for basic EPS:				
Weighted average common shares outstanding	24,187,901	23,984,800	24,172,133	23,974,722
Less: Weighted average unallocated Employee Stock Ownership Plan (ESOP) shares	1,134,441	1,268,185	1,151,064	1,284,808
Basic weighted average common shares outstanding	23,053,460	22,716,615	23,021,069	22,689,914
Basic earnings per common share	$ 0.36	$ 0.26	$ 0.72	$ 0.51
Potential dilutive common shares:				
Add: Dilutive effect of restricted stock awards and stock options	454,693	231,154	398,846	230,927
Diluted weighted average common shares outstanding	23,508,153	22,947,769	23,419,915	22,920,841
Diluted earnings per common share	$ 0.35	$ 0.25	$ 0.71	$ 0.50

Note 10. Commitments, Contingencies and Credit Risk

Financial Instruments With Off-Balance-Sheet Risk: In the normal course of business, financial instruments with off-balance-sheet risk may be used to meet the financing needs of customers. These financial instruments include commitments to extend credit and letters of credit. These instruments involve, to varying degrees, elements of credit risk and interest rate risk in excess of the amounts recognized

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on the Consolidated Statements of Financial Condition. The contractual amounts of these instruments reflect the extent of involvement in particular classes of financial instruments.

The contractual amounts of commitments to extend credit represent the amounts of potential accounting loss should the contract be fully drawn upon, the customer default, and the value of any existing collateral become worthless. The same credit policies are used in making commitments and contractual obligations as for on-balance-sheet instruments. Financial instruments whose contractual amounts represent credit risk at June 30, 2026 and December 31, 2025 are as follows:

	June 30, 2026	December 31, 2025
	(in thousands)	
Commitments to grant mortgage loans	$ 556,925	$ 395,388
Unfunded commitments under lines of credit	48,539	86,284
Total commitments	$ 605,464	$ 481,672

Commitments to Grant Mortgage Loans: Commitments to grant mortgage loans are agreements to lend to a customer as long as all terms and conditions are met as established in the contract. Commitments generally have fixed expiration dates or other termination clauses, and may require payment of a fee by the borrower. Since some of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Each customer's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral held varies, but may include accounts receivable, inventory, property and equipment, residential real estate and income-producing commercial properties. Material losses are not anticipated as a result of these transactions.

Commitments to Sell Loans at Lock-in Rates: In order to assure itself of a marketplace to sell its loans, the Bank has agreements with investors who will commit to purchase loans at locked-in rates. The Bank has off-balance sheet market risk to the extent that the Bank does not obtain matching commitments from these investors to purchase the loans. This will expose the Bank to the lower of cost or market valuation environment.

Repurchases, Indemnifications and Premium Recaptures: Loans sold by the Bank under investor programs are subject to repurchase or indemnification if they fail to meet the origination criteria of those programs. In addition, loans sold to investors are also subject to repurchase or indemnifications if the loan is two or three months delinquent during a set period which usually varies from six months to a year after the loan is sold. There are no open repurchase or indemnification requests for loans sold as a correspondent lender or where the Company acted as a broker in the transaction as of June 30, 2026.

Unfunded Commitments Under Lines of Credit: Unfunded commitments under commercial lines of credit, revolving credit lines and overdraft protection agreements are commitments for possible future extension of credit to existing customers. These lines of credit are uncollateralized and usually contain a specified maturity date and, ultimately, may not be drawn upon to the total extent to which the Company is committed.

Unfunded Commitments with Oaktree: In December of 2021, the Bank committed to invest $5.0 million in Oaktree SBIC Fund, L.P. ("Oaktree"). As of June 30, 2026, the total unfunded commitment was $1.7 million.

Unfunded Commitments with Silvergate: In April of 2022, the Company committed to invest $5.2 million in EJF Silvergate Ventures Fund LP ("Silvergate"). As of June 30, 2026, the total unfunded commitment was $1.3 million.

Letters of Credit: Letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. These guarantees are primarily issued to support public and private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. Letters of credit are largely cash secured.

Concentration by Geographic Location: Loans, commitments to extend credit and letters of credit have been granted to customers who are located primarily in the New York City metropolitan area. Generally, such loans most often are secured by residential properties. The loans are expected to be repaid from the borrowers' payment sources.

Legal Matters: The Company is involved in various legal proceedings which have arisen in the normal course of business. Management believes that resolution of these matters will not have a material effect on the Company’s financial condition or results of operations.

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Note 11. Fair Value

The following fair value hierarchy is used based on the lowest level of input significant to the fair value measurement. There are three levels of inputs that may be used to measure fair values:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company used the following methods and significant assumptions to estimate fair value:

Cash and Cash Equivalents, Placement with Banks, Accrued Interest Receivable, and Accrued Interest Payable: The carrying amount is a reasonable estimate of fair value. These assets and liabilities are not recorded at fair value on a recurring basis.

Available-for-Sale Securities: These financial instruments are recorded at fair value in the consolidated financial statements on a recurring basis. Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted prices are not available, then fair values are estimated by using pricing models (e.g., matrix pricing) or quoted prices of securities with similar characteristics and are classified within Level 2 of the valuation hierarchy. Examples of such instruments include government agency bonds and mortgage-backed securities. Level 3 securities are securities for which significant unobservable inputs are utilized. There were no changes in valuation techniques used to measure similar assets during the period.

FHLBNY Stock: FHLBNY stock is carried at cost and classified as restricted equity securities. As a member of the FHLBNY, the Company is required to purchase and hold this stock.

FRBNY Stock: FRBNY stock is carried at cost and classified as restricted equity securities. As a member of the FRBNY, the Company is required to purchase and hold this stock.

Loans Receivable: For variable rate loans, which reprice frequently and have no significant change in credit risk, carrying values are a reasonable estimate of fair values, adjusted for credit losses inherent in the portfolios. The fair value of fixed rate loans is estimated by discounting the future cash flows using estimated market rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities, adjusted for credit losses inherent in the portfolios. Individual assessed loans are valued using a present value discounted cash flow method, or the fair value of the collateral. Loans are not recorded at fair value on a recurring basis.

Mortgage Loans Held for Sale: Loans held for sale, at fair value, consists of loans originated for sale by the Bank and accounted for under the fair value option. These assets are valued using stated investor pricing for substantially equivalent loans as Level 2. In determining fair value, such measurements are derived based on observable market data, including whole-loan transaction pricing and similar market transactions adjusted for portfolio composition, servicing value and market conditions. Loans held for sale by the Bank are carried at the lower of cost or fair value as determined by investor bid prices.

Under the fair value option, management has elected, on an instrument-by-instrument basis, fair value for substantially all forms of mortgage loans originated for sale on a recurring basis. As of June 30, 2026, the fair value carrying amount of mortgages held for sale measured under the fair value option was $3.1 million and the aggregate unpaid principal amounted to $3.0 million.

Other Real Estate Owned: Other real estate owned represents real estate acquired through foreclosure, and is recorded at fair value less estimated disposal costs on a nonrecurring basis. Fair value is based upon independent market prices, appraised values of the collateral or management's estimation of the value of the collateral. When the fair value of the collateral is based on an observable market price or a current appraised value, the asset is classified as Level 2. When an appraised value is not available or management determines the fair value of the collateral is further impaired below the appraised value and there is no observable market price, the asset is classified as Level 3.

Deposits: The fair values of demand deposits, savings, NOW and money market accounts equal their carrying amounts, which represent the amounts payable on demand at the reporting date. Fair values for fixed-term, fixed-rate certificates of deposit are estimated using a discounted cash flow calculation that applies market interest rates on certificates of deposit to a schedule of aggregated expected monthly maturities on such deposits. Deposits are not recorded at fair value on a recurring basis.

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FHLBNY Advances: The fair value of the advances is estimated using a discounted cash flow calculation that applies current market-based FHLBNY interest rates for advances of similar maturity to a schedule of maturities of such advances. These borrowings are not recorded at fair value on a recurring basis.

Off-Balance-Sheet Instruments: Fair values for off-balance-sheet instruments (lending commitments and standby letters of credit) are based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the counterparties' credit standing. Off-balance-sheet instruments are not recorded at fair value on a recurring basis.

The following tables detail the assets that are carried at fair value and measured at fair value on a recurring basis as of June 30, 2026 and December 31, 2025, and indicate the level within the fair value hierarchy utilized to determine the fair value:

Description	Total	June 30, 2026 Level 1	Level 2	Level 3
	(in thousands)			
Available-for-Sale Securities, at fair value:				
Corporate bonds	$ 13,094	$ 733	$ 12,361	$ —
Mortgage-Backed Securities:				
Collateralized Mortgage Obligations	24,482	—	24,482	—
FHLMC Certificates	6,573	—	6,573	—
FNMA Certificates	40,553	—	40,553	—
GNMA Certificates	72	—	72	—
Mortgage Loans Held for Sale, at fair value	3,050	—	3,050	—
	$ 87,824	$ 733	$ 87,091	$ —

Description	Total	December 31, 2025 Level 1	Level 2	Level 3
	(in thousands)			
Available-for-Sale Securities, at fair value:				
U.S. Government Bonds	$ 2,979	$ 2,979	$ —	$ —
Corporate bonds	12,763	492	12,271	—
Mortgage-Backed Securities:				
Collateralized Mortgage Obligations	26,346	—	26,346	—
FHLMC Certificates	7,125	—	7,125	—
FNMA Certificates	42,906	—	42,906	—
GNMA Certificates	77	—	77	—
Mortgage Loans Held for Sale, at fair value	3,388	—	3,388	—
	$ 95,584	$ 3,471	$ 92,113	$ —

Management's assessment and classification of an investment within a level can change over time based upon maturity or liquidity of the investment and would be reflected at the beginning of the quarter in which the change occurred.

The following tables detail the assets carried at fair value and measured at fair value on a nonrecurring basis as of June 30, 2026 and December 31, 2025 and indicate the fair value hierarchy utilized to determine the fair value:

	Total	June 30, 2026 Level 1	Level 2	Level 3
	(in thousands)			
Individually evaluated loans	$ 23,568	$ —	$ —	$ 23,568

	Total	December 31, 2025 Level 1	Level 2	Level 3
	(in thousands)			
Individually evaluated loans	$ 26,863	$ —	$ —	$ 26,863

Losses on assets carried at fair value on a nonrecurring basis were *de minimis* for the three and six months ended June 30, 2026 and 2025, respectively.

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As of June 30, 2026 and December 31, 2025, the carrying values and estimated fair values of the Company's financial instruments were as follows:

	Carrying Amount	Fair Value Measurements			
		Level 1	Level 2	Level 3	Total
			(in thousands)		
June 30, 2026					
Financial assets:					
Cash and cash equivalents	$ 140,010	$ 140,010	$ —	$ —	$ 140,010
Available-for-sale securities, at fair value	84,774	733	84,041	—	84,774
Held-to-maturity securities, at amortized cost, net	253,616	—	246,965	—	246,965
Placement with banks	249	—	249	—	249
Mortgage loans held for sale, at fair value	3,050	—	3,050	—	3,050
Loans receivable, net	2,879,740	—	—	2,829,981	2,829,981
Accrued interest receivable	19,939	—	19,939	—	19,939
FHLBNY stock	30,689	30,689	—	—	30,689
FRBNY stock	10,714	10,714	—	—	10,714
Financial liabilities:					
Deposits:					
Demand deposits	251,919	251,919	—	—	251,919
Interest-bearing deposits	1,281,105	1,281,105	—	—	1,281,105
Certificates of deposit	738,785	—	736,321	—	736,321
Borrowings	621,100	—	615,539	—	615,539
Accrued interest payable	3,837	—	3,837	—	3,837

	Carrying Amount	Fair Value Measurements			
		Level 1	Level 2	Level 3	Total
			(in thousands)		
December 31, 2025					
Financial assets:					
Cash and cash equivalents	$ 126,154	$ 126,154	$ —	$ —	$ 126,154
Available-for-sale securities, at fair value	92,196	3,471	88,725	—	92,196
Held-to-maturity securities, at amortized cost	272,982	—	268,875	—	268,875
Placement with banks	249	—	249	—	249
Mortgage loans held for sale, at fair value	3,388	—	3,388	—	3,388
Loans receivable, net	2,599,258	—	—	2,577,298	2,577,298
Accrued interest receivable	17,905	—	17,905	—	17,905
FHLBNY stock	29,309	29,309	—	—	29,309
FRBNY stock	10,698	—	10,698	—	10,698
Financial liabilities:					
Deposits:					
Demand deposits	208,250	208,250	—	—	208,250
Interest-bearing deposits	1,133,882	1,133,882	—	—	1,133,882
Certificates of deposit	704,503	—	704,205	—	704,205
Borrowings	596,100	—	595,031	—	595,031
Accrued interest payable	3,788	—	3,788	—	3,788

The Company recognizes transfers between levels of the valuation hierarchy at the end of the applicable reporting periods. There were no transfers of Level 3 assets in the fair value hierarchy at June 30, 2026 and December 31, 2025. Fair value for Level 3 securities was determined using a third-party pricing service with limited levels of activity and price transparency.

Off-Balance-Sheet Instruments: Loan commitments on which the committed interest rate is less than the current market rate are insignificant at June 30, 2026 and December 31, 2025.

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Notes to Consolidated Financial Statements (Unaudited)

The fair value information about financial instruments are disclosed, whether or not recognized in the consolidated statements of financial condition, for which it is practicable to estimate that value. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company. The estimated fair value amounts for 2026 and 2025 have been measured as of their respective period-ends and have not been reevaluated 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 amounts reported at each period.

The information presented should not be interpreted as an estimate of the fair value of the entire Company since a fair value calculation is only required for a limited portion of the Company's assets and liabilities. Due to the 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 banks may not be meaningful.

Note 12. Regulatory Capital Requirements

The Company and the Bank are subject to various regulatory capital requirements administered by the Federal Reserve Board, the OCC and the U.S. Department of Housing and Urban Development. Failure to meet 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 operations and financial statements. Under the regulatory capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of the Company's assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The Company's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation require the maintenance of minimum amounts and ratios (set forth in the table below) of total risk-based and Tier 1 capital to risk-weighted assets (as defined), common equity Tier 1 capital (as defined), and Tier 1 capital to adjusted total assets (as defined) adjusted total assets (as defined). As of June 30, 2026 and December 31, 2025, the applicable capital adequacy requirements specified below have been met.

The below minimum capital requirements exclude the capital conservation buffer required to avoid limitations on capital distributions including dividend payments and certain discretionary bonus payments to executive officers. The applicable capital buffer for the Bank was 10.9% at June 30, 2026 and 13.6% at December 31, 2025.

The most recent notification from the OCC categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Company and the Bank must maintain minimum total risk-based, common equity risk-based, Tier 1 risk-based and Tier 1 leverage ratios as set forth in the table below. There were no conditions or events since then of which management is aware that have changed the Bank's category.

The Company's and the Bank’s actual capital amounts and ratios as of June 30, 2026 and December 31, 2025 as compared to regulatory requirements are as follows:

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(Dollars in thousands)					
June 30, 2026						
Ponce Financial Group, Inc.						
Total Capital to Risk-Weighted Assets	$ 602,120	20.00%	$ 240,794	8.00%	$ 300,993	10.00%
Tier 1 Capital to Risk-Weighted Assets	571,574	18.99%	180,596	6.00%	240,794	8.00%
Common Equity Tier 1 Capital Ratio	346,574	11.51%	135,447	4.50%	195,645	6.50%
Tier 1 Capital to Total Assets	571,574	16.85%	135,688	4.00%	169,610	5.00%
Ponce Bank						
Total Capital to Risk-Weighted Assets	$ 566,435	18.88%	$ 239,968	8.00%	$ 299,959	10.00%
Tier 1 Capital to Risk-Weighted Assets	535,888	17.87%	179,976	6.00%	239,968	8.00%
Common Equity Tier 1 Capital Ratio	535,888	17.87%	134,982	4.50%	194,974	6.50%
Tier 1 Capital to Total Assets	535,888	15.81%	135,618	4.00%	169,522	5.00%

Ponce Financial Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(Dollars in thousands)			
December 31, 2025						
Ponce Financial Group, Inc.						
Total Capital to Risk-Weighted Assets	$ 579,833	23.00%	$ 201,663	8.00%	$ 252,079	10.00%
Tier 1 Capital to Risk-Weighted Assets	552,260	21.91%	151,247	6.00%	201,663	8.00%
Common Equity Tier 1 Capital Ratio	327,260	12.98%	113,436	4.50%	163,851	6.50%
Tier 1 Capital to Total Assets	552,260	17.27%	127,880	4.00%	159,850	5.00%
Ponce Bank						
Total Capital to Risk-Weighted Assets	$ 543,076	21.63%	$ 200,847	8.00%	$ 251,059	10.00%
Tier 1 Capital to Risk-Weighted Assets	515,502	20.53%	150,635	6.00%	200,847	8.00%
Common Equity Tier 1 Capital Ratio	515,502	20.53%	112,976	4.50%	163,188	6.50%
Tier 1 Capital to Total Assets	515,502	16.12%	127,945	4.00%	159,931	5.00%

As of June 30, 2026 and December 31, 2025, the Bank was in compliance with the applicable minimum capital requirements specified above.

Note 13. Accumulated Other Comprehensive Loss

The accumulated other comprehensive loss is as follows:

	June 30, 2026		
	December 31, 2025	Change	June 30, 2026
		(in thousands)	
Unrealized losses on available-for-sale securities, net	$ (10,820)	$ 122	$ (10,698)
Total	$ (10,820)	$ 122	$ (10,698)

	June 30, 2025		
	December 31, 2024	Change	June 30, 2025
		(in thousands)	
Unrealized losses on available-for-sale securities, net	$ (15,297)	$ 2,250	$ (13,047)
Total	$ (15,297)	$ 2,250	$ (13,047)

Note 14. Transactions with Related Parties

Directors, executive officers and non-executive officers of the Company have been customers of and have had transactions with the Bank, and it is expected that such persons will continue to have such transactions in the future. Aggregate loan transactions with related parties for the three and six months ended June 30, 2026 and 2025 were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
		(in thousand)		
Beginning balance	$ 6,456	$ 7,765	$ 9,092	$ 7,671
Originations	100	540	100	725
Payments	(29)	(49)	(2,665)	(140)
Ending balance	$ 6,527	$ 8,256	$ 6,527	$ 8,256

Ponce Financial Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

The Company held deposits in the amount of $9.3 million and $7.9 million from directors, executive officers and non-executive officers at June 30, 2026 and June 30, 2025, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

General

Management's discussion and analysis of the financial condition at June 30, 2026 and December 31, 2025, and results of operations for the three and six months ended June 30, 2026 and 2025, is intended to assist in understanding the financial condition and results of operations of Ponce Financial Group, Inc. (the "Company"). The information contained in this section should be read in conjunction with the unaudited financial statements and the notes thereto appearing in Part I, Item 1, of this quarterly report on Form 10-Q.

Overview

Our principal business is attracting retail deposits from the general public and investing those deposits together with funds generated from ongoing operations and borrowings, primarily in (1) loan originations for purchases and construction of multi-family residential properties, commercial business loans, commercial real estate mortgage loans, one-to-four family (including mixed-use properties, which are properties that contain both residential dwelling units and commercial units); (2) construction loans; (3) SBA loans; (4) mortgage-backed securities; and (5) U.S. government securities, corporate fixed-income securities and other marketable securities. We also originate certain other consumer loans including overdraft lines of credit. Our results of operations depend primarily on net interest income, which is the difference between the income earned on its interest-earning assets and the cost of our interest-bearing liabilities. We also generate non-interest income mainly from service charges and fees, late and prepayment charges, income on sale of mortgage loans and grant income. Our non-interest expense consists principally of employee compensation and benefits, occupancy and equipment costs, data processing expenses, direct loan expenses, professional fees, other operating expenses and income tax expense. Our results of operations can also be significantly affected by our periodic provision for credit losses.

Cautionary Note Regarding Forward-Looking Statements

This quarterly report contains forward-looking statements, which can be identified by the use of words such as "estimate," "project," "intend," "anticipate," "assume," "plan," "seek," "expect," "will," "may," "should," "indicate," "would," "believe," "contemplate," "continue," "target" and words of similar meaning. These forward-looking statements include, but are not limited to:

- statements of the Company's goals, intentions and expectations;
- statements regarding its business plans, prospects, growth and operating strategies;
- statements regarding the quality of its loan and investment portfolios; and
- estimates of the risks and future costs and benefits;

These forward-looking statements are based on current beliefs and expectations and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

- the scope, duration and severity of rising interest rates, and its effects on our business and operations, our customers, including their ability to make timely payments on loans, our service providers, and on the economy and financial markets in general;
- changes in U.S. trade policies, including the imposition of tariffs and retaliatory tariffs, and their related impacts on the economy;
- changes in consumer spending, borrowing and savings habits;
- general economic conditions that are worse than expected, particularly in connection with low or negative growth in the. economy as well as economic uncertainty (including from an economic slowdown or recession, the federal government shutdown, unemployment, or limited growth in consumer income or spending), either nationally or in the market areas;
- volatility in the financial services sector, including failures or rumors of failures of other depository institutions, along with actions taken by governmental agencies to address such turmoil, and the effects on the ability of depository institutions, including us, to attract and retain depositors and to borrow or raise capital;
- the Company’s ability to manage market risk, credit risk and operational risk in the current economic environment;
- changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for loan losses;
- the ability to access cost-effective funding;
- fluctuations in real estate values and real estate market conditions;
- demand for loans and deposits in the market areas;
- the Company’s ability to implement and change its business strategies;
- competition among depository and other financial institutions;
- inflation and changes in the interest rate environment that reduce the Company’s margins and yields, its mortgage banking revenues, the fair value of financial instruments or the level of loan originations, or increase the level of defaults, losses and prepayments on loans the Company have made and make;
- adverse changes in the securities or secondary mortgage markets;
- changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees and capital requirements;
- monetary, fiscal and regulatory policies of the U.S. government, including policies of the U.S. Department of the Treasury and the Federal Reserve Board;
- the sufficiency of liquidity and changes in our capital position;
- adverse changes related to the businesses of our partners;
- changes in the quality or composition of the Company’s loan or investment portfolios;
- technological changes that may be more difficult or expensive than expected; and cyber threats, attacks or events;
- the inability of third party providers to perform as expected;
- the Company’s ability to enter new markets successfully and capitalize on growth opportunities;
- the Company’s ability to successfully integrate into its operations, any assets, liabilities, customers, systems and management personnel the Company may acquire and management’s ability to realize related revenue synergies and cost savings within expected time frames, and any goodwill charges related thereto;
- changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Financial Accounting Standards Board, the Securities and Exchange Commission or the Public Company Accounting Oversight Board;
- the Company’s ability to retain key employees;

- the Company’s compensation expense associated with equity allocated or awarded to its employees;
- the potential adverse effects of unusual and infrequently occurring events, such as weather-related disasters, terrorist acts, geopolitical conflicts or public health events (such as pandemics), and of governmental and societal responses thereto; and
- changes in the financial condition, results of operations or future prospects of issuers of securities that the Company may own.

Additional factors that may affect the Company’s results are discussed in our Annual Report on Form 10-K for the year ended December 31, 2025 under the heading “Risk Factors” filed with the Securities and Exchange Commission (“SEC”) on March 13, 2026.

Because of these and other uncertainties, our actual future results may be materially different from the results indicated by these forward-looking statements. The Company is under no duty to and does not assume any obligation to update any forward-looking statements after the date they were made, whether as a result of new information, future events or otherwise.

Federal Economic Relief Funds To Aid Lending

Emergency Capital Investment Program

On June 7, 2022 (the “Original Closing Date”), the Company issued 225,000 shares of the Company’s Preferred Stock, par value $0.01 (the “Preferred Stock”) for an aggregate purchase price equal to $225,000,000 in cash to the Treasury, pursuant to the Treasury’s ECIP. Under the ECIP, Treasury provided investment capital directly to depository institutions that are CDFIs or MDIs or their holding companies, to provide loans, grants, and forbearance for small businesses, minority-owned businesses, and consumers, in low-income and underserved communities. No dividends accrued or were due for the first two years after issuance. For years three through ten, depending upon the level of qualified and/or deep impact lending made in targeted communities, as defined in the ECIP guidelines, dividends will be at an annual rate of either 2.0%, 1.25% or 0.5% and, thereafter, will be fixed at one of the foregoing rates. If we are unable to make qualified and/or deep impact loans at required levels, we will be required to pay dividends at the higher annual rates. Additionally, we may make qualified and/or deep impact loans that are riskier than we otherwise would in an effort to meet the lending requirements for the lower dividend rates and/or to qualify for the purchase option under the Repurchase Agreement (as described below).

Holders of Preferred Stock generally do not have any voting rights, with the exception of voting rights on certain matters as outlined in the Certificate of Designations. The Treasury is the holder of the Preferred Stock and a governmental entity, and the Treasury may hold interests that are different from a private investor in exercising its voting and other rights. In the event of a liquidation, dissolution or winding up of the Company, the Preferred Stock will be entitled to a liquidation preference, subject to certain limitations, in the amount of the sum of $1,000 per share plus declared and unpaid dividends (without accumulation of undeclared dividends) on each share.

As a participant in the ECIP, the Company must comply with certain operating requirements. Specifically, the Company must adopt the Treasury's standards for executive compensation and luxury expenses for the period during which the Treasury holds equity issued under the ECIP. These restrictions may make it difficult to adequately compensate our management team, which could impact our ability to retain qualified management. Additionally, under the ECIP regulations, the Company cannot pay dividends or repurchase its common stock unless it meets certain income-based tests and has paid the required dividends on the Preferred Stock. In June 2024, the Company began paying dividends on its Preferred Stock, which dividends were $0.6 million and $0.6 million for the six months ended June 30, 2026 and 2025, respectively.

On December 20, 2024, the Company entered into an ECIP Securities Purchase Option Agreement (the “Repurchase Agreement”) with Treasury. Pursuant to the Repurchase Agreement, Treasury has granted the Company an option to purchase all of the Preferred Stock during the Option Period, which is the first fifteen years following the Original Closing Date. The purchase price for the Preferred Stock pursuant to the purchase option is determined based on a formula equal to the present value of the Preferred Stock, calculated as set forth in the Repurchase Agreement, together with any accrued and unpaid dividends thereon, as of the closing date. Subject to variations in interest rates and the equity risk premium, which are components included in the purchase price calculation, the Company presently expects that the purchase price will be at a substantial discount from the face value of the Preferred Stock.

The purchase option may not be exercised unless and until at least one of the Threshold Conditions under the Repurchase Agreement has been met. The Threshold Conditions are as follows: during the ten years that follow the Original Closing Date (the “ECIP Period”) either (1) over any sixteen consecutive quarters, an average of at least 60% of the Company’s Total Originations, as defined pursuant to the terms of the ECIP, qualifies as “Deep Impact Lending,” as defined pursuant to the terms of the ECIP (the “Deep Impact Condition”); (2) over any twenty-four consecutive quarters, an average of at least 85% of the Company’s Total Originations qualifies as “Qualified Lending,” as defined pursuant to the terms of the ECIP (the “Qualified Lending Condition”); or (3) the Preferred Stock has a dividend rate of no more than 0.5%, which dividend rate is calculated pursuant to the ECIP and the terms thereof, at each of six consecutive Reset Dates, as defined in the ECIP.

The earliest possible date by which a Threshold Condition may be met is June 30, 2026, which is the end of the sixteenth consecutive quarter following the Original Closing Date. The Company believes it has met the Threshold Conditions to exercise the purchase option because the Company has reported sixteen consecutive quarters for which it has met both the Deep Impact and Qualified Lending Conditions. . The Preferred Stock currently has a dividend rate of 0.5%.

The closing of the repurchase of the Preferred Stock, if consummated, would occur between thirty and ninety days following the satisfaction of all applicable conditions, including the Threshold Condition. In addition to the requirement that a Threshold Condition be met, the Repurchase Agreement requires that the Company meet certain other eligibility conditions in order to exercise the purchase option in the future, including compliance with the terms of the original ECIP purchase agreement and the terms of the Preferred Stock, maintaining qualification as either a CDFI or an MDI, and meeting other legal and regulatory criteria. Although the Company currently expects that it will satisfy all other necessary conditions, there can be no assurance if and when such repurchase will be consummated with Treasury.

The Company believes that consummation of the repurchase of the Preferred Stock as contemplated by the Repurchase Agreement would be beneficial to its stockholders. As such, the Company expects to continue to emphasize its qualified Deep Impact Lending.

The purchase option granted under the agreement is a freestanding financial instrument under GAAP. The Company analyzed the fair value of the repurchase option in accordance with ASC Topic 820 “Fair Value Measurements” and determined that the purchase option value is de minimis as of December 20, 2024, December 31, 2025 and June 30, 2026.

CDFI Financial Assistance Award

On February 6, 2025, the Bank received a $1.3 million grant from the U.S. Treasury as part of the CDFI Financial Assistance Award Program. This award is given to CDFIs to support their operations and expand services in economically distressed communities.

Banking Development District

The Bank's Westchester Avenue Branch located at 2244 Westchester Avenue in the Castle Hill area of the Bronx was approved as a Banking Development District ("BDD"). New York State’s BDD Program, administered by the Department of Financial Services ("DFS"), supports the establishment of bank and credit union branches in areas across New York State where there is a demonstrated need for banking services. To encourage participation, approved BDD branches receive access to subsidized and market rate deposits from New York State. On July 30, 2024, the Bank's Westchester Avenue Branch received total program deposits of $35.0 million. On June 24, 2025, the Bank's Westchester Avenue Branch received $10.0 million from the New York City Department of Finance. On June 23, 2026, the Bank's Westchester Avenue Branch received an additional $10.0 million from the New York City Department of Finance resulting in a total BDD Program deposit of $55.0 million.

On February 4, 2026, the Bank's Inwood Branch location 3879 9th Avenue in the Inwood area of New York was approved as a BDD by the DFS. In April of 2026, the Bank's Inwood Branch received a program deposit of $35.0 million from DFS. On June 23, 2026, the Bank's Inwood Branch received $10.0 million from the New York City Department of Finance resulting in a total BDD Program deposit of $45.0 million.

In addition, on May 20, 2026, the Bank received $20.0 million from the Community Bank Deposit Program in BDD Program deposit.

Westchester Avenue Branch Re-Design

On February 27, 2025, Ponce Bank officers and administrators and members of the public celebrated the Bank’s transformed Westchester Avenue Branch at its grand reopening. The transformed Branch is the result of the State-of-the-art Banking Technologies combined with Community Centric Banking that is customer friendly and supportive.

The transformation relaunched a process aimed at reinforcing the role of each banking branch as a "community hub" that attracts new depositors and business customers, but anchors Ponce Bank branches as community-centric destinations. The revitalization efforts include Open Tellers that invite a more consultative experience, managers located at a central hub of the branch, private space for sensitive conversations, and meeting spaces as well as open areas with teleconferencing and AV equipment to encourage community-wide gatherings.

Inwood, New York Branch

On September 16, 2025, Ponce Bank opened another branch at its new location 3879 9th Avenue, New York, NY 10034. With its ribbon cutting ceremony on October 6, 2025, the Bank noted that this new branch at this Inwood location will create opportunities for residents and small business owners in one of Manhattan's most vibrant and diverse neighborhoods.

Ponce Bank Conversion

On October 10, 2025, the Company's wholly-owned subsidiary, Ponce Bank (formerly a federally chartered stock savings association), completed its previously announced conversion to a national bank and commenced operations as Ponce Bank, National Association. In connection with the conversion of Ponce Bank, the Company also commenced operations as a bank holding company as of the same date. Further, the Company also became a financial holding company, which is an additional election that allows the Company to engage in activities that are financial in nature or incidental to a financial activity.

Ponce Bank sought to become a national bank in order to increase bank powers, including its eligibility to receive municipal deposits in New York. However, the Company and Ponce Bank do not expect any material changes in their core business as a result of the Company becoming a bank holding company and a financial holding company, and Ponce Bank becoming a national bank.

Critical Accounting Policies

Accounting estimates are necessary in the application of certain accounting policies and procedures and are particularly susceptible to significant change. Critical accounting policies are defined as those involving significant judgments and assumptions by management and that could have a material impact on the carrying value of certain assets, liabilities or on income under different assumptions or conditions. Management believes that the most critical accounting policy relates to the allowance for credit losses.

Allowance for credit losses in accordance with ASU 2016-13, Measurement of Credit Losses on Financial Instruments (Topic 326), was a critical accounting policy in the preparation of the consolidated financial statements as of and for the period ended June 30, 2026.

Allowance for credit loss. The ACL on loans is management's estimate of expected credit losses over the expected life of the loans at the reporting date. The ACL on loans is increased through a provision for credit losses (“PCL”) recognized in the Consolidated Statements of Operations and by recoveries of amounts previously charged off. The ACL on loans is reduced by charge-offs on loans. Loan charge-offs are recognized when Management believes the collectability of the principal balance outstanding is unlikely. Full or partial charge-offs on collateral-dependent individually analyzed loans are generally recognized when the collateral is deemed to be insufficient to support the carrying value of the loan.

Policies with respect to the methodology used to determine the allowance for credit losses is a critical accounting policy and estimate because of its importance to presentation of the Company's financial condition and results of operations and high level of subjectivity. The critical accounting policy involves a higher degree of complexity and requires management to make difficult and subjective judgments which often require assumptions or estimates about highly uncertain matters. The use of different judgments, assumptions, and estimates could result in material differences in the results of operations or financial condition. The allowance for credit losses policy and its application is reviewed periodically, and at least annually, with the Audit Committee of the Board of Directors.

If our loss rate factor was to increase 10 basis points, our reserve would increase by approximately $2.9 million. Likewise, if our loss rate factor was to decrease 10 basis points, our reserve would decrease by approximately $2.9 million.

The discussion and analysis of the financial condition and results of operations are based on the Company’s consolidated financial statements, which are prepared in conformity with GAAP. The preparation of these consolidated financial statements requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of income and expenses. The estimates and assumptions used are based on historical experience and various other factors and are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions, resulting in a change that could have a material impact on the carrying value of our assets and liabilities and our results of operations.

Company's Growth

The Company continues its relationship with Raisin Solutions US LLC ("Raisin"), a fintech that focuses on gathering deposits for financial institutions through the Internet. As of June 30, 2026 and December 31, 2025, the Company had $671.5 million and $643.9 million, respectively, in such deposits, which the Company classifies as core deposits.

Because the Company, through Ponce Bank, is an MDI and a CDFI, deposits made by other financial institutions may be treated as CRA credits by those depository institutions.

At December 31, 2018, the first year after our initial public offering, the Company had approximately $1.06 billion in assets, $918.5 million in loans, net of allowance for credit losses of $12.7 million, and $809.8 million in deposits. The Company has since grown to $3.49 billion in assets, $2.88 billion in loans, net of allowance for credit losses of $27.6 million, and $2.27 billion in deposits at June 30, 2026, all while investing in infrastructure, implementing digital banking and diversifying its product offering. Now, the Company believes that it is poised to enhance its presence, locally and in similar communities outside New York, as a leading CDFI and MDI financial institution holding company.

Asset Quality Ratios

The table below indicates the Key Metrics at or for the three months ended:

	At or for the Three Months Ended		
	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Allowance for credit losses on loans as a percentage of total loans	0.95%	0.97%	0.97%
Allowance for credit losses on loans as a percentage of nonperforming loans (1)	116.91%	94.74%	101.01%
Net (charge-offs) recoveries to average outstanding loans (2)	(0.05%)	(0.13%)	(0.04%)
Non-performing loans as a percentage of total gross loans	0.67%	0.83%	0.76%

(1) Allowance for credit losses on loans as a percentage of nonperforming loans increased for the three months ended June 30, 2026 as a result of an increase in allowance for credit losses on loans to $27.6 million and a decrease in nonperforming loans to $23.6 million.

(2) Annualized.

Comparison of Financial Condition at June 30, 2026 and December 31, 2025

Total Assets. Total consolidated assets increased $270.7 million, or 8.4%, to $3.49 billion at June 30, 2026 from $3.22 billion at December 31, 2025. The increase in total assets is largely attributable to increases of $280.5 million in net loans receivable, $13.9 million in cash and cash equivalents, $2.0 million in accrued interest receivable, $1.5 million in deferred tax assets, $1.4 million in Federal Home Loan Bank of New York stock and $0.1 million in other assets, partially offset by decreases of $19.4 million in held-to-maturity securities, $7.4 million in available-for-sale securities, $1.0 million in premises and equipment, net, $0.5 million in right of use assets and $0.3 million in mortgage loans held for sale, at fair value.

Cash and Cash Equivalents. Cash and cash equivalents increased $13.9 million, or 11.0%, to $140.0 million at June 30, 2026, compared to $126.2 million at December 31, 2025. The increase in cash and cash equivalents was primarily the result of an increase of $225.2 million in net deposits, $27.0 million in proceeds from maturities and principal repayment on securities, $25.0 million in net proceeds in borrowings and $4.2 million from sale of loans. The increase in cash and cash equivalents was offset primarily by increases of $287.6 million in net loans and $2.0 million in accrued interest receivables and $1.4 million in net (purchases) redemption of FHLBNY stock.

Securities. The Company securities portfolio decreased $7.4 million, or 8.1%, to $84.8 million in available-for-sale at June 30, 2026 from $92.2 million December 31, 2025 and decreased $19.4 million, or 7.1%, to $253.6 million in held-to-maturity at June 30, 2026 from $273.0 million at December 31, 2025. The decrease in the securities portfolio was primarily due to regular principal payments and the maturity of one available-for-sale security in the amount of $3.0 million.

Portfolio Maturities and Yields. The composition and maturities of the investment securities portfolio at June 30, 2026 are summarized in the following table. Maturities are based on the final contractual payment dates, and do not reflect the effect of scheduled principal repayments, prepayments, or early redemptions that may occur. Adjustable-rate mortgage-backed securities are included in the period in which interest rates are next scheduled to adjust. The weighted average yield is calculated based on the yield to maturity weighted for the size of each debt security over the entire portfolio of debt securities. The weighted average yields on tax-exempt obligations have been computed on a tax-equivalent basis.

	One Year or Less		More than One Year through Five Years		More than Five Years through Ten Years		More than Ten Years		Total		
	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Fair Value	Weighted Average Yield
	(Dollars in thousands)										
Available-for-Sale Securities:											
Corporate Bonds	$ —	—%	$ 4,000	3.97%	$ 9,500	3.78%	$ —	—%	$ 13,500	$ 13,094	3.82%
Mortgage-Backed Securities											
Collateralized Mortgage Obligations (1)	—	—	—	—	—	—	29,262	1.46%	29,262	24,482	1.46%
FHLMC Certificates	—	—	—	—	—	—	7,391	1.18%	7,391	6,573	1.18%
FNMA Certificates	—	—	—	—	7,354	1.59%	40,794	1.80%	48,148	40,553	1.77%
GNMA Certificates	—	—	—	—	—	—	71	5.44%	71	72	5.44%
Total available-for-sale securities	$ —	—%	$ 4,000	3.97%	$ 16,854	2.82%	$ 77,518	1.62%	$ 98,372	$ 84,774	1.92%
Held-to-Maturity Securities:											
Corporate Bonds	$ —	—%	$ —	—%	$ 7,500	6.40%	$ —	—	7,500	$ 7,423	6.40%
Mortgage-Backed Securities											
Collateralized Mortgage Obligations (1)	—	—	2,164	3.46%	—	—	145,902	3.93%	148,066	143,727	3.92%
FHLMC Certificates	—	—	—	—	—	—	2,924	4.86%	2,924	2,836	4.86%
FNMA Certificates	—	—	5,721	3.47%	—	—	79,254	4.65%	84,975	82,558	4.57%
SBA Certificates	—	—	—	—	3,876	5.97%	6,485	5.82%	10,361	10,421	5.88%
Allowance for Credit Losses	—	—	—	—	—	—	—	—	(210)	—	—
Total held-to-maturity securities	$ —	—%	$ 7,885	3.47%	$ 11,376	6.25%	$ 234,565	4.24%	$ 253,616	$ 246,965	4.30%

(1) Comprised of Federal Home Loan Mortgage Corporation ("FHLMC"), Federal National Mortgage Association ("FNMA") and Ginnie Mae ("GNMA") issued securities.

Gross Loans Receivable. The composition of gross loans receivable at June 30, 2026 and at December 31, 2025 and the percentage of each classification to total loans are summarized as follows:

	June 30, 2026		December 31, 2025		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Dollars	Percent
	(Dollars in thousands)					
Mortgage loans:						
1-4 Family residential (1)	$ 426,343	14.7%	$ 434,374	16.5%	(8,031)	(1.8%)
Multifamily residential	1,057,612	36.3%	756,542	28.8%	301,070	39.8%
Nonresidential properties	535,521	18.4%	526,210	20.1%	9,311	1.8%
Construction and land	817,151	28.1%	854,096	32.5%	(36,945)	(4.3%)
Total mortgage loans	2,836,627	97.5%	2,571,222	98.0%	265,405	10.3%
Nonmortgage loans:						
Business loans	72,438	2.5%	53,063	2.0%	19,375	36.5%
Consumer loans	577	—%	625	—%	(48)	(7.7%)
	73,015	2.5%	53,688	2.0%	19,327	36.0%
Total	$ 2,909,642	100.0%	$ 2,624,910	100.0%	$ 284,732	10.8%

(1) Includes both investor owned and owner occupied 1-4 family residential properties combined, which were previously reported separately.

Contractual Maturities. The following table sets forth the contractual maturities of the Bank's total loan portfolio, excluding mortgage loans held for sale, at June 30, 2026. Demand loans, loans having no stated repayment schedule or maturity, and overdraft loans are reported as being due in one year or less. The table presents contractual maturities and does not reflect repricing or the effect of prepayments. Actual maturities may differ.

	At June 30, 2026				
	One year or less	More than one year to five years	More than five to fifteen years	More than fifteen years	Total
			(in thousands)		
Mortgage loans:					
1-4 family residential	$ 3,246	$ 11,440	$ 169,500	$ 242,157	$ 426,343
Multifamily residential	193,301	210,556	391,803	261,952	1,057,612
Nonresidential properties	26,575	138,229	347,813	22,904	535,521
Construction and land	482,893	334,258	—	—	817,151
Total mortgage loans	706,015	694,483	909,116	527,013	2,836,627
Nonmortgage loans:					
Business loans	40,324	9,508	19,463	3,143	72,438
Consumer loans	96	481	—	—	577
Total nonmortgage loans	40,420	9,989	19,463	3,143	73,015
Total	$ 746,435	$ 704,472	$ 928,579	$ 530,156	$ 2,909,642

The follow table sets forth the Bank's fixed and adjustable-rate loans at June 30, 2026 that are contractually due after June 30, 2027.

	Due After June 30, 2027		
	Fixed	Adjustable	Total
		(in thousands)	
Mortgage loans:			
1-4 family residential	$ 18,394	$ 404,703	423,097
Multifamily residential	66,784	797,527	864,311
Nonresidential properties	1,325	507,621	508,946
Construction and land	24,183	310,075	334,258
Total mortgage loans	110,686	2,019,926	2,130,612
Nonmortgage loans:			
Business loans	4,385	27,729	32,114
Consumer loans	468	13	481
Total nonmortgage loans	4,853	27,742	32,595
Total	$ 115,539	$ 2,047,668	$ 2,163,207

Based on current internal loan reviews, the Company believes that the quality of our underwriting, our weighted average loan-to-value ratio of 51.2% and our customer selection processes have served us well and provided us with a reliable base with which to maintain a well-protected loan portfolio.

Multifamily residential loans increased $301.1 million, or 39.8%, when compared to December 31, 2025. The majority of the increases in multifamily residential loans that were refinanced from construction and land loans to a new permanent loan facility.

Construction and land loans decreased $36.9 million, or 4.3%, when compared to December 31, 2025. The $36.9 million decrease in construction and land mortgage loans is related to loans that were refinanced from construction and land loans to new permanent loan facilities, offset by funding of existing commitments prior to 2026 and new commitments.

Our commitments to grant new mortgage loans increased by $161.5 million as of June 30, 2026 compared to December 31, 2025. See Note 10 ("Commitments, Contingencies and Credit Risk") of Notes to the Consolidated Financial Statements.

The Company had 73 construction and land mortgage loans with balances of $817.1 million as indicated in the table above. Of those loans, 24 loans with aggregate balances of $339.4 million, or 32.9%, of the total, have a percentage of completion of 80% or more. Within those 24 loans there are 12 loans with balances of $161.0 million that are 100% completed and received their certificates of occupancy.

Commercial real estate loans, as defined by applicable banking regulations, include multifamily residential, nonresidential properties, and construction and land mortgage loans. At June 30, 2026 and December 31, 2025, approximately 2.7% and 3.1%, respectively, of the outstanding principal balance of the Bank’s commercial real estate mortgage loans were secured by owner-occupied commercial real estate. Owner-occupied commercial real estate is similar in many ways to commercial and industrial lending in that these loans are generally made to businesses predominantly on the basis of the cash flows of the business rather than on valuation of the real estate.

Banking regulations have established guidelines relating to the amount of construction and land mortgage loans and investor- owned commercial real estate mortgage loans of 100% and 300% of total risk-based capital, respectively. Should a bank's ratios be in excess of these guidelines, banking regulations generally require an increased level of monitoring in these lending areas by bank management. The Bank's policy is to operate within the 200% guideline for construction and land mortgage loans and up to 450% for investor-owned commercial real estate mortgage loans. Both ratios are calculated by dividing certain types of loan balances for each of the two categories by the Bank's total risk-based capital. At June 30, 2026 and December 31, 2025, the Bank's construction and land mortgage loans as a percentage of total risk-based capital was 143.5% and 156.7%, respectively. Investor-owned commercial real estate mortgage loans as a percentage of total risk-based capital was 416.0% and 393.1% as of June 30, 2026 and December 31, 2025, respectively. At June 30, 2026, the Bank was above the 100% guidelines established by the banking regulations and under the 200% guidelines set by the Bank for construction and land mortgage loans and above the 300% guideline established by banking regulators but under the 450% guidelines set by the Bank for investor owned commercial real estate mortgage loans. Management believes that it has established the appropriate level of controls to monitor the Bank's lending in these areas.

Allocation of Allowance for Credit Losses. The table below presents a breakdown of the allowance for credit losses by loan class.

	June 30, 2026		December 31, 2025	
	Allowance for Credit Losses	**Percent of Loans in Each Category to Total Loans**	**Allowance for Credit Losses**	**Percent of Loans in Each Category to Total Loans**
	(in thousands)			
Mortgage loans:				
1-4 family residential	$ 5,295	14.7%	$ 3,873	16.5%
Multifamily residential	9,532	36.3%	9,041	28.8%
Nonresidential properties	4,888	18.4%	4,353	20.1%
Construction and land	6,414	28.1%	6,149	32.5%
Total mortgage loans	26,129	97.5%	23,416	98.0%
Nonmortgage loans:				
Business loans	1,413	2.5%	2,017	2.0%
Consumer loans	12	—%	16	—%
Total nonmortgage loans	1,425	2.5%	2,033	2.0%
Total	$ 27,554	100.0%	$ 25,449	100.0%

Loans Held For Sale. Loans held for sale, at fair value, at June 30, 2026 decreased $0.3 million, or 10.0%, to $3.1 million from $3.4 million at December 31, 2025.

Deposits. The composition of deposits at June 30, 2026 and December 31, 2025 and changes in dollars and percentages are summarized as follows:

	June 30, 2026		December 31, 2025		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Dollars	Percent
	(Dollars in thousands)					
Demand	$ 251,919	11.1%	$ 208,250	10.2%	$ 43,669	21.0%
Interest-bearing deposits:						
NOW/IOLA accounts	71,987	3.2%	84,012	4.1%	(12,025)	(14.3%)
Money market accounts [(1)]	929,002	40.9%	779,532	38.1%	149,470	19.2%
Reciprocal deposits	164,883	7.3%	152,630	7.5%	12,253	8.0%
Savings accounts	115,233	5.1%	117,708	5.8%	(2,475)	(2.1%)
Total NOW, money market, reciprocal and savings	1,281,105	56.4%	1,133,882	55.4%	147,223	13.0%
Certificates of deposit of $250K or more	194,462	8.6%	202,500	9.9%	(8,038)	(4.0%)
Brokered certificates of deposit [(2)]	94,557	4.2%	67,942	3.3%	26,615	39.2%
Listing service deposits [(2)]	994	—%	4,150	0.2%	(3,156)	(76.0%)
Certificates of deposit less than $250K	448,772	19.7%	429,911	21.0%	18,861	4.4%
Total certificates of deposit	738,785	32.5%	704,503	34.4%	34,282	4.9%
Total interest-bearing deposits	2,019,890	88.9%	1,838,385	89.8%	181,505	9.9%
Total deposits	$ 2,271,809	100.0%	$ 2,046,635	100.0%	$ 225,174	11.0%

(1) As of June 30, 2026 and December 31, 2025, there were $50.2 million and $0.3 million, respectively, in brokered deposits.

(2) At June 30, 2026 and December 31, 2025, there were no individual listing service deposits amounting to $250,000 or more. All other brokered certificates of deposit individually amounted to less than $250,000.

When wholesale funding is necessary to complement the Company's core deposit base, management determines which source is best suited to address both liquidity risk and interest rate risk in line with management objectives. The Company's Interest Rate Risk Policy imposes limitations on overall wholesale funding and noncore funding reliance. The overall reliance on wholesale funding and noncore funding were within those policy limitations as of June 30, 2026 and December 31, 2025. The Management Asset/Liability Committee generally meets on a monthly basis to review funding needs, if any, and to ensure the Company operates within the approved limitations.

The following table sets forth the average balance and weighted average rate of deposits for the periods indicated.

	For the Six Months Ended June 30,					
	2026			2025		
	Average Balance	Percent	Weighted Average Rate	Average Balance	Percent	Weighted Average Rate
	(Dollars in thousands)					
Deposit type:						
NOW/IOLA	$ 76,705	3.57%	0.66%	$ 70,243	3.5%	0.62%
Money market	988,744	45.98%	3.64%	846,420	41.9%	4.13%
Savings	120,505	5.60%	0.09%	118,400	5.9%	0.10%
Certificates of deposit	731,371	34.01%	3.64%	783,256	38.8%	3.90%
Interest-bearing deposits	1,917,325	89.17%	3.30%	1,818,319	90.1%	3.63%
Non-interest bearing demand	232,834	10.83%	—%	200,007	9.9%	—%
Total deposits	$ 2,150,159	100.00%	2.94%	$ 2,018,326	100.0%	3.27%

The following table presents the time deposits with balances exceeding the $250,000 Federal Deposits Insurance Corporation ("FDIC") insurance limit by maturity at June 30, 2026.

Maturity Period:		**(in thousands)**
Three months or less	$	65,334
Over three months through six months		57,191
Over six months through one year		47,762
More than one year		24,175
Total	$	194,462

At June 30, 2026, the portion of uninsured deposits in excess of $250,000 FDIC insurance limit was $459.4 million.

Borrowings. The Bank had outstanding borrowings at June 30, 2026 and December 31, 2025 of $621.1 million and $596.1 million in term advances from the FHLBNY. The Bank had no overnight line of credit advance from the FHLBNY at June 30, 2026 and December 31, 2025. Additionally, the Bank had two unsecured lines of credit in the amount of $75.0 million with two correspondent banks for both periods at June 30, 2026 and December 31, 2025. The Bank did not have any term and overnight line of credit advances from the FRBNY at June 30, 2026 and December 31, 2025.

Stockholders' Equity. The Company's consolidated stockholders' equity increased $19.4 million, or 3.6%, to $561.0 million as of June 30, 2026 from $541.5 million as of December 31, 2025. The $19.4 million increase in stockholders' equity was largely attributable to $17.1 million in net income, $1.3 million impact to additional paid in capital as a result of share-based compensation, $1.2 million from release of ESOP shares, $0.2 million from exercise of stock options and $0.1 million in other comprehensive income, offset by $0.6 million related to the dividend paid on preferred shares during the six months ended June 30, 2026.

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

The discussion of the Company's results of operations for the three months ended June 30, 2026 and 2025 are presented below. The results of operations for interim periods may not be indicative of future results.

Overview. Net income available to common stockholders was $8.2 million for the three months ended June 30, 2026 compared to net income available to common stockholders of $5.8 million for the three months ended June 30, 2025. Earnings per basic share was $0.36 and diluted share was $0.35 for the three months ended June 30, 2026 compared to earnings per basic share of $0.26 and diluted share of $0.25 for the three months ended June 30, 2025. The $2.4 million increase of net income available to common stockholders from the three months ended June 30, 2025, was due to increases of $5.6 million in net interest income, offset by increases of $1.3 million in non-interest expense, $0.9 million in provision for income taxes and $0.5 million in provision for credit losses and a decrease of $0.5 million in non-interest income. Net income for the three months ended June 30, 2026 and 2025, which excludes $0.3 million and $0.3 million, respectively, in dividends on preferred shares, were $8.5 million and $6.1 million, respectively.

The following table presents the results of operations for the periods indicated:

	For the Three Months Ended June 30, 2026	2025	Increase (Decrease) Dollars	Percent
	(Dollars in thousands)			
Interest and dividend income	$ 51,652	$ 45,860	$ 5,792	12.6%
Interest expense	21,591	21,434	157	0.7%
Net interest income	30,061	24,426	5,635	23.1%
Provision for credit losses	2,148	1,626	522	32.1%
Net interest income after provision for credit losses	27,913	22,800	5,113	22.4%
Non-interest income	1,527	2,060	(533)	(25.9%)
Non-interest expense	18,135	16,869	1,266	7.5%
Income before income taxes	11,305	7,991	3,314	41.5%
Provision for income taxes	2,810	1,891	919	48.6%
Net income	$ 8,495	$ 6,100	$ 2,395	39.3%
Dividends on preferred shares	282	282	—	— %
Net income available to common stockholders	$ 8,213	$ 5,818	$ 2,395	41.2%
Earnings per common share:				
Basic	$ 0.36	$ 0.26	$ 0.10	38.5%
Diluted	$ 0.35	$ 0.25	$ 0.10	40.0%

Interest and Dividend Income. Interest and dividend income increased $5.8 million, or 12.6%, to $51.7 million for the three months ended June 30, 2026 from $45.9 million for the three months ended June 30, 2025. Interest income on loans receivable, which is the Company's primary source of income, increased $6.5 million, or 16.2%, to $46.8 million for the three months ended June 30, 2026 from $40.3 million for the three months ended June 30, 2025.

Total interest and dividend income on securities, FHLBNY stock and deposits due from banks decreased $0.8 million or 13.5%, to $4.8 million for the three months ended June 30, 2026 from $5.6 million for the three months ended June 30, 2025. The decrease was primarily attributable to a decrease of $1.1 million in interest on securities, offset by increases of $0.2 million in dividend on FHLBNY and FRBNY stocks and $0.1 million in interest on deposits due from banks.

The following table presents interest income on loans receivable for the periods indicated:

	For the Three Months Ended June 30, 2026	2025	Change Amount	Percent
	(Dollars in thousands)			
1-4 Family residential	$ 6,808	$ 7,169	$ (361)	(5.0%)
Multifamily residential	13,842	10,165	3,677	36.2%
Nonresidential properties	9,258	5,737	3,521	61.4%
Construction and land	14,903	15,649	(746)	(4.8%)
Business loans	2,012	1,551	461	29.7%
Consumer loans	12	20	(8)	(40.0%)
Total interest income on loans receivable	$ 46,835	$ 40,291	$ 6,544	16.2%

The following table presents interest and dividend income on securities and FHLBNY stock and deposits due from banks for the periods indicated:

	For the Three Months Ended June 30,		Change	
	2026	2025	Amount	Percent
	(Dollars in thousands)			
Interest on deposits due from banks	$ 954	$ 807	$ 147	18.2%
Interest on securities	3,160	4,246	(1,086)	(25.6%)
Dividend on FHLBNY and FRBNY stocks	703	516	187	36.2%
Total interest and dividend income	$ 4,817	$ 5,569	$ (752)	(13.5%)

Interest Expense. Interest expense increased $0.2 million, or 0.7%, to $21.6 million for the three months ended June 30, 2026 from $21.4 million for the three months ended June 30, 2025.

The following table presents interest expense for the periods indicated:

	For the Three Months Ended June 30,		Change	
	2026	2025	Amount	Percent
	(Dollars in thousands)			
Certificates of deposit	$ 6,785	$ 7,382	$ (597)	(8.1%)
Money market	9,398	8,930	468	5.2%
Savings	28	28	—	0.0%
NOW/IOLA	118	100	18	18.0%
Borrowings	5,262	4,994	268	5.4%
Total interest expense	$ 21,591	$ 21,434	$ 157	0.7%

Net Interest Income. Net interest income increased $5.6 million, or 23.1%, to $30.1 million for the three months ended June 30, 2026 from $24.4 million for the three months ended June 30, 2025. The $5.6 million increase in net interest income for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 was attributable to an increase of $5.8 million in total interest and dividend income primarily due to increases in average loans receivable, offset by an increase of $0.2 million in interest expense.

Net interest rate spread increased by 42 basis points to 2.89% for the three months ended June 30, 2026 from 2.47% for the three months ended June 30, 2025. The increase in the net interest rate spread for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 was primarily due to an increase in the average yields on interest-earning assets of 16 basis points to 6.29% for the three months ended June 30, 2026 from 6.13% for the three months ended June 30, 2025, and a decrease in the average rates paid on interest-bearing liabilities of 26 basis points to 3.40% for the three months ended June 30, 2026 from 3.66% for the three months ended June 30, 2025.

Net interest margin increased 39 basis points for the three months ended June 30, 2026, to 3.66% from 3.27% for the three months ended June 30, 2025.

Non-Interest Income. Non-interest income decreased $0.5 million, or 25.9%, to $1.5 million for the three months ended June 30, 2026 from $2.1 million for the three months ended June 30, 2025. The $0.5 million decrease in non-interest income for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 was largely attributable to decreases of $0.4 million in late and prepayment charges and $0.4 million in grant income recognized in the second quarter of 2025, offset by an increase of $0.2 million in other non-interest income.

The following table presents non-interest income for the periods indicated:

	For the Three Months Ended June 30,		Change	
	2026	2025	Amount	Percent
	(Dollars in thousands)			
Service charges and fees	$ 600	$ 511	$ 89	17.4%
Late and prepayment charges	138	530	(392)	(74.0%)
Income on sale of mortgage loans	161	169	(8)	(4.7%)
Grant income	—	428	(428)	(100.0%)
Other	628	422	206	48.8%
Total non-interest income	$ 1,527	$ 2,060	$ (533)	(25.9%)

Non-Interest Expense. Non-interest expense increased $1.3 million, or 7.5%, to $18.1 million for the three months ended June 30, 2026 from $16.9 million for the three months ended June 30, 2025. The $1.3 million increase in non-interest expense was mainly attributable to an increase of $1.4 million in compensation and benefits, partially offset by a decrease of $0.1 million in federal deposit insurance and regulatory assessment.

The following table presents non-interest expense for the periods indicated:

	For the Three Months Ended June 30,		Change	
	2026	2025	Amount	Percent
	(Dollars in thousands)			
Compensation and benefits	$ 9,070	$ 7,627	$ 1,443	18.9%
Occupancy and equipment	3,901	3,907	(6)	(0.2%)
Data processing expenses	1,195	1,188	7	0.6%
Direct loan expenses	187	241	(54)	(22.4%)
Insurance and surety bond premiums	332	297	35	11.8%
Office supplies, telephone and postage	152	174	(22)	(12.6%)
Professional fees	1,470	1,367	103	7.5%
Marketing and promotional expenses	190	266	(76)	(28.6%)
Federal deposit insurance and regulatory assessment	408	546	(138)	(25.3%)
Other operating expenses	1,230	1,256	(26)	(2.1%)
Total non-interest expense	$ 18,135	$ 16,869	$ 1,266	7.5%

Income Tax Provision. The Company had a provision for income taxes of $2.8 million for the three months ended June 30, 2026 compared to a provision for income taxes of $1.9 million for the three months ended June 30, 2025.

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Average Balance Sheets

The following table sets forth average outstanding balances, average yields and rates, and certain other information for the periods indicated. No tax-equivalent yield adjustments have been made, as the effects would be immaterial. Average balances are derived from average daily balances. Non-accrual loans were included in the computation of average balances. The yields set forth below include the effect of deferred fees, discounts, and premiums that are amortized or accreted to interest income or interest expense.

	For the Three Months Ended June 30,					
	2026			2025		
	Average Outstanding Balance	Interest	Average Yield/Rate (1)	Average Outstanding Balance	Interest	Average Yield/Rate (1)
	(Dollars in thousands)					
Interest-earning assets:						
Loans (2)	$ 2,801,281	46,835	6.71%	$ 2,447,713	$ 40,291	6.60%
Securities (3)	345,599	3,160	3.67%	449,858	4,246	3.79%
Other (4)	146,919	1,657	4.52%	102,252	1,323	5.19%
Total interest-earning assets	3,293,799	51,652	6.29%	2,999,823	45,860	6.13%
Non-interest-earning assets	98,497			104,059		
Total assets	$ 3,392,296			$ 3,103,882		
Interest-bearing liabilities:						
NOW/IOLA	$ 75,589	$ 118	0.63%	$ 68,155	$ 100	0.59%
Money market	1,028,044	9,398	3.67%	864,688	8,930	4.14%
Savings (5)	120,801	28	0.09%	119,177	28	0.09%
Certificates of deposit	744,298	6,785	3.66%	772,363	7,382	3.83%
Total deposits	1,968,732	16,329	3.33%	1,824,383	16,440	3.61%
Borrowings	575,496	5,262	3.67%	521,375	4,994	3.84%
Total interest-bearing liabilities	2,544,228	21,591	3.40%	2,345,758	21,434	3.66%
Non-interest-bearing liabilities:						
Non-interest-bearing demand	244,483	—		203,349	—	
Other non-interest-bearing liabilities	45,560	—		36,435	—	
Total non-interest-bearing liabilities	290,043	—		239,784	—	
Total liabilities	2,834,271	21,591		2,585,542	21,434	
Total equity	558,025			518,340		
Total liabilities and total equity	$ 3,392,296		3.40%	$ 3,103,882		3.66%
Net interest income		$ 30,061			$ 24,426	
Net interest rate spread (6)			2.89%			2.47%
Net interest-earning assets (7)	$ 749,571			$ 654,065		
Net interest margin (8)			3.66%			3.27%
Average interest-earning assets to interest-bearing liabilities			129.46%			127.88%

(1) Annualized where appropriate.
(2) Loans include loans and mortgage loans held for sale, at fair value.
(3) Securities include available-for-sale securities and held-to-maturity securities.
(4) Includes FHLBNY demand account and FHLBNY stock dividends and FRBNY demand deposits.
(5) For the three months ended June 30, 2025, Advance payments by borrowers for taxes and insurance in the amount of $14.9 million, were reclassified to Savings.
(6) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average rate of interest-bearing liabilities.
(7) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.
(8) Net interest margin represents net interest income divided by average total interest-earning assets.

Rate/Volume Analysis

The following table presents the effects of changing rates and volumes on the Company's net interest income for the periods indicated. The volume column shows the effects attributable to changes in volume (changes in volume multiplied by prior rate). The rate column shows the effects attributable to changes in rate (changes in rate multiplied by prior volume). The total column represents the sum of the prior columns. For purposes of this table, changes attributable to both rate and volume, which cannot be segregated, have been allocated proportionately based on the changes due to rate and the changes due to volume.

	For the Three Months Ended June 30, 2026 vs. 2025		
	Increase (Decrease) Due to		Total Increase (Decrease)
	Volume	Rate	
		(In thousands)	
Interest-earning assets:			
Loans [1]	$ 5,820	$ 724	$ 6,544
Securities [2]	(984)	(102)	(1,086)
Other	578	(244)	334
Total interest-earning assets	5,414	378	5,792
Interest-bearing liabilities:			
NOW/IOLA	11	7	18
Money market	1,687	(1,219)	468
Savings	—	—	—
Certificates of deposit	(268)	(329)	(597)
Total deposits	1,430	(1,541)	(111)
Borrowings	518	(250)	268
Total interest-bearing liabilities	1,948	(1,791)	157
Change in net interest income	$ 3,466	$ 2,169	$ 5,635

(1) Loans include loans and mortgage loans held for sale, at fair value.
(2) Securities include available-for-sale securities and held-to-maturity securities.

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

The discussion of the Company's results of operations for the six months ended June 30, 2026 and 2025 are presented below. The results of operations for interim periods may not be indicative of future results.

Overview. Net income available to common stockholders was $16.6 million for the six months ended June 30, 2026 compared to net income available to common stockholders of $11.5 million for the six months ended June 30, 2025. Earnings per basic share was $0.72 and diluted share was $0.71 for the six months ended June 30, 2026 compared to earnings per basic share of $0.51 and diluted share of $0.50 for the six months ended June 30, 2025. The $5.1 million increase of net income available to common stockholders from the six months ended June 30, 2025, was due to increases of $11.7 million in net interest income, offset by increases of $2.5 million in provision for credit losses, $1.6 million in provision for income taxes, $1.6 million in non-interest expense and a decrease of $0.9 million in non-interest income. Net income for the six months ended June 30, 2026 and 2025 which excludes $0.6 million and $0.6 million, respectively, in dividends on preferred shares, were $17.1 million and $12.1 million, respectively.

The following table presents the results of operations for the periods indicated:

	For the Six Months Ended June 30, 2026	2025	Increase (Decrease) Dollars	Percent
	(Dollars in thousands)			
Interest and dividend income	$ 100,314	$ 89,857	$ 10,457	11.6%
Interest expense	42,027	43,228	(1,201)	(2.8%)
Net interest income	58,287	46,629	11,658	25.0%
Provision (benefit) for credit losses [(1)]	3,804	1,341	2,463	183.7%
Net interest income after provision (benefit) for credit losses	54,483	45,288	9,195	20.3%
Non-interest income	3,569	4,441	(872)	(19.6%)
Non-interest expense [(1)]	35,375	33,757	1,618	4.8%
Income before income taxes	22,677	15,972	6,705	42.0%
Provision for income taxes	5,559	3,913	1,646	42.1%
Net income	17,118	12,059	5,059	42.0%
Dividends on preferred shares	563	563	—	0.0%
Net income available to common stockholders	$ 16,555	$ 11,496	$ 5,059	44.0%
Earnings per common share:				
Basic	$ 0.72	$ 0.51	$ 0.21	41.2%
Diluted	$ 0.71	$ 0.50	$ 0.21	42.0%

Interest and Dividend Income. Interest and dividend income increased $10.5 million, or 11.6%, to $100.3 million for the six months ended June 30, 2026 from $89.9 million for the six months ended June 30, 2025. Interest income on loans receivable, which is the Company’s primary source of income, increased $13.4 million, or 17.3%, to $90.8 million for the six months ended June 30, 2026 from $77.4 million for the six months ended June 30, 2025.

Total interest and dividend income on securities, FHLBNY stock and deposits due from banks decreased $2.9 million, or 23.6%, to $9.5 million for the six months ended June 30, 2026 from $12.4 million for the six months ended June 30, 2025. The decrease was primarily attributable to decreases of $2.4 million in interest on securities and $0.8 million in interest on deposits due from banks, offset by an increase of $0.2 million in dividend on FHLBNY and FRBNY stocks.

The following table presents interest income on loans receivable for the periods indicated:

	For the Six Months Ended June 30, 2026	2025	Change Amount	Percent
	(Dollars in thousands)			
1-4 Family residential	$ 13,272	$ 14,261	$ (989)	(6.9%)
Multifamily residential	25,188	19,315	5,873	30.4%
Nonresidential properties	18,068	11,414	6,654	58.3%
Construction and land	30,302	30,251	51	0.2%
Business loans	3,962	2,143	1,819	84.9%
Consumer loans	25	43	(18)	(41.9%)
Total interest income on loans receivable	$ 90,817	$ 77,427	$ 13,390	17.3%

The following table presents interest and dividend income on securities and FHLBNY stock and deposits due from banks for the periods indicated:

	For the Six Months Ended June 30, 2026	2025	Change Amount	Percent
	(Dollars in thousands)			
Interest on deposits due from banks	$ 1,724	$ 2,475	$ (751)	(30.3%)
Interest on securities	6,407	8,767	(2,360)	(26.9%)
Dividend on FHLBNY and FRBNY stocks	1,366	1,188	178	15.0%
Total interest and dividend income	$ 9,497	$ 12,430	$ (2,933)	(23.6%)

Interest Expense. Interest expense decreased $1.2 million, or 2.8%, to $42.0 million for the six months ended June 30, 2026 from $43.2 million for the six months ended June 30, 2025.

The following table presents interest expense for the periods indicated:

	For the Six Months Ended June 30, 2026	2025	Change Amount	Percent
	(Dollars in thousands)			
Certificates of deposit	$ 13,200	$ 15,136	$ (1,936)	(12.8%)
Money market	17,866	17,341	525	3.0%
Savings	56	56	—	0.0%
NOW/IOLA	252	215	37	17.2%
Borrowings	10,653	10,480	173	1.7%
Total interest expense	$ 42,027	$ 43,228	$ (1,201)	(2.8%)

Net Interest Income. Net interest income increased $11.7 million, or 25.0%, to $58.3 million for the six months ended June 30, 2026 from $46.6 million for the six months ended June 30, 2025. The $11.7 million increase in net interest income for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 was attributable to an increase of $10.5 million in total interest and dividend income primarily due to increases in average loans receivable and a decrease of $1.2 million in interest expense due primarily to a lower average cost of funds on interest bearing liabilities.

Net interest rate spread increased by 54 basis points to 2.87% for the six months ended June 30, 2026 from 2.33% for the six months ended June 30, 2025. The increase in the net interest rate spread for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 was primarily due to an increase in the average yields on interest-earning assets of 24 basis points to 6.26% for the six months ended June 30, 2026 from 6.02% for the six months ended June 30, 2025, and a decrease in the average rates paid on interest-bearing liabilities of 30 basis points to 3.39% for the six months ended June 30, 2026 from 3.69% for the six months ended June 30, 2025.

Net interest margin increased 52 basis points for the six months ended June 30, 2026, to 3.64% from 3.12% for the six months ended June 30, 2025.

Non-Interest Income. Non-interest income decreased $0.9 million, or 19.6%, to $3.6 million for the six months ended June 30, 2026 from $4.4 million for the six months ended June 30, 2025. The $0.9 million decrease in non-interest income for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 was largely attributable to decreases of $0.4 million in late and prepayment charges, $0.4 million in income on sale of SBA loans and $0.4 million in grant income recognized in the second quarter of 2025, partially offset by increases of $0.3 million in other non-interest income and $0.1 million in service charges and fees.

The following table presents non-interest income for the periods indicated:

	For the Six Months Ended June 30, 2026	2025	Change Amount	Percent
	(Dollars in thousands)			
Service charges and fees	$ 1,139	$ 1,036	$ 103	9.9%
Brokerage commissions	—	4	(4)	(100.0%)
Late and prepayment charges	864	1,227	(363)	(29.6%)
Income on sale of mortgage loans	281	317	(36)	(11.4%)
Income on sale of SBA loans	—	404	(404)	— %
Grant income	—	428	(428)	— %
Other	1,285	1,025	260	25.4%
Total non-interest income	$ 3,569	$ 4,441	$ (872)	(19.6%)

Non-Interest Expense. Non-interest expense increased $1.6 million, or 4.8%, to $35.4 million for the six months ended June 30, 2026 from $33.8 million for the six months ended June 30, 2025. The $1.6 million increase in non-interest expense was mainly attributable to an increase of $2.3 million in compensation and benefit, primarily due to new hires, partially offset by decreases of $0.3 million in direct loan expenses, $0.2 million in occupancy and equipment, $0.2 million in other non-interest expenses and $0.2 million in federal deposit insurance and regulatory assessment.

The following table presents non-interest expense for the periods indicated:

	For the Six Months Ended June 30, 2026	2025	Change Amount	Percent
	(Dollars in thousands)			
Compensation and benefits	$ 17,733	$ 15,407	$ 2,326	15.1%
Occupancy and equipment	7,573	7,820	(247)	(3.2%)
Data processing expenses	2,414	2,340	74	3.2%
Direct loan expenses	308	629	(321)	(51.0%)
Insurance and surety bond premiums	665	612	53	8.7%
Office supplies, telephone and postage	345	344	1	0.3%
Professional fees	2,816	2,731	85	3.1%
Marketing and promotional expenses	418	349	69	19.8%
Federal deposit insurance and regulatory assessment	817	1,007	(190)	(18.9%)
Other operating expenses	2,286	2,518	(232)	(9.2%)
Total non-interest expense	$ 35,375	$ 33,757	$ 1,618	4.8%

Income Tax Provision. The Company had a provision for income taxes of $5.6 million for the six months ended June 30, 2026 compared to a provision for income taxes of $3.9 million for the six months ended June 30, 2025.

Average Balance Sheets

The following table sets forth average outstanding balances, average yields and rates, and certain other information for the periods indicated. No tax-equivalent yield adjustments have been made, as the effects would be immaterial. Average balances are derived from average daily balances. Non-accrual loans were included in the computation of average balances. The yields set forth below include the effect of deferred fees, discounts, and premiums that are amortized or accreted to interest income or interest expense.

	For the Six Months Ended June 30,					
	2026			2025		
	Average Outstanding Balance	Interest	Average Yield/Rate [(1)]	Average Outstanding Balance	Interest	Average Yield/Rate [(1)]
	(Dollars in thousands)					
Interest-earning assets:						
Loans [(2)]	$ 2,740,985	90,817	6.68%	$ 2,408,788	$ 77,427	6.48%
Securities [(3)]	352,985	6,407	3.66%	458,660	8,767	3.85%
Other [(4)]	138,299	3,090	4.51%	143,905	3,663	5.13%
Total interest-earning assets	3,232,269	100,314	6.26%	3,011,353	89,857	6.02%
Non-interest-earning assets	95,873			106,600		
Total assets	$ 3,328,142			$ 3,117,953		
Interest-bearing liabilities:						
NOW/IOLA	$ 76,705	$ 252	0.66%	$ 70,243	$ 215	0.62%
Money market	988,744	17,866	3.64%	846,420	17,341	4.13%
Savings [(5)]	120,505	56	0.09%	118,400	56	0.10%
Certificates of deposit	731,371	13,200	3.64%	783,256	15,136	3.90%
Total deposits	1,917,325	31,374	3.30%	1,818,319	32,748	3.63%
Borrowings	579,774	10,653	3.71%	544,857	10,480	3.88%
Total interest-bearing liabilities	2,497,099	42,027	3.39%	2,363,176	43,228	3.69%
Non-interest-bearing liabilities:						
Non-interest-bearing demand	232,834	—		200,007	—	
Other non-interest-bearing liabilities	44,804	—		40,155	—	
Total non-interest-bearing liabilities	277,638	—		240,162	—	
Total liabilities	2,774,737	42,027		2,603,338	43,228	
Total equity	553,405			514,615		
Total liabilities and total equity	$ 3,328,142		3.39%	$ 3,117,953		3.69%
Net interest income		$ 58,287			$ 46,629	
Net interest rate spread [(6)]			2.87%			2.33%
Net interest-earning assets [(7)]	$ 735,170			$ 648,177		
Net interest margin [(8)]			3.64%			3.12%
Average interest-earning assets to interest-bearing liabilities			129.44%			127.43%

(1) Annualized where appropriate.

(2) Loans include loans and mortgage loans held for sale, at fair value.

(3) Securities include available-for-sale securities and held-to-maturity securities.

(4) Includes FHLBNY demand account and FHLBNY stock dividends and FRBNY demand deposits.

(5) For the six months ended June 30, 2025, Advance payments by borrowers for taxes and insurance in the amount of $13.7 million, were reclassified to Savings.

(6) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average rate of interest-bearing liabilities.

(7) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.

(8) Net interest margin represents net interest income divided by average total interest-earning assets.

Rate/Volume Analysis

The following table presents the effects of changing rates and volumes on the Company’s net interest income for the periods indicated. The volume column shows the effects attributable to changes in volume (changes in volume multiplied by prior rate). The rate column shows the effects attributable to changes in rate (changes in rate multiplied by prior volume). The total column represents the sum of the prior columns. For purposes of this table, changes attributable to both rate and volume, which cannot be segregated, have been allocated proportionately based on the changes due to rate and the changes due to volume.

	For the Six Months Ended June 30, 2026 vs. 2025		
	Increase (Decrease) Due to		Total Increase (Decrease)
	Volume	Rate	
	(In thousands)		
Interest-earning assets:			
Loans (1)	$ 10,678	$ 2,712	$ 13,390
Securities (2)	(2,020)	(340)	(2,360)
Other	(143)	(430)	(573)
Total interest-earning assets	8,515	1,942	10,457
Interest-bearing liabilities:			
NOW/IOLA	20	17	37
Money market	2,916	(2,391)	525
Savings	1	(1)	—
Certificates of deposit	(1,003)	(933)	(1,936)
Total deposits	1,934	(3,308)	(1,374)
Borrowings	672	(499)	173
Total interest-bearing liabilities	2,606	(3,807)	(1,201)
Change in net interest income	$ 5,909	$ 5,749	$ 11,658

(1) Loans include loans and mortgage loans held for sale, at fair value.
(2) Securities include available-for-sale securities and held-to-maturity securities.

Credit Quality

Total non-performing assets and accruing modifications to borrowers experiencing financial difficulty were $26.8 million at June 30, 2026 compared to $30.2 million at December 31, 2025 and $28.5 million at June 30, 2025.

During the three months ended June 30, 2026, a credit loss provision of $2.1 million on loans was recorded, consisting of $1.7 million charged on the funded portion and $0.4 million charged on the unfunded portion on loans. During the three months ended June 30, 2025, a credit loss provision of $1.6 million on loans was recorded, consisting of $1.3 million charged on the funded portion on loans and $0.3 million charged on the unfunded portion on loans.

During the six months ended June 30, 2026, a credit loss provision of $3.8 million on loans was recorded, consisting of $3.0 million charged on the funded portion and $0.8 million charged on the unfunded portion on loans. During the six months ended June 30, 2025, a credit loss provision of $1.3 million on loans was recorded, consisting of $2.0 million charged on the funded portion on loans and $0.7 million benefit on the unfunded portion on loans.

Management of Market Risk

General. The most significant form of market risk is interest rate risk because, as a financial institution, the majority of the Bank’s assets and liabilities are sensitive to changes in interest rates. Therefore, a principal part of our operations is to manage interest rate risk and limit the exposure of its financial condition and results of operations to changes in market interest rates. The Bank’s Asset/Liability Committee ("ALCO") is responsible for evaluating the interest rate risk inherent in the Bank’s assets and liabilities, for determining the level of risk that is appropriate, given the business strategy, operating environment, capital, liquidity and performance objectives, and for managing this risk consistent with policies and guidelines approved by the Board of Directors. The Bank currently utilizes a third-party modeling solution that is prepared on a quarterly basis, to evaluate its sensitivity to changing interest rates, given the Bank’s business strategy, operating environment, capital, liquidity and performance objectives, and for managing this risk consistent with the guidelines approved by the Board of Directors.

Net Interest Income Simulation Models. Management utilizes a respected, sophisticated third party designed asset liability modeling software that measures the Bank's earnings through simulation modeling. Earning assets, interest-bearing liabilities and off-balance sheet financial instruments are combined with forecasts of interest rates for the next 12 months and are combined with other factors in order to produce various earnings simulations over that same 12-month period. To limit interest rate risk, the Bank has policy guidelines for earnings risk which seek to limit the variance of net interest income under instantaneous changes to interest rates. As of June 30, 2026, in the event of an instantaneous upward and downward change in rates from management's interest rate forecast over the next twelve months, assuming a static balance sheet, the following estimated changes are calculated:

Rate Shift (1)	Net Interest Income Year 1 Forecast	Year 1 Change from Level
	(Dollars in thousands)	
+400	$ 112,098	(9.45%)
+300	114,969	(7.13%)
+200	117,949	(4.72%)
+100	120,801	(2.42%)
Level	123,792	— %
-100	125,350	1.26%
-200	127,087	2.66%
-300	128,671	3.94%
-400	129,353	4.49%

(1) Assumes an instantaneous uniform change in interest rates at all maturities.

Although an instantaneous and severe shift in interest rates was used in this analysis to provide an estimate of exposure under these scenarios, management believes that a gradual shift in interest rates would have a more modest impact. Further, the earnings simulation model does not take into account factors such as future balance sheet growth, changes in product mix, changes in yield curve relationships, and changing product spreads that could alter any potential adverse impact of changes in interest rates.

The behavior of the deposit portfolio in the baseline forecast and in alternate interest rate scenarios set out in the table above is a key assumption in the projected estimates of net interest income. The projected impact on net interest income in the table above assumes no change in deposit portfolio size or mix from the baseline forecast in alternative rate environments. In higher rate scenarios, any customer activity resulting in the replacement of low-cost or non-interest-bearing deposits with higher-yielding deposits or market-based funding would reduce the benefit in those scenarios.

At June 30, 2026, the earnings simulation model indicated that the Bank was in compliance with the Board of Directors approved Interest Rate Risk Policy.

Economic Value of Equity Model. While earnings simulation modeling attempts to determine the impact of a changing rate environment to net interest income, the Economic Value of Equity Model ("EVE") measures estimated changes to the economic values of assets, liabilities and off-balance sheet items as a result of interest rate changes. Economic values are determined by discounting expected cash flows from assets, liabilities and off-balance sheet items, which establishes a base case EVE. Rates are then shocked as prescribed by the Interest Rate Risk Policy to measure the sensitivity in EVE values for each of those shocked rate scenarios versus the base case. The Interest Rate Risk Policy sets limits for those sensitivities. At June 30, 2026, the EVE modeling calculated the following estimated changes in EVE due to instantaneous upward and downward changes in rates:

		Estimated Increase (Decrease) in EVE		EVE as a Percentage of Present Value of Assets (3)	
Change in Interest Rates (basis points) (1)	Estimated EVE (2)	Amount	Percent	EVE Ratio (4)	Increase (Decrease) (basis points)
		(Dollars in thousands)			
+400	$ 467,425	$ (117,170)	(20.04%)	14.51%	(2,003)
+300	493,767	(90,828)	(15.54%)	15.09%	(1,552)
+200	521,532	(63,063)	(10.79%)	15.69%	(1,077)
+100	552,268	(32,327)	(5.53%)	16.35%	(551)
Level	584,595	—	— %	17.02%	—
-100	610,251	25,656	4.39%	17.45%	441
-200	638,554	53,959	9.23%	17.92%	925
-300	666,143	81,548	13.95%	18.33%	1,397
-400	711,805	127,210	21.76%	19.07%	2,178

(1) Assumes an instantaneous uniform change in interest rates at all maturities.
(2) EVE is the discounted present value of expected cash flows from assets, liabilities and off-balance sheet contracts.
(3) Present value of assets represents the discounted present value of incoming cash flows on interest-earning assets.
(4) EVE Ratio represents EVE divided by the present value of assets.

Although an instantaneous and severe shift in interest rates was used in this analysis to provide an estimate of exposure under these scenarios, management believes that a gradual shift in interest rates would have a more modest impact. Since EVE measures the discounted present value of cash flows over the estimated lives of instruments, the change in EVE does not directly correlate to the degree that earnings would be impacted over a shorter time horizon (i.e., the current year). Further, EVE does not take into account factors such as future balance sheet growth, changes in product mix, changes in yield curve relationships, and changing product spreads that could alter the adverse impact of changes in interest rates.

At June 30, 2026, the EVE model indicated that the Bank was in compliance with the Board of Directors' approved Interest Rate Risk Policy.

Most Likely Earnings Simulation Models. Management also analyzes a most-likely earnings simulation scenario that projects the expected change in rates based on a forward yield curve adopted by management using expected balance sheet volumes forecasted by management. Separate growth assumptions are developed for loans, investments, deposits, etc. Other interest rate scenarios analyzed by management may include delayed rate shocks, yield curve steepening or flattening, or other variations in rate movements to further analyze or stress the balance sheet under various interest rate scenarios. Each scenario is evaluated by management and weighted to determine the most likely result. These processes assist management to better anticipate financial results and, as a result, management may determine the need to review other operating strategies and tactics which might enhance results or better position the balance sheet to reduce interest rate risk going forward.

Each of the above analyses may not, on its own, be an accurate indicator of how net interest income will be affected by changes in interest rates. Income associated with interest-earning assets and costs associated with interest-bearing liabilities may not be affected uniformly by changes in interest rates. In addition, the magnitude and duration of changes in interest rates may have a significant impact on net interest income. For example, although certain assets and liabilities may have similar maturities or periods of repricing, they may react in different degrees to changes in market interest rates. Interest rates on certain types of assets and liabilities fluctuate in advance of changes in general market rates, while interest rates on other types may lag behind changes in general market rates. In addition, certain assets, such as adjustable rate mortgage loans, have features (generally referred to as interest rate caps and floors) which limit changes in interest rates. Prepayment and early withdrawal levels also could deviate significantly from those assumed in calculating the maturity of certain instruments. The ability of many borrowers to service their debts also may decrease during periods of rising interest rates. The ALCO Committee reviews each of the above interest rate sensitivity analyses along with several different interest rate scenarios as part of its responsibility to provide a satisfactory, consistent level of profitability within the framework of established liquidity, loan, investment, borrowing and capital policies.

Management's model governance, model implementation and model validation processes and controls are subject to review in the Bank's regulatory examinations to ensure they are in compliance with the most recent regulatory guidelines and industry and regulatory practices. Management utilizes a respected, sophisticated third party designed asset liability modeling software to help ensure implementation of management's assumptions into the model are processed as intended in a robust manner. That said, there are numerous assumptions regarding financial instrument behaviors that are integrated into the model. The assumptions are formulated by combining observations gleaned from the Bank's historical studies of financial instruments and the best estimations of how, if at all, these instruments may behave in the future given changes in economic conditions, technology, etc. These assumptions may prove to be inaccurate. Additionally, given the large number of assumptions built into Bank's asset liability modeling software, it is difficult, at best, to compare its results to other banks.

The ALCO Committee may determine that the Company should over time become more or less asset or liability sensitive depending on the underlying balance sheet circumstances and its conclusions regarding interest rate fluctuations in future periods. The historically low benchmark federal funds interest rate of the last several years implemented in response the turmoil resulting from COVID-19 pandemic has ended.

On September 18, 2024, the Federal Reserve announced that the target range for the federal funds rate decreased by 50 basis points to 4.75% to 5.00% effective on September 19, 2024. It marked the first rate cut in over four years and signaled a shift in strategy aimed at bolstering the economy and preventing a rise in unemployment. In November 2024, the Federal Reserve lowered the target range by 25 basis points to 4.50% to 4.75% and in December 2024 another 25 basis points to 4.25% to 4.50%. The Federal Reserve reduced the federal funds rate by 25 basis points each in September 2025, October 2025 and December 2025, resulting in the current federal funds rate range of 3.50% to 3.75%. At its January 2026, March 2026, April 2026, June 2026 and July 2026 meetings, the Federal Reserve kept its interest rate steady at 3.50% to 3.75%. Our net interest income may be positively impacted if the demand for loans increases due to the lower rates, alone or in tandem with lower inflation, or it may be negatively impacted if we fail to appropriately time adjustments to our funding costs and the rates we earn on our loans.

GAP Analysis. In addition, management analyzes interest rate sensitivity by monitoring the Bank’s interest rate sensitivity "gap." The interest rate sensitivity gap is the difference between the amount of interest-earning assets maturing or repricing within a specific time period and the amount of interest bearing-liabilities maturing or repricing within that same time period. A gap is considered positive when the amount of interest rate sensitive assets maturing or repricing during a period exceeds the amount of interest rate sensitive liabilities maturing or repricing during the same period, and a gap is considered negative when the amount of interest rate sensitive liabilities maturing or repricing during a period exceeds the amount of interest rate sensitive assets maturing or repricing during the same period.

The following table sets forth the Company’s interest-earning assets and its interest-bearing liabilities at June 30, 2026, which are anticipated to reprice or mature in each of the future time periods shown based upon certain assumptions. The amounts of assets and liabilities shown which reprice or mature during a particular period were determined in accordance with the earlier of term to repricing or the contractual maturity of the asset or liability. The table sets forth an approximation of the projected repricing of assets and liabilities at June 30, 2026, on the basis of contractual maturities, anticipated prepayments and scheduled rate adjustments. The loan amounts in the table reflect principal balances expected to be redeployed and/or repriced as a result of contractual amortization and as a result of contractual rate adjustments on adjustable-rate loans.

	June 30, 2026 Time to Repricing							
	Zero to 90 Days	Zero to 180 Days	Zero Days to One Year	Zero Days to Five Years	Five Years Plus	Total Earning Assets & Costing Liabilities	Non Earning Assets & Non Costing Liabilities	Total
	(Dollars in thousands)							
Assets:								
Interest-bearing deposits in banks	$ 113,422	$ 113,422	$ 113,422	$ 113,422	$ —	$ 113,422	$ 26,588	$ 140,010
Securities [(1)]	25,876	35,324	66,275	203,511	179,119	382,630	(44,240)	338,390
Placement with banks	249	249	249	249	—	249	—	249
Net loans (includes LHFS)	721,379	1,047,582	1,476,889	2,797,131	91,924	2,889,055	(6,265)	2,882,790
FHLBNY stock	—	—	—	—	—	—	30,689	30,689
FRBNY stock	—	—	—	—	—	—	10,714	10,714
Other assets	—	—	—	—	—	—	91,869	91,869
Total	$ 860,926	$ 1,196,577	$ 1,656,835	$ 3,114,313	$ 271,043	$ 3,385,356	$ 109,355	$ 3,494,711
Liabilities:								
Non-maturity deposits	$ 111,354	$ 222,709	$ 445,419	$ 1,203,991	$ 337,534	1,541,525	$ (8,501)	$ 1,533,024
Certificates of deposit	234,822	433,108	589,663	738,671	—	738,671	114	738,785
Borrowings	200,000	200,000	229,000	621,100	—	621,100	—	621,100
Other liabilities	—	—	—	—	—	—	40,832	40,832
Total liabilities	546,176	855,817	1,264,082	2,563,762	337,534	2,901,296	32,445	2,933,741
Capital	—	—	—	—	—	—	560,970	560,970
Total liabilities and capital	$ 546,176	$ 855,817	$ 1,264,082	$ 2,563,762	$ 337,534	$ 2,901,296	$ 593,415	$ 3,494,711
Asset/liability gap	$ 314,750	$ 340,760	$ 392,753	$ 550,551	$ (66,491)	$ 484,060		
Gap/assets ratio	157.63%	139.82%	131.07%	121.47%	80.30%	116.68%		

(1) Includes available-for-sale securities and held-to-maturity securities.

The following table sets forth the Company's interest-earning assets and its interest-bearing liabilities at December 31, 2025, which are anticipated to reprice or mature in each of the future time periods shown based upon certain assumptions. The amounts of assets and liabilities shown which reprice or mature during a particular period were determined in accordance with the earlier of term to repricing or the contractual maturity of the asset or liability. The table sets forth an approximation of the projected repricing of assets and liabilities at December 31, 2025, on the basis of contractual maturities, anticipated prepayments and scheduled rate adjustments. The loan amounts in the table reflect principal balances expected to be redeployed and/or repriced as a result of contractual amortization and as a result of contractual rate adjustments on adjustable-rate loans.

	December 31, 2025 Time to Repricing							
	Zero to 90 Days	Zero to 180 Days	Zero Days to One Year	Zero Days to Five Years	Five Years Plus	Total Earning Assets & Costing Liabilities	Non Earning Assets & Non Costing Liabilities	Total
	(Dollars in thousands)							
Assets:								
Interest-bearing deposits in banks	$ 97,643	$ 97,643	$ 97,643	$ 97,643	$ —	$ 97,643	$ 28,511	$ 126,154
Securities [(1)]	27,429	37,828	63,963	235,594	143,993	379,587	(14,409)	365,178
Placement with banks	—	—	—	249	—	249	—	249
Net loans (includes LHFS)	784,821	1,022,289	1,454,001	2,568,380	53,141	2,621,521	(18,875)	2,602,646
FHLBNY stock	29,309	29,309	29,309	29,309	—	29,309	—	29,309
FRBNY stock	10,698	10,698	10,698	10,698	—	10,698	—	10,698
Other assets	—	—	—	—	—	—	89,736	89,736
Total	$ 949,900	$ 1,197,767	$ 1,655,614	$ 2,941,873	$ 197,134	$ 3,139,007	$ 84,963	$ 3,223,970
Liabilities:								
Non-maturity deposits	$ 79,323	$ 158,647	$ 317,295	$ 975,246	$ 375,933	$ 1,351,179	$ (9,047)	$ 1,342,132
Certificates of deposit	283,828	450,633	594,370	704,503	—	704,503	—	704,503
Borrowings	75,000	75,000	225,000	596,100	—	596,100	—	596,100
Other liabilities	—	—	—	—	—	—	39,686	39,686
Total liabilities	438,151	684,280	1,136,665	2,275,849	375,933	2,651,782	30,639	2,682,421
Capital	—	—	—	—	—	—	541,549	541,549
Total liabilities and capital	$ 438,151	$ 684,280	$ 1,136,665	$ 2,275,849	$ 375,933	$ 2,651,782	$ 572,188	$ 3,223,970
Asset/liability gap	$ 511,749	$ 513,487	$ 518,949	$ 666,024	$ (178,799)	$ 487,225		
Gap/assets ratio	216.80%	175.04%	145.66%	129.26%	52.44%	118.37%		

(1) Includes available-for-sale securities and held-to-maturity securities.

Certain shortcomings are inherent in the methodologies used in the above interest rate risk measurements. Modeling changes 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 net interest income and EVE tables presented assume that the composition of the 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 net interest income and EVE tables provide an indication of the 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 net interest income and EVE and will differ from actual results. Furthermore, although certain assets and liabilities may have similar maturities or periods to repricing, they may react in different degrees to changes in market interest rates. Additionally, certain assets, such as adjustable-rate loans, have features that restrict changes in interest rates both on a short-term basis and over the life of the asset.

In the event of changes in interest rates, prepayment and early withdrawal levels would likely deviate significantly from those assumed in calculating the gap table.

Interest rate risk calculations also may not reflect the fair values of financial instruments. For example, decreases in market interest rates can increase the fair values of loans, deposits and borrowings.

Liquidity and Capital Resources

Liquidity describes the ability to meet the financial obligations that arise in the ordinary course of business. Liquidity is primarily needed to meet the borrowing and deposit withdrawal requirements of the Company's customers and to fund current and future planned expenditures.

Although maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit flows and loan prepayments are greatly influenced by market interest rates, economic conditions, and competition. The most liquid assets are cash and interest-bearing deposits in banks. The levels of these assets are dependent on operating, financing, lending, and investing activities during any given period. The Bank had $621.1 million and $596.1 million of outstanding term advances from FHLBNY at June 30, 2026 and December 31, 2025, respectively. The Bank had no overnight line of credit advance from the FHLBNY at June 30, 2026 and December 31, 2025.

Net cash provided by operating activities was $21.9 million and $19.3 million for the six months ended June 30, 2026 and 2025, respectively. Net cash used in investing activities, which consists primarily of disbursements for loan originations, net purchase and redemption of FHLBNY stock and purchase of equipment offset by principal collections on loans and proceeds from maturities, calls and principal repayments on securities was ($257.9) million and ($129.2) million for the six months ended June 30, 2026 and 2025, respectively. Net cash provided by financing activities, consisting of activities in borrowing, deposit accounts and dividends paid on preferred stock, was $249.8 million and $96.8 million for the six months ended June 30, 2026 and 2025, respectively.

At June 30, 2026 and December 31, 2025, all regulatory capital requirements were met, resulting in the Company and the Bank being categorized as well capitalized. Management is not aware of any conditions or events that would change this categorization.

Material Cash Requirements

Commitments. As a financial services provider, the Company routinely is a party to various financial instruments with off-balance-sheet risks, such as commitments to extend credit and unused lines of credit. Although these contractual obligations represent the Company's future cash requirements, a significant portion of commitments to extend credit may expire without being drawn upon. Such commitments are subject to the same credit policies and approval process accorded to loans originated. At June 30, 2026 and December 31, 2025, the Company had outstanding commitments to originate loans and extend credit of $605.5 million and $481.7 million, respectively.

It is anticipated that the Company will have sufficient funds available to meet its current lending commitments. Certificates of deposit that are scheduled to mature in 2026 totaled $433.1 million. Management expects that a substantial portion of the maturing time deposits will be renewed. However, if a substantial portion of these deposits are not retained, the Company may utilize FHLBNY advances, FRBNY advances, unsecured credit lines with correspondent banks, or raise interest rates on deposits to attract new accounts, which may result in higher levels of interest expense.

Contractual Obligations. In the ordinary course of its operations, the Company enters into certain contractual obligations. Such obligations include data processing services, operating leases for premises and equipment, agreements with respect to borrowed funds and deposit liabilities. There have been no material changes in the Company's material cash requirements under its contractual obligations as discussed in its most recent annual report on Form 10-K.

Dividend on Preferred Stock. Pursuant to the terms of its Preferred Stock, the Company is required to pay a quarterly dividend on its Preferred Stock, beginning during the quarter ended June 30, 2024. The floor dividend rate is 0.50% and the ceiling dividend rate is 2.00%, based on achievement of certain qualified lending targets. For quarterly dividends through June 15, 2025, the Company is required to pay quarterly dividends on the Preferred Stock at a rate of 0.50%. In June 2024, the Company began paying dividends on its Preferred Stock, which dividends were $0.6 million for both the six months ended June 30, 2026 and 2025.

Other Material Cash Requirements. In addition to contractual obligations, the Company's material cash requirements also includes compensation and benefits expenses for its employees, which were $17.7 million for the six months ended June 30, 2026. The Company also has material cash requirements for occupancy and equipment expenses, excluding depreciation and amortization of $1.0 million, related to rental expenses, general maintenance and cleaning supplies, guard services, software licenses and other miscellaneous expenses, which were $6.5 million for the six months ended June 30, 2026.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The information required by this item is included in Part I, Item 2 of this report under "Management of Market Risk".

Item 4. Controls and Procedures.

An evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) promulgated under the Securities and Exchange Act of 1934, as amended) as of June 30, 2026. Based on that evaluation, the Company's management, including the Chief Executive Officer and the Chief Financial Officer, concluded that the Registrant's disclosure controls and procedures were effective.

During the six months ended June 30, 2026, there were no changes in the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is not involved in any pending legal proceedings as a plaintiff or a defendant other than routine legal proceeding occurring in the ordinary course of business. At June 30, 2026, the Company was not involved in any legal proceedings the outcome of which management believes would be material to its financial condition or results of operations.

Item 1A. Risk Factors.

In addition to the other information set forth in this Quarterly Report, you should carefully consider the risk factors and other cautionary statements described under the heading “Item 1A. Risk Factors” included in our 2025 Form 10-K and the risk factors and other cautionary statements contained in our other SEC filings, which could materially affect our businesses, financial condition or future results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results. There have been no material changes in our Risk Factors from those disclosed in Item 1A of our 2025 Form 10-K or our other SEC filings.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

None

Item 5. Other Information.

None

Item 6. Exhibits

Exhibit Number	Description
3.1	Articles of Incorporation of Ponce Financial Group, Inc. (attached as Exhibit 3.1 to the Registrant's Form S-1 (File No. 333-258394) filed with the Commission on August 3, 2021).
3.2	Bylaws of Ponce Financial Group, Inc. (attached as Exhibit 3.2 to the Registrant's Form S-1 (File No. 333-258394) filed with the Commission on August 3, 2021).
3.3	Articles Supplementary to the Charter of Ponce Financial Group, Inc. (attached as Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-41255) filed with the Commission on June 9, 2022).
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*** Filed herewith.**

SIGNATURES

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.
(Registrant)

Date: August 5, 2026

By: /s/ Carlos P. Naudon
Carlos P. Naudon
President and Chief Executive Officer

Date: August 5, 2026

By: /s/ Sergio J. Vaccaro
Sergio J. Vaccaro
Executive Vice President and Chief Financial Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Carlos P. Naudon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ponce Financial Group, 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 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(s) 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(s) 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 the 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: August 5, 2026

By: /s/ Carlos P. Naudon
Carlos P. Naudon
President
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Sergio J. Vaccaro, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ponce Financial Group, 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 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(s) 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(s) 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 the 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: August 5, 2026

By: /s/ Sergio J. Vaccaro
Sergio J. Vaccaro
Executive Vice President
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Ponce Financial Group, Inc. (the “Company”) on Form 10-Q for the period ending June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) 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.

Date: August 5, 2026

By: /s/ Carlos P. Naudon
Carlos P. Naudon
President
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Ponce Financial Group, Inc. (the “Company”) on Form 10-Q for the period ending June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) 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.

Date: August 5, 2026

By: /s/ Sergio J. Vaccaro
Sergio J. Vaccaro
Executive Vice President
Chief Financial Officer