

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

In the Matter of)

GSL SAVINGS BANK)
GUTTENBERG, NEW JERSEY)
_____)

CONSENT ORDER

TO: GSL Savings Bank
 6823 Bergenline Avenue
 Guttenberg, New Jersey 07093

WHEREAS, the Commissioner of Banking and Insurance of the State of New Jersey ("Commissioner") is charged with the responsibility of administering and enforcing the New Jersey Banking Act of 1948, N.J.S.A. 17:9A-1 to -467 ("the Act"); and

WHEREAS, GSL Savings Bank ("Bank") is a financial institution chartered by the Commissioner pursuant to the Act; and

WHEREAS, pursuant to N.J.S.A. 17:9A-267, the Commissioner may order a state-chartered financial institution to cease any unsafe or unsound practices; and

WHEREAS, the Commissioner and the Bank, by and through its duly elected and acting board of trustees ("Board"), having agreed to enter into this Consent Order pursuant to N.J.S.A. 17:9A-267, and the Bank, without admitting or denying any charges of unsafe or unsound banking practices and violations of law or regulation, hereby consent to the following provisions;

NOW THEREFORE, it is on this 18th day of August, 2025, ORDERED AND AGREED that:

I. Board Requirements

A. Supervision, Direction, and Oversight. Within 60 days from the effective date of this Order the Board must improve, commensurate with the size and complexity of the Bank, its oversight and monitoring of the Bank's affairs, financial condition, and operations, including the implementation of and adherence to the Bank's written policies, procedures, and/or internal controls (collectively, **Policies & Procedures**). The Board must also satisfactorily address the Board oversight and supervision-related deficiencies and weaknesses identified in the December 30, 2024 Report of Examination issued jointly by the FDIC and the State of New Jersey Department of Banking and Insurance (**2024 ROE**), and, at a minimum, ensure that:

1. the Bank revises and refines its succession plan (**Succession Plan**) to encompass all management roles at the Bank within 60 days from the effective date of this Order. The Succession Plan must include, at a minimum: (i) templates for the development of all senior officer positions; (ii) identification of specific individuals currently employed at the Bank who can fill vacant senior officer positions; (iii) plans to fill any vacant senior officer positions; and (iv) development plans for senior officer roles that, at a minimum, identify skill gaps and cross training opportunities;

2. the skills and expertise of all individuals with executive management or senior officer roles are assessed to determine whether the individual's skills and expertise align with the roles currently assigned to them as well as those assigned in the Succession Plan within 90 days from the effective date of this Order. Specifically, the assessment must determine whether these individuals have the requisite skills, experience, expertise, authority, and resources necessary to satisfactorily oversee and manage Bank activities, operations, and associated risks to assure compliance with this Order and applicable laws and regulations and implement and adhere to Policies & Procedures on an on-going basis. In the event an individual does not have the required

skills, experience, expertise, authority, and resources, the Board must ensure appropriate action is taken;

3. a framework commensurate with the size, complexity, and risk profile of the Bank is established to manage the Bank's risks. The Board must ensure that risks are appropriately identified, measured, monitored, and controlled, and that the Board takes immediate action to keep risk exposures within appropriate, Board-approved risk tolerance levels; and

4. the Bank has Policies & Procedures and/or systems in place to provide the Board with timely reports containing sufficient information and documentation to enable the Board to appropriately oversee, monitor, and regularly evaluate the activities and operations of the Bank, including the Bank's strategic initiatives and their impact on the Bank's risk profile, and the implementation of, adherence to, and effectiveness of Policies & Procedures and all corrective action taken to comply with this Order.

B. Corrective Action. The Board must also ensure that the Bank takes all steps necessary, consistent with other provisions of this Order and safe and sound banking practices, to:

1. eliminate or correct, and thereafter prevent, the unsafe or unsound banking practices identified in the 2024 ROE;

2. appropriately address the deficiencies and weaknesses identified in the 2024 ROE; and

3. fully comply with the provisions of this Order in a timely manner.

II. Liquidity Risk Management

A. Funds Management Program. Within 60 days from the effective date of this Order, the Board must ensure that the Bank's funds management program, related Policies & Procedures, and the Liquidity Analysis, as defined below, (collectively, **Funds Management Program**), is revised to adequately address the deficiencies and weaknesses identified in the

2024 ROE and meet the Bank's liquidity needs. The revised Funds Management Program must be submitted to the Commissioner for review and comment or non-objection in accordance with Section VI of this Order.

B. Minimum Requirements. The Funds Management Program must, consistent with safe and sound banking practices and taking into account the other requirements of this Order, at a minimum:

1. *Liquidity Risk Identification.* Identify and document the liquidity risks arising from the Bank's key exposures and business model, specifically addressing public funds deposits and risks associated with deposit concentrations. Additionally, the Funds Management Program must address the potential departure of one or more deposit concentrations and include plans to increase available liquidity to meet related deposit outflow risk and unanticipated funding needs;

2. *Liquidity Needs and Plans.* Include a detailed and well-supported analysis of (i) the Bank's short- and long-term liquidity needs, including liquidity risks, reliance on noncore funding sources and funding concentrations, the Bank's strategic objectives, and the Board's established liquidity risk tolerances; (ii) the Bank's plans to ensure such liquidity needs are met, including the retention of sufficient amounts of highly liquid assets and other available funding sources; and (iii) the short- and long-term financial and risk impacts of any planned strategic initiatives, such as the potential sale of Bank assets;

3. *Cash Flow Projections and Liquidity Analysis.* Expand cash level projections to a 12-month horizon. In order to better anticipate future cash needs and identify and address any shortfalls, the Funds Management Program must require discrete and cumulative risk-based formal cash flow analyses be performed at least monthly and that scenario-based liquidity analyses relating to bank-specific vulnerabilities, market-wide factors, and a combination of both over different timeframes, up to and including one year, be conducted at least quarterly (**Liquidity**

Analysis). The Board's review of forecasting and longer-term cashflow projections and related actions, if any, should be documented in Board minutes;

4. *Liquidity Risk Limits.* Establish clearly defined liquidity risk tolerances and limits consistent with the Bank's funding structure and liquidity risk profile. At a minimum, the Board must establish and maintain minimum levels of on-balance sheet liquidity and contingent funding commensurate with the Bank's public funds concentration, specifically deposit concentrations and unanticipated deposit balance fluctuations, with a cushion to support anticipated or unanticipated funding needs. Compliance with these limits must be adequately monitored, tracked, and reported to the Board in a timely manner; and

5. *Contingency Funding Plan.* Refine and improve the Bank's contingency funding plan (**Contingency Funding Plan**) to include an appropriate range of stress scenarios, inclusive of early warning indicators and event triggers tailored to the Bank's liquidity risk profile, and to provide for the timely identification of potential liquidity events. The Contingency Funding Plan must also include satisfactory alternative plans to meet contingent liquidity needs and the Board's established liquidity risk tolerances with supportable remediation steps. The Contingency Funding Plan must be refined to consider conditions and limitations on the use of certain contingent funding sources during stress events, as well as the operational procedures associated with alternative funding sources, including but not limited to legal, financial, and logistical constraints such as notice periods and collateral requirements. All such limitations should be factored into the Contingency Funding Plan.

III. Capital Planning

Within 90 days from the effective date of this Order, the Board must ensure that the Bank's capital plan (**Capital Plan**) is updated and improved to more comprehensively detail the Bank's strategy to improve capital to a satisfactory level for the risk profile of the Bank. The revised

Capital Plan must consider the findings of the 2024 ROE; satisfactorily analyze the capital needs of the Bank and assure that the Bank has capital protection commensurate with its financial condition, exposure to asset and/or funding concentrations, operations, activities, and growth plans; establish the minimum levels of capital necessary to assure the Bank's safe and sound operation; and detail the Bank's strategy for obtaining, monitoring, and maintaining minimum capital levels once established. Consistent with safe and sound banking practices and appropriately considering the other requirements of this Order, the Capital Plan must, at a minimum, satisfactorily (i) incorporate a comprehensive capital restoration strategy that appropriately addresses the Bank's earnings, capital usage, and risk profile; (ii) incorporate a range of scenarios and capital formation strategies; (iii) establish a minimum Leverage Ratio, as defined at 12 C.F.R. § 324.10(b)(4), and a minimum Total Capital Ratio, as defined at 12 C.F.R. § 324.10(b)(3), necessary to assure the Bank's safe and sound operation; (iv) include detailed and well-supported analyses for the minimum capital levels established that consider asset, funding, operational, and concentration risks; (v) include a detailed and well-supported strategy with financial projections and supporting assumptions for attaining and maintaining the established minimum capital levels, with a list of the primary and contingent sources of capital and the amount of capital and timeframes for obtaining capital from each source; (vi) include and fully assess the short- and long-term financial and risk impacts of any planned strategic risk initiatives, such as the potential sale of Bank assets and deployment of proceeds; (vii) include an analysis of alternative capital formation options with financial projections; and (viii) quarterly, require evaluation of the Bank's actual performance in relation to the Capital Plan, along with the submission of a report to the Board documenting and reflecting performance evaluations.

IV. Growth Restriction

The Board must ensure that the Bank does not increase its total assets, as defined in the

FFIEC's Instructions for Call Reports, by more than 5 percent annually without submitting, at least 30 days prior to its proposed increase, a growth plan (**Growth Plan**) to the Commissioner for review and non-objection in accordance with Section VI of this Order. The Growth Plan must, at a minimum, include the funding source(s) to support the proposed growth, as well as the anticipated use of funds. The Growth Plan may not be implemented without the prior written consent of the Commissioner.

V. Strategic Planning and Profitability

Within 120 days from the effective date of this Order and no later than December 15 of each calendar year thereafter while this Order is in effect, the Board must revise the Bank's written strategic plan (**Strategic Plan**). At a minimum, consistent with safe and sound banking practices and appropriately considering the other requirements of this Order, the Strategic Plan must satisfactorily (i) appropriately assess the Bank's current financial condition, market area, and capital needs, and current and projected assets, liabilities, Bank activities, earnings, operational costs, and concentrations; (ii) implement a reliable budget focused on improving earnings and augmenting capital that is supported by attainable assumptions and adequately analyzed projections; (iii) consider the risks related to the sale of Bank assets and the deployment of proceeds, including any associated costs and the long-term strategic implications, and develop formal assessments of the best case, most likely, and worst case scenarios; (iv) ensure budget projections related to the deployment of the potential Bank asset sale proceeds are well-supported; (v) address the Bank's next three (3) years of operations and, at a minimum, establish objectives for the Bank's earnings performance, growth, balance sheet mix, liability structure, and capital, together with strategies for achieving those objectives; (vi) establish specific goals and measurable performance metrics to return earnings to a consistent, sustainable, and satisfactory level within a reasonable time frame; (vii) establish plans for the sale, merger, or liquidation of the Bank in the

event primary and contingent sources of capital identified in the Capital Plan are not available or insufficient to attain and maintain established minimum capital levels; and (viii) require quarterly evaluations of actual performance in relation to the Strategic Plan, document the results of the evaluation with a detailed explanation of, and reasons for, variances of 10 percent or more and any action to be taken as a result of the evaluation.

VI. Non-objection, Implementation, and Adherence

A. Review, Comment or Non-objection. When a provision of this Order requires the submission of a matter to the Commissioner for review and comment or non-objection (**Submission**), the Bank will make the Submission to the Commissioner. Within 30 days from receipt of comments from the Commissioner, the Board or Bank will make such modifications as may be necessary to respond to the Commissioner's comments and resubmit the Submission for review and additional comments or non-objection.

B. Adoption, Implementation and Adherence. The Board will adopt any Submission at its next regularly scheduled meeting following receipt of the Commissioner's written non-objection to such Submission. For any matter required by this Order, but not requiring the written non-objection of the Commissioner, the Board must act on such matter within the timeframe required for such action in this Order. All actions must be appropriately reflected in the Board minutes. Thereafter, the Board must ensure that the Bank fully implements and adheres to the plan, Policy & Procedure, or other matter as adopted. In the event a Submission required by this Order and adopted by the Board, or any portion thereof, is not fully implemented or adhered to, the Board must promptly, and in no instance more than 30 days from the event, advise the Commissioner in writing of the specific reasons for the deviation or delay and the steps it will take to address the deviation or delay. The Commissioner may either provide a written non-objection to any such deviation or delay or require compliance with the Submission as adopted by the Board.

VII. Progress Reports

Within 45 days of the end of each calendar quarter following the effective date of this Order, the Board must furnish to the Commissioner written progress reports detailing the form, manner, and results of any actions taken to secure compliance with this Order. Supporting documentation must also be submitted with each written progress report. All progress reports and other written responses to this Order must be reviewed and approved by the Board and be made a part of the Board minutes.

VIII. Miscellaneous

The provisions of this Order do not bar, estop, or otherwise prevent the Commissioner, or any other federal or state agency or department, from taking any other action against the Bank or any of the Bank's current or former institution-affiliated parties.

This Order is effective on the date of issuance, and its provisions will remain effective and enforceable until a provision is modified, terminated, suspended, or set aside in writing by the Commissioner. The provisions of this Order are binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.



Justin Zimmerman
Commissioner

CONSENTED AS TO FORM, CONTENT, AND ENTRY:



Date: 8/12/25



Date: 8/12/2025

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Date: 8/12/2025

Paul R. Tri

Date: 8/12/2025

Paul R. Tri

Date: 8/12/2025

Alvin M. Tri

Date: 8/12/2025

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