REFINITIV

DELTA REPORT

10-Q

MGYR - MAGYAR BANCORP, INC.

10-Q - DECEMBER 31, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	934
CHANGES	279
DELETIONS	375
ADDITIONS	280

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

FORM 10-Q

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2024 December 31, 2024

☐TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ______________ __________ to ______________ __________

Commission File Number **000-51726**

Magyar Bancorp, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**20-4154978**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
400 Somerset Street, New Brunswick, New Jersey	**08901**
(Address of Principal Executive Office)	(Zip Code)

(732) 342-7600
(Issuer's Telephone Number including area code)

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

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, $.01 per share	MGYR	The NASDAQ Global Market

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 past 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 posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 Securities 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 Securities 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 ☑

The number of shares outstanding of the issuer's common stock at August 1, 2024 February 1, 2025 was 6,490,168
6,479,621

MAGYAR BANCORP, INC.

Form 10-Q Quarterly Report

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

MAGYAR BANCORP, INC. AND SUBSIDIARY
Consolidated Balance Sheets
(In Thousands, Except Share and Per Share Data)

	June 30, 2024 (Unaudited)	September 30, 2023	December 31, 2024 (Unaudited)	September 30, 2024
Assets				
Cash and due from banks	$ 3,271	$ 3,179	$ 2,852	$ 1,577
Interest earning deposits with banks	45,776	69,353	55,680	24,019
Total cash and cash equivalents	49,047	72,532	58,532	25,596
Investment securities - available for sale, at fair value	15,584	10,125	17,346	15,616
Investment securities - held to maturity, at amortized cost (fair value of $69,500 and $73,728 at June 30, 2024 and September 30, 2023, respectively)	78,917	85,835		
Investment securities - held to maturity, at amortized cost (fair value of $71,812 and $72,617 at December 31, 2024 and September 30, 2024, respectively)			80,644	79,816
Federal Home Loan Bank of New York stock, at cost	2,349	2,286	2,433	2,349
Loans receivable	759,409	697,400	805,489	780,162
Allowance for credit losses-loans	(7,744)	(8,330)	(7,860)	(7,548)
Bank owned life insurance	18,258	18,030	20,264	23,342
Accrued interest receivable	4,815	4,337	5,227	5,056
Premises and equipment, net	12,354	13,339	12,680	12,545
Other real estate owned ("OREO")	842	328	2,537	3,725
Other assets	10,523	11,410	11,116	11,259
Total assets	$ 944,354	$ 907,292	$ 1,008,408	$ 951,918
Liabilities and Stockholders' Equity				
Liabilities				
Deposits	$ 789,193	$ 755,453	$ 848,832	$ 796,674
Escrowed funds	4,985	3,494	5,021	4,310
Borrowings	28,568	29,515	30,424	28,568
Accrued interest payable	845	443	789	891
Accounts payable and other liabilities	11,724	13,597	11,666	10,927
Total liabilities	835,315	802,502	896,732	841,370
Stockholders' equity				
Preferred stock: $.01 Par Value, 500,000 shares authorized; at June 30, 2024 and September 30, 2023, none issued	—	—		
Common stock: $.01 Par Value, 14,000,000 shares authorized; 7,097,825 shares issued; 6,588,556 and 6,674,184 shares outstanding at June 30, 2024 and September 30, 2023, respectively, at cost	71	71		
Preferred stock: $.01 Par Value, 500,000 shares authorized; at December 31, 2024 and September 30, 2024, none issued			—	—
Common stock: $.01 Par Value, 14,000,000 shares authorized; 7,097,825 shares issued; 6,479,621 and 6,509,358 shares outstanding at December 31, 2024 and September 30, 2024, respectively, at cost			71	71
Additional paid-in capital	63,303	62,801	63,263	63,085
Treasury stock: 509,269 and 423,641 shares at June 30, 2024 and September 30, 2023, respectively, at cost	(6,315)	(5,362)		
Treasury stock: 618,204 and 588,467 shares at December 31, 2024 and September 30, 2024, respectively, at cost			(7,777)	(7,364)
Unearned Employee Stock Ownership Plan shares	(2,997)	(3,097)	(2,946)	(2,972)

Retained earnings	56,399	52,166	60,160	58,644
Accumulated other comprehensive loss	(1,422)	(1,789)	(1,095)	(916)
Total stockholders' equity	109,039	104,790	111,676	110,548
Total liabilities and stockholders' equity	$ 944,354	$ 907,292	$ 1,008,408	$ 951,918

The accompanying notes are an integral part of these consolidated financial statements.

MAGYAR BANCORP, INC. AND SUBSIDIARY
Consolidated Statements of Income
(In Thousands, Except Share and Per Share Data)

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Nine Months Ended June 30, 2024	Nine Months Ended June 30, 2023	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
	(Unaudited)				(Unaudited)	
Interest and dividend income						
Loans, including fees	$ 10,962	$ 9,033	$ 31,584	$ 25,610	$ 11,864	$ 10,082
Investment securities						
Investment securities and interest earning deposits						
Taxable	1,298	692	4,013	1,707	973	1,406
Tax-exempt	14	14	43	43	14	14
Federal Home Loan Bank of New York stock	53	38	165	92	55	55
Total interest and dividend income	12,327	9,777	35,805	27,452	12,906	11,557
Interest expense						
Deposits	5,337	2,648	14,190	6,132	5,254	4,077
Borrowings	206	239	663	594	208	236
Total interest expense	5,543	2,887	14,853	6,726	5,462	4,313
Net interest and dividend income	6,784	6,890	20,952	20,726	7,444	7,244
Provision (recovery) for credit losses-loans	49	(81)	359	432		
Recovery for credit losses-unfunded commitments	(103)	—	82	—		
Total (recovery) provision for credit losses	(54)	(81)	441	432		
Net interest and dividend income after provision (recovery) for credit losses	6,838	6,971	20,511	20,294		
Provision for credit losses-loans					209	384
(Recovery) provision for credit losses-unfunded commitments					(108)	97
Total provision for credit losses					101	481
Net interest and dividend income after provision for credit losses					7,343	6,763
Other income						
Service charges	282	392	878	957	321	303
Income on bank owned life insurance	93	92	279	278	167	95
Interest rate swap fees	—	—	—	57		
Other operating income	22	25	68	66	8	22
Gains on sales of premises and equipment	—	9	60	9		
Gains on sale of SBA loans	—	103	342	485		
Gains on sale of OREO	12	—	12	—		
Gains on premises and equipment					—	60
Gains on SBA loans					236	129
Net gains on OREO					224	—
Total other income	409	621	1,639	1,852	956	609
Other expenses						
Compensation and employee benefits	2,893	2,802	8,748	8,199	3,081	2,847
Occupancy expenses	825	803	2,418	2,355	991	790
Professional fees	200	188	605	572	199	226
Data processing expenses	147	148	434	443	91	140
Director fees and benefits	169	164	600	574	201	224
Marketing and business development	100	101	294	344	127	97
FDIC deposit insurance premiums	106	96	314	243	107	103

Other expenses	615	584	1,771	1,534	612	593
Total other expenses	5,055	4,886	15,184	14,264	5,409	5,020
Income before income tax expense	2,192	2,706	6,966	7,882	2,890	2,352
Income tax expense	501	788	1,726	2,358	805	$ 700
Net income	$ 1,691	$ 1,918	$ 5,240	$ 5,524	$ 2,085	1,652
Earnings per share - basic	$ 0.27	$ 0.30	$ 0.82	$ 0.86		
Earnings per share - diluted	$ 0.27	$ 0.30	$ 0.82	$ 0.86		
Weighted average shares outstanding - basic	6,336,702	6,412,536	6,358,581	6,426,978		
Weighted average shares outstanding - diluted	6,336,702	6,412,536	6,358,581	6,426,978		
Earnings per share - basic and diluted					$ 0.34	$ 0.26
Weighted average shares outstanding - basic and diluted					6,232,069	6,387,010

The accompanying notes are an integral part of these consolidated financial statements.

MAGYAR BANCORP, INC. AND SUBSIDIARY
Consolidated Statements of Comprehensive Income
(In Thousands)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
	(Unaudited)			
Net income	$ 1,691	$ 1,918	$ 5,240	$ 5,524
Other comprehensive income (loss):				
Unrealized gain (loss) on securities available for sale	(14)	(137)	487	247
Other comprehensive income (loss), before tax	(14)	(137)	487	247
Deferred income tax effect	4	34	(120)	(61)
Total other comprehensive income (loss)	$ (10)	$ (103)	$ 367	$ 186
Total comprehensive income	$ 1,681	$ 1,815	$ 5,607	$ 5,710

The accompanying notes are an integral part of these consolidated financial statements.

MAGYAR BANCORP, INC. AND SUBSIDIARY
Consolidated Statements of Changes in Stockholders' Equity
For the Three and Nine Months Ended June 30, 2024 and 2023
(In Thousands, Except for Share and Per-Share Amounts)

	Common Stock Shares Outstanding	Common Stock Par Value	Additional Paid-In Capital	Treasury Stock	Unearned ESOP Shares	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	(Unaudited)							
Balance, September 30, 2023	6,674,184	$ 71	$ 62,801	$ (5,362)	$ (3,097)	$ 52,166	$ (1,789)	$ 104,790
Net income	—	—	—	—	—	1,652	—	1,652
Dividends paid on common stock ($0.11 per share)	—	—	—	—	—	(716)	—	(716)
Effect of adopting ASU 2016-13	—	—	—	—	—	354	—	354
Other comprehensive income	—	—	—	—	—	—	440	440
ESOP shares allocated	—	—	—	—	50	—	—	50
Purchase of treasury stock	(19,232)	—	—	(192)	—	—	—	(192)
Stock-based compensation expense	—	—	161	—	—	—	—	161
Balance, December 31, 2023	6,654,952	$ 71	$ 62,962	$ (5,554)	$ (3,047)	$ 53,456	$ (1,349)	$ 106,539
Net income	—	—	—	—	—	1,897	—	1,897
Dividends paid on common stock ($0.05 per share)	—	—	—	—	—	(326)	—	(326)
Other comprehensive loss	—	—	—	—	—	—	(63)	(63)
ESOP shares allocated	—	—	9	—	25	—	—	34
Purchase of treasury stock	(52,513)	—	—	(608)	—	—	—	(608)
Stock-based compensation expense	—	—	162	—	—	—	—	162
Balance, March 31, 2024	6,602,439	$ 71	$ 63,133	$ (6,162)	$ (3,022)	$ 55,027	$ (1,412)	$ 107,635
Net income	—	—	—	—	—	1,691	—	1,691
Dividends paid on common stock ($0.05 per share)	—	—	—	—	—	(319)	—	(319)
Other comprehensive loss	—	—	—	—	—	—	(10)	(10)
ESOP shares allocated	—	—	9	—	25	—	—	34
Purchase of treasury stock	(13,883)	—	—	(153)	—	—	—	(153)
Stock-based compensation expense	—	—	161	—	—	—	—	161
Balance, June 30, 2024	6,588,556	$ 71	$ 63,303	$ (6,315)	$ (2,997)	$ 56,399	$ (1,422)	$ 109,039

The accompanying notes are an integral part of these consolidated financial statements.

	Common Stock		Additional		Unearned		Accumulated Other	
	Shares Outstanding	Par Value	Paid-In Capital	Treasury Stock	ESOP Shares	Retained Earnings	Comprehensive Loss	Total
				(Unaudited)				
Balance, September 30, 2022	6,745,128	$ 71	$ 63,734	$ (5,793)	$ (3,169)	$ 45,773	$ (2,114)	$ 98,502
Net income	—	—	—	—	—	1,810	—	1,810
Dividends paid on common stock ($0.11 per share)	—	—	—	—	—	(744)	—	(744)
Other comprehensive income	—	—	—	—	—	—	156	156
ESOP shares allocated	—	—	17	—	24	—	—	41
Purchase of treasury stock	(2,194)	—	—	(27)	—	—	—	(27)
Stock-based compensation expense	—	—	180	—	—	—	—	180
Balance, December 31, 2022	6,742,934	$ 71	$ 63,931	$ (5,820)	$ (3,145)	$ 46,839	$ (1,958)	$ 99,918
Net income	—	—	—	—	—	1,796	—	1,796
Dividends paid on common stock ($0.03 per share)	—	—	—	—	—	(179)	—	(179)
Other comprehensive income	—	—	—	—	—	—	133	133
Treasury stock used for restricted stock plan	1,000	—	(13)	13	—	—	—	—
ESOP shares allocated	—	—	17	—	16	—	—	33
Purchase of treasury stock	(54,144)	—	—	(697)	—	—	—	(697)
Stock-based compensation expense	—	—	161	—	—	—	—	161
Balance, March 31, 2023	6,689,790	$ 71	$ 64,096	$ (6,504)	$ (3,129)	$ 48,456	$ (1,825)	$ 101,165
Net income	—	—	—	—	—	1,918	—	1,918
Dividends paid on common stock ($0.03 per share)	—	—	—	—	—	(192)	—	(192)
Other comprehensive loss	—	—	—	—	—	—	(103)	(103)
ESOP shares allocated	—	—	8	—	16	—	—	24
Retirement of 112,996 treasury shares	—	—	(1,242)	1,242	—	—	—	—
Purchase of treasury stock	(21,218)	—	—	(216)	—	—	—	(216)
Stock-based compensation expense	—	—	161	—	—	—	—	161
Balance, June 30, 2023	$ 6,668,572	$ 71	$ 63,023	$ (5,478)	$ (3,113)	$ 50,182	$ (1,928)	$ 102,757

	Three Months Ended December 31,	
	2024	2023
	(Unaudited)	
Net income	$ 2,085	$ 1,652
Other comprehensive income		
Unrealized (loss) gain on securities available for sale	(237)	584
Other comprehensive (loss) income, before tax	(237)	584
Deferred income tax effect	58	(144)
Total other comprehensive (loss) income	$ (179)	$ 440
Total comprehensive income	$ 1,906	$ 2,092

The accompanying notes are an integral part of these consolidated financial statements.

MAGYAR BANCORP, INC. AND SUBSIDIARY
Consolidated Statements of Changes in Stockholders' Equity
For the Three Months Ended December 31, 2024 and 2023
(In Thousands, Except for Share and Per-Share Amounts)

	Common Stock Shares Outstanding	Common Stock Par Value	Additional Paid-In Capital	Treasury Stock	Unearned ESOP Shares	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	(Unaudited)							
Balance, September 30, 2024	6,509,358	$ 71	$ 63,085	$ (7,364)	$ (2,972)	$ 58,644	$ (916)	$ 110,548
Net income	—	—	—	—	—	2,085	—	2,085
Dividends paid on common stock ($0.09 per share)	—	—	—	—	—	(569)	—	(569)
Other comprehensive loss	—	—	—	—	—	—	(179)	(179)
Treasury stock used for exercised stock options	2,000	—	—	24	—	—	—	24
ESOP shares allocated	—	—	17	—	26	—	—	43
Purchase of treasury stock	(31,737)	—	—	(437)	—	—	—	(437)
Stock-based compensation expense	—	—	161	—	—	—	—	161
Balance, December 31, 2024	6,479,621	$ 71	$ 63,263	$ (7,777)	$ (2,946)	$ 60,160	$ (1,095)	$ 111,676

	Common Stock Shares Outstanding	Common Stock Par Value	Additional Paid-In Capital	Treasury Stock	Unearned ESOP Shares	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	(Unaudited)							
Balance, September 30, 2023	6,674,184	$ 71	$ 62,801	$ (5,362)	$ (3,097)	$ 52,166	$ (1,789)	$ 104,790
Net income	—	—	—	—	—	1,652	—	1,652
Dividends paid on common stock ($0.11 per share)	—	—	—	—	—	(716)	—	(716)
Effect of adopting ASU 2016-13	—	—	—	—	—	354	—	354
Other comprehensive income	—	—	—	—	—	—	440	440
ESOP shares allocated	—	—	—	—	50	—	—	50
Purchase of treasury stock	(19,232)	—	—	(192)	—	—	—	(192)
Stock-based compensation expense	—	—	161	—	—	—	—	161
Balance, December 31, 2023	6,654,952	$ 71	$ 62,962	$ (5,554)	$ (3,047)	$ 53,456	$ (1,349)	$ 106,539

The accompanying notes are an integral part of these consolidated financial statements.

MAGYAR BANCORP, INC. AND SUBSIDIARY
Consolidated Statements of Cash Flows
(In Thousands)

	Nine Months Ended June 30, 2024	Nine Months Ended June 30, 2023
	(Unaudited)	
Operating activities		
Net income	$ 5,240	$ 5,524
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	663	628
Premium amortization on investment securities, net	50	112
Provision for credit losses	441	432
Originations of SBA loans held for sale	(3,771)	(5,450)
Proceeds from the sales of SBA loans	4,113	5,935
Gains on sale of SBA loans	(342)	(485)
Gains on the sales of other real estate owned	(12)	—
Gains on the sale of premises and equipment	(60)	(9)
ESOP compensation expense	118	98
Stock-based compensation expense	484	502
Deferred income tax benefit	(11)	(237)
Increase in accrued interest receivable	(478)	(665)
Income on bank owned life insurance	(279)	(278)
Decrease (increase) in other assets	778	(57)
Increase in accrued interest payable	402	128
Decrease in accounts payable and other liabilities	(1,873)	(1,625)
Net cash provided by operating activities	5,463	4,553
Investing activities		
Net increase in loans receivable	(62,524)	(60,547)
Purchases of loans receivable	(1,000)	(13,350)
Purchases of investment securities held-to-maturity	(4,000)	—
Purchases of investment securities available-for-sale	(5,953)	—
Principal repayments on investment securities held-to-maturity	10,872	7,858
Principal repayments on investment securities available-for-sale	977	698
Redemption of bank owned life insurance	52	—
Purchases of premises and equipment, net	(394)	(241)
Proceeds from the sale of premises and equipments	776	19
Investment in other real estate owned	—	(11)
Proceeds from other real estate owned	340	—
Purchase of Federal Home Loan Bank stock	(286)	(5,747)
Redemption of Federal Home Loan Bank stock	222	4,143
Net cash used in investing activities	(60,918)	(67,178)
Financing activities		
Net increase in deposits	33,740	25,739
Net increase in escrowed funds	1,491	500
Proceeds from long-term advances	3,437	17,000
Repayments of long-term advances	(4,384)	(3,091)
Net change in short-term advances	—	16,000
Cash dividends paid on common stock	(1,361)	(1,115)
Purchase of treasury stock	(953)	(940)
Net cash provided by financing activities	31,970	54,093
Net decrease in cash and cash equivalents	(23,485)	(8,532)
Cash and cash equivalents, beginning of period	72,532	30,936
Cash and cash equivalents, end of period	$ 49,047	$ 22,404
Supplemental disclosures of cash flow information		
Cash paid for		
Interest	$ 14,451	$ 6,597
Income taxes	$ 2,270	$ 2,800
Non-cash operating activities		
Real estate acquired in full satisfaction of loans in foreclosure	$ 842	$ —
Adoption of ASU 2016-13	$ 354	—

	For the Three Months Ended December 31, 2024	For the Three Months Ended December 31, 2023

	(Unaudited)	
Operating activities		
Net income	$ 2,085	$ 1,652
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	240	217
Premium amortization on investment securities, net	3	20
Provision for credit losses	101	481
Provision for loss on other real estate owned	57	—
Originations of SBA loans held for sale	(2,423)	(1,613)
Proceeds from the sales of SBA loans	2,659	1,741
Gains on sale of SBA loans	(236)	(129)
Gains on the sales of other real estate owned	(281)	—
Gains on the sale of premises and equipment	—	(60)
ESOP compensation expense	43	50
Stock-based compensation expense	161	161
Deferred income tax expense	162	221
Increase in accrued interest receivable	(171)	(248)
Income on bank owned life insurance	(167)	(95)
Decrease in other assets	39	733
(Decrease) increase in accrued interest payable	(102)	213
Increase (decrease) in accounts payable and other liabilities	738	(120)
Net cash provided by operating activities	2,908	3,224
Investing activities		
Net increase in loans receivable	(25,115)	(31,934)
Purchases of investment securities held-to-maturity	(2,446)	(2,000)
Purchases of investment securities available-for-sale	(2,430)	(1,953)
Principal repayments on investment securities held-to-maturity	1,613	3,487
Principal repayments on investment securities available-for-sale	465	384
Redemption of bank owned life insurance	3,245	—
Purchases of premises and equipment, net	(375)	(128)
Proceeds from the sale of premises and land	—	776
Proceeds from the sale of other real estate owned	1,412	—
Purchase of Federal Home Loan Bank stock	(84)	(76)
Redemption of Federal Home Loan Bank stock	—	108
Net cash used in investing activities	(23,715)	(31,336)
Financing activities		
Net increase in deposits	52,158	8,095
Net increase in escrowed funds	711	229
Proceeds from long-term advances	1,856	1,690
Repayments of long-term advances	—	(2,409)
Proceeds from exercise of stock options	24	—
Dividends paid on common stock	(569)	(716)
Purchase of treasury stock	(437)	(192)
Net cash provided by financing activities	53,743	6,697
Net increase (decrease) in cash and cash equivalents	32,936	(21,415)
Cash and cash equivalents, beginning of period	25,596	72,532
Cash and cash equivalents, end of period	$ 58,532	$ 51,117
Supplemental disclosures of cash flow information		
Cash paid for		
Interest	$ 5,564	$ 4,100
Adoption of ASU 2016-13	$ —	$ 354
Change in fair value of swap asset/liability	$ 105	$ (618)

The accompanying notes are an integral part of these consolidated financial statements.

NOTE A – BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Magyar Bancorp, Inc. (the “Company”), its wholly owned subsidiary, Magyar Bank (the “Bank”), and the Bank’s wholly owned subsidiaries Magyar Service Corporation, Hungaria Urban Renewal, LLC, and Magyar Investment Company. All material intercompany transactions and balances have been eliminated. The Company prepares its consolidated financial statements on the accrual basis and in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). The unaudited information furnished herein reflects all adjustments (consisting of normal recurring accruals) that are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented.

Operating results for the nine three months ended June 30, 2024 December 31, 2024 are not necessarily indicative of the results that may be expected for the year ending September 30, 2024. September 30, 2025 or for any other period. The September 30, 2023 September 30, 2024 information has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by US GAAP for complete consolidated financial statements.

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during 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 available-for-sale investment securities, the valuation of other real estate owned (“OREO”), and the assessment of realizability of deferred income tax assets.

The Company has evaluated events and transactions occurring subsequent to the balance sheet date of June 30, 2024 December 31, 2024 for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through the date these consolidated financial statements were issued.

NOTE B - RECENT ACCOUNTING PRONOUNCEMENTS

In connection with the preparation of quarterly and annual reports in accordance with the Securities Exchange Act of 1934, Securities and Exchange Commission (“SEC”) Staff Accounting Bulletin Topic 11.M requires the disclosure of the impact that recently issued accounting standards will have on consolidated financial statements when they are adopted in the future.

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13 2023-07, “, *Financial Instruments - Credit Losses: Measurement of Credit Losses* *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*” requires public entities to disclose detailed information about a reportable segment’s expenses on Financial Instruments (Topic 326), which changed the impairment model for most financial assets. This update was intended to improve financial reporting by requiring timelier recording of credit losses on loans both an annual and other financial instruments held by financial institutions and other organizations. The underlying premise of the update is that financial assets measured at amortized cost should be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost interim basis. The allowance for credit losses (“ACL”) should reflect management's current estimate of credit losses that are expected to occur over the remaining life of a financial asset. The income statement will be affected for the measurement of credit losses for newly recognized financial assets, as well as the expected increases or decreases of expected credit losses that have taken place during the period. With certain exceptions, transition to the new requirements will be through a cumulative-effect adjustment to opening retained earnings as of the beginning of the first reporting period in which the guidance is adopted. This update ASU 2023-07 is effective for SEC filers that are eligible to be smaller reporting companies, non-SEC filers, and all other companies, to fiscal years beginning after December 15, 2022, including December 15, 2023 and interim periods within those fiscal years.

years beginning after December 15, 2024. The Company adopted amendments in ASU 2016-13 on October 1, 2023 using the modified retrospective approach for 2023-07 should be applied retrospectively to all financial assets measured at amortized cost, including loans, held-to-maturity debt securities and unfunded commitments. The Company recorded a cumulative effect increase to retained earnings of $492 thousand ($354 thousand net of taxes), which was comprised of a $1.0 million ($725 thousand net of tax) increase related to loans and $540 thousand ($379 thousand net of tax) decrease related to unfunded commitments. The Company determined that there was no impact to retained earnings related to held-to-maturity securities as a result of adopting this guidance. The results reported for periods beginning on or after October 1, 2023 are presented under Accounting Standards Codification ("ASC") 326, while prior period amounts continue to be reported in accordance with previously applicable accounting standards.

The impact of the change from the incurred loss model to the current expected credit loss model is included in the following table:

	October 1, 2023		
	Pre-adoption	Adoption Impact	As Reported
	(In thousands)		
Assets			
ACL on debt securities held-to-maturity	$ —	$ —	$ —
ACL on loans			
One-to-four family residential	1,259	7	1,266
Commercial real estate	5,277	(589)	4,688
Construction and land	472	(55)	417
Home equity lines of credit	207	(87)	120
Commercial business	939	(133)	806
Other	176	(175)	1
Liabilities			
ACL on unfunded commitments	—	540	540
Total	$ 8,330	$ (492)	$ 7,838

Allowance for Credit Losses on Loans

The Company maintains its ACL at a level that management believes to be appropriate to absorb expected credit losses as of financial statements. Upon transition, the date of the Consolidated Statement of Financial Condition. The Company established its allowance in accordance with the guidance included in Accounting Standards Codification 326, *Financial Instruments – Credit Losses* ("ASC 326"). The ACL is a valuation reserve established segment expense categories and maintained by charges against income. Loans, or portions thereof, are charged-off against the ACL when they are deemed uncollectible. The ACL is an estimate of expected credit losses that considers our historical loss experience, the weighted average expected lives of loans, current economic conditions and forecasts of future economic conditions. The determination of an appropriate ACL is inherently subjective and may have significant changes from period to period. The methodology for determining the ACL has two main components: evaluation of expected credit losses for certain groups of homogeneous loans that share similar risk characteristics and evaluation of loans that do not share risk characteristics with other loans. The ACL is measured on a collective (pool) basis when similar characteristics exist. The Company's loan portfolio is segmented by loan types that have similar risk characteristics and behave similarly during economic cycles.

Historical credit loss experience is the basis for the estimate of expected credit losses. We apply our historical loss rates to pools of loans with similar risk characteristics using the Weighted-Average Remaining Maturity ("WARM") method. The remaining contractual life of the pools of loans with similar risk characteristics is adjusted by expected scheduled payments and prepayments. After consideration of the historical loss calculation, management applies qualitative adjustments to reflect the current conditions and reasonable and supportable forecasts not already reflected amounts disclosed in the historical loss information. Our reasonable and supportable forecast adjustment is based on a regional economic indicator obtained from the United States Government Publishing Office. The Company selected eight qualitative metrics which were correlated with the Bank and its peer group's historical loss patterns. The eight qualitative metrics include: changes in lending policies and procedures, changes in national and local economic conditions as well as business conditions, changes in the nature, complexity, and volume of the portfolio, changes in the experience, ability, and depth of lenders and lending management, changes in the volume and severity of past due and classified loans, changes in the value of collateral securing loans, changes in or the existence of credit concentrations, and changes in the legal and/or regulatory landscape. The adjustments are weighted for relevance before applying to each pool of loans. Each quarter, management reviews the recommended adjustment factors and applies any additional adjustments based on current conditions.

The Company has elected to exclude $4.5 million of accrued interest receivable on loans as of June 30, 2024 from the measurement of its ACL. When a loan is placed on non-accrual status, any outstanding accrued interest is reversed against interest income. Accrued interest on loans is reported in the accrued interest receivable line on the consolidated statements of financial condition.

The ACL for individual loans begins with the use of normal credit review procedures to identify whether a loan no longer shares similar risk characteristics with other pooled loans and, therefore, prior periods should be individually assessed. We individually evaluate loans that meet the following criteria: (1) when it is determined that foreclosure is probable, (2) substandard, doubtful and nonperforming loans when repayment is expected to be provided substantially through the operation or sale of the collateral, or (3) when it is determined by management that a loan does not share similar risk characteristics with other loans. Credit loss estimates are calculated based on the following three acceptable methods for measuring significant segment expense categories identified and disclosed in the ACL: (1) the present value period of expected future cash flows discounted at the loan's original effective interest rate; (2) the loan's observable market price; or (3) the fair value of the collateral when the loan is collateral dependent. Our individual loan evaluations consist primarily of the fair value of collateral method because most of our loans are collateral dependent. Collateral values are reduced to consider expected disposition costs when appropriate. A charge-off is recorded when the estimated fair value of the loan is less than the loan balance.

Allowance for Credit Losses on Unfunded Loan Commitments

adoption. The Company estimates expected credit losses over the contractual period in which the Bank is exposed to credit risk via a contractual obligation to extend credit unless that obligation is unconditionally cancellable by the Bank. The allowance for credit losses on unfunded loan commitments is included in accounts payable and other liabilities in the Company's Consolidated Balance Sheets process of completing its analysis of ASU 2023-07 and is adjusted through credit loss expense. The estimate includes consideration of the likelihood that funding will occur, the amount of funding that will occur and an estimate of expected credit losses on commitments expected expects to be funded over its estimated life.

Allowance for Credit Losses on Held-to-Maturity Securities

The Company accounts for its held-to-maturity securities in accordance with ASC 326-20, *Financial Instruments – Credit Loss – Measured at Amortized Cost*, which requires that the Company measure expected credit losses on held-to-maturity debt securities on a collective basis by major security type. The estimate of expected credit losses considers historical credit loss information that is adjusted for current economic conditions and reasonable and supportable forecasts.

The Company classifies its held-to-maturity debt securities into the following major security types: obligations of U.S. government agencies, obligations of U.S. government-sponsored enterprises, private label mortgage-backed securities, obligations of state and political subdivisions and corporate securities. Credit ratings of held-to-maturity debt securities, which are a significant input in calculating the expected credit loss, are reviewed on a quarterly basis. Based on the credit ratings of our held-to-maturity securities and our historical experience of no losses, the Company determined that the expected for credit losses on its' held-to-maturity portfolio is not significant.

Accrued interest receivable on held-to-maturity debt securities totaled $235 thousand as of June 30, 2024 and is included within accrued interest receivable on the Company's Consolidated Balance Sheets. This amount is excluded from the estimate of expected credit losses. Generally, held-to-maturity debt securities are classified as nonaccrual when the contractual payment of principal or interest has become 90 days past due or management has serious doubts about the further collectability of principal or interest. When held-to-maturity debt securities are placed on nonaccrual status, unpaid interest credited to income is reversed against interest income.

Allowance for Credit Losses on Available-for-Sale Securities

The Company measures expected credit losses on available-for-sale debt securities when the Bank intends to sell, or when it is not more likely than not that it will be required to sell, the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the amortized cost basis of the security is written down to fair value through income. For available-for-sale debt securities that do not meet the previously mentioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, the Company considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this evaluation indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, equal to the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income.

The ACL on available-for-sale debt securities is included within the recorded balance of securities available-for-sale on the Consolidated Balance Sheets. Changes incorporate additional disclosures in the allowance for credit losses are recorded within provision for credit losses financial statements on the Consolidated Statements of Income. Losses are charged against the allowance when the Company believes the collectability of an available-for-sale security is in jeopardy or when either of the criteria regarding intent or requirement to sell is met.

Accrued interest receivable on available-for-sale debt securities totaled $72 thousand as of June 30, 2024 and is included within accrued interest receivable on the Company's Consolidated Balance Sheets. This amount is excluded from the estimate of expected credit losses. Generally, available-for-sale debt securities are classified as nonaccrual when the contractual payment of principal or interest has become 90 days past due or management has serious doubts about the further collectability of principal or interest. When available-for-sale debt securities are placed on nonaccrual status, unpaid interest credited to income is reversed against interest income. adoption.

NOTE C - CONTINGENCIES

The Company, from time to time, is a party to routine litigation that arises in the normal course of business. In the opinion of management, the resolution of this litigation, if any, would not have a material adverse effect on the Company's consolidated financial position or results of operations as presented in this report.

NOTE D - EARNINGS PER SHARE

The following table presents a calculation of basic and diluted earnings per share for the three and nine months ended June 30, 2024 December 31, 2024 and 2023. Basic and diluted earnings per share were calculated by dividing net income by the weighted-average number of shares outstanding for the periods.

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2024	2023	2024	2023
	(Dollars in thousands, except share and per share data)			
Income applicable to common shares	$ 1,691	$ 1,918	$ 5,240	$ 5,524
Weighted average common shares outstanding- basic	6,336,702	6,412,536	6,358,581	6,426,978
Weighted average common shares outstanding- diluted	6,336,702	6,412,536	6,358,581	6,426,978
Earnings per share - basic	$ 0.27	$ 0.30	$ 0.82	$ 0.86
Earnings per share - diluted	$ 0.27	$ 0.30	$ 0.82	$ 0.86

	Three Months Ended December 31,	
	2024	2023
	(Dollars in thousands, except share and per share data)	
Income applicable to common shares	$ 2,085	$ 1,652
Weighted average common shares outstanding- basic and diluted	6,232,069	6,387,010
Earnings per share - basic and diluted	$ 0.34	$ 0.26

Options to purchase 291,200 shares of common stock at a weighted average strike price of $12.58 and 93,240 shares of restricted shares at a weighted average price of $12.63 were outstanding at December 31, 2024 and included in the calculation of diluted earnings per share. Options to purchase 293,200 shares of common stock at a weighted average strike price of $12.58 and 124,320 124,300 shares of restricted shares at a weighted average price of $12.63 were outstanding at June 30, 2024 but were not included in the calculation of diluted EPS because they were anti-dilutive. Options to purchase 293,200 shares of common stock at a weighted average strike price of $12.58 and 156,400 shares of restricted shares at a weighted average price of $12.63 were outstanding at June 30, 2023 December 31, 2023 but were not included in the calculation of diluted EPS because they were anti-dilutive.

NOTE E – STOCK-BASED COMPENSATION AND STOCK REPURCHASE PROGRAM

On August 25, 2022, the Company adopted the 2022 Equity Compensation Plan which provided for grants of up to 391,000 shares to be allocated between incentive and non-qualified stock options and up to 156,400 shares of restricted stock awards to officers, employees and directors of the Company and Magyar Bank. At June 30, 2024, 293,200 options and 156,400 shares of restricted stock had been awarded from the plan.

The following is a summary of the status of the Company’s stock option activity and related information for the nine three months ended June 30, 2024 December 31, 2024:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years	Aggregate Intrinsic Value	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years	Aggregate Intrinsic Value
Balance at September 30, 2023	293,200	$ 12.58	8.98	$ —				
Balance at September 30, 2024					293,200	$ 12.58	7.98	$ —
Granted	—	—	—	—	—	—	—	—
Exercised	—	—	—	—	(2,000)	12.58	—	—
Forfeited	—	—	—	—	—	—	—	—
Expired	—	—	—	—	—	—	—	—
Balance at June 30, 2024	293,200	$ 12.58	8.23	$ —				
Exercisable at June 30, 2024	58,640	$ 12.58	8.23	$ —				
Balance at December 31, 2024					291,200	$ 12.58	7.73	$ 588,224
Exercisable at December 31, 2024					115,280	$ 12.58	7.73	$ 232,866

The following is a summary of the status of the Company's non-vested restricted shares for the nine three months ended June 30, 2024 December 31, 2024:

	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Balance at September 30, 2023	124,320	$ 12.63		
Balance at September 30, 2024			93,240	$ 12.63
Granted	—	—	—	—
Vested	—	—	—	—
Forfeited	—	—	—	—
Balance at June 30, 2024	124,320	$ 12.63		
Balance at December 31, 2024			93,240	$ 12.63

Stock option and stock award expenses included with compensation expense were $63 thousand and $98 thousand for the three months ended June 30, 2024 December 31, 2024 and $63 thousand and $98 thousand for the three months ended June 30, 2023, respectively. Stock option and stock award expenses included with compensation expense were $190 thousand and $294 thousand for the nine months ended June 30, 2024 and $196 thousand and $307 thousand for the nine months ended June 30, 2023 December 31, 2023, respectively.

At June 30, 2024 December 31, 2024, total compensation cost not yet recognized for the Company's unvested stock options and stock awards was $2.1 million $1.7 million and will be recognized through September 2027. The Company had no other stock-based compensation plans as of June 30, 2024 December 31, 2024 except as disclosed below.

On December 8, 2022, the

The Company announced the authorization of maintains a second stock repurchase plan pursuant to which the Company intends to may repurchase up to an additional 5% of its outstanding shares, or up to 337,146 shares, under which 186,458 328,473 shares had been repurchased at an average price of $11.49 $12.10 through June 30, 2024 December 31, 2024. Under this stock repurchase program, 150,688 8,673 shares of the 337,146 shares authorized remained available for repurchase as of June 30, 2024 December 31, 2024. The Company's intended use of the repurchased shares is for general corporate purposes. The Company held treasury stock shares totaling 509,269 618,204 at June 30, 2024 December 31, 2024. The timing of the repurchases will depend on certain factors, including but not limited to, market conditions and prices, the Company's liquidity requirements and alternative uses of capital.

The Company has an Employee Stock Ownership Plan ("ESOP") for the benefit of employees who meet certain eligibility requirements. The ESOP trust purchases shares of common stock in the open market using proceeds of a loan from the Company. The loan is secured by shares of the Company's stock. The Bank makes cash contributions to the ESOP on an annual basis sufficient to enable the ESOP to make the required loan payments to the Company. As the debt is repaid, shares are released as collateral and allocated to qualified employees. Accordingly, the shares pledged as collateral are reported as unearned ESOP shares in the Consolidated Balance Sheets. The Company accounts for its ESOP in accordance with FASB ASC Topic 718, "Employer's Accounting for Employee Stock Ownership Plans." As shares are released from collateral, the Company reports compensation expense equal to the current market price of the shares, and the shares become outstanding for earnings per share computations.

In connection with the Company's second-step stock offering during its fiscal year ending September 30, 2021, the ESOP trustees purchased 312,800 shares of the Company's common stock for $3.4 million, reflecting an average cost per share of $10.77. The ESOP loan bears a fixed interest rate of 3.25% with principal and interest payable annually in equal installments over 30 years.

At June 30, 2024 December 31, 2024, ESOP shares allocated to participants totaled 186,940. Unallocated ESOP shares held in suspense totaled 278,163 with an aggregate fair value of $3.1 million $4.1 million. The Company's contribution expense for the ESOP was $34 $43 thousand and $24 $50 thousand for the three months ended June 30, 2024 December 31, 2024 and 2023, and $118 thousand and $98 thousand for the nine months ended June 30, 2024 and 2023, respectively.

NOTE F – OTHER COMPREHENSIVE (LOSS) INCOME (LOSS)

Comprehensive (loss) income (loss) includes net income as well as certain other items which result in a change to equity during the period. The Company recorded no reclassification adjustments during the three and nine months ended June 30, 2024 December 31, 2024 and 2023. The components of other comprehensive (loss) income (loss) and the related income tax effects are as follows:

	Three Months Ended June 30,					
	2024			2023		
	Before Tax Amount	Tax Benefit	Net of Tax Amount	Before Tax Amount	Tax Benefit	Net of Tax Amount
	(In thousands)					
Unrealized holding loss arising during period on:						
Available-for-sale investments [1]	$ (14)	$ 4	$ (10)	$ (137)	$ 34	$ (103)
Other comprehensive loss, net	$ (14)	$ 4	$ (10)	$ (137)	$ 34	$ (103)

	Nine Months Ended June 30,					
	2024			2023		
	Before Tax Amount	Tax Expense	Net of Tax Amount	Before Tax Amount	Tax Expense	Net of Tax Amount
	(In thousands)					
Unrealized holding gain arising during period on:						
Available-for-sale investments [1]	$ 487	$ (120)	$ 367	$ 247	$ (61)	$ 186
Other comprehensive income, net	$ 487	$ (120)	$ 367	$ 247	$ (61)	$ 186

[1] Related income tax expense or benefit calculated using an income tax rate approximating 25% for available-for-sale investments.

	Three Months Ended December 31,					
	2024			2023		
	Before Tax Amount	Tax Benefit	Net of Tax Amount	Before Tax Amount	Tax Expense	Net of Tax Amount
	(In thousands)					
Unrealized holding (loss) gain arising during period on:						
Available-for-sale investments	$ (237)	$ 58	$ (179)	$ 584	$ (144)	$ 440
Other comprehensive income, net	$ (237)	$ 58	$ (179)	$ 584	$ (144)	$ 440

(a) All amounts are net of tax. Related income tax expense or benefit calculated using an income tax rate approximating 25% for available-for-sale investments

NOTE G – FAIR VALUE DISCLOSURES

The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The securities available-for-sale and the Company's derivative assets and liabilities are recorded at fair value on a recurring basis. Additionally, from time to time, the Company may be required to record at fair value other assets or liabilities on a non-recurring basis, such as held-to-maturity securities, mortgage servicing rights, loans receivable and OREO. These non-recurring fair value adjustments involve the application of lower-of-cost-or-market accounting or write-downs of individual assets.

In accordance with ASC 820, the Company groups its assets and liabilities at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 - Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 - Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include the use of option pricing models, discounted cash flow models and similar techniques. The results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability.

The Company based its fair values on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The following is a description of valuation methodologies used for assets measured at fair value on a recurring basis.

Securities available-for-sale

The securities available-for-sale portfolio is carried at estimated fair value on a recurring basis, with any unrealized gains and losses, net of taxes, reported as accumulated other comprehensive income/loss in stockholders' equity. The securities available-for-sale portfolio consists of U.S government-sponsored mortgage-backed securities. The fair values of these securities are obtained from an independent nationally recognized pricing service. An independent pricing service provides the Company with prices which are categorized as Level 2, as quoted prices in active markets for identical assets are generally not available for the securities in the Company's portfolio. Various modeling techniques are used to determine pricing for Company's mortgage-backed securities, including option pricing and discounted cash flow models. The inputs to these models include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data.

Derivatives

The Bank executes interest rate swaps with commercial lending customers to facilitate their respective risk management strategies. The fair values of such derivatives are based on valuation models from a third party using current market terms (including interest rates and fees), the remaining terms of the agreements and the credit worthiness of the counter party as of the measurement date (Level 2).

The following tables provide the level of valuation assumptions used to determine the carrying value of the Company's assets measured at fair value on a recurring basis.

June 30, 2024	**Total**	**Level 1**	**Level 2**	**Level 3**
	(In thousands)			
Assets:				
Securities available for sale:				
Obligations of U.S. government agencies:				
Mortgage-backed securities - residential	$ 87	$ —	$ 87	$ —
Obligations of U.S. government-sponsored enterprises:				
Mortgage-backed securities-residential	11,473	—	11,473	—
Corporate securities	4,024	—	4,024	—
Total securities available for sale	$ 15,584	$ —	$ 15,584	$ —
Derivative assets	1,841	—	1,841	—
Total assets	$ 17,425	$ —	$ 17,425	$ —
Liabilities:				
Derivative liabilities	$ 1,841	$ —	$ 1,841	$ —
Total Liabilities	$ 1,841	$ —	$ 1,841	$ —
September 30, 2023				
Assets:				
Securities available for sale:				
Obligations of U.S. government agencies:				
Mortgage-backed securities - residential	$ 92	$ —	$ 92	$ —
Obligations of U.S. government-sponsored enterprises:				
Mortgage-backed securities-residential	10,033	—	10,033	—
Total securities available for sale	$ 10,125	$ —	$ 10,125	$ —
Derivative assets	2,579	—	2,579	—
Total assets	$ 12,704	$ —	$ 12,704	$ —
Liabilities:				
Derivative liabilities	$ 2,579	$ —	$ 2,579	$ —
Total Liabilities	$ 2,579	$ —	$ 2,579	$ —

	Total	Level 1	Level 2	Level 3
	(In thousands)			
December 31, 2024				
Assets:				
Securities available for sale:				
Obligations of U.S. government agencies:				
Mortgage-backed securities - residential	$ 82	$ —	$ 82	$ —
Obligations of U.S. government-sponsored enterprises:				
Mortgage-backed securities-residential	13,165	—	13,165	—
Corporate securities	4,099	—	4,099	—
Total securities available for sale	$ 17,346	$ —	$ 17,346	$ —
Derivative assets	1,510	—	1,510	—
Total assets	$ 18,856	$ —	$ 18,856	$ —
Liabilities:				
Derivative liabilities	$ 1,510	$ —	$ 1,510	$ —
Total Liabilities	$ 1,510	$ —	$ 1,510	$ —
September 30, 2024				
Assets:				
Securities available for sale:				
Obligations of U.S. government agencies:				
Mortgage-backed securities - residential	$ 89	$ —	$ 89	$ —
Obligations of U.S. government-sponsored enterprises:				
Mortgage-backed securities-residential	11,506	—	11,506	—
Corporate securities	4,021	—	4,021	—
Total securities available for sale	$ 15,616	$ —	$ 15,616	$ —
Derivative assets	1,405	—	1,405	—
Total assets	$ 17,021	$ —	$ 17,021	$ —
Liabilities:				
Derivative liabilities	$ 1,405	$ —	$ 1,405	$ —
Total Liabilities	$ 1,405	$ —	$ 1,405	$ —

The following is a description of valuation methodologies used for assets measured at fair value on a non-recurring basis.

Collateral Dependent Loans

Collateral dependent other real estate owned loans are measured and reported at fair value through specific allocations of the allowance for credit losses based on the fair value of the underlying collateral.

There were no assets measured at fair value on a non-recurring basis at June 30, 2024. The following table provides tables provide the level of valuation assumptions used to determine the carrying value of the Company's assets other real estate owned loans measured at fair value on a non-recurring basis at September 30, 2023 December 31, 2024 and September 30, 2024.

	Total	Level 1	Level 2	Level 3
September 30, 2023	(In thousands)			
Impaired loans	$ 777	$ —	$ —	$ 777
Total	$ 777	$ —	$ —	$ 777

	Total	Level 1	Level 2	Level 3
December 31, 2024	(In thousands)			
Other real estate owned	$ 2,537	—	—	$ 2,537
Total	$ 2,537	$ —	$ —	$ 2,537

	Total	Level 1	Level 2	Level 3
September 30, 2024	(In thousands)			
Other real estate owned	$ 1,501	—	—	$ 1,501
Total	$ 1,501	$ —	$ —	$ 1,501

The following tables present additional quantitative information about assets measured at fair value on a nonrecurring non-recurring basis and for which Company has utilized Level 3 inputs to determine fair value:

Quantitative Information about Level 3 Fair Value Measurements

(Dollars in thousands)

December 31, 2024	Fair Value Estimate	Valuation Techniques	Unobservable Input	Range (Weighted Average)
Other real estate owned	$ 2,537	Appraisal	Liquidation expenses (1)	-1.5% to -19.6% (-7.0%)

Quantitative Information about Level 3 Fair Value Measurements

(Dollars in thousands)

September 30, 2023 2024	Fair Value Estimate	Valuation Techniques	Unobservable Input	Range (Weighted Average)
Impaired loans Other real estate owned	$ 777 1,501	Appraisal of collateral (1)	Appraisal adjustments (2) Liquidation expenses (1)	-50% -13.0% to -8.0% (-19.4% -19.6% (-14.6%)

(1) Fair value is generally determined through independent appraisals for the underlying collateral, which generally include various level 3 inputs which are not identifiable.

(2) Appraisals may be adjusted by management for qualitative factors such as economic conditions and estimated liquidation expenses. The range and weighted average of liquidation expenses and other appraisal adjustments are presented as a percent of the appraisal.

The following presents the carrying amount, fair value, and placement in the fair value hierarchy of the Company's financial instruments carried at cost or amortized cost as of June 30, 2024 December 31, 2024 and September 30, 2023 September 30, 2024. For short-term financial assets such as cash and cash equivalents and accrued interest receivable, the carrying amount is a reasonable estimate of fair value due to the relatively short time between the origination of the instrument and its expected realization. For financial liabilities such as interest-bearing demand, NOW, and money market savings deposits, the carrying amount is a reasonable estimate of fair value due to these products being payable on demand and having no stated maturity. The Company's bank-owned life insurance is not a marketable asset and may generally only be redeemed with the insurance company and, therefore, is therefore not included in the table below.

	Carrying Value	Fair Value	Fair Value Measurement Placement (Level 1)	(Level 2)	(Level 3)
			(In thousands)		
June 30, 2024					
Financial instruments - assets					
Investment securities held to maturity	$ 78,917	$ 69,500	$ —	$ 69,500	$ —
Loan receivable net allowance for credit losses	751,665	735,915	—	—	735,915
Financial instruments - liabilities					
Certificates of deposit including retirement certificates	143,633	141,357	—	141,357	—
Borrowings	28,568	27,342	—	27,342	—
September 30, 2023					
Financial instruments - assets					
Investment securities held-to-maturity	$ 85,835	$ 73,728	$ —	$ 73,728	$ —
Loan receivable net allowance for credit losses	689,070	664,331	—	—	664,331
Financial instruments - liabilities					
Certificates of deposit including retirement certificates	104,668	101,216	—	101,216	—
Borrowings	29,515	28,177	—	28,177	—

	Carrying Value	Fair Value	Fair Value Measurement Placement (Level 1)	(Level 2)	(Level 3)
			(In thousands)		
December 31, 2024					
Financial instruments - assets					
Investment securities held to maturity	$ 80,644	$ 71,812	$ —	$ 71,812	$ —
Loan receivable net allowance for credit losses	797,629	790,574	—	—	790,574
Financial instruments - liabilities					
Certificates of deposit including retirement certificates	161,938	161,244	—	161,244	—
Borrowings	30,424	29,430	—	29,430	—
September 30, 2024					
Financial instruments - assets					
Investment securities held to maturity	$ 79,816	$ 72,617	$ —	$ 72,617	$ —
Loan receivable net allowance for credit losses	772,614	766,822	—	—	766,822
Financial instruments - liabilities					
Certificates of deposit including retirement certificates	159,652	159,582	—	159,582	—
Borrowings	28,568	28,151	—	28,151	—

NOTE H – LEASES

Accounting Standard Update ASC 842, "*Leases*" requires lessees to recognize a lease liability and a right-of-use ("ROU") asset, measured at the present value of the future minimum lease payments, at the lease commencement date.

On April 1, 2024, the Bank entered into a lease agreement to rent a retail office space in Martinsville, New Jersey to increase its presence in Somerset County. The initial term of the lease is for five years, ending on March 31, 2029, but does include the option for two additional terms of five years each. In accordance with ASC 842, a lease liability and ROU asset in the amount of $180 thousand was recognized on April 1, 2024 within accounts payable and other liabilities and other assets, respectively, on our Consolidated Balance Sheets. The discount rate used to determine the lease liability was 4.22% and derived from the Federal Home Loan Bank of New York advance rate for the same term.

Operating lease ROU assets represent our right to use an underlying asset during the lease term and operating lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at lease commencement base on the present value of the remaining lease payments using a discount rate that represents our incremental borrowing rate. The incremental borrowing rate used by the Company to value its operating leases is based on the interpolated term advance rate available from the FHLBNY, based on the remaining lease term.

The following table presents the balance sheet information related to our leases:

	June 30, 2024	September 30, 2023
	(Dollars in thousands)	
Operating lease right-of-use asset	$ 2,382	$ 2,687
Operating lease liabilities	$ 2,589	$ 2,944
Weighted average remaining lease term in years	6.5	6.4
Weighted average discount rate	2.4%	2.2%

Total rental expense, included in occupancy expense, was approximately $602 thousand and $604 thousand for the nine months ended June 30, 2024 and 2023, respectively.

NOTE I - INVESTMENT SECURITIES

The following table summarizes the amortized cost and fair values of securities classified as available-for-sale and held-to-maturity at June 30, 2024 December 31, 2024:

	December 31, 2024				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
	(In thousands)				
Securities available-for-sale:					
Obligations of U.S. government agencies:					
Mortgage backed securities - residential	$ 93	$ —	$ (11)	$ —	$ 82
Obligations of U.S. government-sponsored enterprises:					
Mortgage-backed securities-residential	14,621	34	(1,490)	—	13,165
Corporate securities	4,000	99	—	—	4,099
Total securities available-for-sale	$ 18,714	$ 133	$ (1,501)	$ —	$ 17,346
Securities held-to-maturity:					
Obligations of U.S. government agencies:					
Mortgage-backed securities - residential	$ 7,051	$ —	$ (817)	$ —	$ 6,234
Mortgage-backed securities - commercial	4,182	—	(42)	—	4,140
Obligations of U.S. government-sponsored enterprises:					
Mortgage backed securities - residential	43,780	2	(6,527)	—	37,255
Debt securities	19,000	—	(873)	—	18,127
Private label mortgage-backed securities - residential	187	—	(7)	—	180
Obligations of state and political subdivisions	3,444	—	(428)	—	3,016
Corporate securities	3,000	—	(140)	—	2,860
Total securities held-to-maturity	$ 80,644	$ 2	$ (8,834)	$ —	$ 71,812
Total investment securities	$ 99,358	$ 135	$ (10,335)	$ —	$ 89,158

The following table summarizes the amortized cost and fair values of securities classified as available-for-sale and held-to-maturity at September 30, 2024:

June 30, 2024	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	September 30, 2024 Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
	(In thousands)				(In thousands)				
Securities available-for-sale:									
Obligations of U.S. government agencies:									
Mortgage-backed securities - residential	$ 98	$ —	$ (11)	$ 87					
Mortgage backed securities - residential					$ 95	$ —	$ (6)	$ —	$ 89
Obligations of U.S. government-sponsored enterprises:									
Mortgage-backed securities-residential	12,964	15	(1,506)	11,473	12,652	56	(1,202)	—	11,506
Corporate securities	4,000	24	—	4,024	4,000	21	—	—	4,021
Total securities available-for-sale	$ 17,062	$ 39	$ (1,517)	$ 15,584	$ 16,747	$ 77	$ (1,208)	$ —	$ 15,616
Securities held-to-maturity:									
Obligations of U.S. government agencies:									
Mortgage-backed securities - residential	$ 4,801	$ —	$ (758)	$ 4,043	$ 7,209	$ —	$ (611)	$ —	$ 6,598
Mortgage-backed securities - commercial	4,353	—	(31)	4,322	4,268	64	(23)	—	4,309
Obligations of U.S. government-sponsored enterprises:									
Mortgage-backed-securities - residential	44,116	3	(6,682)	37,437					
Mortgage backed securities - residential					42,701	4	(5,194)	—	37,511
Debt securities	18,999	—	(1,234)	17,765	19,000	13	(865)	—	18,148
Private label mortgage-backed securities - residential	195	—	(11)	184	190	—	(5)	—	185

Obligations of state and political subdivisions	3,453	—	(470)	2,983	3,448	3	(351)	—	3,100
Corporate securities	3,000	—	(234)	2,766	3,000	—	(234)	—	2,766
Total securities held-to-maturity	$ 78,917	$ 3	$ (9,420)	$ 69,500	$ 79,816	$ 84	$ (7,283)	$ —	$ 72,617
Total investment securities	$ 95,979	$ 42	$ (10,937)	$ 85,084	$ 96,563	$ 161	$ (8,491)	$ —	$ 88,233

The Company monitors the credit quality of held-to-maturity debt securities, primarily through their credit ratings by nationally recognized statistical ratings organizations, on a quarterly basis. At June 30, 2024 December 31, 2024, there were no non-performing held-to-maturity debt securities and no allowance for credit losses were required. The majority of the investment securities are explicitly or implicitly guaranteed by the United States government, and any estimate of expected credit losses would be insignificant to the Company. The following table summarizes tables summarize the amortized cost of held-to-maturity debt securities at June 30, 2024 December 31, 2024 and September 30, 2024, aggregated by credit quality indicator:

	Credit Rating at Amortized Cost			Credit Rating at Amortized Cost		
	AAA/AA/A	BBB/BB/B	Non-rated	AAA/AA/A	BBB/BB/B	Non-rated
June 30, 2024		(In thousands)				
December 31, 2024					(In thousands)	
Securities held-to-maturity:						
Obligations of U.S. government agencies:						
Mortgage-backed securities - residential	$ 4,801	$ —	$ —	$ 7,051	$ —	$ —
Mortgage-backed securities - commercial	4,353	—	—	4,182	—	—
Obligations of U.S. government-sponsored enterprises:						
Mortgage backed securities - residential	44,116	—	—	43,780	—	—
Debt securities	18,999	—	—	19,000	—	—
Private label mortgage-backed securities - residential	—	—	195	187	—	—
Obligations of state and political subdivisions	3,453	—	—	3,444	—	—
Corporate securities	—	3,000	—	3,000	—	—
Totals	$ 75,722	$ 3,000	$ 195	$ 80,644	$ —	$ —

	Credit Rating at Amortized Cost		
	AAA/AA/A	BBB/BB/B	Non-rated
	(In thousands)		
September 30, 2024			
Securities held to maturity:			
Obligations of U.S. government agencies:			
Mortgage-backed securities - residential	$ 7,209	$ —	$ —
Mortgage-backed securities - commercial	4,268	—	—
Obligations of U.S. government-sponsored enterprises:			
Mortgage backed securities - residential	42,701	—	—
Debt securities	19,000	—	—
Private label mortgage-backed securities - residential	190	—	—
Obligations of state and political subdivisions	3,448	—	—
Corporate securities	3,000	—	—
Total held to maturity debt securities	$ 79,816	$ —	$ —

The contractual maturities of debt securities, municipal bonds and certain information regarding mortgage-backed securities available-for-sale at June 30, 2024 December 31, 2024 are summarized in the following table:

	December 31, 2024	
	Amortized Cost	Fair Value
	(In thousands)	
Due within 1 year	$ —	$ —
Due after 1 but within 5 years	—	—
Due after 5 but within 10 years	4,000	4,099
Due after 10 years	—	—
Total debt securities	4,000	4,099
Mortgage-backed securities:		
Residential	14,714	13,247
Commercial	—	—
Total	$ 18,714	$ 17,346

The contractual maturities of debt securities, municipal bonds and certain information regarding mortgage-backed securities held-to-maturity at December 31, 2024 are summarized in the following table:

	June 30, 2024	
	Amortized Cost	Fair Value
	(In thousands)	
Due within 1 year	$ 6,500	$ 6,318
Due after 1 but within 5 years	14,541	13,501
Due after 5 but within 10 years	8,411	7,719
Due after 10 years	—	—
Total debt securities	29,452	27,538
Mortgage backed securities:		
Residential	62,174	53,224
Commercial	4,353	4,322
Total	$ 95,979	$ 85,084

The following table summarizes the amortized cost and fair values of securities classified as available-for-sale and held-to-maturity at September 30, 2023:

September 30, 2023	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
	(In thousands)			
Securities available-for-sale:				
Obligations of U.S. government agencies:				
Mortgage backed securities - residential	$ 106	$ —	$ (14)	$ 92
Obligations of U.S. government-sponsored enterprises:				
Mortgage-backed securities-residential	11,984	—	(1,951)	10,033
Total securities available for sale	$ 12,090	$ —	$ (1,965)	$ 10,125
Securities held-to-maturity:				
Obligations of U.S. government agencies:				
Mortgage-backed securities - residential	$ 5,070	$ —	$ (850)	$ 4,220
Mortgage-backed securities - commercial	2,509	—	(16)	2,493
Obligations of U.S. government-sponsored enterprises:				
Mortgage backed securities - residential	48,086	—	(8,480)	39,606
Debt securities	23,497	—	(1,947)	21,550
Private label mortgage-backed securities - residential	207	—	(12)	195
Obligations of state and political subdivisions	3,466	—	(605)	2,861
Corporate securities	3,000	—	(197)	2,803
Total securities held to maturity	$ 85,835	$ —	$ (12,107)	$ 73,728
Total investment securities	$ 97,925	$ —	$ (14,072)	$ 83,853

	December 31, 2024	
	Amortized Cost	Fair Value
	(In thousands)	
Due within 1 year	$ 9,500	$ 9,403
Due after 1 but within 5 years	12,176	11,413
Due after 5 but within 10 years	3,768	3,187
Due after 10 years	—	—
Total debt securities	25,444	24,003
Mortgage backed securities:		

Residential	51,018	43,669
Commercial	4,182	4,140
Total	$ 80,644	$ 71,812

As of June 30, 2024 December 31, 2024 and September 30, 2024, investment securities having an estimated fair value a carrying amount of approximately $11.4 million $12.0 million and $12.5 million, respectively, were pledged to secure public deposits.

NOTE J I – UNREALIZED LOSSES ON INVESTMENT SECURITIES AVAILABLE-FOR-SALE

The Company recognizes an allowance for credit losses loss (“ACL”) on debt securities in earnings through a provision for credit losses while noncredit-related non credit-related impairment on debt securities not expected to be sold are recognized in other comprehensive income.

The Company reviews its investment portfolio on a quarterly basis for indications of credit losses. This review includes analyzing the extent to which the fair value has been lower than the amortized cost, the financial condition and near-term prospects of the issuer, including any specific events which may influence the operations of the issuer and the intent and ability to hold the investment for a period of time sufficient to allow for any anticipated recovery in the market. The Company evaluates its intent and ability to hold debt securities based upon its investment strategy for the particular type of security and its cash flow needs, liquidity position, capital adequacy and interest rate risk position. In addition, the risk of future credit losses may be influenced by prolonged recession in the U.S. economy, changes in real estate values and interest deferrals.

Investment securities with fair values greater than their amortized cost contain unrealized gains. Investment securities with fair values less than their amortized cost contain unrealized losses. Details of available-for-sale securities with unrealized losses at June 30, 2024 December 31, 2024 and September 30, 2024 are as follows: following tables:

		Less Than 12 Months		12 Months Or Greater		Total	
	Number of Securities	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
June 30, 2024				(Dollars in thousands)			
Obligations of U.S. government agencies:							
Mortgage-backed securities - residential	1	$ —	$ —	$ 87	$ (11)	$ 87	$ (11)
Obligations of U.S. government-sponsored enterprises							
Mortgage-backed securities - residential	8	—	—	7,454	(1,506)	7,454	(1,506)
Total	9	$ —	$ —	$ 7,541	$ (1,517)	$ 7,541	$ (1,517)

Prior to the adoption of ASU 2016-13, details of our entire investment portfolio were required to be disclosed. Accordingly, details of our held-to-maturity and available-for-sale investment securities with unrealized losses at September 30, 2023 were as follows:

		Less Than 12 Months		12 Months Or Greater		Total	
	Number of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
				(Dollars in thousands)			
December 31, 2024							
Obligations of U.S. government agencies:							
Mortgage-backed securities - residential	1	$ —	$ —	$ 83	$ (11)	$ 83	$ (11)
Obligations of U.S. government-sponsored enterprises							
Mortgage-backed securities - residential	9	2,430	—	7,077	(1,490)	9,507	(1,490)
Total	10	$ 2,430	$ —	$ 7,160	$ (1,501)	$ 9,590	$ (1,501)

		Less Than 12 Months		12 Months Or Greater		Total	
	Number of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
September 30, 2023				(Dollars in thousands)			
Obligations of U.S. government agencies:							
Mortgage-backed securities - residential	6	$ —	$ —	$ 4,312	$ (864)	$ 4,312	$ (864)
Mortgage-backed securities - commercial	2	1,926	(14)	567	(2)	2,493	(16)
Obligations of U.S. government-sponsored enterprises							
Mortgage-backed securities - residential	50	4,938	(49)	44,485	(10,382)	49,423	(10,431)
Debt securities	12	—	—	21,550	(1,947)	21,550	(1,947)
Private label mortgage-backed securities residential	1	—	—	195	(12)	195	(12)
Obligations of state and political subdivisions	7	789	(43)	2,072	(562)	2,861	(605)
Corporate securities	1	—	—	2,803	(197)	2,803	(197)
Total	79	$ 7,653	$ (106)	$ 75,984	$ (13,966)	$ 83,637	$ (14,072)

		Less Than 12 Months		12 Months Or Greater		Total	
	Number of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
				(Dollars in thousands)			
September 30, 2024							
Obligations of U.S. government agencies:							
Mortgage-backed securities - residential	1	$ —	$ —	$ 88	$ (6)	$ 88	$ (6)
Obligations of U.S. government-sponsored enterprises							
Mortgage-backed securities - residential	8	—	—	7,550	(1,202)	7,550	(1,202)
Total	9	$ —	$ —	$ 7,638	$ (1,208)	$ 7,638	$ (1,208)

The investment securities listed above currently have fair values less than amortized cost and, therefore, contain unrealized losses. The Company evaluated these securities and determined that the decline in value was primarily related to fluctuations in the interest rate environment and were not related to any company or industry specific event.

The Company anticipates full recovery of amortized costs with respect to these securities. The Company does not intend to sell these securities and has determined that it is not more likely than not that the Company would be required to sell these securities prior to maturity or market price recovery. Management For individual debt securities classified as available-for-sale, we determine whether a decline in fair value below the amortized cost has considered factors regarding credit losses and determined that no allowance for resulted from a credit loss was required as or other factors. If the decline in fair value is due to credit, we will record the portion of June 30, 2024. the impairment loss relating to credit through an ACL. Impairment that has not been recorded through an ACL is recorded through other comprehensive income, net of applicable taxes.

NOTE K J – LOANS RECEIVABLE, NET AND RELATED ALLOWANCE FOR CREDIT LOSSES

Loans receivable, net were comprised of the following:

	June 30, 2024	September 30, 2023	December 31, 2024	September 30, 2024
	(In thousands)		(In thousands)	
One-to-four family residential	$ 238,735	$ 237,683	$ 245,834	$ 246,201
Commercial real estate	447,023	389,134	481,439	461,319
Construction and land	24,093	21,853	25,992	22,722
Home equity loans and lines of credit	23,902	16,983	27,273	24,728
Commercial business	24,356	30,194	23,780	24,011
Other	2,245	2,359	2,252	2,235
Total loans receivable	760,354	698,206	806,570	781,216
Net deferred loan costs	(945)	(806)	(1,081)	(1,054)
Total loans receivable, net	$ 759,409	$ 697,400	805,489	780,162

The segments of the Company’s loan portfolio are disaggregated to a level that allows management to monitor risk and performance. The residential mortgage loan segment is further disaggregated into two classes: types: first lien, amortizing term loans, and the combination of second lien amortizing term loans and home equity lines of credit. The commercial loan segment is further disaggregated into three classes: types: loans secured by multifamily structures, loans secured by owner-occupied commercial structures, and loans secured by non-owner occupied nonresidential properties. The construction and land loan segment consists primarily of developers or investors for the purpose of acquiring, developing and constructing residential or commercial structures and to a lesser extent one-to-four family residential construction loans made to individuals for the acquisition of and/or construction on a lot or lots on which a residential dwelling is to be built. Construction loans to developers and investors have a higher risk profile because the ultimate buyer, once development is completed, is generally not known at the time of the loan. The commercial business loan segment consists of loans made for the purpose of financing the activities of commercial customers and consists of revolving lines of credit and loans partially guaranteed by the U.S. Small Business Administration. The consumer loan segment consists primarily of stock-secured installment loans, but also includes unsecured personal loans and overdraft lines of credit connected with customer deposit accounts.

Management uses a ten point internal risk rating system to monitor the credit quality of the overall loan portfolio. The first six categories are considered not criticized, and are aggregated as “Pass” rated. The criticized rating categories utilized by management generally follow bank regulatory definitions. The Special Mention category includes assets that are currently protected but are potentially weak, resulting in an undue and unwarranted credit risk, but not to the point of justifying a Substandard classification. Loans in the Substandard category have well-defined weaknesses that jeopardize the liquidation of the debt, and have a distinct possibility that some loss will be sustained if the weaknesses are not corrected. Loans classified Doubtful have all the weaknesses inherent in loans classified Substandard with the added characteristic that collection or liquidation in full, on the basis of current conditions and facts, is highly improbable. All loans greater than three months past due are considered Substandard. Any portion of a loan that has been charged off is placed in the Loss category.

To help ensure that risk ratings are accurate and reflect the present and future capacity of borrowers to repay a loan as agreed, the Company has a structured loan rating process with several layers of internal and external oversight. Generally, consumer and residential mortgage loans are included in the Pass categories unless a specific action, such as severe delinquency, bankruptcy, repossession, or death occurs to raise awareness of a possible credit event. The Company’s Commercial Loan Officers are responsible for the timely and accurate risk rating of the loans in their portfolios at origination and on an ongoing basis. The Company’s Asset Review Committee performs monthly reviews of all commercial relationships internally rated 6 (“Watch”) or worse. Confirmation of the appropriate risk grade is performed by an external loan review company that semi-annually reviews and assesses loans within the portfolio. Generally, the external consultant reviews commercial relationships greater than $500 thousand and/or criticized relationships greater than $250 thousand. Detailed reviews, including plans for resolution, are performed on loans classified as Substandard on a monthly basis.

The following table presents tables present the classes of the loan portfolio by origination year summarized by the aggregate Pass and the criticized categories of Special Mention, Substandard and Doubtful for loans subject to the Company’s internal risk rating system and by performing status for all other loans as of June 30, 2024. December 31, 2024 and September 30, 2024:

	June 30, 2024						Revolving Loans		
	Term Loans Amortized Cost Basis by Origination Fiscal Year						Amortized Cost Basis	Converted to Term	Total
	2024	2023	2022	2021	2020	Prior			
	(In thousands)								
One-to-four family residential									
Performing	$ 22,560	$ 42,570	$ 31,739	$ 26,279	$ 30,473	$ 85,076	$ 15	$ —	$ 238,712
Non-performing	—	—	—	—	—	23	—	—	23
Total	$ 22,560	$ 42,570	$ 31,739	$ 26,279	$ 30,473	$ 85,099	$ 15	$ —	$ 238,735
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Commercial real estate									
Pass	$ 68,190	$ 84,363	$ 68,019	$ 65,281	$ 29,922	$ 124,692	$ 3,887	$ —	$ 444,354
Special Mention	—	—	201	—	—	128	—	—	329
Substandard	—	—	2,224	—	—	116	—	—	2,340
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 68,190	$ 84,363	$ 70,444	$ 65,281	$ 29,922	$ 124,936	$ 3,887	$ —	$ 447,023
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Construction and land									
Pass	$ 2,998	$ 10,586	$ 1,682	$ —	$ 1,162	$ 4,374	$ 1,594	$ —	$ 22,396
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	1,697	—	—	1,697
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 2,998	$ 10,586	$ 1,682	$ —	$ 1,162	$ 6,071	$ 1,594	$ —	$ 24,093
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Home equity loans and lines of credit									
Performing	$ 1,113	$ 1,645	$ 1,622	$ 320	$ 257	$ 1,289	$ 17,351	$ 305	$ 23,902
Non-performing	—	—	—	—	—	—	—	—	—
Total	$ 1,113	$ 1,645	$ 1,622	$ 320	$ 257	$ 1,289	$ 17,351	$ 305	$ 23,902
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Commercial business									
Pass	$ 1,619	$ 520	$ 2,577	$ 1,674	$ 844	$ 2,718	$ 14,160	$ 244	$ 24,356
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 1,619	$ 520	$ 2,577	$ 1,674	$ 844	$ 2,718	$ 14,160	$ 244	$ 24,356
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Other									
Performing	$ 58	$ —	$ 54	$ —	$ 11	$ 1,771	$ 351	$ —	$ 2,245
Non-performing	—	—	—	—	—	—	—	—	—
Total	$ 58	$ —	$ 54	$ —	$ 11	$ 1,771	$ 351	$ —	$ 2,245
Current period gross charge-offs	—	—	—	—	—	—	—	—	—

Information presented in the table above is not required for periods prior to the adoption of ASU 2016-13. The following table presents more comparable information of the loan portfolio summarized by the aggregate Pass and the criticized categories of Special Mention, Substandard and Doubtful within the Bank's internal risk rating system as of September 30, 2023.

	Pass	Special Mention	Substandard	Doubtful	Total	December 31, 2024 — Term Loans Amortized Cost Basis by Origination Fiscal Year: 2025	2024	2023	2022	2021	Prior	Revolving Loans: Amortized Cost Basis	Revolving Loans: Converted to Term	Total
	(In thousands)					(In thousands)								
September 30, 2023														
One-to-four family residential	$ 236,876	$ —	$ 807	$ —	$ 237,683									
Performing						$ 6,191	$ 32,205	$ 41,065	$ 31,565	$ 24,508	$ 110,020	$ 259	$ —	$ 245,813
Non-performing						—	—	—	—	—	21	—	—	21
Total						$ 6,191	$ 32,205	$ 41,065	$ 31,565	$ 24,508	$ 110,041	$ 259	$ —	$ 245,834
Current period gross charge-offs						—	—	—	—	—	—	—	—	—
Commercial real estate	386,794	116	2,224	—	389,134									
Pass						$ 27,362	$ 88,039	$ 84,241	$ 65,951	$ 63,277	$ 148,441	$ 3,079	$ 927	$ 481,317
Special Mention						—	—	—	—	—	122	—	—	122
Substandard						—	—	—	—	—	—	—	—	—
Doubtful						—	—	—	—	—	—	—	—	—
Total						$ 27,362	$ 88,039	$ 84,241	$ 65,951	$ 63,277	$ 148,563	$ 3,079	$ 927	$ 481,439
Current period gross charge-offs						—	—	—	—	—	—	—	—	—
Construction and land	19,379	—	2,474	—	21,853									
Home equity lines of credit	16,983	—	—	—	16,983									
Pass						$ 150	$ 8,430	$ 11,374	$ —	$ —	$ 5,238	$ 800	$ —	$ 25,992
Special Mention						—	—	—	—	—	—	—	—	—
Substandard						—	—	—	—	—	—	—	—	—
Doubtful						—	—	—	—	—	—	—	—	—
Total						$ 150	$ 8,430	$ 11,374	$ —	$ —	$ 5,238	$ 800	$ —	$ 25,992
Current period gross charge-offs						—	—	—	—	—	—	—	—	—
Home equity loans and lines of credit														
Performing						$ 30	$ 1,563	$ 1,463	$ 1,581	$ 298	$ 1,289	$ 20,428	$ 303	$ 26,955
Non-performing						—	—	82	—	—	236	—	—	318
Total						$ 30	$ 1,563	$ 1,545	$ 1,581	$ 298	$ 1,525	$ 20,428	$ 303	$ 27,273
Current period gross charge-offs						—	—	—	—	—	—	—	—	—
Commercial business	30,194	—	—	—	30,194									
Pass						$ —	$ 1,748	$ 497	$ 2,343	$ 1,783	$ 3,039	$ 13,772	$ 598	$ 23,780
Special Mention						—	—	—	—	—	—	—	—	—
Substandard						—	—	—	—	—	—	—	—	—
Doubtful						—	—	—	—	—	—	—	—	—
Total						$ —	$ 1,748	$ 497	$ 2,343	$ 1,783	$ 3,039	$ 13,772	$ 598	$ 23,780
Current period gross charge-offs						—	—	—	—	—	—	—	—	—
Other	2,359	—	—	—	2,359									
Performing						$ 74	$ 21	$ —	$ 42	$ —	$ 1,773	$ 342	$ —	$ 2,252
Non-performing						—	—	—	—	—	—	—	—	—
Total	$ 692,585	$ 116	$ 5,505	$ —	$ 698,206	$ 74	$ 21	$ —	$ 42	$ —	$ 1,773	$ 342	$ —	$ 2,252
Current period gross charge-offs						—	—	—	—	—	—	—	—	—

	September 30, 2024						Revolving Loans		
	Term Loans Amortized Cost Basis by Origination Fiscal Year						Amortized	Converted	
	2024	2023	2022	2021	2020	Prior	Cost Basis	to Term	Total
					(In thousands)				
One-to-four family residential									
Performing	$ 32,624	$ 42,084	$ 31,711	$ 25,970	$ 29,976	$ 83,378	$ 342	$ —	$ 246,085
Non-performing	—	—	94	—	22	—	—	—	116
Total	$ 32,624	$ 42,084	$ 31,805	$ 25,970	$ 29,998	$ 83,378	$ 342	$ —	$ 246,201
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Commercial real estate									
Pass	$ 88,597	$ 84,674	$ 66,412	$ 64,573	$ 29,568	$ 122,605	$ 3,718	$ 932	$ 461,079
Special Mention	—	—	—	—	—	124	—	—	124
Substandard	—	—	—	—	—	116	—	—	116
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 88,597	$ 84,674	$ 66,412	$ 64,573	$ 29,568	$ 122,845	$ 3,718	$ 932	$ 461,319
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Construction and land									
Pass	$ 5,650	$ 10,061	$ —	$ —	$ 1,156	$ 4,069	$ 1,786	$ —	$ 22,722
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 5,650	$ 10,061	$ —	$ —	$ 1,156	$ 4,069	$ 1,786	$ —	$ 22,722
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Home equity loans and lines of credit									
Performing	$ 1,585	$ 1,561	$ 1,600	$ 309	$ 247	$ 1,220	$ 17,902	$ 304	$ 24,728
Non-performing	—	—	—	—	—	—	—	—	—
Total	$ 1,585	$ 1,561	$ 1,600	$ 309	$ 247	$ 1,220	$ 17,902	$ 304	$ 24,728
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Commercial business									
Pass	$ 2,062	$ 507	$ 2,517	$ 2,298	$ 802	$ 2,565	$ 13,072	$ 188	$ 24,011
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 2,062	$ 507	$ 2,517	$ 2,298	$ 802	$ 2,565	$ 13,072	$ 188	$ 24,011
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Other									
Performing	$ 61	$ —	$ 47	$ —	$ 9	$ 1,771	$ 347	$ —	$ 2,235
Non-performing	—	—	—	—	—	—	—	—	—
Total	$ 61	$ —	$ 47	$ —	$ 9	$ 1,771	$ 347	$ —	$ 2,235
Current period gross charge-offs	—	—	—	—	—	—	—	—	—

Management further monitors the performance and credit quality of the loan portfolio by analyzing the age of the portfolio as determined by the length of time a recorded payment is past due. The Bank was not accruing interest on any loans delinquent 90 days or greater as of June 30, 2024 December 31, 2024 or September 30, 2023 September 30, 2024. The following table presents the classes of the loan portfolio summarized by the aging categories of performing loans and nonaccrual loans for the periods presented:

	Current	30-59 Days Past Due	60-89 Days Past Due	90 Days + Past Due	Total Loans	Current	30-59 Days Past Due	60-89 Days Past Due	90 Days + Past Due	Total Loans
			(In thousands)					(In thousands)		
June 30, 2024										
December 31, 2024										
One-to-four family residential	$ 238,629	$ —	$ 83	$ 23	$ 238,735	$ 243,541	$ 986	$ 1,286	$ 21	$ 245,834
Commercial real estate	444,191	—	—	2,832	447,023	475,484	773	5,182	—	481,439
Construction and land	22,396	—	—	1,697	24,093	25,992	—	—	—	25,992
Home equity lines of credit	23,902	—	—	—	23,902	26,935	20	—	318	27,273
Commercial business	22,856	1,500	—	—	24,356	22,480	550	750	—	23,780
Other	2,245	—	—	—	2,245	2,252	—	—	—	2,252

Total	$ 754,219	$ 1,500	$ 83	$ 4,552	$ 760,354	$ 796,684	$ 2,329	$ 7,218	$ 339	$ 806,570

	Current	30-59 Days Past Due	60-89 Days Past Due	90 Days + Past Due	Total Loans
			(In thousands)		
September 30, 2023					
One-to four-family residential	$ 236,729	$ —	$ 568	$ 386	$ 237,683
Commercial real estate	386,794	—	116	2,224	389,134
Construction and land	19,379	—	—	2,474	21,853
Home equity lines of credit	16,983	—	—	—	16,983
Commercial business	30,047	147	—	—	30,194
Other	2,359	—	—	—	2,359
Total	$ 692,291	$ 147	$ 684	$ 5,084	$ 698,206

	Current	30-59 Days Past Due	60-89 Days Past Due	90 Days + Past Due	Total Loans
			(In thousands)		
September 30, 2024					
One-to four-family residential	$ 245,458	$ —	$ 627	$ 116	$ 246,201
Commercial real estate	461,203	—	—	116	461,319
Construction and land	22,722	—	—	—	22,722
Home equity lines of credit	24,492	—	236	—	24,728
Commercial business	23,870	141	—	—	24,011
Other	2,235	—	—	—	2,235
Total	$ 779,980	$ 141	$ 863	$ 232	$ 781,216

The following tables present our non-accrual loans and the related allowance for credit loss ACL by loan type as of June 30, 2024 December 31, 2024 and the non-accrual loans and specific reserves by loan type as of September 30, 2023 September 30, 2024.

	Total Non-Accrual	Non-Accrual with ACL	Non-Accrual without ACL
		(In thousands)	
June 30, 2024			
One-to-four family residential	$ 23	$ —	$ 23
Commercial real estate	2,340	—	2,340
Construction and land	1,697	—	1,697
Total	$ 4,060	$ —	$ 4,060

	Total Non-Accrual	Non-Accrual with ACL	Non-Accrual without ACL
		(In thousands)	
December 31, 2024			
One-to-four family residential	$ 21	$ —	$ 21
Home loans and lines of credit	318	—	318
Total	$ 339	$ —	$ 339

	Non-Accrual	Specific Reserve
	(In thousands)	
September 30, 2023		
One-to four-family residential	$ 386	$ —
Commercial real estate	2,224	—
Construction and land	2,474	—
Total	$ 5,084	$ —

	Total Non-Accrual	Non-Accrual with ACL	Non-Accrual without ACL
		(In thousands)	
September 30, 2024			
One-to-four family residential	$ 116	$ —	$ 116
Commercial real estate	116	—	116
Total	$ 232	$ —	$ 232

The following table identifies our non-performing, collateral dependent loans by collateral type as of June 30, 2024 December 31, 2024 and September 30, 2024:

	June 30, 2024
Real-estate type:	(In thousands)
One- to four-family residential	$ 23
Commercial real estate	2,832
Construction and land	1,697
Total	$ 4,552

The Company's adoption of ASU 2016-13 eliminated the requirement to disclose impaired loans. The following table presents impaired loans by class, segregated by those for which a specific allowance was required and those for which a specific allowance was not necessary as of September 30, 2023:

	Impaired Loans with	Impaired Loans with No Specific

	Specific Allowance		Allowance	Total Impaired Loans	
	Recorded Investment	Related Allowance	Recorded Investment	Recorded Investment	Unpaid Principal Balance
September 30, 2023			(In thousands)		
One-to four-family residential	$ —	$ —	$ 2,031	$ 2,031	$ 2,031
Commercial real estate	—	—	2,969	2,969	2,969
Construction and land	—	—	2,474	2,474	2,539
Commercial business	—	—	147	147	147
Total impaired loans	$ —	$ —	$ 7,621	$ 7,621	$ 7,686

The following table presents the average recorded investment in impaired loans and the interest income recognized on impaired loans for the three and nine months ended June 30, 2023.

	Three Months Ended June 30, 2023	Nine Months Ended June 30, 2023
	(In thousands)	
One-to-four family residential	$ 1,777	$ 1,645
Commercial real estate	1,142	1,220
Construction and land	1,806	2,149
Commercial business	342	312
Average investment in impaired loans	$ 5,067	$ 5,326
Interest income recognized on an accrual basis on impaired loans:		
One-to-four family residential	$ 22	$ 64
Commercial real estate	13	39
Commercial business	2	5
Total	$ 37	$ 108

	December 31, 2024	September 30, 2024
Real-estate type:	(In thousands)	
One- to four-family residential	$ 21	$ 116
Commercial real estate	—	116
Home equity loans and lines of credit	318	—
Total	$ 339	$ 232

An allowance for credit losses ACL is maintained to absorb losses from the loan portfolio. Management reviews the loan portfolio on a quarterly basis using a defined, consistently applied process in order to make appropriate and timely adjustments to the ACL. When information confirms all or part of specific loans to be uncollectible, these amounts are promptly charged off against the ACL. Since loans individually evaluated for impairment are promptly written down to their fair value, typically there is no portion of the ACL for individually evaluated loans.

ASU 2016-13 requires estimated credit losses on loans to be determined based on an expected life of loan model, as compared to an incurred loss model (in effect for periods prior to October 1, 2023). Accordingly, the allowance for credit losses disclosures subsequent to October 1, 2023 are not always comparable to prior dates. In addition, certain new disclosures required under ASU 2016-13 are not applicable to prior periods. As a result, the following tables present disclosures separately for each period, where appropriate. New disclosures required under ASU 2016-13 are only shown for the current period. Please refer to Note B "Recent Accounting Pronouncements" for a summary of the impact of adopting the provisions of ASU 2016-13 on October 1, 2023.

The following tables set forth the allocation of the Bank's allowance for credit losses ACL by loan category at the dates indicated. The portion of the allowance for credit losses ACL allocated to each loan category does not represent the total available for future losses which may occur within the loan category since the total allowance for credit losses is a valuation allocation applicable to the entire loan portfolio. The Company generally charges-off the collateral or discounted cash flow deficiency on all loans at 90 days past due and all loans rated substandard or worse that are 90 days past due.

	One-to-Four Family Residential	Commercial Real Estate	Construction and Land	Home Equity Lines of Credit	Commercial Business	Other	Unallocated	Total
	(In thousands)							
Balance- September 30, 2024	$ 755	$ 5,334	$ 624	$ 30	$ 805	$ —	$ —	$ 7,548
Charge-offs	—	—	—	—	—	—	—	—
Recoveries	—	—	—	—	103	—	—	103
Provision (credit)	(1)	261	71	3	(125)	—	—	209
Balance- December 31, 2024	$ 754	$ 5,595	$ 695	$ 33	$ 783	$ —	$ —	$ 7,860

The following tables also present, by loan category,

	One-to-Four Family Residential	Commercial Real Estate	Construction	Home Equity Lines of Credit	Commercial Business	Other	Unallocated	Total
	(In thousands)							
Balance- September 30, 2023	$ 1,259	$ 5,277	$ 472	$ 207	$ 939	$ 2	$ 174	$ 8,330
Effect of adopting ASU 2016-13	7	(589)	(55)	(87)	(133)	(1)	(174)	(1,032)
Charge-offs	—	—	—	—	—	—	—	—
Recoveries	—	—	—	—	—	—	—	—
Provision (credit)	(75)	161	301	(40)	39	(1)	—	385
Balance- December 31, 2023	$ 1,191	$ 4,849	$ 718	$ 80	$ 845	$ —	$ —	$ 7,683

During the three months ended December 31, 2024, the changes in the allowance for credit losses for the three and nine months ended June 30, 2024 and the allowance for credit losses for the three and nine months ended June 30, 2023.

	One-to-Four Family Residential	Commercial Real Estate	Construction and Land	Home Equity Lines of Credit	Commercial Business	Other	Unallocated	Total
	(In thousands)							
Balance- September 30, 2023	$ 1,259	$ 5,277	$ 472	$ 207	$ 939	$ 2	$ 174	$ 8,330
Effect of adopting ASU 2016-13	7	(589)	(55)	(87)	(133)	(1)	(174)	(1,032)
Charge-offs	—	—	—	—	—	—	—	—
Recoveries	—	—	—	—	—	—	—	—
Provision (credit)	(75)	161	301	(40)	39	(1)	—	385
Balance- December 31, 2023	$ 1,191	$ 4,849	$ 718	$ 80	$ 845	$ —	$ —	$ 7,683
Charge-offs	—	—	—	—	—	—	—	—
Recoveries	—	—	65	—	—	—	—	65
Provision (credit)	(421)	237	77	(28)	78	3	—	(54)
Balance- March 31, 2024	$ 770	$ 5,086	$ 860	$ 52	$ 923	$ 3	$ —	$ 7,694
Charge-offs	—	—	—	—	—	—	—	—
Recoveries	1	—	—	—	—	—	—	1
Provision (credit)	208	147	(187)	(14)	(102)	(3)	—	49
Balance- June 30, 2024	$ 979	$ 5,233	$ 673	$ 38	$ 821	$ —	$ —	$ 7,744

	One-to-Four Family Residential	Commercial Real Estate	Construction and Land	Home Equity Lines of Credit	Commercial Business	Other	Unallocated	Total
	(In thousands)							
Balance- September 30, 2022	$ 1,223	$ 4,612	$ 461	$ 263	$ 1,484	$ 1	$ 389	$ 8,433
Charge-offs	—	—	—	—	—	—	—	—
Recoveries	—	—	—	—	—	—	—	—
Provision (credit)	12	518	65	(7)	(109)	—	(162)	317
Balance- December 31, 2022	$ 1,235	$ 5,130	$ 526	$ 256	$ 1,375	$ 1	$ 227	$ 8,750
Charge-offs	—	—	—	—	(102)	—	—	(102)
Recoveries	1	—	—	—	—	—	—	1
Provision (credit)	34	280	(58)	(10)	62	—	(113)	195
Balance- March 31, 2023	$ 1,270	$ 5,410	$ 468	$ 246	$ 1,335	$ 1	$ 114	$ 8,844
Charge-offs	—	—	—	—	(386)	—	—	(386)
Recoveries	1	—	—	—	—	—	—	1
Provision (credit)	(102)	(318)	(21)	(15)	(41)	—	416	(81)
Balance- June 30, 2023	$ 1,169	$ 5,092	$ 447	$ 231	$ 908	$ 1	$ 530	$ 8,378

During the nine months ended June 30, 2024 and exclusive of the impact of the adoption of ASU 2016-13, the changes in the provision for credit losses ACL for each portfolio of loans loan category were primarily due to fluctuations in the outstanding balance of each segment of loans collectively evaluated for impairment. Specifically, we experienced significant growth in our commercial real estate portfolio as well as and, to a lesser extent, growth in our construction and land loan commitments balances during the nine three months ended June 30, 2024 and a corresponding increase in the provision for credit losses for these portfolios. An adjustment December 31, 2024.

The Company's ACL increased $204 thousand to the expected loss rate for one-to-four family residential loans for improving economic conditions, as measured by the U.S. unemployment rate, resulted in a reduction in the provision for credit losses for that loan category $8.2 million during the nine three months ended June 30, 2024 December 31, 2024.

The allowance ACL for credit losses on-balance sheet exposures increased $16 thousand to $8.3 million during the nine months ended June 30, 2024. Upon adoption of ASU 2016-13 on October 1, 2023, the Company's allowance for credit losses decreased $492 thousand. Growth in loans receivable and loan commitments during the nine months ended June 30, 2024 resulted in $7.9 million at December 31, 2024 from $7.5 million at September 30, 2024 resulting from additional net provisions for credit losses totaling $441 $209 thousand and there were $67 $103 thousand in loan recoveries. The Company's allowance for on-balance sheet credit losses decreased to $7.7 million at June 30, 2024 from $8.3 million at September 30, 2023 while its reserve ACL for off-balance sheet loan commitments increased decreased to $602 $340 thousand at June 30, 2024 December 31, 2024 from $0 $449 thousand at September 30, 2023.

The following table presents, by loan category, segregated into the amount required for loans individually evaluated for impairment and the amount required for loans collectively evaluated for impairment as September 30, 2024 from lower unfunded construction lines of and September 30, 2023. credit.

	One-to-Four Family Residential	Commercial Real Estate	Construction	Home Equity Lines of Credit	Commercial Business	Other	Unallocated	Total
				(In thousands)				
Allowance for Loan Losses:								
Balance - September 30, 2023	$ 1,259	$ 5,277	$ 472	$ 207	$ 939	$ 2	$ 174	$ 8,330
Individually evaluated for impairment	—	—	—	—	—	—	—	—
Collectively evaluated for impairment	1,259	5,277	472	207	939	2	174	8,330
Loans receivable:								
Balance - September 30, 2023	$ 237,683	$ 389,134	$ 21,853	$ 16,983	$ 30,194	$ 2,359	$ —	$ 698,206
Individually evaluated for impairment	2,031	2,969	2,474	—	147	—	—	7,621
Collectively evaluated for impairment	235,652	386,165	19,379	16,983	30,047	2,359	—	690,585

During the nine three months ended June 30, 2024 December 31, 2024, there were no loans modified to borrowers experiencing financial difficulty. During the nine months ended June 30, 2023, there was one loan modified that was identified as a troubled debt restructuring ("TDR") and there were no TDRs that subsequently defaulted within twelve months of modification. The following table presents information on TDRs:

	Nine Months Ended June 30, 2023		
	Number of Loans	Investment Before TDR Modification	Investment After TDR Modification
		(Dollars in thousands)	
One-to four-family residential	1	$ 97	$ 107
Total	1	$ 97	$ 107

There was one residential loans loan and one home equity line of credit totaling $23 $257 thousand that was were in the process of foreclosure at June 30, 2024 December 31, 2024.

NOTE L K - DEPOSITS

A summary of deposits by type of account are summarized as follows:

	June 30, 2024	September 30, 2023	December 31, 2024	September 30, 2024
	(In thousands)		(In thousands)	
Demand accounts	$ 136,916	$ 188,550	$ 131,218	$ 132,837
Savings accounts	54,648	62,168	55,271	52,853
NOW accounts	150,420	115,182	168,776	146,744
Money market accounts	303,576	284,885	331,629	304,588
Certificates of deposit	130,678	92,725	148,874	146,674
Retirement certificates	12,955	11,943	13,064	12,978
Total deposits	$ 789,193	$ 755,453		
			$ 848,832	$ 796,674

Included in the Company's deposits at June 30, 2024 December 31, 2024 and September 30, 2024 were $21.6 million $29.6 million in brokered certificates of deposit and $17.7 million $20.0 million in certificates of deposit obtained through a national deposit listing service. At September 30, 2023 the Company had $13.8 million in brokered certificates of deposits and $14.0 million in certificates of deposits obtained through a national deposit listing service.

At June 30, 2024 December 31, 2024 and September 30, 2023 September 30, 2024, the aggregate deposits in amounts greater than $250 thousand, which is the maximum amount for federal deposit insurance, were $380.5 million $477.5 million and $367.4 million, respectively. The estimated amount of deposits that were neither insured nor collateralized was $122.3 million and $109.3 million at June 30, 2024 and September 30, 2023 $380.0 million, respectively.

NOTE M L - FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

The Company may use derivative financial instruments, such as interest rate swaps and interest rate floors and caps, as part of its interest rate risk management. Interest rate caps and floors are agreements whereby one party agrees to pay or receive a floating rate of interest on a notional principal amount for a predetermined period of time if certain market interest rate thresholds are met. The Company considers the credit risk inherent in these contracts to be negligible. As of June 30, 2024 December 31, 2024, the Company did not hold any interest rate floors or collars.

The Company is a party to interest rate derivatives that are not designated as hedging instruments. Under a program, the Company executes interest rate swaps with commercial lending customers to facilitate their respective risk management strategies. These interest rate swaps with customers are simultaneously offset by interest rate swaps that the Company executes with a third-party financial institution, such that the Company minimizes its net risk exposure resulting from such transactions. Because the interest rate swaps associated with this program do not meet the strict hedge accounting requirements, changes in the fair value of both the customer swaps and the offsetting swaps are recognized directly in earnings. The changes in the fair value of the swaps offset each other, except for the credit risk of the counterparties, which is determined by taking into consideration the risk rating, probability of default and loss given default for all counterparties, and was not significant to the total fair value. The Company was not required to pledge any collateral for its interest rate swaps with financial institutions at June 30, 2024 December 31, 2024 and September 30, 2023 September 30, 2024.

The following table presents summary information regarding these derivatives as of June 30, 2024 December 31, 2024 and September 30, 2023 September 30, 2024.

	Notional Amount	Average Maturiy (Years)	Weighted Average Fixed Rate	Weighted Average Variable Rate	Fair Value	Notional Amount	Average Maturity (Years)	Weighted Average Fixed Rate	Weighted Average Variable Rate	Fair Value
			(Dollars in thousands)					(Dollars in thousands)		
June 30, 2024										
December 31, 2024										
Classified in Other Assets:										
Customer interest rate swaps	$ 35,178	3.4	4.96%	1 Mo. BSBY + 2.44	$ 1,841	$ 34,599	2.9	4.96%	1 Mo. BSBY + 2.44	$ 1,510
Total	$ 35,178	3.4	4.96%		$ 1,841	$ 34,599	2.9	4.96%		$ 1,510
Classified in Other Liabilities:										
3rd Party interest rate swaps	$ 35,178	3.4	4.96%	1 Mo. BSBY + 2.44	$ 1,841	$ 34,599	2.9	4.96%	1 Mo. BSBY + 2.44	$ 1,510
Total	$ 35,178	3.4	4.96%		$ 1,841	$ 34,599	2.9	4.96%		$ 1,510
September 30, 2023										
September 30, 2024										
Classified in Other Assets:										
Customer interest rate swaps	$ 36,020	4.2	4.96%	1 Mo. BSBY + 2.44	$ 2,579	$ 34,890	3.2	4.96%	1 Mo. BSBY + 2.44	$ 1,405
Total	$ 36,020	4.2	4.96%		$ 2,579	$ 34,890	3.2	4.96%		$ 1,405
Classified in Other Liabilities:										
3rd Party interest rate swaps	$ 36,020	4.2	4.96%	1 Mo. BSBY + 2.44	$ 2,579	$ 34,890	3.2	4.96%	1 Mo. BSBY + 2.44	$ 1,405
Total	$ 36,020	4.2	4.96%		$ 2,579	$ 34,890	3.2	4.96%		$ 1,405

The Company is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments are commitments to extend credit and are summarized in the below table. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amounts recognized in the consolidated balance sheets. Consolidated Balance Sheets.

	June 30, 2024	September 30, 2023
	(In thousands)	
Financial instruments whose contract amounts represent credit risk		
Letters of credit	$ 690	$ 1,073
Unused lines of credit	93,102	89,933
Fixed rate loan commitments	4,939	3,578
Variable rate loan commitments	33,526	26,472
Totals	$ 132,257	$ 121,056

Upon adoption of ASU 2016-13 on October 1, 2023, the Company recorded an allowance for credit losses for its unused lines of credit and unfunded commitments totaling $540 thousand. The Company's reserves for off-balance sheet credit losses increased to $602 thousand at June 30, 2024 from $0 at September 30, 2023.

	December 31, 2024	September 30, 2024
	(In thousands)	
Financial instruments whose contract amounts represent credit risk		
Letters of credit	$ 735	$ 620
Unused lines of credit	74,838	88,272
Fixed rate loan commitments	5,554	1,804
Variable rate loan commitments	62,086	26,843
Total	$ 143,213	$ 117,539

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

Forward-Looking Statements

When used in this filing and in future filings by the Company with the Securities and Exchange Commission, in the Company's press releases or other public or shareholder communications, or in oral statements made with the approval of an authorized executive officer, the words or phrases, "anticipate," "would be," "will allow," "intends to," "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "projected," "believes", or similar expressions are intended to identify "forward looking statements." Forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, those risks previously disclosed by the Company in Item 1A of its Annual Report on Form 10-K as may be supplemented by Quarterly Reports on Form 10-Q filed with the SEC, general economic conditions, changes in interest rates, regulatory considerations, competition, technological developments, retention and recruitment of qualified personnel, and market acceptance of the Company's pricing, products and services, levels of uninsured deposits, and with respect to the loans extended by the Company and real estate owned, the following: risks related to the economic environment in the market areas in which the Bank operates, particularly with respect to the real estate market in New Jersey; the risk that the value of the real estate securing these loans may decline in value; and the risk that significant expense may be incurred by the Company in connection with the resolution of these loans.

The Company wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made, and advises readers that various factors, including regional and national economic conditions, substantial changes in levels of market interest rates, credit and other risks of lending and investing activities, and competitive and regulatory factors, could affect the Company's financial performance and could cause the Company's actual results for future periods to differ materially from those anticipated or projected.

The Company does not undertake, and specifically disclaims any obligation, to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements.

Critical Accounting Policies

Critical accounting policies are defined as those that are reflective of significant judgments and uncertainties, and could potentially result in materially different results under different assumptions and conditions. Critical accounting policies may involve complex subjective decisions or assessments. Please refer to the Company's Form 10-K for the Company's critical accounting policies. There were no significant changes to the Company's critical accounting policies, other than a change to the methodology for calculating the allowance for credit losses during the nine months ended June 30, 2024.

The Company adopted ASU 2016-13 on October 1, 2023 using the modified retrospective approach for all financial assets measured at amortized cost, including loans, held-to-maturity debt securities, not measured at amortized cost and unfunded commitments. The Company recorded a cumulative effect increase to retained earnings of $492 thousand ($354 thousand net of taxes), which was comprised of a $1.0 million ($725 thousand net of tax) increase related to loans and $540 thousand ($379 thousand net of tax) decrease related to unfunded commitments. The Company determined that there was no impact to retained earnings related to held-to-maturity securities as a result of adopting this guidance. The results reported for periods beginning on or after October 1, 2023 are presented under Accounting Standards Codification 326, while prior period amounts continue to be reported in accordance with previously applicable accounting standards.

Comparison of Financial Condition at June 30, 2024 December 31, 2024 and September 30, 2023 September 30, 2024

Total Assets. Total assets increased $37.1 million $56.5 million, or 4.1% 5.9%, to $944.4 million $1.0 billion at June 30, 2024 December 31, 2024 from $907.3 million $951.9 million at September 30, 2023 September 30, 2024. The increase was attributable to higher interest-earning deposits with banks and higher balances of loans receivable, partially offset by lower interest-earning deposits with banks. receivable.

Interest Earning Deposits. Interest-earning deposits with banks decreased $23.6 million Total cash and cash equivalents increased $32.9 million, or 34.0% 128.7%, to $45.8 million $58.5 million at June 30, 2024 December 31, 2024 from $69.4 million $25.6 million at September 30, 2023 September 30, 2024 resulting primarily from deployment of these fund into higher deposits, partially offset by higher loans receivable during the nine months ended June 30, 2024. and investments.

Loans Receivable. Total loans receivable increased $62.2 million $25.3 million, or 8.9% 3.2%, to $760.4 million $805.5 million at June 30, 2024 December 31, 2024 from $698.2 million $780.2 million at September 30, 2023 September 30, 2024. The increase in total loans receivable during the nine months quarter ended June 30, 2024 December 31, 2024 occurred primarily in commercial real estate loans, which increased $57.9 million $20.1 million, or 4.4%, to $481.4 million, or 59.7% of loans. The Company also grew in construction loans, which increased $3.3 million, and one-to four-family residential real estate loans (including home equity lines of credit), which increased $8.0 million, and construction and land loans, which increased $2.2 million. Partially offsetting these increases were commercial business loans, which decreased $5.8 million and other loans, which decreased $114 $231 thousand.

Given the significance of commercial real estate (“CRE”) loans to our total loan portfolio, the following table further disaggregates these loans by occupied status and by collateral type as of June 30, 2024 December 31, 2024:

	2024			December 31	
	June 30			2024	
	Amount		Percent	Amount	Percent
	(In thousands)			(In thousands)	
Owner-occupied					
Retail	$	44,505	10.0%	$ 45,626	9.5%
Hotel/Motel		42,642	9.5%	43,507	9.0%
Professional		36,722	8.2%	34,795	7.2%
Office		11,315	2.5%	11,975	2.5%
Restaurant		17,760	4.0%	18,565	3.9%
Other		26,284	5.9%	29,029	6.0%
Total owner-occupied	$	179,228	40.1%	$ 183,497	38.1%
Non-owner occupied					
Retail	$	81,746	18.3%	$ 95,493	19.8%
Multi-family		72,278	16.2%	89,862	18.7%
Professional		18,378	4.1%	18,812	3.9%
Office		40,445	9.0%	39,406	8.2%
Restaurant		8,122	1.8%	7,481	1.6%
Hotel/Motel		2,575	0.6%	2,556	0.5%
Other		44,251	9.9%	44,332	9.2%
Total non-owner occupied	$	267,795	59.9%	$ 297,942	61.9%
Total commercial real estate loans	$	447,023	100.0%	$ 481,439	100.0%

The Company obtains an appraisal of the real estate collateral securing a CRE loan prior to originating the loan. The appraised value is used to calculate the ratio of the outstanding loan balance to the value of the real estate collateral, or loan-to-value ratio ("LTV"). The original appraisal is used to monitor the LTVs within the CRE portfolio unless an updated appraisal is received, which may happen for a variety of reasons including, but not limited to, payment delinquency, additional loan requests using the same collateral, and loan modifications. The following table presents the ranges in the LTVs of our CRE loans at June 30, 2024 December 31, 2024:

December 31, 2024			December 31, 2024	
LTV Range	**Number of** Loans	Amount	Number of	
LTV range			Loans	Amount
	(Dollars in thousands)			
0%-25.0%	113	$ 45,456	111	$ 46,530
25.01%-50.0%	120	112,463	125	125,002
50.01%-60.0%	67	111,073	75	121,156
60.01%-70.0%	91	116,230	98	127,570
70.01%-75.0%	28	43,551	32	47,312
75.01%-80.0%	9	14,774	6	12,648
> 80.0%	2	3,476	1	1,221
Totals	430	$ 447,023	448	$ 481,439

As of June 30, 2024 December 31, 2024 and September 30, 2024, non-owner occupied commercial real estate loans (as defined by regulatory guidance) to total risk-based capital was were estimated at approximately 262%. 280% and 270%, respectively. Management believes that Magyar Bank has implemented appropriate risk management practices, including risk assessments, board-approved underwriting policies and related procedures, which include monitoring loan portfolio performance and stressing of the commercial real estate portfolio under adverse economic conditions.

Our asset quality with respect to commercial real estate loans has remained strong despite recent economic and market conditions. As of June 30, 2024 December 31, 2024 and September 30, 2023 September 30, 2024, we had $2.8 million $0 and $2.2 million $116 thousand of non-performing commercial real estate loans, respectively. Such amounts totaled 0.6% of total commercial real estate loans as of June 30, 2024 and September 30, 2023.

Total non-performing loans decreased $532 increased $107 thousand, or 10.5% 46.1%, to $4.6 million $339 thousand at June 30, 2024 December 31, 2024 from $5.1 million $232 thousand at September 30, 2023 September 30, 2024. The decline increase was attributable due to the foreclosure addition of a two loans secured by residential property previously securing a $777 thousand construction loan and payments totaling $386 thousand, mortgages, partially offset by a $631 thousand increase from new non-performing loans the payoff of one loan secured by three commercial real estate properties and one single family residential property. estate. The ratio of non-performing loans to total loans decreased increased to 0.60% 0.04% at June 30, 2024 December 31, 2024 from 0.73% 0.03% at September 30, 2023 September 30, 2024.

The allowance for credit losses increased $16 $204 thousand to $8.3 million $8.2 million, or 1.02% of total loans receivable, during the nine three months ended June 30, 2024 December 31, 2024. Upon adoption of ASU 2016-13 on October 1, 2023, the Company's allowance for credit losses decreased $492 thousand. Growth in loans receivable and loan commitments during the nine months ended June 30, 2024 quarter resulted in additional provisions for credit loss losses totaling $441 $101 thousand and there were $67 the Company recorded $103 thousand in net loan recoveries. The Company's allowance for on-balance sheet credit losses decreased increased to $7.7 million $7.9 million at June 30, 2024 December 31, 2024 from $8.3 million $7.5 million at September 30, 2023 September 30, 2024 while its reserve for off-balance sheet commitments increased decreased to $602 $340 thousand at June 30, 2024 December 31, 2024 from $0 $449 thousand at September 30, 2023 September 30, 2024.

The allowance for on-balance sheet loan losses as a percentage of non-performing loans increased decreased to 170.1% 2,318.6% at June 30, 2024 December 31, 2024 from 163.9% 3,253.5% at September 30, 2023 September 30, 2024. The allowance for on-balance sheet loan losses as a percentage of total loans was 1.02% 0.97% at June 30, 2024 compared with 1.19% at September 30, 2023. December 31, 2024 and September 30, 2024, respectively. Future increases in the allowance for credit losses may be necessary based on possible future increases in non-performing loans and charge-offs, the possible deterioration of collateral values, and the possible deterioration of the current economic environment.

Investment Securities. At June 30, 2024 December 31, 2024, investment securities totaled $94.5 million $98.0 million, reflecting a decrease an increase of $1.5 million $2.6 million, or 1.5% 2.7%, from $96.0 $95.4 million at September 30, 2023 September 30, 2024. The decrease increase resulted from matured bonds totaling $6.5 million and payments from $4.9 million purchase of mortgage-backed securities, offset by principal repayments totaling $5.4 million during the nine months ended June 30, 2024. Offsetting these decreases were purchases totaling $10.0 million $2.1 million and a $400 $237 thousand increase decrease in the market value of the Company's available-for-sale investment securities. There were no credit losses recorded for the Company's investment securities during the nine three months ended June 30, 2024 December 31, 2024.

Investment security purchases during the nine months ended June 30, 2024 securities at December 31, 2024 consisted of a $4.0 million corporate note issued by Provident Financial Services, Inc., a $2.0 million bond issued by the Federal Home Loan Bank of New York, a $2.0 million mortgage-backed security issued by the Federal National Mortgage Association and a $2.0 million participation certificate issued by the U.S. Small Business Administration.

Investment securities at June 30, 2024 consisted of $64.8 million $68.3 million in mortgage-backed securities issued by U.S. government agencies and U.S. government-sponsored enterprises, $19.0 million in U.S. government-sponsored enterprise debt securities, $7.0 million $7.1 million in corporate notes, $3.5 million $3.4 million in municipal bonds, and $195 $187 thousand in "private-label" mortgage-backed securities. There was no allowance for credit losses for the Company's investment securities for the nine three months ended June 30, 2024 December 31, 2024.

Deposits. Total deposits increased $33.7 million $52.2 million, or 4.5% 6.5%, to $789.2 million $848.8 million at June 30, 2024 December 31, 2024 from $755.4 million $796.7 million at September 30, 2023 September 30, 2024.

The inflow in deposits occurred in money market accounts, which increased $27.0 million, or 8.9%, to $331.6 million, in interest-bearing checking accounts, which increased $22.0 million, or 15.0%, to $168.8 million, in savings accounts, which increased $2.4 million, or 4.6%, to $55.3 million, and in certificates of deposit (including individual retirement accounts), which increased $38.9 million $2.3 million, or 37.2% 1.4%, to $143.6 million, in interest-bearing checking accounts (NOW), which increased $35.2 million, or 30.6%, to $150.4 million and in money market accounts, which increased $18.7 million, or 6.6%, to $303.6 million $161.9 million. Partially offsetting these increases were decreases was a $1.6 million, or 1.2%, decrease in non-interest bearing checking accounts which decreased $51.6 million, or 27.4%, to $136.9 million and in savings accounts, which decreased $7.5 million, or 12.1%, to $54.7 million $131.2 million. Brokered deposits, which are included in certificates of deposit within total deposits, increased $7.8 million to $21.6 million at June 30, 2024 from $13.8 million at September 30, 2023. The Company utilized brokered deposits to extend the duration of its liabilities as part of its interest rate risk management.

Borrowed Funds. Borrowings decreased $947 thousand, increased $1.9 million, or 3.2% 6.5%, to $30.4 million at December 31, 2024 from $28.6 million at June 30, 2024 from $29.5 million at September 30, 2023 September 30, 2024. The During the three months ended December 31, 2024, the Company repaid a matured long term advance totaling $4.4 million and utilized a new $3.4 million long term advance borrowed an additional $1.9 million from the Federal Home Loan Bank of New York during the nine months ended June 30, 2024. under a program that provides a zero-cost advance for a three-year term.

Stockholders' Equity. Stockholders' equity increased $4.2 million $1.1 million, or 4.1% 1.0%, to $109.0 million $111.7 million at June 30, 2024 December 31, 2024 from $104.8 million $110.5 million at September 30, 2023 September 30, 2024. The increase was primarily due to net income the results from operations, partially offset by dividends paid totaling $0.09 per share and the repurchase of $5.2 million, followed by a $367 thousand reduction in other accumulated comprehensive loss, a $354 thousand increase for the Company's adoption of ASU 2016-13, a $484 thousand increase from stock-based compensation and an $118 thousand increase for ESOP 31,737 shares allocated for the nine months ended June 30, 2024. Partially offsetting these increases were $1.4 million in dividends ($0.21 per share) paid and 85,628 shares repurchased during the period totaling $953 thousand. As a result, the quarter at an average share price of $13.75. The Company's book value per share increased to $16.55 $17.23 at June 30, 2024 December 31, 2024 from $15.70 $16.98 at September 30, 2023 September 30, 2024.

Average Balance Sheets for the Three and Nine Months Ended June 30, 2024 December 31, 2024 and 2023

The following tables present table presents certain information regarding the Company's financial condition and net interest income for the three and nine months ended June 30, 2024 December 31, 2024 and 2023. The tables present table presents the annualized average yield on interest-earning assets and the annualized average cost of interest-bearing liabilities. We derived the yields and costs by dividing annualized income or expense by the average balance of interest-earning assets and interest-bearing liabilities, respectively, for the periods shown. We derived average balances from daily balances over the period indicated. Interest income includes fees that we consider adjustments to yields.

	Three Months Ended June 30,					
	2024			2023		
	Average Balance	Interest Income/ Expense	Yield/Cost (Annualized)	Average Balance	Interest Income/ Expense	Yield/Cost (Annualized)
	(Dollars in thousands)					
Interest-earning assets:						
Interest-earning deposits	$ 57,178	$ 737	5.17%	$ 24,976	$ 294	4.73%
Loans receivable, net (1)	744,914	10,962	5.90%	674,985	9,033	5.37%
Securities						
Taxable	92,248	561	2.44%	94,049	398	1.70%
Tax-exempt (2)	3,370	18	2.17%	3,370	18	2.17%
FHLBNY stock	2,326	53	9.20%	2,204	38	6.84%
Total interest-earning assets	900,036	12,331	5.50%	799,584	9,781	4.91%
Noninterest-earning assets	49,563			48,283		
Total assets	$ 949,599			$ 847,867		
Interest-bearing liabilities:						
Savings accounts (3)	$ 55,914	86	0.62%	$ 68,648	86	0.50%
NOW accounts (4)	463,135	3,955	3.43%	339,784	2,023	2.39%
Time deposits (5)	139,120	1,296	3.74%	92,855	539	2.33%
Total interest-bearing deposits	658,169	5,337	3.25%	501,287	2,648	2.12%
Borrowings	28,510	206	2.90%	27,967	239	3.43%
Total interest-bearing liabilities	686,679	5,543	3.24%	529,254	2,887	2.19%
Noninterest-bearing liabilities	157,405			219,291		
Total liabilities	844,084			748,545		
Retained earnings	105,515			99,322		
Total liabilities and retained earnings	$ 949,599			$ 847,867		
Tax-equivalent basis adjustment		(4)			(4)	
Net interest and dividend income		$ 6,784			$ 6,890	
Interest rate spread			2.26%			2.72%
Net interest-earning assets	$ 213,357			$ 270,330		
Net interest margin (6)			3.02%			3.46%
Average interest-earning assets to average interest-bearing liabilities	131.07%			151.08%		

(1) The average balance of loans receivable, net includes non-accrual loans.
(2) Interest income and yield are calculated using the Company's 21% federal tax rate.
(3) Includes passbook savings, money market passbook and club accounts.
(4) Includes interest-bearing checking and money market accounts.
(5) Includes certificates of deposits and individual retirement accounts.
(6) Calculated as annualized net interest income divided by average total interest-earning assets.

	Nine Months Ended June 30,						Three Months Ended December 31,					
	2024			2023			2024			2023		
	Average Balance	Interest Income/ Expense	Yield/Cost (Annualized)	Average Balance	Interest Income/ Expense	Yield/Cost (Annualized)	Average Balance	Interest Income/ Expense	Yield/Cost (Annualized)	Average Balance	Interest Income/ Expense	Yield/Cost (Annualized)
	(Dollars In Thousands)						(Dollars in thousands)					
Interest-earning assets:												
Interest-earning deposits	$ 63,265	$ 2,453	5.18%	$ 17,175	$ 513	4.00%	$ 33,054	$ 370	4.44%	$ 70,954	$ 928	5.19%
Loans receivable, net (1)	724,804	31,584	5.83%	661,320	25,610	5.18%	786,040	11,864	5.99%	703,238	10,082	5.69%
Securities												
Taxable	92,579	1,560	2.25%	95,780	1,194	1.67%	91,814	603	2.60%	92,694	478	2.05%
Tax-exempt (2)	3,370	55	2.17%	3,370	55	2.17%	3,370	18	2.15%	3,370	18	2.15%
FHLBNY stock	2,291	165	9.60%	1,926	92	6.42%	2,394	55	9.05%	2,290	55	9.53%
Total interest-earning assets	886,309	35,817	5.40%	779,571	27,464	4.71%	916,672	12,910	5.59%	872,546	11,561	5.26%
Noninterest-earning assets	49,235			48,319			53,992			49,628		
Total assets	$ 935,544			$ 827,890			$ 970,664			$ 922,174		
Interest-bearing liabilities:												
Savings accounts (3)	$ 58,607	$ 270	0.62%	$ 73,798	$ 258	0.47%	$ 53,440	90	0.67%	$ 60,661	87	0.57%
NOW accounts (4)	436,112	10,737	3.29%	331,024	4,764	1.92%	465,382	3,540	3.02%	413,731	3,156	3.03%
Time deposits (5)	122,962	3,183	3.46%	86,682	1,110	1.71%	161,842	1,624	3.98%	107,207	834	3.09%
Total interest-bearing deposits	617,681	14,190	3.07%	491,504	6,132	1.67%	680,664	5,254	3.06%	581,599	4,077	2.78%
Borrowings	28,972	663	3.06%	24,515	594	3.24%	29,556	208	2.80%	29,604	236	3.16%
Total interest-bearing liabilities	646,653	14,853	3.07%	516,019	6,726	1.74%	710,220	5,462	3.05%	611,203	4,313	2.80%
Noninterest-bearing liabilities	179,201			208,451			148,100			204,225		
Total liabilities	825,854			724,470			858,320			815,428		
Retained earnings	109,690			103,420			112,344			106,746		
Total liabilities and retained earnings	$ 935,544			$ 827,890			$ 970,664			$ 922,174		

Tax-equivalent basis adjustment		(12)			(12)			(4)			(4)	
Net interest and dividend income		$ 20,952			$ 20,726			$ 7,444			$ 7,244	
Interest rate spread			2.33%			2.97%			2.54%			2.46%
Net interest-earning assets	$ 239,656			$ 263,552			$ 206,452			$ 261,343		
Net interest margin (6)			3.16%			3.55%			3.22%			3.29%
Average interest-earning assets to average interest-bearing liabilities	137.06%			151.07%			129.07%			142.76%		

(1) The average balance of loans receivable, net includes non-accrual loans.
(2) Interest income and yield are calculated using the Company's 21% federal tax rate.
(3) Includes passbook savings, money market passbook and club accounts.
(4) Includes interest-bearing checking and money market accounts.
(5) Includes certificates of deposits and individual retirement accounts.
(6) Calculated as annualized net interest income divided by average total interest-earning assets.

Comparison of Operating Results for the Three Months Ended June 30, 2024 December 31, 2024 and 2023

Net Income. Net income decreased $227 increased $443 thousand, or 11.8% 26.2%, to $1.7 million $2.1 million for the three-month period ended June 30, 2024 December 31, 2024 compared with net income of $1.9 million $1.7 million for the three months ended June 30, 2023 December 31, 2023. The decrease increase was due to lower higher net interest and dividend income, lower provisions for credit losses and higher other income, and partially offset by higher other expenses.

Net Interest and Dividend Income. Net interest and dividend income decreased $106 increased $200 thousand, or 1.5% 2.8%, to $6.8 million $7.4 million for the three months ended June 30, 2024 December 31, 2024 from $6.9 million $7.2 million for the three months ended June 30, 2023 December 31, 2023. The decrease increase was attributable to a 44-basis $44.1 million increase in the average balance of interest-earning assets between periods, partially offset by a seven-basis point decrease in the Company's net interest margin to 3.02% 3.22% for the three months ended June 30, 2024 December 31, 2024 from 3.46% 3.29% for the three months ended June 30, 2023, partially offset by a $100.5 million increase in the average balance of interest-earning assets between the periods. December 31, 2023.

Interest and Dividend Income. Interest and dividend income increased $2.5 million $1.3 million, or 26.1% 11.7%, to $12.3 million $12.9 million for the three months ended June 30, 2024 December 31, 2024 compared with $9.8 million $11.6 million for the three months ended June 30, 2023 December 31, 2023. The increase was attributable to a 59-basis 33-basis point increase in the yield on interest-earning earning assets to 5.50% 5.59% for the three months ended June 30, 2024 December 31, 2024 from 4.91% 5.26% for the three months ended June 30, 2023 December 31, 2023 as well as a $44.1 million, which or 5.1%, increase in the average balance of interest-earning assets. The increase in yield on the Company's assets was attributable to higher market interest rates between periods. Also contributing to the higher interest and dividend income were higher average balances of on loans and interest-earning deposits, which increased $69.9 million and $32.2 million, respectively. investments between periods.

The average balance of loans receivable, net of allowance for credit loss, losses, increased $69.9 million $82.8 million to $744.9 million $786.0 million during the three months ended June 30, 2024 December 31, 2024 from $675.0 million $703.2 million during the three months ended June 30, 2023 December 31, 2023, while the yield on loans receivable increased 53 30 basis points to 5.90% 5.99% for the three months ended June 30, 2024 December 31, 2024 from 5.37% 5.69% for the three months ended June 30, 2023 December 31, 2023 due to higher market interest rates. The higher average balance and yield accounted for a $1.9 million $1.8 million, or 21.4% 17.7%, increase in loan interest income between periods.

Interest earned on investment securities, including interest-earning deposits and excluding FHLB stock, increased $606 decreased $433 thousand, or 85.8% 30.5%, to $1.3 million for the three months ended June 30, 2024 from $706 $987 thousand for the three months ended June 30, 2023 December 31, 2024 from $1.4 million for the three months ended December 31, 2023. The average yield on such assets increased 113 decreased 33 basis points to 3.46% 3.06% for the three months ended June 30, 2024 December 31, 2024 from 2.33% 3.39% for the three months ended June 30, 2023, and December 31, 2023 while the average balance of investment securities and interest-earning deposits increased decreased by $30.4 million $38.8 million, or 24.8% 23.2%, to $152.8 million $128.2 million for the three months ended June 30, 2024 December 31, 2024 from $122.4 million $167.0 million for the three months ended June 30, 2023 December 31, 2023.

Interest Expense. Interest expense increased $2.6 million $1.2 million, or 92.0% 26.6%, to $5.5 million for the three months ended June 30, 2024 December 31, 2024 from $2.9 million $4.3 million for the three months ended June 30, 2023 December 31, 2023. The cost of interest-bearing liabilities increased 105 25 basis points to 3.24% 3.05% for the three months ended June 30, 2024 December 31, 2024 compared with 2.19% 2.80% for the three months ended June 30, 2023 resulting primarily from higher market interest rates. In addition, December 31, 2023 while the average balance of interest-bearing liabilities increased $157.4 million $99.0 million, or 29.7% 16.2%, to $686.7 million from higher money market and time deposit account balances. $710.2 million.

The average balance of interest-bearing deposits increased $156.9 million $99.1 million, or 31.3% 17.0%, to $658.2 million $680.7 million for the three months ended June 30, 2024 December 31, 2024 from $501.3 million $581.6 million for the three months ended June 30, 2023 December 31, 2023, while the average cost of such deposits increased 113 28 basis points to 3.25% 3.06% from 2.12% 2.78%. As a result, interest paid on interest-bearing deposits increased $2.7 million $1.2 million to $5.3 million for the three months ended June 30, 2024 December 31, 2024 compared with $2.6 million $4.1 million for the three months ended June 30, 2023 December 31, 2023. The increase in the cost of deposits due to higher market interest rate environment.

Interest paid on borrowings decreased $33 $28 thousand, or 13.8% 11.9%, to $206 $208 thousand for the three months ended June 30, 2024 December 31, 2024 from $239 $236 thousand for the three months ended June 30, 2023, while a 53-basis point decrease in December 31, 2023. While the cost average balance of borrowings only decreased $48 thousand to 2.90% $29.5 million for the three months ended June 30, 2024 from 3.43% December 31, 2024 compared to $29.6 million for the three months ended June 30, 2023. The average balance December 31, 2023, the cost of the borrowings increased $543 thousand decreased by 36 basis points to $28.5 million 2.80% for the three months ended June 30, 2024 compared to $28.0 million December 31, 2024 from 3.16% for the three months ended June 30, 2023 December 31, 2023.

Provision for Credit Losses. The Company recorded a net reduction of $54 thousand in its provision for credit losses for the three months ended June 30, 2024 compared with a net reduction of $81 decreased to $101 thousand for the three months ended June 30, 2023. The net reduction in provisions resulted from lower balances (including commitments) of construction loans and commercial lines of credit, which require higher provisions December 31, 2024 compared to $481 thousand for credit loss. The Company recorded $1 thousand in net loan recoveries during the three months ended June 30, 2024 compared with $385 December 31, 2023. Provisions for on-balance sheet credit losses were $209 thousand from growth in net loan charge-offs total loans receivable during the three months ended June 30, 2023. quarter and net recoveries of previously charged-off commercial business loans totaling $103 thousand. The Company reduced its allowance for off-balance sheet credit losses by $108 thousand from the contraction in unfunded lines of credit during the quarter.

Other Income. Other income decreased $212 increased $347 thousand, or 34.1% 57.0%, to $409 $956 thousand during the three months ended June 30, 2024 December 31, 2024 compared to $621 $609 thousand for the three months ended June 30, 2023 December 31, 2023. The decrease increase was due to lower loan prepayment fees, which caused service charges to decline by $110 thousand to $282 thousand from $392 thousand and lower the result of higher gains from on the sale of Small Business Administration 7(a) other real estate owned, which totaled $224 thousand for the three months ended December 31, 2024 compared with $0 for the three months ended December 31, 2023, and higher gains on the sale of SBA loans, which decreased by $103 totaled $236 thousand between for the two periods. three months ended December 31, 2024 compared with $129 thousand for the three months ended December 31, 2023. In addition, income on bank owned life insurance increased $72 thousand, or 75.8%, to $167 thousand from the Company's restructure of policies totaling $7.9 million during the quarter ended September 30, 2024.

Other Expenses. Other expenses increased $169 $389 thousand, or 3.5% 7.7%, to $5.1 million $5.4 million during the three months ended June 30, 2024 December 31, 2024 compared with $4.9 million to $5.0 million for the three months ended June 30, 2023 December 31, 2023. The increase was primarily attributable to higher compensation and occupancy expenses, partially offset by lower data processing expenses.

Compensation and benefit expense, which expenses increased $91 $234 thousand, or 3.2% 8.2%, to $2.9 million, $3.1 million due to the additions of a commercial lender and a commercial credit analyst, as well as higher medical insurance expenses, higher incentive accruals and annual merit increases.

Also contributing to the higher other expenses were occupancy, professional and FDIC insurance premiums. Occupancy expenses increased $22 $201 thousand, or 2.7% 25.4%, from higher rental expense related to a new lease executed April 1, 2024 for a $991 thousand due to the opening and operation of the Bank's new branch office in Martinsville, NJ. Professional fees increased $12,000, or 6.4%, from higher legal and foreclosure expenses incurred by In addition, the Company compared with incurred one-time lease termination expenses totaling $130,000 related to the prior year period. FDIC insurance premiums increased $10,000, closure of the Bank's Bridgewater office during the three months ended December 31, 2024. The relocation of the Bank's branch office from Bridgewater to Martinsville is expected to save the Company $225 thousand per year.

Data processing expenses decreased $49 thousand, or 10.4% 35.0%, to $91 thousand for the three months ended December 31, 2024 from deposit growth. $140 thousand for the three months ended December 31, 2023. During the three months ended December 31, 2024, the Bank extended its core services contract, resulting in the expedited usage of existing flex credits available under the original contract term.

Income Tax Expense. The Company recorded tax expense of $501 $805 thousand on pre-tax income of $2.2 million $2.9 million for the three months ended June 30, 2024 December 31, 2024, compared with $788 to tax expense of $700 thousand on pre-tax income of $2.7 million $2.4 million for the three months ended June 30, 2023 December 31, 2023. The Company's effective tax rate for the three months ended June 30, 2024 December 31, 2024 was 22.9% 27.9% compared with 29.1% 29.8% for the three months ended June 30, 2023 December 31, 2023. The decrease in income tax expense was driven by changes in deferred tax items between the periods as well as changes in the State of New Jersey's entity consolidation rule.

Comparison of Operating Results for the Nine Months Ended June 30, 2024 and 2023

Net Income. Net income decreased $284 thousand, or 5.1%, to $5.2 million during the nine months ended June 30, 2024 compared with $5.5 million for the nine months ended June 30, 2023. The decrease was due to lower other income and higher other expenses, partially offset by higher net interest and dividend income.

Net Interest and Dividend Income. Net interest and dividend income increased $226 thousand, or 1.1%, to $21.0 million for the nine months ended June 30, 2024 from $20.7 million for the nine months ended June 30, 2023. The increase was attributable to a $106.7 million, or 13.7%, increase in the average balance of interest-earning assets between the periods, partially offset by a 39-basis point decrease in the Company's net interest margin to 3.16% for the nine months ended June 30, 2024 from 3.55% for the nine months ended June 30, 2023.

Interest and Dividend Income. Interest and dividend income increased $8.3 million, or 30.4%, to $35.8 million for the nine months ended June 30, 2024 from $27.5 million for the nine months ended June 30, 2023. The increase was attributable to a 69-basis point increase in the yield on interest-earning assets to 5.40% from 4.71%, as well as a $63.5 million increase in the average balance of net loans receivable and a $46.1 million increase in the average balance of interest-earning deposits. The increase in yield on the Company's assets was attributable to higher market interest rates between periods.

The average balance of loans receivable, net of allowance for credit losses, increased $63.5 million to $724.8 million during the nine months ended June 30, 2024 from $661.3 million during the nine months ended June 30, 2023. The average interest earned on loans receivable, net of allowance for credit losses, increased $6.0 million, or 23.3%, to $31.6 million for the nine months ended June 30, 2024 from $25.6 million for the same period prior year. The increase was due to higher market interest rates, which resulted in a 65-basis point increase in the yield on the average balance of loans receivable, net of allowance for credit losses to 5.83% for the nine months ended June 30, 2024 from 5.18% for the nine months ended June 30, 2023.

Interest earned on investment securities, including interest-earning deposits and excluding FHLBNY stock, increased $2.3 million, or 131.8%, to $4.1 million for the nine months ended June 30, 2024 from $1.8 million for the nine months ended June 30, 2023. The increase was attributable to a 138-basis point increase in the yield to 3.41 for the nine months ended June 30, 2024 from 2.03% for the nine months ended June 30, 2023, and the average balance of investment securities and interest-earning deposits increased by $42.9 million, or 36.9%, to $159.2 million for the nine months ended June 30, 2024 from $116.3 million for the nine months ended June 30, 2023.

Interest Expense. Interest expense increased $8.1 million, or 120.8%, to $14.9 million for the nine months ended June 30, 2024 from $6.7 million for the nine months ended June 30, 2023. The cost of interest-bearing liabilities increased 133-basis points to 3.07% for the nine months ended June 30, 2024 compared with 1.74% for the nine months ended June 30, 2023 resulting primarily from higher market interest rates between periods. In addition, the average balance of interest-bearing liabilities increased $130.6 million, or 25.3%, to $646.6 million from $516.0 million primarily due to the higher money market account and time deposit account balances.

The average balance of interest-bearing deposits increased $126.2 million, or 25.7%, to $617.7 million for the nine months ended June 30, 2024 from $491.5 million for the nine months ended March 31, 2023, while the average interest paid on the interest-bearing deposits increased 140 basis points to 3.07% for the nine months ended June 30, 2024 from 1.67% for the nine months ended June 30, 2023 due to the higher market interest rate environment. As a result, interest paid on interest-bearing deposits increased $8.1 million to $14.2 million for the nine months ended June 30, 2024 from $6.1 million for the nine months ended June 30, 2023.

Interest expense on borrowings increased $69 thousand, or 11.6%, to $663 thousand for the nine months ended June 30, 2024 from $594 thousand for the nine months ended June 30, 2023, partially offset by an 18-basis point decrease in the cost of borrowings to 3.06% for the nine months ended June 30, 2024 from 3.24% for the nine months ended June 30, 2023. The average balance of borrowings increased $4.4 million to $28.9 million for the nine months ended June 30, 2024 from $24.5 million for the nine months ended June 30, 2023 to partially fund the growth in the Company's loans receivable. The Company was able to lower the cost of borrowings while increasing the balance of its borrowings with zero-cost advances from the Federal Home Loan Bank of New York;

Provision for Credit Losses. The Company's provision for credit losses was $441 thousand for the nine months ended June 30, 2024 compared with $432 thousand for the nine months ended June 30, 2023. Provisions for credit losses resulted from growth in the Company's loan portfolio, particularly commercial real estate loans, during the nine months ended June 30, 2024. The Company recorded $67 thousand in net loan recoveries during the nine months ended June 30, 2024 compared with $487 thousand in net loan charge-offs during the nine months ended June 30, 2023.

Other Income. Other income decreased $213 thousand, or 11.5%, to $1.6 million during the nine months ended June 30, 2024 compared with $1.9 million for the nine months ended June 30, 2023. The decrease was due to lower loan prepayment fees, which declined by $79 thousand to $878 thousand from $957 thousand, and lower gains from the sale of Small Business Administration 7(a) loans, which decreased by $143 thousand between the two periods.

Other Expenses. Other expenses increased $920 thousand, or 6.4%, to $15.2 million during the nine months ended June 30, 2024 from $14.3 million during the nine months ended June 30, 2023. The increase was primarily attributable to higher compensation and benefit expense, which increased $549 thousand, or 6.7%, to $8.7 million, due to fewer open positions between periods and the additions of a commercial lender and a commercial credit analyst, as well as annual merit increases.

Also contributing to the increase were higher occupancy expenses, professional expenses, FDIC deposit insurance premiums and other expenses. Occupancy expenses increased $63 thousand, or 2.7%, from higher rental expense, furniture and equipment related to a new lease executed April 1, 2024 for a new branch office in Martinsville, NJ. Professional fees increased $33,000, or 5.8%, from higher legal and foreclosure expenses incurred by the Company compared with the prior year period. Deposit insurance premiums increased $71,000, or 29.2%, from deposit growth and higher insurance assessment rates implemented by the FDIC for all insured institutions effective January 1, 2023. Other expenses increased $237,000, or 15.4%, from higher loan origination and servicing costs, higher losses on fraudulent checks, higher recruitment costs and higher data communication costs.

Income Tax Expense. The Company recorded tax expense of $1.7 million on pre-tax income of $7.0 million for the nine months ended June 30, 2024, compared with $2.4 million on pre-tax income of $7.9 million for the nine months ended June 30, 2023. The Company's effective tax rate for the nine months ended June 30, 2024 was 24.8% compared with 29.9% for the nine months ended June 30, 2023. The decrease in income tax expense was driven by changes in deferred tax items between the periods as well as changes in the State of New Jersey's entity consolidation rule.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Company's liquidity is a measure of its ability to fund loans, pay withdrawals of deposits, and other cash outflows in an efficient, cost-effective manner. The Company's short-term sources of liquidity include maturity, repayment and sales of assets, excess cash and cash equivalents, new deposits, other borrowings, and new advances from the FHLBNY. Based on eligible loan collateral pledged to the FHLBNY at June 30, 2024 December 31, 2024, we had an aggregate borrowing capacity of $114.9 million $135.3 million. There has been no material adverse change during the nine months ended June 30, 2024 December 31, 2024 in the ability of the Company and its subsidiaries to fund their operations.

At June 30, 2024 December 31, 2024, the Company had commitments outstanding under letters of credit totaling $690 $735 thousand, commitments to originate loans totaling $38.5 million $67.6 million, and commitments to fund undisbursed balances of closed loans and unused lines of credit totaling $93.1 million $74.8 million. There has been no material change during the current quarter ended June 30, 2024 December 31, 2024 in any of the Company's other contractual obligations or commitments to make future payments.

Capital Requirements

At June 30, 2024 December 31, 2024, the Bank's Tier 1 capital as a percentage of the Bank's total assets was 10.92% 11.20%, and total qualifying capital as a percentage of risk-weighted assets was 15.93% 15.65%.

Item 3- Quantitative and Qualitative Disclosures about Market Risk

Not applicable to smaller reporting companies.

Item 4 – Controls and Procedures

Under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, the Principal Executive Officer and Principal Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective.

There has been no change in the Company's internal control over financial reporting during the quarter ended June 30, 2024 December 31, 2024 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal proceedings

None.

Item 1A. Risk Factors

There were no material changes to the risk factors relevant to the Company's operations as described in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2023 September 30, 2024 filed with the U.S. Securities and Exchange Commission on December 15, 2023 December 19, 2024.

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

a.) Not applicable.

b.) Not applicable.

c.) The Company repurchased 85,628 31,737 shares of its common stock during the nine three months ended June 30, 2024 December 31, 2024. Through June 30, 2024 December 31, 2024, the Company held 509,269 618,204 shares in treasury that were repurchased at a weighted average price of $12.40 $12.58 pursuant to stock repurchase plans. On December 8, 2022, the Company announced a stock repurchase program of up to 5% of its outstanding shares of common stock, or 337,146 shares, 150,688 8,673 shares of which remained subject to repurchase under the plan at the nine months ended June 30, 2024 December 31, 2024.

The following table reports information regarding repurchases of our common stock during the current quarter ended June 30, 2024 December 31, 2024.

Periods	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	Remaining Number of Shares That May be Purchased Under the Plan
October 1, 2024 through October 31, 2024	2,394	$ 12.38	299,130	38,016
November 1, 2024 through November 30, 2024	6,401	$ 13.18	305,531	31,615
December 1, 2024 through December 31, 2024	22,942	$ 13.87	328,473	8,673

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Remaining Number of Shares That May be Purchased Under the Plan
April 1, 2024 through April 30, 2024	8,579	$ 11.10	155,992
May 1, 2024 through May 31, 2024	3,444	$ 11.08	152,548
June 1, 2024 through June 30, 2024	1,860	$ 11.00	150,688
Total	13,883	$ 11.08	

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

a.) Not applicable.

b.) During the three months ended June 30, 2024 December 31, 2024, no directors or executive officers of the Company adopted or terminated any contract, instruction or written plan for the purchase or sale of the Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) and/or any "Rule 10b5-1 trading arrangement."

Item 6. Exhibits

31.1	31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)
31.2	31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)
32.1	Certification of Chief 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 Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	
101	Interactive data file containing the following financial statements formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, at June 30, 2024 and September 30, 2023; (ii) the Consolidated Statements of Income, for the Three and Nine Months Ended June 30, 2024 and 2023; (iii) the Consolidated Statements of Comprehensive Income, for the Three and Nine Months Ended June 30, 2024 and 2023; (iv) the Consolidated Statements of Changes in Stockholders' Equity, for the Three and Nine Months Ended June 30, 2024 and 2023; (v) the Consolidated Statements of Cash Flows for the Nine Months Ended June 30, 2024 and 2023; and (vi) the Notes to Consolidated Financial Statements, tagged as blocks of text. Statements.	
104	Cover Page Interactive Data File (embedded within Inline XBRL document contained in Exhibit 101).	

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.

MAGYAR BANCORP, INC.
(Registrant)

Date: August 13, 2024 February 13, 2025

/s/ John S. Fitzgerald
John S. Fitzgerald
President and Chief Executive Officer

Date: August 13, 2024 February 13, 2025

/s/ Jon R. Ansari
Jon R. Ansari
Executive Vice President and Chief Financial Officer

Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, John S. Fitzgerald, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Magyar Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respect the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over finance reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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 13, 2024
February 13, 2025

/s/ John S. Fitzgerald
John S. Fitzgerald
President and Chief Executive Officer

Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Jon R. Ansari, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Magyar Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respect the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over finance reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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 13, 2024
February 13, 2025

/s/ Jon R. Ansari
Jon R. Ansari
Executive Vice President and 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 Magyar Bancorp, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2024 December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John S. Fitzgerald, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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, as amended; 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 13, 2024
February 13, 2025

/s/ John S. Fitzgerald
John S. Fitzgerald
President and 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 Magyar Bancorp, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2024 December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jon R. Ansari, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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, as amended; 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 13, 2024
February 13, 2025

/s/ Jon R. Ansari
Jon R. Ansari
Executive Vice President and Chief Financial Officer

DISCLAIMER

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