

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

(Mark One)

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

For the fiscal year ended December 31, 2025
OR

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

For the transition period from to

Commission file number 001-40619

BLUE FOUNDRY BANCORP
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)
19 Park Avenue, Rutherford, New Jersey
(Address of principal executive offices)

86-2831373
(I.R.S. Employer Identification Number)
07070
(Zip Code)

(201) 939-5000
Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	BLFY	The NASDAQ Stock Market LLC

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

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

Yes No

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

Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

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

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

As of March 26, 2026, there were 27,124,830 shares issued and 19,132,011 shares outstanding of the Registrant’s Common Stock, par value \$0.01 per share.

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, computed by reference to price at which the common equity was last sold on June 30, 2025 was \$173.5 million.

DOCUMENTS INCORPORATED BY REFERENCE

None

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Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements, which can be identified by the use of words such as “estimate,” “project,” “believe,” “intend,” “anticipate,” “plan,” “seek,” “expect” and words of similar meaning. These forward-looking statements include, but are not limited to:

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

These forward-looking statements are based on our current beliefs and expectations and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. We are under no duty to and do not take any obligation to update any forward-looking statements after the date of the Annual Report on Form 10-K.

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

- the expected timing and completion of our pending merger with Fulton Financial Corporation (“Fulton”)
- our ability to successfully integrate with Fulton;
- the impact of the merger on Fulton’s future condition and results of operations;
- inflation and changes in the interest rate environment that reduce our margins and yields, or reduce the fair value of financial instruments or reduce the origination levels in our lending business, or increase the level of defaults, losses and prepayments on loans we have made and make whether held in portfolio or sold in the secondary markets;
- general economic conditions, either nationally or in our market areas, that are worse than expected;
- our ability to access cost-effective funding;
- our ability to meet applicable capital requirements;
- our ability to maintain liquidity, including the percentage of uninsured deposits in our portfolio;
- our ability to manage market risk, credit risk and operational risk in the current economic conditions;
- changes in consumer demand, borrowing and savings habits;
- demand for loans and deposits in our market area;
- changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for credit losses;
- fluctuations in real estate values and both residential and commercial real estate market conditions;
- significant increases in our loan losses;
- our ability to implement changes in our business strategies;
- competition among depository and other financial institutions;
- adverse changes in the securities markets;
- changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees and capital requirements;
- changes in monetary or fiscal policies of the U.S. Government, including policies of the U.S. Treasury and the Federal Reserve Board;
- the imposition of tariffs or other domestic or international governmental policies and any retaliatory responses;
- the impact of any federal government shutdown;
- changes in accounting policies and practices, as may be adopted by bank regulatory agencies, the Financial Accounting Standards Board, the Securities and Exchange Commission or the Public Company Accounting Oversight Board;
- our ability to attract and retain key employees;
- cyber-attacks, computer viruses and other technological risks that may breach the security of our websites or other systems to obtain unauthorized access to confidential information and destroy data or disable our systems;
- repeat technological changes that may be more difficult or expensive to implement than expected;
- the ability of third-party providers to perform their obligations to us;

- the ability of the U.S. Government to manage federal debt limits;
- changes in the financial condition, results of operations or future prospects of issuers of securities that we own;
- our ability to successfully integrate any assets, liabilities, clients, systems and management personnel we have acquired or may acquire into our operations and our ability to realize related revenue synergies and cost savings within expected time frames and any goodwill charges related thereto;
- other economic, competitive, governmental, regulatory and operational factors affecting our operations, pricing products and services described elsewhere in the Annual Report on Form 10-K; and
- the current or anticipated impact of military conflict, terrorism or other geopolitical events.

Because of these and other uncertainties, our actual future results may be materially different from the results indicated by these forward-looking statements.

PART I

ITEM 1. BUSINESS

Blue Foundry Bancorp

Blue Foundry Bancorp (the “Company”) is a Delaware corporation which became the holding company for Blue Foundry Bank (the “Bank”) on July 15, 2021, following the completion of the mutual-to-stock conversion of Blue Foundry, MHC. In connection with the conversion, the Company sold 27,772,500 shares of common stock, par value \$0.01 per share, at a price of \$10 per share, for gross proceeds of \$277.7 million. The Company also contributed 750,000 shares of common stock and \$1.5 million in cash to Blue Foundry Charitable Foundation, Inc. Shares of the Company’s common stock began trading on July 16, 2021 on the Nasdaq Global Select Market under the trading symbol “BLFY.”

The Company owns all of the outstanding common stock of the Bank, and as such, is a bank holding company subject to regulation by the Federal Reserve Board. At December 31, 2025, the Company had assets of \$2.17 billion, net loans of \$1.68 billion and deposits of \$1.51 billion.

On November 24, 2025, the Company entered into a definitive merger agreement (the “merger agreement”) with Fulton Financial Corporation (“Fulton”) pursuant to which the companies will combine in an all-stock merger. Under the terms of the merger agreement, the Company will merge with and into Fulton (the “Merger”), with Fulton surviving the Merger. Following the Merger, around the time of systems conversion, Blue Foundry Bank, a New Jersey-chartered stock savings bank and wholly owned subsidiary of Blue Foundry, will merge with and into Fulton Bank, N.A. (“Fulton Bank”), a national banking association and wholly owned subsidiary of Fulton (the “Bank Merger” and, together with the Merger, the “Transaction”), with Fulton Bank continuing as the surviving bank in the Bank Merger. Following the closing of the Merger, Blue Foundry shareholders will receive 0.65 shares of Fulton’s common stock for each share of Blue Foundry stock they own as of the date of the Merger closing. The implied total transaction value based on closing prices on November 21, 2025, was approximately \$243.0 million. The Transaction has been unanimously approved by the boards of directors of each company. On January 29, 2026, Blue Foundry’s shareholders approved the planned Merger with Fulton at a special meeting. In addition, all required regulatory approvals have been obtained for the Transaction. The Merger is expected to be completed on or around April 1, 2026, pending the satisfaction or waiver of the remaining customary closing conditions set forth in the merger agreement.

Blue Foundry Bank

The Bank is a New Jersey-chartered stock savings bank that was organized in 1939 as Boiling Springs Savings & Loan Association by the combination of the Rutherford Mutual Loan and Building Association, which had been founded in 1876, and the East Rutherford Savings, Loan and Building Association. In 1992, Boiling Springs Savings & Loan Association converted to a New Jersey-chartered mutual savings bank and became known as Boiling Springs Savings Bank. Boiling Springs Savings Bank’s name was changed to Blue Foundry Bank in 2019.

Blue Foundry Bank's principal business consists of originating residential, multifamily and commercial real estate mortgages, construction, commercial and industrial loans and home equity loans and lines of credit in our principal market and surrounding areas. In addition, we occasionally lend outside of our branch network in more densely populated and metropolitan areas, adding diversification to our loan portfolio. We attract retail deposits from the general public in the areas surrounding our banking offices, through our borrowers, and through our online presence, offering a wide variety of deposit products. We also invest in securities. Our revenues are derived primarily from interest on loans and, to a lesser extent, interest on mortgage-backed and other investment securities. Our primary sources of funds are deposits, principal and interest payments on loans and securities and borrowings.

Blue Foundry Bank is subject to comprehensive regulation and examination by the New Jersey Department of Banking and Insurance ("NJDOBI") and the Federal Deposit Insurance Corporation ("FDIC"). Our website address is www.bluefoundrybank.com. Information on this website is not and should not be considered a part of this Annual Report on Form 10-K.

Market Area

Our market area is primarily northern New Jersey. As of December 31, 2025, the Bank operates 20 full service banking offices in Bergen, Essex, Hudson, Middlesex, Morris, Passaic, and Union counties in New Jersey. The administrative offices of the Company and Bank are located at 7 Sylvan Way, Suite 200, Parsippany, New Jersey 07054. Our telephone number is (201) 939-5000.

The economy in our primary market area benefits from being varied and diverse, with a broad economic base. New Jersey, counted among the wealthiest states in the nation with an estimated population of 9.55 million, is considered one of the most attractive banking markets in the United States. Within our primary market areas, the Bank had less than 1% of bank deposit market share as of June 30, 2025, the latest date for which statistics are available.

We believe that we have developed products and services that meet the financial needs of our current and future customer base; however, we plan, and believe it is necessary, to continuously evaluate our products and service offerings in light of evolving expectations and make the appropriate enhancements to ensure we remain competitive in our market area. Our marketing strategies focus on the strength of our knowledge of local consumer and small to medium size business markets, as well as expanding relationships with current customers and reaching out to develop new, profitable business relationships.

Competition

We face significant competition for deposits and loans. Our most direct competition for deposits has come historically from the numerous financial institutions operating in our market area (including other community banks and credit unions), many of which are significantly larger than we are and have greater resources. We also face competition for depositor funds from other sources such as financial technology companies, online banks, brokerage firms, money market funds and mutual funds, as well as from securities offered by the Federal Government, such as Treasury bills. Additionally, money center banks, such as Bank of America, JP Morgan Chase, Wells Fargo and Citi, and large regional banks, such as TD Bank, M&T Bank and PNC Bank, have a significant presence in our market area.

Our competition for loans comes primarily from the competitors referenced above and from other financial service providers, such as mortgage companies and mortgage brokers. Competition for loans also comes from the increasing number of non-depository financial service companies participating in the mortgage market, such as insurance companies, securities firms, financial technology companies, specialty finance firms and technology companies.

We expect competition to remain intense in the future as a result of legislative, regulatory and technological changes and the potential of consolidation in the financial services industry. Technological advances, for example, have lowered barriers to entry, allowed banks to expand their geographic reach by providing services over the internet and made it possible for non-depository institutions, including financial technology companies, to offer products and services that traditionally have been provided by banks.

The flow of deposits is also significantly influenced by the general economic conditions. We offer a variety of deposit products that allow us to respond to customer demands and to be competitive in obtaining deposits. Our ability to attract and maintain deposits and the rates we pay on deposits will continue to be affected by market conditions.

After holding rates steady through the first half of 2025, the Federal Reserve reduced the federal funds rate three times in the last four months of the year, totaling 75 basis points, to 3.75% at December 31, 2025. By year end 2025, inflation had declined to 2.8% from 2.9% at December 31, 2024.

Lending Activities

Historically, our lending activities have emphasized residential real estate loans and multifamily housing loans, and such loans continue to comprise the largest portion of our loan portfolio. We have shifted our focus to engage in more commercial-like lending to include commercial mortgage loans, construction loans and commercial and industrial (“C&I”) loans. C&I loans include C&I revolvers, term loans and Small Business Administration (“SBA”) 7a loans. Subject to market conditions and our asset-liability analysis, we expect to continue to focus on commercial real estate and traditional C&I lending as part of our effort to diversify the loan portfolio and increase the overall yield earned on our loans. We compete for loans by offering high quality personalized service, providing convenience and flexibility, timely responses on loan applications, and by offering competitive pricing. Additionally, during 2025, we increased our portfolio of purchased unsecured consumer loans that have a reserve deposit account from the seller with the Bank, which management has determined to be sufficient to cover any expected losses in the purchased loan pools. These loans provide a reasonable yield with minimal expected exposure to credit loss.

Loan Portfolio Composition. The following table sets forth the composition of the loan portfolio at the dates indicated.

	December 31, 2025		December 31, 2024	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)			
Residential	\$ 510,583	30.20 %	\$ 518,243	32.72 %
Multifamily	641,027	37.92	671,116	42.38
Commercial real estate	306,096	18.11	259,633	16.40
Construction and land	51,353	3.04	85,546	5.40
Junior liens	31,008	1.83	25,422	1.61
Commercial and Industrial	24,159	1.43	16,311	1.03
Consumer and other	126,306	7.47	7,211	0.46
Total loans	\$ 1,690,532	100.00 %	\$ 1,583,482	100.00 %

Loan Maturity. The following tables set forth certain information at December 31, 2025 regarding the dollar amount of loan principal repayments becoming due during the periods indicated. The tables do not include any estimate of prepayments that significantly shorten the average loan life and may cause actual repayment experience to differ from that shown below. The amounts shown below include unearned loan origination fees and costs, and unamortized premium and discounts, net.

	Amounts due in				Total
	One year or less	More than one year through five years	More than five years through fifteen years	More than fifteen years	
	(In thousands)				
Residential	\$ —	\$ 4,489	\$ 122,357	\$ 383,737	\$ 510,583
Multifamily	349	72,359	455,808	112,511	641,027
Commercial real estate	—	127,598	161,654	16,844	306,096
Construction	—	51,353	—	—	51,353
Junior liens	—	263	2,333	28,412	31,008
Commercial and industrial	2,002	6,990	14,463	704	24,159
Consumer and other	52	1	126,253	—	126,306
Total loans	\$ 2,403	\$ 263,053	\$ 882,868	\$ 542,208	\$ 1,690,532

Fixed vs. Adjustable Rate Loans. The following table sets forth the dollar amount of all loans at December 31, 2025 that are due after December 31, 2026 and have either fixed interest rates or floating or adjustable interest rates. The amounts shown below include unearned loan origination fees and costs and unamortized premium and discounts, net.

	Fixed Rates	Floating or Adjustable Rates	Total
	(In thousands)		
Residential	\$ 359,747	\$ 150,836	\$ 510,583
Multifamily	103,497	537,181	640,678
Commercial real estate	144,951	161,145	306,096
Construction	—	51,353	51,353
Junior liens	7,659	23,349	31,008
Commercial and industrial	9,668	12,489	22,157
Consumer and other	126,254	—	126,254
Total loans	\$ 751,776	\$ 936,353	\$ 1,688,129

Residential Real Estate Loans. Our residential loan portfolio consists of mortgage loans that enable borrowers to purchase or refinance existing homes, most of which serve as the primary residence of the borrower. At December 31, 2025, residential real estate loans totaled \$510.6 million, or 30.2% of our total loan portfolio, and consisted of \$359.7 million of fixed-rate loans and \$150.8 million of adjustable-rate loans.

We offer fixed-rate and adjustable-rate residential real estate loans with maturities up to 30 years. The residential mortgage loans we are currently originating are generally underwritten according to Fannie Mae and Freddie Mac guidelines and we refer to loans that conform to such guidelines as “conforming loans.” We generally originate both fixed and adjustable-rate mortgage loans in amounts up to the maximum conforming loan limits. We currently originate loans above the conforming limits up to a maximum amount of \$3.0 million, which are referred to as “jumbo loans.” We generally underwrite jumbo loans, whether originated or purchased, in a manner similar to conforming loans. At December 31, 2025, our largest residential loan totaled \$3.7 million, is secured by single family home located on approximately 53 acres of property and was not performing in accordance with its original terms.

Our adjustable-rate residential real estate loans have interest rates that are fixed for an initial period ranging from three to ten years. After the initial fixed period, the interest rate on adjustable-rate residential real estate loans is generally reset periodically based on a contractual spread or margin above the average yield on U.S. Treasury securities. Our adjustable-rate residential real estate loans can have initial and periodic caps of up to 2.0% on interest rate changes, with a current cap on total increases of 6.0% over the life of the loan.

We originate residential mortgage loans with loan-to-value ratios of generally up to 80% to 90% of the appraised value, depending on the size of the loan. We may originate loans with loan-to-value ratios that exceed 90% depending upon the product type. Mortgage insurance is required for all mortgage loans that have a loan-to-value ratio greater than 80%. The required insurance coverage amount varies based on the loan-to-value ratio and term of the loan. We only permit borrowers to purchase mortgage insurance from companies that have been approved by Blue Foundry Bank.

We generally do not offer “interest only” mortgage loans on residential properties or loans that provide for negative amortization of principal, such as “Option ARM” loans, where the borrower can pay less than the interest owed on the loan, resulting in an increased principal balance during the life of the loan. Additionally, we do not offer “subprime loans” (loans that are made with low down-payments to borrowers with weakened credit histories typically characterized by payment delinquencies, previous charge-offs, judgments, bankruptcies, or borrowers with questionable repayment capacity as evidenced by low credit scores or high debt-burden ratios) or Alt-A loans (defined as loans having less than full documentation).

Multifamily Loans. At December 31, 2025, we had \$641.0 million in multifamily loans, representing 37.9% of our total loan portfolio. Our multifamily loans are secured primarily by apartment buildings having five or more units, most of which are located in our primary market area.

Currently, we originate multifamily loans with maximum terms of 10 years based on amortization periods between 25 and 30 years. We have a portfolio of legacy multifamily loans with initial terms up to 30 years. We generally limit loan-to-value ratios to less than 75% of the appraised value of the property for multifamily loans. Our multifamily loans are offered with fixed and adjustable rate interest terms. All multifamily loans are subject to our underwriting procedures and guidelines.

Repayment of multifamily loans is primarily dependent on cash flow from the collateral property sufficient to satisfy operating expenses and debt service. Future increases in interest rates, increases in vacancy rates on multifamily residential or commercial buildings and other economic events, such as unemployment rates, which are outside the control of the borrower, or the Bank, could negatively impact the future net operating income of such properties. Similarly, government regulations, such as the existing New York City Rent Regulation and Rent Stabilization laws, could limit future increases in the revenue from these buildings. As of December 31, 2025, the Company has approximately \$86.5 million, or 5.1% of total loans, in New York multifamily loans that have some form of rent stabilization or rent control. At December 31, 2025, our largest multifamily loan totaled \$23.3 million and was performing in accordance with its original terms.

Commercial Real Estate Loans. At December 31, 2025, we had \$306.1 million in commercial real estate loans, representing 18.1% of our total loan portfolio. Our commercial real estate loans are secured primarily by industrial facilities, retail facilities and other commercial properties, most of which are located in our primary market area. Of these loans, \$113.8 million, or 37.2%, are owner-occupied.

At December 31, 2025, our total commercial real estate loan portfolio was comprised of less than 2% in office space, none of which was in New York City.

Commercial real estate loans are underwritten to asset specific guidelines in accordance to policy with the loan-to-value ratio limit generally being 75% of the appraised value of the property. At December 31, 2025, our largest commercial real estate loan totaled \$23.4 million and was secured by a grocery-anchored shopping center. At December 31, 2025, this loan was performing in accordance with its original terms.

Construction Loans. We make construction loans, primarily to contractors and builders of multifamily and mixed-use projects and other commercial and industrial real estate projects. At December 31, 2025, our construction loans totaled \$51.4 million, representing 3.0% of our total loan portfolio and our largest construction loan totaled \$9.2 million, secured by a multi-family project. At December 31, 2025, this loan was performing in accordance with its original terms. Once a construction project is satisfactorily completed, we may look to provide permanent financing.

Junior Liens. Our junior liens consist primarily of home equity loans and lines of credit. At December 31, 2025, junior liens totaled \$31.0 million, or 1.8% of our total loan portfolio.

Home equity loans and lines of credit are multi-purpose loans used to finance various home or personal needs, where a one-to-four family primary or secondary residence serves as collateral. We generally originate home equity loans and lines of credit of up to \$500,000 with a maximum loan-to-value ratio of 75% (70% if the loan is for a condo) and terms of up to 20 years. Home equity lines of credit have adjustable rates of interest that are based on the prime rate, as published in The Wall Street Journal. Home equity lines of credit are secured by residential real estate in a first or second lien position. At December 31, 2025, our largest junior lien totaled \$400 thousand and was performing in accordance with its original terms.

The procedures for underwriting consumer loans include assessing the applicant's payment history on other indebtedness, the applicant's ability to meet existing obligations and payments on the proposed loan, and the loan-to-value ratio of the collateral property. Although the applicant's creditworthiness is a primary consideration, the underwriting process also includes a comparison of the value of the collateral, if any, to the proposed loan amount.

Commercial and Industrial Loans. We typically originate commercial business loans on the basis of the borrower's ability to make repayment from the cash flow of the borrower's business, the experience and stability of the borrower's management team, earnings projections, and the value and marketability of any collateral securing the loan. Business loans and lines of credit inherently have more risk of loss than real estate secured loans, in part because business loans may be more complex to underwrite than mortgages, and some of the loans or portions thereof may be unsecured. These loans are more likely to be reliant on the cashflow and solvency of the business. The value of collateral may not be adequate to cover the value of the loan and may be severely impacted by the performance of the business. If a decline in economic conditions or other issues cause difficulties for our business borrowers or we fail to evaluate the credit of the loan accurately when we underwrite the loan, it could result in delinquencies or defaults and a material adverse effect on our business, results of operations or financial condition. Commercial and industrial loans are generally secured by a variety of collateral, primarily accounts receivable, inventory and equipment. As a result, the availability of funds for the repayment of commercial and industrial loans may be substantially dependent on the success of the business itself and the general economic environment in our market area. Therefore, commercial and industrial loans that we originate may have greater credit risk than residential real estate loans. In addition, commercial and industrial loans generally require substantially greater evaluation and oversight efforts.

The Bank is a certified SBA lender and is a participant in SBA lending programs which typically provides guarantees of up to 75% of the principal on the underlying loans. We provide loans under the 7(a) Loan Program, the SBA's most common loan program. We may sell a portion of these loans in the secondary market.

At December 31, 2025, we had \$24.2 million of commercial and industrial loans. Commercial and industrial loans represent 1.4% of our total loan portfolio. We offer term loans, lines of credit and revolving lines of credit with varying maturity terms to small businesses in our market area to finance short-term working capital needs such as accounts receivable and inventory. Our commercial lines of credit are typically structured with variable rates. We generally obtain personal guarantees with respect to all commercial and industrial loans. At December 31, 2025, the average loan size of our commercial and industrial loans was \$1.1 million, and our largest outstanding commercial and industrial loan balance was a \$11.9 million conventional C&I term loan to an organization that provides meals for medicare and medicaid patients. This loan was performing in accordance with its repayment terms at December 31, 2025.

Consumer Loans. Our consumer loans consist primarily of purchases and a consumer loan participation that was entered into during 2024. At December 31, 2025, consumer loans totaled \$126.3 million, or 7.5% of the total loan portfolio.

We participate or purchase consumer loans from a national company that specializes in loans to professionals. In underwriting the loans, we review credit scores, debt service coverage, debt to income, years in industry and other factors. As part of the purchase agreements, the seller is required to place funds on deposit with us equal to 3% of the purchase price of the loans. We have the right to draw from these funds in the event of a borrower default if the seller does not replace or repay the defaulted loan. At December 31, 2025, the largest consumer loan purchased totaled \$291 thousand and was performing in accordance to its original terms.

Originations, Purchases and Participations of Loans

Loan origination activities are conducted by our commercial and consumer bankers and throughout the branch network. We market, network and call on prospective customers and centers of influence to originate loans. We also obtain referrals from existing and former customers and from accountants, real estate brokers, builders and attorneys. All loans that we originate or purchase are underwritten pursuant to our policies and procedures, which, for residential loans, generally incorporate Fannie Mae and Freddie Mac underwriting guidelines to the extent applicable. We originate both adjustable-rate and fixed-rate loans. Our ability to originate fixed or adjustable-rate loans depends upon the relative customer demand for such loans, which is affected by current market interest rates as well as anticipated future market interest rates. Our loan origination and purchase activity may be adversely affected by a rising interest rate environment, which typically results in decreased loan demand.

We consider a number of factors in originating multifamily and commercial real estate loans. We evaluate the qualifications and financial condition of the borrower (including credit history), profitability and expertise, as well as the value and condition of the mortgaged property securing the loan. When evaluating the qualifications of the borrower, we consider the financial resources of the borrower, the borrower's experience in owning or managing similar property and the borrower's payment history with us and other financial institutions. In evaluating the property securing the loan, we consider a number of factors, including the net operating income of the mortgaged property before debt service and depreciation, the debt service coverage ratio (the ratio of net operating income to debt service) to ensure that it is at least 1.25x, subject to certain exceptions, and the ratio of the loan amount to the appraised value of the mortgaged property. All loans are appraised by outside independent and qualified appraisers that are duly approved in accordance with Blue Foundry Bank policy. Loans are monitored on an ongoing basis, based on policy requirements, often requiring updated financial statements.

During the years ended December 31, 2025 and 2024, loan originations totaled \$192.6 million and \$116.0 million, respectively.

We purchase whole loans and participate in loans originated by other institutions. Generally, our analysis for purchase and participation transactions follows underwriting policies as if we originated the loan directly. However, for loans that we participate in, we are subject to the lead financial institution's policies and practices related to items such as monitoring, collection and default. At December 31, 2025, the outstanding balances of our loan participations where we are not the lead lender totaled \$324.7 million, or 19.2% of our loan portfolio.

The Bank may purchase residential loans through its residential loan purchase program to supplement originations. All residential loans purchased were within New Jersey and were underwritten to FNMA standards, a comparable underwriting standard as internally-originated loans. Residential loan purchases totaled \$46.5 million and \$21.6 million for the years ended December 31, 2025 and 2024, respectively.

In addition, the Company acquired \$137.8 million and \$8.0 million in consumer loans during 2025 and 2024, respectively. The consumer loan portfolio primarily includes loans purchased from a national company that specializes in loans to professionals. These loans could be for business or personal purposes.

Credit Policy and Procedures

Loan Approval Procedures and Authority. Our lending activities follow written, non-discriminatory, underwriting standards and loan origination policies established by management and approved by our Board of Directors. The Board of Directors has granted loan approval authority to certain officers up to prescribed limits, depending on the officer's title, experience, and the type of loan.

Loan approval authorities are dictated by factors such as the loan type, loan size, cumulative credit exposure (to a particular relationship) and the presence of any policy exceptions. All loans are independently underwritten. Commercial loans are further reviewed and acknowledged by the Chief Credit Officer or designee. Loans are then presented for approval to the appropriate authority. Under our current policy, no loan may be approved by a single officer. At a minimum, two officers are required to approve a loan, at least one of whom is a voting member of the Loan Committee. Depending upon certain factors, such as the size of the loan request, escalating loan approval authorities may be required. In such cases, approval by the Loan Committee or Loan Oversight Committee may be required. For commercial loans, a minimum of three approvals are required (two of which must include the Head of Commercial Banking or Head of Consumer Banking and Chief Credit Officer), with a third approval from any voting member of the Loan Committee.

Loans to One Borrower. Pursuant to New Jersey law, the aggregate amount of loans that the Bank is permitted to make to any one borrower or a group of related borrowers is generally limited to 15% of the Bank's capital, surplus fund and undivided profits (25% if the amount in excess of 15% is secured by "readily marketable collateral"). At December 31, 2025, based on the 15% limitation, the Bank's loans-to-one-borrower limit was approximately \$45.1 million, our internal policy limit was \$40.6 million, representing 90% of the 15% limit. On the same date, the Bank had no borrowers with outstanding balances in excess of this amount. At December 31, 2025, our largest loan relationship with a single borrower was for \$32.8 million, which consisted of one loan secured by non-residential, non-owner occupied real estate and seven loans secured by multifamily real estate, each of which was performing in accordance with its terms.

Delinquencies and Asset Quality

Delinquency Procedures. When a borrower fails to make a required monthly loan payment by the last day of the month, and upon expiration of any applicable grace period, a late notice is generated stating the payment and late charges due. Until such time as payment is made collection efforts continue with additional phone calls and escalating collection notices. Loan delinquencies more than 30 days past due are reported to the Board of Directors monthly.

If repayment is doubtful or not possible, a notice of intent to foreclose will be issued for residential loans, or an acceleration notice will be issued for commercial loans, and the account will be administered by our Asset Recovery Department with oversight and guidance from our counsel. Once issued for residential loans, the notice of intent to foreclose typically allows the borrower a period to cure the default. Once issued for commercial loans, a grace period may be granted in accordance with the loan's terms. If payment is made and the loan is brought current, foreclosure proceedings are discontinued, and the borrower is permitted to continue to make payments. If the borrower does not cure the default, we will initiate foreclosure proceedings.

Loans Past Due and Non-Performing Assets. Loans are reviewed on a regular basis. Management determines that a loan is impaired or non-performing when it is probable at least a portion of the loan will not be collected in accordance with the original terms due to a deterioration in the financial condition of the borrower or the value of the underlying collateral if the loan is collateral-dependent. When a loan is determined to be impaired, the measurement of the loan in the allowance for credit losses on loans is based on present value of expected future cash flows, except that all collateral-dependent loans are measured for impairment based on the fair value of the collateral less selling costs. Non-accrual loans are loans for which collectability is questionable and, therefore, interest on such loans will no longer be recognized on an accrual basis. All loans that become 90 days or more delinquent are placed on non-accrual status unless the loan is well secured and in the process of collection. At December 31, 2025 and 2024, there were no loans 90 days past due and still accruing interest. When loans are placed on non-accrual status, unpaid accrued interest is fully reversed, and further income is recognized only to the extent received on a cash basis or cost recovery method.

Other Real Estate Owned (“REO”). When we acquire real estate as a result of foreclosure or a deed-in-lieu transaction, the real estate is classified as real estate owned. The real estate owned is recorded at the lower of carrying amount or fair value, less estimated costs to sell. Soon after acquisition, we order a new appraisal to determine the current market value of the property. Any excess of the recorded value of the loan over the market value of the property is charged against the allowance for credit losses on loans. Subsequent remeasurement resulting in a charge-off would be expensed in the current period. After acquisition, all costs incurred in maintaining the property are expensed. Costs relating to the development and improvement of the property, however, are capitalized to the extent of estimated fair value less estimated costs to sell. At December 31, 2025 and 2024, the Company had no REO.

Delinquent Loans. The following table sets forth our loan delinquencies, including non-accrual loans, by type and amount at the dates indicated.

	December 31, 2025				December 31, 2024			
	60-89 Days		90 Days or More		60-89 Days		90 Days or More	
	Number of Loans	Principal Balance	Number of Loans	Principal Balance	Number of Loans	Principal Balance	Number of Loans	Principal Balance
	(Dollars in thousands)							
Residential	1	\$ 44	5	\$ 4,002	2	\$ 315	2	\$ 3,892
Multifamily	1	1,036	3	5,669	—	—	—	—
Junior liens	—	—	1	144	—	—	1	149
Commercial and Industrial	—	—	—	—	1	563	2	15
Total	2	\$ 1,080	9	\$ 9,815	3	\$ 878	5	\$ 4,056

Non-Performing Assets. The table below sets forth the amounts and categories of our non-performing assets at the dates indicated.

	December 31, 2025		December 31, 2024	
	(Dollars in thousands)			
Non-Performing Assets:				
Non-accrual loans:				
Residential	\$	5,021	\$	4,377
Multifamily		5,669		—
Junior liens		242		149
Commercial and Industrial		440		578
Total		11,372		5,104
Real estate owned		—		—
Total non-performing assets	\$	11,372	\$	5,104
Total non-performing loans to total loans		0.67 %		0.33 %
Total non-performing loans to total assets		0.55 %		0.25 %
Total non-performing assets to total assets		0.55 %		0.25 %

Classified Assets. Federal regulations provide for the classification of loans and other assets, such as debt and equity securities considered to be of lesser quality, as substandard, doubtful or loss. An asset is considered substandard if it is inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Substandard assets include those characterized by the distinct possibility that the insured institution will sustain some loss if the deficiencies are not corrected. Assets classified as doubtful have all of the weaknesses inherent in those classified substandard, with the added characteristic that the weaknesses present make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. Assets classified as loss are those considered uncollectible and of such little value that they are charged-off. Assets which do not currently expose the insured institution to sufficient risk to warrant classification in one of the aforementioned categories but possess weaknesses are designated as special mention by our management.

When an insured institution classifies problem assets as either substandard or doubtful, it may establish specific allowances in an amount deemed prudent by management to cover probable accrued losses. General allowances represent loss allowances which have been established to cover probable accrued losses associated with lending activities, but which, unlike specific allowances, have not been allocated to particular problem assets. When an insured institution classifies problem assets as “loss,” it is required to charge-off such amount. An institution’s determination as to the classification of its assets and the amount of its valuation allowances is subject to review by the regulatory authorities, which may require the establishment of additional general or specific loss allowances.

In connection with the filing of our periodic reports with the FDIC and in accordance with our classification of assets policy, we regularly review the problem loans in our portfolio to determine whether any loans require classification in accordance with applicable regulations.

The following table sets forth our amounts of special mention and classified loans as of December 31, 2025 and 2024.

	December 31, 2025	December 31, 2024
	(In thousands)	
Special mention	\$ 748	\$ 6,503
Substandard	11,458	5,222
Total	\$ 12,206	\$ 11,725

At December 31, 2025, special mention loans included one commercial real estate loan totaling \$748 thousand that was performing in accordance with contractual terms. At December 31, 2025, substandard loans represent ten residential loans totaling \$5.0 million, one commercial and industrial loan totaling \$440 thousand, four multifamily loans totaling \$5.8 million and three junior lien loans totaling \$242 thousand. At December 31, 2024, special mention loans included one mixed-use, multifamily loan totaling \$5.4 million, one commercial real estate loan totaling \$828 thousand, two residential loans totaling \$264 thousand and one junior lien loan totaling \$43 thousand. As of December 31, 2024, these loans were all performing with terms. At December 31, 2024, substandard loans represent six residential loans totaling \$4.4 million, three commercial and industrial loans totaling \$578 thousand, one multifamily loan totaling \$118 thousand and one junior lien loan totaling \$149 thousand.

Allowance for Credit Losses

Under ASU 2016-13, the Company’s methodology for determining the allowance for credit losses on loans is based upon key assumptions, including the lookback period, historical loss experience, economic forecasts over a reasonable and supportable forecast period, reversion period, prepayments and qualitative adjustments. The allowance is measured on a pool basis when similar risk characteristics exist. Loans that do not share common risk characteristics are evaluated on an individual basis and are excluded from the collective evaluation. See Note 1 - Summary of Significant Accounting Policies for a description of the adoption of ASU 2016-13 and the Company’s allowance methodology.

In addition, the NJDOBI and the FDIC periodically review our allowance for credit losses on loans and as a result of such reviews, they may require us to adjust our allowance for credit losses on loans or recognize loan charge-offs.

The following table sets forth activity in our allowance for credit losses on loans for the periods indicated.

	Year Ended December 31,	
	2025	2024
	(Dollars in thousands)	
Allowance for credit losses on loans at beginning of period	\$ 12,965	\$ 14,154
Provision (recovery of provision) for credit losses on loans	1,477	(1,144)
Charge-offs:		
Commercial and Industrial	(2)	—
Consumer and other	(61)	(56)
Total charge-offs	(63)	(56)
Recoveries:		
Consumer and other	13	11
Total recoveries	13	11
Net charge-offs	(50)	(45)
Allowance for credit losses on loans at end of period	<u>\$ 14,392</u>	<u>\$ 12,965</u>
Allowance for credit losses on loans to non-performing loans at end of period	126.56 %	254.02 %
Allowance for credit losses on loans to total loans outstanding at end of period	0.85	0.83
Net charge-offs to average loans outstanding during period	—	—

Allocation of Allowance for Credit Losses on Loans. The following tables set forth the allowance for credit losses on loans allocated by loan category and the percent of the allowance in each category to the total allocated allowance at the dates indicated. The allowance for credit losses on loans allocated to each category is not necessarily indicative of future losses in any particular category and does not restrict the use of the allowance to absorb losses in other categories.

	December 31, 2025			December 31, 2024		
	Amount	Percent of Allowance to Total Allowance	Percent of Loans in Category to Total Loans	Amount	Percent of Allowance to Total Allowance	Percent of Loans in Category to Total Loans
	(Dollars in thousands)					
Residential	\$ 2,194	15.24 %	30.20 %	\$ 1,989	15.34 %	32.72 %
Multifamily	6,647	46.19 %	37.92 %	6,609	50.99 %	42.38 %
Commercial real estate	4,276	29.71 %	18.11 %	3,641	28.08 %	16.40 %
Construction and land	900	6.25 %	3.04 %	460	3.55 %	5.40 %
Junior liens	159	1.10 %	1.83 %	109	0.84 %	1.61 %
Commercial and industrial	216	1.50 %	1.43 %	157	1.21 %	1.03 %
Consumer and other (1)	—	— %	7.47 %	—	— %	0.46 %
Total allowance for credit losses on loans	<u>\$ 14,392</u>	<u>99.99 %</u>	<u>100.00 %</u>	<u>\$ 12,965</u>	<u>100.01 %</u>	<u>100.00 %</u>

(1) Purchased consumer loans are cash-collateralized to an amount that exceeds management's calculation of expected credit losses and, therefore, do not have an allowance for credit losses as of December 31, 2025 and 2024.

Investment Activities

General. The goals of our investment policy are generally to provide liquidity, mitigate interest rate risk, ensure the safety of principal, provide earnings and meet pledging requirements. Subject to loan demand and our interest rate risk analysis, we may increase the balance of our securities portfolio.

Our investment policy was adopted and is reviewed annually by the Board of Directors. All investment decisions are made by senior management in accordance with board-approved policies. The Treasurer provides an investment schedule detailing the investment portfolio, which is regularly reviewed by the Board of Directors.

Our current investment policy permits, with certain limitations, investments in: U.S. Treasury securities; securities issued by the U.S. government and its agencies or government sponsored enterprises including mortgage-backed securities and collateralized mortgage obligations issued by Fannie Mae, Ginnie Mae and Freddie Mac; corporate and municipal bonds; private label mortgage-backed securities and privately issued asset-backed securities; certificates of deposit in other financial institutions; federal funds and money market funds.

At December 31, 2025, our securities portfolio consisted of investment-grade securities. Approximately 80% of the portfolio is either 100% guaranteed by the U.S. government or implicitly guaranteed by the U.S. government. The remaining 20% consisted of corporate bonds, municipal bonds, privately issued asset-backed securities and other investment securities. Approximately 90% of our securities portfolio was classified as available-for-sale, with the remaining 10% classified as held-to-maturity.

Portfolio Maturities and Yields. The following table sets forth the stated maturities and weighted average yields of investment securities at December 31, 2025. Weighted average yields on tax-exempt securities presented exclude the tax equivalent yield. Certain securities have adjustable interest rates and will reprice at least annually within the various maturity ranges. These repricing schedules are not reflected in the table below. Weighted average yield calculations on investment securities available-for-sale do not give effect to changes in fair value that are reflected as a component of equity.

	One Year or Less		More than One Year to Five Years		More than Five Years to Ten Years		More than Ten Years		Total		
	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Fair Value	Weighted Average Yield
(Dollars in thousands)											
Available-for-sale:											
U.S. Treasury Note	\$ 89,600	9.69 %	\$ —	— %	\$ —	— %	\$ 6,946	1.28 %	\$ 96,546	\$ 95,785	9.08 %
Corporate Bonds	5,496	3.14 %	29,395	5.94 %	6,501	4.74 %	—	— %	41,392	40,977	5.38 %
U.S. Government agency obligations	—	— %	599	1.25 %	—	— %	—	— %	599	567	1.25 %
State and municipal obligations	—	— %	4,477	2.47 %	1,812	1.82 %	—	— %	6,289	6,115	2.28 %
Mortgage-backed securities:											
Residential	—	— %	2,497	(0.36)%	1,962	0.49 %	148,406	3.56 %	152,865	138,176	3.46 %
Multifamily	612	4.29 %	0	— %	14,071	4.66 %	1,713	3.05 %	16,396	15,691	4.48 %
Asset-backed securities	—	— %	1,510	0.91 %	—	— %	2,537	5.31 %	4,047	3,916	3.67 %
Total available-for-sale	\$ 95,708	9.28 %	\$ 38,478	4.86 %	\$ 24,346	4.14 %	\$ 159,602	3.49 %	\$ 318,134	\$ 301,227	5.54 %
Securities held-to-maturity:											
Corporate bonds	\$ —	— %	\$ —	— %	\$ 18,600	4.06 %	\$ —	— %	\$ 18,600	\$ 17,593	4.06 %
Asset-backed securities	—	— %	8,507	1.80 %	—	— %	—	— %	8,507	8,035	1.80 %
Total held-to-maturity	\$ —	— %	\$ 8,507	1.80 %	\$ 18,600	4.06 %	\$ —	— %	\$ 27,107	\$ 25,628	3.35 %

Other Investments. At December 31, 2025, other investments primarily consisted of membership and activity-based shares in FHLB stock. As a member of FHLB, we are required to purchase stock in the FHLB, which stock is carried at cost and classified as other investment securities. Other investments also consist of, to a much lesser extent, an investment in a financial technology fund carried at net asset value and shares in a cooperative that provides community banking core technology solutions, carried at cost.

Sources of Funds

General. Deposits have traditionally been our primary source of funds for our lending and investment activities. We also use borrowings, primarily FHLB advances, to supplement cash flows, as needed. In addition, funds are derived from principal and interest payments on loans and securities, loan and security prepayments and maturities, brokered deposits, income on other earning assets and retained earnings. While cash flows from loans and securities payments can be a relatively stable sources of funds, deposit inflows and outflows can vary widely and are influenced by prevailing interest rates, market conditions and competition.

Deposit Accounts. The majority of our deposits are from depositors who reside in our primary market area. We attract deposit customers by offering a broad selection of deposit products for individuals and businesses, designed to meet a wide spectrum of savings needs.

The terms of our deposit accounts depend on several factors, including the minimum balance required, the duration for which funds must remain on deposit in the account, desired customer behaviors and interest rate. When setting these terms, we take into account the products, features and rates offered by competitors, our liquidity needs, profitability and the preferences of our customers.

We may supplement customer deposits with brokered and listed deposits. At December 31, 2025 and 2024, brokered deposits totaled \$275.0 million and \$155.0 million, respectively. There were no listed deposits at December 31, 2025 and 2024.

The flow of deposits is influenced significantly by general economic conditions, changes in money market and other prevailing interest rates and competition. The variety of deposit accounts offered allows us to be competitive in obtaining funds and responding to changes in consumer demand. Based on experience, we believe that our deposits are relatively stable. However, the ability to attract and maintain deposits and the rates paid on these deposits, has been and will continue to be significantly affected by market conditions.

The following table sets forth the distribution of total deposits by account type at the dates indicated.

	December 31, 2025		December 31, 2024	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)			
Non-interest bearing deposits	\$ 26,878	1.78 %	26,001	1.94 %
NOW and demand accounts	489,163	32.40	369,554	27.51
Savings	213,444	14.14	240,426	17.90
Time deposits	780,390	51.69	707,339	52.66
Total	<u>\$ 1,509,875</u>	<u>100.01 %</u>	<u>\$ 1,343,320</u>	<u>100.01 %</u>

As of December 31, 2025, the aggregate amount of uninsured deposits (amounts in excess of the maximum amount for federal deposit insurance) was \$344.1 million, or 22.79% of total deposits. Uninsured deposits totaling \$108.5 million were deposits of the Company and its subsidiaries and \$39.6 million were municipal deposits covered by supplemental insurance on such deposits under New Jersey's Governmental Unit Deposit Protection Act.

The following table sets forth the maturity of time deposits in excess of \$250,000 at December 31, 2025.

Maturity Period:	(in thousands)	
Three months or less	\$	69,493
Over three through six months		33,342
Over six through twelve months		23,562
Over twelve months		954
Total	\$	127,351

Borrowings. Our borrowings consist of advances from the FHLB. At December 31, 2025, we had the ability to borrow approximately \$619.2 million under our credit facilities with the FHLB, of which \$301.0 million was advanced. Borrowings from the FHLB are secured by loans pledged at the FHLB. We can borrow at the Federal Reserve Bank (“FRB”) Discount Window up to the amount of collateral pledged. At December 31, 2025, we had \$68.1 million pledged at the FRB. We also have an unsecured line of \$30.0 million with a correspondent bank which we have not utilized.

Subsidiary Activities

Blue Foundry Bancorp has one direct subsidiary, Blue Foundry Bank.

At December 31, 2025, Blue Foundry Bank had one active corporate subsidiary, Blue Foundry Investment Company, a New Jersey corporation formed to manage and invest in securities. The Bank also has two inactive subsidiaries, TrackView LLC and Blue Foundry, LLC, each a limited liability company formed under New Jersey law to hold certain real estate owned.

Employees and Human Capital Resources

At December 31, 2025 we employed 189 employees, nearly all of whom are full-time and of which approximately 59% are women. At December 31, 2024, we employed 184 employees. As a financial institution, approximately 38% of our employees are employed at our branch offices, and another 3% are employed at our customer care call center. The success of our business is highly dependent on our employees, who provide value to our customers and communities through their dedication to our mission, which is helping customers achieve financial security. Our workplace culture is grounded in a set of core values – a concern for others, trust, respect, hard work, and a dedication to our customers. We seek to hire well-qualified employees who are also a good fit for our value system. Our selection and promotion processes are without bias and include the active recruitment of minorities, women, individuals with disabilities and veterans, without regard to race, color, religion, sex, LGBTQ+, national origin, disability or protected veteran status.

We encourage and support the growth and development of our employees and, wherever possible, seek to fill positions by promotion and transfer from within the organization. Continual training and career development is advanced through regular performance discussions between employees and their managers, internally developed training programs, customized corporate training engagements and educational reimbursement programs. Reimbursement is available to employees enrolled in pre-approved degree or certification programs at accredited institutions that teach skills or knowledge relevant to our business.

The Bank offers employees a comprehensive health benefits package and structures its bonus program to create meaningful performance-based incentives. To encourage retirement savings, the Bank provides a 401(k) match on up to 6% of an employee’s salary. Eligible employees are automatically enrolled in the plan and 3% of the employee’s total taxable compensation is withheld with annual 1% escalations up to 6%. Employees may opt out at any time. In addition, our Employee Stock Ownership Plan (“ESOP”) gives employees an opportunity to accumulate shares of our common stock and is 100% funded by the Company.

Supervision and Regulation

The Company and the Bank operate in the highly-regulated banking industry. This regulation establishes a comprehensive framework of activities in which a bank holding company and New Jersey savings bank may engage and is intended primarily for the protection of the Deposit Insurance Fund and depositors.

Set forth below is a brief description of certain material regulatory requirements that are applicable to the Bank and the Company. The description is not intended to be a complete list or description of such statutes and regulations and their effects on the Bank and the Company.

Blue Foundry Bank

As a New Jersey-chartered savings bank, the Bank is subject to comprehensive regulation by the NJDOBI, as its chartering authority and, as a federally insured nonmember institution, by the FDIC. The Bank is a member of the FHLB and its deposits are insured up to applicable limits by the FDIC. The Bank is required to file reports with, and is periodically examined by, the FDIC and the NJDOBI concerning its activities and financial condition and must obtain regulatory approvals before entering into certain transactions, including mergers with or acquisitions of other financial institutions. The regulatory structure also gives the regulatory authorities extensive discretion in connection with their supervisory and enforcement activities and examination policies, including policies regarding classifying assets and establishing an adequate allowance for credit losses on loans for regulatory purposes.

New Jersey Banking Laws and Supervision

Activity Powers. The Bank derives its lending, investment and other activity powers primarily from the New Jersey Banking Act and its related regulations. Under these laws and regulations, savings banks, including the Bank, generally may invest in:

- real estate mortgages;
- consumer and commercial loans;
- specific types of debt securities, including certain corporate debt securities and obligations of federal, state and local governments and agencies;
- certain types of corporate equity securities; and
- certain other assets.

A savings bank may also make other investments pursuant to “leeway” authority that permits investments not otherwise permitted by the New Jersey Banking Act. Leeway investments must comply with a number of limitations on the individual and aggregate amounts of leeway investments. A savings bank may also exercise trust powers upon approval of the NJDOBI. Savings banks also may exercise those powers, rights, benefits or privileges authorized for national banks or out-of-state banks or for federal or out-of-state savings banks or savings associations, provided that before exercising any such power, right, benefit or privilege, prior approval by the NJDOBI by regulation or by specific authorization is required. The exercise of these lending, investment and activity powers is limited by federal law and regulations. See “Federal Bank Regulation Activities and Investments” below. Certain corporate transactions by a savings bank, such as establishing branches and acquiring other banks, require the prior approval of the NJDOBI.

Loans-to-One-Borrower Limitations. With certain specified exceptions, a New Jersey-chartered savings bank may not make loans or extend credit to a single borrower or to entities related to the borrower in an aggregate amount that would exceed 15% of the bank’s capital funds. A savings bank may lend an additional 10% of the bank’s capital funds if secured by collateral meeting the requirements of the New Jersey Banking Act. The Bank currently complies with applicable loans-to-one-borrower limitations.

Dividends. Under the New Jersey Banking Act, a stock savings bank may declare and pay a dividend on its capital stock only to the extent that the payment of the dividend would not impair the capital stock of the savings bank. In addition, a savings bank may not pay a dividend unless the savings bank would have a surplus of not less than 50% of its capital stock after the payment of the dividend or, alternatively, the payment of the dividend would not reduce the surplus. Federal law may also limit the amount of dividends that may be paid by the Bank. See “Federal Bank Regulation - Prompt Corrective Regulatory Action” below.

Minimum Capital Requirements. Regulations of the NJDOBI impose on New Jersey-chartered depository institutions, including the Bank, minimum capital requirements generally similar to those imposed by the FDIC on insured state banks. See “Federal Bank Regulation - Capital Requirements.”

Examination and Enforcement. The NJDOBI may examine the Bank as it deems advisable. It typically examines the Bank at least every two years, typically alternating exams with the FDIC such that the Bank is subject to regulatory examination every year. Regulated institutions are assessed for expenses incurred by the NJDOBI.

The NJDOBI has authority to enforce applicable law and prevent practices that may cause harm to an institution, including the issuance of cease and desist orders and civil money penalties and removal of directors, officers and employees. The NJDOBI also has authority to appoint a conservator or receiver for a savings bank under certain circumstances such as insolvency or unsafe or unsound condition to transact business.

Federal Bank Regulation

Supervision and Enforcement Authority. The Bank is subject to extensive regulation, examination and supervision by the FDIC as its primary federal prudential regulator and the insurer of its deposits. The regulatory structure gives the FDIC extensive discretion in connection with its supervisory and enforcement activities and examination policies, including policies with respect to the classification of assets and the establishment of an adequate allowance for credit losses on loans for regulatory purposes.

The Bank must file reports with the FDIC concerning its activities and financial condition. It must also obtain prior FDIC approval before entering into certain corporate transactions such as establishing new branches and mergers with, or acquisitions of, other financial institutions. There are periodic examinations by the FDIC to evaluate the Bank's safety and soundness and compliance with various regulatory requirements.

The FDIC maintains substantial enforcement authority over regulated institutions. That includes, among other things, the ability to assess civil money penalties, issue cease and desist orders and remove directors and officers. In general, enforcement actions against institutions may be initiated in response to violations of laws and regulations or unsafe or unsound practices; the FDIC may also bring enforcement actions against directors and officers on these bases and for breaches of fiduciary duty. The FDIC may also appoint itself as conservator or receiver for an insured bank under specified circumstances, including: (1) insolvency; (2) substantial dissipation of assets or earnings through violations of law or unsafe or unsound practices; (3) the existence of an unsafe or unsound condition to transact business; (4) insufficient capital; or (5) the incurrence of losses that will deplete substantially all of the institution's capital with no reasonable prospect of replenishment without federal assistance.

Capital Requirements. Under FDIC regulations, the Bank must meet several minimum capital standards: a common equity Tier 1 capital to risk-based assets ratio, a Tier 1 capital to risk-based assets ratio, a total capital to risk-based assets ratio, and a Tier 1 capital to total assets leverage ratio. The capital requirements are based on recommendations of the Basel Committee on Banking Supervision and certain requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The FDIC also has authority to establish individual minimum capital requirements in appropriate cases upon determination that an institution's capital level is, or is likely to become, inadequate in light of the particular circumstances.

The capital standards require the maintenance of common equity Tier 1 capital, Tier 1 capital and total capital to risk-weighted asset ratios of at least 4.5%, 6% and 8%, respectively, and a leverage ratio of at least 4% Tier 1 capital. Common equity Tier 1 capital is generally defined as common shareholders' equity and retained earnings. Tier 1 capital is generally defined as common equity Tier 1 and Additional Tier 1 capital. Additional Tier 1 capital generally includes certain noncumulative perpetual preferred stock and related surplus and minority interests in equity accounts of consolidated subsidiaries. Total capital includes Tier 1 capital (common equity Tier 1 capital plus Additional Tier 1 capital) and Tier 2 capital. Tier 2 capital is comprised of capital instruments and related surplus meeting specified requirements, and may include cumulative preferred stock and long-term perpetual preferred stock, mandatory convertible securities, intermediate preferred stock and subordinated debt. Also included in Tier 2 capital is the allowance for credit losses on loans limited to a maximum of 1.25% of risk-weighted assets and, for institutions that have exercised an opt-out election regarding the treatment of Accumulated Other Comprehensive Income ("AOCI"), up to 45% of net unrealized gains on available-for-sale equity securities with readily determinable fair market values. Institutions that have not exercised the AOCI opt-out have AOCI incorporated into common equity Tier 1 capital (including unrealized gains and losses on available-for-sale securities). The Bank exercised the opt-out election regarding the treatment of AOCI. Calculation of all types of regulatory capital is subject to deductions and adjustments specified in the regulations.

In determining the amount of risk-weighted assets for purposes of calculating risk-based capital ratios, a bank's assets, including certain off-balance sheet assets (e.g., recourse obligations, direct credit substitutes, residual interests), are multiplied by a risk weight factor assigned by the regulations based on perceived risks inherent in the type of asset. Higher levels of capital are required for asset categories believed to present greater risk. For example, a risk weight of 0% is assigned to cash and U.S. government securities, a risk weight of 50% is generally assigned to prudently underwritten first lien residential mortgages, a risk weight of 100% is assigned to commercial and consumer loans, a risk weight of 150% is assigned to certain past due loans and a risk weight of between 0% to 600% is assigned to permissible equity interests, depending on certain specified factors.

In addition to establishing the minimum regulatory capital requirements, the regulations limit capital distributions and certain discretionary bonus payments to management if an institution does not hold a "capital conservation buffer" of 2.5%, effectively resulting in the following minimum ratios: (1) a common equity Tier 1 capital ratio of 7.0%, (2) a Tier 1 capital to risk-based assets ratio of 8.5%, and (3) a total capital ratio of 10.5%.

Federal legislation enacted in 2018 required the federal banking agencies, including the FDIC, to adopt a rule implementing a simplified "community bank leverage" ratio alternative for institutions with assets of less than \$10 billion that meet other specified criteria. Pursuant to federal legislation enacted in 2020, the community bank leverage ratio was set at 9% for 2022 and thereafter. A qualifying community bank that exercises the election and has capital equal to or exceeding the applicable percentage is considered compliant with all applicable regulatory capital requirements. Qualifying institutions may elect to utilize the community bank leverage ratio in lieu of the generally applicable risk-based capital requirements.

A qualifying institution may opt in and out of the community bank leverage ratio framework on its quarterly call report. As of December 31, 2025, the Bank has not opted into the community bank leverage ratio framework.

At December 31, 2025, the Bank exceeded each of its applicable capital requirements.

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

Activities and Investments. Federal law provides that a state-chartered bank insured by the FDIC generally may not engage as a principal in any activity not permissible for a national bank to conduct or make any equity investment of a type or in an amount not authorized for national banks, notwithstanding state law, subject to certain exceptions. For example, state-chartered banks may, with FDIC approval, continue to exercise state authority to invest in common or preferred stocks listed on a national securities exchange or the Nasdaq Market and to invest in shares of investment companies registered under the Investment Company Act of 1940. The maximum permissible investment is 100% of Tier 1 capital, as specified by the FDIC's regulations, or the maximum amount permitted by New Jersey law, whichever is less. Such grandfathered authority terminates upon a change in the institution's charter or a change in control.

In addition, the FDIC is authorized to permit a state-chartered bank or savings bank to engage in state-authorized activities or investments not permissible for national banks (other than non-subsiidiary equity investments) if it meets all applicable capital requirements and it is determined that the activities or investments involved do not pose a significant risk to the Deposit Insurance Fund. The FDIC has adopted procedures for institutions seeking approval to engage in such activities or investments. In addition, a nonmember bank may control a subsidiary that engages in activities as principal that would only be permitted for a national bank to conduct in a "financial subsidiary" if a bank meets specified conditions and deducts its investment in the subsidiary for regulatory capital purposes.

Interstate Banking and Branching. Federal law permits well capitalized and well managed bank holding companies to acquire banks in any state, subject to Federal Reserve Board approval, certain concentration limits and other specified conditions. Interstate mergers of banks are also authorized, subject to regulatory approval and other specified conditions. In addition, banks may establish de novo branches on an interstate basis at any location where a bank chartered under the laws of the branch location host state may establish a branch.

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

The FDIC has adopted regulations to implement the prompt corrective action legislation. An institution is considered “well capitalized” if it has a total risk-based capital ratio of 10.0% or greater, a Tier 1 risk-based capital ratio of 8.0% or greater, a leverage ratio of 5.0% or greater and a common equity Tier 1 capital ratio of 6.5% or greater. An institution is considered “adequately capitalized” if it has a total risk-based capital ratio of 8.0% or greater, a Tier 1 risk-based capital ratio of 6.0% or greater, a leverage ratio of 4.0% or greater and a common equity Tier 1 capital ratio of 4.5% or greater. An institution is considered “undercapitalized” if it has a total risk-based capital ratio of less than 8.0%, a Tier 1 risk-based capital ratio of less than 6.0%, a leverage ratio of less than 4.0% or a common equity Tier 1 capital ratio of less than 4.5%. An institution is considered “significantly undercapitalized” if it has a total risk-based capital ratio of less than 6.0%, a Tier 1 risk-based capital ratio of less than 4.0%, a leverage ratio of less than 3.0% or a common equity Tier 1 capital ratio of less than 3.0%. An institution is considered “critically undercapitalized” if it has a ratio of tangible equity (as defined in the regulations) to total assets equal to or less than 2.0%. At December 31, 2025, the Bank was classified as a “well capitalized” institution under these definitions.

At each successive lower capital category, an insured depository institution is subject to additional operating restrictions, including limits on growth and a prohibition on the payment of dividends and other capital distributions. Furthermore, if an insured depository institution is classified in one of the undercapitalized categories, it is required to submit a capital restoration plan to the appropriate federal banking agency. An undercapitalized bank’s compliance with a capital restoration plan must be guaranteed by any company that controls the undercapitalized institution in an amount equal to the lesser of 5.0% of the institution’s total assets when deemed undercapitalized or the amount necessary to achieve the status of adequately capitalized. If an “undercapitalized” bank fails to submit an acceptable capital restoration plan, it is treated as if it is “significantly undercapitalized.” “Significantly undercapitalized” banks must comply with one or more of a number of possible additional restrictions, including an order by the FDIC to sell sufficient voting stock to become adequately capitalized, reduce total assets, cease receipt of deposits from correspondent banks, dismiss directors or officers, or to limit interest rates paid on deposits, compensation of executive officers or capital distributions by the parent holding company. “Critically undercapitalized” institutions are subject to additional measures including, subject to a narrow exception, the appointment of a receiver or conservator within 270 days after they are determined to be critically undercapitalized.

A bank that is classified as well-capitalized, adequately capitalized or undercapitalized may be treated as though it were in the next lower capital category if the FDIC, after notice and opportunity for hearing, determines that an unsafe or unsound condition, or an unsafe or unsound practice, warrants such treatment.

Transaction with Affiliates and Regulation W / Loans to Insiders and Regulation O. Transactions between banks and their affiliates are governed by federal law. Generally, Section 23A of the Federal Reserve Act, made applicable to FDIC-insured state nonmember banks by Section 18(j) of the Federal Deposit Insurance Act, and the Federal Reserve Board's Regulation W prohibit a bank and its subsidiaries from engaging in a "covered transaction" with an affiliate if the aggregate amount of covered transactions outstanding with that affiliate, including the proposed transaction, would exceed an amount equal to 10.0% of the bank's capital stock and surplus. The aggregate amount of covered transactions outstanding with all affiliates is limited to 20.0% of the bank's capital stock and surplus. The term "covered transaction" includes, among other things, making loans to, purchasing assets from, and issuing guarantees to an affiliate, as well as other similar transactions. In addition, loans or other extensions of credit by a bank to an affiliate are required to be collateralized according to the requirements set forth in Section 23A of the Federal Reserve Act. Section 23B of the Federal Reserve Act applies to "covered transactions," as well as to certain other transactions, and requires that all such transactions be on terms and under circumstances that are substantially the same as, or at least as favorable to, the institution as prevailing market terms for comparable transactions with or involving a non-affiliate. Section 23B transactions also include the bank's providing services and selling assets to an affiliate.

A bank's loans to its executive officers, directors, any owner of 10% or more of its stock (each, an insider) and any of certain entities controlled by any such person (an insider's related interests), as well as loans to insiders of affiliates and such insiders' related interests, are subject to the conditions and limitations imposed by Section 22(h) of the Federal Reserve Act and its implementing regulation, Regulation O, as made applicable to FDIC-insured state nonmember banks by Section 18(j) of the Federal Deposit Insurance Act and FDIC regulations. Under these restrictions, the aggregate amount of the loans to any insider and the insider's related interests may not exceed the loans-to-one-borrower limit applicable to national banks, which is comparable to the loans-to-one-borrower limit applicable to the Bank's loans. See "New Jersey Banking Laws and Supervision—Loans-to-One Borrower Limitations." All loans by a bank to all insiders and insiders' related interests in the aggregate may not exceed the bank's unimpaired capital and unimpaired surplus. Loans to an executive officer, other than loans for the education of the officer's children and certain loans secured by the officer's residence, may not exceed the greater of \$25,000 or 2.5% of the bank's unimpaired capital and surplus, and in no event may exceed \$100,000. Regulation O requires that any proposed loan to an insider, or a related interest of that insider, be approved in advance by a majority of the Board of Directors of the bank, with any interested directors not participating directly or indirectly in the voting, if that loan, combined with previous loans by the bank to the insider and his or her related interests, exceeds specified amounts. Generally, such loans must be made on substantially the same terms as, and follow credit underwriting procedures that are not less stringent than, those that are prevailing at the time for comparable transactions with non-insiders or non-employees. Regulation O contains a general exception for extensions of credit made pursuant to a benefit or compensation plan of a bank that is widely available to employees of the bank and that does not give any preference to insiders of the bank over other employees. As of December 31, 2025, the Bank does not have any loans deemed to be Regulation O loans.

In addition, federal law prohibits extensions of credit to a bank's insiders and their related interests by any other institution that has a correspondent banking relationship with the bank, unless such extension of credit is on substantially the same terms as those prevailing at the time for comparable transactions with other persons and does not involve more than the normal risk of repayment or present other unfavorable features.

Federal Insurance of Deposit Accounts. The Bank is a member of the Deposit Insurance Fund, which is administered by the FDIC. Deposit accounts in the Bank are insured up to a maximum of \$250,000 for each separately insured depositor for each account ownership category.

The FDIC assesses all insured depository institutions. An institution's assessment rate depends upon the perceived risk to the Deposit Insurance Fund of that institution, with less risky institutions paying lower rates. Currently, assessments for institutions of less than \$10 billion of total assets are based on financial measures and supervisory ratings derived from statistical models estimating the probability of failure within three years. Assessment rates (inclusive of possible adjustments) ranged from 2.5 to 32 basis points of each institution's total assets less tangible capital effective January 1, 2023.

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

Federal Deposit Insurance Corporation Improvement Act (“FDICIA”) and Part 363. Section 112 of FDICIA and its implementing regulations found in 12 C.F.R. Part 363 (“Part 363”) establish audit, assessment, and reporting requirements for banks above certain thresholds. The primary purpose of FDICIA 112 and Part 363 is to provide a framework for early risk identification in financial management through an effective system of internal controls. Part 363’s asset thresholds were revised by a final rule issued by the FDIC in November 2025. Annual reporting requirements under Part 363, as revised, are as currently as follows for banks such as the Bank with \$1.0 billion in total assets: (1) annual audited financial statements; and (2) management report stating management's responsibility for preparing the institution's annual financial statements, establishing and maintaining an adequate internal control structure and procedures for financial reporting and for complying with laws and regulations, and assessment by management of the institution's compliance with such laws and regulations. Due to the revisions to Part 363, only banks with consolidated total assets over \$5.0 billion or more need to have the independent public accountant who audits the institution's financial statements examine, attest to, and report separately on the assertion of management concerning the effectiveness of the institution's internal control structure and procedures for financial reporting. As specified in the final rule revising Part 363, a bank does not need to comply with the applicable Part 363 requirements in effect as of December 31, 2025, if the bank will not be subject to such Part 363 requirements under the updated thresholds in effect as of January 1, 2026. The asset threshold in Part 363 are now subject to periodic adjustments.

Privacy Regulations. Federal law and regulations generally require that the Bank disclose its privacy policy, including identifying with whom it shares a customer’s “non-public personal information,” to customers at the time of establishing the customer relationship. In addition, financial institutions are generally required to furnish their customers a privacy notice annually. However, a provision of the Fixing America’s Surface Transportation Act enacted in 2015 provides an exception from the annual notice requirement if a financial institution does not share non-public personal information with non-affiliated third parties (other than as permitted under certain exceptions) and its policies and practices regarding disclosure of non-public personal information have not changed since the last distribution of its policies and practices to its customers. In addition, the Bank is required to provide its customers with the ability to “opt-out” of having their personal information shared with unaffiliated third parties and to not disclose account numbers or access codes to non-affiliated third parties for marketing purposes.

Community Reinvestment Act. Under the Community Reinvestment Act (“CRA”), as implemented by the FDIC, a state nonmember bank has a continuing and affirmative obligation, consistent with its safe and sound operation, to help meet the credit needs of its entire community, including low- and moderate-income neighborhoods. The CRA does not establish specific lending requirements or programs for financial institutions nor does it limit an institution’s discretion to develop the types of products and services that it believes are best suited to its particular community, consistent with the CRA. The CRA requires the FDIC, in connection with its examination of each state nonmember bank, to assess the institution’s record of meeting the credit needs of its community and to take such record into account in its evaluation of certain applications by such institution, including applications to establish branches and acquire other financial institutions. The CRA and the regulations currently utilized by the FDIC require the FDIC to provide a written evaluation of an institution’s CRA performance utilizing a four-tiered descriptive rating system. The Bank’s most recent FDIC CRA rating in June 2024 was “Satisfactory.”

Consumer Protection and Fair Lending Regulations. The Bank is subject to a variety of federal and New Jersey statutes and regulations that are intended to protect consumers and prohibit discrimination in the granting of credit. These statutes and regulations provide for a range of sanctions for non-compliance with their terms, including imposition of cease-and-desist orders and civil money penalties, and referral to the U.S. Attorney General for prosecution of a civil action seeking actual and punitive damages and injunctive relief. Section 5 of the Federal Trade Commission Act prohibits unfair and deceptive acts and practices against consumers and is enforced by the FDIC. Other federal laws also prohibit unfair, deceptive or abusive acts or practices against consumers, and those can be enforced against the Bank by the state attorneys general. In December 2025, the New Jersey Division on Civil Rights adopted regulations that implement the state’s civil rights law and that will prohibit certain discriminatory practices by lenders in the state.

Federal Home Loan Bank System

The Bank is a member of the Federal Home Loan Bank System, which consists of 11 regional Federal Home Loan Banks. The Federal Home Loan Banks provide a central credit facility primarily for member institutions. The Bank, as a member of the FHLB, is required to acquire and hold shares of capital stock in the FHLB. The Bank was in compliance with this requirement at December 31, 2025.

Holding Company Regulation

Federal Holding Company Regulation. The Company is a bank holding company registered with the Federal Reserve Board and is subject to regulations, examination, supervision and reporting requirements applicable to bank holding companies. In addition, the Federal Reserve Board has enforcement authority over the Company and its non-savings bank subsidiaries. Among other things, this authority permits the Federal Reserve Board to restrict or prohibit activities that are determined to be a serious risk to the subsidiary savings bank.

A bank holding company is generally prohibited from engaging in non-banking activities, or acquiring direct or indirect control of more than 5% of the voting securities of any company engaged in non-banking activities. One of the principal exceptions to this prohibition is for activities the Federal Reserve Board has determined to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. Some of the principal activities that the Federal Reserve Board has determined by regulation to be so closely related to banking are: (1) making or servicing loans; (2) performing certain data processing services; (3) providing discount brokerage services; (4) acting as fiduciary, investment or financial advisor; (5) leasing personal or real property; (6) making investments in corporations or projects designed primarily to promote community welfare; and (7) acquiring a savings and loan association whose direct and indirect activities are limited to those permitted for bank holding companies.

The Gramm-Leach-Bliley Act of 1999 authorizes a bank holding company that meets specified conditions, including that its depository institution subsidiaries are “well capitalized” and “well managed,” to opt to become a “financial holding company.” A “financial holding company” may engage in a broader range of financial activities than a bank holding company. Such activities may include insurance underwriting and investment banking. The Company has no plans to elect “financial holding company” status at this time.

Capital. Federal legislation required the Federal Reserve Board to establish minimum consolidated capital requirements for bank holding companies that are as stringent as those applicable to their insured depository subsidiaries. However, subsequent federal legislation exempted from the applicability of the consolidated capital requirements bank holding companies with less than \$3.0 billion in consolidated assets, such as the Company, unless otherwise advised by the Federal Reserve Board.

Source of Strength. Federal law provides that bank holding companies must act as a source of strength to their subsidiary depository institution. The expectation is that the bank holding company will provide capital, liquidity and other support for the institution in times of financial stress.

Stock Repurchases and Dividends. A bank holding company is generally required to give the Federal Reserve Board prior written notice of any purchase or redemption of its outstanding equity securities if the gross consideration for the purchase or redemption, when combined with the net consideration paid for all such purchases or redemptions during the preceding 12 months, is equal to 10% or more of the holding company’s consolidated net worth. The Federal Reserve Board may disapprove such a purchase or redemption if it determines that the proposal would constitute an unsafe and unsound practice, or would violate any law, regulation, Federal Reserve Board order or directive, or any condition imposed by, or written agreement with, the Federal Reserve Board. There is an exception to this approval requirement for well-capitalized bank holding companies that meet certain other conditions.

Additionally, under the prompt corrective action laws, the ability of a bank holding company to pay dividends may be restricted if a subsidiary bank becomes undercapitalized.

Notwithstanding the above, the Federal Reserve Board has issued a supervisory bulletin regarding the payment of dividends and repurchase or redemption of outstanding shares of stock by bank holding companies. In general, the Federal Reserve Board's policy is that dividends should be paid only out of current earnings and only if the prospective rate of earnings retention by the bank holding company appears consistent with the organization's capital needs, asset quality and overall financial condition. The supervisory bulletin provides for prior consultation with and review of proposed dividends by the Federal Reserve Board in certain cases, such as where a proposed dividend exceeds earnings for the period for which the dividend would be paid (e.g., calendar quarter) or where the company's net income for the past four quarters, net of dividends previously paid over that period, is insufficient to fully fund a proposed dividend.

The supervisory bulletin also indicates that a bank holding company should notify the Federal Reserve Board, under certain circumstances, prior to redeeming or repurchasing common stock or perpetual preferred stock. The specified circumstances include where a holding company is experiencing financial weaknesses or where the repurchase or redemption would result in a net reduction, as of the end of a quarter, in the amount of such equity instruments outstanding compared with the beginning of the quarter in which the redemption or repurchase occurred. Even outside of these circumstances, the Federal Reserve Board expects as a matter of practice to have notice and opportunity for non-objection before such an action is taken. The supervisory bulletin indicates that such notification is to allow Federal Reserve Board supervisory review of, and possible objection to, the proposed repurchases or redemption. These regulatory policies could affect the ability of the Company to pay dividends, engage in stock repurchases or otherwise engage in capital distributions.

Acquisition. The Change in Bank Control Act provides that no person may acquire control of a bank holding company, such as the Company, without the prior non-objection or approval of the Federal Reserve Board. Control, as defined under the Change in Bank Control Act and its implementing regulations, means the power, directly or indirectly, to direct the management or policies of a company, or the ownership, control or power to vote 25% or more of any class of voting securities of the company. Acquisition of 10% or more of any class of a bank holding company's voting securities constitutes a rebuttable presumption of control under certain circumstances, including where, as is the case with the Company, the issuer has registered securities under Section 12 of the Exchange Act.

In addition, the Bank Holding Company Act provides that no company may acquire control of a bank or bank holding company within the meaning of that statute without having first obtained the approval of the Federal Reserve Board. A company that acquires control of a bank or bank holding company for purposes of the Bank Holding Company Act becomes a "bank holding company" subject to registration, examination and regulation by the Federal Reserve Board.

New Jersey law establishes similar filing and prior approval requirements as to the NJDOBI for direct or indirect acquisitions of New Jersey chartered institutions.

Federal Securities Laws

The Company's common stock is registered with the Securities and Exchange Commission. The Company is subject to the information, proxy solicitation, insider trading restrictions and other requirements under the Exchange Act.

Emerging Growth Company Status. We are an emerging growth company. For as long as we continue to be an emerging growth company, we have elected to take advantage of exemptions from various reporting requirements applicable to other public companies but not to “emerging growth companies,” including, but not limited to, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. As an emerging growth company, we also will not be subject to Section 404(b) of the Sarbanes-Oxley Act of 2002, which would require that our independent auditors review and attest as to the effectiveness of our internal control over financial reporting. We have also elected to use the extended transition period to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. If the Company were to subsequently elect not to use this extended transition period, such election would be irrevocable. Due to our use of the extended transition period, our financial statements may not be comparable to the financial statements of public companies that comply with such new or revised accounting standards.

A company loses emerging growth company status on the earlier of: (1) the last day of the fiscal year of the company during which it had total annual gross revenues of \$1.07 billion or more; (2) the last day of the fiscal year of the issuer following the fifth anniversary of the date of the first sale of common equity securities of the company pursuant to an effective registration statement under the Securities Act; (3) the date on which such company has, during the previous three-year period, issued more than \$1.0 billion in non-convertible debt; or (4) the date on which such company is deemed to be a “large accelerated filer” under Securities and Exchange Commission regulations (generally, a “large accelerated filer” is defined as a corporation with at least \$700 million of voting and non-voting equity held by non-affiliates).

Sarbanes-Oxley Act of 2002

The Sarbanes-Oxley Act of 2002 was enacted to improve corporate responsibility, provide for enhanced penalties for accounting and auditing improprieties at publicly traded companies and protect investors by improving the accuracy and reliability of corporate disclosures pursuant to the securities laws. The Company has policies, procedures and systems designed to comply with this Act and its implementing regulations.

TAXATION

Federal Taxation

General. The Company and the Bank are subject to federal income taxation in the same general manner as other corporations, with some exceptions discussed below. The following discussion of federal taxation is intended only to summarize material federal income tax matters and is not a comprehensive description of the tax rules applicable to the Company and the Bank.

Method of Accounting. For federal income tax purposes, the Company currently reports its income and expenses on the accrual method of accounting and uses a tax year ending December 31 for filing its federal income tax returns.

Net Operating Loss Carryovers. Effective with the passage of the Tax Cuts and Jobs Act, net operating loss carrybacks are no longer permitted, and net operating losses are allowed to be carried forward indefinitely. Net operating loss carryforwards arising from tax years beginning after January 1, 2018 are limited to offset a maximum of 80% of a future year’s taxable income. At December 31, 2025, the Company had \$46.7 million in net operating loss carryovers. The Company contributed \$9.0 million to the Blue Foundry Charitable Foundation in 2021 and the deferred benefit has a five-year carryforward limitation.

Capital Loss Carryovers. Generally, a financial institution may carry back capital losses to the preceding three taxable years and forward to the succeeding five taxable years. Any capital loss carryback or carryover is treated as a short-term capital loss for the year to which it is carried. As such, it is grouped with any other capital losses for the year to which carried and is used to offset any capital gains. Any loss remaining after the five-year carryover period that has not been deducted is no longer deductible. At December 31, 2025, the Company had no capital loss carryovers. See discussion on Deferred Tax valuation Allowance on the next page of this document.

Corporate Dividends. We may generally exclude from our income 100% of dividends received from the Bank as a member of the same affiliated group of corporations.

Audit of Tax Returns. The Company's federal income tax returns have not been audited in the last three years.

State Taxation

New Jersey State Taxation. In 2014, tax legislation was enacted that changed the manner in which financial institutions and their affiliates are taxed in New Jersey. Taxable income is apportioned to New Jersey based on the location of the taxpayer's customers, with special rules for income from certain financial transactions. The location of the taxpayer's offices and branches are not relevant to the determination of income apportioned to New Jersey. The state of New Jersey applies a surtax based on the tax base within the state, applying a 6.5%, 7.5% or 9% rate. Given the Company has available net operating losses for the period, the statutory rate that would apply to the tax base in 2022 is 6.5%. An alternative tax on apportioned capital, capped at \$5.0 million for a tax year, is imposed to the extent that it exceeds the tax on apportioned income. The New Jersey alternative tax rate was 0.05% for 2019, 0.025% for 2020 and was completely phased out as of January 1, 2021. Qualified community banks and thrift institutions that maintain a qualified loan portfolio are entitled to a specially computed modification that reduces the income taxable to New Jersey. The Company had New Jersey net operating loss carryforwards totaling \$45.9 million, the majority of which will expire in 18 years.

The Company's New Jersey State income tax returns were subject to an audit for the years 2015 through 2018, which concluded in January 2022 without findings.

New York State Taxation. The Company files New York State tax returns on a calendar year basis. New York State imposes a corporate income tax, based on net income allocable to New York State at a rate of 6.5%. In April 2021, legislation increased the corporate franchise tax rate to 7.25% for tax years beginning on or after January 1, 2021 and before January 1, 2024 for taxpayers with a business income base greater than \$5 million. In addition, the scheduled phase-out of the capital base tax was delayed. The rate of the capital base was to have been 0% starting in 2021. The legislation imposed a tax rate of 0.1875% for tax years beginning on or after January 1, 2021 and before January 1, 2024, with the 0% rate to take effect in 2024. New York State also imposes the Metropolitan Transportation Authority ("MTA") Tax Surcharge rate of 30% allocable to business activities carried on in the Metropolitan Commuter Transportation District. The MTA surcharge was made permanent in 2024.

New York City Taxation. The Company is also subject to the New York City Financial Corporation Tax calculated, subject to a New York City income and expense allocation, on a similar basis as the New York State Tax, at a rate of 8.85%.

Pennsylvania State Taxation. The Bank is subject to Pennsylvania Mutual Thrift Institutions Tax imposed at the rate of 11.5% on net taxable income of mutual thrift institutions in Pennsylvania, including savings banks without capital stock, building and loan associations, savings and loan associations, and savings institutions having capital stock.

Delaware State Taxation. As a Delaware business corporation not earning income in Delaware, the Company is exempt from Delaware corporate income tax but is required to file an annual report with and pay franchise taxes to the state of Delaware.

Connecticut State Taxation. The Company is subject to Corporate Income Tax in Connecticut at a rate of 7.5% but is not expected to be taxpaying in this jurisdiction.

Deferred Tax Valuation Allowance

At December 31, 2021, the Company determined that a full valuation allowance was required on both its federal and state net deferred tax assets.

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended December 31, 2025. Such objective evidence limits the ability to consider other subjective evidence, such as our projections for future growth.

For the year ended December 31, 2025, a valuation allowance of \$27.3 million has been maintained against our net deferred tax asset. The amount of the deferred tax asset considered realizable could be adjusted if estimates of future taxable income increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight is given to subjective evidence such as our projections for growth.

ITEM 1A. RISK FACTORS

Risks Relating to the Merger

Because the market price of Fulton common stock may fluctuate prior to the effective time, including as a result of Blue Foundry's financial performance prior to the effective time, stockholders cannot be certain of the market value of the merger consideration to be received by Blue Foundry stockholders.

At the effective time, each share of Blue Foundry common stock issued and outstanding immediately prior to the effective time (other than certain excluded shares as described in the merger agreement) will be converted into the right to receive 0.650 of a share of Fulton common stock. This exchange ratio is fixed and will not be adjusted for changes in the market price of either Fulton common stock or Blue Foundry common stock. Changes in the price of Fulton common stock between now and the effective time will affect the value that Blue Foundry stockholders will receive in the merger. Neither Fulton nor Blue Foundry is permitted to terminate the merger agreement as a result of any increase or decrease in the market price of Fulton common stock or Blue Foundry common stock.

Stock price changes may result from a variety of factors, including general market and economic conditions, changes in Fulton's and Blue Foundry's businesses, operations and prospects, the performance of peer companies and other financial companies, volatility in the prices of securities in global financial markets, including market prices of Fulton, Blue Foundry and other banking companies, the effects of proposed or imposed tariffs by the U.S. government and retaliatory tariffs proposed or imposed by U.S. trading partners and the risk of any recession or slowdown in economic growth, particularly in the states of Pennsylvania, Delaware, Maryland, New Jersey and Virginia, and regulatory considerations and tax laws, many of which are beyond Fulton's and Blue Foundry's control.

The market price of Fulton common stock after the merger may be affected by factors different from those currently affecting the independent businesses of Fulton and Blue Foundry.

As a result of the merger, Blue Foundry stockholders will become Fulton shareholders. Fulton's business differs from that of Blue Foundry and certain adjustments may be made to Fulton's business as a result of the merger. Accordingly, the results of operations of Fulton and the market price of Fulton common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of Blue Foundry.

Fulton and Blue Foundry are expected to incur substantial costs related to the merger and integration, and these costs may be greater than anticipated due to unexpected events.

Fulton and Blue Foundry have incurred and expect to incur a number of significant non-recurring costs associated with the merger. These costs include legal, financial advisory, accounting, consulting and other advisory fees, severance/employee benefit-related costs, public company filing fees and other regulatory fees, financial printing and other printing costs and other related costs. Some of these costs are payable by either Fulton or Blue Foundry regardless of whether or not the merger is completed.

In addition, Fulton will incur integration costs following the completion of the merger as Fulton and Blue Foundry integrate their businesses, including facilities and systems consolidation costs and employment-related costs. Fulton and Blue Foundry may also incur additional costs to maintain employee morale and to retain key employees. There are a large number of processes, policies, procedures, operations, technologies and systems that may need to be integrated, including purchasing, accounting and finance, payroll, compliance, treasury management, branch operations, vendor management, risk management, lines of business, pricing and benefits. While Fulton and Blue Foundry have assumed that a certain level of costs will be incurred, there are many factors beyond their control that could affect the total amount or the timing of the integration costs. Moreover, many of the costs that will be incurred are, by their nature, difficult to estimate accurately. These integration costs may result in Fulton taking charges against earnings following the completion of the merger, and the amount and timing of such charges are uncertain at present. There can be no assurances that the expected benefits and efficiencies related to the integration of the businesses will be realized to offset these transaction and integration costs over time.

Combining Fulton and Blue Foundry may be more difficult, costly or time-consuming than expected, and Fulton and Blue Foundry may fail to realize the anticipated benefits and cost savings of the merger.

The success of the merger will depend, in part, on the ability to realize the anticipated cost savings from combining the businesses of Fulton and Blue Foundry. To realize the anticipated benefits and cost savings from the merger, Fulton and Blue Foundry must successfully integrate and combine their businesses in a manner that permits those cost savings to be realized without adversely affecting current revenues and future growth. If Fulton and Blue Foundry are not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected. In addition, the actual cost savings of the merger could be less than anticipated, and integration may result in additional and unforeseen expenses.

An inability to realize the full extent of the anticipated benefits of the merger and the other transactions contemplated by the merger agreement, as well as any delays encountered in the integration process, could have an adverse effect upon the revenues, levels of expenses and operating results of Fulton following the completion of the merger, which may adversely affect the value of the common stock of Fulton following the completion of the merger. Fulton and Blue Foundry have operated and, until the effective time of the Merger, must continue to operate, independently. It is possible that the integration process could result in the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the companies' ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits and cost savings of the merger. Integration efforts between the companies may also divert management attention and resources. These integration matters could have an adverse effect on each of Fulton and Blue Foundry during this transition period and for an undetermined period after completion of the merger on Fulton.

The future results of Fulton following the completion of the merger may suffer if Fulton does not effectively manage its expanded operations.

Following the merger, the size of the business of Fulton will increase beyond the current size of either Fulton's or Blue Foundry's business. Fulton's future success will depend, in part, upon its ability to manage this expanded business, which may pose challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. Fulton may also face increased scrutiny from governmental entities as a result of the increased size of its business. There can be no assurances that Fulton will be successful or that it will realize the expected operating efficiencies, revenue enhancement or other benefits currently anticipated from the merger.

Fulton may be unable to retain legacy Blue Foundry personnel successfully after the completion of the merger.

The success of the merger will depend in part on Fulton's ability to retain the talent and dedication of key employees currently employed by Blue Foundry. It is possible that these employees may decide not to remain with Blue Foundry while the merger is pending or after the completion of the merger. If Fulton and Blue Foundry are unable to retain key employees, including management, who are critical to the successful integration and future operations of Fulton following the merger, Fulton and Blue Foundry could face disruptions in their operations, loss of existing customers, loss of key information, expertise or know-how and unanticipated additional recruitment costs. In addition, following the completion of the merger, if key employees terminate their employment, Fulton's business activities following the merger may be adversely affected, and management's attention may be diverted to successfully hiring suitable replacements, all of which may cause Fulton's business following the merger to suffer. Fulton and Blue Foundry also may not be able to locate or retain suitable replacements for key employees who leave either company.

If the remaining conditions to the closing of the merger are not met, the merger agreement may be terminated in accordance with its terms and the merger may not be completed.

The merger agreement is subject to a number of remaining conditions which must be fulfilled in order to complete the merger. Those conditions include: (i) the filing of a notification of listing of the shares of Fulton common stock to be issued in the merger with Nasdaq and non-objection by Nasdaq to such listing; and (ii) the absence of any law, order, injunction or decree or other legal restraint prohibiting or making illegal the consummation of the merger. Each party's obligation to complete the merger is also subject to certain additional customary conditions, including (a) subject to certain exceptions, the accuracy of the representations and warranties of the other party, (b) performance in all material respects by the other party of its obligations under the merger agreement, and (c) receipt by such party of an opinion from its counsel to the effect that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code. Fulton's obligation to complete the merger is also subject to the absence of a material adverse effect with respect to Blue Foundry since the execution of the merger agreement.

These conditions to the closing of the merger may not be fulfilled in a timely manner or at all, and, accordingly, the merger may not be completed. In addition, the parties can mutually decide to terminate the merger agreement at any time, before or after the requisite Blue Foundry stockholder approval, or Fulton or Blue Foundry may elect to terminate the merger agreement in certain other circumstances.

Failure to complete the merger could negatively impact Fulton or Blue Foundry.

If the merger is not completed for any reason, there may be various adverse consequences and Fulton and/or Blue Foundry may experience negative reactions from the financial markets and from their respective customers and employees. For example, Fulton's or Blue Foundry's respective businesses may be adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger. Additionally, if the merger agreement is terminated, the market price of Fulton common stock or Blue Foundry common stock could decline to the extent that current market prices reflect a market assumption that the merger will be beneficial and will be completed. If the merger agreement is terminated under certain circumstances, Blue Foundry may be required to pay a termination fee of \$9,694,662 to Fulton.

Additionally, each of Fulton and Blue Foundry has incurred and will incur substantial expenses in connection with the negotiation and completion of the transactions contemplated by the merger agreement, as well as the costs and expenses of preparing, filing, printing and mailing materials related to the Merger, and all filing and other fees paid in connection with the merger. If the merger is not completed, Fulton and Blue Foundry will have to pay some of these expenses without realizing the expected benefits of the merger.

Fulton and Blue Foundry will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Fulton and Blue Foundry. These uncertainties may impair Fulton's or Blue Foundry's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with Fulton or Blue Foundry to seek to change existing business relationships with Fulton or Blue Foundry. In addition, subject to certain exceptions, Blue Foundry has agreed to operate its business in the ordinary course consistent with past practice in all material respects and to refrain from taking certain actions that may adversely affect or delay its ability to consummate the transactions contemplated by the merger agreement on a timely basis without the consent of the other party. These restrictions may prevent Fulton and/or Blue Foundry from pursuing attractive business opportunities that may arise prior to the completion of the merger.

The pendency of the proposed merger could disrupt Fulton's and Blue Foundry's relationships with their employees, customers, suppliers, business partners and others, as well as their operating results and business generally.

Whether or not the merger is ultimately consummated, as a result of uncertainty related to the proposed transaction, risks relating to the impact of the pendency of the merger on Fulton's and Blue Foundry's business include the following:

- their employees may experience uncertainty about their future roles, which might adversely affect Fulton's and Blue Foundry's ability to retain and hire key personnel and other employees;
- customers, suppliers, business partners and other parties with which Fulton and Blue Foundry maintain business relationships may experience uncertainty about their future and seek alternative relationships with third parties, seek to alter their business relationships with Fulton and Blue Foundry or fail to extend existing relationships with Fulton and Blue Foundry; and
- Fulton and Blue Foundry have each expended and will continue to expend significant costs, fees and expenses for professional services and transaction costs in connection with the proposed merger.

If any of the aforementioned risks were to materialize, they could lead to significant costs which may impact each party's results of operations and financial condition.

The shares of Fulton common stock to be received by Blue Foundry stockholders as a result of the merger will have different rights from the shares of Blue Foundry common stock.

Upon completion of the merger, the rights of former Blue Foundry stockholders who receive shares of Fulton common stock in the merger and thereby become Fulton shareholders will be governed by the Fulton articles and the Fulton bylaws. The rights associated with Blue Foundry common stock are different from the rights associated with Fulton common stock. In addition, the rights of shareholders under Pennsylvania law, where Fulton is organized, may differ from the rights of stockholders under Delaware law, where Blue Foundry is organized.

Blue Foundry stockholders will have a reduced ownership and voting interest in Fulton after the consummation of the merger and will exercise less influence over management.

Blue Foundry stockholders currently have the right to vote in the election of the board of directors and on other matters affecting Blue Foundry. When the merger is completed, each Blue Foundry stockholder will become a Fulton shareholder, with a percentage ownership of the shares of common stock of Fulton that is smaller than the holder's percentage ownership of Blue Foundry prior to the consummation of the merger. Based on the number of shares of Fulton common stock outstanding as of November 24, 2025, the date of the merger agreement, and based on the number of shares of Fulton common stock expected to be issued in the merger, we estimate that existing Fulton shareholders will own approximately ninety-three and one-half percent (93.5%) and former Blue Foundry stockholders will own approximately six and one-half percent (6.5%) of the common stock of Fulton following the completion of the merger. Because of this, Blue Foundry stockholders may have less influence on the management and policies of Fulton than they now have on the management and policies of Blue Foundry.

Issuance of shares of Fulton common stock in connection with the merger may adversely affect the market price of Fulton common stock.

In connection with the payment of the merger consideration, Fulton expects to issue approximately 13.5 million shares of Fulton common stock to Blue Foundry stockholders. The issuance of these new shares of Fulton common stock may result in fluctuations in the market price of Fulton common stock, including a stock price decrease.

Fulton or Blue Foundry or both may be subject to claims and litigation pertaining to the merger that could prevent or delay the completion of the merger.

Any lawsuits filed in connection with the merger could prevent or delay completion of the merger and result in additional costs to Fulton and Blue Foundry, including any costs associated with indemnification. The defense or settlement of any lawsuit or claim that may be filed seeking remedies against Blue Foundry, the Blue Foundry board of directors or Fulton or the Fulton board of directors in connection with the merger that remains unresolved at the effective time may adversely affect Fulton's business, financial condition, results of operations and cash flows.

Risks Related to Interest Rate Risk

Future changes in interest rates may reduce any future profits.

Like most financial institutions, whether we are profitable or not depends to a large extent upon our net interest income, which is the difference between our interest income on interest-earning assets, such as loans and securities, and our interest expense on interest-bearing liabilities, such as deposits and borrowed funds. Accordingly, our results of operations depend largely on movements in market interest rates and our ability to manage our interest-rate sensitive assets and liabilities in response to these movements. Factors such as inflation, recession and instability in financial markets, among other factors beyond our control, may affect interest rates. For the year ended December 31, 2025, we recorded a loss of approximately \$10.0 million.

Our financial condition and results of operations are significantly affected by changes in market interest rates, and the degree to which these changes disparately impact short-term and long-term interest rates and influence the behavior of our customer base. Our results of operations substantially depend on our net interest income, which is the difference between the interest income we earn on our interest earning assets and the interest expense we pay on our interest-bearing liabilities. A flattening yield curve, or one that inverts, could negatively impact our net interest margin and earnings.

If the Federal Reserve lowers market interest rates below current levels, our net interest income could also be negatively affected if competitive pressures prevent us from reducing rates on our deposits, while the yields on our assets decrease through loan prepayments and interest rate adjustments. Conversely, if the Federal Reserve raises interest rates, our interest-bearing liabilities may be subject to repricing or maturing more quickly than our interest-earning assets. If short-term rates increase rapidly, we may have to increase the rates we pay on our deposits and borrowed funds more quickly than we can increase the interest rates we earn on our loans and investments, resulting in a negative effect on interest spreads and net interest income. In addition, the effect of rising rates could be compounded if deposit customers move funds into higher yielding accounts or are lost to competitors offering higher rates on their deposit products.

Changes in interest rates also affect the value of our interest-earning assets and in particular our securities portfolio. Generally, the value of securities fluctuates inversely with changes in interest rates. At December 31, 2025, our available-for-sale debt securities portfolio totaled \$301.2 million with net unrealized losses of \$16.9 million and are reported as a separate component of stockholders' equity. Therefore, decreases in the fair value of securities available-for-sale resulting from increases in interest rates could have an adverse effect on stockholders' equity. At December 31, 2025, our held-to-maturity debt securities portfolio totaled \$27.1 million with net unrealized losses of \$1.5 million. The net unrealized losses on our held-to-maturity securities are not recorded in the financial statements until realized upon sale. The Company does not intend to sell held-to-maturity securities, nor does it foresee being required to sell them before the anticipated recovery or maturity.

Volatility and uncertainty related to inflation and the effects of inflation, which may lead to increased costs for businesses and consumers and potentially contribute to poor business and economic conditions generally, may also enhance or contribute to some of the risks discussed herein. For example, higher inflation, or volatility and uncertainty related to inflation, could reduce demand for the Company's products, adversely affect the creditworthiness of the Company's borrowers or result in lower values for the Company's investment securities and other interest-earning assets.

Any substantial change in market interest rates could have a material adverse effect on our financial condition, liquidity and results of operations. While we pursue an asset/liability strategy designed to mitigate our risk from changes in interest rates, such changes can still have a material adverse effect on our financial condition and results of operations. At December 31, 2025, our net portfolio value would decrease by \$65.2 million if there was an instantaneous 200 basis point increase in market interest rates. For further discussion of how changes in interest rates could impact us, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Market Risk."

Risks Related to Lending Activities

If our allowance for credit losses on loans is not sufficient to cover actual loan losses, our earnings and capital could decrease.

Lending is inherently risky and we are exposed to the risk that our borrowers may default on their obligations. A borrower's default on its obligations may result in lost principal and interest income and increased operating expenses as a result of the allocation of management's time and resources to the collection and work-out of the loan. In certain situations, where collection efforts are unsuccessful or acceptable work-out arrangements cannot be reached, we may have to charge-off the loan in whole or in part, or sell it at a discount. In such situations, we may acquire real estate or other assets, if any, that secure the loan through foreclosure or other similar available remedies, the amount owed under the defaulted loan may exceed the value of the assets acquired, and post-default remedies may be unavailable or unfeasible.

We make various assumptions and judgments about the collectability of our loan portfolio, including the creditworthiness of our borrowers and the value of the real estate and other assets serving as collateral for our loans. In determining the amount of the allowance for credit losses on loans, we review our loans and our loss and delinquency experience, and we evaluate other factors including, among other things, current economic conditions. If our assumptions are incorrect, or if delinquencies or non-performing loans increase, our allowance for credit losses on loans may not be sufficient to cover losses in our loan portfolio, which would require additions to our allowance, which could materially decrease our net income. Our allowance for credit losses on loans was 0.85% of total loans and 126.56% of non-performing loans at December 31, 2025.

In addition, bank regulators periodically review our allowance for credit losses on loans and, based on their judgments and information available to them at the time of their review, may require us to increase our allowance for credit losses on loans or recognize further loan charge-offs. An increase in our allowance for credit losses on loans or loan charge-offs as required by these regulatory authorities may reduce our net income and our capital, which may have a material adverse effect on our financial condition and results of operations.

If our non-performing assets increase, our earnings will be adversely affected.

At December 31, 2025, our non-performing assets, which consist of non-performing loans, were \$11.4 million, or 0.55% of total assets. Our non-performing assets adversely affect our net income in various ways:

- we record interest income only on the cash basis or cost-recovery method for non-accrual loans and we do not record interest income for other real estate owned;
- we must provide for expected loan losses through a current period charge to the provision for credit losses on loans;
- non-interest expense increases when we write down the value of properties in our other real estate owned portfolio to reflect changing market values;
- there are legal fees associated with the resolution of problem assets, as well as carrying costs, such as taxes, insurance and maintenance fees; and
- the resolution of non-performing assets requires the active involvement of management, which can distract them from more profitable activity.

If additional borrowers become delinquent and do not pay their loans and we are unable to successfully manage our non-performing assets, our losses and troubled assets could increase significantly, which could have a material adverse effect on our financial condition and results of operations.

Risks Related to Loan Underwriting

Adjustable-Rate Loans. While we anticipate that adjustable-rate loans will better offset the adverse effects of an increase in interest rates as compared to fixed-rate loans, an increased monthly payment required of adjustable-rate loan borrowers in a rising interest rate environment could cause an increase in delinquencies and defaults. The marketability of the underlying property also may be adversely affected in a high interest rate environment. In addition, although adjustable-rate loans make our asset base more responsive to changes in interest rates, the extent of this interest sensitivity is somewhat limited by the annual and lifetime interest rate adjustment limits on adjustable-rate loans. To help minimize the risks associated with rising interest rates and the subsequent risk of default, we often perform a stress analysis during underwriting.

Multifamily and Commercial Real Estate Loans. Loans secured by commercial and multifamily real estate generally have larger balances and involve a greater degree of risk than residential real estate loans. Of primary concern in commercial real estate and multifamily lending is the borrower's creditworthiness and the feasibility and cash flow potential of the asset. Payments on loans secured by income producing properties often depend on the successful operation and management of the properties. As a result, repayment of such loans may be subject to adverse conditions in the real estate market or the economy to a greater extent than residential real estate loans. To monitor cash flows on income properties, we generally require borrowers and loan guarantors, if any, to provide annual financial statements on commercial real estate and multifamily loans. In reaching a decision whether to make a commercial real estate or multifamily loan, we consider the net operating income of the property, the borrower's expertise, credit history and profitability and the value of the underlying property. At times, we may also perform a global cash flow analysis of the borrower. We generally have required that the properties securing these real estate loans have debt service coverage ratios (the ratio of net operating income to debt service) of at least 1.25x. We require a Phase One environmental report on all commercial real estate loans in excess of \$1.0 million or when we believe there is a possibility that hazardous materials may have existed on the site, or the site may have been impacted by adjoining properties that handled hazardous materials. Further in situations where environmental risks may be present, we utilize the services of an independent and qualified environmental consultant to assess any underlying risks.

Construction Loans. Our construction loans are based upon our estimates of costs to complete a project and the value of the completed project. Typically, said reviews are conducted by third party's approved by the bank. Underwriting is focused on the borrowers' financial strength, credit history and demonstrated ability to produce a quality product and effectively market and manage its operations.

Construction lending involves additional risks when compared to permanent residential lending because funds are advanced upon the collateral of the project, which is of uncertain value before its completion. Because of the uncertainties inherent in estimating construction costs, it is difficult to evaluate accurately the total funds required to complete a project and the related loan-to-value ratio. In addition, generally during the term of a construction loan, interest may be funded by the borrower or disbursed from an interest reserve set aside from the construction loan budget. These loans often involve the disbursement of substantial funds with repayment substantially dependent on the success of the ultimate project and the ability of the borrower to sell or lease the property or obtain permanent take-out financing, rather than the ability of the borrower or guarantor to repay principal and interest. If the appraised value of a completed project proves to be overstated, we may have inadequate collateral for the repayment of the loan upon completion of construction of the project and may incur a loss. We use a discounted cash flow analysis to determine the value of any construction project of five or more units. Our ability to continue to originate a significant amount of construction loans is dependent on the strength of the general real estate market in our market areas.

Junior Liens and Consumer Loans. Consumer loans may entail greater risk than residential mortgage loans, as they can be unsecured, subordinatedly secured or secured by assets that depreciate rapidly. Repossessed collateral for a defaulted consumer loan may not provide an adequate source of repayment for the outstanding loan and a resulting deficiency often does not warrant further substantial collection efforts against the borrower. Consumer loan collections depend on the borrower's continuing financial stability, and therefore are likely to be adversely affected by various factors, including job loss, divorce, illness or personal bankruptcy. Furthermore, the application of various federal and state laws, including federal and state bankruptcy and insolvency laws, may limit the amount that can be recovered on such loans.

Commercial and Industrial Loans. Unlike residential real estate loans, which generally are made on the basis of the borrower's ability to make repayment from his or her employment or other income, and which are secured by real property whose value tends to be more readily ascertainable, commercial and industrial loans are of higher risk and typically are made on the basis of the borrower's ability to make repayment from the cash flows of the borrower's business and the collateral securing these loans may fluctuate in value. Our commercial and industrial loans are originated primarily based on the identified cash flows of the borrower and secondarily on the underlying collateral provided by the borrower. Most often, collateral for commercial and industrial loans consists of accounts receivable, inventory and/or equipment. Credit support provided by the borrower for most of these loans is based on the liquidation of the pledged collateral and enforcement of a personal guarantee. Furthermore, collateral securing such loans may depreciate over time, may be difficult to appraise and may fluctuate in value. As a result, the availability of funds for the repayment of commercial and industrial loans may depend substantially on the success of the business itself.

Risks Related to Economic Conditions

Declines in value may adversely impact our investment portfolio.

As of December 31, 2025, the Company had approximately \$328.2 million in its investment portfolio, with \$301.2 million designated as available-for-sale and \$27.1 million designated as held-to-maturity. For securities available-for-sale, ASU 2016-13 requires entities to determine if impairment is related to credit loss or non-credit loss. If an assessment of the security 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, and if the present value of cash flows is less than the amortized cost basis, a credit loss exists and an allowance is created, limited by the amount that the fair value is less than the amortized cost basis. Held-to-maturity securities are evaluated under the allowance for credit losses model. Held-to-maturity securities are charged off against the allowance when deemed to be uncollectible and adjustments to the allowance are reported as a component of credit loss expense. If the credit loss expense is significant enough it could affect the ability of Blue Foundry Bank to upstream dividends to the Company, which could have a material adverse effect on our liquidity and our ability to pay dividends to shareholders and could also negatively impact our regulatory capital ratios.

The geographic concentration of our loan portfolio and lending activities makes us vulnerable to a downturn in our local market area.

Our loan portfolio is concentrated primarily in New Jersey. This makes us vulnerable to a downturn in the local economy and real estate markets. Adverse conditions in the local economy such as unemployment, inflation, recession, regulatory changes, a catastrophic event or other factors beyond our control could impact the ability of our borrowers to repay their loans, which could impact our net interest income. Decreases in local real estate values caused by economic conditions, recent changes in tax and rent regulation laws or other events could adversely affect the value of the property used as collateral for our loans, which could cause us to realize a loss in the event of a foreclosure. Further, deterioration in local economic conditions could drive the level of loan losses beyond the level we have provided for in our allowance for credit losses on loans, which in turn could necessitate an increase in our provision for loan losses and a resulting reduction to our earnings and capital.

A worsening of economic conditions in our market area could reduce demand for our products and services and/or result in increases in our level of non-performing loans, which could adversely affect our operations, financial condition and earnings.

Local economic conditions have a significant impact on the ability of our borrowers to repay loans and the value of the collateral securing loans. A deterioration in economic conditions, especially local conditions, could have the following consequences, any of which could have a material adverse effect on our business, financial condition, liquidity and results of operations, and could more negatively affect us compared to a financial institution that operates with more geographic diversity:

- demand for our products and services may decline;
- loan delinquencies, problem assets and foreclosures may increase;
- collateral for loans, especially real estate, may decline in value, thereby reducing customers' future borrowing power and reducing the value of assets and collateral associated with existing loans; and
- the net worth and liquidity of loan guarantors may decline, impairing their ability to honor commitments to us.

Moreover, a significant decline in general economic conditions caused by inflation, recession, tariffs, acts of terrorism, civil unrest, an outbreak of hostilities or other international or domestic calamities, an epidemic or pandemic, unemployment or other factors beyond our control could further impact these local economic conditions and could further negatively affect the financial results of our banking operations.

A lack of liquidity could adversely affect the Company's financial condition and results of operations.

Liquidity is essential to the Company's business. The Company relies on its ability to generate deposits and effectively manage the repayment of its liabilities to ensure that there is adequate liquidity to fund operations. An inability to raise funds through deposits, borrowings, the sale and maturities of loans and securities and other sources could have a substantial negative effect on liquidity. The Company's most important source of funds is its deposits. Deposit balances can decrease when customers perceive alternative investments as providing a better risk adjusted return, which are strongly influenced by such external factors as the direction of interest rates, local and national economic conditions and the availability and attractiveness of alternative investments. Further, the demand for deposits may be reduced due to a variety of factors such as negative trends in the banking sector, the level of and/or composition of our uninsured deposits, demographic patterns, changes in customer preferences, reductions in consumers' disposable income, the monetary policy of the Federal Reserve or regulatory actions that decrease customer access to particular products. If customers move money out of bank deposits and into other investments such as money market funds, the Company would lose a relatively low-cost source of funds, which would increase its funding costs and reduce net interest income. Any changes made to the rates offered on deposits to remain competitive with other financial institutions may also adversely affect profitability and liquidity. Other primary sources of funds consist of cash flows from operations, maturities and sales of investment securities and/or loans, brokered deposits, borrowings from the FHLB and/or FRB discount window, and unsecured borrowings. The Company also may borrow funds from third-party lenders, such as other financial institutions. The Company's access to funding sources in amounts adequate to finance or capitalize its activities, or on terms that are acceptable, could be impaired by factors that affect the Company directly or the financial services industry or economy in general, such as disruptions in the financial markets or negative views and expectations about the prospects for the financial services industry, a decrease in the level of the Company's business activity as a result of a downturn in markets or by one or more adverse regulatory actions against the Company or the financial sector in general. Any decline in available funding could adversely impact the Company's ability to originate loans, invest in securities, meet expenses, or to fulfill obligations such as meeting deposit withdrawal demands, any of which could have a material adverse impact on its liquidity, business, financial condition and results of operations.

Inflationary pressures and rising prices may affect our results of operations and financial condition.

Inflation may present a significant risk as it can lead to increased costs and reduced purchasing power for consumers. Small to medium-sized businesses may be impacted more during periods of high inflation as they are not able to leverage economies of scale to mitigate cost pressures compared to larger businesses. Consequently, the ability of our business customers to repay their loans may deteriorate, and in some cases this deterioration may occur quickly. Furthermore, a prolonged period of inflation could cause wages and other operating costs to increase. These factors could adversely affect our results of operations and financial condition.

Interruption of our customers' supply chains and federal funding could negatively impact their business and operations and impact their ability to repay their loans.

Any material interruption in our customers' supply chains, such as a material interruption of the resources required to conduct their business, such as those resulting from interruptions in service by third-party providers, trade restrictions, including increased tariffs or quotas, embargoes or customs restrictions, reductions in federal subsidies or grants, social or labor unrest, natural disasters, epidemics or pandemics or political disputes and military conflicts, that cause a material disruption in our customers' supply chains, could have a negative impact on their business and ability to repay their borrowings with us. In the event of disruptions in our customers' supply chains, the labor and materials they rely on in the ordinary course of business may not be available at reasonable rates or at all. Additionally, changes in distribution of federal funds or freezing of federal funds, including reductions in federal workforce causing unemployment, could have an adverse effect on the ability of consumers and businesses to pay debts and/or affect the demand for loans and deposits.

The failure to address the Federal debt ceiling in a timely manner, downgrades of the U.S. credit rating and uncertain credit and financial market conditions may affect the stability of securities issued or guaranteed by the Federal government, which may affect the valuation or liquidity of our investment securities portfolio and increase future borrowing costs.

As a result of uncertain political, credit and financial market conditions, including the potential consequences of the federal government defaulting on its obligations for a period of time due to federal debt ceiling limitations or other unresolved political issues, investments in financial instruments issued or guaranteed by the federal government pose credit default and liquidity risks. Given that future deterioration in the U.S. credit and financial markets is a possibility, no assurance can be made that losses or significant deterioration in the fair value of our U.S. government issued or guaranteed investments will not occur. At December 31, 2025, we had approximately \$96.5 million, \$599 thousand and \$152.9 million invested in U.S. Treasury securities, U.S. government agency securities and residential mortgage-backed securities issued or guaranteed by government-sponsored enterprises, respectively. Downgrades to the U.S. credit rating could affect the stability of securities issued or guaranteed by the federal government and the valuation or liquidity of our portfolio of such investment securities, and could result in our counterparties requiring additional collateral for our borrowings. Further, unless and until U.S. political, credit and financial market conditions have been sufficiently resolved or stabilized, it may increase our future borrowing costs.

Severe weather, acts of terrorism, geopolitical and other external events could impact our ability to conduct business.

Weather-related events have adversely impacted our market area in recent years, especially areas located near coastal waters and flood prone areas. Such events that may cause significant flooding and other storm-related damage may become more common events in the future. Financial institutions have been, and continue to be, targets of terrorist threats aimed at compromising operating and communication systems and the metropolitan New York area, including New Jersey, remain central targets for potential acts of terrorism. Such events could cause significant damage, impact the stability of our facilities and result in additional expenses, impair the ability of our borrowers to repay their loans, reduce the value of collateral securing repayment of our loans, and result in the loss of revenue. While we have established and regularly test disaster recovery procedures, the occurrence of any such event could have a material adverse effect on our business, operations and financial condition. Additionally, financial markets may be adversely affected by the current or anticipated impact of military conflict, including the Russia and Ukraine and Iran wars, terrorism or other geopolitical events.

Risks Related to Competition

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

Competition in the banking and financial services industry is intense. In our market area, we compete with commercial banks, savings institutions, mortgage brokerage firms, credit unions, finance companies, mutual funds, insurance companies, and brokerage and investment banking firms operating locally and elsewhere. Some of our competitors have greater name recognition and market presence that benefit them in attracting business, and offer certain services that we do not or cannot provide. Our smaller asset size also makes it more difficult to compete, as many of our competitors are larger and can more easily afford to invest in the marketing and technologies needed to attract and retain customers. In addition, larger competitors may be able to price loans and deposits more aggressively than we do, which could affect our ability to grow and remain profitable on a long-term basis. Our profitability depends upon our continued ability to successfully compete in our market area. If we must raise interest rates paid on deposits or lower interest rates charged on our loans, our net interest margin and profitability could be adversely affected. For additional information see “Business of Blue Foundry Bank—Competition.”

The financial services industry could become even more competitive as a result of continuing legislative, regulatory and technological changes and continued industry consolidation. Banks, securities firms and insurance companies can merge under the umbrella of a financial holding company, which can offer virtually any type of financial service, including banking, securities underwriting, insurance (both agency and underwriting) and merchant banking. Also, technology has lowered barriers to entry and made it possible for non-banks to offer products and services traditionally provided by banks, such as automatic transfer and automatic payment systems. Many of our competitors have fewer regulatory constraints and may have lower cost structures. Additionally, due to their size, many competitors may be able to achieve economies of scale and, as a result, may offer a broader range of products and services than we can as well as better pricing for those products and services.

Risks Related to Operations and Security

We face significant operational risks because the nature of the financial services business involves a high volume of transactions.

We operate in diverse markets and rely on the ability of our employees and systems to process a high number of transactions. Operational risk is the risk of loss resulting from our operations, including but not limited to, the risk of fraud by employees or persons outside our company, the execution of unauthorized transactions by employees, errors relating to transaction processing and technology, breaches of our internal control systems and compliance requirements. Insurance coverage may not be available for such losses, or where available, such losses may exceed insurance limits. This risk of loss also includes the potential legal actions that could arise as a result of operational deficiencies or as a result of non-compliance with applicable regulatory standards, adverse business decisions or their implementation, or customer attrition due to potential negative publicity. In the event of a breakdown in our internal control systems, improper operation of systems or improper employee actions, we could suffer financial loss, face regulatory action, and/or suffer damage to our reputation.

Cyber-attacks or other security breaches could adversely affect our operations, net income or reputation.

We regularly collect, process, transmit and store significant amounts of confidential information regarding our customers, employees and others and concerning our own business, operations, plans and strategies. In some cases, this confidential or proprietary information is collected, compiled, processed, transmitted or stored by third parties on our behalf.

Information security risks have generally increased in recent years because of the proliferation of new technologies, the use of the Internet and telecommunications technologies to conduct financial and other transactions and the increased sophistication and activities of perpetrators of cyber-attacks and phishing. Phishing, a means for identity thieves to obtain sensitive personal information through fraudulent e-mail, text or voice mail, is a threat targeting the customers of financial entities. A failure in or breach of our operational or information security systems, or those of our third-party service providers, as a result of cyber-attacks or information security breaches or due to employee error, malfeasance or other disruptions could adversely affect our business, result in the disclosure or misuse of confidential or proprietary information, damage our reputation, increase our costs and/or cause losses.

If this confidential or proprietary information were to be mishandled, misused or lost, we could be exposed to significant regulatory consequences, reputational damage, civil litigation and financial loss.

Although we employ a variety of physical, procedural and technological safeguards to protect this confidential and proprietary information from mishandling, misuse or loss, these safeguards do not provide absolute assurance that mishandling, misuse or loss of the information will not occur, and that if mishandling, misuse or loss of information does occur, those events will be promptly detected and addressed. Similarly, when confidential or proprietary information is collected, compiled, processed, transmitted or stored by third parties on our behalf, our policies and procedures require that the third party agree to maintain the confidentiality of the information, establish and maintain policies and procedures designed to preserve the confidentiality of the information, and permit us to confirm the third party's compliance with the terms of the agreement. As information security risks and cyber threats continue to evolve, we may be required to expend additional resources to continue to enhance our information security measures and/or to investigate and remediate any information security vulnerabilities.

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

Information technology systems are critical to our business. We use various technology systems to manage our customer relationships, general ledger, securities, deposits, and loans. We have established policies and procedures to prevent or limit the impact of system failures, interruptions, and security breaches, but such events may still occur and may not be adequately addressed if they do occur. In addition, any compromise of our systems could deter customers from using our products and services. Although we rely on security systems to provide the security and authentication necessary to effect the secure transmission of data, these precautions may not protect our systems from compromises or breaches of security.

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

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

The inability to stay current with technological change could adversely affect our business model.

Financial institutions continually are required to maintain and upgrade technology in order to provide the most current products and services to their customers, as well as create operational efficiencies. This technology requires personnel resources, as well as significant costs to implement. Failure to successfully implement technological change could adversely affect the Company's business, results of operations and financial condition.

Our operations rely on certain third party vendors.

We rely on certain external vendors to provide products and services necessary to maintain our day-to-day operations. These third party vendors are sources of operational and informational security risk to us, including risks associated with operational errors, information system interruptions or breaches and unauthorized disclosures of sensitive or confidential client or customer information. If these vendors encounter any of these issues, or if we have difficulty communicating with them, we could be exposed to disruption of operations, loss of service or connectivity to customers, reputational damage, and litigation risk that could have a material adverse effect on our business and, in turn, our financial condition and results of operations.

In addition, our operations are exposed to risk that these vendors will not perform in accordance with the contracted arrangements under service level agreements. While we have selected these external vendors carefully, we do not control their actions. The failure of an external vendor to perform in accordance with the contracted arrangements under service level agreements, because of changes in the vendor's organizational structure, financial condition, support for existing products and services or strategic focus or for any other reason, could be disruptive to our operations, which could have a material adverse effect on our business and, in turn, our financial condition and results of operations. Replacing these external vendors could also entail significant delay and expense.

We depend on our management team, many of whom are new to the Bank, to implement our business strategy and execute successful operations and we could be harmed by the loss of their services.

We depend upon the services of the members of our senior management team to implement our business strategy and execute our operations. Over the last several years we have hired certain senior level management to implement the Bank's new focus and direction. Our future success will depend, to a significant extent, on the ability of our new management team to operate effectively, both individually and as a group. We must successfully manage issues that may result from the integration of the new members of our senior management. Members of our senior management team and bankers who have expertise and key business relationships in our markets could be difficult to replace. The loss of these persons or our inability to hire additional qualified personnel, could impact our ability to implement our business strategy and could have a material adverse effect on our results of operations and our ability to compete.

While our Board of Directors takes an active role in cybersecurity risk tolerance, we rely to a large degree on management and outside consultants in overseeing cybersecurity risk management.

Our Board of Directors takes an active role in the cybersecurity risk tolerance of the Company and all members receive cybersecurity training annually. The Board reviews the annual risk assessments and approves information technology policies, which include cybersecurity. Furthermore, our Audit Committee is responsible for reviewing all audit findings related to information technology general controls, internal and external vulnerability, and penetration testing. We also engage outside consultants to support our cybersecurity efforts. However, our directors do not have significant experience in cybersecurity risk management outside of the Company and therefore, its ability to fulfill its oversight function remains dependent on the input it receives from management and outside consultants.

Our cost of operations is high relative to our revenues.

Our non-interest expense totaled \$57.0 million and \$52.6 million for the years ended December 31, 2025 and 2024, respectively. We continue to analyze our expenses and achieve efficiencies where available. Although we strive to generate increases in both net interest income and non-interest income, our efficiency ratio remains high. Our efficiency ratio was 116.11% and 133.71% for the years ended December 31, 2025 and 2024, respectively.

The cost of additional finance and accounting systems, procedures and controls in order to satisfy our new public company reporting requirements will increase our expenses.

As a result of the completion of the stock offering, we became a public reporting company. We expect that the obligations of being a public company, including the substantial public reporting obligations, will require significant expenditures and place additional demands on our management team. We have made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations as a public company. However, the measures we take may not be sufficient to satisfy our obligations as a public company. Section 404 of the Sarbanes-Oxley Act requires annual management assessments of the effectiveness of our internal control over financial reporting. Any failure to achieve and maintain an effective internal control environment could have a material adverse effect on our business. In addition, we may need to hire additional compliance, accounting and financial staff with appropriate public company experience and technical knowledge, and we may not be able to do so in a timely fashion. As a result, we may need to rely on outside consultants to provide these services for us until qualified personnel are hired. These obligations will increase our operating expenses and could divert our management's attention from our operations.

We are a community bank and our ability to maintain our reputation is critical to the success of our business and the failure to do so may materially adversely affect our performance.

We are a community bank and our reputation is one of the most valuable assets of our business. A key component of our business strategy is to rely on our reputation for customer service and knowledge of local markets to expand our presence by capturing new business opportunities from existing and prospective customers in our market area and contiguous areas. As such, we strive to conduct our business in a manner that enhances our reputation. This is done, in part, by recruiting, hiring and retaining employees who share our core values of being an integral part of the communities we serve, delivering superior service to our customers and caring about our customers. If our reputation is negatively affected by the actions of our employees, by our inability to conduct our operations in a manner that is appealing to current or prospective customers, or otherwise, our business and operating results may be materially adversely affected.

Our risk management framework may not be effective in mitigating risk and reducing the potential for significant losses.

Our risk management framework is designed to minimize risk and loss to us. We seek to identify, measure, monitor, report and control our exposure to risk, including strategic, market, liquidity, compliance and operational risks. While we use broad and diversified risk monitoring and mitigation techniques, these techniques are inherently limited because they cannot anticipate the existence or future development of currently unanticipated or unknown risks. Recent economic conditions and heightened legislative and regulatory scrutiny of the financial services industry, among other developments, have increased our level of risk. Accordingly, we could suffer losses if we fail to properly anticipate and manage these risks.

Risks Related to Regulatory Matters

Changes in laws, regulations and the regulatory policies of the Federal government, and the cost of regulatory compliance with new laws and regulations may adversely affect our operations and/or increase our costs of operations.

We are subject to extensive regulation, supervision and examination by our banking regulators. Such regulation and supervision govern the activities in which a financial institution and its holding company may engage and are intended primarily for the protection of insurance funds and the depositors and borrowers of Blue Foundry Bank rather than for the protection of our shareholders. Regulatory authorities have extensive discretion in their supervisory and enforcement activities, including the ability to impose restrictions on our operations, classify our assets and determine the level of our allowance for credit losses. These regulations, along with the currently existing tax, accounting, securities, deposit insurance and monetary laws, rules, standards, policies, and interpretations, control the methods by which financial institutions conduct business, implement strategic initiatives, and govern financial reporting and disclosures. As a smaller institution, we are disproportionately affected by the ongoing increased costs of compliance with banking and other regulations. Any change in such regulation and oversight, whether in the form of regulatory policy, new regulations, legislation or supervisory action, may have a material impact on our operations. Further, changes in accounting standards can be both difficult to predict and involve judgment and discretion in their interpretation by us and our independent accounting firm. These changes could materially impact, potentially retroactively, how we report our financial condition and results of operations.

Additionally, Congress and the administration through executive orders control fiscal policy through decisions on taxation and expenditures. Depending on the industries and markets involved, changes to tax law and increased or reduced public expenditures could affect us directly or the business operations of our customers.

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

Federal regulations establish minimum capital requirements for insured depository institutions, including minimum risk-based capital and leverage ratios and define what constitutes “capital” for calculating these ratios. The regulations also establish a “capital conservation buffer” of 2.5%, effectively resulting in the following minimum ratios: (1) a common equity Tier 1 capital ratio of 7.0%, (2) a Tier 1 to risk-based assets capital ratio of 8.5%, and (3) a total capital ratio of 10.5%. An institution will be subject to limitations on paying dividends, repurchasing its shares and paying discretionary bonuses, if its capital levels fall below the buffer amount.

Non-compliance with the USA PATRIOT Act, Bank Secrecy Act, or other laws and regulations could result in fines or sanctions.

The USA PATRIOT and Bank Secrecy Acts require financial institutions to develop programs to prevent financial institutions from being used for money laundering and terrorist activities. If such activities are detected, financial institutions are obligated to file suspicious activity reports with the U.S. Treasury's Office of Financial Crimes Enforcement Network. These rules require financial institutions to establish procedures for identifying and verifying the identity of customers seeking to open new financial accounts. Failure to comply with these regulations could result in fines or sanctions, including restrictions on conducting acquisitions or establishing new branches. During the last year, several banking institutions have received large fines for non-compliance with these laws and regulations. The policies and procedures we have adopted that are designed to assist in compliance with these laws and regulations may not be effective in preventing violations of these laws and regulations.

Changes in management's estimates and assumptions may have a material impact on our consolidated financial statements and our financial condition or operating results.

In preparing the periodic reports we file under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including our consolidated financial statements, our management is required under applicable rules and regulations to make estimates and assumptions as of specified dates. These estimates and assumptions are based on management's best estimates and experience at such times and are subject to substantial risk and uncertainty. Materially different results may occur as circumstances change and additional information becomes known. Areas requiring significant estimates and assumptions by management include our evaluation of the adequacy of our allowance for credit losses, the determination of our deferred income taxes, and our fair value measurements.

Various factors may make takeover attempts more difficult to achieve.

Certain provisions of our certificate of incorporation and bylaws and state and federal banking laws, including regulatory approval requirements, could make it more difficult for a third party to acquire control of Blue Foundry Bancorp without our Board of Directors' approval. Under federal law, subject to certain exemptions, a person, entity or group must notify the Federal Reserve Board before acquiring control of a bank holding company. There also are provisions in our certificate of incorporation and bylaws that may be used to delay or block a takeover attempt, including a provision that prohibits any person from voting more than 10% of our outstanding shares of common stock. Furthermore, shares of restricted stock and stock options that we may grant to employees and directors, stock ownership by our management and directors, shares held by the employee stock ownership plan and other factors may make it more difficult for companies or persons to acquire control of Blue Foundry Bancorp without the consent of our Board of Directors. Taken as a whole, these statutory provisions and provisions in our certificate of incorporation and bylaws could result in our being less attractive to a potential acquirer and thus could adversely affect the market price of our common stock.

Our New York State multifamily loan portfolio could be adversely impacted by changes in legislation or regulation.

Multifamily loans generally involve a greater risk than residential real estate loans because of legislation and government regulations involving rent control and rent stabilization, which are outside the control of the borrower or the Bank. This could impair the value of the collateral securing the loan or the future cash flow of such properties. For example, New York State passed the Housing Stability & Tenant Protection Act, impacting one million rent-regulated apartment units. The Legislation, limited rent increases from material capital improvements, eliminated the ability for apartments to exit rent regulation, did away with vacancy decontrol and high-income deregulation and repealed the 20% vacancy bonus. As of December 31, 2025, the Company has approximately \$86.5 million, or 5.1% of total loans, in New York multifamily loans that have some form of rent stabilization or rent control. Of these loans, only 14% reprice or mature in 2026, respectively, with the remainder maturing or repricing in 2027 through 2032.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

Our risk management program is designed to identify, assess and mitigate risks across various aspects of our company, including financial, operational, regulatory, reputational and legal. Cybersecurity is a critical component of this program, given the increasing reliance on technology and potential of cyber threats. The Chief Information Security Officer is primarily responsible for this cyber security component and is a key member of the risk management organization. This role reports directly to the Chief Risk Officer.

Our objective for managing cybersecurity risk is to avoid or minimize the impacts of external threat events or other efforts to penetrate, disrupt or misuse our systems or information. The structure of our information security program is designed around the National Institute of Standards and Technology (“NIST”) Cybersecurity Framework, regulatory guidance and other industry standards. In addition, we leverage certain industry and government associations, third-party benchmarking, audits and threat intelligence feeds to facilitate and promote program effectiveness. The role of Chief Information Security Officer and Chief Technology Officer, who reports directly to our President and Chief Executive Officer, along with key members of their teams, regularly collaborate with peer banks, industry groups and policymakers to discuss cybersecurity trends and issues and identify best practices. The information security program is periodically reviewed by such personnel with the goal of addressing changing threats and conditions.

We employ an in-depth, layered, defensive strategy that embraces a “trust by design” philosophy when designing and/or implementing new products, services and technology. We leverage people, processes and technology as part of our efforts to manage and maintain cybersecurity controls. We also employ a variety of preventative and detection tools designed to monitor, block and provide alerts regarding suspicious activity, as well as to report on suspected advanced persistent threats. We have established processes and systems designed to mitigate cyber risk, including regular and on-going education and training for employees, preparedness simulations and tabletop exercises and recovery and resilience tests. We engage in regular assessments of our infrastructure, software systems and network architecture, using internal cybersecurity risks, associated with external service providers and our supply chain. We also actively monitor our email gateways for malicious phishing email campaigns and monitor remote connections as a significant portion of our workforce has the option to work remotely. We leverage internal and external auditors and independent external partners to periodically review our processes, systems and controls, including with respect to our information security program, to assess their design and operating effectiveness and make recommendations to strengthen our risk management program.

We maintain a Cyber Incident Response Procedure that provides a documented framework for responding to actual and potential cybersecurity incidents, including timely notification of and escalation to the appropriate Board-approved management committees and to the Enterprise Risk Committee of our Board of Directors. The Cyber Incident Response Procedure is coordinated through the Chief Information Security Officer and key members of management are embedded into the Plan by its design. The Cyber Incident Response Procedure facilitates coordination across multiple parts of our organization and is evaluated at least annually.

Notwithstanding our defensive measures and processes, the threat posed by cyber-attacks is severe. Our internal systems, processes and controls are designed to mitigate loss from cyber-attacks and, while we have experienced cybersecurity incidents in the past, to date, risks from cybersecurity threats have not materially affected our company. For further discussion of risks from cybersecurity threats, see the section captioned “Cyber-attacks or other security breaches could adversely affect our operations, net income or reputation” in Item 1A. Risk Factors.

Cybersecurity Governance

Management Committee Oversight

The Company has established an Information Risk Management Subcommittee, chaired by the Chief Information Security Officer and supported by leaders from departments across the Company. The Cybersecurity function is provided by qualified financial service technology professionals. Cybersecurity knowledge is expanded across all areas of Information Technology and is foundational in the approach from planning to execution. The subcommittee focuses on strategic and tactical delivery, policy oversight, and the assessment and management of material risks from cybersecurity threats. Policies are also shared with the Enterprise Risk Management Committee to provide an additional second line review in alignment with Enterprise Risk functions. All Information Security activity is lead by the Chief Information Security Officer, which includes developing and implementing the information security program and reporting cyber security matters to the Board. Management provides cybersecurity statistics and details to the Board quarterly.

Board Committee Oversight

The Company's Board Enterprise Risk Committee provides oversight of the cyber program. The Committee consists of Board members, chaired by an independent director. Committee members have extensive experience in various disciplines including risk management, communications, litigation, banking and transactional matters, and regulatory compliance. The Board Committee receives regular reports informing on the effectiveness of the overall cybersecurity program and the detection, response, and recovery from significant cyber incidents. Cybersecurity metrics are reported quarterly to the Committee and Key Risk Indicators are reported.

ITEM 2. PROPERTIES

At December 31, 2025, the Company and the Bank conducted business through 20 full-service branch offices, located in northern New Jersey and the Company's administrative offices located at 7 Sylvan Way, Parsippany, New Jersey. The Company's principal executive office is located at 19 Park Avenue, Rutherford, New Jersey.

We own five properties and lease 16 properties at December 31, 2025. The aggregate net book value of premises and equipment was \$26.8 million at December 31, 2025.

ITEM 3. LEGAL PROCEEDINGS

Periodically, we are involved in claims and lawsuits, such as claims to enforce liens, condemnation proceedings on properties in which we hold security interests, claims involving the making and servicing of real property loans and other issues incident to our business. At December 31, 2025, we were not a party to any pending legal proceedings that we believe would have a material adverse effect on our financial condition, results of operations or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Company's common stock is listed on the Nasdaq Global Select Market under the trading symbol "BLFY." Trading in the Company's common stock commenced on July 16, 2021. As of December 31, 2025, there were 1,003 stockholders of record. Certain shares of Blue Foundry Bancorp are held in "nominee" or "street" name and accordingly, the number of beneficial owners of such shares is not known or included in the foregoing number.

The Company has not declared any dividends to holders of its common stock and we do not currently anticipate paying dividends on our common stock in the near future. Our Board of Directors has the authority to declare dividends on our shares of common stock, and may determine to pay dividends in the future, subject to financial condition, results of operations, tax considerations, industry standards, economic conditions, statutory and regulatory requirements that affect the payment of dividends by the Bank to the Company, and other relevant factors. No assurances can be given that any cash dividends will be paid or that, if paid, will not be reduced or eliminated in the future.

Issuer Purchases of Equity Securities

The following table reports information regarding repurchases of our common stock during the quarter ended December 31, 2025 and the stock repurchase plans approved by our Board of Directors.

Period	Total Number of Shares Purchased (1)	Average Price paid Per Share	As part of Publicly Announced Plans or Programs	Yet to be Purchased Under the Plans or Programs (1)
October	—	\$—	—	735,741
November	—	\$—	—	735,741
December	—	\$—	—	735,741
Total	—	—	—	—

(1) On June 18, 2025, the Company adopted its sixth repurchase program, which authorized the purchase of 5% or 1,082,533 shares, of its outstanding common stock commencing upon the completion of the Company's fifth stock repurchase program on May 19, 2025. The sixth repurchase program has no expiration date.

ITEM 6. [RESERVED]

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

This section is intended to assist in the understanding of the financial performance of the Company and its subsidiary through a discussion of our financial condition as of December 31, 2025, and our results of operations for the years ended December 31, 2025 and 2024. This section should be read in conjunction with the audited consolidated financial statements and notes to the consolidated financial statements that appear at the end of this report.

Business Strategy

The Company's goal is to position ourselves to prosper in an evolving financial services landscape and enhance our position as one of the leading community banking institutions in our market. A broad array of banking and other financial services to retail, commercial and small business customers while growing our presence in our markets and expanding our franchise. In recent years, we have focused on, and invested heavily in, our technology and infrastructure to improve our delivery channels and create competitive products and services, a strong workforce and an enhanced awareness of our banking brand in our market area.

Critical Accounting Policies

Certain of our accounting policies are important to the presentation of our financial condition, since they require management to make difficult, complex or subjective judgments, some of which may relate to matters that are inherently uncertain. Estimates associated with these policies are susceptible to material changes as a result of changes in facts and circumstances. Facts and circumstances that could affect these judgments include, but are not limited to, changes in interest rates, changes in the performance of the economy and changes in the financial condition of borrowers. The Company has identified the allowance for credit losses on loans and income taxes to be critical accounting policies. These accounting policies are discussed in detail in Note 1 to our Consolidated Financial Statements included in Part II, Item 8.

Comparison of Operating Results for the Years Ended December 31, 2025 and 2024

General. The Company recorded a net loss for the year ended December 31, 2025 of \$10.0 million compared to net loss of \$11.9 million for the year ended December 31, 2024. The decreased loss was largely driven by an increase of \$9.8 million in net interest income offset by an increases in provision for credit losses and non-interest expenses.

Interest Income. Interest income increased \$9.9 million, or 11.5%, to \$95.3 million for the year ended December 31, 2025 from \$85.5 million for the year ended December 31, 2024. Interest income from loans and securities increased \$10.5 million and \$655 thousand, respectively. The average balance of loans increased \$108.9 million while the average balance of securities decreased \$14.9 million, respectively. The yield on loans and securities increased as loans and securities generally were originated at higher rates during the year. Additionally, the average balances of cash and cash equivalents increased \$10.9 million, however, the yield on cash and cash equivalents decreased 95 basis points during 2025.

Interest Expense. Interest expense was flat at \$47.9 million for the years ended December 31, 2025 and 2024. The average balance of interest-bearing deposits increased \$125.7 million as we grew average interest-bearing core deposits (checking, savings and money market accounts) and average time deposits by \$46.1 million and \$79.5 million, respectively. The average balance of FHLB advances decreased \$19.5 million. During 2025, the cost of funds decreased by 18 basis points. The cost of time deposits decreased by 66 basis points, while the cost of interest-bearing core deposits and FHLB advances increased by 16 basis points and 13 basis points, respectively.

Net Interest Income and Margin. For the year ended December 31, 2025 net interest income was \$47.4 million, an increase of \$9.8 million or 26.2%, compared to \$37.6 million for same period in 2024.

Net interest margin for the year ended December 31, 2025 increased by 40 basis points to 2.30% from 1.90% for the year ended December 31, 2024. During the year, the increase in yield on interest-earning assets outpaced the decrease in cost of interest-bearing liabilities. The yield on average interest-earning assets increased 31 basis points to 4.63% for the year ended December 31, 2025 from 4.32% for the year ended December 31, 2024, while the cost of average interest-bearing liabilities decreased 18 basis points to 2.77% for the year ended December 31, 2025 from 2.95% for the year ended December 31, 2024. The total cost of deposits and total cost of funds decreased 23 basis points and 18 basis points, respectively.

Provision for Credit Losses. The Company recorded a provision for credit losses of \$2.1 million for the year ended December 31, 2025 compared to a release of provision for credit losses of \$1.4 million for the year ended December 31, 2024. The net provision in 2025 consisted of \$1.5 million on loans and \$653 thousand for commitments and letters of credit, and a release of provision of \$7 thousand on held-to-maturity securities. During 2025, credit quality remained strong with a slight rise in non-performing loan balances of \$6.3 million, coupled with growth in the loan portfolio of approximately 6.76%.

Non-interest Income. Non-interest income was relatively stable at \$1.7 million for the year ended December 31, 2025 compared to \$1.8 million for the year ended December 31, 2024. The decrease of \$111 thousand was due, in part, to a gain on sale of REO property of \$123 thousand recorded in the 2024 period that did not occur in the 2025 period.

Non-interest Expense. Non-interest expense totaled \$57.0 million and \$52.6 million for the year ended December 31, 2025 and 2024, respectively, an increase of \$4.4 million or 8.3%, which includes current period merger-related expenses of \$1.3 million. The increase was primarily driven by increases in compensation and benefits costs of \$2.5 million and professional services of \$1.5 million, of which \$1.1 million are merger related.

Income Tax Expense. The Company's current tax position reflects the previously established full valuation allowance on its deferred tax assets. At December 31, 2025 and 2024 the valuation allowance on deferred tax assets was \$27.3 million and \$25.1 million, respectively. The Company did not record a tax benefit for the loss incurred during 2025 and 2024 because a full valuation allowance was required on its deferred tax assets.

On July 4, 2025, the "One Big Beautiful Bill" ("OBBB") was enacted into law. The legislation includes a number of significant tax-related provisions, including changes affecting corporate tax incentives, international tax provisions and various business credits and deductions. The Company has evaluated the impact of the OBBB on its financial statements and, based on its assessment, has determined the legislation will not have a material impact.

Analysis of Net Interest Income

Net interest income represents the difference between income on interest-earning assets and expense on interest-bearing liabilities. Net interest income depends on the relative amounts of interest-earning assets and interest-bearing liabilities and the rates of interest earned on such assets and paid on such liabilities.

Average Balances and Yields. The following table presents information regarding average balances of assets and liabilities, the total dollar amounts of interest income and dividends from average interest-earning assets, the total dollar amounts of interest expense on average interest-bearing liabilities, and the resulting annualized average yields and costs. The yields and costs for the periods indicated are derived by dividing income or expense by the average balances of assets or liabilities, respectively, for the periods presented. Average balances have been calculated using daily balances. Non-accrual loans are included in average balances only. Amortization of loan origination fees are included in interest income on loans and are not material.

	Year Ended December 31,					
	2025			2024		
	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost
	(Dollars in thousands)					
Assets:						
Loans (1)	\$ 1,662,021	\$ 80,716	4.86 %	\$ 1,553,143	\$ 70,185	4.52 %
Mortgage-backed securities	182,055	5,029	2.76 %	173,691	4,276	2.46 %
Other investment securities	150,883	6,342	4.20 %	174,172	6,440	3.70 %
FHLB stock	16,853	1,398	8.29 %	18,038	1,756	9.73 %
Cash and cash equivalents	47,377	1,821	3.84 %	58,261	2,794	4.80 %
Total interest earning assets	2,059,189	95,306	4.63 %	1,977,305	85,451	4.32 %
Non-interest earning assets	62,004			59,832		
Total assets	\$ 2,121,193			\$ 2,037,137		
Liabilities and shareholders' equity:						
NOW, savings, and money market deposits	\$ 656,302	9,453	1.44 %	\$ 610,172	7,803	1.28 %
Time deposits	745,261	27,594	3.70 %	665,740	29,027	4.36 %
Interest bearing deposits	1,401,563	37,047	2.64 %	1,275,912	36,830	2.89 %
FHLB advances	328,840	10,875	3.31 %	348,306	11,071	3.18 %
Total interest bearing liabilities	1,730,403	47,922	2.77 %	1,624,218	47,901	2.95 %
Non-interest bearing deposits	25,371			24,980		
Non-interest bearing other	42,397			42,345		
Total liabilities	1,798,171			1,691,543		
Total shareholders' equity	323,022			345,594		
Total liabilities and shareholders' equity	\$ 2,121,193			\$ 2,037,137		
Net interest income		\$ 47,384			\$ 37,550	
Net interest rate spread (2)			1.86 %			1.37 %
Net interest margin (3)			2.30 %			1.90 %

(1) Average loan balances are net of deferred loan fees and costs, premiums and discounts and includes non-accrual loans.

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

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

Rate/Volume Table

The following table sets forth the effects of changing rates and volumes on net interest income. The rate column shows the effects attributable to changes in rate (changes in rate multiplied by prior volume). The volume column shows the effects attributable to changes in volume (changes in volume multiplied by prior rate). The net column represents the sum of the prior columns. Changes attributable to changes in both rate and volume that cannot be segregated have been allocated proportionally based on the changes due to rate and the changes due to volume. There were no out-of-period items or adjustments excluded from this table.

	Year Ended December 31,		
	2025 vs. 2024		
	Increase (Decrease) Due to		Net
Volume	Rate		
	(In thousands)		
Interest income:			
Loans	\$ 4,921	\$ 5,593	\$ 10,514
Mortgage-backed securities	206	551	757
Other investment securities	(861)	763	(98)
FHLB stock	(115)	(243)	(358)
Cash and cash equivalents	(522)	(452)	(974)
Total interest-earning assets	\$ 3,629	\$ 6,212	\$ 9,841
Interest expense:			
Interest-bearing deposits	\$ 4,057	\$ (3,841)	\$ 216
FHLB advances	(619)	423	(196)
Total interest-bearing liabilities	3,438	(3,418)	20
Net decrease in net interest income	\$ 191	\$ 9,630	\$ 9,821

Comparison of Financial Condition at December 31, 2025 and December 31, 2024

Total Assets. Total assets increased \$107.3 million to \$2.17 billion at December 31, 2025.

Cash and cash equivalents. Cash and cash equivalents was \$53.1 million at December 31, 2025 and \$42.5 million at December 31, 2024.

Securities Available-For-Sale. Securities available-for-sale increased \$4.2 million, or 1.4%, to \$301.2 million at December 31, 2025 from \$297.0 million at December 31, 2024 due to a \$10.5 million improvement in the unrealized loss position on the portfolio and purchases, partially offset by amortization, maturities, calls and paydowns during the year.

Securities Held-To-Maturity. Securities held-to-maturity totaled \$27.0 million at December 31, 2025 decreasing \$6.1 million from \$33.1 million at December 31, 2024, primarily due to paydowns and amortization.

FHLB Stock and Other investments. Other investments decreased \$1.4 million, or 8.0%, to \$16.4 million at December 31, 2025 from \$17.8 million at December 31, 2024. The change was due to a decrease in Federal Home Loan Bank of New York stock as a result of a reduction in FHLB borrowings.

Gross Loans. Gross loans held for investment increased \$107.1 million, or 6.8%, to \$1.69 billion at December 31, 2025 from \$1.58 billion at December 31, 2024. Consumer loans increased \$119.1 million, commercial real estate loans increased \$46.5 million, and nonresidential owner occupied loans increased \$36.8 million, while construction loans and the multifamily loan portfolio decreased \$34.2 million and \$30.1 million, respectively. Loan fundings totaled \$192.6 million during 2025, including originations of \$154.0 million in commercial real estate loans and \$17.7 million in commercial and industrial loans. In addition, the Company acquired \$137.8 million in consumer loans and purchased \$46.5 million of conforming residential mortgages in New Jersey during the year.

The following table presents loans allocated by loan category:

	December 31, 2025	December 31, 2024
	(In thousands)	
Residential	\$ 510,583	\$ 518,243
Multifamily	641,027	671,116
Commercial real estate	306,096	259,633
Construction	51,353	85,546
Junior liens	31,008	25,422
Commercial and industrial	24,159	16,311
Consumer and other	126,306	7,211
Total loans	\$ 1,690,532	\$ 1,583,482

The table below presents the balance of non-performing assets on the dates indicated:

	December 31, 2025	December 31, 2024
	(In thousands)	
Residential	\$ 5,021	\$ 4,377
Multifamily	5,669	—
Junior liens	242	149
Commercial and industrial	440	578
Total non-performing assets	\$ 11,372	\$ 5,104

Other Assets. Other assets decreased \$3.0 million, or 18.4%, to \$13.3 million at December 31, 2025 from \$16.3 million at December 31, 2024 primarily due to a decrease of \$5.2 million in gross unrealized gains on interest rate swaps in the 2025 period partially offset by increases in pending electronic fund transfers at December 31, 2025. See Note 12, Derivatives, of Notes to Consolidated Financial Statements in “Part II, Item 8- Financial Statements.”

Total Deposits. Total deposits increased \$166.6 million or 12.4% to \$1.51 billion at December 31, 2025 compared to \$1.34 billion at December 31, 2024. Customer deposits increased \$93.5 thousand and core deposits (defined as non-interest bearing deposits, NOW and demand accounts, and savings accounts) represented 48.3% of total deposits at December 31, 2025 compared to 47.3% at December 31, 2024. Time deposits increased \$73.1 million, which includes \$120.0 million in brokered deposits, bringing the total brokered deposit balance to \$275.0 million at December 31, 2025. All brokered deposits are associated with longer-dated swap agreements. See Note 12, Derivatives, of Notes to Consolidated Financial Statements in “Part II, Item 8- Financial Statements.” Uninsured and uncollateralized deposits from third-party customers were \$196.0 million, or 13% of deposits, at the end of December 31, 2025.

The following table presents the totals of deposit accounts by account type, at the dates shown below:

	December 31, 2025	December 31, 2024
	(In thousands)	
Non-interest bearing deposits	\$ 26,878	\$ 26,001
NOW and demand accounts (1)	489,163	369,554
Savings (1)	213,444	240,426
Time deposits	780,390	707,339
Total deposits	\$ 1,509,875	\$ 1,343,320

(1) Money market accounts are included within the NOW and demand accounts and savings captions.

Borrowings. The Company had \$301.0 million of borrowings at December 31, 2025, a decrease of \$38.5 million, or 11.3%, from \$339.5 million at December 31, 2024. During the year, we replaced maturing borrowings with brokered deposits. Borrowings consisted solely of Federal Home Loan Bank of New York advances; \$251.0 million of which are associated with longer-dated swap agreements. See Note 12, Derivatives, of Notes to Consolidated Financial Statements in “Part II, Item 8- Financial Statements.”

Total Shareholders’ Equity. Total shareholders’ equity decreased by \$19.5 million, or 5.9%, to \$312.7 million at December 31, 2025 compared to \$332.2 million at December 31, 2024. The decrease was driven by the Company’s repurchase of 1,707,864 of its shares at a cost of \$16.3 million and the net loss of \$10.0 million. These decreases were partially offset by favorable changes in accumulated other comprehensive income and unallocated ESOP.

Off-Balance Sheet. To help manage our interest rate position, the Company had \$526.0 million in interest rate hedges at December 31, 2025, with a weighted average duration of 1.8 years. This represents an increase of \$177.0 million from December 31, 2024, when interest rate hedges totaled \$349.0 million with a weighted average duration of 2.4 years. See Note 12, Derivatives, of Notes to Consolidated Financial Statements in “Part II, Item 8- Financial Statements.”

Liquidity and Capital Resources

Liquidity is the ability to meet current and future financial obligations of a short-term and long-term nature. Our primary sources of funds consist of deposit inflows, principal and interest payments on loans and securities, maturities of securities and FHLB advances and other borrowings. While maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit flows, calls of investment securities and borrowed funds and prepayments on loans are greatly influenced by general interest rates, economic conditions and competition. Additionally, deposit flows are impacted by general deposit behavior. Our primary use of funds is for the origination and purchase of loans and the purchase of securities.

Management regularly adjusts our investments in liquid assets based upon an assessment of (1) expected loan demand, (2) expected deposit flows, (3) yields available on interest-earning deposits and securities, and (4) the objectives of our interest-rate risk and investment policies.

The Bank has entered into derivative financial instruments to reduce risk associated with interest rate volatility by aligning repricing terms of assets and liabilities. These derivatives had an aggregate notional amount of \$526.0 million and \$349.0 million as of December 31, 2025 and 2024, respectively. See Note 12, Derivatives, of the Notes to the Consolidated Financial Statements in “Part II, Item 8- Financial Statements.”

At December 31, 2025, we had outstanding commitments to originate loans of \$24.3 million and unused lines of credit of \$151.4 million. We anticipate that we will have sufficient funds available to meet our current loan origination commitments. Certificates of deposit that are scheduled to mature in less than one year from December 31, 2025 totaled \$766.3 million, including \$275.0 million of brokered time deposits. Management expects, based on historical experience, that a substantial portion of the maturing certificates of deposit to customers will be retained. However, if a substantial portion of these deposits is not retained, we may utilize additional wholesale funding or raise interest rates on customer deposits to attract new accounts, which may result in higher levels of interest expense. Available borrowing capacity at December 31, 2025 was \$318.2 million with FHLB. We also had the ability to borrow up to \$68.1 million at the FRB’s Discount Window and a \$30.0 million available line of credit with a correspondent bank at December 31, 2025. Additionally, 75.9% of the Bank’s investment securities are unencumbered and could be used as collateral for additional borrowing capacity.

We are a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of our customers. These financial instruments include commitments to originate loans, unused lines of credit and standby letters of credit, which involve elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets. Our exposure to credit loss is represented by the contractual amount of the instruments. We use the same credit policies in making commitments that we do for on-balance sheet instruments. Management believes that our current sources of liquidity are more than sufficient to fulfill our obligations as of December 31, 2025, pursuant to off-balance-sheet arrangements and contractual obligations.

Blue Foundry Bancorp is a separate legal entity from Blue Foundry Bank and must provide for its own liquidity to fund dividend payments, stock repurchases, and other corporate risk factors. The Company's primary source of liquidity is the issuance of stock and the receipt of dividend payments from the Bank in accordance with applicable regulatory requirements. At December 31, 2025, Blue Foundry Bancorp (unconsolidated) had liquid assets of \$23.3 million.

The Bank is subject to various regulatory capital requirements administered by the NJDOBI and the FDIC. At December 31, 2025, the Bank exceeded all applicable regulatory capital requirements, and was considered "well capitalized" under regulatory guidelines. See "Item 1. Business—Supervision and Regulation—Federal Banking Regulation—Capital Requirements" and Note 19 of the Notes to the Consolidated Financial Statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Qualitative Analysis. Our most significant form of market risk is interest rate risk because, as a financial institution, the majority of our assets and liabilities are sensitive to changes in interest rates. Therefore, a principal part of our operations is to manage interest rate risk and limit the exposure of our financial condition and results of operations to changes in market interest rates. Our Asset/Liability Committee ("ALCO")/Investment Committee, which consists of members of management, is responsible for evaluating the interest rate risk inherent in our assets and liabilities, for determining the level of risk that is appropriate, given our business strategy, operating environment, capital, liquidity and performance objectives, and for managing this risk consistent with the policy and guidelines approved by our Board of Directors. We currently utilize a third-party modeling program, prepared on a quarterly basis, to evaluate our sensitivity to changing interest rates and assess liquidity requirements and modify our lending, investing and deposit gathering strategies accordingly. On a quarterly basis, our Board reviews various ALCO reports that estimate the sensitivity of the economic value of equity and net interest income under various interest rate scenarios.

We have sought to manage our interest rate risk in order to minimize the exposure of our earnings and capital to changes in interest rates. We have implemented the following strategies to manage our interest rate risk: growing target deposit accounts; utilizing our investment securities portfolio and interest rate swaps as part of our balance sheet asset and liability and interest rate risk management strategy to reduce the impact of movements in interest rates on net interest income and economic value of equity, which can create temporary valuation adjustments to equity in Accumulated Other Comprehensive Income; continuing the diversification of our loan portfolio by adding more commercial loans, which typically have shorter maturities and/or balloon payments. By following these strategies, we believe that we are better positioned to react to increases and decreases in market interest rates.

Other than cash flow hedging on interest expense, we generally do not engage in hedging activities such as engaging in futures or options, or investing in high-risk mortgage derivatives such as collateralized mortgage obligation residual interests, real estate mortgage investment conduit residual interests or stripped mortgage-backed securities.

The Bank has entered into derivative financial instruments to reduce risk associated with interest rate volatility. These derivatives are used to manage differences in the amount, timing and duration of the Bank's known or expected cash receipts and its known or expected cash payments principally related to the Bank's wholesale fundings. These derivatives had an aggregate notional amount of \$526.0 million as of December 31, 2025.

Quantitative Analysis. As noted, we use a third-party industry standard asset/liability model to complete our quarterly interest rate risk reports. The model projects net interest income based on various interest rate scenarios and horizons. We use a combination of analyses to monitor our exposure to changes in interest rates.

Our net interest income sensitivity analysis determines the relative balance between the repricing of assets, liabilities and off-balance sheet positions over various horizons. This asset and liability analysis includes expected cash flows from loans and securities, using forecasted prepayment rates, reinvestment rates, as well as contractual and forecasted liability cash flows. This analysis identifies mismatches in the timing of asset and liability cash flows but does not necessarily provide an accurate indicator of interest rate risk because the rate forecasts and assumptions used in the analysis may not reflect actual experience. The economic value of equity ("EVE") analysis estimates the change in the net present value ("NPV") of assets and liabilities and off-balance sheet contracts over a range of immediate rate shock interest rate scenarios. In calculating changes in EVE, for the various scenarios we forecast loan and securities prepayment rates and deposit decay rates.

Computations of prospective effects of hypothetical interest rate changes are based on numerous assumptions including relative levels of market interest rates, loan prepayments and deposit decay, and should not be relied upon as indicative of actual results.

A basis point equals one-hundredth of one percent, and 100 basis points equals one percent. An increase in interest rates from 3% to 4% would mean, for example, a 100-basis point increase in the “Basis Point Change in Interest Rates” column below.

The following table sets forth, at December 31, 2025, the calculation of the estimated changes to the Bank’s net interest income, at the Bank level, that would result from the specified immediate changes in the United States Treasury yield curve. For purposes of this table, 100 basis points equals 1%.

Change in Interest Rates (basis points)	Net Interest Income		
	Amount	Change	Percent
		(Dollars in thousands)	
+200	\$ 54,941	2,005	3.8 %
+100	54,033	1,097	2.1
0	52,936	—	—
-100	52,323	(613)	(1.2)
-200	51,562	(1,374)	(2.6)

The following table sets forth, at December 31, 2025, the calculation of the estimated changes in our NPV, at the Bank level, that would result from the specified immediate changes in the United States Treasury yield curve. For purposes of this table, 100 basis points equals 1%.

Change in Interest Rates (basis points)	NPV				
	Estimated NPV	Estimated Increase (Decrease)		NPV as a Percent of Portfolio Value of Assets	
		Amount	Percent	NPV Ratio	Change
					(Dollars in thousands)
+200	\$ 165,765	\$ (65,195)	(28.2)%	7.7 %	(3.0)
+100	198,299	(32,661)	(14.1)	9.2	(1.5)
0	230,960	—	—	10.7	—
-100	262,204	31,244	13.5	12.1	1.4
-200	295,581	64,620	28.0	13.6	3.0

The table above indicates that at December 31, 2025, in the event of an instantaneous 100 basis point increase in interest rates, the Bank would experience a 14.1% decrease in NPV. In the event of an instantaneous 100 basis point decrease in interest rates, the Bank would experience a 13.5% increase in NPV.

Certain shortcomings are inherent in the methodologies used in the above interest rate risk measurements. Modeling changes require making certain assumptions that may or may not reflect the manner in which actual yields and costs respond to changes in market interest rates. The above tables assume that the composition of our interest sensitive assets and liabilities existing at the date indicated remains constant uniformly across the yield curve regardless of the duration or repricing of specific assets and liabilities. Accordingly, although the table provides an indication of our interest rate risk exposure at a particular point in time, the data does not reflect any actions we may take in response to changes in interest rates. In addition, such measurements are not intended to and do not provide a precise forecast of the effect of changes in market interest rates on our NPV and will differ from actual results.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following are included in this item:

- A. Report of Independent Registered Public Accounting Firm
- B. Consolidated Financial Statements:
 - (1) Consolidated Statements of Financial Condition as of December 31, 2025 and 2024
 - (2) Consolidated Statements of Operations for the years ended December 31, 2025 and 2024
 - (3) Consolidated Statements of Comprehensive Loss for the years ended December 31, 2025 and 2024
 - (4) Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2025 and 2024
 - (5) Consolidated Statements of Cash Flows for the years ended December 31, 2025 and 2024
 - (6) Notes to Consolidated Financial Statements
- C. Blue Foundry Bancorp Condensed Financial Statements:
 - (1) Condensed Statements of Financial Condition as of December 31, 2025 and 2024
 - (2) Condensed Statements of Comprehensive Loss for the years ended December 31, 2025 and 2024
 - (3) Condensed Statements of Cash Flows for the years ended December 31, 2025 and 2024

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Blue Foundry Bancorp:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Blue Foundry Bancorp and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive loss, shareholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We or our predecessor firms have served as the Company's auditor since 2022.

New York, New York
March 31, 2026

See accompanying notes to the consolidated financial statements.

BLUE FOUNDRY BANCORP
Consolidated Balance Sheets
(In thousands, except share data)

	December 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	\$ 53,141	\$ 42,502
Securities available-for-sale, at fair value	301,227	297,028
Securities held-to-maturity (fair value of \$25,628 at December 31, 2025 and \$29,995 at December 31, 2024, and allowance for credit losses of \$91 at December 31, 2025 and \$98 at December 31, 2024)	27,016	33,076
FHLB stock and other investments	16,363	17,791
Loans receivable, net of allowance for credit losses of \$14,392 at December 31, 2025 and \$12,965 at December 31, 2024	1,676,140	1,570,517
Interest and dividends receivable	9,289	8,014
Premises and equipment, net	26,830	29,486
Right-of-use assets	21,705	23,470
Bank owned life insurance	23,013	22,519
Other assets	13,280	16,280
Total assets	<u>\$ 2,168,004</u>	<u>\$ 2,060,683</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Deposits	\$ 1,509,875	\$ 1,343,320
Advances from the Federal Home Loan Bank	301,000	339,500
Advances by borrowers for taxes and insurance	9,244	9,356
Lease liabilities	23,432	25,168
Other liabilities	11,712	11,141
Total liabilities	<u>1,855,263</u>	<u>1,728,485</u>
Shareholders' equity		
Preferred stock, \$0.01 par value, 10,000,000 authorized; none issued	—	—
Common stock \$0.01 par value; 70,000,000 shares authorized; 28,522,500 shares issued at December 31, 2025 and December 31, 2024; 20,758,296 and 22,522,626 shares outstanding at December 31, 2025 and December 31, 2024, respectively	285	285
Additional paid-in capital	280,752	277,304
Retained earnings	142,404	152,429
Treasury Stock, at cost: 7,764,204 shares at December 31, 2025 and 5,999,874 shares at December 31, 2024	(76,375)	(59,699)
Unallocated common shares held by Employee Stock Ownership Plan	(18,254)	(19,167)
Accumulated other comprehensive loss	(16,071)	(18,954)
Total shareholders' equity	<u>312,741</u>	<u>332,198</u>
Total liabilities and shareholders' equity	<u>\$ 2,168,004</u>	<u>\$ 2,060,683</u>

See accompanying notes to the consolidated financial statements.

BLUE FOUNDRY BANCORP
Consolidated Statements of Operations
(Dollars in thousands)

	For the Year Ended December 31,	
	2025	2024
Interest income:		
Loans	\$ 80,716	\$ 70,185
Taxable investment income	14,447	15,122
Non-taxable investment income	143	144
Total interest income	<u>95,306</u>	<u>85,451</u>
Interest expense:		
Deposits	37,047	36,830
Borrowed funds	10,875	11,071
Total interest expense	<u>47,922</u>	<u>47,901</u>
Net interest income	47,384	37,550
Provision for (release of) credit losses	2,123	(1,350)
Net interest income after provision for (release of) credit losses	<u>45,261</u>	<u>38,900</u>
Non-interest income:		
Fees and service charges	1,089	1,203
Gain on sale of loans	—	36
Other income	594	555
Total non-interest income	<u>1,683</u>	<u>1,794</u>
Non-interest expense:		
Compensation and benefits	31,935	29,433
Occupancy and equipment	9,091	8,878
Data processing	5,994	5,648
Advertising	467	292
Professional services	4,421	2,903
Federal deposit insurance	920	855
Other expense	4,141	4,596
Total non-interest expense	<u>56,969</u>	<u>52,605</u>
Loss before income tax expense	<u>(10,025)</u>	<u>(11,911)</u>
Income tax expense	—	—
Net loss	<u>\$ (10,025)</u>	<u>\$ (11,911)</u>
Basic and diluted loss per share	\$ (0.51)	\$ (0.55)
Weighted average shares outstanding-basic	19,646,810	21,477,429
Weighted average shares outstanding-diluted	19,646,810	21,477,429

See accompanying notes to the consolidated financial statements.

BLUE FOUNDRY BANCORP
Consolidated Statements of Comprehensive Loss
(In thousands)

	Year Ended December 31,	
	2025	2024
	(In thousands)	
Net loss	\$ (10,025)	\$ (11,911)
Other comprehensive (loss) income, net of tax (1):		
Unrealized gain on securities available-for-sale:		
Unrealized gain arising during the period	10,519	3,273
	<u>10,519</u>	<u>3,273</u>
Unrealized gain (loss) on cash flow hedge:		
Unrealized loss arising during the period	(11,968)	(5,574)
Reclassification adjustment for gain included in net loss	4,726	6,355
	<u>(7,242)</u>	<u>781</u>
Post-Retirement plans:		
Net actuarial loss	(394)	(128)
	<u>(394)</u>	<u>(128)</u>
Total other comprehensive income, net of tax (1):	<u>2,883</u>	<u>3,926</u>
Comprehensive loss	<u>\$ (7,142)</u>	<u>\$ (7,985)</u>

(1) Includes a deferred tax valuation allowance equal to the net tax benefit.

See accompanying notes to the consolidated financial statements.

BLUE FOUNDRY BANCORP
Consolidated Statements of Changes in Shareholders' Equity
Year Ended December 31, 2025 and 2024
(In thousands, except share data)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Unallocated Common Stock Held by ESOP	Total Shareholders' Equity
	Shares	Par Value						
	(In thousands, except share data)							
Balance at January 1, 2024	24,509,950	\$ 285	\$ 273,991	\$ 164,340	\$ (40,016)	\$ (22,880)	\$ (20,080)	\$ 355,640
Net loss	—	—	—	(11,911)	—	—	—	(11,911)
Other comprehensive income	—	—	—	—	—	3,926	—	3,926
Purchase of Treasury stock	(1,945,241)	—	—	—	(19,444)	—	—	(19,444)
Treasury stock allocated to restricted stock plan, net of forfeitures	(42,083)	—	169	—	(239)	—	—	(70)
Compensation cost for stock options and restricted stock	—	—	3,166	—	—	—	—	3,166
ESOP shares committed to be released (91,272 shares)	—	—	(22)	—	—	—	913	891
Balance at December 31, 2024	<u>22,522,626</u>	<u>\$ 285</u>	<u>\$ 277,304</u>	<u>\$ 152,429</u>	<u>\$ (59,699)</u>	<u>\$ (18,954)</u>	<u>\$ (19,167)</u>	<u>\$ 332,198</u>
Net loss	—	—	—	(10,025)	—	—	—	(10,025)
Other comprehensive loss	—	—	—	—	—	2,883	—	2,883
Purchase of Treasury stock	(1,737,996)	—	—	—	(16,328)	—	—	(16,328)
Options exercised	1,857	—	(1)	—	22	—	—	21
Treasury stock allocated to restricted stock plan, net of forfeitures	(28,191)	—	370	—	(370)	—	—	—
Compensation cost for stock options and restricted stock	—	—	3,121	—	—	—	—	3,121
ESOP shares committed to be released (91,272 shares)	—	—	(42)	—	—	—	913	871
Balance at December 31, 2025	<u>20,758,296</u>	<u>\$ 285</u>	<u>\$ 280,752</u>	<u>\$ 142,404</u>	<u>\$ (76,375)</u>	<u>\$ (16,071)</u>	<u>\$ (18,254)</u>	<u>\$ 312,741</u>

See accompanying notes to the consolidated financial statements.

BLUE FOUNDRY BANCORP
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,	
	2025	2024
	(In thousands)	
Cash flows from operating activities		
Net loss	\$ (10,025)	\$ (11,911)
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization of premises and equipment	2,952	3,126
Change in right-of-use asset	2,928	2,875
(Accretion) amortization of:		
Deferred loan fees, costs, premiums and discounts, net	149	(168)
Premiums and discounts on securities, net	(622)	725
Provision for (release of) credit losses	2,123	(1,350)
Proceeds from sales of loans held for sale	—	486
Gains on sale of loans, net	—	(36)
Origination of loans held for sale	—	(450)
Loss on premises and equipment	—	3
Net gain on sale of real estate owned	—	(123)
Increase in BOLI cash surrender value	(494)	(485)
ESOP and stock-based compensation expense	3,992	4,057
Increase in interest and dividends receivable	(1,275)	(419)
(Increase) decrease in other assets	(2,313)	10,648
(Decrease) increase in other liabilities	(2,532)	867
Change in lease liability	(2,899)	(2,782)
Net cash (used in) provided by operating activities	(8,016)	5,063
Cash flows from investing activities		
Net payments of loans	76,997	6,910
Purchases of mortgage and consumer loans	(184,246)	(29,539)
Proceeds from sale of real estate owned	—	716
Purchases of securities available-for-sale	(133,260)	(89,108)
Proceeds from sales and calls of securities available-for-sale	110,720	—
Principal payments and maturities on securities available-for-sale	29,724	78,632
Principal payments and maturities on securities held to maturity	5,825	—
Purchases of other investments	(225)	(150)
Purchases of Federal Home Loan Bank stock	(80,786)	(47,120)
Redemption of Federal Home Loan Bank stock	82,508	49,793
Purchases of premises and equipment	(296)	(140)
Net cash used in investing activities	(93,039)	(30,006)
Cash flows from financing activities		
Net change in deposits	166,555	98,416
Proceeds from advances from Federal Home Loan Bank	1,787,000	1,006,000
Repayments of advances from Federal Home Loan Bank	(1,825,500)	(1,064,000)
Net (increase) decrease in advances by borrowers for taxes and insurance	(112)	427
Purchase of treasury stock	(16,270)	(19,423)
Proceeds from options exercised	21	—
Net cash provided by financing activities	111,694	21,420
Net increase (decrease) in cash and cash equivalents	10,639	(3,523)
Cash and cash equivalents at beginning of period	42,502	46,025
Cash and cash equivalents at end of period	\$ 53,141	\$ 42,502

BLUE FOUNDRY BANCORP
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,	
	2025	2024
	(In thousands)	
Supplemental disclosures of cash flow information		
Cash paid during the period for:		
Interest	\$ 47,118	\$ 48,042
Income taxes	\$ 116	\$ 136
Supplemental noncash disclosures		
Lease liabilities arising from obtaining right-of-use assets	\$ 1,163	\$ 1,173

See accompanying notes to the consolidated financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Blue Foundry Bancorp (the “Company”), and its wholly owned subsidiary, Blue Foundry Bank (the “Bank”), and the Bank’s wholly owned subsidiaries, TrackView LLC and Blue Foundry Investment Company (collectively, the “Company”). All intercompany accounts and transactions have been eliminated in consolidation. Blue Foundry Bancorp owns 100% of the common stock of Blue Foundry Bank.

Business

The Company provides a wide range of banking services to individual and business customers through branch offices in New Jersey. The Company is subject to competition from other financial institutions and to the regulations of certain federal and state agencies, and undergoes periodic examinations by those regulatory authorities.

On July 15, 2021, the Company became the holding company for the Bank when Blue Foundry, MHC completed its conversion into the stock holding company form of organization. In connection with the conversion, the Company sold 27,772,500 shares of common stock at a price of \$10 per share, for gross proceeds of \$277.7 million. The Company contributed 750,000 shares of common stock and \$1.5 million in cash to Blue Foundry Charitable Foundation, Inc. and established an Employee Stock Ownership Plan (“ESOP”) acquiring 2,281,800 shares of common stock. Shares of the Company’s common stock began trading on July 16, 2021 on the Nasdaq Global Select Market under the trading symbol “BLFY.”

Basis of Financial Statement Presentation

The consolidated financial statements of the Company have been prepared in conformity with U.S. generally accepted accounting principles. The audited consolidated financial statements reflect all normal and recurring adjustments, which are, in the opinion of management, considered necessary for a fair presentation of the financial condition and results of operations for the periods presented. In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of financial condition and revenues and expenses for the period. Actual results could differ from those estimates. We may reclassify prior year financial statements to conform to the current presentation. The results of operations and other data presented for the year ended December 31, 2025 are not necessarily indicative of the results of operations that may be expected for subsequent periods.

Segment Reporting

As a community-focused financial institution, substantially all of the Company’s operations involve the delivery of loan and deposit products to customers. Management makes operating decisions and assesses performance based on an ongoing review of these community banking operations, which constitute the Company’s only operating segment for financial reporting purposes.

Cash and Cash Equivalents

Cash and cash equivalents include cash and deposits with other financial institutions with maturities fewer than 90 days.

Securities

Debt securities are classified as held-to-maturity and carried at amortized cost when management has the positive intent and ability to hold them to maturity. Securities to be held for indefinite periods of time and not intended to be held-to-maturity are classified as available-for-sale and carried at fair value. Unrealized holding gains and losses on securities available-for-sale are excluded from earnings with unrealized holding gains and losses reported in other comprehensive income, net of tax adjusted for deferred tax valuation allowances, until realized. Securities available-for-sale are those which management intends to use as part of its asset/liability management strategy and which may be sold in response to changes in interest rates, resultant prepayment risk and other factors related to interest rate risk. Gains and losses on sales are recognized on a trade-date basis using the specific identification method.

Premiums and discounts on securities are amortized/accreted to income using the level yield method or a method that approximates level yield. Premiums are amortized over the remaining period to the earliest call date or contractual maturity, adjusted for anticipated prepayments. Discounts on securities are accreted to income over the remaining period to the contractual maturity, adjusted for anticipated prepayments. Interest income is recognized on an accrual basis.

Allowance for Credit Losses on Securities

The Company adopted the Current Expected Credit Losses (“CECL”) methodology on January 1, 2023. ASU 2016-13, which eliminates the concept of other-than-temporary impairment and instead requires entities to determine if impairment is related to credit loss or non-credit loss. In making the assessment of whether a loss is from credit or other factors, management 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 related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows is less than the amortized cost basis, a credit loss exists and an allowance is created, limited by the amount that the fair value is less than the amortized cost basis.

For Available-for-Sale Debt Securities

On a quarterly basis the Company evaluates the AFS debt securities for impairment. Securities that are not 100% guaranteed or implicitly guaranteed by the U.S. government, that are in an unrealized loss position are reviewed to determine if a securities loss were due to credit impairment factors. The primary factors considered in evaluating whether an impairment exists include: (a) the extent to which the fair value is less than the amortized cost basis, (b) the financial condition, credit rating and future prospects of the issuer, (c) whether the debtor is current on contractually obligated interest and principal payments, and (d) whether the Company intends to sell the security and whether it is more likely than not that the Company will not be required to sell the security.

If a determination is made that an AFS debt security is impaired, the Company will estimate the amount of the unrealized loss that is attributable to credit and all other non-credit related factors. The credit related component will be recognized as a provision for credit losses through an allowance for securities credit losses. The securities provision for credit losses will be limited to the difference between the security’s amortized cost basis and fair value and any future changes may be reversed, limited to the amount previously expensed, in the period they occur. The non-credit related component will be recorded as an adjustment to accumulated other comprehensive income, net of tax.

For Held-to-Maturity Debt Securities

The allowance for credit losses on held-to-maturity debt securities is initially recognized upon acquisition of the securities, and subsequently remeasured on a quarterly basis. Expected credit losses on held-to-maturity debt securities through the life of the financial instrument are estimated and recognized as an allowance for credit losses on the balance sheet with a corresponding adjustment to current earnings. Subsequent favorable or unfavorable changes in expected cash flow will decrease or increase the allowance for credit losses through a charge to the provision for credit losses.

Management measures expected credit losses on held-to-maturity securities on a collective basis by major security type. The held-to-maturity portfolio is classified into the following major security types: corporate bonds and asset-backed securities.

At each reporting period, the Company evaluates whether the securities in a segment continue to exhibit similar risk characteristics as the other securities in the segment. If the risk characteristics of a security change, such that they are no longer similar to other securities in the segment, the Company will evaluate the security with a different segment that shares more similar risk characteristics.

The Company has a non-accrual policy that results in a timely reversal of interest receivable, therefore the Company made the election to exclude accrued interest receivable on securities from the estimate of credit losses.

FHLB stock and Other Investments

Other investments consists primarily of membership and activity-based shares in the FHLB of New York. Members are required to own a certain amount of stock based on the level of borrowings and other factors. FHLB stock is carried at cost, which approximates fair value, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. Both cash and stock dividends are reported as income. Other investments also consists of, to a much lesser extent, an investment in a financial technology fund carried at net asset value (“NAV”) and shares in a cooperative that provides community banking core technology solutions carried at cost. The fair value of the financial technology fund investment is estimated using the NAV of the Company’s ownership interest in partners’ capital, which approximates fair value. Increases or decreases in NAV are recorded in other income.

Loans Receivable

Loans receivable are stated at unpaid principal balance, net of deferred fees, costs, premiums and discounts and the allowance for credit losses on loans. Interest on loans is recognized based upon the principal amount outstanding. Loan fees and certain direct loan origination costs are deferred, and the net fee or cost is recognized in interest income using the level yield method over the contractual life of the individual loans, adjusted for actual prepayments.

The loan portfolio is categorized according to collateral type, loan purpose, lien position, or borrower type (i.e., commercial, consumer). The categories used include residential, multifamily, commercial real estate, construction and land, junior liens, commercial and industrial, and consumer and other.

For all loan classes, the accrual of income on loans, including impaired loans, is generally discontinued when a loan becomes 90 days delinquent or when certain factors indicate reasonable doubt as to the ability of the borrower to meet contractual principal and/or interest obligations. Loans on which the accrual of income has been discontinued are designated as nonaccrual loans. All previously accrued interest is reversed and income is recognized subsequently only in the period received, provided the remaining principal balance is deemed collectible. A nonaccrual loan is not returned to an accrual status until principal and interest payments are brought current and factors indicating doubtful collection no longer exist.

Principal and interest payments received on non-accrual loans for which the remaining principal balance is not deemed collectible are applied as a reduction to principal and interest income is not recognized. If the principal balance on the loan is later deemed collectible and the loan is returned to accrual status, any interest payments that were applied to principal while on non-accrual are recorded as an unearned discount on the loan, classified as deferred fees, costs and discounts, and are recognized into interest income using the level-yield method over the remaining contractual life of the individual loan, adjusted for actual prepayments.

Allowance for Credit Losses on Loans

Under the CECL model, the allowance for credit losses on financial assets is a valuation allowance estimated at each balance sheet date in accordance with U.S. GAAP and is deducted from the financial assets’ amortized cost basis to present the net amount expected to be collected on the financial assets.

The Company estimates the allowance for credit losses on loans based on the underlying assets’ amortized cost basis, which is the amount at which the financing receivable is originated or acquired, adjusted for applicable accretion or amortization of premium, discount, net deferred fees or costs, collection of cash, and charge-offs. In the event that collection of principal becomes uncertain, the Company has policies in place to write-off accrued interest receivable by reversing interest income in a timely manner. Therefore, the Company has made a policy election to exclude accrued interest from the amortized cost basis and therefore excludes it from the measurement of the allowance for credit loss.

Changes in expected credit losses are reflected through a charge to the provision for credit losses. The Company’s estimate of the allowance for credit loss reflects losses expected over the remaining contractual life of the assets. When the Company deems all or a portion of a financial asset to be uncollectible, the appropriate amount is written off and the allowance for credit losses is reduced by the same amount. The Company applies judgment to determine when a financial asset is deemed uncollectible. When available information confirms that specific loans, securities, other assets, or portions thereof, are uncollectible, these amounts are charged-off against the allowance for credit losses. Subsequent recoveries, if any, are credited to the allowance for credit losses when received.

The Company measures expected credit losses of financial assets on a collective portfolio segment basis when the financial assets share similar risk characteristics. The Company generally measures expected credit losses using discounted cash flows (“DCF”) models at the portfolio segment level, whereby the total shortfall in comparing the portfolio segment DCFs to the amortized cost basis reflects management’s estimate of expected credit losses.

Our CECL models for loans include the following major items:

- a historical loss period, which represents a full economic credit cycle utilizing loss experience including peer bank historical loss data, to calculate probabilities of default at the portfolio segment level;
- macroeconomic variable forecasts, including the national housing price index, unemployment, and gross domestic product, to adjust probabilities of default over a reasonable and supportable forecast period of one year, based on management’s current review of the reliability of extended forecasts;
- a reversion period of one year to adjust probabilities of default (after the reasonable and supportable forecast period) to historical means using a straight-line approach;
- a risk index that measures loss given defaults as a function of probabilities of default at the portfolio segment level;
- expected prepayment rates based on our historical experience and benchmark assumptions where internal data is limited; and
- incorporation of qualitative factors not captured within the modeled results.

For collateral dependent financial assets where the Company has determined that foreclosure of the collateral is probable and where the borrower is experiencing financial difficulty, the allowance for credit loss is measured based on the difference between the fair value of the collateral and the amortized cost basis of the asset as of the measurement date. Fair value is calculated based on the value of the underlying collateral less an appraisal discount and the estimated cost to sell.

Allowance for Credit Losses on Off-Balance-Sheet Exposures

The Company records changes in the allowance for credit losses on off-balance-sheet credit exposures through a charge to provision for credit losses. The allowance for credit loss on off-balance-sheet credit exposures is estimated by portfolio segment at each balance sheet date under the CECL model using the same methodologies as portfolio loans, taking into consideration management’s assumption of the likelihood that funding will occur, and is included in other liabilities on the Company’s consolidated balance sheets.

Premises and Equipment

Premises and equipment, including leasehold improvements, are generally stated at cost less accumulated depreciation, amortization and fair value adjustments. Depreciation and amortization is computed primarily using the straight-line method over the estimated useful lives of the assets or leases. Repair and maintenance items are expensed and major improvements are capitalized. Upon retirement or sale, any gain or loss is credited or charged to operations. Construction in progress represents costs incurred to develop assets for future use.

Leases and Lease Obligations

The Company enters into leases in the normal course of business primarily for branches, administrative and office operations locations, and information technology equipment. The Company’s leases have remaining terms ranging from less than one to 15 years, some of which include renewal or termination options to extend the lease for up to 10 years. The Company’s leases do not include residual value guarantees or covenants. The Company includes lease extension and termination options in the lease term if, after considering relevant economic factors, it is reasonably certain the Company will exercise the option. In addition, the Company has elected to account for any non-lease components in its real estate leases as part of the associated lease component. The Company has also elected not to recognize leases with original lease terms of 12 months or less (short-term leases) on the Company’s balance sheet.

Leases are classified as operating or finance leases at the lease commencement date. Lease expense for operating leases and short-term leases is recognized on a straight-line basis over the lease term. Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Right-of-use assets (“ROU”) and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

BLUE FOUNDRY BANCORP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

The Company uses its incremental borrowing rate at lease commencement to calculate the present value of lease payments when the rate implicit in a lease is not known. The Company's incremental borrowing rate is based on the FHLB advance rate, adjusted for the lease term and other factors.

Bank Owned Life Insurance

The Company has purchased life insurance policies on certain key individuals. Bank owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

Income Taxes

Income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The Company evaluates the realizability of deferred tax assets at least annually in accordance with ASC 740-10-30-5(e), and may determine that it is more-likely-than-not that a portion, or all, of the assets would require a valuation allowance. Based on this evaluation, the Company maintained a full valuation allowance on its net deferred tax assets as of December 31, 2025 and 2024.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The measurement of deferred tax assets is reduced by a valuation allowance for the amount of the deferred tax asset that is more likely than not to be realized.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

The Company recognizes interest and/or penalties related to income tax matters in other operating expenses.

Treasury Stock

Repurchases of Company common stock are classified as treasury stock shares carried at cost and presented as a reduction of shareholders' equity. Treasury stock is not considered outstanding for share count purposes and are excluded from average common shares outstanding for basic and diluted earnings per share. Reissued treasury stock at an amount greater or less than paid to repurchase the shares will result in a gain or loss on the reissuance of the shares. The gain or loss will be recognized in shareholders' equity. A gain on the reissuance of treasury shares are credited to additional paid-in capital. A loss on the reissuance of treasury shares are debited to additional paid-in capital to the extent previous net gains from the same class of stock are included in additional paid-in capital. Losses in excess of gains in additional paid-in capital are charged to retained earnings.

Derivatives

The Company uses derivative financial instruments as components of its market risk management, principally to manage interest rate risk. At the inception of a derivative contract, the Company designates the derivative as one of three types based on the Company's intentions and belief as to likely effectiveness as a hedge. These three types are (1) a hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment ("fair value hedge"), (2) a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge"), or (3) an instrument with no hedging designation ("stand-alone derivative"). For a fair value hedge, the gain or loss on the derivative, as well as the offsetting loss or gain on the hedged item, are recognized in current earnings as fair values change. For a cash flow hedge, the gain or loss on the derivative is reported in other comprehensive income and is reclassified into earnings in the same periods during which the hedged transaction affects earnings. For both types of hedges, changes in the fair value of derivatives that are not highly effective in hedging the changes in fair value or expected cash flows of the hedged item are recognized immediately in current earnings. Changes in the fair value of derivatives that do not qualify for hedge accounting are reported currently in earnings, as non-interest income. As of December 31, 2025, and December 31, 2024, the Company's derivatives are all designated in cash flow hedge relationships.

Net cash settlements on derivatives that qualify for hedge accounting are recorded in interest income or interest expense, based on the item being hedged. Net cash settlements on derivatives that do not qualify for hedge accounting are reported in non-interest income. Cash flows on hedges are classified in the cash flow statement the same as the cash flows of the items being hedged.

The Company formally documents the relationship between derivatives and hedged items, as well as the risk-management objective and the strategy for undertaking hedge transactions at the inception of the hedging relationship. This documentation includes designating specific swap agreements to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions.

When hedge accounting is discontinued, subsequent changes in fair value of the derivative are recorded as non-interest income. When a fair value hedge is discontinued, the hedged asset or liability is no longer adjusted for changes in fair value and the existing basis adjustment is amortized or accreted over the remaining life of the asset or liability. When a cash flow hedge is discontinued but the hedged cash flows or forecasted transactions are still expected to occur, gains or losses that were accumulated in other comprehensive income are amortized into earnings over the same periods which the hedged transactions will affect earnings.

The Company is exposed to losses if a counterparty fails to make its payments under a contract in which the Company is in the net receiving position. The Company anticipates that the counterparties will be able to fully satisfy their obligations under the agreements. All the contracts to which the Company is a party settle monthly or quarterly. In addition, the Company obtains collateral above certain thresholds of the fair value of its hedges for each counterparty based upon their credit standing and the Company has netting agreements with the dealers with which it does business.

Fair Value of Financial Instruments

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Retirement Benefits

The Company provides certain healthcare benefits, subject to certain limitations, to eligible retirees, based upon years of service and a retirement date prior to January 1, 2019. The Company also provides supplemental retirement benefits to certain directors. The Company measures the cost of these benefits based upon various estimates and assumptions. Costs are recognized as directors render service.

Employee Stock Ownership Plan

The cost of shares issued to the ESOP, but not yet allocated to participants, is shown as a reduction of shareholders' equity. Compensation expense is based on the market price of shares as they are committed to be released to participant accounts. Dividends on allocated ESOP shares reduce retained earnings; dividends on unearned ESOP shares reduce the ESOP's debt and accrued interest.

Share-Based Compensation

The Company maintains an equity incentive plan under which restricted stock and stock options may be granted to employees and directors.

The Company recognizes the cost of employee services received in exchange for awards of equity instruments based on the grant-date fair value of those awards in accordance with ASC 718, "Compensation-Stock Compensation". The Company estimates the per share fair value of option grants on the date of grant using the Black-Scholes option pricing model using assumptions for the expected dividend yield, expected stock price volatility, risk-free interest rate and expected option term. These assumptions are subjective in nature, involve uncertainties and, therefore, cannot be determined with precision. The Black-Scholes option pricing model also contains certain inherent limitations when applied to options that are not traded on public markets.

The per share fair value of options is highly sensitive to changes in assumptions. In general, the per share fair value of options will move in the same direction as changes in the expected stock price volatility, risk-free interest rate and expected option term, and in the opposite direction as changes in the expected dividend yield. For example, the per share fair value of options will generally increase as expected stock price volatility increases, risk-free interest rate increases, expected option term increases and expected dividend yield decreases. The use of different assumptions or different option pricing models could result in materially different per share fair values of options.

The Company recognizes compensation expense for the fair values of these awards, which have time vesting, on a straight-line basis over the requisite service period of the awards. The Company's accounting policy is to recognize forfeitures as they occur.

The Company also grants performance-based awards that are dependent on the achievement of certain metrics over a defined measurement period ending. At the end of the performance period, the number of actual shares to be awarded may vary between 0% and 100% of target amounts. The awards then convert to time-based awards.

Comprehensive Income or Loss

Comprehensive income or loss consists of net income or loss and other comprehensive income or loss. Other comprehensive income or loss includes unrealized gains and losses on both securities available-for-sale and derivatives, net of the related tax effect. Also included are changes in the unfunded status of the Company's defined benefit plans, net of the related tax effect, which are recognized as separate components of shareholders' equity.

Loss Contingencies

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there are such matters that will have a material effect on the consolidated financial statements.

Earnings per share

Basic earnings per share represents income available to common shareholders divided by the weighted-average number of common shares outstanding during the period. Unallocated ESOP shares are not deemed outstanding for earnings per share calculations. ESOP shares committed to be released are considered to be outstanding for purposes of the earnings per share computation. ESOP shares that have not been legally released, but that relate to employee services rendered during an accounting period (interim or annual) ending before the related debt service payment is made, are considered committed to be released. Diluted earnings per share reflects additional common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustment to income that would result from the assumed issuance. Potential common shares that may be issued by the Company relate to outstanding stock options awards and are determined using the treasury stock method. When applying the treasury stock method, we add: (1) the assumed proceeds from option exercises and (2) the average unamortized compensation costs related to unvested shares of restricted stock and stock options. We then divide this sum by our average stock price to calculate shares repurchased. The excess of the number of shares issuable over the number of shares assumed to be repurchased is added to basic weighted average common shares to calculate diluted EPS.

Adoption of New Accounting Standards

As an “emerging growth company” as defined in Title 1 of the Jumpstart Our Business Startups (JOBS) Act prior to December 31, 2019, the Company elected to use the extended transition period to delay the adoption of new or reissued accounting pronouncements applicable to public companies until such pronouncements were made applicable to private companies.

Accounting Standards Adopted

In December 2023, the Financial Accounting Standards Board (“the FASB”) issued ASU 2023-09, *Income Tax- Improvements to Income Tax Disclosures (Topic 740)*, which requires reporting companies to break out their income tax expense and tax rate reconciliation in more detail. For public companies, the requirements became effective for fiscal years beginning after December 15, 2024, with early adoption permitted. This ASU was adopted on the prospective basis and did not have a material effect on our consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, providing all entities with a practical expedient and entities other than public business entities with an accounting policy election when estimating expected credit losses. The amendments will be effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted. This ASU was adopted and the Company elected the practical expedient, which did not have a material effect on our consolidated financial statements.

Accounting Standards Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)* Disaggregation of Income Statement Expenses. This amendment requires public business entities to provide additional disaggregated disclosures in the notes to the financial statements for certain income statement expense captions. The amendment enhances disclosure requirements but does not change the recognition, measurement, or presentation of expenses on the face of the financial statements. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements and footnote disclosures; however, the impact is not expected to be material.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which eliminates accounting consideration of software development stages. The amendments in this update are effective for all entities for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating this guidance to determine the impact of ASU 2025-06 and does not expect it to have an effect on our consolidated financial statements.

In September 2025, the FASB issued ASU 2025-07, *Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract*. This amendment excludes from derivative accounting non-exchange-traded contracts with underlyings that are based on operations or activities specific to one of the parties to the contract. The amendments in this Update are effective for all entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

In November 2025, the FASB issued ASU 2025-08, *Financial Instruments—Credit Losses (Topic 326): Purchased Loans*, to expand the population of acquired financial assets subject to the gross-up approach. The amendments in this Update are effective for all entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

In November 2025, the FASB issued ASU 2025-09, *Derivatives and Hedging (Topic 815): Hedge Accounting Improvements*, to more closely align hedge accounting with the economics of an entity's risk management activities. For public business entities, the amendments in this Update are effective for annual reporting periods beginning after December 15, 2026, and interim periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

In December 2025, the FASB issued ASU-2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements* which clarifies interim disclosure requirements and the applicability of Topic 270. The amendments in this Update are effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, for public business entities. Early adoption is permitted for all entities. The Company is currently evaluating this guidance to determine the impact of ASU 2025-11 and does not expect it to have an effect on our consolidated financial statements.

In December 2025, the FASB issued ASU-2025-12, *Codification Improvements*, which represents changes to the Codification that make it easier to understand and apply. The amendments in this Update are effective for all entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating this guidance to determine the impact of ASU 2025-12 and does not expect it to have an effect on our consolidated financial statements.

Business Combinations

Fulton Financial Corporation Merger Agreement

On November 24, 2025, Fulton Financial Corporation (“Fulton”) and Blue Foundry Bancorp (“Blue Foundry”) announced that they had entered into a definitive agreement and plan for merger under which Fulton will acquire all of the outstanding shares of Blue Foundry for an all-stock merger. Under the terms of the agreement and plan of merger, Blue Foundry shareholders will have the right to receive for each share of Blue Foundry's common stock, par value \$0.01 per share, 0.65 shares of Fulton's common stock, par value \$2.50 per share. The implied total transaction value based on closing prices on November 21, 2025 was approximately \$243.0 million. The agreement and plan of merger has been unanimously approved by the boards of directors of each company. On January 29, 2026, Blue Foundry's shareholders approved the planned merger with Fulton at a special meeting. In addition, all required regulatory approvals have been obtained for the Transaction. The Merger is expected to be completed on or around April 1, 2026, pending the satisfaction or waiver of the remaining customary closing conditions set forth in the merger agreement.

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NOTE 2 – SECURITIES

Debt Securities

The amortized cost of securities available-for-sale and their estimated fair values at December 31, 2025 and 2024 are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(In thousands)			
<u>December 31, 2025</u>				
U.S. Treasury Notes	\$ 96,546	\$ 15	\$ (776)	\$ 95,785
Corporate Bonds	41,392	574	(989)	40,977
U.S. Government agency obligations	599	—	(32)	567
Obligations issued by U.S. states and their political subdivisions	6,289	—	(174)	6,115
Mortgage-backed securities:				
Residential	152,865	557	(15,246)	138,176
Multifamily	16,396	18	(723)	15,691
Asset-backed securities	4,047	—	(131)	3,916
Total	\$ 318,134	\$ 1,164	\$ (18,071)	\$ 301,227
<u>December 31, 2024</u>				
U.S. Treasury Notes	\$ 41,259	\$ 40	\$ (1,160)	\$ 40,139
Corporate Bonds	75,122	389	(2,357)	73,154
U.S. Government agency obligations	874	—	(62)	812
Obligations issued by U.S. states and their political subdivisions	6,357	—	(333)	6,024
Mortgage-backed securities:				
Residential	171,754	9	(22,722)	149,041
Multifamily	19,776	—	(1,033)	18,743
Asset-backed securities	9,312	—	(197)	9,115
Total	\$ 324,454	\$ 438	\$ (27,864)	\$ 297,028

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The amortized cost of securities held-to-maturity, allowance for credit losses and their estimated fair values at December 31, 2025 and 2024, are as follows:

	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Estimated Fair Value
	(In thousands)			
<u>December 31, 2025</u>				
Asset-backed securities	\$ 8,507	\$ —	\$ (472)	\$ 8,035
Corporate bonds	18,600	5	(1,012)	17,593
Total	\$ 27,107	\$ 5	\$ (1,484)	\$ 25,628
Allowance for credit loss	(91)			
	<u>\$ 27,016</u>			
<u>December 31, 2024</u>				
Asset-backed securities	\$ 14,574	\$ —	\$ (993)	\$ 13,581
Corporate bonds	18,600	—	(2,186)	16,414
Total	\$ 33,174	\$ —	\$ (3,179)	\$ 29,995
Allowance for credit loss	(98)			
	<u>\$ 33,076</u>			

At December 31, 2025 and 2024, the allowance for credit losses on securities held-to-maturity totaled \$91 thousand and \$98 thousand respectively, and related to the corporate bonds. The asset-backed securities are in an AAA or A1 tranche determined by a third party. No loss is expected on these securities.

Securities pledged at December 31, 2025 and 2024, had a carrying amount of \$78.9 million and \$119.8 million, respectively. Unencumbered securities can be pledged to secure borrowings, public deposits and derivatives, as needed.

The amortized cost and fair value of debt securities are shown below by contractual maturity at December 31, 2025. Expected maturities on mortgage and asset-backed securities generally exceed 20 years; however, they may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without penalties.

	Amortized Cost ⁽¹⁾	Estimated Fair Value
	(In thousands)	
<u>Available-for-sale</u>		
Due in one year or less	\$ 95,096	\$ 92,121
Due from one year to five years	34,471	23,618
Due from five to ten years	8,313	21,535
Due after ten years	6,946	6,170
	<u>144,826</u>	<u>143,444</u>
Mortgage-backed and asset-backed securities	173,308	157,783
Total	\$ 318,134	\$ 301,227
<u>Held-to-maturity</u>		
Due from five to ten years	\$ 18,600	\$ 17,593
	<u>18,600</u>	<u>17,593</u>
Asset-backed securities	8,507	8,035
Total	\$ 27,107	\$ 25,628

(1) Excludes the allowance for credit losses on held-to-maturity securities at December 31, 2025.

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Credit Indicators

Credit ratings are a key measure for estimating the probability of a bond's default and for monitoring credit quality on an on-going basis. For bonds other than U.S. Treasuries and bonds issued or guaranteed by U.S. government agencies, credit ratings issued by one or more nationally recognized statistical rating organization are considered in conjunction with an assessment by the Company's management. Investment grade reflects a credit quality of BBB- or above. None of the Company's securities are on non-accrual status, nor are any past due.

The table below indicates the credit profile of the Company's debt securities held-to-maturity at amortized cost at December 31, 2025 and December 31, 2024.

<u>December 31, 2025</u>	<u>AAA</u>	<u>A1</u>	<u>BBB+</u>	<u>BBB</u>	<u>BBB-</u>	<u>Total</u>
	(In thousands)					
Corporate bonds	\$ —	\$ —	\$ 1,600	\$ 16,000	\$ 1,000	\$ 18,600
Asset-backed securities	8,507	—	—	—	—	8,507
Total	\$ 8,507	\$ —	\$ 1,600	\$ 16,000	\$ 1,000	\$ 27,107

<u>December 31, 2024</u>	<u>AAA</u>	<u>A1</u>	<u>BBB+</u>	<u>BBB</u>	<u>BBB-</u>	<u>Total</u>
	(In thousands)					
Corporate bonds	\$ —	\$ —	\$ 1,600	\$ 16,000	\$ 1,000	\$ 18,600
Asset-backed securities	8,677	5,897	—	—	—	14,574
Total	\$ 8,677	\$ 5,897	\$ 1,600	\$ 16,000	\$ 1,000	\$ 33,174

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The following table summarizes available-for-sale securities with unrealized losses at December 31, 2025 and 2024, aggregated by major security type and length of time in a continuous loss position.

	Less than 12 Months		12 Months or More		Number of Securities	Total	
	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value		Unrealized Losses	Estimated Fair Value
	(Dollars in thousands)						
December 31, 2025							
U.S. Treasury Note	\$ —	\$ —	\$ (776)	\$ 6,170	1	\$ (776)	\$ 6,170
Corporate Bonds	—	—	(989)	16,528	7	(989)	16,528
U.S. Government agency obligations	—	—	(32)	567	2	(32)	567
Obligations issued by U.S. states and their political subdivisions	(1)	739	(174)	5,376	5	(175)	6,115
Mortgage-backed securities:							
Residential	(6)	1,369	(15,240)	105,700	43	(15,246)	107,069
Multifamily	—	—	(723)	14,194	4	(723)	14,194
Asset-backed securities	—	—	(131)	3,916	2	(131)	3,916
Total available-for-sale	\$ (7)	\$ 2,108	\$ (18,065)	\$ 152,451	64	\$ (18,072)	\$ 154,559
December 31, 2024							
U.S. Treasury Note	\$ —	\$ —	\$ (1,160)	\$ 5,776	1	\$ (1,160)	\$ 5,776
Corporate Bonds	—	—	(2,357)	39,286	19	(2,357)	39,286
U.S. Government agency obligations	—	—	(62)	812	2	(62)	812
Obligations issued by U.S. states and their political subdivisions	—	—	(333)	6,024	5	(333)	6,024
Mortgage-backed securities:							
Residential	(64)	18,888	(22,658)	112,396	47	(22,722)	131,284
Multifamily	(56)	11,237	(977)	7,506	5	(1,033)	18,743
Asset-backed securities	—	—	(197)	4,115	2	(197)	4,115
Total available-for-sale	\$ (120)	\$ 30,125	\$ (27,744)	\$ 175,915	81	\$ (27,864)	\$ 206,040

Of the 64 available-for-sale securities in an unrealized loss position at December 31, 2025, 50 are comprised of U.S. Government agency obligations, Treasury notes, and mortgage-backed securities. These securities were all issued by U.S. Government-sponsored entities and agencies. For corporate bonds, obligations issued by U.S. states and their political subdivisions and asset-backed securities in an unrealized loss position, the decline in fair value is attributable to changes in interest rates and liquidity, not credit quality. The Company does not intend to sell these securities, nor does it foresee being required to sell them before the anticipated recovery or maturity.

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The following table summarizes held-to-maturity securities with unrealized losses at December 31, 2025 and December 31, 2024 aggregated by major security type and length of time in a continuous loss position.

	Less than 12 Months		12 Months or More		Number of Securities	Total		
	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value		Unrealized Losses	Estimated Fair Value	
	(Dollars in thousands)							
December 31, 2025								
Corporate Bonds	\$ —	\$ —	\$ (1,012)	\$ 14,588	8	\$ (1,012)	\$ 14,588	
Asset-backed securities	—	—	(472)	8,035	1	(472)	8,035	
Total held-to-maturity	\$ —	\$ —	\$ (1,484)	\$ 22,623	9	\$ (1,484)	\$ 22,623	
December 31, 2024								
Corporate Bonds	\$ —	\$ —	\$ (2,186)	\$ 16,414	9	\$ (2,186)	\$ 16,414	
Asset-backed securities	—	—	(993)	13,581	2	(993)	13,581	
Total held-to-maturity	\$ —	\$ —	\$ (3,179)	\$ 29,995	11	\$ (3,179)	\$ 29,995	

The held-to-maturity securities in an unrealized loss position at December 31, 2025, are corporate bonds and asset-backed securities, which experienced a decline in fair value attributable to changes in interest rates and liquidity, not credit quality. The Company also does not intend to sell these securities, nor does it foresee being required to sell them before the anticipated recovery or maturity.

FHLB Stock and Other Investments

At December 31, 2025 and 2024, other investments primarily consisted of investments in FHLB stock and, to a much lesser extent, investments in a financial technology fund and a community banking core provider cooperative. Other investments carried at fair value totaled \$15.8 million and \$17.6 million at December 31, 2025 and 2024, respectively. The investment in a financial technology fund is carried at net asset value (“NAV”) and totaled \$520 thousand at December 31, 2025 and \$226 thousand at December 31, 2024. The Company recorded a net increase in the NAV of \$69 thousand and \$33 thousand for the years ended December 31, 2025 and 2024, respectively, as a component of other income. The Company's unfunded commitments related to the financial technology fund totaled \$445 thousand at December 31, 2025.

NOTE 3 – LOANS RECEIVABLE, NET

A summary of loans receivable, net, at December 31, 2025 and 2024 is as follows:

	December 31, 2025	December 31, 2024
	(In thousands)	
Residential	\$ 510,583	\$ 518,243
Multifamily	641,027	671,116
Commercial real estate	306,096	259,633
Construction	51,353	85,546
Junior liens	31,008	25,422
Commercial and industrial	24,159	16,311
Consumer and other	126,306	7,211
Total loans	1,690,532	1,583,482
Less: Allowance for credit losses on loans ⁽¹⁾	14,392	12,965
Loans receivable, net	\$ 1,676,140	\$ 1,570,517

(1) For more information, see Note 4 - Allowance for Credit Losses.

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Loans are recorded at amortized cost, which includes principal balance, net deferred fees or costs, premiums and discounts. The Company elected to exclude accrued interest receivable from amortized cost. Accrued interest receivable is reported separately in the consolidated balance sheets and totaled \$8.3 million and \$6.7 million at December 31, 2025 and December 31, 2024, respectively. Loan origination fees and certain direct loan origination costs are deferred and the net fee or cost is recognized in interest income as an adjustment of yield. At December 31, 2025 and December 31, 2024, net deferred loan fees totaled \$2.3 million and \$2.0 million, respectively.

The portfolio classes in the above table have unique risk characteristics with respect to credit quality:

- Payment on multifamily and commercial real estate mortgages is driven principally by operating results of the managed properties or underlying business and secondarily by the sale or refinance of such properties. Both primary and secondary sources of repayment and the value of the properties in liquidation, may be affected to a greater extent by adverse conditions in the real estate market or the economy in general.
- Properties underlying construction loans often do not generate sufficient cash flows to service debt and thus repayment is subject to the ability of the borrower and, if applicable, guarantors, to complete development or construction of the property and carry the project, often for extended periods of time. As a result, the performance of these loans is contingent upon future events whose probability at the time of origination is uncertain.
- Commercial and industrial (“C&I”) loans include C&I revolving lines of credit, term loans, SBA 7a loans and to a lesser extent, Paycheck Protection Program (“PPP”) loans. Payments on C&I loans are driven principally by the cash flows of the businesses and secondarily by the sale or refinance of any collateral securing the loans. Both the cash flow and value of the collateral in liquidation may be affected by adverse general economic conditions.
- The ability of borrowers to service debt in the residential and junior liens portfolios is generally subject to personal income which may be impacted by general economic conditions, such as increased unemployment levels. These loans are predominately collateralized by first and second liens on single family properties. If a borrower cannot maintain the loan, the Company’s ability to recover against the collateral in sufficient amount and in a timely manner may be significantly influenced by market, legal and regulatory conditions.
- The consumer loan portfolio primarily includes loans purchased from Bankers Healthcare Group, LLC (“BHG”). BHG originates loans nationwide to licensed or unlicensed or otherwise skilled business professionals for business development, practice improvement, debt consolidation, working capital, equipment purchases and, occasionally, business purchases. BHG typically originates loans at fixed interest rates and without a prepayment penalty provision. BHG both underwrites and funds the loans, which are unsecured. When we purchase loans from BHG, we purchase 100% of the loans and BHG establishes a reserve deposit account with the Bank equal to 3% of the loan balance, which Management has determined to be sufficient to cover any expected losses in the loan pools. BHG services the loan, remitting payments monthly to the Bank. If a loan becomes delinquent, BHG handles all collection activity and bears all associated costs. During the delinquency period, loan payments are withdrawn from the reserve deposit account and replaced when delinquent payments are collected. If a loan becomes 90 days delinquent, the company requests a replacement or reimbursement of the loan amount due. BHG has been reimbursing the Company as requested.

Credit Quality Indicators

The Company categorizes loans into risk categories based on relevant information about the quality and realizable value of collateral, if any, and the ability of borrowers to service their debts such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company analyzes loans individually by classifying the loans by credit risk. This analysis is performed whenever credit is extended, renewed, or modified, or when an observable event occurs indicating a potential decline in credit quality, and no less than annually for large balance loans. The Company used the following definitions for risk ratings for loan classification:

Pass – Loans classified as pass are loans performing under the original contractual terms, do not currently pose any identified risk and can range from the highest to pass/watch quality, depending on the degree of potential risk.

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Special Mention – Loans classified as special mention have a potential weakness that deserves management’s close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or the Company’s credit position at some future date.

Substandard – Loans classified as substandard are inadequately protected by the current sound worth and paying capacity of the obligor, or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the repayment and liquidation of the debt. They are characterized by a distinct possibility that the Company will sustain some loss if the deficiencies are not corrected.

Doubtful – Loans classified as doubtful have all the weaknesses inherent in those classified as Substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions, and values, highly questionable and improbable.

Loss – Assets classified as loss are considered uncollectible and of such little value that their continuance as bankable assets is not warranted. This classification does not mean that the asset has absolutely no recovery or salvage value, but rather that it is not practical or desirable to defer writing off the asset even though partial recovery may be effected in the future.

The following table presents the risk category of loans by class of loan and vintage as of December 31, 2025:

	Term Loans by Origination Year						Revolving Loans	Total
	2025	2024	2023	2022	2021	Pre-2021		
	(in thousands)							
Residential								
Pass	\$ 48,171	\$ 21,836	\$ 12,228	\$ 82,194	\$ 94,621	\$ 246,512	\$ —	\$ 505,562
Substandard	—	—	—	—	330	4,691	—	5,021
Total	48,171	21,836	12,228	82,194	94,951	251,203	—	510,583
Multifamily								
Pass	35,008	15,550	16,698	265,813	124,777	177,426	—	635,272
Substandard	—	—	—	5,319	—	436	—	5,755
Total	35,008	15,550	16,698	271,132	124,777	177,862	—	641,027
Commercial real estate								
Pass	71,145	22,901	26,477	113,256	14,182	57,387	—	305,348
Special mention	—	—	—	—	—	748	—	748
Total	71,145	22,901	26,477	113,256	14,182	58,135	—	306,096
Construction								
Pass	28,401	18,160	—	4,792	—	—	—	51,353
Total	28,401	18,160	—	4,792	—	—	—	51,353
Junior liens								
Pass	7,691	5,719	4,039	4,995	1,176	7,146	—	30,766
Substandard	—	—	59	—	39	144	—	242
Total	7,691	5,719	4,098	4,995	1,215	7,290	—	31,008
Commercial and industrial								
Pass	15,263	2,066	4,893	84	1,413	—	—	23,719
Substandard	—	—	440	—	—	—	—	440
Total	15,263	2,066	5,333	84	1,413	—	—	24,159
Consumer and other								
Pass	121,081	5,213	—	—	—	—	12	126,306
Total	121,081	5,213	—	—	—	—	12	126,306
Total gross loans	\$ 326,760	\$ 91,445	\$ 64,834	\$ 476,453	\$ 236,538	\$ 494,490	\$ 12	\$ 1,690,532

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The following table presents the risk category of loans by class of loan and vintage as of December 31, 2024:

	Term Loans by Origination Year						Revolving Loans	Total
	2024	2023	2022	2021	2020	Pre-2020		
	(in thousands)							
Residential								
Pass	\$ 24,396	\$ 12,941	\$ 90,735	\$ 101,928	\$ 13,851	\$ 269,751	\$ —	\$ 513,602
Special mention	—	—	—	—	—	264	—	264
Substandard	—	—	225	—	—	4,152	—	4,377
Total	24,396	12,941	90,960	101,928	13,851	274,167	—	518,243
Multifamily								
Pass	15,690	16,933	272,345	147,322	34,541	178,799	—	665,630
Special mention	—	—	5,368	—	—	—	—	5,368
Substandard	—	—	—	—	—	118	—	118
Total	15,690	16,933	277,713	147,322	34,541	178,917	—	671,116
Commercial real estate								
Pass	35,728	26,636	115,871	14,489	14,633	51,448	—	258,805
Special mention	—	—	—	—	—	828	—	828
Total	35,728	26,636	115,871	14,489	14,633	52,276	—	259,633
Construction								
Pass	6,300	26,409	35,342	17,495	—	—	—	85,546
Total	6,300	26,409	35,342	17,495	—	—	—	85,546
Junior liens								
Pass	5,833	4,655	5,154	1,102	222	8,264	—	25,230
Special mention	—	—	—	—	—	43	—	43
Substandard	—	—	—	—	—	149	—	149
Total	5,833	4,655	5,154	1,102	222	8,456	—	25,422
Commercial and industrial								
Pass	7,603	5,730	95	2,305	—	—	—	15,733
Substandard (1)	—	563	—	15	—	—	—	578
Total	7,603	6,293	95	2,320	—	—	—	16,311
Consumer and other								
Pass	7,186	—	—	—	—	—	25	7,211
Total	7,186	—	—	—	—	—	25	7,211
Total gross loans	\$ 102,736	\$ 93,867	\$ 525,135	\$ 284,656	\$ 63,247	\$ 513,816	\$ 25	\$ 1,583,482

(1) Balance in 2021 represents PPP loans which carry the federal guarantee of the SBA.

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Past Due and Non-accrual Loans

The following table presents the recorded investment in past due and current loans by loan portfolio class as of December 31, 2025 and 2024:

	30-59 Days Past Due	60-89 Days Past Due	90 Days and Greater Past Due	Total Past Due	Current	Total Loans Receivable
(In thousands)						
<u>December 31, 2025</u>						
Residential	\$ 3,183	\$ 44	\$ 4,002	\$ 7,229	\$ 503,354	\$ 510,583
Multifamily	—	1,036	5,669	6,705	634,322	641,027
Commercial real estate	—	—	—	—	306,096	306,096
Construction	—	—	—	—	51,353	51,353
Junior liens	—	—	144	144	30,864	31,008
Commercial and industrial	2,001	—	—	2,001	22,158	24,159
Consumer and other	—	—	—	—	126,306	126,306
Total	<u>\$ 5,184</u>	<u>\$ 1,080</u>	<u>\$ 9,815</u>	<u>\$ 16,079</u>	<u>\$ 1,674,453</u>	<u>\$ 1,690,532</u>
<u>December 31, 2024</u>						
Residential	\$ 3,085	\$ 315	\$ 3,892	\$ 7,292	\$ 510,951	\$ 518,243
Multifamily	303	—	—	303	670,813	671,116
Commercial real estate	774	—	—	774	258,859	259,633
Construction	—	—	—	—	85,546	85,546
Junior liens	—	—	149	149	25,273	25,422
Commercial and industrial	—	563	15	578	15,733	16,311
Consumer and other	—	—	—	—	7,211	7,211
Total	<u>\$ 4,162</u>	<u>\$ 878</u>	<u>\$ 4,056</u>	<u>\$ 9,096</u>	<u>\$ 1,574,386</u>	<u>\$ 1,583,482</u>

BLUE FOUNDRY BANCORP
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The following table presents information on non-accrual loans at December 31, 2025 and 2024:

<u>December 31, 2025</u>	Non-accrual	Interest Income Recognized on Non- accrual Loans	Amortized Cost Basis of Loans \geq 90 Days Past Due and Still Accruing	Amortized Cost Basis of Non-accrual Loans Without Related Allowance
	(In thousands)			
Residential	\$ 5,021	\$ 65	\$ —	\$ 5,021
Multifamily	5,669	—	—	5,669
Junior liens	242	13	—	242
Commercial and industrial	440	19	—	440
Total	<u>\$ 11,372</u>	<u>\$ 97</u>	<u>\$ —</u>	<u>\$ 11,372</u>
<u>December 31, 2024</u>				
Residential	\$ 4,377	\$ 19	\$ —	\$ 4,377
Multifamily	—	7	—	—
Junior liens	149	7	—	149
Commercial and industrial	578	—	—	578
Total	<u>\$ 5,104</u>	<u>\$ 33</u>	<u>\$ —</u>	<u>\$ 5,104</u>

The Company had no loans held-for-sale at December 31, 2025 and 2024. Gains and losses on sales of loans are specifically identified and accounted for in accordance with U.S. GAAP.

Modifications made to borrowers experiencing financial difficulty may include principal forgiveness, interest rate reductions, other than insignificant payment delays, terms extensions or a combination thereof intended to minimize economic loss and to avoid foreclosure or repossession of collateral. If the borrower has demonstrated performance under the previous terms and our underwriting process show the borrower has the capacity to continue to perform under the restructured terms, the loan will continue to accrue interest.

The following table presents the amortized cost basis at December 31, 2025, of loan modifications to borrowers experiencing financial difficulty during 2025, disaggregated by type of modification.

	Payment Delays	Term Extensions	Total Principal	% of Total Class of Loans
	(Dollars in thousands)			
Residential	\$ 280	\$ —	\$ 280	0.05 %
Total	<u>\$ 280</u>	<u>\$ —</u>	<u>\$ 280</u>	<u>0.02 %</u>

Types of Modifications	
Junior liens	Term extension of 68 months
Commercial and industrial	Deferral of three payments

BLUE FOUNDRY BANCORP
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The following table presents the amortized cost basis at December 31, 2024, of loan modifications to borrowers experiencing financial difficulty during 2024, disaggregated by type of modification.

	Payment Delays	Term Extensions	Total Principal	% of Total Class of Loans
	(Dollars in thousands)			
Junior liens	\$ —	\$ 43	\$ 43	0.17 %
Commercial and industrial	563	—	563	3.45
Total	\$ 563	\$ 43	\$ 606	0.04 %

Types of Modifications

Junior liens	Term extension of 68 months
Commercial and industrial	Deferral of three payments

The Company closely monitors the performance of modified loans to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following table presents the payment status and amortized cost basis at December 31, 2025, of loans that were modified during the 12-month period ended December 31, 2025.

	Current	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due	Non-Accrual	Total
	(In thousands)					
Residential	\$ 280	\$ —	\$ —	\$ —	\$ —	\$ 280
Total	\$ 280	\$ —	\$ —	\$ —	\$ —	\$ 280

The following table presents the payment status and amortized cost basis at December 31, 2024, of loans that were modified during the 12-month period ended December 31, 2024.

	Current	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due	Non-Accrual	Total
	(In thousands)					
Junior liens	\$ 43	\$ —	\$ —	\$ —	\$ —	\$ 43
Commercial and industrial	—	—	—	—	563	563
Total	\$ 43	\$ —	\$ —	\$ —	\$ 563	\$ 606

The Company had \$4.0 million and \$3.7 million in consumer mortgage loans secured by residential real estate properties for which foreclosure proceedings are in process at December 31, 2025 and 2024, respectively. At December 31, 2025 and December 31, 2024, the Company had no real estate owned.

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NOTE 4 - ALLOWANCE FOR CREDIT LOSSES

Allowance for Credit Losses - Loans

The allowance for credit losses on loans is summarized in the following table:

	2025	2024
	(In thousands)	
Balance at beginning of period	\$ 12,965	\$ 14,154
Charge-offs	(63)	(56)
Recoveries	13	11
Net charge-offs	(50)	(45)
(Recovery of) provision for credit loss on loans	1,477	(1,144)
Balance at end of period	<u>\$ 14,392</u>	<u>\$ 12,965</u>

The following tables present the activity in the Company's allowance for credit losses by class of loans for 2025 and 2024:

	Balance at December 31, 2024	Charge-offs	Recoveries	Provision for Credit Loss - Loans	Balance at December 31, 2025
	(In thousands)				
Residential	\$ 1,989	\$ —	\$ —	\$ 205	\$ 2,194
Multifamily	6,609	—	—	38	6,647
Commercial real estate	3,641	—	—	635	4,276
Construction	460	—	—	440	900
Junior liens	109	—	—	50	159
Commercial and industrial	157	(2)	—	61	216
Consumer and other (1)	—	(61)	13	48	—
Total	<u>\$ 12,965</u>	<u>\$ (63)</u>	<u>\$ 13</u>	<u>\$ 1,477</u>	<u>\$ 14,392</u>

(1) Purchased consumer loans are cash-collateralized to an amount that exceeds management's calculation of expected credit losses and, therefore do not have an allowance for credit losses as of December 31, 2025.

The commercial and industrial charge-off relates to a loan originated in 2021. Consumer and other charge-offs relate to overdrafts, which were originated in the fourth quarter of 2024 or in 2025, as it is our policy to charge these off within 60 days of occurrence.

BLUE FOUNDRY BANCORP
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	Balance at December 31, 2023	Charge-offs	Recoveries (In thousands)	(Recovery of) Provision for Loan Loss	Balance at December 31, 2024
Residential	\$ 1,968	\$ —	\$ —	\$ 21	\$ 1,989
Multifamily	7,046	—	—	(437)	6,609
Commercial real estate	3,748	—	—	(107)	3,641
Construction	1,222	—	—	(762)	460
Junior liens	76	—	—	33	109
Commercial and industrial	94	—	—	63	157
Consumer and other (1)	—	(56)	11	45	—
Total	\$ 14,154	\$ (56)	\$ 11	\$ (1,144)	\$ 12,965

(1) Purchased consumer loans are cash-collateralized to an amount that exceeds management's calculation of expected credit losses and, therefore do not have an allowance for credit losses as of December 31, 2024.

Consumer and other charge-offs relate to overdrafts, which were originated in the fourth quarter of 2023 or in 2024, as it is our policy to charge these off within 60 days of occurrence.

The following table represents the allocation of allowance for credit losses on loans and the related recorded investment, including deferred fees and costs, in loans by loan portfolio segment, disaggregated based on the impairment methodology at December 31, 2025 and 2024.

December 31, 2025	Loans			Allowance for Credit Losses on Loans		
	Individually Evaluated	Collectively Evaluated	Total	Individually Evaluated	Collectively Evaluated	Total
	(In thousands)					
Residential	\$ 5,021	\$ 505,562	\$ 510,583	\$ —	\$ 2,194	\$ 2,194
Multifamily	5,669	635,358	641,027	—	6,647	6,647
Commercial real estate	—	306,096	306,096	—	4,276	4,276
Construction	—	51,353	51,353	—	900	900
Junior liens	242	30,766	31,008	—	159	159
Commercial and industrial	440	23,719	24,159	—	216	216
Consumer and other (1)	—	126,306	126,306	—	—	—
Total	\$ 11,372	\$ 1,679,160	\$ 1,690,532	\$ —	\$ 14,392	\$ 14,392

(1) Includes purchased consumer loans that are cash-collateralized to an amount that exceeds management's calculation of expected credit losses and, therefore do not have an allowance for credit losses as of December 31, 2025.

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December 31, 2024	Loans			Allowance for Loan Losses		
	Individually Evaluated	Collectively Evaluated	Total	Individually Evaluated	Collectively Evaluated	Total
	(In thousands)					
Residential	\$ 3,960	\$ 514,283	\$ 518,243	\$ —	\$ 1,989	\$ 1,989
Multifamily	—	671,116	671,116	—	6,609	6,609
Commercial real estate	—	259,633	259,633	—	3,641	3,641
Construction	—	85,546	85,546	—	460	460
Junior liens	—	25,422	25,422	—	109	109
Commercial and industrial	563	15,748	16,311	—	157	157
Consumer and other (1)	—	7,211	7,211	—	—	—
Total	\$ 4,523	\$ 1,578,959	\$ 1,583,482	\$ —	\$ 12,965	\$ 12,965

(1) Includes purchased consumer loans that are cash-collateralized to an amount that exceeds management's calculation of expected credit losses and, therefore do not have an allowance for credit losses as of December 31, 2024.

Allowance for Credit Losses - Securities

At December 31, 2025 and 2024, the balance of the allowance for credit losses on securities was \$91 thousand and \$98 thousand, respectively. For 2025 and 2024, the Company recorded a decrease in provision for credit losses on held-to-maturity securities of \$7 thousand and \$60 thousand, respectively. Accrued interest receivable on securities is reported as a component of accrued interest receivable on the consolidated balance sheet and totaled \$1.0 million and \$1.4 million at December 31, 2025 and 2024, respectively. The Company made the election to exclude accrued interest receivable from the estimate of credit losses on securities.

Allowance for Credit Losses - Off-Balance-Sheet Exposures

The allowance for credit losses on off-balance-sheet exposures is reported in other liabilities in the consolidated balance sheets. The liability represents an estimate of expected credit losses arising from off-balance-sheet exposures such as letters of credit, guarantees and unfunded loan commitments and unfunded lines. The process for measuring lifetime expected credit losses on these exposures is consistent with that for loans as discussed above, but is subject to an additional estimate reflecting the likelihood that funding will occur. No liability is recognized for off-balance-sheet credit exposures that are unconditionally cancellable by the Company. Adjustments to the liability are reported as a component of provision for credit losses.

At December 31, 2025 and December 31, 2024, the balance of the allowance for credit losses for off-balance-sheet exposures was \$810 thousand and \$157 thousand, respectively. The Company recorded a provision for credit losses on off-balance-sheet exposures of \$653 thousand for 2025 and a recovery of provision for credit losses on off-balance-sheet exposures of \$146 thousand for 2024.

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December 31, 2025 and 2024

NOTE 5 – PREMISES AND EQUIPMENT

Premises and equipment, net, at December 31, 2025 and 2024, are summarized as follows:

	2025	2024
	(In thousands)	
Land	\$ 3,058	\$ 3,058
Buildings and improvements	18,598	18,598
Leasehold improvements	15,340	15,325
Furnishings and equipment	11,040	11,251
Construction in progress	—	72
	48,036	48,304
Accumulated depreciation and amortization	(21,206)	(18,818)
	<u>\$ 26,830</u>	<u>\$ 29,486</u>

Construction-in-progress consists of deposits made related to the construction of branch improvements and the purchase of furnishings and equipment.

Depreciation and amortization of premises and equipment was \$3.0 million and \$3.1 million for the years ended December 31, 2025 and 2024, respectively.

NOTE 6 – LEASES

The Company leases certain office space, land and equipment under operating leases. These leases have original terms ranging from one year to 40 years. Operating lease liabilities and right-of-use assets are recognized at the lease commencement date based on the present value of the future minimum lease payments over the lease term.

The Company had the following related to leases:

	December 31,	
	2025	2024
	(Dollars in thousands)	
Right-of-use assets	\$ 21,705	\$ 23,470
Lease liabilities	23,432	25,168
Weighted average remaining lease term for operating leases	8.4 years	9.4 years
Weighted average discount rate used in the measurement of lease liabilities	2.58 %	2.54 %

The following table is a summary of the Company's components of net lease cost for the year ended December 31, 2025 and 2024. The variable lease cost primarily represents variable payments such as common area maintenance and utilities.

	Year Ended December 31,	
	2025	2024
	(In thousands)	
Operating lease cost	\$ 3,560	\$ 3,517
Variable lease cost	303	310
Total lease cost included as a component of occupancy and equipment	<u>\$ 3,863</u>	<u>\$ 3,827</u>

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The following table presents supplemental cash flow information related to operating leases:

	Year Ended December 31,	
	2025	2024
	(In thousands)	
Cash paid for amounts included in the measurement of operating lease liabilities:		
Operating cash flows from operating leases	\$ 3,834	\$ 3,734
Operating lease liabilities arising from obtaining right-of-use assets (non-cash):		
Operating leases	\$ 1,163	\$ 1,173

Future undiscounted lease payments for operating leases with initial terms of one year or more as of December 31, 2025 are as follows:

	(In thousands)
2026	\$ 3,554
2027	3,448
2028	3,111
2029	3,025
2030	2,529
Thereafter	10,305
Total undiscounted lease payments	25,972
Less: imputed interest	2,540
Total	\$ 23,432

NOTE 7 – DEPOSITS

Deposits at December 31, 2025 and December 31, 2024 are summarized as follows:

	December 31, 2025	Weighted Average Rate	December 31, 2024	Weighted Average Rate
	(Dollars in thousands)			
Non-interest bearing deposits	\$ 26,878	— %	\$ 26,001	— %
NOW and demand accounts	489,163	1.76 %	369,554	1.39 %
Savings	213,444	1.02 %	240,426	1.15 %
Time deposits	780,390	3.58 %	707,339	4.27 %
Total	\$ 1,509,875	2.56 %	\$ 1,343,320	2.81 %

Money market accounts are included within the NOW and demand accounts and savings captions. Included in time deposits are brokered deposits totaling \$275.0 million at December 31, 2025 and \$155.0 million at December 31, 2024.

Time deposits mature as follows for the year ending December 31:

	(In thousands)
2026	\$ 766,317
2027	5,530
2028	3,059
2029	2,052
2030	3,432
	\$ 780,390

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The aggregate amount of time deposits that meet or exceed \$250,000 at December 31, 2025 and 2024, were \$127.9 million and \$135.7 million, respectively. Related party (principal officers, directors, and their affiliates) deposits as of December 31, 2025 and 2024, totaled \$2.5 million and \$2.7 million respectively.

Interest expense on deposits is summarized as follows (in thousands):

	Year Ended December 31,	
	2025	2024
	(In thousands)	
NOW and demand accounts	\$ 6,898	\$ 5,051
Savings	2,555	2,752
Time deposits	27,594	29,027
Total	\$ 37,047	\$ 36,830

NOTE 8 – BORROWINGS

Advances from the FHLB are fixed-rate, term borrowings with remaining maturities ranging from one month to six months. At December 31, 2025, FHLB advances totaled \$301.0 million with a weighted average interest rate of 4.10% and at December 31, 2024, FHLB advances totaled \$339.5 million with a weighted average interest rate of 4.47%. Each advance is payable at its maturity date with a prepayment penalty if repayment is made prior to the maturity date. Advances are secured by loans pledged at the FHLB totaling \$619.2 million and \$614.0 million as of December 31, 2025 and 2024, respectively.

Advances mature as follows:

Maturity	Rate Range	Weighted Average Rate (1)	Amount
			(In thousands)
2026	3.79% — 4.80%	4.10%	\$ 301,000
		4.10%	\$ 301,000

(1) The weighted average rate excludes the effect of our derivative contracts. See Note 12 - Derivatives.

NOTE 9 – BENEFIT PLANS

401(k) Plan

The Company has a savings plan under Section 401(k) of the Internal Revenue Code, which covers substantially all employees upon employment who have attained the age of 18. Under the plan, employee contributions are partially matched by the Company at its sole discretion. Company contributions for the years ended December 31, 2025 and 2024 were \$774 thousand and \$810 thousand, respectively.

SERPs, Directors' Plan and Other Postretirement Benefits Plan

The Company maintains an Executive Supplemental Income Retirement Plan ("SERP") for certain employees and a Director Retirement Plan ("DRP"). As the SERP and DRP plans are unfunded, there are no plan assets associated with these plans. During 2022, the DRP plan was amended to curtail the plan to the current participants and to establish fixed payments to the participant in the plan.

The Company provides certain health insurance benefits for retired employees and directors meeting plan eligibility requirements. Effective January 1, 2019, the employee postretirement health benefit plan was curtailed, leaving only 12 retired participants and beneficiaries remaining in the plan. Active participants who met certain requirements received payments in lieu of future benefits. The plans are unfunded as of December 31, 2025 and 2024, and the obligation is included in other liabilities as an accrued postretirement benefit cost.

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The following table sets forth the changes in benefit obligation, changes in plan assets and a reconciliation of the unfunded status and the assumptions used in determining the net periodic cost included in the accompanying consolidated financial statements for the Company's post retirement plans. The measurement date for the post retirement plans was December 31 for each year presented.

	SERP and DRP		Post Retirement	
	2025	2024	2025	2024
	(In thousands)			
Change in benefit obligation:				
Projected benefit obligation at beginning of year	\$ 2,852	\$ 2,903	\$ 1,157	\$ 1,047
Service cost	89	102	—	—
Interest cost	164	151	59	48
Actuarial (gain) loss	159	(16)	254	153
Benefits paid	(296)	(288)	(99)	(91)
Projected benefit obligation at end of year	\$ 2,968	\$ 2,852	\$ 1,371	\$ 1,157
Reconciliation of plan assets:				
Fair value of plan assets at beginning of year	—	—	—	—
Employer contributions	296	288	99	91
Benefits and Settlements paid	(296)	(288)	(99)	(91)
Fair value of plan assets at end of year	\$ —	\$ —	\$ —	\$ —
Unfunded status	\$ 2,968	\$ 2,852	\$ 1,371	\$ 1,157

Amounts recognized in accumulated other comprehensive income at December 31, ignoring tax effects, consist of:

	SERP and DRP		Post Retirement	
	2025	2024	2025	2024
	(In thousands)			
Unrecognized net actuarial loss (gain)	\$ 432	\$ 313	\$ (151)	\$ (431)
Unrecognized prior service cost	4	10	—	—
Total accumulated other comprehensive loss (gain)	\$ 436	\$ 323	\$ (151)	\$ (431)

The weighted average assumptions used in the determination of benefit obligations as of December 31 were as follows:

	SERP and DRP		Post Retirement	
	2025	2024	2025	2024
Discount rate	4.73 %	5.18 %	5.04 %	5.34 %

The weighted-average assumptions used in the determination of net periodic benefit cost were as follows:

	SERP and DRP		Post Retirement	
	2025	2024	2025	2024
Discount rate	5.08 %	4.54 %	5.24 %	4.64 %
Expected rate of return on plan assets	N/A	N/A	N/A	N/A

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The components of net periodic benefit cost and other amounts recognized in other comprehensive income were as follows for the years ended December 31, 2025 and 2024:

	SERP and DRP		Post Retirement	
	2025	2024	2025	2024
	(In thousands)			
Service cost	\$ 89	\$ 102	\$ —	\$ —
Interest cost	164	151	59	48
Prior Service Cost	5	5	—	—
Amortization:				
Net loss (gain)	39	46	(26)	(42)
Net periodic benefit cost	\$ 297	\$ 304	\$ 33	\$ 6

The components of net periodic benefit cost other than the service cost component are included in “other non-interest expense” in the Statement of Operations. The estimated net loss and prior service cost for the post-retirement plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost during 2026 are \$67 thousand and \$4 thousand, respectively.

The benefits expected to be paid in each of the next five years and the aggregate for the five years thereafter are as follows:

	SERP and DRP		Post- Retirement	
	(In thousands)			
2026	\$ 286	\$ 117		
2027	264	118		
2028	243	118		
2029	241	117		
2030	213	116		
Years 2031 - 2035	963	548		

NOTE 10 - STOCK-BASED COMPENSATION

Employee Stock Ownership Plan

The Company maintains an Employee Stock Ownership Plan (“ESOP”), a tax-qualified plan designed to invest primarily in the Company’s common stock. The ESOP provides employees with the opportunity to receive a funded retirement benefit from the Bank, based primarily on the value of the Company’s common stock.

The ESOP borrowed funds from the Company to purchase 2,281,800 shares of stock at \$10 per share. The loan is secured by the shares purchased, which are held until allocated to participants. Shares are released for allocation to participants as loan payments are made. Loan payments are principally funded by discretionary cash contributions by the Bank, as well as dividends, if any, paid to the ESOP on unallocated shares. When loan payments are made, ESOP shares are allocated to participants at the end of the plan year (December 31) based on relative compensation, subject to federal tax law limits. Participants receive the allocated vested shares at the end of employment. Dividends on allocated shares, if any, increase participants accounts.

At December 31, 2025 and 2024, the principal balance on the ESOP loan was \$19.3 million and \$19.9 million, respectively. Contributions to the ESOP during the years ended December 31, 2025 and 2024, totaled \$677 thousand and \$655 thousand, respectively. ESOP compensation expense is recognized over the service period and represents the fair value of shares allocated during the year. For the years ended December 31, 2025 and 2024, ESOP compensation expense was \$871 thousand and \$892 thousand, respectively.

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Shares held by the ESOP were as follows:

	December 31, 2025	December 31, 2024
	(Dollars in thousands)	
Shares allocated to participants	456,360	365,088
Unallocated shares	1,825,440	1,916,712
Total ESOP shares	2,281,800	2,281,800
Fair value of unallocated shares	\$ 22,690	\$ 18,803

The fair value of the unallocated shares was computed using the closing trading price of the Company's common stock on each date.

Equity Incentive Plan

At the annual meeting held on August 25, 2022, shareholders of the Company approved the Blue Foundry Bancorp 2022 Equity Incentive Plan ("Equity Plan") which provides for the granting of up to 3,993,150 shares (1,140,900 restricted stock awards and 2,852,250 stock options) of the Company's common stock.

Restricted shares granted under the Equity Plan generally vest in equal installments, over a service period between five and seven years beginning one year from the date of grant. Additionally, certain restricted shares awarded can be performance vesting awards, which may or may not vest depending upon the attainment of certain corporate financial targets. The vesting of the awards accelerate upon death, disability or an involuntary termination at or following a change in control. The product of the number of shares granted and the grant date closing market price of the Company's common stock determine the fair value of restricted shares under the Equity Plan. Management recognizes compensation expense for the fair value of time-based restricted shares on a straight-line basis over the requisite service period. Performance based awards are expensed based on the fair value of the shares and the probability of achieving the performance goals.

During 2025, the Company granted to directors and employees, under the 2022 Equity Incentive Plan, 38,500 restricted stock awards with a total grant-date fair value of \$367 thousand. These grants vest in equal installments between three years and five years from the date of grant. During 2024, the Company granted to directors and employees, under the 2022 Equity Incentive Plan, 213,880 restricted stock awards with a total grant-date fair value of \$2.1 million. These grants vest in equal installments between one year and six years from the date of grant.

There were no performance based shares granted during the twelve months ended December 31, 2025. In 2024, the Company issued 193,070 performance-based restricted stock awards to its officers with a total grant date fair value of \$1.8 million. Vesting of the performance-based restricted stock units will be based on achievement of certain levels of loan growth, deposit growth and net interest margin and will convert to a four-year time vest after the three-year measurement period ending December 31, 2026. At the end of the performance period, the number of actual shares to be awarded may vary between 0% and 100% of target amounts. There were no performance based shares granted during the twelve months ended December 31, 2025.

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The following is a summary of the Company's restricted stock shares activity and related information for the year ended December 31, 2025:

	Number of Shares Awarded	Weighted Average Grant Date Fair Value
Outstanding - December 31, 2024	786,764	\$ 10.78
Granted	38,500	9.54
Vested	(136,483)	11.19
Forfeited	(66,691)	10.40
Outstanding - December 31, 2025	<u>622,090</u>	<u>\$ 10.66</u>

Expected future expense relating to the non-vested restricted shares outstanding as of December 31, 2025 is \$5.3 million over a weighted average period of 3.5 years.

Stock options granted under the Equity Plan generally vest in equal installments, over a service period between five and seven years beginning one year from the date of grant. The vesting of the options accelerate upon death, disability or an involuntary termination at or following a change in control. Stock options were granted at an exercise price equal to the fair value of the Company's common stock on the grant date based on the closing market price and have an expiration period of ten years.

No stock options were granted during the twelve months ended December 31, 2025.

During the twelve months ended December 31, 2024, the Company granted the 96,266 stock options. The fair value of stock options granted during 2024 were estimated utilizing the Black-Scholes option pricing model: an expected life of 6.5 years, risk-free rate of 4.11%, volatility of 32.63% and a dividend yield of 0.82%. Due to the limited historical information of the Company's stock, management considered the weighted historical volatility of the Company and similar entities for an appropriate period in determining the volatility rate used in the estimation of fair value. The expected life of the stock option was estimated using the simplified method. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. The Company recognizes compensation expense for the fair values of these awards, which have straight-line vesting, on a straight-line basis over the requisite service period of the awards. Upon exercise of vested options, management expects to draw on treasury stock as the source for shares.

The following is a summary of the Company's stock option activity and related information for the year ended December 31, 2025:

	Number of Stock Options	Weighted Average Grant Date Fair Value	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Outstanding -December 31, 2024	2,291,686	\$ 4.09	\$ 11.57	8.8
Exercised	(1,857)	12.74	11.69	
Forfeited	(114,215)	4.25	11.69	
Expired	(45,285)	4.25	11.69	
Outstanding -December 31, 2025	<u>2,130,329</u>	<u>\$ 4.07</u>	<u>\$ 11.56</u>	<u>7.1</u>
Exercisable - December 31, 2025	<u>1,021,917</u>			

Expected future expense relating to the non-vested options outstanding as of December 31, 2025 is \$4.1 million over a weighted average period of 3.3 years.

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The following table presents the share-based compensation expense for the years ended December 31, 2025 and 2024.

	2025	2024
	(In thousands)	
Stock option expense	\$ 1,406	\$ 1,461
Restricted stock expense	1,715	1,704
Total share-based compensation expense	\$ 3,121	\$ 3,165

NOTE 11 – INCOME TAXES

There was no current and deferred income tax expense for the years ended December 31, 2025, and 2024 due to the net loss for both years. There was no tax benefit due to the full valuation allowance on the net deferred tax assets. Additionally, the Company had no income tax payments or refunds during the 2025 and 2024 periods.

There was no income from foreign countries for the years ended December 31, 2025, and 2024.

The following table presents required disclosure pursuant to ASU 2023-09 and reconciles the U.S. Federal statutory tax amount for the year ended December 31, 2025:

	Amount	Percent
	(In thousands)	
U.S Federal Statutory Tax rate	\$ (2,105)	(21.00)%
State and local taxes, net of federal income tax effect (1)	—	— %
Changes in Valuation Allowance	1,652	16.48 %
Non-deductible compensation	205	2.04 %
Stock compensation	125	1.25 %
Transaction costs	281	2.80 %
Other Nontaxable or Nondeductible items, net (2)	(143)	(1.43)%
Other adjustments	(15)	(0.15)%
Total	\$ —	— %

(1) State taxes in New Jersey made up the majority (greater than 50%) of the tax effect of this category.

(2) The other nontaxable or nondeductible items category includes items such as bank owned life insurance, tax exempt income, ESOP adjustments, and other non-deductible expenses. None of those items individually or in the aggregate exceeded the 5% quantitative threshold for separate disclosure.

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The following table presents required disclosure pursuant to ASC 740, Income Taxes, and reconciles the U.S. Federal statutory tax amount for the year ended December 31, 2024:

	(In thousands)
Loss before income tax benefit	\$ (11,911)
Applicable statutory federal income tax rate	21.00 %
Computed "expected" federal income tax benefit	\$ (2,501)
Increase (decrease) in federal income tax expense resulting from:	
State income taxes, net of federal benefit	(835)
Valuation allowance	3,311
Tax-exempt income	(37)
Bank owned life insurance	(102)
Non-deductible compensation	14
ESOP fair market value adjustment	(4)
Stock compensation	145
Other items, net	9
Total	\$ —

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The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2025 and 2024, are as follows:

	2025	2024
	(In thousands)	
Deferred tax assets:		
Allowance for credit losses on loans and REO	\$ 4,273	\$ 3,688
Allowance for losses held-to-maturity securities	22	23
Net unrealized losses on securities available-for-sale	3,996	6,472
Accrued post retirement benefits	1,220	1,128
Accrued interest receivable	202	169
Accrued bonus	312	607
Stock compensation	1,307	962
Premises and equipment	552	393
Finance lease liability	6,587	7,075
Charitable contribution carryover	2,536	2,533
Federal net operating loss carryforward	9,666	8,896
State net operating loss carryforward	3,610	2,956
Other	335	253
Total gross deferred tax assets	34,618	35,155
Deferred tax liabilities:		
Net unrealized gains on derivatives	315	2,689
Deferred loan fees, net	615	563
Unrealized actuarial gains on post retirement benefits	193	99
Finance lease right-of-use asset	6,101	6,597
Other	55	86
Total gross deferred tax liabilities	7,279	10,034
Net deferred tax asset	27,339	25,121
Valuation allowance	(27,339)	(25,121)
Gross deferred tax assets after valuation allowance	\$ —	\$ —

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended December 31, 2025. Such objective evidence limits the ability to consider other subjective evidence, such as our projections for future growth.

On the basis of this evaluation, for the year ended December 31, 2025, a valuation allowance of \$27.3 million has been maintained. The amount of the deferred tax asset considered realizable could be adjusted if estimates of future taxable income increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight is given to subjective evidence such as our projections for growth. Net deferred tax assets are included in other assets.

At December 31, 2025, the Company had federal net operating loss (“NOL”) carryforwards of \$46.7 million with no expiration date. Under the provisions of the 2017 Tax Cuts and Jobs Act, use of our federal NOL carryforwards will be limited to 80% of taxable income in future periods. The Company also had New Jersey net operating loss carryforwards of \$45.9 million, the majority of which expire in 18 years. At this time, we believe it is more likely than not the benefit from both the federal and state NOL carryforwards will not be realized. As such, we have provided a valuation allowance of \$13.3 million on the deferred tax assets related to the NOL carryforwards. The Company contributed \$9.0 million to the Blue Foundry Charitable Foundation in 2021 and the deferred benefit has a five-year carryforward limitation.

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Retained earnings at December 31, 2025 and 2024, includes approximately \$14.6 million, for which no provision for income tax has been made. This amount represents an allocation of income to bad debt deductions for tax purposes only. Events that would result in taxation of these reserves include the failure to qualify as a bank for tax purposes, distributions in complete or partial liquidation, stock redemptions and excess distributions to stockholders.

The Company and its subsidiary are subject to U.S. federal income tax as well as state income taxes, primarily New Jersey. The Company is no longer subject to examination by Federal taxing authorities for tax years before January 1, 2021, and State taxing authorities for tax years before January 1, 2020. Currently, the Company is not under examination by any taxing authority. The Company's New Jersey state tax returns for the tax years ended December 31, 2015 through 2018 were audited during 2021. The completion of this examination did not have a material impact on the Company's effective tax rates and financials.

NOTE 12 – DERIVATIVES

The Company utilizes interest rate swap agreements as part of its asset/liability management strategy to help manage its interest rate risk position. The notional amount of the interest rate swaps does not represent amounts exchanged by the parties. The amount exchanged is determined by reference to the notional amount and the other terms of the individual interest rate swap agreements.

Interest rate swaps with notional amounts totaling \$526.0 million and \$349.0 million at December 31, 2025 and 2024, respectively, were designated as cash flow hedges of certain FHLB advances and brokered deposits. They were determined to be highly effective during all periods presented. The Company expects the hedges to remain highly effective during the remaining terms of the swaps.

Summary information about the interest-rate swaps designated as cash flow hedges as of the dates presented is as follows:

	December 31, 2025	December 31, 2024
	(Dollars in thousands)	
Notional amounts	\$ 526,000	\$ 349,000
Weighted average pay rates	3.30 %	3.12 %
Weighted average receive rates	3.89 %	4.62 %
Weighted average maturity	1.8 years	2.4 years
Gross unrealized gain included in other assets	\$ 3,573	\$ 8,817
Gross unrealized loss included in other liabilities	2,452	453
Unrealized gains (losses), net	<u>\$ 1,121</u>	<u>\$ 8,364</u>

At December 31, 2025, the Company held no cash collateral pledged from the counterparty for these interest-rate swaps and had \$1.6 million in securities pledged to the counterparty. At December 31, 2024, the Company held \$9.0 million of cash collateral pledged from the counterparty for these interest-rate swaps and had no securities pledged to the counterparty.

Interest income or expense recorded on these swap transactions is reported as a component of interest expense on FHLB advances or brokered deposits. Interest income for the years ended December 31, 2025 and 2024 totaled \$4.7 million and \$6.4 million, respectively. At December 31, 2025, the Company expected \$1.1 million of the unrealized gain to be reclassified as a reduction to interest expense during 2026.

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Cash Flow Hedge

The effect of cash flow hedge accounting on accumulated other comprehensive income for the years ended December 31, 2025 and 2024 are as follows:

	Amount of (Loss) Gain Recognized in OCI on Derivative (1)	Location of Gain (Loss) Reclassified from OCI into Income/(Expense)	Amount of Gain Reclassified from OCI to Expense
	(In thousands)		
<u>Year Ended December 31, 2025</u>			
Interest rate contracts	\$ (7,242)	Interest Expense	\$ 4,726
<u>Year Ended December 31, 2024</u>			
Interest rate contracts	\$ 781	Interest Expense	\$ 6,355

(1) Net of tax, adjusted for deferred tax valuation allowance.

NOTE 13 – ACCUMULATED OTHER COMPREHENSIVE INCOME

Accumulated other comprehensive income represents the net unrealized holding gains on securities available-for-sale, derivatives and the funded status of the Company's benefit plans, as of the consolidated balance sheet dates, net of the related tax effect. The tax effect in accumulated other comprehensive income is adjusted to reflect the Company's valuation allowance on deferred tax assets.

The following table presents the components of other comprehensive income both gross and net of tax, inclusive of a deferred tax valuation allowance, for the periods indicated.

	Year Ended December 31,					
	2025			2024		
	Before Tax	Tax Effect	After Tax	Before Tax	Tax Effect	After Tax
	(In thousands)					
Unrealized gain on securities available-for-sale:						
Unrealized gain arising during the period	\$ 10,519	\$ —	\$ 10,519	\$ 3,273	\$ —	\$ 3,273
Unrealized gain on cash flow hedge:						
Unrealized loss arising during the period	(11,968)	—	(11,968)	(5,574)	—	(5,574)
Reclassification adjustment for gains included in net income	4,726	—	4,726	6,355	—	6,355
Total (loss) gain	(7,242)	—	(7,242)	781	—	781
Post-Retirement plans:						
Reclassification adjustment for amortization of:						
Net actuarial loss	(394)	—	(394)	(128)	—	(128)
Total other comprehensive income:	\$ 2,883	\$ —	\$ 2,883	\$ 3,926	\$ —	\$ 3,926

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The following is a summary of the changes in accumulated other comprehensive income by component, net of tax, inclusive of a deferred tax valuation allowance, for the periods indicated:

	Unrealized Gains Cash Flow Hedges	Unrealized Losses on Available-for-sale Securities	Post- Retirement Plans	Total
	(In thousands)			
Balance at December 31, 2024	\$ 8,363	\$ (27,426)	\$ 109	\$ (18,954)
Other comprehensive (loss) income before reclassification	(11,968)	10,519	—	(1,449)
Amounts reclassified from accumulated other comprehensive income (loss)	4,726	—	(394)	4,332
Net current period other comprehensive gain (loss)	(7,242)	10,519	(394)	2,883
Balance at December 31, 2025	<u>\$ 1,121</u>	<u>\$ (16,907)</u>	<u>\$ (285)</u>	<u>\$ (16,071)</u>

	Unrealized Gains on Cash Flow Hedges	Unrealized Losses on Available-for-sale Securities	Post-Retirement Plans	Total
	(In thousands)			
Balance at December 31, 2023	\$ 7,582	\$ (30,699)	\$ 237	\$ (22,880)
Other comprehensive income (loss) before reclassification	(5,574)	3,273	—	(2,301)
Amounts reclassified from accumulated other comprehensive income (loss)	6,355	—	(128)	6,227
Net current period other comprehensive gain (loss)	781	3,273	(128)	3,926
Balance at December 31, 2024	<u>\$ 8,363</u>	<u>\$ (27,426)</u>	<u>\$ 109</u>	<u>\$ (18,954)</u>

The following table presents information about amounts reclassified from accumulated other comprehensive income (loss) to the consolidated statements of operations for the periods indicated:

Details about Accumulated Other Comprehensive Income Components	Year Ended December 31,		Affected Line Item in the Statement Where Net Income is Presented
	2025	2024	
(In thousands)			
Losses on cash flow hedges:			
Interest rate contracts	\$ (4,726)	\$ (6,355)	Interest expense
Amortization of benefit plan items:			
Net actuarial loss	394	128	Compensation and benefits
Total tax effect	—	—	Income tax expense
Total reclassification for the period, net of tax	<u>\$ (4,332)</u>	<u>\$ (6,227)</u>	

NOTE 14 – FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

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

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

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

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

Securities: For securities available-for-sale and equity securities, fair value was estimated using a market approach. The majority of the Company's securities are fixed income instruments that are not quoted on an exchange, but are traded in active markets. Prices for these instruments are obtained through third party data service providers or dealer market participants with which the Company has historically transacted both purchases and sales of securities. Prices obtained from these sources include market quotations and matrix pricing. Matrix pricing, a Level 2 input as defined by ASC 820, is a mathematical technique used principally to value certain securities to benchmark or comparable securities. The Company evaluates the quality of Level 2 matrix pricing through comparison to similar assets with greater liquidity and evaluation of projected cash flows. The Company also holds equity securities and debt instruments issued by the U.S. government and U.S. government sponsored agencies that are traded in active markets with readily accessible quoted market prices that are considered Level 1 inputs.

Derivatives: The fair values of derivatives are based on valuation models using observable market data as of the measurement date (Level 2). The Company's derivatives are traded in an over-the-counter market where quoted market prices are not always available. Therefore, the fair values of derivatives are determined using quantitative models that utilize multiple market inputs. The inputs will vary based on the type of derivative, but could include interest rates, prices and indices to generate continuous yield or pricing curves, prepayment rates, and volatility factors to value the position. The majority of market inputs are actively quoted and can be validated through external sources, including brokers, market transactions and third-party pricing services.

Impaired Loans: The fair value of impaired loans with specific allocations of the allowance for credit losses on loans is generally based on recent real estate appraisals. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value.

Other real estate owned (OREO): Property acquired through foreclosure or deed in lieu of foreclosure is carried at estimated fair value less estimated selling costs of the acquired property. Fair value of OREO is generally based on independent appraisals of the collateral.

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The following table summarizes the fair value of assets and liabilities as of December 31, 2025:

	Fair Value Measurements at December 31, 2025, Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In thousands)			
<u>Measured on a recurring basis:</u>				
Financial assets				
Securities available-for-sale:				
U.S. Treasury Notes	\$ 95,785	\$ 95,785	\$ —	\$ —
Corporate Bonds	40,977	—	40,977	—
U.S. Government agency obligations	567	567	—	—
Obligations issued by U.S. states and their political subdivisions	6,115	—	6,115	—
Mortgage-backed securities:				
Residential	138,176	—	138,176	—
Multifamily	15,691	—	15,691	—
Asset-backed securities	3,916	—	3,916	—
Total securities available-for-sale	301,227	96,352	204,875	—
Derivatives	3,573	—	3,573	—
Total financial assets measured on a recurring basis	\$ 304,800	\$ 96,352	\$ 208,448	\$ —
Financial Liabilities				
Derivatives	\$ 2,452	\$ —	\$ 2,452	\$ —

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The following table summarizes the fair value of assets and liabilities as of December 31, 2024:

	Fair Value Measurements at December 31, 2024, Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In thousands)			
Measured on a recurring basis:				
Financial assets				
Securities available-for-sale				
U.S. Treasury Notes	\$ 40,139	\$ 40,139	\$ —	\$ —
Corporate Bonds	73,154	—	73,154	—
U.S. Government agency obligations	812	812	—	—
Obligations issued by U.S. states and their political subdivisions	6,024	—	6,024	—
Mortgage-backed securities:				
Residential	149,041	—	149,041	—
Multifamily	18,743	—	18,743	—
Asset-backed securities	9,115	—	9,115	—
Total securities available-for-sale	297,028	40,951	256,077	—
Derivatives	8,817	—	8,817	—
Total financial assets measured on a recurring basis	\$ 305,845	\$ 40,951	\$ 264,894	\$ —
Financial Liabilities				
Derivatives	\$ 453	\$ —	\$ 453	\$ —

Other Fair Value Disclosures

Fair value estimates, methods and assumptions for the Company's financial instruments that are not recorded at fair value on a recurring or non-recurring basis are set forth below.

Securities held-to-maturity: The Company's debt securities held-to-maturity portfolio is carried at amortized cost less allowance for credit losses. The fair values of debt securities held-to-maturity are provided by a third-party pricing service. The pricing service may use quoted market prices of comparable instruments or a variety of other forms of analysis, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, benchmark yields, credit spreads, default rates, prepayment speeds and non-binding broker quotes.

Loans, net: Fair values are estimated for portfolios of loans with similar financial characteristics. Loans are segregated by type such as residential mortgage and consumer. Each loan category is further segmented into fixed and adjustable rate interest terms and by performing and non-performing categories. Estimated fair value of loans is determined using a discounted cash flow model that employs an exit discount rate that reflects the current market pricing for loans with similar characteristics and remaining maturity, adjusted for estimated credit losses inherent in the portfolio at the balance sheet date.

Time Deposits: The fair value of time deposits is based on the discounted value of contractual cash flows. The discount rate is estimated using rates for currently offered deposits of similar remaining maturities.

Federal Home Loan advances: The fair value of borrowings is based on securities dealers' estimated fair values, when available, or estimated using discounted cash flow analysis. The discount rates used approximate the rates offered for similar borrowings of similar remaining terms.

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The following tables present the book value, fair value, and placement in the fair value hierarchy of financial instruments not recorded at fair values in their entirety on a recurring basis on the Company's balance sheet at December 31, 2025 and 2024. The fair value measurements presented are consistent with Topic 820, Fair Value Measurement, in which fair value represents exit price.

These tables exclude financial instruments for which the carrying amount approximates fair value. Financial instruments for which the carrying amount approximates fair value include cash and cash equivalents, other investments, non-maturity deposits, overnight borrowings, and accrued interest, and are excluded from the table below.

The carrying amounts and fair value of financial instruments not carried at fair value, at December 31, 2025 and December 31, 2024 are as follows:

	Book Value	Fair Value Measurements at December 31, 2025, Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(In thousands)				
<u>Measured on a non-recurring basis:</u>				
Financial assets				
Corporate bonds	\$ 18,600	\$ —	\$ 17,593	\$ —
Asset-backed securities	8,507	—	8,035	—
Securities held-to-maturity	27,107	—	25,628	—
Loans, net of allowance for credit losses	1,676,140	—	—	1,617,007
Financial liabilities				
Time Deposits	780,390	—	778,910	—
Federal Home Loan Bank advances	\$ 301,000	\$ —	\$ 301,189	\$ —

	Book Value	Fair Value Measurements at December 31, 2024, Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(In thousands)				
<u>Measured on a non-recurring basis:</u>				
Financial assets				
Corporate bonds	\$ 18,600	\$ —	\$ 16,414	\$ —
Asset-backed securities	14,574	—	13,581	—
Securities held-to-maturity	33,174	—	29,995	—
Loans, net of allowance for credit losses	1,570,517	—	—	1,468,929
Financial liabilities				
Time Deposits	707,339	—	705,514	—
Federal Home Loan Bank advances	339,500	—	340,131	—

The fair value of cash and other deposits equals book value. The Company classifies the estimated fair value as Level 1 within the fair value hierarchy.

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NOTE 15 – COMMITMENTS AND CONTINGENCIES

The Company extends credit to meet the financing needs of its customers through commitments and lines of credit. In addition we routinely enter into other commitments in the normal course of business.

The following commitments exist at December 31, 2025 and 2024, which are not reflected in the accompanying consolidated financial statements:

	December 31, 2025	December 31, 2024
	(In thousands)	
Origination of mortgage loans:		
Fixed rate	\$ 60	\$ 1,540
Variable rate	18,890	19,368
Origination of commercial and industrial loans	5,325	—
Undisbursed home equity credit lines	43,241	41,278
Undisbursed construction credit lines	80,201	25,805
Undisbursed commercial credit lines	625	445
Performance standby letters of credit	671	671
Overdraft protection credit lines	27,334	17,049
Commitments to purchase investments	445	670

These instruments involve elements of credit and interest rate risk in excess of the amount recognized in the consolidated financial statements. The Company uses the same credit policies and collateral requirements in making commitments and conditional obligations as it does for on-balance-sheet loans. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company has no exposure to credit loss if the customer does not exercise its rights to borrow under the commitment. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Company upon extension of credit, is based on management's credit evaluation of the borrower.

The Company issues financial standby letters of credit that are within the scope of ASC 460, *Guarantees*. These are irrevocable undertakings of the Company to guarantee payment of a specified financial obligation. Most of the Company's standby letters of credit arise in connection with lending relationships and generally have terms of one year or less, or are issued in lieu of security deposits. The maximum potential future payments the Company could be required to make equals the contract amount of the standby letters of credit.

NOTE 16 – REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

All of the Company's revenue from contracts with customers in the scope of ASC 606 is recognized within non-interest income in the Statement of Operations.

The following table presents the Company's sources of revenue from contracts with customers for the years ended December 31, 2025 and 2024, respectively.

	Year Ended December 31,	
	2025	2024
	(In thousands)	
Service charges on deposits	\$ 245	\$ 235
Interchange income	561	545
Total revenue from contracts with customers	\$ 806	\$ 780

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Service Charges on Deposit Accounts: The Company earns fees from its deposit customers for transaction-based account maintenance. Transaction based fees, which include services such as ATM use fees, stop payment charges, statement rendering and wire transfer fees, are recognized at the time the transaction is executed as that is the point in time the Company fulfills the customer's request. Account maintenance fees, which relate primarily to monthly maintenance, are earned over the course of a month, representing the period over which the Company satisfies the performance obligation.

Interchange Income: The Company earns interchange fees from debit cardholder transactions conducted through a payment network. Interchange fees from debit cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrently with the transaction processing services provided to the cardholder. In addition, the Company earns interchange fees from credit cardholder transactions through its partnership with a third party.

NOTE 17 - STOCK TRANSACTIONS

The Company's stock repurchase programs authorize the repurchase of shares in open market or private transactions, through block trades or pursuant to any trading plan that may be adopted in accordance with Rule 10b5-1 of the Securities and Exchange Commission. The timing and amount of any repurchases will depend on a number of factors, including the availability of stock, general market conditions, the trading price of the stock, alternative uses for capital, the Company's liquidity, and the Company's financial performance. Open market purchases will be made in accordance with Rule 10b-18 of the Securities and Exchange Commission and other applicable legal requirements. Repurchased shares will be held as treasury stock and will be available for general corporate purposes. The repurchases may be suspended, terminated or modified at any time for any reason, including market conditions, the cost of repurchasing shares, the availability of alternative investment opportunities, liquidity, and other factors deemed appropriate. These factors may also affect the timing and amount of share repurchases. The Company is not obligated to repurchase any particular number of shares or any shares in any specific time period.

On February 21, 2024, the Company adopted its fourth program to repurchase up to 1,203,545 shares, or 5%, of its publicly held shares of common stock. The fourth plan commenced immediately upon completion of the third repurchase plan. On November 8, 2024, the Company adopted its fifth program to repurchase up to 1,139,420 shares, or 5%, of its outstanding common stock. The fifth plan commenced immediately upon completion of the fourth repurchase plan.

On June 18, 2025, the Company adopted a program to repurchase up to 1,082,533 shares, or 5% of its outstanding common stock commencing upon the completion of the Company's fifth stock repurchase program.

During the year ended December 31, 2024, the Company repurchased 1,945,241 shares of its common stock outstanding at an average price of \$9.90 for a total of \$19.3 million pursuant to the stock repurchase program. During the year ended December 31, 2025, the Company completed the purchase of 1,207,864 shares authorized in the plans for an average price of \$9.39 per share for a total cost of \$11.3 million. An additional 500,000 shares were repurchased in the third quarter of 2025, as part of a private transaction executed at a slight discount to the market price at the time. At December 31, 2025, 735,741 shares remain available to repurchase in the sixth plan.

For the year ended December 31, 2025 and 2024, shares repurchased include 30,132 and 24,301, respectively, shares purchased in connection with the vesting of shares of restricted stock under our 2022 Equity Incentive Plan for the withholding of shares to pay income taxes. These shares are repurchased pursuant to the terms of the 2022 Equity Incentive Plan and therefore are not part of the Company's repurchase program.

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NOTE 18 - EARNINGS PER SHARE

Basic earning per share (“EPS”) represents income available to common shareholders divided by the weighted-average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common shares (such as stock options) were exercised or converted into additional common shares that would then share in the earnings of the entity. Diluted EPS is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period, plus the effect of potential dilutive common share equivalents.

Shares held by the ESOP not allocated to employees in accordance with the terms of the ESOP, referred to as “unallocated ESOP shares”, are not deemed outstanding for earnings per share calculations.

	For the Year Ended December 31,	
	2025	2024
	(Income In thousands)	
Net loss applicable to common shares	\$ (10,025)	\$ (11,911)
Shares		
Average number of common shares outstanding	21,517,668	23,439,653
Less: Average unallocated ESOP shares	1,870,858	1,962,224
Average number of common shares outstanding used to calculate basic earnings per common share	19,646,810	21,477,429
Common stock equivalents	—	—
Average number of common shares outstanding used to calculate diluted earnings per common share	19,646,810	21,477,429
Loss per common share		
Basic	\$ (0.51)	\$ (0.55)
Diluted	\$ (0.51)	\$ (0.55)

Excluded from the earnings per share calculation are anti-dilutive equity awards for the years ended December 31, 2025 and 2024 totaling 1,003,326 and 1,138,653, respectively. Due to the Company’s net loss for the year ended December 31, 2025 and 2024, the assumed vesting of outstanding restricted stock units had an antidilutive effect on diluted earnings per share.

NOTE 19 – REGULATORY CAPITAL REQUIREMENTS

Banks and bank holding companies are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines, and additionally for the Bank, prompt corrective action regulations, involve quantitative measures of assets, liabilities, and certain off balance sheet items calculated under regulatory accounting practices. Banking regulations require maintaining certain capital levels and may limit the dividends paid by the Bank to the Company. The Bank has not paid dividends to the Company in the past. Capital amounts and classifications are also subject to qualitative judgements by regulators. Failure to meet capital requirements can initiate regulatory action. The net unrealized gain or loss on available-for-sale securities is not included in computing regulatory capital. As of December 31, 2025, the Bank meets all capital adequacy requirements to which they are subject.

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. At December 31, 2025 and 2024, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the institution’s category.

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The following table presents the regulatory capital, assets and risk based capital (common equity Tier 1, Tier 1 and Total capital) ratios for the Bank at December 31, 2025 and 2024:

	Bank Actual		Minimum Capital Adequacy		Minimum Capital Adequacy With Capital Buffer		For Classification as Well Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Dollars in thousands)								
<u>December 31, 2025</u>								
Common equity tier 1	\$ 285,705	17.93 %	\$ 71,705	4.50 %	\$ 111,541	7.00 %	\$ 103,574	6.50 %
Tier 1 capital	285,705	17.93 %	95,607	6.00 %	135,443	8.50 %	127,476	8.00 %
Total capital	300,998	18.89 %	127,476	8.00 %	167,312	10.50 %	159,345	10.00 %
Tier 1 (leverage) capital	285,705	13.09 %	87,286	4.00 %	N/A	N/A	109,108	5.00 %
<u>December 31, 2024</u>								
Common equity tier 1	\$ 289,614	19.26 %	\$ 67,673	4.50 %	\$ 105,269	7.00 %	\$ 97,749	6.50 %
Tier 1 capital	289,614	19.26 %	90,230	6.00 %	127,826	8.50 %	120,307	8.00 %
Total capital	302,834	20.14 %	120,307	8.00 %	157,903	10.50 %	150,384	10.00 %
Tier 1 (leverage) capital	289,614	13.98 %	82,862	4.00 %	N/A	N/A	103,577	5.00 %

NOTE 20 - SEGMENT REPORTING

We conduct our operations through a single business segment. Substantially all of our interest and fees on loans and long-lived assets relate to our operations. Pursuant to FASB ASC 280, Segment Reporting, operating segments represent components of an enterprise for which separate financial information is available that is regularly evaluated by the chief operating decision maker in determining how to allocate resources and in assessing performance. The chief operating decision maker uses a variety of measures to assess the performance of the business as a whole, depending on the nature of the activity. The Company generates revenue from several business channels. Those streams are organized by the types of partners we work with to reach our customers, with success principally measured based on interest and fees on loans, loan receivables, active accounts and other sales metrics. Detailed profitability information of the nature that could be used to allocate resources and assess the performance and operations for each sales platform individually, however, is not used by our chief operating decision maker. Expense activities, including funding costs, credit losses and operating expenses, are not measured for each platform but instead are managed for the Company as a whole.

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The following table represents segment information for the years ended December 31, 2025 and 2024:

	For the Year Ended December 31,	
	2025	2024
Interest income:		
Loans	\$ 80,716	\$ 70,185
Taxable investment income	14,447	15,122
Non-taxable investment income	143	144
Total interest income	95,306	85,451
Interest expense:		
Deposits	37,047	36,830
Borrowed funds	10,875	11,071
Total interest expense	47,922	47,901
Net interest income	47,384	37,550
Provision for (release of) credit losses	2,123	(1,350)
Net interest income after provision for (release of) credit losses	45,261	38,900
Non-interest income:		
Fees and service charges	1,089	1,203
Other income	594	591
Total non-interest income	1,683	1,794
Non-interest expense:		
Compensation and benefits	31,935	29,433
Occupancy and equipment	9,091	8,878
Data processing	5,994	5,648
Other expense	9,949	8,646
Total non-interest expense	56,969	52,605
Loss before income tax expense	(10,025)	(11,911)
Income tax expense	—	—
Net loss	\$ (10,025)	\$ (11,911)

Our segment assets represent our assets as presented on the Consolidated Balance Sheets.

BLUE FOUNDRY BANCORP
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NOTE 21 - CONDENSED FINANCIAL STATEMENTS OF PARENT COMPANY

The condensed financial statements of Blue Foundry Bancorp (parent company only) are presented below:

Condensed Balance Sheets

	December 31, 2025	December 31, 2024
	(In thousands)	
Assets:		
Cash and cash equivalents	\$ 23,304	\$ 41,297
Investment in banking subsidiary	269,659	270,904
ESOP loan receivable	19,256	19,932
Other investments	520	226
Other assets	284	446
Total Assets	<u>\$ 313,023</u>	<u>\$ 332,805</u>
Liabilities and Stockholders' Equity:		
Total liabilities	\$ 282	\$ 607
Total stockholders' equity	312,741	332,198
Total Liabilities and Stockholders' Equity	<u>\$ 313,023</u>	<u>\$ 332,805</u>

Condensed Statements of Comprehensive Loss

	Year Ended December 31,	
	2025	2024
	(In thousands)	
Income:		
Interest on ESOP loan receivable	\$ 648	\$ 669
Total income	648	669
Expenses:		
Other expenses	4,511	3,411
Total expenses	4,511	3,411
Loss before income tax benefit	(3,863)	(2,742)
Income tax benefit	—	—
Loss before undistributed earnings of subsidiary	(3,863)	(2,742)
Equity in undistributed earnings of banking subsidiary	(6,162)	(9,169)
Net loss	<u>\$ (10,025)</u>	<u>\$ (11,911)</u>
Comprehensive loss:		
Net loss	\$ (10,025)	\$ (11,911)
Other comprehensive income	2,883	3,926
Comprehensive loss	<u>\$ (7,142)</u>	<u>\$ (7,985)</u>

BLUE FOUNDRY BANCORP
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Condensed Statements of Cash Flows

	Year Ended December 31,	
	2025	2024
	(In thousands)	
Cash flows from operating activities:		
Net loss	\$ (10,025)	\$ (11,911)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Equity in undistributed earnings of subsidiary	6,162	9,169
ESOP and stock-based compensation expense	1,291	1,327
Decrease in other assets	93	63
Decrease in other liabilities	(383)	(290)
Net cash used by operating activities	(2,862)	(1,642)
Cash flows from investing activities:		
Purchase of other investments	(225)	(150)
Repayment of ESOP loan	676	656
Net cash provided by investing activities	451	506
Cash flows from financing activities:		
Issuance of common stock	667	498
Purchase of treasury stock	(16,270)	(19,423)
Proceeds from exercised options	21	—
Net cash used in financing activities	(15,582)	(18,925)
Net decrease in cash and cash equivalents	(17,993)	(20,061)
Cash and cash equivalents at beginning of year	41,297	61,358
Cash and cash equivalents at end of year	\$ 23,304	\$ 41,297

NOTE 22 - SUBSEQUENT EVENTS

As defined in FASB ASC 855, “Subsequent Events”, subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or available to be issued. Financial statements are considered issued when they are widely distributed to stockholders and other financial statement users for general use and reliance in a form and format that complies with U.S. GAAP.

In March of 2026, a subsidiary of the Bank was the successful bidder for a property in Philadelphia, PA, securing a defaulted multifamily loan for \$5.3 million at a sheriff’s sale and is now the equitable owner by virtue of that bid. Upon recording of the sheriff’s deed, the subsidiary will become the full legal owner of the property. A receiver has been appointed by the Court to manage the property.

In anticipation of the pending acquisition by Fulton, and in accordance with the contract, the ESOP loan has been paid in full and all equity awards have been settled.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure 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) and 15d-15(e) under the Exchange Act) 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.

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

Our management is responsible for establishing and maintaining effective internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, we evaluated the effectiveness of our internal control over financial reporting based on criteria established in “Internal Control — Integrated Framework (2013)” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management, including our Principal Executive Officer and Principal Financial Officer, concluded that our internal control over financial reporting was effective and met the criteria of the “Internal Control — Integrated Framework (2013)” as of December 31, 2025.

(c) Attestation Report of the Registered Public Accounting Firm

Not applicable because the Company is an emerging growth company.

(d) Changes in Internal Controls

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

During the fourth quarter of 2025, none of our directors or officers adopted or terminated any contract, instruction or written plan for the purchase or sale of the Corporation’s securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement,” as that term is used in SEC regulations.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTION THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The Board of Directors currently consists of nine members and is divided into three classes with one class of directors elected each year until 2027 when the Board becomes declassified. Each of the nine members also serves as a director of Blue Foundry Bank.

The Company’s goal is to have a Board of Directors whose members have diverse professional backgrounds and have demonstrated professional achievement with the highest personal and professional ethics and integrity. The Board recognizes that the Company benefits from a Board whose members possess a diversity of business experience and demographic backgrounds and seek to identify nominees with a range of backgrounds and experience. In addition to an understanding of the banking industry and the communities served by the Bank, important factors considered in the selection of nominees for director include experience in positions that develop good business judgment, which demonstrate a high degree of responsibility and independence and that show the individual’s ability to commit adequate time and effort to serve as a director.

Directors and Executive Officers of Blue Foundry Bancorp

The following table states our directors' names, their ages as of December 31, 2025, the years when they began serving as directors of Blue Foundry Bank and the years when their current terms expire.

Name	Position(s) Held with Blue Foundry Bancorp and Blue Foundry Bank	Age	Director Since	Current Term Expires
J. Christopher Ely	Vice Chairman	69	1997	2026
Robert T. Goldstein	Director	63	2015	2026
Kenneth Grimbilas	Chairman of the Board	72	1997	2027
Elizabeth Varki Jobes, Esq.	Director	59	2023	2027
Patrick H. Kinzler	Director	67	2012	2027
John F. Kuntz, Esq.	Director	70	2024	2026
Mirella Lang	Director	47	2020	2027
James D. Nesci	President, Chief Executive Officer and Director	53	2019	2027
Jonathan M. Shaw	Director	60	2010	2027

The following information describes the business experience of each of the Company's directors.

J. Christopher Ely has been a Director of Blue Foundry Bank for over 25 years. Mr. Ely, a licensed real estate agent, is President of One Madison Management Corp., a real estate management and consulting firm that serves the needs of residential, commercial and industrial property owners in Northern New Jersey. He received a Bachelor of Science degree in Business Administration/Accounting from Montclair State College, began his career with Price Waterhouse and Co. and earned his Certified Public Accounting license. He serves as an Assistant Treasurer for the Glen Ridge Congregational Church. Mr. Ely chairs the Audit Committees of both the Company and Blue Foundry Bank. Mr. Ely provides the Board of Directors with extensive knowledge of accounting, real estate and small business management matters.

Robert T. Goldstein currently serves as the Group Benefit Specialist at Astorino Financial Group, Inc., having previously been an Investment Advisory Representative at the firm. Prior to those positions, he was the President and Owner of R.J. Goldstein & Associates, Inc., an employee benefits consulting and brokerage firm, which he sold to World Insurance Associates, LLC (WIA) in 2017. He remains a Principal at WIA. Mr. Goldstein received his Bachelor of Science in Mathematics from Fairfield University. He also has received his Fellowship certificate from the NACD. Mr. Goldstein offers a valuable perspective and experience with respect to human capital and employee benefits matters as well as with respect to developing a successful business.

Kenneth Grimbilas is the Chairman of Blue Foundry Bank Board of Directors and has served as a Director for over 25 years. Mr. Grimbilas is the Chief Executive Officer of Tornqvist, Inc., a boutique fabrication and machine shop that has served many clients in the pharmaceuticals, government, transportation, aerospace, entertainment, and consumer goods industries. In addition, Mr. Grimbilas has been a member of the board of the Chilton Memorial Hospital Foundation, now Chilton Medical Center, part of Atlantic Health. Mr. Grimbilas' success in developing and sustaining a manufacturing business in New Jersey provides the Board of Directors with knowledge of business and operational matters as well as the Northeastern New Jersey market area.

Elizabeth Jobes is Chief Compliance Officer at Immunocore, having joined in January 2024. Most recently, Ms. Jobes worked at Amryt Pharmaceuticals which was sold in 2023. She has also had Compliance Officer roles at EMD Serono, Spark Therapeutics, Auxilium Pharmaceuticals, Adolor Inc. and Cephalon Inc. Ms. Jobes is a board member of Blue Foundry Bank and a past board member of Eyam Vaccines and Immunotherapeutics, and Ampio Pharmaceuticals. Ms. Jobes obtained her J.D. from Rutgers School of Law and a Bachelor of Arts in Foreign Service and International Politics from Pennsylvania State University, State College PA. Ms. Jobes is a member of the South Asian Bar Association and is a past board member of Women's Way and Support Center for Child Advocates. Ms. Jobes' years of combined legal and compliance experience leading large, global companies, as well as her service on a public board, brings additional perspective to our Board of Directors.

Patrick H. Kinzler has been Managing Principal at HLW International LLP, an architectural firm, since 2006 and ending on March 20, 2026. His areas of responsibility included Finance, Legal, and Information Technology. Mr. Kinzler served as Treasurer of KPMG Consulting/BearingPoint from January 2000 until December 2005. From 1997 until 2000, Mr. Kinzler served as Assistant Treasurer of SmithKline Beecham. Mr. Kinzler began his corporate career in 1986 with PNC Financial Corp., first in the credit training program and then as a Corporate Banker in PNC's New York office. His last position was a Manager of Large Corporate Banking in the New Jersey marketplace. Mr. Kinzler received a Bachelors degree in Business Administration and Accounting from Shippensburg State University and an MBA in Finance from Temple University. Mr. Kinzler's valuable experience in banking and corporate treasury greatly assists the Board of Directors with its assessment of our risk management efforts and operational needs.

John F. Kuntz, Esq. joined the Board in July 2024. Prior to joining the Company, Mr. Kuntz held many executive roles at Provident Bank and its parent company, Provident Financial Services, Inc. During his tenure there, he served as General Counsel and Corporate Secretary of the parent company. Most recently, he served as Senior Executive Vice President and Chief Administrative Officer of Provident Bank where he managed several departments, including Loan and Deposit Operations, Credit, Facilities, Marketing, Human Resources and Information Technology. Mr. Kuntz participated in a number of transactions while at Provident, including taking that bank public and acquiring five banks and three wealth management companies. Mr. Kuntz also served as corporate secretary of The Provident Bank Foundation and was a member of the Board of Directors of Beacon Trust Company, a full-service wealth management company. Mr. Kuntz was a member of the American Bankers Association General Counsels Group and the Society for Corporate Governance. He obtained his J.D. from New York Law School, his B.A. degree from Fairfield University and is licensed to practice law in both New Jersey and New York. Through the NACD, Director Kuntz has been certified in cybersecurity oversight by Carnegie Mellon University Software Engineering Institute. Mr. Kuntz's extensive knowledge and experience in financial, legal, operational and administrative matters and his invaluable leadership skills provides additional perspective and depth to the Board of Directors.

Mirella Lang leads institutional capital formation at ITE Management, an alternative asset management firm. Ms. Lang is a leader with over 20 years of experience in institutional investment management, investment banking and financial institutions across the US. She was most recently a Managing Director on AQR's Business Development team, leading fundraising and investor relations with large institutional investors and strategic clients of the firm. Prior to AQR, Ms. Lang was a Director in the Financial Institutions Group in the investment banking division at UBS, and earlier at Merrill Lynch & Co. While in investment banking, Ms. Lang advised banks, asset management and insurance companies on corporate initiatives, such as M&A, capital raising, restructuring, and leveraged buyouts. She earned a Bachelor of Science in Accounting from Washington & Lee University, summa cum laude and Phi Beta Kappa, and received an MBA from the University of California at Berkeley's Haas School of Business. Ms. Lang serves on the Board of ASSIST, a non-profit organization focused on high school exchange education for exceptionally gifted international students. Ms. Lang's experience with investment management, investment banking and the financial institutions industry brings valuable skills to our board.

James D. Nesci serves as President and Chief Executive Officer of Blue Foundry Bank, a position he has held since 2018. In addition, he is a board member of the New Jersey Bankers Association. Mr. Nesci has been instrumental in developing the Blue Foundry brand. Prior to his role at Blue Foundry Bank, he served as Head of National Sales for TD Bank's \$20 billion U.S. wealth management business. Before joining TD Bank, Mr. Nesci served as Executive Vice President and Chief Wealth Management Officer of Provident Bank and was President of Beacon Trust, a wholly owned subsidiary of Provident Bank. Prior to this, Mr. Nesci was Chief Operating Officer with Wilmington Trust Company, National Wealth Management. Mr. Nesci earned two separate MBAs from Columbia Business School and the London Business School, respectively, as well as a Bachelors degree in Business Administration in Finance from Hofstra University in New York. He also has received his Fellowship certificate from the National Association of Corporate Directors (NACD). Mr. Nesci's positions as President and Chief Executive Officer foster clear accountability, effective decision-making, a clear and direct channel of communication from senior management to the full Board of Directors, and alignment on corporate strategy.

Jonathan M. Shaw is President and Owner of Salon Development Corp, a regional chain of hair salons founded in 1964, and President and Owner of Lemon Tree Development, the national franchisor of Lemon Tree Hair Salons. Mr. Shaw received a Bachelor of Science from Syracuse University. He also has received his NACD Fellowship certificate. Mr. Shaw's experience as a business owner and entrepreneur offers a valuable perspective on developing a successful business as well as the challenges and risks an organization may face as it grows its product offerings and markets into new areas.

In addition to Mr. Nesci, whose qualifications are listed above, the following describes the business experience of each of the Company's Executive Officer.

Kelly Pecoraro, age 57, has been our Executive Vice President and Chief Financial Officer since May 2022. Prior to joining Blue Foundry Bank, Ms. Pecoraro served as Executive Vice President, Chief Accounting Officer and Comptroller from January 2019 until April 2022 at Investors Bank, Short Hills, New Jersey, when Investors Bank was acquired by Citizens Financial Group, Inc. Ms. Pecoraro joined Investors Bank in May 2005 as part of the Financial Reporting team, holding various positions prior to becoming the Chief Accounting Officer in January 2010. Prior to joining Investors Bank, Ms. Pecoraro served as an audit professional at KPMG LLP. Ms. Pecoraro received a Bachelor's degree in Accounting from St. Peter's College.

Elyse D. Beidner, age 72, has been our Executive Vice President and Chief Legal Officer since 2004. Prior to joining Blue Foundry Bank, Ms. Beidner gained more than 25 years of experience providing legal support for various financial institutions including JP Morgan Chase and Bank of America. She earned her Bachelor's degree in French and Spanish from Goucher College, her Juris Doctor degree from Widener University School of Law, and her Masters in Corporate Law from New York University School of Law.

Aleksander Malkiman, age 51, has been our Executive Vice President and Chief Technology Officer since March 2022. Prior to joining Blue Foundry Bank, Mr. Malkiman acted as the Executive Director and Head of IT Infrastructure and Security at CIFIC Asset Management and as Director of Global Infrastructure and Client Services at ITG. Mr. Malkiman earned a Bachelor of Science in Computer and Information Science from Brooklyn College, and later earned an MBA in Information Systems Management and Financial Management from the Lubin School of Business at Pace University.

Keith D. Owes, age 50, began his role as Executive Vice President and Chief Risk Officer in September 2024. Prior to joining Blue Foundry Bank, he acted as Chief Risk Officer at the Bancorp Bank, NA and held various senior management positions at Merrill Lynch and Bank of America. Mr. Owes brings over 20 years of extensive experience in enterprise risk and organization management, coupled with comprehensive, hands-on experience in process optimization, third-party vendor management, cybersecurity and strategic planning and implementation. Mr. Owes received a Bachelor's degree in Business Management from Howard University.

Thomas Packwood, age 60, has been our Senior Vice President and Chief Audit Executive since 2011. Prior to joining Blue Foundry Bank, Mr. Packwood held senior positions at Deloitte, U.S.B. Holding Co., USA Bank, and RSM US LLP. Mr. Packwood received a Bachelor's degree in Accounting from Villanova University and is a Certified Public Accountant. Additionally, he invented and implemented a patented quarterly Risk Assessment and Management System.

Acela Roselle, age 65, has been our Executive Vice President and Human Resources Director since 1999. Ms. Roselle attended The Wood Business School in New York and obtained a SHRM PHR Certification through Fairleigh Dickinson University in 2000.

Meetings and Committees of the Board of Directors

The business of Blue Foundry Bancorp is conducted at regular and special meetings of the Board of Directors and its committees. In addition, the "independent" members of the Board of Directors (as defined in the listing standards of the NASDAQ Stock Market) meet in executive sessions. The standing committees of the boards of directors are the Audit Committee, Compensation Committee, the Nominating and Corporate Governance Committee and the Enterprise Risk Management Committee.

The Board of Directors of Blue Foundry Bancorp held four regular meetings, one annual organizational meeting and eleven special meetings during the year ended December 31, 2025, and its annual shareholder meeting on May 15, 2025. The Board of Directors of Blue Foundry Bank held twelve regular meetings, one special meeting, and one annual organizational meeting during the year ended December 31, 2025. No member of the Board of Directors or any committee thereof attended fewer than 75% of the aggregate of: (i) the total number of meetings of the Board of Directors; and (ii) the total number of meetings held by all committees on which he or she served (during the periods that he or she served).

Name	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Enterprise Risk Committee
J. Christopher Ely	Chair	Member		
Robert T. Goldstein		Chair	Member	
Kenneth Grimbilas (1)	Member	Member	Member	Member
Elizabeth Varki Jobes, Esq.	Member			Member
Patrick H. Kinzler	Member			Chair
John F. Kuntz, Esq.	Member		Member	Member
Mirella Lang	Member	Member		Member
James D. Nesci	(2)	(2)	(2)	(2)
Jonathan M. Shaw		Member	Chair	Member

(1) Chairman of the Board

(2) Non-voting attendee of committee

Director Skills

Experience	J. Ely	R. Goldstein	K. Grimbilas	E. Jobs	P. Kinzler	J. Kuntz	M. Lang	J. Nesci	J. Shaw
Finance & Accounting: Experience in finance, accounting or audit	X	X	X	X	X	X	X	X	X
Financial Services: Experience in financial services, capital markets, investment banking	X	X	X		X	X	X	X	X
Innovation, Technology, and Cyber: Experience with information technology, cyber security or digital technology					X	X		X	X
Market Knowledge: Knowledge of the markets we serve, including commercial real estate and small business	X	X	X		X	X		X	X
Executive Experience / Leadership: Experience as an executive or leader of a public or private organization	X	X	X	X	X	X	X	X	X
Risk: Experience with risk management			X	X	X	X	X	X	X
Legal, Regulatory, or Compliance: Experience with legal, regulatory, or compliance related matters	X	X	X	X	X	X	X	X	X
Human Capital Management: Experience with human resources matters including diversity, equity, and inclusion	X	X	X	X	X	X	X	X	X
Philanthropic / Charitable: Community involvement or engagement with non-profit organizations	X		X	X	X	X	X	X	X

The Board of Directors considers the following criteria in evaluating and selecting candidates for nomination:

- **Contribution to Board** - Blue Foundry Bancorp endeavors to maintain a Board of Directors that possesses a wide range of abilities. Thus, the Board of Directors will assess the extent to which the candidate would contribute to the range of talent, skill and expertise appropriate for the Board of Directors. The Board of Directors will also take into consideration the number of public company boards of directors, other than Blue Foundry Bancorp's, and committees thereof, on which the candidate serves. The Board of Directors will consider carefully the time commitments of any candidate who would concurrently serve on the boards of directors of more than two public companies other than Blue Foundry Bancorp.
- **Experience** - Blue Foundry Bancorp is the holding company of Blue Foundry Bank, an insured depository institution. Because of the complex and heavily regulated nature of Blue Foundry Bancorp's business, the Board of Directors will consider a candidate's relevant financial, regulatory and business experience and skills, including the candidate's knowledge of the banking and financial services industries, familiarity with the operations of public companies and ability to read and understand fundamental financial statements, as well as real estate and legal experience.

- *Familiarity with and Participation in Local Community* - Blue Foundry Bancorp is a community-oriented organization that serves the needs of local consumers and businesses. In connection with the local character of Blue Foundry Bancorp's business, the Board of Directors will consider a candidate's familiarity with Blue Foundry Bancorp's market area (or a portion thereof), including without limitation the candidate's contacts with and knowledge of local businesses operating in Blue Foundry Bancorp's market area, knowledge of the local real estate markets and real estate professionals, experience with local governments and agencies and political activities, and participation in local business, civic, charitable or religious organizations.
- *Integrity* - Due to the nature of the financial services provided by Blue Foundry Bancorp and its subsidiary, Blue Foundry Bancorp is in a special position of trust with respect to its customers. Accordingly, the integrity of the Board of Directors is of utmost importance to developing and maintaining customer relationships. In connection with upholding that trust, the Board of Directors will consider a candidate's personal and professional integrity, honesty and reputation, including, without limitation, whether a candidate or any entity controlled by the candidate is or has in the past been subject to any regulatory orders, involved in any regulatory or legal action, or been accused or convicted of a violation of law, even if such issue would not result in disqualification for service under Blue Foundry Bancorp's Bylaws.
- *Shareholder Interests and Dedication* - A basic responsibility of directors is the exercise of their business judgment to act in what they reasonably believe to be in the best long-term interests of Blue Foundry Bancorp and its shareholders. In connection with such obligation, the Board of Directors will consider a candidate's ability to represent the best long-term interests of Blue Foundry Bancorp and its shareholders, including past service with Blue Foundry Bancorp or Blue Foundry Bank and contributions to their operations, the candidate's experience or involvement with other local financial services companies, the potential for conflicts of interest with the candidate's other pursuits, and the candidate's ability to devote sufficient time and energy to diligently perform his or her duties, including the candidate's ability to personally attend board and committee meetings.
- *Independence* - The Board of Directors will consider the absence or presence of material relationships between a candidate and Blue Foundry Bancorp (including those set forth in applicable listing standards) that might impact objectivity and independence of thought and judgment. In addition, the Board of Directors will consider the candidate's ability to serve on any Board committees that are subject to additional regulatory requirements (e.g. SEC regulations and applicable listing standards). If Blue Foundry Bancorp should adopt independence standards other than those set forth in the NASDAQ Stock Market listing standards, the Board of Directors will consider the candidate's potential independence under such other standards.
- *Gender, Ethnic and other Diversity* - Blue Foundry Bancorp understands the importance and value of diversity, including gender, ethnicity, skills, and other status, on a board of directors and will consider highly qualified candidates and their demographic backgrounds, including women and individuals from minority groups, to include in the pool from which candidates are chosen. The Board of Directors is committed to continuing to diversify the composition of the Board.
- *Additional Factors* - The Board of Directors will also consider any other factors it deems relevant to a candidate's nomination, including the extent to which the candidate helps the Board of Directors reflect the diversity of Blue Foundry Bancorp's shareholders, employees, customers and communities. The Board of Directors also may consider the current composition and size of the Board of Directors, the balance of management and independent directors, and the need for audit committee expertise.

Board Leadership Structure

Our Board believes that sound corporate governance calls for an independent oversight function. The role of chairman has always been filled by an independent director.

Under the Board of Directors leadership structure, the offices of Chairman of the Board and Chief Executive Officer are held by separate individuals. The Chairman of the Board is Kenneth Grimбилas, who is an independent director and does not serve in any executive capacity with the Company. The Company's Chief Executive Officer is James D. Nesci. This current structure provides for a greater role of the independent directors in the oversight of Blue Foundry Bancorp and Blue Foundry Bank, and active participation of the independent directors in setting agendas and establishing priorities and procedures for the work of the Board. The Board conducts regular executive sessions of independent directors.

To further assure effective independent oversight, the Board of Directors has adopted a number of governance practices, including:

- a majority independent Board of Directors;
- regular meetings and executive sessions of the independent directors;
- annual board, board member, and board committee self-assessments; and
- annual performance evaluations of the President and Chief Executive Officer by the independent directors.

The Board of Directors recognizes that, depending on the circumstances, other leadership models might be appropriate. Accordingly, the Board of Directors periodically reviews its leadership structure.

Corporate Governance Guidelines

Blue Foundry is committed to maintaining sound corporate governance guidelines and very high standards of ethical conduct and is in compliance with applicable corporate governance laws and regulations. The following are key features of our corporate governance practices.

- Of our current nine Directors, eight are independent.
- The Board and management regularly focus on strategic planning.
- New directors are onboarded with an orientation package and are assigned an existing member of the Board as their mentor during an integration period.
- The Board follows a robust Director Education Program to keep abreast of significant risks and compliance issues; laws, regulations and requirements applicable to the Company; corporate governance best practices; products and services offered by the Company; changes in the financial services industry; enhancements in technology and platforms relating to the financial services industry; and the delivery and availability of banking products and services. Each director completed between 16 and 22 hours of relevant education and training in 2025.
- Stock ownership and retention policies are in place for directors and executive officers.
- We have a clawback policy as well as a supplemental clawback policy that apply to the bonus and incentive compensation paid to our executive officers.
- The Board conducts annual self-evaluations for the full board, individual board members and each of the board committees.
- The Board reviews management talent and succession planning at least annually.
- The Board actively utilizes internal and external experts in the matters of audit, governance, compensation, shareholder interests and risk management.
- The Board understands the importance of maintaining regular, open, and transparent communications with our federal and state regulators.
- We have practices to align executive compensation with long-term shareholder interests; these practices are routinely reviewed and appropriately revised by the Compensation Committee in conjunction with an independent compensation consultant.

- We oversee our risk management with a focus on the most significant enterprise risks facing our Company, including compliance, credit, legal, liquidity, regulatory, market, operational, cybersecurity, reputational, and strategic risks.
- We have guidelines governing the use of pre-established trading plans for transactions in our securities.

Sunsetting of the Classified Board

As a newly-public company, the Board had determined that continuing its classified board structure was important to support the Company's stability and oversight during the initial period following its public offering in July 2021. In 2022, the Board approved a plan to phase in the declassification of the Board so that by the 2027 annual meeting of shareholders, a period of five annual meetings following the 2021 initial public offering, all directors will be elected for one-year terms. In 2023, at the annual shareholder meeting, the Company obtained shareholder approval to implement the declassification of the Board. Corporate Governance Guidelines.

Anti-Pledging Policy and Anti-Hedging Policy

The Company has adopted an anti-hedging and anti-pledging policy, which prohibits directors and executive officers from engaging in or effecting any transaction designed to hedge or offset the economic risk of owning shares of Company common stock.

Accordingly, any hedging, derivative or other equivalent transaction that is specifically designed to reduce or limit the extent to which declines in the trading price of Company common stock would affect the value of the shares of Company common stock owned by an executive officer or director is prohibited. Cashless exercises of employee stock options are not deemed short sales and are not prohibited. This policy does not prohibit transactions in the stock of other companies.

The anti-hedging and anti-pledging policy also prohibits directors and executive officers from holding Company securities in a margin account or pledging Company securities as collateral for any other loan.

The Company does not have anti-hedging policies or procedures that are applicable to the Company's employees who are not executive officers and as such, hedging transactions by non-executive employees are not prohibited.

The information provided under this Executive Officer and Director Hedging and Pledging section shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates this information by reference.

Stock Ownership Requirements

The Board of Directors believes that it is in the best interest of the Company and its shareholders to align the financial interests of its executive officers and directors with those of shareholders. Accordingly, the Company has adopted a Stock Ownership and Retention Policy for executive officers and directors of the Company that require a minimum dollar investment in Company common stock. The requirement is one times base salary for the Chief Executive Officer and other executive officers and three times the annual retainer paid to a director for their board membership for non-employee directors.

Newly appointed senior executive officers and directors have five years from the time they are appointed, promoted or elected, as the case may be, to meet these guidelines. In order to expedite this process, a minimum of 50% of shares (net of taxes) acquired through the Company's 2022 Equity Incentive Plan will be required to be held upon each vesting until the guidelines are met. For the purpose of determining if the ownership guidelines are met, unvested performance shares and underlying outstanding stock options will not be considered. Stock ownership for executive officers and directors is reviewed on an annual basis and the Compensation Committee maintains responsibility for the administration of this Policy at its full discretion.

Nominating and Corporate Governance Committee

Each member of the Nominating and Corporate Governance Committee is considered independent as defined in the Nasdaq corporate governance listing rules. The Nominating and Corporate Governance Committee operates under a written charter which is available on our website at www.bluefoundrybank.com and can be accessed by clicking "Investor Relations" and then "Governance - Governance Documents."

As more fully described in its charter, the Nominating and Corporate Governance Committee assists the Board of Directors in identifying qualified individuals to serve as Board members, in determining the composition of the Board of Directors and its committees, in developing, recommending and overseeing a process to assess Board effectiveness and in developing and recommending the Company's corporate governance guidelines. The Nominating and Corporate Governance Committee also considers and recommends the nominees for director to stand for election at the Company's annual meeting of shareholders.

It is the policy of the Nominating and Corporate Governance Committee of the Board of Directors to consider director candidates recommended by shareholders who appear to be qualified to serve on the Board of Directors. The Nominating and Corporate Governance Committee may choose not to consider an unsolicited recommendation if no vacancy exists on the Board of Directors and the Nominating and Corporate Governance Committee does not perceive a need to increase the size of the Board of Directors. To avoid the unnecessary use of the Nominating and Corporate Governance Committee's resources, the Nominating and Corporate Governance Committee will consider only those director candidates recommended in accordance with the procedures set forth below.

The Board of Directors does not have a formal policy or specific guidelines regarding diversity among board members. However, the Board of Directors seeks members who represent a mix of backgrounds that will reflect the diversity of our shareholders, employees, and customers, and experiences that will enhance the quality of the Board of Directors' deliberations and decisions. As the holding company for a community-oriented bank, the Board of Directors also seeks directors who can continue to strengthen Blue Foundry Bank's position in its communities and can assist Blue Foundry Bank with business development through business and other community contacts. The Board of Directors is committed to continuing to diversify the composition of the Board.

Criteria for Election

The Board of Directors identifies nominees by first evaluating the current members of the Board of Directors willing to continue in service, including the current members' board and committee meeting attendance and performance, length of board service, experience and contributions, and independence. Current members of the Board of Directors with skills and experience that are relevant to Blue Foundry Bancorp's business and who are willing to continue in service are considered for re-nomination, balancing the value of continuity of service by existing members of the Board of Directors with that of obtaining a new perspective. If there is a vacancy on the Board of Directors because any member of the Board of Directors does not wish to continue in service or if the Board of Directors decides not to re-nominate a member for re-election, the Board of Directors would determine the desired skills and experience of a new nominee (including a review of the skills set forth above), may solicit suggestions for director candidates from all board members and may engage in other search activities.

Procedures for the Nomination of Directors by Shareholders

The Board of Directors may consider qualified candidates for director suggested by our shareholders. Shareholders can suggest qualified candidates for director by writing to our Corporate Secretary at 19 Park Avenue, Rutherford, New Jersey 07070. The Board of Directors has adopted a procedure by which shareholders may recommend nominees to the Board of Directors. Shareholders who wish to recommend a nominee must write to Blue Foundry Bancorp's Corporate Secretary and such communication must include:

- A statement that the writer is a shareholder and is proposing a candidate for consideration by the Board of Directors;
- The name and address of the shareholder as they appear on Blue Foundry Bancorp's books, and of the beneficial owner, if any, on whose behalf the nomination is made;
- The class or series and number of shares of Blue Foundry Bancorp's capital stock that are owned beneficially or of record by such shareholder and such beneficial owner;
- A description of all arrangements or understandings between such shareholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such shareholder;
- A representation that such shareholder intends to appear in person or by proxy at the meeting to nominate the nominee named in the shareholder's notice;

- The name, age, personal and business address of the candidate and the principal occupation or employment of the candidate;
- The candidate's written consent to serve as a director;
- A statement of the candidate's business and educational experience and all other information relating to such person that would indicate such person's qualification to serve on Blue Foundry Bancorp's Board of Directors; and
- Such other information regarding the candidate or the shareholder as would be required to be included in Blue Foundry Bancorp's proxy statement pursuant to SEC Regulation 14A.

To be timely, the submission of a candidate for director by a shareholder must be received by the Corporate Secretary at least 120 days prior to the anniversary date of the proxy statement relating to the preceding year's annual meeting of shareholders. If the date of the annual meeting is advanced more than 30 days prior to or delayed more than 60 days after the anniversary of the preceding year's annual meeting, a shareholder's submission of a candidate shall be timely if delivered or mailed to and received by the Corporate Secretary of Blue Foundry Bancorp no later than the 10th day following the day on which public disclosure (by press release issued through a nationally recognized news service, a document filed with the SEC, or on a website maintained by Blue Foundry Bancorp) of the date of the annual meeting is first made.

Submissions that are received and that satisfy the above requirements are forwarded to the Board of Directors for further review and consideration, using the same criteria to evaluate the candidate as it uses for evaluating other candidates that it considers.

There is a difference between the recommendations of nominees by shareholders pursuant to this policy and a formal nomination (whether by proxy solicitation or in person at a meeting) by a shareholder. Shareholders have certain rights under applicable law with respect to nominations, and any such nominations must comply with applicable law and provisions of the Bylaws of Blue Foundry Bancorp.

Communications with the Board of Directors

Any shareholder who wishes to contact our Board of Directors or an individual director may do so by writing to: Blue Foundry Bancorp, 19 Park Avenue, Rutherford, New Jersey 07070, Attention: Board of Directors. The letter should indicate that the sender is a shareholder and, if shares are not held of record, should include appropriate evidence of stock ownership. Communications are reviewed by the Corporate Secretary and are then distributed to the Board of Directors or the individual director, as appropriate, depending on the facts and circumstances outlined in the communications received. The Corporate Secretary may attempt to handle an inquiry directly (for example, where it is a request for information about Blue Foundry Bancorp or it is a stock-related matter). The Corporate Secretary has the authority not to forward a communication if it is primarily commercial in nature, relates to an improper or irrelevant topic, or is unduly hostile, threatening, illegal or otherwise inappropriate. At each Board of Directors meeting, the Corporate Secretary shall present a summary of all relevant communications received since the last meeting that were not forwarded and make those communications available to the Directors on request.

Code of Ethics

Blue Foundry Bancorp has adopted a Code of Ethics for Senior Officers that applies to Blue Foundry Bancorp's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The Code of Ethics for Senior Officers is available on our website at www.bluefoundrybank.com and can be accessed by clicking "Investor Relations" and then "Governance—Governance Documents." The Code is reviewed and re-approved annually.

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder require the Company's directors, executive officers and beneficial owners of greater than 10% of the outstanding shares of Company common stock to file with the SEC certain reports regarding such persons' ownership of the Company's securities. The Company is required to disclose any failures to file such reports on a timely basis. Based on Blue Foundry Bancorp's review of ownership reports and confirmations by executive officers and directors, Blue Foundry Bancorp believes that during 2025, all but one report were filed timely. Mr. Owes had one late filing during 2025 due to clerical error.

Risk Oversight Matters

The entire Board of Directors is actively involved in oversight of risks that could affect the Company. However, the Board established a separate standing Enterprise Risk Management Committee to facilitate its risk oversight responsibilities. The full Board retains the responsibility for general oversight of risks. The Board satisfies this responsibility through reports by the committee chair of each board committee regarding the committees' considerations and actions, through review of minutes of committee meetings, and through regular reporting directly from officers responsible for oversight of particular risks within the Company. Risks relating to the direct operations of the Bank are further overseen by the Board of Directors of the Bank, whose directors are the same individuals who serve on the Board of Directors of Blue Foundry Bancorp. All management committees including enterprise risk management, loan and loan oversight, asset liability/investment and information technology, are responsible for the establishment of policies that guide management and staff in the day-to-day operation of the Company and the Bank.

The Enterprise Risk Management Committee has the responsibility of risk oversight and determining that significant risks of Blue Foundry Bancorp are monitored by the Board of Directors or one of its standing committees. The Enterprise Risk Management Committee is responsible for reviewing and monitoring enterprise risk including interest rate, liquidity, operational, compliance, strategic and reputational risks.

Audit Committee Matters

Each member of the Audit Committee is independent as defined in our Nominating and Corporate Governance Committee Charter. The Board of Directors has determined that Mr. Ely, the Chair of the Audit Committee, qualifies as an "audit committee financial expert" as that term is used in the rules and regulations of the SEC.

Our Board of Directors has adopted a written charter for the Audit Committee, which is available on our website at www.bluefoundrybank.com and can be accessed by clicking "Investor Relations" and then "Governance—Governance Documents." As more fully described in the Audit Committee Charter, the Audit Committee reviews the financial records and affairs of Blue Foundry Bancorp and monitors adherence in accounting and financial reporting to accounting principles generally accepted in the United States of America. The Audit Committee met eleven times during the year ended December 31, 2025.

Audit Committee Report

The Audit Committee has issued a report that states as follows:

- We have reviewed and discussed with management our audited consolidated financial statements for the year ended December 31, 2025.
- We have discussed with the independent registered public accounting firm the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board Auditing Standard.
- We have received the written disclosures and the letter from the independent registered public accounting firm required by PCAOB Rule 3526, "Communication with Audit Committees Concerning Independence," and have discussed with the independent registered public accounting firm their independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2025 for filing with the SEC.

This report shall not be deemed incorporated by reference by any general statement incorporating by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that Blue Foundry Bancorp specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

This report has been provided by the Audit Committee:

J. Christopher Ely (Chair)
Kenneth Grimбилas
Elizabeth Varki Jobes
Patrick H. Kinzler
John F. Kuntz
Mirella Lang

Compensation Committee Matters

The Board has determined that each member of the Compensation Committee is independent as defined in the Nasdaq corporate governance listing rules and SEC Rule 10C-1. With regard to compensation matters, the Compensation Committee's primary purposes are to discharge the Board's responsibilities relating to the compensation of the Chief Executive Officer and other executive officers, to oversee Blue Foundry Bancorp's compensation and incentive plans, policies and programs, and to oversee Blue Foundry Bancorp's management development and succession plans for executive officers. Blue Foundry Bancorp's Chief Executive Officer is not present during any committee deliberations or voting with respect to his compensation. The Compensation Committee may form and delegate authority and duties to subcommittees as it deems appropriate.

The Compensation Committee operates under a written charter which is available on our website at www.bluefoundrybank.com and can be accessed by clicking "Investor Relations" and then "Governance - Governance Documents." This charter sets forth the responsibilities of the Compensation Committee and reflects the Compensation Committee's commitment to create a compensation structure that encourages the achievement of long-range objectives and builds long-term value for our shareholders.

The Compensation Committee considers a number of factors in its decisions regarding executive compensation, including, but not limited to, the level of responsibility and performance of the individual executive officer, the overall performance of Blue Foundry Bancorp and a peer group analysis of other financial institutions in our markets. In order to identify the appropriate compensation level necessary to attract and retain the talent to build the institution, we consulted with our compensation consultant in developing our peer group. Our peer group is comprised of institutions of similar complexity, within the tri-state geographic area, with a median asset size of approximately \$3.5 billion. Additional detail about our compensation consultant, as well as peer group, can be found in the Compensation Discussion and Analysis (CD&A) section of Item 11 of this Form 10K.

Our executive compensation program is designed to:

- Attract and retain talented employees in leadership positions by recognizing the importance of these individuals to Blue Foundry Bancorp and the Bank.
- Support our strategic performance objectives. Our goal is to provide executive officers with a total compensation package competitive with the market and industry in which we operate, and to promote the long-term goals and performance of Blue Foundry Bancorp. With this in mind, we implemented a formal annual incentive plan in 2020 that pays cash awards to the executive officers based on certain performance metrics without encouraging them to take unnecessary risks. In addition, at the 2022 Annual Meeting of Shareholders, the shareholders approved the 2022 Equity Incentive Plan. We believe the use of these plans aligns the interests of management with those of our shareholders.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee is a current or former officer or employee of Blue Foundry Bancorp or Blue Foundry Bank.

ITEM 11. EXECUTIVE COMPENSATION

Director Compensation

Annual Board Retainer

Currently, each person who serves as a director of Blue Foundry Bancorp also serves as a director of Blue Foundry Bank. Directors currently receive a base annual retainer of \$51,000. The Chairman of the Board receives an additional annual retainer of \$15,000. These retainers are for service on both the Bancorp and Bank Boards pursuant to an expense allocation agreement.

Board Committee and Committee Chair Retainers

Committee compensation is detailed below:

	Audit	Nominating and Corporate Governance	Compensation	Enterprise Risk
Committee Chair	\$ 20,000	\$ 11,500	\$ 12,000	\$ 13,500
Committee Member	10,500	6,000	7,000	6,000

Director Equity Awards

At the 2022 annual meeting, shareholders approved the 2022 Equity Plan, which specifically provided for a grant, to each non-employee director at the time, of 42,783 shares of restricted stock and 106,959 options which were awarded in 2022. During 2024, grants of 19,255 restricted stock awards and 48,133 option awards were made to each director, Ms. Jobses and Mr. Kuntz. The awards vest ratably over five years.

Director Retirement Plans

Director Retirement Plan. As a mutual institution, in 2007 Blue Foundry Bank entered into a Restated Director Retirement Plan with each of directors Ely and Grimbilas. In June 2022 Blue Foundry Bank and Messrs. Ely and Grimbilas amended and froze the plans so that there will be no further benefit accruals. As amended, at the later of the director's separation of service as a director or attaining age 70, Messrs. Ely and Grimbilas (having satisfied the ten years of service requirement under the plans) will receive a monthly benefit equal to \$3,643.84 and \$4,038.67, respectively, which was the value of the accrued benefit under the plans as of the date that the plans were frozen. The benefit will be paid for the greater of the director's life or five years, provided, however, that if the director dies within five years of terminating service with the board of directors, his beneficiary will continue to receive the monthly payments until the end of the five-year period. Each director will be entitled to the same benefit if he terminates service on account of becoming disabled if he has completed ten years of continuous service.

Director Retirement Plan II. As a mutual institution, in 2018 Blue Foundry Bank also established the Boiling Springs Savings Bank Director Retirement Plan II (the "Director Retirement Plan") for eligible directors (i.e., a "participant") who are not covered under the Director Emeritus Plan. All current directors, other than directors Ely, Grimbilas, Jobses, Lang and Kuntz participate in the Director Retirement Plan. In June 2022, Blue Foundry Bank amended and froze the plan so that there will be no further benefit accruals under the plan and to provide that no new directors will participate. Under the Director Retirement Plan, as amended, a participant who terminates service after completing ten consecutive years of service will receive an annual benefit based on the value of the accrued benefit under the plan as of the date the plan was frozen. The annual benefit amounts range from \$942 to \$17,767. The benefits will be paid in substantially monthly installments, for ten years. Following a participant's separation from service, Blue Foundry Bank will begin making the payments to the participant on the first business day of the month following the later of (i) the day the participant attains age 70 or (ii) the date of the participant's separation from service. Each participant is entitled to the same level of benefit upon death or disability or upon a termination of service within 24 months following a change in control of Blue Foundry Bank; provided that the benefits paid upon the death of the participant while in service and in connection with a change in control will be paid in a lump sum. Benefits paid upon the participant's death or disability will be paid the first day of the month following the later of (i) the day the participant attains age 70 or (ii) the date that is ten years from the date the participant first became a member of the board of directors. The change in control benefit is paid within 30 days of the participant's termination from service following a change in control.

Summary of Director's Compensation

The total 2025 compensation of our non-employee directors is shown in the following table.

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards	All Other Compensation (1)	Total
J. Christopher Ely	\$ 78,000	\$ —	\$ —	\$ —	\$ 78,000
Robert T. Goldstein	69,000	—	—	—	69,000
Kenneth Grimbilas	95,500	—	—	931	96,431
Elizabeth Varki Jobes, Esq.	67,500	—	—	—	67,500
Patrick H. Kinzler	75,000	—	—	—	75,000
John F. Kuntz, Esq.	73,500	—	—	—	73,500
Mirella Lang	74,500	—	—	—	74,500
Jonathan M. Shaw	74,500	—	—	—	74,500

(1) Represents payments of medical premiums on behalf of Mr. Grimbilas.

At December 31, 2025, each of the non-employee directors in the table above held the following aggregate number of stock awards.

Name	Unexercised Stock Options	Unvested Stock Awards
J. Christopher Ely	106,959	17,112
Robert T. Goldstein	106,959	17,112
Kenneth Grimbilas	106,959	17,112
Elizabeth Varki Jobes, Esq.	48,133	15,404
Patrick H. Kinzler	106,959	17,112
John F. Kuntz, Esq.	48,133	15,404
Mirella Lang	106,959	17,112
Jonathan M. Shaw	106,959	17,112

Stock Ownership Guidelines

The Board of Directors believes that it is in the best interest of the Company and its shareholders to align the financial interests of its directors with those of shareholders. Accordingly, the Company has adopted a Stock Ownership and Retention Policy for non-employee directors of the Company that require a minimum dollar investment in Company common stock of three times the annual retainer paid to the director for their board membership. Newly appointed senior executive officers and directors have five years from the time they are appointed, promoted or elected, as the case may be, to meet these guidelines. All of the directors were in compliance with the stock ownership guidelines for 2025, except for Ms. Jobes and Mr. Kuntz who have been on the Board for less than five years.

Securities Authorized for Issuance Under Equity Compensation Plan

Set forth below is information as of December 31, 2025 regarding equity compensation plans categorized by those plans that have been approved by the Company's stockholders. There are no plans that have not been approved by the Company's stockholders.

Plan	Number of Securities to be Issued Upon Exercise of Outstanding Options and rights (1)	Weighted Average Exercise Price (2)	Number of Securities Remaining Available for Issuance Under Plan (3)
2022 Equity Incentive Plan	2,130,329	\$ 11.56	927,077
Total	2,130,329	\$ 11.56	927,077

- (1) Consists of outstanding stock options to purchase 2,130,329 shares of common stock granted under the Company's stock-based compensation plans.
(2) The weighted average exercise price reflects: a weighted exercise price of \$11.64 for 2,034,063 stock options granted in 2022 and a weighted exercise price of \$9.95 for 96,266 stock options granted in 2024 under the Company's stock-based compensation plans. There were no grants in 2023 and 2025.
(3) Represents the number of available shares that may be granted as stock options and other stock awards under the Company's stock-based compensation plans.

Compensation Discussion and Analysis

The following section explains our executive compensation program for our named executive officers ("NEOs") listed below. This section also describes the Compensation Committee's process for making pay decisions, as well as its rationale for specific decisions related to the fiscal year ended December 31, 2025.

Our NEOs for 2025 were:

Name	Position
James D. Nesci	President and Chief Executive Officer
Kelly Pecoraro	Executive Vice President and Chief Financial Officer
Aleksandr Malkiman	Executive Vice President and Chief Technology Officer

Compensation Practices & Policies

We believe the following practices and policies within our program promote strong compensation governance and are in the best interests of our stockholders and executives:

What We Do	What We Don't Do
Emphasize variable pay over fixed pay, with a significant portion tied to our financial results and stock performance	No tax gross ups
Maintain a clawback policy	No repricing or exchange of underwater options without stockholder approval
Maintain anti-hedging and anti-pledging policies	No option or stock appreciation rights granted below fair market value
Provide for "double-trigger" equity award vesting and severance benefits upon a change in control	No excessive supplemental executive retirement plans
Use an independent compensation consultant	No significant perquisites

2025 Compensation Highlights

Our executive compensation program has three primary elements: base salary, annual incentives, and long-term equity incentives. Each of these compensation elements serves a specific purpose in our compensation strategy. Base salary is an essential component to any market-competitive compensation program. Annual incentives reward the achievement of short-term goals, while long-term incentives drive our NEOs to focus on long-term sustainable stockholder value creation. Based on our performance and consistent with the design of our program, the Compensation Committee made the following executive compensation decisions for fiscal 2025:

Base Salaries	Approved increases of approximately 3%-7% for the NEOs to improve competitive positioning and ensure market alignment.
Annual Incentives	Based on our financial performance in 2025, the Compensation Committee approved annual incentive awards of approximately 148% of target, reflecting execution against key performance measures.
Long-Term Equity-Based Incentives	There were no long-term Equity based incentives awarded to our NEOs during 2025.

Executive Compensation Philosophy

Our executive compensation program is designed to attract, motivate, and retain top talent while aligning leadership incentives with shareholder interests and strong governance practices. The program is built on the following key principles:

- **Market Competitiveness** – We provide compensation that is competitive with industry peers to attract and retain highly qualified executives who can drive Blue Foundry’s financial success.
- **Pay-for-Performance** – A significant portion of executive compensation is tied to Company performance, ensuring rewards are aligned with financial results and long-term value creation.
- **Shareholder Alignment** – Our executive compensation program emphasizes equity-based compensation, linking executive rewards to shareholder outcomes and fostering an ownership mindset.
- **Strong Governance** – The Compensation Committee regularly reviews its practices to ensure they reflect best governance standards, mitigate excessive risk-taking, and reinforce accountability.
- **Retention and Stability** – We balance performance-based incentives with retention elements to maintain leadership continuity and drive sustained financial performance.

By adhering to these principles, we create a compensation structure that supports long-term growth, promotes responsible decision-making, and aligns with the interests of our shareholders.

Elements of Compensation

Our executive compensation philosophy is supported by the following principal elements of pay:

Pay Element	How It’s Paid	Purpose
Base Salaries	Cash (Fixed)	Provide a competitive base salary rate relative to similar positions in the market and enable the Company to attract and retain critical executive talent.
Annual Incentives	Cash (Variable)	Reward executives for delivering on annual financial objectives that contribute to the creation of shareholder value.
Long-Term Equity-Based Incentives	Equity (Variable)	Provide incentives for executives to execute on longer-term financial goals that drive the creation of shareholder value and support the Company’s retention strategy.

Executive Compensation Decision-Making Process

The Role of the Compensation Committee. The Compensation Committee oversees the executive compensation program for our NEOs, ensuring it remains competitive, performance-driven, and aligned with shareholder interests. Composed entirely of independent, non-employee directors, the Committee works closely with its nationally recognized independent consultant and with management to evaluate the effectiveness of the program. It also administers incentive plans, reviews pay practices and upholds strong governance standards. The Committee makes all final compensation and equity award decisions for our NEOs, except for the CEO, whose compensation is determined by the independent members of the full Board based on the Committee's recommendations. The Compensation Committee operates under a written charter which is available on our website at www.bluefoundrybank.com and can be accessed by clicking "Investor Relations" and then "Governance—Governance Documents." This charter sets forth the responsibilities of the Compensation Committee and reflects the Compensation Committee's commitment to create a compensation structure that encourages the achievement of long-range objectives and builds long-term value for our shareholders.

The Role of Management. Members of our management team attend regular Compensation Committee meetings where executive compensation, Company and individual performance, and competitive compensation levels and practices are discussed and evaluated. Only the Committee members can vote on decisions regarding NEO compensation and the NEOs are not present during those votes. The CEO reviews his recommendations pertaining to the compensation of the other NEOs with the Committee providing management input, transparency, and oversight. Approval of NEO compensation other than CEO compensation is made by the Committee. The CEO does not participate in the deliberations of the Committee regarding his own compensation. Independent members of the Board make all final determinations regarding CEO compensation.

The Role of the Independent Consultant. As previously stated, the Compensation Committee engages an independent compensation consultant to provide expertise on competitive pay practices, program design, and an objective assessment of any inherent risks of any programs. Pursuant to authority granted to it under its charter, the Compensation Committee, also as previously stated, has hired Pearl Meyer, a nationally recognized compensation consultant, as its independent consultant. Pearl Meyer reports directly to the Compensation Committee and does not provide any additional services to management. The Compensation Committee has conducted an independence assessment of Pearl Meyer in accordance with SEC rules.

The Role of Peer Group Companies. The Compensation Committee aims to establish a competitive total compensation package for each NEO, benchmarking against executives in comparable roles at peer companies. As part of its annual review, in August 2024, the Compensation Committee, in consultation with Pearl Meyer, refined the peer group used for purposes of setting compensation levels for 2025 to ensure continued relevance in light of our evolving strategic focus and competitive landscape. Specifically, the Committee approved a reduction in the peer group from 29 to 14 companies, maintaining a robust benchmarking sample while better aligning with our current positioning.

The 2025 compensation peer group consists of U.S.-based commercial banks and savings banks/thrifts traded on a major exchange, with a focus on institutions headquartered in the Northeast that share comparable business models. To ensure appropriate size comparability, the peer group includes New Jersey-based banks with asset sizes between \$1.0 billion and \$6.5 billion (~0.5x – ~3.25x our asset size) and banks outside New Jersey with asset sizes between \$1.0 billion and \$4.1 billion (~0.5x – ~2.0x our asset size). Applying these new criteria, the Compensation Committee removed ten peers with asset sizes exceeding the revised threshold, two peers that were acquired, two peers due to geographic differences, and one peer operating in a distinct talent market, resulting in the following peer group:

2025 Compensation Peer Group

Bar Harbor Bankshares	Meridian Corp.	Pioneer Bancorp
BCB Bancorp Inc.	Northfield Bancorp (Staten Island)	Ponce Financial Group
ESSA Bancorp Inc.	Orrstown Financial Services	Princeton Bancorp
First Bank	Parke Bancorp Inc.	Unity Bancorp Inc.
Greene County Bancorp	Peapack-Gladstone Financial	

2025 Compensation Decisions

Base Salary

Annual salary is the only fixed component of Blue Foundry's executive compensation program. In setting salary, the Committee looks at current pay practices, peer group comparisons and general market analysis in consultation with its compensation consultant, Pearl Meyer. The Committee then establishes salaries that are competitive to the Peer Group and the external market for similar positions. The Committee reviews the salaries on an annual basis.

As part of the Committee's annual salary review, NEOs received increases, as follows.

Name	2024 Base Salary	2025 Base Salary	% Adjustment
James D. Nesci	\$700,000	\$750,000	7%
Kelly Pecoraro	420,000	450,000	7%
Aleksandr Malkiman	355,000	365,000	3%

Annual Incentive Plan

Blue Foundry Bank has instituted an Annual Incentive Plan as a short-term incentive plan for our executive officers to incentivize personal performance in conjunction with Blue Foundry Bank's overall performance. Payments under the Annual Incentive Plan are based on both Blue Foundry Bank's overall performance and the executive's personal performance.

The Compensation Committee sets target incentive award opportunities for each of the NEOs based on a percentage of base salary. The actual amount of an award is based on the level of business results and personal performance and can range from 50% to 150% of target based on performance against pre-established goals. Target award opportunities for 2025 were as follows:

Name	2025 Base Salary	2025 Target Award Opportunity (%)	2025 Target Award Opportunity (\$)
James D. Nesci	\$750,000	60%	\$450,000
Kelly Pecoraro	450,000	60%	270,000
Aleksandr Malkiman	365,000	35%	127,750

Under the Annual Incentive Plan, financial metrics including Net Loan Growth, Net Deposit Growth, Core Deposit Growth, and Net Interest Margin, account for 80% of the total award opportunity. The remaining 20% of the award, which can be paid at 0%-150%, is based on individual performance, assessed at the discretion of the Compensation Committee. This component ensures recognition of leadership impact, strategic execution, and other qualitative contributions that drive long-term success.

For 2025, the Compensation Committee determined each NEO's annual cash incentive award opportunity by applying the specified weightings to the financial performance measures and individual performance, ensuring a balanced assessment of both quantitative results and leadership contributions. As a result of the announced acquisition, the Compensation Committee prorated the performance goals and measure achievement based upon results achieved through September 30, 2025, as disclosed in the Company's Form 10Q. The table below outlines the performance goals, actual results, and corresponding payouts for each metric for 2025.

Performance Measures	Weight	Performance Goals			Achievement	Payout
		Threshold (50%)	Target (100%)	Superior (150%)		
Loan Growth	25%	\$50.3	\$75.0	\$99.8	\$131.4	150%
Deposit Growth	20%	67.5	101.3	135.0	157.9	150%
Core Deposit Growth	10%	33.8	51.0	68.3	78.4	150%
Net Interest Margin	25%	1.91%	2.06%	2.27%	2.26%	146%
Individual Performance	20%		Discretionary			150%
Grand Total	100%					

The following table summarizes each NEOs overall achievement and payout under the Annual Incentive Plan for 2025:

Name	Target Award Opportunity (%)	Target Award Opportunity (\$)	Overall Achievement (% Target)	Actual Award Payout (\$)
James D. Nesci	60%	\$ 450,000	89%	\$ 671,047
Kelly Pecoraro	60%	\$ 270,000	89%	\$ 402,628
Aleksandr Malkiman	35%	\$ 127,750	52%	\$ 190,503

Equity Incentive Plan

The Compensation Committee believes that long-term incentives are a critical component of our executive compensation program, reinforcing the alignment between leadership decisions and long-term stockholder value creation. Our equity incentives are designed to attract and retain top talent, drive sustained performance, and ensure executive compensation remains directly linked to shareholder interests.

To achieve these objectives, the Compensation Committee grants a mix of time-based and performance-based equity awards, balancing retention, shareholder alignment, and pay-for-performance principles. Time-based awards provide a strong retention mechanism, ensuring leadership continuity, while performance-based awards directly tie realizable compensation to the achievement of key financial goals.

In determining target grants, the Compensation Committee considers market practices, competitive positioning, and the Company's business strategy. There were no annual long-term equity incentive awards granted during fiscal year 2025 for any of the NEOs.

OTHER PROGRAMS, PRACTICES, POLICIES AND GUIDELINES

Stock Ownership Guidelines

The Board of Directors believes that it is in the best interest of the Company and its shareholders to align the financial interests of its executive officers with those of shareholders. Accordingly, the Company has adopted a Stock Ownership and Retention Policy for executive officers of the Company that require a minimum dollar investment in Company common stock of one times the base salary for the Chief Executive Officer and other executive officers. Newly appointed senior executive officers have five years from the time they are appointed, promoted or elected, as the case may be, to meet these guidelines. In order to expedite this process, a minimum of 50% of shares (net of taxes) acquired through the Company's 2022 Equity Incentive Plan will be required to be held upon each vesting until the guidelines are met. For the purpose of determining if the ownership guidelines are met, unvested performance shares and underlying outstanding stock options will not be considered. Stock ownership for executive officers and directors is reviewed on an annual basis and the Compensation Committee maintains responsibility for the administration of this Policy at its full discretion.

“Clawback” Provision

The executive compensation program includes a clawback provision. In the event the Company or Blue Foundry Bank is required to restate its financial statements, participants will be required to forfeit any incentive award earned or distributed during the period for which the restatement is required in excess of what they would have otherwise received based on restated results. The Board has discretion in determining the application of clawbacks and the amounts to be reclaimed under this provision. The Board also adopted a supplemental clawback policy in December 2023 reflecting specific standards provided under the Dodd-Frank Act. The supplemental clawback policy is designed to supplement the Company’s current existing clawback policy.

Executive Officer and Director Hedging and Pledging

The Company has adopted an anti-hedging and anti-pledging policy, which prohibits directors and executive officers from engaging in or effecting any transaction designed to hedge or offset the economic risk of owning shares of Company common stock.

Accordingly, any hedging, derivative or other equivalent transaction that is specifically designed to reduce or limit the extent to which declines in the trading price of Company common stock would affect the value of the shares of Company common stock owned by an executive officer or director is prohibited. Cashless exercises of employee stock options are not deemed short sales and are not prohibited. This policy does not prohibit transactions in the stock of other companies.

The anti-hedging and anti-pledging policy also prohibits directors and executive officers from holding Company securities in a margin account or pledging Company securities as collateral for any other loan.

The Company does not have anti-hedging policies or procedures that are applicable to the Company’s employees who are not executive officers and as such, hedging transactions by non-executive employees are not prohibited.

Policies and Practices Related to the Grant of Certain Equity Awards

While Blue Foundry Bancorp does not have a formal policy or obligation that requires it to grant or award equity-based compensation on a specific date, the Compensation Committee and the Board of Directors have a historical practice of not granting stock options to executive officers during closed quarterly trading windows as determined under Blue Foundry Bancorp’s insider trading policy. Consequently, Blue Foundry Bancorp has not granted, and does not expect to grant, any stock options to any named executive officers within four business days preceding the filing with the Securities and Exchange Commission of any report on Forms 10-K, 10-Q or 8-K that discloses material non-public information. The Compensation Committee and the Board of Directors do not take material non-public information into account when determining the timing of equity awards and do not time the disclosure of material non-public information in order to impact the value of executive compensation.

Deferred Compensation Plan

Blue Foundry Bank has entered into an Executive Deferred Compensation Agreement with Mr. Nesci (the “Deferred Compensation Agreement”). Under the Deferred Compensation Agreement, each year Blue Foundry Bank will credit a contribution of at least \$50,000 to an account for the benefit of Mr. Nesci. The amounts credited to the account will earn an annual rate interest equal to the Prime Rate (as reported in the Wall Street Journal on the first business day of the year) plus two percent (2%), compounded monthly. The Board of Directors may, in its discretion, change the rate used to credit interest on the account from time to time. Mr. Nesci is always 100% vested in his account under the Deferred Compensation Agreement. Mr. Nesci generally will become entitled to a lump sum distribution of his account under the plan within 30 days following a separation from service. If Mr. Nesci dies prior to receiving a distribution from the plan, his beneficiary will be entitled to receive the account balance in a single lump sum payment. In certain situations that would constitute an unforeseeable emergency, Mr. Nesci may be entitled to receive an in-service distribution of a portion of his account under the Deferred Compensation Agreement.

401(k) Plan

Blue Foundry Bank maintains the Blue Foundry Bank 401(k) Plan, a tax-qualified defined contribution plan for eligible employees (the “401(k) Plan”). The named executive officers are eligible to participate in the 401(k) Plan on the same terms as other eligible employees of Blue Foundry Bank.

Under the 401(k) Plan, a participant may elect to defer, on a pre-tax basis, the maximum amount of compensation permitted by the Internal Revenue Code. For 2025, the salary deferral contribution limit was \$23,500, provided, however, that a participant over age 50 could contribute an additional \$7,500 to the 401(k) Plan for a total of \$31,500. In addition to salary deferral contributions, Blue Foundry Bank makes safe harbor matching contributions equal to 100% of a participant’s salary deferrals, up to 4% of the participant’s compensation, and 50% of a participant’s salary deferrals that exceed 4% but do not exceed 6% of the participant’s compensation. A participant is always 100% vested in his or her salary deferral contributions and safe-harbor matching contributions.

Blue Foundry Bank may also make other discretionary matching contributions and other discretionary employer contributions to the 401(k) Plan, including profit sharing contributions, which vest based on a participant’s years of service at the rate of 0% through three years of service and 100% after completing three years of service. Eligible employees must be 18 years of age and complete 12 months of service (in which they complete at least 1,000 hours of service) to receive profit sharing contributions under the 401(k) Plan.

Employee Stock Ownership Plan

In connection with the conversion and related stock offering, Blue Foundry Bank adopted an ESOP for eligible employees. The named executive officers are eligible to participate in the ESOP on the same terms as other eligible employees. Eligible employees begin participation in the ESOP upon the first entry date commencing on or after the eligible employee’s completion of one year of service and attainment of age 18.

The ESOP trustee purchased, on behalf of the ESOP, 8.0% of the total number of shares of Blue Foundry Bancorp common stock issued in the conversion and related stock offering, or 2,281,800 shares. The ESOP funded its stock purchase with a loan from Blue Foundry Bancorp equal to the aggregate purchase price of the common stock. The trustee repays the loan principally through Blue Foundry Bank’s contributions to the ESOP and any dividends payable on common stock held by the ESOP over the anticipated 25-year term of the loan.

The trustee holds the shares purchased by the ESOP in an unallocated suspense account, and shares will be released from the suspense account on a pro-rata basis as the trustee repays the loan. The trustee allocates the shares released among participants’ accounts based on each participant’s proportional share of compensation relative to all participants. Participants vest in his or her account balance based on his or her years of service with the Bank, at the rate of 20% per year through the first five years of service, so that the participant will be 100% vested after completing five years of service. Participants who were employed by Blue Foundry Bank immediately prior to the closing of the stock offering received credit for vesting purposes for years of service prior to adoption of the ESOP. Participants also will automatically become fully vested upon attainment of their normal retirement age (age 65), death or disability, a change in control, or termination of the ESOP. Generally, participants will receive distributions from the ESOP upon terminating employment in accordance with the terms of the plan document. The ESOP reallocates any unvested shares forfeited upon a participant’s termination of employment among the remaining participants.

Employment Agreements and Other Arrangements with Named Executive Officers

Blue Foundry Bank entered into an employment agreement with Mr. Nesci, effective January 1, 2021. The employment agreement has a term of three years, which extends automatically for one additional year on each anniversary of the effective date of the agreement, so that the remaining term is again three years, unless either Blue Foundry Bank or Mr. Nesci give notice to the other party of non-renewal. Notwithstanding the foregoing, in the event Blue Foundry Bancorp or Blue Foundry Bank enters into a transaction that would constitute a change in control, as defined under the employment agreement, the term of the agreement will automatically extend so that it would expire no less than three years following the effective date of the change in control.

The employment agreement specified Mr. Nesci's initial base salary of \$700,000. The Board of Directors or the Compensation Committee of Blue Foundry Bank will review Mr. Nesci's salary no less than annually and may increase, but not decrease, Mr. Nesci's base salary. In addition to the base salary, the agreement provides that Mr. Nesci will participate in an annual bonus plan with a target amount determined annually that is not less than 20% of his base salary. Mr. Nesci is also eligible to participate in any long-term incentive plan adopted by Blue Foundry. Mr. Nesci is also entitled to participate in all employee benefit plan arrangements and perquisites offered to employees and officers of Blue Foundry Bank and the reimbursement of reasonable business expenses incurred in the performance of his duties with Blue Foundry Bank. Blue Foundry Bank will also provide Mr. Nesci with an annual automobile allowance of \$1,100 per month and an annual country club membership allowance of \$22,050. Both the automobile and country club membership allowances will increase by 5% each year.

Blue Foundry Bank may terminate Mr. Nesci's employment, or Mr. Nesci may resign from his employment, at any time with or without good reason. In the event Blue Foundry Bank terminates Mr. Nesci's employment without cause or Mr. Nesci voluntarily resigns for "good reason" (i.e., a "qualifying termination event"), Blue Foundry Bank will pay Mr. Nesci a severance payment equal to the greater of (i) the sum of one times Mr. Nesci's base salary plus the target amount of the annual incentive bonus (as set by the Board of Directors or the Compensation Committee for the calendar year in which Mr. Nesci's termination occurs) or (ii) the sum of Mr. Nesci's base salary that would have been paid during the remaining term of the employment agreement, plus the target amount of the annual incentive bonus that would have been paid during the remaining term of the employment agreement. The severance payment will be paid as salary continuation in substantially equal installments over the twelve-month period following the date of Mr. Nesci's termination of employment. In addition, if Mr. Nesci elects continued bank-provided group health plan coverage pursuant to the Consolidated Omnibus Reconciliation Act of 1985, as amended ("COBRA"), Blue Foundry Bank will reimburse him for the monthly COBRA premium less the active employee premium for the coverage. Mr. Nesci must sign a general release of claims to receive the severance payment. A "good reason" condition for purposes of the employment agreement includes a material reduction in base salary or target bonus opportunity, a material reduction in authority, duties or responsibilities associated with Mr. Nesci's position with Blue Foundry Bank, a relocation of his principal place of employment resulting in Mr. Nesci performing his services outside of certain counties listed in the employment agreement.

If a qualifying termination event occurs following a change in control of Blue Foundry Bancorp or Blue Foundry Bank, Mr. Nesci would be entitled to (in lieu of the payments and benefits described in the previous paragraph) a severance payment equal to three times the sum of (i) his base salary, plus (ii) the greater of his highest actual annual incentive bonus for the three calendar years immediately preceding his termination of employment or the target amount of the annual incentive bonus set by the Board of Directors or the Compensation Committee for the calendar year in which his termination occurs. If Mr. Nesci's termination of employment occurs within two years after the change in control, the severance will be paid in one lump-sum payment on the next pay date that is at least seven days following his termination. In addition, if Mr. Nesci elects continued bank-provided group health plan coverage pursuant to COBRA, Blue Foundry Bank will reimburse him for the monthly COBRA premium less the active employee premium for the coverage.

The employment agreement terminates upon Mr. Nesci's death. Also, upon termination of employment (other than a termination in connection with a change in control), Mr. Nesci will be required to adhere to one-year non-competition and non-solicitation restrictions set forth in his employment agreement.

Change in Control Agreement

Blue Foundry Bank has entered into a Change in Control Agreement with Ms. Pecoraro. The change in control agreement has a term of one year that extends each day by one day until either party gives the other notice of non-renewal. Notwithstanding the foregoing, in the event Blue Foundry Bancorp or Blue Foundry Bank enters into a transaction that would constitute a change in control, as defined under the change in control agreements, the term of the agreement will automatically extend so that it would expire no sooner than three years following the effective date of the change in control.

Upon termination of Ms. Pecoraro’s employment by Blue Foundry Bank without “cause” or by Ms. Pecoraro with “good reason” on or after the effective date of a change in control of Blue Foundry Bank or Blue Foundry Bancorp, Ms. Pecoraro would be entitled to a severance payment equal to three times the sum of her: (i) base salary in effect as of the date of termination or immediately prior to the change in control, whichever is higher; and (ii) the highest annual cash bonus earned for the three most recently completed performance periods prior to the change in control. The severance will be paid in a lump sum within 30 days following the date of termination. In addition, Ms. Pecoraro would receive thirty six consecutive monthly cash payments equal to the her monthly COBRA premium.

A “good reason” condition for purposes of the change in control agreement includes a material reduction in base salary, a material reduction in authority, duties or responsibilities associated with her position with Blue Foundry Bank, a relocation of her principal place of employment resulting in an increase in her commute by 30 miles or more.

Summary of Cash and Certain Other Compensation

The following table presents, for the years ended 2025, 2024 and 2023, certain information as to the total compensation paid to James D. Nesci, who serves as the Company’s President and Chief Executive Officer, Kelly Pecoraro, who serves as the Company’s Executive Vice President and Chief Financial Officer and, for 2025 and 2024, Aleksander Malkiman, who serves as the Company’s Executive Vice President and Chief Technology Officer. Each of the individuals listed in the table below is referred to as a “Named Executive Officer (NEO).”

Name and principal position	Year	Salary	Stock Awards (1)	Option Awards	Non-Equity Incentive Compensation	All Other Compensation (2)	Total
James D. Nesci President, Chief Executive Officer	2025	\$ 750,000	\$ —	\$ —	\$ 671,047	\$ 177,190	\$ 1,598,237
	2024	700,000	1,082,714	—	283,920	161,592	2,228,226
Kelly Pecoraro Executive Vice President, Chief Financial Officer	2025	450,000	—	—	402,628	49,347	901,975
	2024	420,000	379,600	—	170,040	44,615	1,014,255
Aleksandr Malkiman Executive Vice President, Chief Technology Officer (3)	2025	365,000	—	—	190,503	48,162	603,665
	2024	355,000	118,625	—	83,920	43,556	601,101

(1) The amounts shown in 2024 and 2023 reflect the aggregate grant date fair value of time-vesting and performance-vesting awards computed in accordance with ASC Topic 718. The grant date fair values of the performance-vesting portion of the awards are computed at target performance achievement. The performance shares, awarded in 2023, with a grant date fair value of \$1,369,080 and \$420,000 for Mr. Nesci and Ms. Pecoraro, respectively, were forfeited on January 1, 2024.

(2) The compensation represented by the amounts for 2025, 2024 and 2023 set forth in the “All Other Compensation” column for the Named Executive Officers is detailed in the following table.

Name	Year	401(k) Plan Matching Contributions	Deferred Compensation Plan Contributions	Automobile Usage	Country Club Membership	Life Insurance Premiums	ESOP	Total All Other Compensation
James D. Nesci	2025	\$ 17,500	\$ 89,033	\$ 16,082	\$ 22,986	\$ 1,794	\$ 29,795	\$ 177,190
	2024	17,250	82,636	15,316	19,129	1,794	25,467	161,592
Kelly Pecoraro	2025	17,500	—	—	—	2,052	29,795	49,347
	2024	17,250	—	—	—	1,898	25,467	44,615
Aleksandr Malkiman	2025	17,500	—	—	—	867	29,795	48,162
	2024	17,250	—	—	—	839	25,467	43,556

Grants of Plan Based Awards

The following table summarizes grants made in 2025 to our NEOs. There were no equity based awards made to NEOs in 2025.

Name	Grant Date	Estimated Payouts under Non-Equity Incentive Plan Awards		
		Threshold (\$)	Target (\$)	Superior (\$)
James D. Nesci	2/19/2025	\$ 225,000	\$ 450,000	\$ 675,000
Kelly Pecoraro	2/19/2025	135,000	270,000	405,000
Aleksandr Malkiman	2/19/2025	63,875	127,750	191,625

Outstanding Equity Awards

The following table shows information regarding all outstanding equity awards held by our NEOs on December 31, 2025.

Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) (1) Unexercisable	Option Exercise Price (\$)	Option Expiration Date (2)	Number of Shares or Units of Stock That Have Not Vested (#) (1)	Market Value of Shares or Units of Stock That Have Not Vested (\$ (4)	Equity Incentive Plan Awards Number of Unearned Shares, Units or Other Rights That Have not Vested (#) (3)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$ (4)
James D. Nesci	10/19/2022	244,479	325,971	\$11.69	10/19/2032				
	3/6/2023					81,492	\$ 1,012,946	0	\$ —
	2/1/2024					47,537	590,885	57,045	709,069
Kelly Pecoraro	10/19/2022	75,858	101,142	\$11.69	10/19/2032				
	3/6/2023					25,000	\$ 310,750	0	\$ —
	2/1/2024					14,583	181,267	22,500	279,675
Aleksandr Malkiman	10/19/2022	29,484	39,316	\$11.69	10/19/2032				
	3/6/2023					8,928	\$ 110,975	0	\$ —
	2/1/2024					5,208	64,735	6,250	77,688

(1) Stock options and restricted stock awards granted in 2022 and 2023 vest over a seven-year period commencing on the first anniversary of the date granted. Restricted stock awards granted in 2024 vest over a six-year period commencing on the first anniversary of the date granted.

(2) Stock options expire, if unexercised, 10 years after the grant date.

(3) Amounts shown for represent the number of stock awards that would vest if performance goals are achieved at target. 2023 performance grants were forfeited on January 1, 2024.

(4) Amounts shown are based on the fair market value of Blue Foundry Bancorp common stock on December 31, 2025 of \$12.43.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNER AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**Principal Shareholders and Stock Ownership of Management**

Persons and groups who beneficially own in excess of 5% of the shares of common stock are required to file certain reports with the SEC regarding such ownership. The following table sets forth, as of March 10, 2026, the shares of common stock beneficially owned by our directors and executive officers, individually and as a group, and by each person who was known to us as the beneficial owner of more than 5% of the outstanding shares of common stock. The mailing address for each of our directors and executive officers is 19 Park Avenue, Rutherford, New Jersey 07070.

	Shares of Common Stock Beneficially Owned as of the Record Date (1)	Percent of Shares of Common Stock Outstanding (2)
Persons Owning Greater than 5%		
T. Rowe Price Investment Management, Inc. 100 East Pratt Street Baltimore, MD 21201	2,905,977 (3)	14.01%
Blue Foundry Bank Employee Stock Ownership Plan Trust 19 Park Avenue Rutherford, NJ 07070	2,244,633 (4)	10.82%
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	1,690,501 (5)	8.15%
Glazer Capital LLC 250 West 55th Street, Suite 30A New York, NY 10019	1,779,895 (6)	8.58%
Directors		
J. Christopher Ely	132,325 (7)	*
Robert T. Goldstein	139,846 (8)	*
Kenneth Grimbilas	165,141 (9)	*
Elizabeth Varki Jobes, Esq.	40,756 (10)	*
Patrick H. Kinzler	150,289 (11)	*
John F. Kuntz, Esq.	30,882 (12)	*
Mirella Lang	108,204 (13)	*
James D. Nesci	495,108 (14)	2.39%
Jonathan M. Shaw	133,438 (15)	*
Executive Officers who are not Directors		
Kelly Pecoraro	151,144 (16)	*
Aleksandr Malkiman	62,508 (17)	*
All directors and executive officers as a group (15 persons)		6.58%
* Less than 1%.		

- (1) In accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, a person or entity is deemed to be the beneficial owner, for purposes of this table, of any shares of Blue Foundry Bancorp common stock if they have shared voting or investment power with respect to such common stock or has a right to acquire beneficial ownership at any time within 60 days from March 10, 2026. As used herein, “voting power” is the power to vote or direct the voting of shares and “investment power” is the power to dispose or direct the disposition of shares. Except as otherwise noted, ownership is direct and the named individuals and group exercise sole voting and investment power over the shares of Blue Foundry Bancorp common stock.
- (2) Based on a total of 20,747,054 shares of common stock outstanding as of March 10, 2026.
- (3) As disclosed in Schedule 13G filed with the SEC on May 14, 2025.
- (4) As disclosed in Schedule 13G filed with the SEC on February 17, 2026.
- (5) As disclosed in Schedule 13F filed with the SEC on February 7, 2025.
- (6) As disclosed in Schedule 13G filed with the SEC on January 12, 2026.
- (7) Includes 10,366 shares held in an individual retirement account and 64,176 vested options.
- (8) Includes 8,500 shares held in an individual retirement account, 27,887 shares held in a 401(k) Plan and 64,176 vested options.
- (9) Includes 41,117 shares held in an individual retirement account and 64,176 vested options.
- (10) Includes 19,254 vested options.
- (11) Includes 4,853 shares held in individual retirement accounts, 3,349 shares held in a Roth individual retirement accounts and 64,176 vested options.
- (12) Includes 9,627 vested options.
- (13) Includes 64,176 vested options.
- (14) Includes 36,882 shares held in an individual retirement account, 8,500 shares held in our 401(k) Plan, 11,772 shares allocated under the Blue Foundry Bank’s ESOP, 103,222 unvested restricted stock awards, 57,045 unvested performance awards and 244,479 vested options.
- (15) Includes 14,238 shares held in an individual retirement account, 9,100 shares held by his spouse’s individual retirement account, 116 held as custodian for his child and 64,176 vested options.
- (16) Includes 6,483 shares allocated under the Blue Foundry Bank’s ESOP, 31,666 unvested restricted stock awards, 22,500 unvested performance awards and 75,858 vested options.
- (17) Includes 6,278 shares allocated under the Blue Foundry Bank’s ESOP, 11,309 unvested restricted stock awards, 6,250 unvested performance awards and 29,484 vested options.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Director Independence

The Board of Directors has determined that each of our directors, with the exception of Chief Executive Officer James D. Nesci, is “independent” as defined in the listing standards of the NASDAQ Stock Market. Mr. Nesci is not independent because he is one of our executive officers. In determining the independence of our directors, the Board of Directors considered relationships between Blue Foundry Bank and our directors that are not required to be reported under “—Transactions with Certain Related Persons,” below.

Transactions with Certain Related Persons

The Sarbanes-Oxley Act of 2002 generally prohibits publicly traded companies from making loans to their executive officers and directors, but it contains a specific exemption from such prohibition for loans made by federally insured financial institutions, such as Blue Foundry Bank, to their executive officers and directors in compliance with federal banking regulations. Federal regulations permit executive officers and directors to receive the same terms that are widely available to other employees as long as the director or executive officer is not given preferential treatment compared to the other participating employees. All transactions between the Company and its executive officers, directors, holders of 10% or more of the shares of its common stock and affiliates thereof, are on terms no less favorable to the Company than could have been obtained by it in arms-length negotiations with unaffiliated persons. Such transactions must be approved by a majority of the independent directors of the Company not having any interest in the transaction. In the ordinary course of business, Blue Foundry Bank makes loans available to its directors, officers and employees. The aggregate amount of our outstanding loans to an insider and related entities is approximately \$1.2 million at December 31, 2025, consisting of three loans to a senior officer that were made before the officer became an employee of the Bank. These loans were made in the ordinary course of business and did not involve more than the normal risk of collectability nor present other unfavorable features, and are considered "transition" loans under Regulation O. The loans are performing in accordance with their terms.

Other than described above, we and our subsidiary have not had any transaction or series of transactions, or business relationships, nor are any such transactions or relationships proposed, in which the amount involved exceeds \$120,000 and in which our directors or executive officers have a direct or indirect material interest.

Pursuant to our Policy and Procedures for Approval of Related Person Transactions, the Audit Committee reviews and approves all related party transactions in accordance with, and as required by, the NASDAQ corporate governance listing standards.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Our independent registered public accounting firm is KPMG LLP, New York, New York, Auditor Firm ID: 185.

Set forth below is certain information concerning aggregate fees for professional services rendered by KPMG during fiscal years 2025 and 2024, respectively.

Audit Fees. The aggregate fees billed to the Company for professional services rendered for the audit of the Company's annual consolidated financial statements, review of the consolidated financial statements included in the Company's annual report on Form 10-K and services that are normally provided in connection with statutory and regulatory filings and engagements were \$835,000 and \$835,000 during fiscal years 2025 and 2024, respectively.

Audit Related Fees. There were \$1,780 aggregate fees billed to the Company by KPMG during the fiscal years 2025 and 2024 respectively for assurance and related services rendered that are reasonably related to the performance of the audit of and review of the consolidated financial statements services.

Tax Fees. There were no aggregate fees billed to the Company by KPMG for professional services rendered for tax compliance during the fiscal years 2025 and 2024, respectively.

Other Fees. There were \$27,500 aggregate fees billed to the Company by KPMG for consent related to the Fulton acquisition during the fiscal year 2025 and no aggregate fees billed to the Company by KPMG for other professional services rendered during the fiscal year 2024.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

The following exhibits are either filed as part of this report or are incorporated herein by reference:

(a)(1) Financial Statements

The following financial statements are included under Part II, Item 8 of this report:

1. Report of Independent Registered Public Accounting Firm.
2. Consolidated Statements of Financial Condition as of December 31, 2025 and 2024.
3. Consolidated Statements of Operations for the Fiscal Years Ended December 31, 2025 and 2024.
4. Consolidated Statements of Comprehensive Loss for the Fiscal Years ended December 31, 2025 and 2024.
5. Consolidated Statements of Changes in Shareholders' Equity for the Fiscal Years Ended December 31, 2025 and 2024.
6. Consolidated Statements of Cash Flows for the Fiscal Years Ended December 31, 2025 and 2024.
7. Notes to Consolidated Financial Statements.

(a)(2) Financial Statement Schedules

No financial statement schedules are filed because the required information is not applicable or is included in the consolidated financial statements or related notes.

(a)(3) Exhibits

- [1.1 Agreement and Plan of Merger by and between Fulton Financial Corporation and Blue Foundry Bancorp, dated as of November 24, 2025 \(Incorporated by reference to the Registrant's Current Report of Form 8-K dated November 25, 2025 \(File No. 001-40619\)\)](#)
- [3.1 Amended and Restated Certificate of Incorporation of Blue Foundry Bancorp \(Incorporated by reference to the Registrant's Annual Report on Form 10-K dated December 31, 2023 \(File No. 001-40619\)\)](#)
- [3.2 Bylaws of Blue Foundry Bancorp \(Incorporated by reference to the Registrant's Registration Statement on Form S-1 \(File No. 333-254079\)\)](#)
- [4 Form of Common Stock Certificate of Blue Foundry Bancorp \(Incorporated by reference to the Registrant's Registration Statement on Form S-1 \(File No. 333-254079\)\)](#)
- [4.2 Description of Blue Foundry Bancorp's Securities \(Incorporated by reference to the Registrant's Annual Report on Form 10-K dated December 31, 2021 \(File No. 001-40619\)\)](#)
- [10.1 Employment agreement between Blue Foundry Bank and James Nesci \(Incorporated by reference to the Registrant's Annual Report on Form 10-K dated December 31, 2022 \(File No. 001-40619\)\)](#)
- [10.2 Blue Foundry Bank Executive Deferred Compensation Agreement for James Nesci \(Incorporated by reference to the Registrant's Annual Report on Form 10-K dated December 31, 2022 \(File No. 001-40619\)\)](#)
- [10.3 Change in Control Agreement between Blue Foundry Bank and Kelly Anne Pecoraro \(Incorporated by reference to the Registrant's Annual Report on Form 10-K dated December 31, 2022 \(File No. 001-40619\)\)](#)
- [10.4 Blue Foundry Bank Restated Director Retirement Plan for Kenneth Grimbilas \(Incorporated by reference to the Registrant's Annual Report on Form 10-K dated December 31, 2022 \(File No. 001-40619\)\)](#)
- [10.5 Amendment to the Blue Foundry Bank Restated Director Retirement Plan for Kenneth Grimbilas \(Incorporated by reference to the Registrant's Annual Report on Form 10-K dated December 31, 2022 \(File No. 001-40619\)\)](#)
- [10.6 Blue Foundry Bank Restated Director Retirement Plan for J. Christopher Ely \(Incorporated by reference to the Registrant's Annual Report on Form 10-K dated December 31, 2022 \(File No. 001-40619\)\)](#)
- [10.7 Amendment to the Blue Foundry Bank Restated Director Retirement Plan for J. Christopher Ely \(Incorporated by reference to the Registrant's Annual Report on Form 10-K dated December 31, 2022 \(File No. 001-40619\)\)](#)
- [10.8 Blue Foundry Bank Director Retirement Plan II \(Incorporated by reference to the Registrant's Annual Report on Form 10-K dated December 31, 2022 \(File No. 001-40619\)\)](#)

- [10.9](#) [Amendment to the Blue Foundry Bank Director Retirement Plan II \(Incorporated by reference to the Registrant's Annual Report on Form 10-K dated December 31, 2022 \(File No. 001-40619\)\)](#)
- [10.10](#) [Blue Foundry Bancorp 2022 Equity Incentive Plan \(Incorporated by reference to Appendix A to the Proxy Statement for the 2022 Annual Meeting of Stockholders \(File No. 001-40619\)\)](#)
- [19](#) [Insider Trading Policy](#)
- [21](#) [Subsidiaries of Blue Foundry Bancorp](#)
- [23.1](#) [Consent of KPMG LLP \(Independent Registered Public Accounting Firm\)](#)
- [31.1](#) [Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- [31.2](#) [Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- [32.1](#) [Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- [97](#) [Clawback Policy \(Incorporated by reference to the Registrant's Annual Report on Form 10-K dated December 31, 2023 \(File No. 001-40619\)\)](#)
- 101 The following materials from the Company's Form 10-K for the year ended December 31, 2025, formatted in Inline XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Operations, (ii) the Consolidated Statements of Financial Condition; (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Shareholder's Equity, (v) the Consolidated Statements of Cash Flows and (vi) the Notes to Consolidated Financial Statements.
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

BLUE FOUNDRY BANCORP

Dated: March 31, 2026 By: /s/ James D. Nesci
James D. Nesci
Chief Executive Officer
(Principal Executive Officer)

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

By: /s/ James D. Nesci By: /s/ Kelly Pecoraro
James D. Nesci Kelly Pecoraro
Chief Executive Officer Chief Financial Officer
(Principal Executive Officer) (Principal Financial Officer)

Dated: March 31, 2026 Dated: March 31, 2026

By: /s/ Patrick H. Kinzler By: /s/ J. Christopher Ely
Patrick H. Kinzler, Director J. Christopher Ely, Director

Dated: March 31, 2026 Dated: March 31, 2026

By: /s/ Robert T. Goldstein By: /s/ Kenneth Grimbilas
Robert T. Goldstein, Director Kenneth Grimbilas, Director

Dated: March 31, 2026 Dated: March 31, 2026

By: /s/ Jonathan M. Shaw By: /s/ John F. Kuntz, Esq.
Jonathan M. Shaw, Director John F. Kuntz, Esq., Director

Dated: March 31, 2026 Dated: March 31, 2026

By: /s/ Mirella Lang By: /s/ Elizabeth Varki Jobes, Esq.
Mirella Lang, Director Elizabeth Varki Jobes, Esq., Director

Dated: March 31, 2026 Dated: March 31, 2026

BLUE FOUNDRY BANCORP
POLICY REGARDING INSIDER TRADING

Blue Foundry Bancorp (the “Company”) is a public company the common stock of which is traded listed on the Nasdaq Global Select Market and registered under the Securities Exchange Act of 1934, as amended. As a public company, the Company files periodic reports and proxy statements with the Securities and Exchange Commission (the “SEC”). Investment by directors, officers and employees in the Company stock is generally desirable and encouraged. However, such investments should be made with caution and with recognition of the legal prohibitions against the use of confidential information by “insiders” for their own profit.

As a director, officer or employee of a public company, you have the responsibility not to participate in the market for the Company stock while in possession of *material, non-public (inside) information* about the Company. There are harsh civil and criminal penalties if you wrongly obtain or use such material, inside information when you are deciding whether to buy or sell securities, or if you give that information to another person who uses it in buying or selling securities. If you buy or sell securities while in possession of material, inside information, you will not only have to pay back any profit you made, but you could be found guilty of criminal charges, and face substantial fines or even prison. Additionally, the Company could be held liable for your violations of insider trading laws.

To avoid these harsh consequences, the Company has developed and implemented guidelines to briefly explain the insider trading laws and set forth procedures and limitations on trading by directors, officers and employees. These guidelines do not address all possible situations that you may face. In addition to this Policy, you need to review and understand the Company’s Policy on Fair Disclosure to Investors that describes your obligations regarding the selective disclosure of confidential information to ensure compliance with SEC Regulation FD, which requires “fair disclosure” of material, non-public information.

Insider Trading Concepts

What is “Inside” Information?

Inside information includes any non-public information of which you become aware because of your “special relationship” with the Company as a director, officer or employee and which has not been disclosed to the public (*i.e.*, is non-public). The information may be about the Company, Blue Foundry Bank (the “Bank”) or any of its or their other subsidiaries or affiliates. It may also include information you learn about another company (for example, companies that are current or prospective customers or suppliers to the Company or those with which the Company may be in negotiations regarding a potential transaction).

What is Material Information?

Information is material if an investor would think that it is important in deciding whether to buy, sell or hold stock, or if it could affect the market price of the stock. Either good or bad information may be material. If you are unsure whether the information is material, assume it is material.

Examples of material information typically include, but are not limited to:

- Financial or accounting problems;
- Estimates of future earnings or losses;
- Significant non-recurring gains or losses;
- Events that could result in restating financial information;
- A proposed acquisition, sale or merger;
- Changes in key management personnel;
- Beginning or settling a major lawsuit;
- Changes in dividend policies;
- Declaring a stock split;
- A stock repurchase program; or
- A stock or bond offering.

What is Non-Public Information?

Non-public information is information that has not yet been made public by the Company. Information only becomes public when the Company makes an official announcement (in a publicly accessible conference call, a press release or in SEC filings, for example) *and* the investing public has had an opportunity to see or hear it.

Trading Guidelines

A. Rules Applicable to All Directors, Officers and Employees.

No director, officer or employee may trade *any security*, whether issued by the Company or by any other company (and may not gift any of the Company's securities), while in possession of "material inside information" about the issuer of that security. Further, no director, officer or employee may disclose "material inside information" to any other person (including immediate family members, friends or stockbrokers) so that such other person may trade in the stock. It is usually safe to buy or sell stock after the information is officially announced, as long as you do not know of *other* material information that has not yet been announced. Even after the information is announced, you should generally wait one full trading day before buying or selling securities to allow the market to absorb the information.

This means the following with respect to certain Bank or Company employee benefit plans:

- **401(k) Plan.** An officer or employee having material inside information regarding the Company may not (i) initiate a transfer of funds into or out of a Blue Foundry Bancorp stock fund of any 401(k) plan, or (ii) increase an existing election to invest funds in the Blue Foundry Bancorp stock fund. However, ongoing purchases of the Company's stock through the plan pursuant to a prior election are not prohibited.
 - **Other Company Stock Purchase Plans.** A director, officer or employee having material inside information regarding the Company may not sign up for, or increase participation in, any employee stock purchase plan or dividend reinvestment plan. However, ongoing purchases through those plans pursuant to a prior election are not prohibited.
 - **Stock Options.** A director, officer or employee may exercise a stock option at any time, but any stock acquired upon such exercise may not be sold (whether by means of a cashless exercise or otherwise) if the employee has material inside information regarding the Company. At any time, however, an employee may deliver Company stock already owned to pay the option exercise price and taxes.
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B. Additional Rules.

1. Options and Other Stock Plans. The sale of stock acquired upon an exercise of stock options and the transfer of funds into and out of the Company's stock plans are subject to special rules. The Filing Coordinator should be contacted before any such transaction is conducted.

2. Pension Fund Blackouts. The Sarbanes-Oxley Act of 2002 also requires the Company to prohibit all purchases, sales or transfers of the Company's securities by directors and executive officers during a pension fund blackout period. A pension fund blackout period exists whenever 50% or more of the plan participants are unable to conduct transactions in their accounts for more than three consecutive days. These blackout periods typically occur when there is a change in the retirement plan's trustee, record keeper or investment manager. Directors and executive officers will be contacted when these or other restricted trading periods are instituted.

3. Pre-Clearance for Rule 10b5-1 Plans. Directors and executive officers may not implement a trading plan under SEC Rule 10b5-1 at any time without prior clearance. Directors and executive officers may only enter into a trading plan when they are not in possession of material inside information. In addition, directors and executive officers may not enter into a trading plan during a quarterly blackout period or during a pension blackout period. The Filing Coordinator should be contacted prior to implementation of a trading plan under SEC Rule 10b5-1.

At the time of adoption or modification of a 10b5-1 plan, directors and officers must certify in writing that: 1) they are not aware of material nonpublic information about the issuer or its securities, and 2) they are adopting the plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5. Persons entering a Rule 10b5-1 Plan must act in good faith with respect to that plan (i.e. the entire duration of that Plan).

Transactions made under a trading plan should be promptly reported to the Filing Coordinator who will prepare the necessary Form 4.

Directors or officers, as defined in Exchange Act Rule 16a-1(f), cannot trade under a new or modified 10b5-1 plan until the later of (a) 90 days after the adoption of modification of the plan, or (b) two business days following the filing of the Form 10-Q or Form 10-K for the quarter in which the plan was adopted. The director or officer cooling-off period is a maximum of 120 days. Nondirector or officer insiders have a cooling-off period of 30 days.

The Company will be required to (a) disclose quarterly whether any director or officer has adopted, modified or terminated a Rule 10b5-1 plan or other trading arrangement and (b) describe the material terms of each plan adopted, modified or terminated, including the name and title of the director or officer; the date the plan was adopted, modified or terminated; the plan's duration; and the total amount of securities to be purchased or sold under the plan. Pricing terms need not be disclosed.

C. Additional Rules Applicable to Proposed Mergers/Acquisitions.

Whenever the Company is actively considering a particular company for merger, acquisition or for another significant business relationship (such as a joint venture) or whenever the Company is engaged in active discussion regarding the sale of control of the Company, all of the Company's personnel involved in, or aware of, due diligence or other planning for or attention to the acquisition or business relationship should not trade in any of the Company's securities and any securities of the other company without first contacting the Filing Coordinator, who may consult with outside counsel.

Note: This policy applies to personal securities transactions by the directors and officers and by the employees involved in, or aware of, due diligence or other planning for or attention to the acquisition or business relationship and also applies to:

- (a) Transactions for accounts in which the director, officer or employee has an interest or an ability to influence transactions; and
- (b) Transactions by the director's, officer's or employee's spouse or any other member of their household unless (i) the household member's investment decisions are made independently of the director, officer or employee and (ii) the household member has not received inside information about the issuer of the security.

I. Stock Repurchase by the Company.

This policy does not restrict the Company's purchase of its common stock. The Board of Directors may choose to delegate to the Chief Executive Officer or his designee(s) the authority and discretion to authorize the Company to purchase Company common stock pursuant to a Board-approved and currently effective stock repurchase program, including during a restricted trading period under this policy. In such a circumstance, the Chief Executive Officer must determine that the following conditions are met:

- (a) The Company is not in possession of non-public material information that prohibits such purchases;
 - (b) Market conditions for the repurchase are favorable;
 - (c) There are no material differences in the financial condition of the Company referenced in the last publicly reported balance sheet date that have not been publicly disclosed;
 - (d) There are no material differences in the consolidated results of core operations of the Company for the current quarter and the average for the four most recent quarterly periods that have not been publicly disclosed;
 - (e) It is anticipated that expected earnings for the current quarter will not be materially different from analysts' publicly announced estimates for the current quarter or guidance provided by the Company, if any;
 - (f) The Company is not currently in the process of conducting a transaction or series of related transactions that have not been publicly disclosed and which, if consummated, would likely have a material impact on the financial condition or results of operations of the Company, nor is the Company actively considering any such transaction or series of transactions;
 - (g) The stock repurchases are conducted in accordance with the currently effective stock repurchase program and are not being conducted for the purpose of manipulating the trading market for the Company common stock; and
 - (h) The Chief Executive Officer or his designee(e) has sought the advice of any advisors as he shall deem appropriate.
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Confidentiality

Serious problems could develop for the Company by unauthorized disclosure of inside information about the Company, whether or not for the purpose of facilitating improper trading of the Company's stock.

i. **Confidentiality of Non-Public Information.**

Directors, officers and employees should not discuss internal matters or developments with anyone outside of the Company (including family members, securities analysts, individual investors, members of the investment community and news media), except as required in the performance of regular corporate duties. In addition, directors, officers and employees of the Company with knowledge of material, non-public information should only disclose such information to other Company personnel on a "need-to-know" basis so that the group of individuals with knowledge of material, non-public information is kept as small as possible.

All inquiries about the Company made by the financial press, investment analysts, insurance advisors, or others in the financial community, or by stockholders must be handled in accordance with the Company's Policy on Fair Disclosure to Investors. If you have any doubt as to your responsibilities under this policy, you should seek clarification from the Disclosure Policy Compliance Officer before acting.

i. **Prohibition Against Internet Disclosure**

It is inappropriate for any unauthorized person to disclose Company information or to discuss the Company on the Internet, including in any forum or chat room where companies and their prospects are discussed. The posts in these forums are, in some cases, made by investors who are poorly informed, who have malicious intent or who intend to benefit their own stock positions. To avoid the disclosure of material, inside information, no director, officer or employee may discuss the Company or Company-related information in an Internet forum or chat room, regardless of the situation.

If you have any questions regarding this policy, please contact the President and Chief Executive Officer of the Company.

Reapproved August 21, 2024

BLUE FOUNDRY BANCORP

ADDENDUM TO POLICY REGARDING INSIDER TRADING

Blue Foundry Bancorp (the "Company") became a public company in July 2021 and its common stock is traded on the NASDAQ Global Select Market and registered under the Securities and Exchange Act of 1934 (the "Exchange Act"). As a public company, the Company files periodic reports and proxy statements with the Securities and Exchange Commission (the "SEC").

As a public company, the directors, officers and employees of the Company have a responsibility not to participate in the market for the Company's securities ("Company Securities") while in possession of "material information" about the Company that has not been publicly disclosed. Under the Insider Trading and Securities Enforcement Act of 1988 ("Act"), the Company can be held liable for employee violations of the insider trading laws, unless it has adopted policies and procedures to prevent insider trading. Recent efforts by the SEC to police insider trading laws have highlighted the need for awareness of the responsibilities and potential liability in this area. Executive officers and directors of the Company are also subject to various reporting obligations regarding their ownership, and changes in their ownership, of Company common stock.

The Company has adopted policies and procedures regarding insider trading and the confidentiality of information that are applicable to all employees, officers and directors. This memorandum addresses additional restrictions that are applicable only to Directors, Senior Officers (described below) and designated employees of the Company (the “Restricted Group”).

Blackout Periods

Quarterly Blackout Periods. No person in the Restricted Group should trade in Company securities during a blackout period that begins on or about the 20th day of the last month of each calendar quarter (*i.e.*, on March 20, June 20, September 20 and December 20) and ends at the end of the first full trading day after the public release of the Company’s earnings for such quarter. The blackout period applies to (i) open market purchases or sales, (ii) a sale of securities following exercise of a stock option (including a sale by way of a cashless exercise), (iii) signing up for, or increasing participation in, any employee stock purchase plan or dividend reinvestment plan, and (iv) initiating a transfer of funds into or out of any Company stock fund of a 401(k) plan or increasing an existing election to invest funds in any Company stock fund. However, ongoing purchases through the 401(k) plan or other Company-sponsored plan pursuant to a prior election are permitted at any time (*i.e.*, they are not subject to the blackout period).

Temporary Blackout Periods. The Company may also institute temporary blackout periods in the event of a material corporate development. Notice of temporary blackout periods will be distributed by means of a written or electronic communication specifying the duration of the blackout period and the persons subject to it.

Written Plan Exception. The limitations of the blackout periods shall not apply to trading in Company securities pursuant to a “written plan for trading securities” provided that such plan was entered into prior to the commencement of the applicable blackout period, meets the requirements of SEC Rule 10b5-1 and is approved in advance by the Company’s Board of Directors.

Gift of Company Stock In order to avoid the appearance of impropriety, when gifting shares, the giftee must agree to not sell such shares except during an open trading window while the grantor is an insider, and if the grantor is subject to Section 16 reporting requirements, such gift must be pre-cleared and reported pursuant to the procedures below.

Prohibition on Standing Orders. Standing orders (except standing orders under approved Rule 10b5-1 plans) for the purchase or sale of shares of the Company’s securities should not be used (other than on a daily basis).

Pre-Clearance of all Trades. Prior to the execution, or the placing, of any order with respect to, or any trades in, the Company’s Common Stock, including the gifting of Company Common Stock, the Filing Coordinator should be notified. This will enable the Company to better assure compliance with the prohibition on trading during the quarterly blackout periods or while in possession of material, nonpublic information, as well as the reporting obligations (e.g., Forms 4 and 5 under Section 16(a) of the federal securities laws) relating to changes in the stock ownership by executive officers and directors.

The following positions are hereby designated “Senior Officer” positions for purposes of the Company policy on participating in the market for the Company’s Common Stock during the blackout periods:

All employees designated Senior Vice President and above

All employees that work in: Accounting and Finance Departments

Selling Short

No person in the Restricted Group may at any time sell short Company stock or otherwise sell any equity securities of the Company that they do not own. Generally, a short sale means any transaction whereby one may benefit from a decline in the Company's stock price.

Options

No person in the Restricted Group may at any time buy or sell options on Company securities (so called "puts" and "calls") except in accordance with a program approved by the Company's Board of Directors or a trade cleared by the President and Chief Executive Officer. This restriction does not apply to the exercise of employee or director stock options, which is treated under Section A under Trading Guidelines in the Policy Regarding Insider Trading.

Margin Accounts and Pledges

Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities held in an account which may be borrowed against or are otherwise pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. A margin sale or foreclosure sale may occur at a time when the pledgor is aware of material non-public information or otherwise is not permitted to trade in Company securities and, as a result, the pledgor may be subject to liability under insider trading laws.

Therefore, you may not purchase Company securities on margin, or borrow against any account in which Company securities are held, or pledge Company securities as collateral for a loan.

An exception to this prohibition may be granted where a person wishes to pledge Company securities as collateral for a loan from a third party (not including margin debt) and clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities. Any person who wishes to pledge Company securities as collateral for a loan from a third party must submit a request for approval to the Company's Board of Directors at least two weeks prior to the execution of the documents evidencing the proposed pledge.

Subsidiaries of the Registrant

Name	Percent Ownership	State of Incorporation/Organization
Blue Foundry Bank	100%	New Jersey
Blue Foundry Investment Company*	100%	New Jersey
Blue Foundry, LLC *	100%	New Jersey
TrackView LLC*	100%	New Jersey

*Subsidiary of Blue Foundry Bank

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (No. 333-257914 and 333-267149) on Form S-8 of our report dated March 31, 2026, with respect to the consolidated financial statements of Blue Foundry Bancorp.

/s/ KPMG LLP

New York, New York
March 31, 2026

**Certification of Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, James D. Nesci, certify that:

1. I have reviewed this Annual Report on Form 10-K of the Registrant:
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 31, 2026

/s/ James D. Nesci
James D. Nesci
Chief Executive Officer
(Principal Executive Officer)

**Certification of Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Kelly Pecoraro, certify that:

1. I have reviewed this Annual Report on Form 10-K of the Registrant:
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 31, 2026

/s/ Kelly Pecoraro

Kelly Pecoraro

Executive Vice President & Chief Financial Officer
(Principal Financial Officer)

Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

James D. Nesci, Principal Executive Officer of Blue Foundry Bancorp, Inc. (the "Company") and Kelly Pecoraro, Principal Financial Officer of the Company, each certify in their capacity as an officer of the Company that they have reviewed the annual report on Form 10-K for the year ended December 31, 2025 (the "Report") and that to the best of their knowledge:

1. the Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 31, 2026

/s/ James D. Nesci

James D. Nesci
Chief Executive Officer
(Principal Executive Officer)

Dated: March 31, 2026

/s/ Kelly Pecoraro

Kelly Pecoraro
Executive Vice President & Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.