

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

FORM 10-Q

(Mark one)

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

For the quarterly period ended June 30, 2025

or

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

Commission File Number 001-38456

Columbia Financial, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

19-01 Route 208 North

Fair Lawn, New Jersey

(Address of principal executive offices)

22-3504946

(I.R.S. Employer Identification
Number)

07140

(Zip Code)

(800) 522-4167

(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 per share	CLBK	The Nasdaq Stock Market LLC

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

☒ Yes ☐ No

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

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 ☐ Accelerated filer ☒ Smaller reporting company ☐
Non-accelerated filer ☐ Emerging growth company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

As of August 5, 2025, there were 104,927,137 shares issued and outstanding of the Registrant's common stock, par value \$0.01 per share (including 76,016,524 shares held by Columbia Bank, MHC).

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

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COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Consolidated Statements of Financial Condition (In thousands, except share and per share data)

	June 30, 2025 (Unaudited)	December 31, 2024
Assets		
Cash and due from banks	\$ 248,113	\$ 289,113
Short-term investments	111	110
Total cash and cash equivalents	248,224	289,223
Debt securities available for sale, at fair value	1,056,950	1,025,946
Debt securities held to maturity, at amortized cost (fair value of \$368,232 and \$350,153 at June 30, 2025 and December 31, 2024, respectively)	402,159	392,840
Equity securities, at fair value	7,253	6,673
Federal Home Loan Bank stock	68,663	60,387
Loans receivable	8,175,499	7,916,928
Less: allowance for credit losses	64,467	59,958
Loans receivable, net	8,111,032	7,856,970
Accrued interest receivable	41,161	40,383
Office properties and equipment, net	82,176	81,772
Bank-owned life insurance ("BOLI")	278,756	274,908
Goodwill and intangible assets	120,003	121,008
Other real estate owned	—	1,334
Other assets	322,651	324,049
Total assets	\$ 10,739,028	\$ 10,475,493
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits	\$ 8,135,483	\$ 8,096,149
Borrowings	1,272,578	1,080,600
Advance payments by borrowers for taxes and insurance	49,525	45,453
Accrued expenses and other liabilities	160,734	172,915
Total liabilities	9,618,320	9,395,117
Stockholders' equity:		
Preferred stock, \$0.01 par value. 10,000,000 shares authorized; none issued and outstanding at June 30, 2025 and December 31, 2024	—	—
Common stock, \$0.01 par value. 500,000,000 shares authorized; 131,623,847 shares issued and 104,927,137 shares outstanding at June 30, 2025, and 131,414,591 shares issued and 104,759,185 shares outstanding at December 31, 2024	1,316	1,314
Additional paid-in capital	802,923	799,482
Retained earnings	903,156	881,951
Accumulated other comprehensive loss	(95,104)	(110,368)
Treasury stock, at cost; 26,696,710 shares at June 30, 2025 and 26,655,406 shares at December 31, 2024	(461,588)	(460,980)
Common stock held by the Employee Stock Ownership Plan	(29,080)	(30,207)
Stock held by Rabbi Trust	(3,445)	(3,255)
Deferred compensation obligations	2,530	2,439
Total stockholders' equity	1,120,708	1,080,376
Total liabilities and stockholders' equity	\$ 10,739,028	\$ 10,475,493

See accompanying notes to unaudited consolidated financial statements.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Consolidated Statements of Income (In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
(Unaudited)				
Interest income:				
Loans receivable	\$ 99,646	\$ 95,252	\$ 194,756	\$ 188,201
Debt securities available for sale and equity securities	10,301	9,241	20,043	17,026
Debt securities held to maturity	2,922	2,502	5,733	4,871
Federal funds and interest-earning deposits	2,443	4,459	5,301	8,022
Federal Home Loan Bank stock dividends	1,179	1,832	2,821	3,793
Total interest income	116,491	113,286	228,654	221,913
Interest expense:				
Deposits	49,344	49,826	99,489	98,244
Borrowings	13,444	19,380	25,137	37,389
Total interest expense	62,788	69,206	124,626	135,633
Net interest income	53,703	44,080	104,028	86,280
Provision for credit losses	2,468	2,194	5,401	7,472
Net interest income after provision for credit losses	51,235	41,886	98,627	78,808
Non-interest income:				
Demand deposit account fees	2,015	1,590	3,903	3,003
Bank-owned life insurance	1,990	1,804	3,849	3,584
Title insurance fees	861	744	1,507	1,247
Loan fees and service charges	1,744	1,378	2,800	2,339
Gain (loss) on securities transactions	336	—	336	(1,256)
Change in fair value of equity securities	272	101	580	452
(Loss) gain on sale of loans	(15)	181	500	366
Gain on sale of other real estate owned	281	—	281	—
Other non-interest income	2,689	3,382	4,888	6,897
Total non-interest income	10,173	9,180	18,644	16,632
Non-interest expense:				
Compensation and employee benefits	28,933	27,659	57,516	55,172
Occupancy	5,968	6,054	12,153	12,027
Federal deposit insurance premiums	1,739	1,879	3,619	4,234
Advertising	563	661	1,094	1,287
Professional fees	3,519	4,509	6,034	9,143
Data processing and software expenses	4,103	3,914	8,164	7,881
Merger-related expenses	—	692	—	714
Other non-interest expense, net	81	879	171	1,447
Total non-interest expense	44,906	46,247	88,751	91,905
Income before income tax expense	16,502	4,819	28,520	3,535
Income tax expense	4,197	279	7,315	150
Net Income	\$ 12,305	\$ 4,540	\$ 21,205	\$ 3,385
Earnings per share-basic	\$ 0.12	\$ 0.04	\$ 0.21	\$ 0.03
Earnings per share-diluted	\$ 0.12	\$ 0.04	\$ 0.21	\$ 0.03
Weighted average shares outstanding-basic	101,985,784	101,651,511	101,898,636	101,699,126
Weighted average shares outstanding-diluted	101,985,784	101,651,511	101,898,636	101,804,386

See accompanying notes to unaudited consolidated financial statements.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income (Loss)

(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Unaudited)			
Net income	\$ 12,305	\$ 4,540	\$ 21,205	\$ 3,385
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on debt securities available for sale	4,250	(450)	15,715	(5,442)
Accretion of unrealized gain (loss) on debt securities reclassified as held to maturity	4	2	(6)	6
Reclassification adjustment for gain (loss) included in net income	243	—	243	(903)
	<u>4,497</u>	<u>(448)</u>	<u>15,952</u>	<u>(6,339)</u>
Derivatives, net of tax:				
Unrealized (loss) gain on swap contracts accounted for as cash flow hedges	(1,190)	298	(3,331)	4,058
	<u>(1,190)</u>	<u>298</u>	<u>(3,331)</u>	<u>4,058</u>
Employee benefit plans, net of tax:				
Amortization of prior service cost included in net income	(25)	(10)	(48)	(20)
Reclassification adjustment of actuarial net gain (loss) included in net income	17	(394)	33	(778)
Change in funded status of retirement obligations	2,647	5,909	2,658	6,332
	<u>2,639</u>	<u>5,505</u>	<u>2,643</u>	<u>5,534</u>
Total other comprehensive income	<u>5,946</u>	<u>5,355</u>	<u>15,264</u>	<u>3,253</u>
Total comprehensive income, net of tax	<u>\$ 18,251</u>	<u>\$ 9,895</u>	<u>\$ 36,469</u>	<u>\$ 6,638</u>

See accompanying notes to unaudited consolidated financial statements.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Stockholders' Equity (Unaudited)
Three Months Ended June 30, 2025 and 2024 (In thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Common Stock Held by the Employee Stock Ownership Plan	Stock Held by Rabbi Trust	Deferred Compensation Obligations	Total Stockholders' Equity
Balance at March 31, 2025	\$ 1,316	\$ 801,349	\$ 890,851	\$ (101,050)	\$(461,536)	\$ (29,647)	\$ (3,371)	\$ 2,431	\$ 1,100,343
Net income	—	—	12,305	—	—	—	—	—	12,305
Other comprehensive income	—	—	—	5,946	—	—	—	—	5,946
Stock based compensation	—	1,330	—	—	—	—	—	—	1,330
Restricted stock forfeitures (424 shares)	—	6	—	—	(6)	—	—	—	—
Repurchase shares for taxes (3,339 shares)	—	—	—	—	(49)	—	—	—	(49)
Excise tax benefit on net stock repurchases	—	—	—	—	3	—	—	—	3
Employee Stock Ownership Plan shares committed to be released	—	238	—	—	—	567	—	—	805
Funding of deferred compensation obligations	—	—	—	—	—	—	(74)	99	25
Balance at June 30, 2025	<u>\$ 1,316</u>	<u>\$ 802,923</u>	<u>\$ 903,156</u>	<u>\$ (95,104)</u>	<u>\$(461,588)</u>	<u>\$ (29,080)</u>	<u>\$ (3,445)</u>	<u>\$ 2,530</u>	<u>\$ 1,120,708</u>

See accompanying notes to unaudited consolidated financial statements.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity (Unaudited) (continued)
Three Months Ended June 30, 2025 and 2024 (In thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss)	Treasury Stock	Common Stock Held by the Employee Stock Ownership Plan	Stock Held by Rabbi Trust	Deferred Compensation Obligations	Total Stockholders' Equity
Balance at March 31, 2024	\$ 1,314	\$ 793,878	\$ 892,449	\$ (160,837)	\$ (455,948)	\$ (31,914)	\$ (3,041)	\$ 2,124	\$ 1,038,025
Net income	—	—	4,540	—	—	—	—	—	4,540
Other comprehensive income	—	—	—	5,355	—	—	—	—	5,355
Stock based compensation	—	2,241	—	—	—	—	—	—	2,241
Purchase of treasury stock (263,600 shares)	—	—	—	—	(4,242)	—	—	—	(4,242)
Restricted stock forfeitures (150 shares)	—	3	—	—	(3)	—	—	—	—
Repurchase shares for taxes (3,786 shares)	—	—	—	—	(56)	—	—	—	(56)
Excise tax on net stock repurchases	—	—	—	—	(42)	—	—	—	(42)
Employee Stock Ownership Plan shares committed to be released	—	310	—	—	—	565	—	—	875
Funding of deferred compensation obligations	—	—	—	—	—	—	(65)	103	38
Balance at June 30, 2024	\$ 1,314	\$ 796,432	\$ 896,989	\$ (155,482)	\$ (460,291)	\$ (31,349)	\$ (3,106)	\$ 2,227	\$ 1,046,734

See accompanying notes to unaudited consolidated financial statements.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity (Unaudited) (continued)
Six Months Ended June 30, 2025 and 2024 (In thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Common Stock Held by the Employee Stock Ownership Plan	Stock Held by Rabbi Trust	Deferred Compensation Obligations	Total Stockholders' Equity
Balance at December 31, 2024	\$ 1,314	\$ 799,482	\$ 881,951	\$ (110,368)	\$ (460,980)	\$ (30,207)	\$ (3,255)	\$ 2,439	\$ 1,080,376
Net income	—	—	21,205	—	—	—	—	—	21,205
Other comprehensive income	—	—	—	15,264	—	—	—	—	15,264
Issuance of common stock allocated to restricted stock award grants (209,256 shares)	2	(2)	—	—	—	—	—	—	—
Stock based compensation	—	2,460	—	—	—	—	—	—	2,460
Restricted stock forfeitures (29,480 shares)	—	436	—	—	(436)	—	—	—	—
Repurchase shares for taxes (11,824 shares)	—	—	—	—	(179)	—	—	—	(179)
Excise tax benefit on net stock repurchases	—	—	—	—	7	—	—	—	7
Employee Stock Ownership Plan shares committed to be released	—	547	—	—	—	1,127	—	—	1,674
Funding of deferred compensation obligations	—	—	—	—	—	—	(190)	91	(99)
Balance at June 30, 2025	<u>\$ 1,316</u>	<u>\$ 802,923</u>	<u>\$ 903,156</u>	<u>\$ (95,104)</u>	<u>\$ (461,588)</u>	<u>\$ (29,080)</u>	<u>\$ (3,445)</u>	<u>\$ 2,530</u>	<u>\$ 1,120,708</u>

See accompanying notes to unaudited consolidated financial statements.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity (Unaudited) (continued)
Six Months Ended June 30, 2025 and 2024 (In thousands)

	Common Stock	Additional Paid-in- Capital	Retained Earnings	Accumulated Other Comprehensive (Loss)	Treasury Stock	Common Stock Held by the Employee Stock Ownership Plan	Stock Held by Rabbi Trust	Deferred Compensation Obligations	Total Stockholders' Equity
Balance at December 31, 2023	\$ 1,312	\$ 791,450	\$ 893,604	\$ (158,735)	\$ (454,128)	\$ (32,478)	\$ (2,955)	\$ 2,265	\$ 1,040,335
Net income	—	—	3,385	—	—	—	—	—	3,385
Other comprehensive income	—	—	—	3,253	—	—	—	—	3,253
Issuance of common stock allocated to restricted stock award grants (212,441 shares)	2	(2)	—	—	—	—	—	—	—
Stock based compensation	—	4,270	—	—	—	—	—	—	4,270
Purchase of treasury stock (365,116 shares)	—	—	—	—	(5,894)	—	—	—	(5,894)
Exercise of stock options (28,051 shares)	—	(49)	—	—	—	—	—	—	(49)
Restricted stock forfeitures (1,695 shares)	—	30	—	—	(30)	—	—	—	—
Repurchase shares for taxes (12,189 shares)	—	—	—	—	(195)	—	—	—	(195)
Excise tax on net stock repurchases	—	—	—	—	(44)	—	—	—	(44)
Employee Stock Ownership Plan shares committed to be released	—	733	—	—	—	1,129	—	—	1,862
Funding of deferred compensation obligations	—	—	—	—	—	—	(151)	(38)	(189)
Balance at June 30, 2024	\$ 1,314	\$ 796,432	\$ 896,989	\$ (155,482)	\$ (460,291)	\$ (31,349)	\$ (3,106)	\$ 2,227	\$ 1,046,734

See accompanying notes to unaudited consolidated financial statements.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

	Six Months Ended June 30,	
	2025	2024
	(In thousands, unaudited)	
Cash flows from operating activities:		
Net income	\$ 21,205	\$ 3,385
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of deferred loan costs, fees and purchased premiums and discounts	2,941	2,095
Net amortization of premiums and discounts on securities	(1,915)	(216)
Net amortization of mortgage servicing rights	98	134
Amortization of intangible assets	1,031	1,116
Depreciation and amortization of office properties and equipment	4,218	4,078
Amortization of operating lease right-of-use assets	1,995	1,958
Provision for credit losses	5,401	7,472
(Gain) loss on securities transactions	(336)	1,256
Change in fair value of equity securities	(580)	(452)
Gain on securitizations	(70)	—
Gain on sale of loans, net	(430)	(366)
Gain on disposal of office properties and equipment, net	(18)	—
Deferred tax (benefit) expense	(5,818)	1,688
(Increase) in accrued interest receivable	(778)	(1,993)
Gain on sale of other real estate owned	(281)	—
Decrease (increase) in other assets	810	(8,123)
(Decrease) increase in accrued expenses and other liabilities	(14,599)	18,319
Income on bank-owned life insurance	(3,849)	(3,584)
Employee stock ownership plan expense	1,674	1,862
Stock based compensation	2,460	4,270
(Increase) in deferred compensation obligations under Rabbi Trust	(99)	(189)
Net cash provided by operating activities	13,060	32,710
Cash flows from investing activities:		
Proceeds from sales of debt securities available for sale	15,656	3,495
Proceeds from paydowns/maturities/calls of debt securities available for sale	102,847	62,990
Proceeds from paydowns/maturities/calls of debt securities held to maturity	24,869	6,483
Purchases of debt securities available for sale	(118,767)	(246,244)
Purchases of debt securities held to maturity	(33,369)	(16,635)
Proceeds from sales of loans held-for-sale	20,525	6,896
Purchases of loans receivable	(150,882)	—
Net (increase) decrease in loans receivable	(138,878)	39,419
Proceeds from bank-owned life insurance death benefits	—	5
Proceeds from redemptions of Federal Home Loan Bank stock	19,574	17,553
Purchases of Federal Home Loan Bank stock	(27,850)	(24,149)
Proceeds from sales of office properties and equipment	18	—
Additions to office properties and equipment	(4,622)	(3,048)
Proceeds from sales of other real estate owned	1,615	—
Net cash (used in) investing activities	\$ (289,264)	\$ (153,235)

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (continued)

	Six Months Ended June 30,	
	2025	2024
	(In thousands, unaudited)	
Cash flows from financing activities:		
Net increase (decrease) in deposits	\$ 39,334	\$ (65,009)
Proceeds from long-term borrowings	130,000	210,000
Payments on long-term borrowings	(60,000)	(70,000)
Net increase in short-term borrowings	121,978	15,204
Increase in advance payments by borrowers for taxes and insurance	4,072	4,333
Exercise of stock options	—	(49)
Purchase of treasury stock	—	(5,894)
Repurchase of shares for taxes	(179)	(195)
Net cash provided by financing activities	\$ 235,205	\$ 88,390
Net (decrease) in cash and cash equivalents	\$ (40,999)	\$ (32,135)
Cash and cash equivalents at beginning of year	289,223	423,249
Cash and cash equivalents at end of period	\$ 248,224	\$ 391,114
Cash paid during the period for:		
Interest on deposits and borrowings	\$ 124,241	\$ 134,745
Income tax payments, net of refunds	\$ 73	\$ 664
Non-cash investing and financing activities:		
Transfer of loans receivable to other real estate owned	\$ —	\$ 1,974
Transfer of loans receivable to loans held-for-sale	\$ 20,149	\$ 6,532
Securitization of loans	\$ 7,207	\$ —
Excise tax (benefit)on net stock repurchases	\$ (7)	\$ 44

See accompanying notes to unaudited consolidated financial statements.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES
Notes to Unaudited Consolidated Financial Statements

1. Basis of Financial Statement Presentation

The accompanying consolidated financial statements include the accounts of Columbia Financial, Inc. ("Columbia Financial"), its wholly-owned subsidiary, Columbia Bank ("Columbia"), and Columbia's wholly-owned subsidiaries, Columbia Investment Services, Inc., 1901 Residential Management Co. LLC, First Jersey Title Services, Inc., 1901 Commercial Management Co. LLC, Stewardship Realty LLC, Columbia Insurance Services Inc., and 19-01 Community Development Corporation, (collectively, the "Company"). In consolidation, all intercompany accounts and transactions are eliminated.

Columbia Financial, Inc. is a majority-owned subsidiary of Columbia Bank, MHC (the "MHC"). The accounts of the MHC are not consolidated in the accompanying consolidated financial statements of the Company.

In preparing the interim unaudited consolidated financial statements, management is required to make estimates, significant judgments and assumptions that affect the reported amounts of assets and liabilities as of the dates of the Consolidated Statements of Financial Condition and Consolidated Statements of Income for the periods presented. Actual results could differ from these judgments and estimates under different conditions, resulting in a change that could have a material impact on the carrying values of our assets and liabilities and our results of operations. Material estimates that involve significant judgments and assumptions that are particularly susceptible to change are the determination of the adequacy of the allowance for credit losses, evaluation of the need for valuation allowances on deferred tax assets, and determination of liabilities related to retirement and other post-retirement benefits. These estimates, significant judgments and assumptions are evaluated on an ongoing basis and are adjusted when facts and circumstances dictate.

The interim unaudited 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. The results of operations for the three and six months periods ended June 30, 2025 are not necessarily indicative of the results of operations that may be expected for the entire fiscal year or any other period.

The interim unaudited consolidated financial statements of the Company presented herein have been prepared in accordance with the rules of the Securities and Exchange Commission ("SEC") for quarterly reports on Form 10-Q and U.S. generally accepted accounting principles ("GAAP"). Certain information and note disclosures have been condensed or omitted pursuant to the rules and regulations of the SEC.

These unaudited consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2024, and the audited consolidated financial statements included therein.

2. Acquisition

On December 1, 2021, the Company completed its acquisition of Freehold Bancorp, MHC, Freehold Bancorp, Inc. and Freehold Bank (collectively, the "Freehold Entities" or "Freehold"). Pursuant to the terms of the merger agreement, Freehold Bancorp, MHC merged with and into Columbia Bank, MHC (the "MHC"), with the MHC as the surviving entity; and Freehold Bancorp, Inc. merged with and into Columbia Financial, with Columbia Financial as the surviving entity. In connection with the merger, Freehold Bank converted to a federal savings bank and operated as a wholly-owned subsidiary of Columbia Financial, until October 5, 2024, when the Company merged Freehold Bank into Columbia Bank. Under the terms of the merger agreement, upon the merger of the two banks, depositors of Freehold Bank became depositors of Columbia Bank and have the same rights and privileges in the MHC as if their accounts had been established at Columbia Bank on the date established at Freehold Bank. The Company issued 2,591,007 shares of its common stock to the MHC, representing an amount equal to the fair value of the Freehold Entities as determined by an independent appraiser, at the effective time of the holding company mergers.

Merger-related expenses are recorded in the Consolidated Statements of Income and are expensed as incurred. Direct acquisition and other charges incurred in connection with the acquisition of the Freehold Entities totaled \$692,000 and \$714,000, during the three and six months ended June 30, 2024. There were no expenses recorded for the three and six months ended June 30, 2025.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

3. Earnings per Share

Basic earnings per share ("EPS") is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the period. For purposes of calculating basic EPS, weighted average common shares outstanding excludes treasury stock, unallocated employee stock ownership plan shares that have not been committed for release and deferred compensation obligations required to be settled in shares of Company stock.

Diluted EPS is computed using the same method as basic EPS and reflects the potential dilution which could occur if stock options and unvested shares were exercised and converted into common stock. The potentially diluted shares would then be included in the weighted average number of shares outstanding for the period using the treasury stock method.

The following is a reconciliation of the numerators and denominators of the basic and diluted earnings per share calculations for the three and six months ended June 30, 2025 and 2024:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars in thousands, except per share data)			
Net income (loss)	\$ 12,305	\$ 4,540	\$ 21,205	\$ 3,385
Shares:				
Weighted average shares outstanding - basic	101,985,784	101,651,511	101,898,636	101,699,126
Weighted average diluted shares outstanding	—	—	—	105,260
Weighted average shares outstanding - diluted	101,985,784	101,651,511	101,898,636	101,804,386
Earnings per share:				
Basic	\$ 0.12	\$ 0.04	\$ 0.21	\$ 0.03
Diluted	\$ 0.12	\$ 0.04	\$ 0.21	\$ 0.03

During the three and six months ended June 30, 2025 and 2024, the average number of stock options which could potentially dilute basic earnings per share in the future that were not included in the computation of diluted earnings per share because to do so would have been anti-dilutive totaled 4,127,891 and 3,834,101, and 3,710,618 and 949,748, respectively.

4. Stock Repurchase Program

On May 25, 2023, the Company announced that its Board of Directors authorized the Company's sixth stock repurchase program to acquire up to 2,000,000 shares, or approximately 1.9% of the Company's then issued and outstanding common stock. This program expired in 2024 and, prior to its expiration, and repurchases were paused in order to retain capital.

During the three and six months ended June 30, 2024, the Company repurchased 263,600 shares at a cost of approximately \$4.2 million, or \$16.09 per share, and 365,116 shares at a cost of approximately \$5.9 million, or \$16.14 per share, respectively, under the previous program. Repurchased shares are held as treasury stock and are available for general corporate purposes.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

5. Summary of Significant Accounting Policies

Recent Accounting Pronouncements

Accounting Pronouncements Adopted in 2025

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in this ASU require improved annual income tax disclosures surrounding rate reconciliation, income taxes paid, and other disclosures. This update is effective for financial statements issued for fiscal years beginning after December 15, 2024, with early adoption in the interim period permitted. The Company adopted this ASU on January 1, 2025 on a prospective basis. As it is only related to annual disclosures, this ASU is not expected to have a significant impact on the Company's consolidated financial statements, other than enhanced annual disclosures.

Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)*, which requires disaggregated information about certain income statement line items in a tabular format in the notes to the consolidated financial statements. This update is effective for financial statements issued for fiscal years beginning after December 15, 2026, with early adoption in the interim period permitted. The Company is currently evaluating the impact of the adoption of this ASU on its consolidated financial statements. As it is only disclosure related, this ASU is not expected to have a significant impact on the consolidated financial statements.

6. Debt Securities Available for Sale

Debt securities available for sale at June 30, 2025 and December 31, 2024 are summarized as follows:

	June 30, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
	(In thousands)			
U.S. government and agency obligations	\$ 344,806	\$ 3,812	\$ (34)	\$ 348,584
Mortgage-backed securities and collateralized mortgage obligations	717,365	976	(90,509)	627,832
Municipal obligations	2,374	2	(7)	2,369
Corporate debt securities	86,218	178	(8,231)	78,165
	<u>\$ 1,150,763</u>	<u>\$ 4,968</u>	<u>\$ (98,781)</u>	<u>\$ 1,056,950</u>

	December 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
	(In thousands)			
U.S. government and agency obligations	\$ 314,494	\$ 810	\$ (602)	\$ 314,702
Mortgage-backed securities and collateralized mortgage obligations	729,488	173	(106,704)	622,957
Municipal obligations	2,378	3	(22)	2,359
Corporate debt securities	95,508	123	(9,703)	85,928
	<u>\$ 1,141,868</u>	<u>\$ 1,109</u>	<u>\$ (117,031)</u>	<u>\$ 1,025,946</u>

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

6. Debt Securities Available for Sale (continued)

The amortized cost and fair value of debt securities available for sale at June 30, 2025, by contractual final maturity, is shown below. Expected maturities may differ from contractual maturities due to prepayment or early call options exercised by the issuer.

	June 30, 2025	
	Amortized Cost	Fair Value
	(In thousands)	
One year or less	\$ 121,532	\$ 121,572
More than one year to five years	234,157	236,778
More than five years to ten years	77,709	70,768
	<u>\$ 433,398</u>	<u>\$ 429,118</u>
Mortgage-backed securities and collateralized mortgage obligations	717,365	627,832
	<u><u>\$ 1,150,763</u></u>	<u><u>\$ 1,056,950</u></u>

Mortgage-backed securities and collateralized mortgage obligations totaling \$717.4 million at amortized cost, and \$627.8 million at fair value, are not classified by maturity in the table above as their expected lives are likely to be shorter than the contractual maturity date due to principal prepayments.

During the three and six months ended June 30, 2025, proceeds from the sale of debt securities available for sale totaled \$15.7 million, resulting in gross gains of \$336,000 and no gross losses. There were no calls and there were maturities totaling \$28.5 million during the three months ended June 30, 2025. During the six months ended June 30, 2025, there was one partial call of a debt security available for sale totaling \$756,000 and maturities totaling \$28.5 million.

During the three months ended June 30, 2024, there were no sales, calls or maturities of debt securities available for sale. During the six months ended June 30, 2024, proceeds from the sale of a debt security available for sale totaled \$3.5 million, resulting in no gross gains and \$1.3 million of gross losses. There was one matured debt security available for sale totaling \$10.0 million during the six months ended June 30, 2024.

Debt securities available for sale having a carrying value of \$416.2 million and \$343.4 million, at June 30, 2025 and December 31, 2024, respectively, were pledged as security for public funds on deposit at the Bank as required and permitted by law, pledged for outstanding borrowings at the Federal Home Loan Bank, and pledged for potential borrowings at the Federal Reserve Bank of New York.

The following tables summarize the fair value and gross unrealized losses of those securities that reported an unrealized loss at June 30, 2025 and December 31, 2024 and if the unrealized loss position was continuous for the twelve months prior to those respective dates:

	June 30, 2025					
	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Gross Unrealized (Losses)	Fair Value	Gross Unrealized (Losses)	Fair Value	Gross Unrealized (Losses)
	(In thousands)					
U.S. government and agency obligations	\$ 29,706	\$ (34)	\$ —	\$ —	\$ 29,706	\$ (34)
Mortgage-backed securities and collateralized mortgage obligations	36,400	(80)	467,313	(90,429)	503,713	(90,509)
Municipal obligations	—	—	1,357	(7)	1,357	(7)
Corporate debt securities	1,987	(12)	70,250	(8,219)	72,237	(8,231)
	<u>\$ 68,093</u>	<u>\$ (126)</u>	<u>\$ 538,920</u>	<u>\$ (98,655)</u>	<u>\$ 607,013</u>	<u>\$ (98,781)</u>

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

6. Debt Securities Available for Sale (continued)

	December 31, 2024					
	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Gross Unrealized (Losses)	Fair Value	Gross Unrealized (Losses)	Fair Value	Gross Unrealized (Losses)
	(In thousands)					
U.S. government and agency obligations	\$ 126,197	\$ (602)	\$ —	\$ —	\$ 126,197	\$ (602)
Mortgage-backed securities and collateralized mortgage obligations	93,763	(475)	476,559	(106,229)	570,322	(106,704)
Municipal obligations	—	—	1,346	(22)	1,346	(22)
Corporate debt securities	—	—	80,805	(9,703)	80,805	(9,703)
	<u>\$ 219,960</u>	<u>\$ (1,077)</u>	<u>\$ 558,710</u>	<u>\$ (115,954)</u>	<u>\$ 778,670</u>	<u>\$ (117,031)</u>

The number of securities in an unrealized loss position at June 30, 2025 totaled 150, compared with 185 at December 31, 2024. All temporarily impaired securities were investment grade as of June 30, 2025. All temporarily impaired securities were investment grade as of December 31, 2024 except two corporate debt securities which were rated BB+, totaling approximately \$8.4 million.

For available for sale securities, the Company assesses whether a loss is from credit or other factors and 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, a credit loss would be recorded through an allowance for credit losses, limited by the amount that the fair value is less than the amortized cost basis.

There was no activity in the allowance for credit losses on debt securities available for sale for the three and six months ended June 30, 2025 and 2024.

The Company made an accounting policy election to exclude accrued interest receivable from the amortized cost basis of debt securities available for sale. Accrued interest receivable on debt securities available for sale is reported as a component of accrued interest receivable on the Consolidated Statement of Financial Condition, which totaled \$5.0 million and \$4.7 million at June 30, 2025 and December 31, 2024, respectively, and is excluded from the estimate of credit losses.

7. Debt Securities Held to Maturity

Debt securities held to maturity at June 30, 2025 and December 31, 2024 are summarized as follows:

	June 30, 2025				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Allowance for Credit Losses	Fair Value
	(In thousands)				
U.S. government and agency obligations	\$ 44,872	\$ —	\$ (4,103)	\$ —	\$ 40,769
Mortgage-backed securities and collateralized mortgage obligations	357,287	455	(30,279)	—	327,463
	<u>\$ 402,159</u>	<u>\$ 455</u>	<u>\$ (34,382)</u>	<u>\$ —</u>	<u>\$ 368,232</u>

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

7. Debt Securities Held to Maturity (continued)

	December 31, 2024				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Allowance for Credit Losses	Fair Value
	(In thousands)				
U.S. government and agency obligations	\$ 44,871	\$ —	\$ (5,288)	\$ —	\$ 39,583
Mortgage-backed securities and collateralized mortgage obligations	347,969	8	(37,407)	—	310,570
	<u>\$ 392,840</u>	<u>\$ 8</u>	<u>\$ (42,695)</u>	<u>\$ —</u>	<u>\$ 350,153</u>

The amortized cost and fair value of debt securities held to maturity at June 30, 2025, by contractual final maturity, is shown below. Expected maturities may differ from contractual maturities due to prepayment or early call options exercised by the issuer.

	June 30, 2025	
	Amortized Cost	Fair Value
	(In thousands)	
One year or less	\$ 14,875	\$ 14,592
More than one year to five years	10,000	9,209
More than five years to ten years	9,997	9,086
More than ten years	10,000	7,882
	<u>44,872</u>	<u>40,769</u>
Mortgage-backed securities and collateralized mortgage obligations	357,287	327,463
	<u>\$ 402,159</u>	<u>\$ 368,232</u>

Mortgage-backed securities and collateralized mortgage obligations totaling \$357.3 million at amortized cost, and \$327.5 million at fair value at June 30, 2025, are not classified by maturity as their expected lives are likely to be shorter than the contractual maturity date due to principal prepayments.

During the three and six months ended June 30, 2025 and 2024, there were no sales, calls or maturities of debt securities held to maturity.

Debt securities held to maturity having a carrying value of \$231.6 million and \$247.6 million, at June 30, 2025 and December 31, 2024, respectively, were pledged as security for public funds on deposit at the Bank as required and permitted by law, pledged for outstanding borrowings at the Federal Home Loan Bank, and pledged for potential borrowings at the Federal Reserve Bank of New York.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

7. Debt Securities Held to Maturity (continued)

The following tables summarize the fair value and gross unrealized losses of those securities that reported an unrealized loss at June 30, 2025 and December 31, 2024 and if the unrealized loss position was continuous for the twelve months prior to those respective dates:

June 30, 2025							
Less Than 12 Months		12 Months or Longer		Total			
Fair Value	Gross Unrealized (Losses)	Fair Value	Gross Unrealized (Losses)	Fair Value	Gross Unrealized (Losses)		
(In thousands)							
U.S. government and agency obligations	\$ —	\$ —	\$ 40,769	\$ (4,103)	\$ 40,769	\$ (4,103)	
Mortgage-backed securities and collateralized mortgage obligations	42,481	(790)	260,966	(29,489)	303,447	(30,279)	
	<u>\$ 42,481</u>	<u>\$ (790)</u>	<u>\$ 301,735</u>	<u>\$ (33,592)</u>	<u>\$ 344,216</u>	<u>\$ (34,382)</u>	

December 31, 2024							
Less Than 12 Months		12 Months or Longer		Total			
Fair Value	Gross Unrealized (Losses)	Fair Value	Gross Unrealized (Losses)	Fair Value	Gross Unrealized (Losses)		
(In thousands)							
U.S. government and agency obligations	\$ —	\$ —	\$ 39,583	\$ (5,288)	\$ 39,583	\$ (5,288)	
Mortgage-backed securities and collateralized mortgage obligations	41,030	(605)	267,756	(36,802)	308,786	(37,407)	
	<u>\$ 41,030</u>	<u>\$ (605)</u>	<u>\$ 307,339</u>	<u>\$ (42,090)</u>	<u>\$ 348,369</u>	<u>\$ (42,695)</u>	

The number of securities in an unrealized loss position at June 30, 2025 totaled 101, compared with 105 at December 31, 2024. All temporarily impaired securities were investment grade as of June 30, 2025 and December 31, 2024.

For held to maturity securities, management measures expected credit losses on a collective basis by major security type. All of the mortgage-backed securities are issued by U.S. government agencies and are either explicitly or implicitly guaranteed by the U.S. government, are highly rated by major rating agencies and have a long history of no credit losses and, therefore, the expectation of non-payment is zero and the Company is not required to estimate an allowance for credit losses on these securities under the CECL standard. All of these securities reflect a credit quality rating of AAA by Moody's Investors Service.

The Company made an accounting policy election to exclude accrued interest receivable from the amortized cost basis of debt securities held to maturity. Accrued interest receivable on debt securities held to maturity is reported as a component of accrued interest receivable on the Consolidated Statement of Financial Condition, which totaled \$952,000 and \$898,000 at June 30, 2025 and December 31, 2024, respectively, and is excluded from the estimate of credit losses.

8. Equity Securities at Fair Value

The Company has an equity securities portfolio which consists of stock in other financial institutions, a payment technology company, a community bank correspondent services company, preferred stock in U.S. Government agencies, and a Community Reinvestment Act qualifying bond fund which are reported at fair value on the Company's Consolidated Statements of Financial Condition. The fair value of the equities portfolio at June 30, 2025 and December 31, 2024 was \$7.3 million and \$6.7 million, respectively.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

8. Equity Securities at Fair Value (continued)

The Company recorded a net increase in the fair value of equity securities of \$272,000 and \$101,000, and \$580,000 and \$452,000 during the three and six months ended June 30, 2025 and 2024, respectively, as a component of non-interest income.

During the three and six months ended June 30, 2025 and 2024, there were no sales of equity securities.

9. Loans Receivable and Allowance for Credit Losses

Loans receivable at June 30, 2025 and December 31, 2024 are summarized as follows:

	<u>June 30,</u>	<u>December 31,</u>
	<u>2025</u>	<u>2024</u>
	(In thousands)	
Real estate loans:		
One-to-four family	\$ 2,629,372	\$ 2,710,937
Multifamily	1,578,733	1,460,641
Commercial real estate	2,517,693	2,339,883
Construction	415,403	473,573
Commercial business loans	726,526	622,000
Consumer loans:		
Home equity loans and advances	256,384	259,009
Other consumer loans	2,602	3,404
Total gross loans	8,126,713	7,869,447
Purchased credit-deteriorated ("PCD") loans	11,998	11,686
Net deferred loan costs, fees and purchased premiums and discounts	36,788	35,795
Loans receivable	<u>\$ 8,175,499</u>	<u>\$ 7,916,928</u>

The Company had no loans held-for-sale at June 30, 2025 and December 31, 2024. During the three months ended June 30, 2025, the Company sold \$5.1 million and \$2.8 million of one-to-four family real estate loans and construction loans, respectively, resulting in gross gains of \$13,000 and gross losses of \$98,000. During the six months ended June 30, 2025, the Company sold \$10.4 million, \$4.7 million, and \$5.5 million of one-to-four family real estate loans, construction loans, and Small Business Administration ("SBA") loans included in commercial business loans held-for-sale, respectively, resulting in gross gains of \$528,000 and gross losses of \$98,000.

During the three months ended June 30, 2024, the Company sold \$1.9 million, and \$1.3 million, of Small Business Administration ("SBA") loans included in commercial business loans, and construction loans held-for-sale, respectively, resulting in gross gains of \$181,000 and no gross losses. During the six months ended June 30, 2024, the Company sold \$236,000, \$4.0 million, and \$2.7 million of one-to-four family real estate loans, SBA loans included in commercial business loans, and construction loans held-for-sale, respectively, resulting in gross gains of \$366,000 and no gross losses.

During the three and six months ended June 30, 2025, the Company purchased \$130.9 million in equipment finance loans, included in commercial business loans from a third party. During the six months ended June 30, 2025, \$20.0 million in construction loan participations were also purchased from a third party. During the three and six months ended June 30, 2024, no loans were purchased by the Company.

The Company has entered into guarantor swaps with Freddie Mac which results in improved liquidity. During the three and six months ended June 30, 2025 the Company exchanged \$7.2 million of loans for Freddie Mac mortgage participation certificates, resulting in gross gains of \$70,000 and no gross losses. During the three and six months ended June 30, 2024, no loans were exchanged for Freddie Mac mortgage participation certificates. The Company retained the servicing of these loans.

At June 30, 2025 and December 31, 2024, the carrying value of loans serviced by the Company for investors was \$507.0 million and \$503.9 million, respectively. These loans are not included in the Consolidated Statements of Financial Condition.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

The following tables summarize the aging of loans receivable by portfolio segment, including non-accrual loans and excluding PCD loans at June 30, 2025 and December 31, 2024:

June 30, 2025								
	30-59 Days	60-89 Days	90 Days or More	Total Past Due	Non-accrual	Current	Total	
(In thousands)								
Real estate loans:								
One-to-four family	\$ 13,105	\$ 7,586	\$ 5,387	\$ 26,078	\$ 11,307	\$ 2,603,294	\$ 2,629,372	
Multifamily	13,088	4,174	2,026	19,288	2,026	1,559,445	1,578,733	
Commercial real estate	8,608	526	5,396	14,530	8,394	2,503,163	2,517,693	
Construction	—	—	5,923	5,923	5,923	409,480	415,403	
Commercial business loans	1,726	4,681	4,850	11,257	11,174	715,269	726,526	
Consumer loans:								
Home equity loans and advances	677	131	547	1,355	721	255,029	256,384	
Other consumer loans	1	—	—	1	—	2,601	2,602	
Total loans	<u>\$ 37,205</u>	<u>\$ 17,098</u>	<u>\$ 24,129</u>	<u>\$ 78,432</u>	<u>\$ 39,545</u>	<u>\$ 8,048,281</u>	<u>\$ 8,126,713</u>	
December 31, 2024								
	30-59 Days	60-89 Days	90 Days or More	Total Past Due	Non-accrual	Current	Total	
(In thousands)								
Real estate loans:								
One-to-four family	\$ 11,685	\$ 6,250	\$ 3,729	\$ 21,664	\$ 8,750	\$ 2,689,273	\$ 2,710,937	
Multifamily	13,626	—	—	13,626	—	1,447,015	1,460,641	
Commercial real estate	4,394	632	—	5,026	2,920	2,334,857	2,339,883	
Construction	6,205	—	—	6,205	—	467,368	473,573	
Commercial business loans	3,713	2,643	2,365	8,721	9,785	613,279	622,000	
Consumer loans:								
Home equity loans and advances	1,026	372	126	1,524	246	257,485	259,009	
Other consumer loans	—	3	—	3	—	3,401	3,404	
Total loans	<u>\$ 40,649</u>	<u>\$ 9,900</u>	<u>\$ 6,220</u>	<u>\$ 56,769</u>	<u>\$ 21,701</u>	<u>\$ 7,812,678</u>	<u>\$ 7,869,447</u>	

The Company considers a loan to be delinquent when we have not received a payment within 30 days of its contractual due date, or when the Company does not expect to receive all principal and interest payments owed substantially in accordance with the terms of the loan agreement, regardless of the past due status. Non-accruing loans are returned to accrual status after there has been a sustained period of repayment performance and both principal and interest are deemed collectible. The Company identifies loans that may need to be charged-off as a loss by reviewing all delinquent loans, classified loans and other loans for which management may have concerns about collectability.

At June 30, 2025 and December 31, 2024, non-accrual loans totaled \$39.5 million and \$21.7 million, respectively. Included in non-accrual loans at June 30, 2025 and December 31, 2024, are 36 and 31 loans totaling \$15.4 million and \$15.5 million, respectively, which are less than 90 days in arrears.

At June 30, 2025 and December 31, 2024, there were no loans past due 90 days or more still accruing interest.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

Purchased credit-deteriorated ("PCD") loans were loans acquired at a discount primarily due to deteriorated credit quality. These loans were initially recorded at fair value at acquisition, based upon the present value of expected future cash flows, with no related allowance for credit losses. Loans acquired in a business combination are recorded in accordance with ASC Topic 326, which requires loans as of the acquisition date, that have experienced a more than insignificant deterioration in credit quality since origination, to be classified as PCD loans.

At June 30, 2025 and December 31, 2024, PCD loans acquired in the Stewardship Financial Corporation ("Stewardship") acquisition totaled \$1.1 million and \$1.2 million, respectively, PCD loans acquired in the Freehold Bank acquisition totaled \$51,000 and \$241,000, respectively, and PCD loans acquired in the RSI Bank acquisition totaled \$8.9 million and \$10.3 million, respectively. PCD loans acquired in conjunction with the purchase of equipment finance loans at June 30, 2025 totaled \$1.9 million. Charge-offs on the loans purchased during the six months ended June 30, 2025 totaled \$3.2 million.

We may obtain physical possession of real estate collateralizing a residential mortgage loan via foreclosure or through an in-substance repossession. At June 30, 2025, the Company had no other real estate owned. At December 31, 2024, the Company held one commercial property with a carrying value of \$1.3 million in other real estate owned that was acquired through foreclosure on a nonresidential mortgage loan which was sold in June 2025. At June 30, 2025, we had twelve residential mortgage loans with carrying values totaling \$3.5 million and two home equity loans with carrying values totaling \$366,000, collateralized by residential real estate, which were in the process of foreclosure. At December 31, 2024, we had four residential mortgage loans with carrying values totaling \$1.1 million collateralized by residential real estate which were in the process of foreclosure.

The balance of the allowance for credit losses is based on an expected loss methodology, referred to as the "CECL" methodology. The loan portfolio segmentation includes seven portfolio segments taking into consideration common loan attributes and risk characteristics, as well as historical reporting metrics and data availability. Accrued interest receivable on loans receivable is reported as a component of accrued interest receivable in the Consolidated Statement of Financial Condition, which totaled \$34.4 million and \$33.5 million at June 30, 2025 and December 31, 2024, respectively, and is excluded from the estimate of credit losses.

The determination of the allowance for credit losses ("ACL") on loans is considered a critical accounting estimate by management because of the high degree of judgment involved in determining qualitative loss factors, the subjectivity of the assumptions used, and the potential for changes in the forecasted economic environment. The ACL is maintained at a level management considers adequate to provide for estimated losses and impairment based upon an evaluation of known and inherent risk in the loan portfolio. The ACL consists of two elements: (1) identification of loans that must be individually analyzed for impairment and (2) establishment of an ACL for loans collectively analyzed.

Portfolio segments are defined as the level at which an entity develops and documents a systematic methodology to determine its allowance for credit losses. Management developed segments for estimating losses based on the type of borrower and collateral which is generally based upon federal call report segmentation. The segments have been combined or sub-segments have been added as needed to ensure loans of similar risk profiles are appropriately pooled.

We maintain a loan review system that provides a periodic review of the loan portfolio and the identification of individually analyzed loans. The ACL for individually analyzed loans is based on the fair value of collateral or cash flows. While management uses the best information available to make such evaluations, future adjustments to the allowance may be necessary if economic conditions differ substantially from the assumptions used in making the evaluations.

The ACL quantitative allowance for each segment is measured using a discounted cash flow methodology incorporating an econometric, probability of default ("PD") and loss given default ("LGD") with distinct segment-specific multi-variate regression models applied. Expected credit losses are estimated over the life of the loans by measuring the difference between the net present value of modeled cash flows and amortized cost basis. Contractual cash flows over the contractual life of the loans are the basis for the modeled cash flows, adjusted for model defaults and expected prepayments and discounted at the loan-level effective interest rate. The contractual term excludes expected extensions, renewals, and modifications.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

Management estimates the ACL using relevant and reliable information from internal and external sources, related to past events, current conditions, and a reasonable and supportable forecast. Historical credit loss experience for both the Company and its segment-specific peers provides the basis for the estimate of expected credit losses. Credit losses over a defined period are converted to PD rate curves through the use of segment-specific LGD risk factors that convert default rates to loss severity based on industry-level, observed relationships between the two variables for each segment, primarily due to the nature of the underlying collateral. These risk factors were assessed for reasonableness against the Company's own loss experience and adjusted in certain cases when the relationship between the Company's historical default and loss severity deviates from that of the wider industry. The historical PD curves, together with corresponding economic conditions, establish a quantitative relationship between economic conditions and loan performance through an economic cycle.

Using the historical relationship between economic conditions and loan performance, management's expectation of future loan performance is incorporated using a single economic forecast of macroeconomic variables (i.e., unemployment, gross domestic product, vacancy, and home price index). This forecast is applied over a period that management has determined to be reasonable and supportable. Beyond the period over which management can develop or source a reasonable and supportable forecast, the model reverts to long-term average historical loss rates using a straight-line, time-based methodology. The Company's current forecast period is six quarters, with a four-quarter reversion period to long-term average historical loss rates.

After quantitative considerations, management applies additional qualitative adjustments that consider the expected impact of certain factors not fully captured in the quantitative reserve. Qualitative adjustments include but are not limited to concentrations of large loan balances, delinquency trends, change in collateral values within segments, and other considerations.

The ACL is established through the provision for credit losses that are charged to income, which is based upon an evaluation of estimated losses in the current loan portfolio, including the evaluation of individually analyzed loans. Charge-offs against the ACL are taken on loans where management determines that the collection of loan principal and interest is unlikely. Recoveries made on loans that have been charged-off are credited to the ACL. Although we believe we have established and maintained the ACL on loans at appropriate levels, changes in reserves may be necessary if actual economic and other conditions differ substantially from the forecast used in estimating the ACL.

Our financial results are affected by the changes in and the level of the ACL. This process involves our analysis of internal and external variables, and it requires that we exercise judgment to estimate an appropriate ACL. As a result of the uncertainty associated with this subjectivity, we cannot assure the precision of the amount reserved, should we experience sizable loan losses in any particular period and/or significant changes in assumptions or economic condition. We believe the primary risks inherent in the portfolio are a general decline in the economy, a decline in real estate market values, rising unemployment, increasing vacancy rates, and increases in interest rates in the absence of economic improvement or any other such factors. Any one or a combination of these events may adversely affect a borrower's ability to repay its loan, resulting in increased delinquencies and loan losses. Accordingly, we have recorded loan credit losses at a level which is estimated to represent the current risk in its loan portfolio.

For our non-performing loans, the allowance is determined on an individual basis using the present value of expected cash flows, or for collateral dependent loans, the fair value of the collateral less estimated costs to sell. We continue to assess the collateral of loans and update our appraisals on these loans on an annual basis. To the extent the property values decline, there could be additional losses on these non-performing assets, which may be material. Management considered these market conditions in deriving the estimated ACL. Should economic difficulties occur, the ultimate amount of loss could vary from our current estimate.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

The following tables summarize loans receivable (including PCD loans) and allowance for credit losses by portfolio segment and impairment method at June 30, 2025 and December 31, 2024:

June 30, 2025								
	One-to-Four Family	Multifamily	Commercial Real Estate	Construction	Commercial Business	Home Equity Loans and Advances	Other Consumer Loans	Total
(In thousands)								
Allowance for credit losses:								
Individually analyzed loans	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Collectively analyzed loans	12,942	9,997	18,888	5,815	15,485	1,277	6	64,410
Loans acquired with deteriorated credit quality	4	—	30	—	23	—	—	57
Total	<u>\$ 12,946</u>	<u>\$ 9,997</u>	<u>\$ 18,918</u>	<u>\$ 5,815</u>	<u>\$ 15,508</u>	<u>\$ 1,277</u>	<u>\$ 6</u>	<u>\$ 64,467</u>
Total loans:								
Individually analyzed loans	\$ 11,307	\$ 2,026	\$ 8,321	\$ 5,923	\$ 10,956	\$ 720	\$ —	\$ 39,253
Collectively analyzed loans	2,618,065	1,576,707	2,509,372	409,480	715,570	255,664	2,602	8,087,460
Loans acquired with deteriorated credit quality	1,774	—	8,056	—	2,168	—	—	11,998
Total loans	<u>\$ 2,631,146</u>	<u>\$ 1,578,733</u>	<u>\$ 2,525,749</u>	<u>\$ 415,403</u>	<u>\$ 728,694</u>	<u>\$ 256,384</u>	<u>\$ 2,602</u>	<u>\$ 8,138,711</u>

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

December 31, 2024

	One-to-Four Family	Multifamily	Commercial Real Estate	Construction	Commercial Business	Home Equity Loans and Advances	Other Consumer Loans	Total
(In thousands)								
Allowance for credit losses:								
Individually analyzed loans	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Collectively analyzed loans	13,169	9,542	15,940	6,703	13,112	1,452	7	59,925
Loans acquired with deteriorated credit quality	4	—	29	—	—	—	—	33
Total	<u>\$ 13,173</u>	<u>\$ 9,542</u>	<u>\$ 15,969</u>	<u>\$ 6,703</u>	<u>\$ 13,112</u>	<u>\$ 1,452</u>	<u>\$ 7</u>	<u>\$ 59,958</u>
Total loans:								
Individually analyzed loans	\$ 9,167	\$ 5,743	\$ 7,517	\$ —	\$ 15,184	\$ 331	\$ —	\$ 37,942
Collectively analyzed loans	2,701,770	1,454,898	2,332,366	473,573	606,816	258,678	3,404	7,831,505
Loans acquired with deteriorated credit quality	1,815	—	9,425	—	300	146	—	11,686
Total loans	<u>\$ 2,712,752</u>	<u>\$ 1,460,641</u>	<u>\$ 2,349,308</u>	<u>\$ 473,573</u>	<u>\$ 622,300</u>	<u>\$ 259,155</u>	<u>\$ 3,404</u>	<u>\$ 7,881,133</u>

Modifications made to borrowers experiencing financial difficulty may include principal or interest forgiveness, forbearance, interest rate reductions, term extensions, or a combination of these events intended to minimize economic loss and to avoid foreclosure or repossession of collateral.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

The following table presents the modifications of loans to borrowers experiencing financial difficulty that were modified during the six months ended June 30, 2025 and 2024. For the three months ended June 30, 2025 and 2024, the Company had no modifications in accordance with the ASU.

For the Six Months Ended June 30, 2025					
	Amortized Cost	Interest Rate Reduction	Term Extension	Combination of Term Extension and Interest Rate Reduction	% of Total Class of Loans Receivable
	(In thousands)				
Commercial business	\$ 5,445	\$ 673	\$ 2,000	\$ 2,772	0.75 %
Total loans	\$ 5,445	\$ 673	\$ 2,000	\$ 2,772	0.07 %

For the Six Months Ended June 30, 2024			
	Amortized Cost	Term Extension	% of Total Class of Loans Receivable
	(In thousands)		
Commercial business	\$ 3,700	\$ 3,700	0.67 %
Total loans	\$ 3,700	\$ 3,700	0.05 %

The following table describes the types of modifications of loans to borrowers experiencing financial difficulty during the six months ended June 30, 2025 and 2024:

For the Six Months Ended June 30, 2025	
	Type of Modifications
Commercial business	Interest rate reduction and/or term extensions ranging from 12 to 60 months
For the Six Months Ended June 30, 2024	
	Type of Modifications
Commercial business	15 month term extension

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

The Company closely monitors the performance of modifications of loans to borrowers experiencing financial difficulty to understand the effectiveness of these modification efforts. The Company did not extend any commitments to lend additional funds to borrowers experiencing financial difficulty whose loans had been modified during the three and six months ended June 30, 2025 and 2024.

The following tables present the aging analysis of modifications of loans to borrowers experiencing financial difficulty at June 30, 2025 and December 31, 2024:

June 30, 2025						
	Current	30-59 Days	60-89 Days	90 Days or More	Non-accrual	Total
(In thousands)						
Commercial business	\$ 5,361	\$ —	\$ —	\$ —	\$ 2,957	\$ 8,318
Total loans	<u>\$ 5,361</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,957</u>	<u>\$ 8,318</u>
December 31, 2024						
	Current	30-59 Days	60-89 Days	90 Days or More	Non-accrual	Total
(In thousands)						
Commercial real estate	\$ 1,520	\$ —	\$ —	\$ —	\$ 1,029	\$ 2,549
Commercial business	1,759	39	—	—	2,050	3,848
Total loans	<u>\$ 3,279</u>	<u>\$ 39</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,079</u>	<u>\$ 6,397</u>

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

The activity in the allowance for credit losses by portfolio segment for the three and six months ended June 30, 2025 and 2024 are as follows:

	For the Three Months Ended June 30,								
	One-to-Four Family	Multifamily	Commercial Real Estate	Construction	Commercial Business	Home Equity Loans and Advances	Other Consumer Loans	Totals	
	(In thousands)								
2025									
Balance at beginning of period	\$ 12,870	\$ 9,963	\$ 17,412	\$ 6,263	\$ 14,257	\$ 1,264	\$ 5	\$ 62,034	
Initial allowance related to PCD loans	—	—	—	—	3,202	—	—	3,202	
Provision for (reversal of) credit losses	75	34	1,548	(449)	1,201	6	53	2,468	
Recoveries	1	—	—	1	96	7	2	107	
Charge-offs	—	—	(42)	—	(3,248)	—	(54)	(3,344)	
Balance at end of period	\$ 12,946	\$ 9,997	\$ 18,918	\$ 5,815	\$ 15,508	\$ 1,277	\$ 6	\$ 64,467	
2024									
Balance at beginning of period	\$ 13,840	\$ 8,670	\$ 15,232	\$ 8,068	\$ 7,711	\$ 1,873	\$ 7	\$ 55,401	
Provision for (reversal of) credit losses	1,046	(279)	(32)	480	144	777	58	2,194	
Recoveries	2	—	—	1	262	4	1	270	
Charge-offs	—	—	(120)	—	(623)	—	(60)	(803)	
Balance at end of period	\$ 14,888	\$ 8,391	\$ 15,080	\$ 8,549	\$ 7,494	\$ 2,654	\$ 6	\$ 57,062	

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

	For the Six Months Ended June 30,								
	One-to-Four Family	Multifamily	Commercial Real Estate	Construction	Commercial Business	Home Equity Loans and Advances	Other Consumer Loans	Totals	
	(In thousands)								
2025									
Balance at beginning of period	\$ 13,173	\$ 9,542	\$ 15,969	\$ 6,703	\$ 13,112	\$ 1,452	\$ 7	\$	59,958
Initial allowance related to PCD loans	—	—	—	—	3,202	—	—		3,202
Provision for (reversal of) credit losses	(229)	455	3,067	(837)	3,074	(215)	86		5,401
Recoveries	2	—	1	2	193	40	3		241
Charge-offs	—	—	(119)	(53)	(4,073)	—	(90)		(4,335)
Balance at end of period	\$ 12,946	\$ 9,997	\$ 18,918	\$ 5,815	\$ 15,508	\$ 1,277	\$ 6	\$	64,467
2024									
Balance at beginning of period	\$ 13,017	\$ 8,742	\$ 15,757	\$ 7,758	\$ 7,923	\$ 1,892	\$ 7	\$	55,096
Provision for (reversal of) credit losses	1,871	(351)	(557)	789	4,809	753	158		7,472
Recoveries	2	—	—	2	405	9	1		419
Charge-offs	(2)	—	(120)	—	(5,643)	—	(160)		(5,925)
Balance at end of period	\$ 14,888	\$ 8,391	\$ 15,080	\$ 8,549	\$ 7,494	\$ 2,654	\$ 6	\$	57,062

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

The following tables present individually analyzed loans by segment, excluding PCD loans, at June 30, 2025 and December 31, 2024:

	At June 30, 2025		
	Recorded Investment	Unpaid Principal Balance	Specific Allowance
	(In thousands)		
With no allowance recorded:			
Real estate loans:			
One-to-four family	\$ 11,307	\$ 11,356	\$ —
Multifamily	2,026	2,026	—
Commercial real estate	8,321	8,443	—
Construction	5,923	5,975	—
Commercial business loans	10,956	17,241	—
Consumer loans:			
Home equity loans and advances	720	720	—
	39,253	45,761	—
With a specific allowance recorded:			
	—	—	—
Total:			
Real estate loans:			
One-to-four family	11,307	11,356	—
Multifamily	2,026	2,026	—
Commercial real estate	8,321	8,443	—
Construction	5,923	5,975	—
Commercial business loans	10,956	17,241	—
Consumer loans:			
Home equity loans and advances	720	720	—
Total loans	\$ 39,253	\$ 45,761	\$ —

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

	At December 31, 2024		
	Recorded Investment	Unpaid Principal Balance	Specific Allowance
	(In thousands)		
With no allowance recorded:			
Real estate loans:			
One-to-four family	\$ 9,167	\$ 9,216	\$ —
Multifamily	5,743	5,743	—
Commercial real estate	7,517	8,089	—
Commercial business loans	15,184	19,553	—
Consumer loans:			
Home equity loans and advances	331	331	—
	<u>37,942</u>	<u>42,932</u>	<u>—</u>
With a specific allowance recorded:			
	<u>—</u>	<u>—</u>	<u>—</u>
Total:			
Real estate loans:			
One-to-four family	9,167	9,216	—
Multifamily	5,743	5,743	—
Commercial real estate	7,517	8,089	—
Commercial business loans	15,184	19,553	—
Consumer loans:			
Home equity loans and advances	331	331	—
	<u>\$ 37,942</u>	<u>\$ 42,932</u>	<u>\$ —</u>

There were no specific allocations of the allowance for credit losses attributable to individually analyzed loans at both June 30, 2025 and December 31, 2024. At June 30, 2025 and December 31, 2024, impaired loans for which there was no related allowance for credit losses totaled \$39.3 million and \$37.9 million, respectively.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

The following table presents interest income recognized for individually analyzed loans by loan segment, excluding PCD loans, for the three and six months ended June 30, 2025 and 2024:

	For the Three Months Ended June 30,			
	2025		2024	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
	(In thousands)			
Real estate loans:				
One-to-four family	\$ 10,446	\$ —	\$ 1,053	\$ —
Multifamily	2,040	—	23	—
Commercial real estate	6,119	9	9,317	20
Construction	5,913	—	—	—
Commercial business loans	8,177	—	10,004	—
Consumer loans:				
Home equity loans and advances	659	—	62	—
Total loans	<u>\$ 33,354</u>	<u>\$ 9</u>	<u>\$ 20,459</u>	<u>\$ 20</u>

	For the Six Months Ended June 30,			
	2025		2024	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
	(In thousands)			
Real estate loans:				
One-to-four family	\$ 10,020	\$ —	\$ 2,056	\$ 13
Multifamily	3,274	—	143	1
Commercial real estate	6,585	47	11,331	39
Construction	3,942	—	—	—
Commercial business loans	10,513	—	10,519	—
Consumer loans:				
Home equity loans and advances	549	—	242	1
Total loans	<u>\$ 34,883</u>	<u>\$ 47</u>	<u>\$ 24,291</u>	<u>\$ 54</u>

Management prepares an analysis each quarter that categorizes the entire loan portfolio by certain risk characteristics such as loan type (residential mortgage, commercial mortgage, construction, commercial business, etc.) and loan risk rating. The categorization of loans into risk categories is based upon relevant information about the borrower's ability to service their debt.

The Company utilizes a risk rating system to summarize its loan portfolio into categories with similar risk characteristics. Loans deemed to be "acceptable quality" are rated 1 through 4w, with a rating established for loans with minimal risk. Loans rated 4w are watch loans, which may have a potential concern that warrants increased oversight and tracking by management. We enhanced our level of scrutiny and focus regarding documentation related to credit risk rating benchmark guidelines that pertain to debt-service coverage ratios, LTV ratios, borrower strength, asset quality, and funded cash reserves. Other factors such as guarantees, market strength, and remaining loan term and borrower equity are also reviewed and are factored into determining the credit risk rating assigned to each loan. The Company requires an annual review be performed above certain dollar thresholds, depending on loan type, to help determine the appropriate risk ratings. Loans that are deemed to be of "questionable quality" are rated 5 (Special Mention) or 6

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

(Substandard). Loans with adverse classifications are rated 7 (Doubtful) or 8 (Loss). The risk ratings are also confirmed through periodic loan review examinations which are currently performed by both an independent third-party and the Company's credit risk review department. Results from examinations are presented to the Audit Committee of the Board of Directors.

The following table summarizes the Company's loans by year of origination and internally assigned credit risk rating, excluding PCD loans, at June 30, 2025 and December 31, 2024:

Loans by Year of Origination at June 30, 2025									
	2025	2024	2023	2022	2021	Prior	Revolving Loans	Revolving Loans to Term Loans	Total
(In thousands)									
One-to-Four Family									
Pass	\$ 36,029	\$ 106,797	\$ 154,982	\$ 732,155	\$ 718,735	\$ 869,109	\$ —	\$ —	\$ 2,617,807
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	668	1,907	2,865	781	5,344	—	—	11,565
Total One-to-Four Family	36,029	107,465	156,889	735,020	719,516	874,453	—	—	2,629,372
Gross charge-offs	—	—	—	—	—	—	—	—	—
Multifamily									
Pass	135,239	32,575	131,228	345,140	334,611	583,000	—	—	1,561,793
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	5,743	9,170	2,027	—	—	16,940
Total Multifamily	135,239	32,575	131,228	350,883	343,781	585,027	—	—	1,578,733
Gross charge-offs	—	—	—	—	—	—	—	—	—
Commercial Real Estate									
Pass	207,135	120,070	190,982	485,104	364,687	1,034,192	—	—	2,402,170
Special mention	—	—	—	—	31,803	15,509	—	—	47,312
Substandard	—	—	—	12,471	936	54,804	—	—	68,211
Total Commercial Real Estate	207,135	120,070	190,982	497,575	397,426	1,104,505	—	—	2,517,693
Gross charge-offs	—	—	—	77	42	—	—	—	119
Construction									
Pass	41,172	92,290	153,366	95,535	—	—	—	—	382,363
Special mention	—	—	14,513	598	—	—	—	—	15,111
Substandard	—	—	—	14,416	3,513	—	—	—	17,929
Total Construction	41,172	92,290	167,879	110,549	3,513	—	—	—	415,403
Gross charge-offs	\$ —	\$ —	\$ —	\$ 53	\$ —	\$ —	\$ —	\$ —	\$ 53

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

Loans by Year of Origination at June 30, 2025									
	2025	2024	2023	2022	2021	Prior	Revolving Loans	Revolving Loans to Term Loans	Total
(In thousands)									
Commercial Business Loans									
Pass	\$ 53,354	\$ 143,892	\$ 98,965	\$ 73,619	\$ 31,822	\$ 54,707	\$ 233,434	\$ —	\$ 689,793
Special mention	228	—	—	—	—	109	349	—	686
Substandard	639	450	952	1,651	410	7,194	24,751	—	36,047
Total Commercial Business Loans	54,221	144,342	99,917	75,270	32,232	62,010	258,534	—	726,526
Gross charge-offs	—	634	885	1,908	282	364	—	—	4,073
Home Equity Loans and Advances									
Pass	9,021	14,029	13,762	16,670	14,679	77,683	37,479	72,341	255,664
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	49	—	—	394	277	—	720
Total Home Equity Loans and Advances	9,021	14,029	13,811	16,670	14,679	78,077	37,756	72,341	256,384
Gross charge-offs	—	—	—	—	—	—	—	—	—
Other Consumer Loans									
Pass	2,082	44	61	50	3	62	300	—	2,602
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total Other Consumer Loans	2,082	44	61	50	3	62	300	—	2,602
Gross charge-offs	—	10	33	13	32	2	—	—	90
Total Loans	484,899	510,815	760,767	1,786,017	1,511,150	2,704,134	296,590	72,341	8,126,713
Total gross charge-offs	\$ —	\$ 644	\$ 918	\$ 2,051	\$ 356	\$ 366	\$ —	\$ —	\$ 4,335

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

Loans by Year of Origination at December 31, 2024									
	2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans to Term Loans	Total
(In thousands)									
One-to-Four Family									
Pass	\$ 112,748	\$ 154,862	\$ 755,791	\$ 745,505	\$ 250,819	\$ 681,085	\$ —	\$ —	\$ 2,700,810
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	1,399	2,115	1,623	598	4,392	—	—	10,127
Total One-to-Four family	112,748	156,261	757,906	747,128	251,417	685,477	—	—	2,710,937
Gross charge-offs	—	—	—	—	—	2	—	—	2
Multifamily									
Pass	35,835	131,728	320,011	338,781	169,959	446,956	—	—	1,443,270
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	5,743	9,272	—	2,356	—	—	17,371
Total Multifamily	35,835	131,728	325,754	348,053	169,959	449,312	—	—	1,460,641
Gross charge-offs	—	—	—	—	—	—	—	—	—
Commercial Real Estate									
Pass	122,219	189,692	454,357	370,684	153,058	920,255	—	—	2,210,265
Special mention	—	—	994	—	2,776	33,737	—	—	37,507
Substandard	—	—	14,938	993	3,696	72,484	—	—	92,111
Total Commercial Real Estate	122,219	189,692	470,289	371,677	159,530	1,026,476	—	—	2,339,883
Gross charge-offs	—	—	—	—	—	120	—	—	120
Construction									
Pass	64,631	163,466	198,938	35,443	—	—	—	—	462,478
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	11,095	—	—	—	—	—	11,095
Total Construction	64,631	163,466	210,033	35,443	—	—	—	—	473,573
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

Loans by Year of Origination at December 31, 2024									
	2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans to Term Loans	Total
(In thousands)									
Commercial Business Loans									
Pass	\$ 105,272	\$ 57,038	\$ 50,164	\$ 28,995	\$ 22,253	\$ 38,997	\$ 281,289	\$ —	\$ 584,008
Special mention	—	—	108	—	294	106	2,371	—	2,879
Substandard	—	183	1,366	486	1,100	6,319	25,659	—	35,113
Total Commercial Business Loans	105,272	57,221	51,638	29,481	23,647	45,422	309,319	—	622,000
Gross charge-offs	—	—	167	195	—	3,760	5,692	—	9,814
Home Equity Loans and Advances									
Pass	14,999	15,169	17,655	15,674	8,974	76,210	41,098	68,899	258,678
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	50	—	—	—	219	62	—	331
Total Home Equity Loans and Advances	14,999	15,219	17,655	15,674	8,974	76,429	41,160	68,899	259,009
Gross charge-offs	—	—	—	—	—	—	—	—	—
Other Consumer Loans									
Pass	2,859	85	85	8	—	63	304	—	3,404
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total Other Consumer Loans	2,859	85	85	8	—	63	304	—	3,404
Gross charge-offs	—	74	121	65	—	2	—	—	262
Total Loans	458,563	713,672	1,833,360	1,547,464	613,527	2,283,179	350,783	68,899	7,869,447
Total gross charge-offs	\$ —	\$ 74	\$ 288	\$ 260	\$ —	\$ 3,884	\$ 5,692	\$ —	\$ 10,198

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

9. Loans Receivable and Allowance for Credit Losses (continued)

The Company is required to include unfunded commitments that are expected to be funded in the future within the allowance calculation, other than those that are unconditionally cancellable. To arrive at that reserve, the percentage for each applicable segment is applied to the unused portion of the expected commitment balance and is multiplied by the expected funding rate. To determine the expected funding rate, the Company uses a historical utilization rate for each segment. The allowance for credit losses for off-balance-sheet exposures is reported in other liabilities in the Consolidated Statements of Financial Condition. The liability represents an estimate of expected credit losses arising from off-balance-sheet exposures such as unfunded commitments. At June 30, 2025 and December 31, 2024, the balance of the allowance for credit losses on unfunded commitments, included in other liabilities, totaled \$3.6 million and \$3.8 million, respectively. The Company recorded a reversal of credit losses on unfunded commitments, included in other non-interest expense in the Consolidated Statements of Income, of \$712,000 and \$666,000 and \$244,000 and \$1.5 million during the three and six months ended June 30, 2025 and 2024, respectively.

The following table presents the activity in the allowance for credit losses on off-balance-sheet exposures for the three and six months ended June 30, 2025 and 2024:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
(In thousands)				
Allowance for Credit Losses:				
Beginning balance	\$ 4,289	\$ 4,654	\$ 3,821	\$ 5,484
Reversal of credit losses	(712)	(666)	(244)	(1,496)
Balance at end of period	<u>\$ 3,577</u>	<u>\$ 3,988</u>	<u>\$ 3,577</u>	<u>\$ 3,988</u>

10. Leases

The Company leases real estate property for branches and office space. At June 30, 2025 and December 31, 2024, all of the Company's leases are classified as operating leases.

The Company determines if an arrangement is a lease at inception. Topic 842 requires lessees to recognize a right-of-use asset and a lease liability, measured at the present value of the future minimum lease payments, at the lease commencement date. The calculated amount of the right-of-use asset and lease liabilities are impacted by the length of the lease term and the discount rate used to calculate the present value of minimum lease payments.

At June 30, 2025 and December 31, 2024, the weighted average remaining lease term for operating leases was 5.4 years and 5.7 years, respectively, and the weighted average discount rate used in the measurement of operating lease liabilities was 3.17% and 3.30%, respectively.

The Company accounts for the lease and non-lease components separately since such amounts are readily determinable under the Company's lease contracts. Operating lease expense is recognized on a straight-line basis over the lease term, while variable lease payments are recognized as incurred. Variable lease payments include common area maintenance charges, real estate taxes, repairs and maintenance costs and utilities. Operating and variable lease expenses are recorded in occupancy expense in the Consolidated Statements of Income. During the three and six months ended June 30, 2025 and 2024, operating and variable lease expenses totaled approximately \$700,000 and \$737,000 and \$1.6 million, and \$1.4 million, respectively.

There were no sale and leaseback transactions, leveraged leases or lease transactions with related parties during the three and six months ended June 30, 2025 and 2024. At June 30, 2025, the Company had no leases which had not yet commenced.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

10. Leases (continued)

The following table summarizes lease payment obligations for each of the next five years and thereafter as follows:

	Lease Payment Obligations at	
	June 30,	December 31,
	2025	2024
(In thousands)		
One year or less	\$ 2,325	\$ 4,666
After one year to two years	4,246	4,232
After two years to three years	3,290	3,272
After three years to four years	2,813	2,809
After four years to five years	1,824	1,899
Thereafter	2,716	2,742
Total undiscounted cash flows	17,214	19,620
Discount on cash flows	(1,445)	(1,796)
Total lease liability	\$ 15,769	\$ 17,824

11. Deposits

Deposits at June 30, 2025 and December 31, 2024 are summarized as follows:

	June 30,	December 31,
	2025	2024
(In thousands)		
Non-interest-bearing demand	\$ 1,439,951	\$ 1,438,030
Interest-bearing demand	1,872,265	2,021,312
Money market accounts	1,355,682	1,241,691
Savings and club deposits	644,761	652,501
Certificates of deposit	2,822,824	2,742,615
Total deposits	\$ 8,135,483	\$ 8,096,149

The aggregate amount of certificates of deposit that meet or exceed \$250,000 totaled approximately \$697.8 million and \$677.3 million at June 30, 2025 and December 31, 2024, respectively. Interest expense on deposits for the three months ended June 30, 2025 and 2024 totaled \$49.3 million and \$49.8 million, respectively. Interest expense on deposits for the six months ended June 30, 2025 and 2024 totaled \$99.5 million and \$98.2 million, respectively.

Within total deposits, brokered deposits totaled \$66.2 million and \$50.1 million at June 30, 2025 and December 31, 2024, respectively.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES**Notes to Unaudited Consolidated Financial Statements****11. Deposits (continued)**

Scheduled maturities of certificates of deposit accounts at June 30, 2025 and December 31, 2024 are summarized as follows:

	June 30,	December 31,
	2025	2024
	(In thousands)	
One year or less	\$ 2,344,446	\$ 2,422,249
After one year to two years	392,184	281,961
After two years to three years	60,969	21,909
After three years to four years	11,210	8,193
After four years	14,015	8,303
	<u>\$ 2,822,824</u>	<u>\$ 2,742,615</u>

12. Stock Based Compensation

At the Company's annual meeting of stockholders held on June 6, 2019, stockholders approved the Columbia Financial, Inc. 2019 Equity Incentive Plan ("2019 Plan") which provides for the issuance of up to 7,949,996 shares (2,271,427 restricted stock awards and 5,678,569 stock options) of common stock.

On March 11, 2025, 32,070 shares of restricted stock were awarded, with a grant date fair value of \$15.01 per share. To fund the grant of restricted common stock, the Company issued shares from authorized but unissued shares.

On March 3, 2025, 177,186 shares of restricted stock were awarded, with a grant date fair value of \$16.23 per share. To fund the grant of restricted common stock, the Company issued shares from authorized but unissued shares.

On March 7, 2024, 27,162 shares of restricted stock were awarded, with a grant date fair value of \$16.57 per share. To fund the grant of restricted common stock, the Company issued shares from authorized but unissued shares.

On March 6, 2024, 185,279 shares of restricted stock were awarded, with a grant date fair value of \$16.49 per share. To fund the grant of restricted common stock, the Company issued shares from authorized but unissued shares.

At June 30, 2025, there were 153,787 shares remaining available for future restricted stock awards and 1,087,303 shares remaining available for future stock option grants under the 2019 Plan.

Restricted shares granted under the 2019 Plan generally vest in equal installments, over performance or service periods generally ranging from one year to three years, beginning one year from the date of grant. A portion of restricted shares awarded are performance awards, which vest upon the satisfactory attainment of certain corporate financial targets. Management recognizes compensation expense for the fair value of restricted shares on a straight-line basis over the requisite performance or service period. During the three months ended June 30, 2025 and 2024, approximately \$737,000 and \$1.5 million, respectively, in expense was recognized in regard to these awards. During the six months ended June 30, 2025 and 2024, approximately \$1.4 million and \$2.8 million, respectively, in expense was recognized in regard to these awards. The expected future compensation expense related to the 539,734 non-vested restricted shares outstanding at June 30, 2025 is approximately \$3.9 million over a weighted average period of 1.6 years.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

12. Stock Based Compensation (continued)

The following is a summary of the Company's restricted stock activity during the three and six months ended June 30, 2025 and 2024:

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Non-vested at January 1, 2025	442,559	\$ 16.59
Grants	209,256	16.04
Vested	(62,871)	17.79
Forfeited	(29,056)	16.18
Non-vested at March 31, 2025	559,888	\$ 16.27
Vested	(19,730)	15.94
Forfeited	(424)	16.31
Non-vested at June 30, 2025	539,734	\$ 16.28

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Non-vested at January 1, 2024	435,541	\$ 16.77
Grants	212,441	16.50
Vested	(25,890)	20.14
Forfeited	(1,545)	16.54
Non-vested at March 31, 2024	620,547	\$ 16.54
Vested	(44,988)	17.20
Forfeited	(150)	20.54
Non-vested at June 30, 2024	575,409	\$ 16.49

On March 3, 2025 options to purchase 454,327 shares of Company common stock were awarded with a grant date fair value of \$6.24 per option. Stock options granted under the 2019 Plan generally vest in equal installments over the service period of three years beginning one year from the date of grant. These stock options were granted at an exercise price of \$16.23, which represents the fair value of the Company's common stock price on the grant date based on the closing market price and have an expiration period of approximately 10 years. The fair value of stock options granted was estimated utilizing the Black-Scholes option pricing model using the following assumptions: expected life of six years, risk-free rate of return of 4.02%, volatility of 31.10%, and a dividend yield of 0.00%.

On March 6, 2024, options to purchase 286,265 shares of Company common stock were awarded with a grant date fair value of \$6.13 per option. Stock options granted under the 2019 Plan generally vest in equal installments over the service period of three years beginning one year from the date of grant. These stock options were granted at an exercise price of \$16.49, which represents the fair value of the Company's common stock price on the grant date based on the closing market price and have an expiration period of approximately 10 years. The fair value of stock options granted was estimated utilizing the Black-Scholes option pricing model using the following assumptions: expected life of 6 years, risk-free rate of return of 4.12%, volatility of 29.13%, and a dividend yield of 0.00%.

The expected life of the options represents the period of time that stock options are expected to be outstanding and is estimated using the simplified approach, which assumes that all outstanding options will be exercised at the midpoint of the vesting date and full contractual term. The risk-free rate of return is based on the rates on the grant date of a U.S. Treasury Note with a term equal to the expected option life. The expected volatility is based on the historical daily stock price of the Company. The Company has not paid any cash dividends on its common stock.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

12. Stock Based Compensation (continued)

Management recognizes expense for the fair value of these awards on a straight-line basis over the requisite service period. During the three months ended June 30, 2025 and 2024, approximately \$598,000 and \$1.0 million in expense was recognized in regard to these awards. During the six months ended June 30, 2025 and 2024, approximately \$1.1 million and \$2.0 million, respectively, in expense was recognized in regard to these awards. The expected future compensation expense related to the 781,688 non-vested options outstanding at June 30, 2025 is \$4.0 million over a weighted average period of 2.2 years.

The following is a summary of the Company's option activity during the three and six months ended June 30, 2025 and 2024:

	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding, January 1, 2025	3,757,032	\$ 16.22	5.4	\$ 574,569
Granted	454,327	16.23	—	—
Expired	(55,203)	15.74	—	—
Forfeited	(7,862)	16.16	—	—
Outstanding, March 31, 2025	4,148,294	\$ 16.23	5.7	\$ —
Expired	(28,781)	16.01	—	—
Forfeited	(3,509)	16.30	—	—
Outstanding, June 30, 2025	4,116,004	\$ 16.23	5.5	\$ —
Options exercisable at June 30, 2025	3,334,316	\$ 16.16	4.6	\$ —

	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding, January 1, 2024	3,584,069	\$ 16.20	6.1	\$ 11,602,267
Granted	286,265	16.49	—	—
Exercised	(28,051)	15.60	—	—
Expired	(1,412)	15.60	—	—
Forfeited	(5,832)	17.29	—	—
Outstanding, March 31, 2024	3,835,039	\$ 16.22	6.2	\$ 5,050,150
Expired	(1,924)	17.82	—	—
Forfeited	(1,274)	20.54	—	—
Outstanding, June 30, 2024	3,831,841	\$ 16.22	6.0	\$ —
Options exercisable at June 30, 2024	2,657,292	\$ 16.11	5.5	\$ —

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value, the difference between the Company's closing stock price on the last trading day of the period and the exercise price, multiplied by the number of in-the-money options.

There were no options exercised during the three and six months ended June 30, 2025, and the three months ended June 30, 2024. During the six months ended June 30, 2024, the aggregate intrinsic value of options exercised was approximately \$106,000.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

13. Components of Net Periodic Benefit Cost

Pension Plan, Retirement Income Maintenance Plan (the "RIM Plan") Post-retirement Plan, and Split-Dollar Life Insurance Plans

The Company maintains a single employer, tax-qualified defined benefit pension plan (the "Pension Plan") which covers full-time employees that satisfy the Pension Plan's eligibility requirements. The benefits are based on years of service and the employee's average compensation for the highest five consecutive years of employment. Effective October 1, 2018, newly hired employees are not eligible to participate in the Bank's Pension Plan as the Plan was closed to new employees as of that date.

The Company also maintains a Retirement Income Maintenance Plan (the "RIM Plan") which is a non-qualified defined benefit plan which provides benefits to all employees of the Company if their benefits under the Pension Plan are limited by Internal Revenue Code Sections 415 and 401(a)(17).

In addition, the Company provides certain health care and life insurance benefits to eligible retired employees under a Post-retirement Plan. The Company accrues the cost of retiree health care and other benefits during the employee's period of active service. Effective January 1, 2019, the Post-retirement Plan was closed to new hires.

The Company also provides life insurance benefits to eligible employees under an endorsement split-dollar life insurance program. The Company recognizes a liability for future benefits applicable to endorsement split-dollar life insurance arrangements that provide death benefits post-retirement. Through its mergers, the Company recognized additional liability for future benefits applicable to endorsement split-dollar life insurance arrangements that provide death benefits post-retirement under the programs of certain other previously acquired banks.

Net periodic (income) benefit cost for the Pension Plan, RIM Plan, Post-retirement Plan and Split-Dollar Life Insurance plan benefits for the three and six months ended June 30, 2025 and 2024, includes the following components:

For the Three Months Ended June 30,										Affected Line Item in the Consolidated Statements of Income
Pension Plan		RIM Plan		Post-retirement Plan		Split-Dollar Life Insurance				
2025	2024	2025	2024	2025	2024	2025	2024			
(In thousands)										
Service cost	\$ 1,017	\$ 1,212	\$ 52	\$ 61	\$ 51	\$ 54	\$ 57	\$ 57	Compensation and employee benefits	
Interest cost	3,294	3,100	169	162	287	248	216	208	Other non-interest expense	
Expected return on plan assets	(8,607)	(8,119)	—	—	—	—	—	—	Other non-interest expense	
Amortization:										
Prior service cost	—	—	—	—	—	—	13	14	Other non-interest expense	
Net loss	—	512	—	28	—	—	(22)	—	Other non-interest expense	
Net periodic (income) benefit cost	\$ (4,296)	\$ (3,295)	\$ 221	\$ 251	\$ 338	\$ 302	\$ 264	\$ 279		

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

13. Components of Net Periodic Benefit Cost (continued)

For the Six Months Ended June 30,										Affected Line Item in the Consolidated Statements of Income
Pension Plan		RIM Plan		Post-retirement Plan		Split-Dollar Life Insurance				
2025	2024	2025	2024	2025	2024	2025	2024			
(In thousands)										
Service cost	\$ 2,034	\$ 2,424	\$ 104	\$ 122	\$ 102	\$ 108	\$ 114	\$ 114	Compensation and employee benefits	
Interest cost	6,587	6,200	338	324	574	496	432	416	Other non-interest expense	
Expected return on plan assets	(17,214)	(16,239)	—	—	—	—	—	—	Other non-interest expense	
Amortization:										
Prior service cost	—	—	—	—	—	—	26	28	Other non-interest expense	
Net loss	—	1,024	—	56	—	—	(44)	—	Other non-interest expense	
Net periodic (income) benefit cost	\$ (8,593)	\$ (6,591)	\$ 442	\$ 502	\$ 676	\$ 604	\$ 528	\$ 558		

For the three and six months ended June 30, 2025 and 2024, no contribution was made to the Pension Plan. The net periodic (income) cost for pension benefits, other post-retirement and split-dollar life insurance benefits for the three and six months ended June 30, 2025 was calculated using the most recent available benefit valuations.

14. Fair Value Measurements

The Company utilizes fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The determination of fair values of financial instruments often requires the use of estimates. Where quoted market values in an active market are not readily available, the Company utilizes various valuation techniques to estimate fair value.

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: Unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access on the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar instruments in markets that are active or not active, or inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3: Prices or valuation techniques that require unobservable inputs that are both significant to the fair value measurement and unobservable (i.e., supported by minimal or no market activity). Valuation techniques include the use of option pricing models, discounted cash flow models and similar techniques.

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.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

14. Fair Value Measurements (continued)

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The methods described below were used to measure fair value of financial instruments as reflected in the tables below on a recurring basis at June 30, 2025 and December 31, 2024.

Debt Securities Available for Sale, at Fair Value

For debt securities available for sale, fair value was estimated using a market approach. The majority of these 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, matrix pricing and discounted cash flow pricing. Matrix pricing, a Level 2 input, is a mathematical technique used principally to value certain securities to a benchmark or to 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. Discounted cash flows, a Level 3 input, is estimated by discounting the expected future cash flows using the current rates for securities with similar credit ratings and similar remaining maturities. As the Company is responsible for the determination of fair value, it performs quarterly analysis on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to assess the reasonableness of the reported prices. The Company's internal price verification procedures and review of fair value methodology documentation provided by independent pricing services has not historically resulted in an adjustment in the prices obtained from the pricing service. The Company may hold 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. The Company classifies the estimated fair value of its loan portfolio as Level 3.

Equity Securities, at Fair Value

The Company holds equity securities that are traded in active markets with readily accessible quoted market prices that are considered Level 1 inputs. A trust preferred security that is not traded in an active market and Federal Home Loan Mortgage Corporation ("FHLMC") and Federal National Mortgage Association ("FNMA") preferred stock are considered Level 2 instruments. In addition, Level 2 instruments include Atlantic Community Bankers Bank ("ACCB") stock, which is based on redemption at par value and can only be sold to the issuing ACBB or another institution that holds ACBB stock.

Derivatives

The Company records all derivatives included in other assets and liabilities on the Consolidated Statements of Financial Condition at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting, and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. See note 16 for disclosures related to the accounting treatment for derivatives.

The fair value of the Company's derivatives is determined using discounted cash flow analysis using observable market-based inputs, which are considered Level 2 inputs.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

14. Fair Value Measurements (continued)

The following tables present the assets and liabilities reported on the Consolidated Statements of Financial Condition at their fair values at June 30, 2025 and December 31, 2024, by level within the fair value hierarchy:

June 30, 2025				
Fair Value Measurements				
Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
(In thousands)				
Debt securities available for sale:				
U.S. government and agency obligations	\$ 348,584	\$ 348,584	\$ —	\$ —
Mortgage-backed securities and collateralized mortgage obligations	627,832	—	627,832	—
Municipal obligations	2,369	—	425	1,944
Corporate debt securities	78,165	—	69,400	8,765
Total debt securities available for sale	1,056,950	348,584	697,657	10,709
Equity securities	7,253	6,928	325	—
Derivative assets	11,842	—	11,842	—
	\$ 1,076,045	\$ 355,512	\$ 709,824	\$ 10,709
Derivative liabilities	\$ 14,403	\$ —	\$ 14,403	\$ —
December 31, 2024				
Fair Value Measurements				
Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
(In thousands)				
Debt securities available for sale:				
U.S. government and agency obligations	\$ 314,702	\$ 314,702	\$ —	\$ —
Mortgage-backed securities and collateralized mortgage obligations	622,957	—	622,957	—
Municipal obligations	2,359	—	426	1,933
Corporate debt securities	85,928	—	77,360	8,568
Total debt securities available for sale	1,025,946	314,702	700,743	10,501
Equity securities	6,673	6,350	323	—
Derivative assets	18,895	—	18,895	—
	\$ 1,051,514	\$ 321,052	\$ 719,961	\$ 10,501
Derivative liabilities	\$ 20,025	\$ —	\$ 20,025	\$ —

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

14. Fair Value Measurements (continued)

The table below provides activity of assets reported as Level 3 during the three and six months ended June 30, 2025 and 2024:

	Significant Unobservable Inputs (Level 3)
	(In thousands)
Debt securities available for sale:	
Balance of recurring Level 3 assets -December 31, 2024	\$ 10,501
Change in fair value of Level 3 assets	(5)
Balance of recurring Level 3 assets - March 31, 2025	\$ 10,496
Change in fair value of Level 3 assets	213
Balance of recurring Level 3 assets - June 30, 2025	<u>\$ 10,709</u>

	Significant Unobservable Inputs (Level 3)
	(In thousands)
Debt securities available for sale:	
Balance of recurring Level 3 assets -December 31, 2023	\$ 9,737
Change in fair value of Level 3 assets	174
Balance of recurring Level 3 assets - March 31, 2024	\$ 9,911
Change in fair value of Level 3 assets	(170)
Balance of recurring Level 3 assets - June 30, 2024	<u>\$ 9,741</u>

The fair value of investments placed in Level 3 is estimated by discounting the expected future cash flows using reasonably available current rates for comparable new issue securities with similar structure, including original maturity, call date, and assumptions about risk. Discounted cash flow estimated valuations are subsequently validated against comparable structures as an approximation of value.

Expected cash flows were projected based on contractual cash flows. At both June 30, 2025 and December 31, 2024, two private placement corporate debt securities classified as available for sale, and two private placement municipal obligations classified as available for sale were included in Level 3 assets.

There were no transfers to Level 3 assets during the three and six months ended June 30, 2025 and 2024.

At June 30, 2025, private placement corporate debt security cash flows were discounted to a market yield ranging from 11.50% to 12.00% (weighted average is 11.67%), and the cash flows for private placement municipal obligations were discounted to a market yield ranging from 2.77% to 3.00% (weighted average is 2.89%).

The period end valuations were supported by an analysis prepared by an independent third party market participant and approved by management.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

14. Fair Value Measurements (continued)

Assets Measured at Fair Value on a Non-Recurring Basis

The valuation techniques described below were used to estimate fair value of financial instruments measured on a non-recurring basis at June 30, 2025 and December 31, 2024.

Individually Analyzed Collateral Dependent Loans/Impaired Loans

The fair value of collateral dependent loans that are individually analyzed or were previously deemed impaired is measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or, as a practical expedient, at the loan's observable market price or the fair value of the collateral if the loan is collateral dependent. For individually analyzed loans measured for impairment based on the fair value of the underlying collateral, fair value was estimated using a market approach. The Company measures the fair value of collateral underlying impaired loans primarily through obtaining independent appraisals that rely upon quoted market prices for similar assets in active markets. These appraisals include adjustments, on an individual case-by-case basis, to comparable assets based on the appraisers' market knowledge and experience, as well as adjustments for estimated costs to sell between 6% and 8%. For non-collateral dependent loans, management estimates fair value using discounted cash flows based on inputs that are largely unobservable. The Company classifies these loans as Level 3 within the fair value hierarchy.

Other Real Estate Owned

Other real estate owned is initially recorded at the lower of the recorded investment in the loan at the time of foreclosure or at fair value, less estimated costs to sell, when acquired. Fair value is generally based on an independent appraisal which includes adjustments to comparable assets based on the appraisers' market knowledge and experience. Subsequent write-downs in the value of other real estate owned is recorded through expense as incurred. Other real estate owned is considered Level 3 within the fair value hierarchy.

Mortgage Servicing Rights, Net ("MSR's")

Mortgage servicing rights are carried at the lower of cost or estimated fair value. The estimated fair value of MSRs is obtained through an analysis of future cash flows, incorporating assumptions that market participants would use in determining fair value including market discount rates, prepayments speeds, servicing income, servicing costs, default rates and other market driven data, including the market's perception of future interest rate movements. The prepayment speed and the discount rate are considered two of the most significant inputs in the model. A significant degree of judgment is involved in valuing the mortgage servicing rights using Level 3 inputs. The use of different assumptions could have a significant effect on this fair value estimate.

The following tables present the assets and liabilities reported on the Consolidated Statements of Financial Condition at their fair values on a non-recurring basis at June 30, 2025 and December 31, 2024, by level within the fair value hierarchy:

	June 30, 2025			
	Fair Value Measurements			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In thousands)			
Impaired loans	\$ 8,474	—	—	\$ 8,474
Mortgage servicing rights	2,493	—	—	2,493
	<u>\$ 10,967</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 10,967</u>

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

14. Fair Value Measurements (continued)

	December 31, 2024			
	Fair Value Measurements			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(In thousands)		
Impaired loans	\$ 3,199	\$ —	\$ —	\$ 3,199
Other real estate owned	1,334	—	—	1,334
Mortgage servicing rights	2,443	—	—	2,443
	<u>\$ 6,976</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,976</u>

The following table presents information for Level 3 assets measured at fair value on a non-recurring basis at June 30, 2025 and December 31, 2024:

June 30, 2025						
	Fair Value	Valuation Methodology	Unobservable Inputs	Range of Inputs	Weighted Average Rate	
(Dollars in thousands)						
Impaired loans	\$	8,474	Appraisals	Discount for cost to sell ⁽²⁾	6.0% - 8.0%	7.5 %
Mortgage servicing rights	\$	2,493	Discounted cash flow	⁽³⁾ Prepayment speeds and discount rates	4.1% - 29.6%	12.2 %
December 31, 2024						
	Fair Value	Valuation Methodology	Unobservable Inputs	Range of Inputs	Weighted Average Rate	
(Dollars in thousands)						
Impaired loans	\$	3,199	Other	A/R aging schedule	—%	— %
Real estate owned	\$	1,334	Contract sales price ⁽¹⁾	Discount for cost to sell ⁽²⁾	8.0%	8.0 %
Mortgage servicing rights	\$	2,443	Discounted cash flow	⁽³⁾ Prepayment speeds and discount rates	4.5% - 34.3%	11.7 %

(1) Value based on sales contract.

(2) Value based on management's estimate of selling costs including real estate brokerage commissions, title transfer and other fees.

(3) Value of SBA servicing rights based on a discount rate of 14.50%.

Other Fair Value Disclosures

The Company is required to disclose estimated fair value of financial instruments, both assets and liabilities on and off the balance sheet, for which it is practicable to estimate fair value. A description of the valuation methodologies used for those assets and liabilities not recorded at fair value on a recurring or non-recurring basis are set forth below.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

14. Fair Value Measurements (continued)

Cash and Cash Equivalents

For cash and due from banks, federal funds sold and short-term investments, the carrying amount approximates fair value due to their nature and short-term maturities.

Debt Securities Held to Maturity

For debt securities held to maturity, 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, is a mathematical technique used principally to value certain securities to a benchmark or to 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. As the Company is responsible for the determination of fair value, it performs quarterly analysis on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to assess the reasonableness of the reported prices. The Company's internal price verification procedures and review of fair value methodology documentation provided by independent pricing services has not historically resulted in an adjustment in the prices obtained from the pricing service.

The Company also holds 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 within the fair value hierarchy.

Federal Home Loan Bank Stock ("FHLB")

The fair value of FHLB stock is based on redemption at par value and can only be sold to the issuing FHLB, to other FHLBs, or to other member banks. As such, the Company's FHLB stock is recorded at cost, or par value, and is evaluated for impairment each reporting period by considering the ultimate recoverability of the investment rather than temporary declines in value. The Company classifies the estimated fair value as Level 2 within the fair value hierarchy.

Loans Receivable

Fair values are estimated for portfolios of loans with similar financial characteristics. Loans are segregated by type such as commercial mortgage, residential mortgage, commercial, construction, consumer, and other. Each loan category is further segmented into fixed and adjustable rate interest terms and into performing and non-performing categories.

The fair value of performing loans was estimated using a combination of techniques, including a discounted cash flow model that utilizes a discount rate that reflects the Company's current pricing for loans with similar characteristics and remaining maturity, adjusted by an amount for estimated credit losses inherent in the portfolio at the balance sheet date. The rates take into account the expected yield curve, as well as an adjustment for prepayment risk, when applicable. The Company classifies the estimated fair value of its loan portfolio as Level 3.

The fair value for significant non-performing loans was based on recent external appraisals of collateral securing such loans, adjusted for the timing of anticipated cash flows. The Company classifies the estimated fair value of its non-performing loan portfolio as Level 3.

Deposits

The fair value of deposits with no stated maturity, such as demand, money market, and savings and club deposits are payable on demand at each reporting date and classified as Level 2. The estimated fair value of certificates of deposit was based on the discounted value of contractual cash flows. The discount rate was estimated using the Company's current rates offered for deposits with similar remaining maturities. The Company classifies the estimated fair value of its certificates of deposit portfolio as Level 2.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

14. Fair Value Measurements (continued)

Borrowings

The fair value of borrowings was estimated by discounting future cash flows using rates available for debt with similar terms and maturities and is classified by the Company as Level 2 within the fair value hierarchy.

Commitments to Extend Credit and Letters of Credit

The fair value of commitments to extend credit and letters of credit was estimated using the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present creditworthiness of the counter-parties. For fixed rate loan commitments, fair value also considers the difference between current levels of interest rates and the committed rates. The fair value estimates of commitments to extend credit and letters of credit are deemed immaterial.

The following tables present the assets and liabilities reported on the Consolidated Statements of Financial Condition at their fair values at June 30, 2025 and December 31, 2024:

		June 30, 2025				
		Fair Value Measurements				
Carrying Value	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
(In thousands)						
Financial assets:						
Cash and cash equivalents	\$ 248,224	\$ 248,224	\$ 248,224	\$ —	\$ —	
Debt securities available for sale	1,056,950	1,056,950	348,584	697,657	10,709	
Debt securities held to maturity	402,159	368,232	—	368,232	—	
Equity securities	7,253	7,253	6,928	325	—	
Federal Home Loan Bank stock	68,663	68,663	—	68,663	—	
Loans receivable, net	8,111,032	7,795,470	—	—	7,795,470	
Derivative assets	11,842	11,842	—	11,842	—	
Financial liabilities:						
Deposits	\$ 8,135,483	\$ 8,129,243	\$ —	\$ 8,129,243	\$ —	
Borrowings	1,272,578	1,278,043	—	1,278,043	—	
Derivative liabilities	14,403	14,403	—	14,403	—	

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

14. Fair Value Measurements (continued)

December 31, 2024						
		Fair Value Measurements				
			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	Carrying Value	Total Fair Value				
(In thousands)						
Financial assets:						
Cash and cash equivalents	\$ 289,223	\$ 289,223	\$ 289,223	\$ —	\$ —	
Debt securities available for sale	1,025,946	1,025,946	314,702	700,743		10,501
Debt securities held to maturity	392,840	350,153	—	350,153		—
Equity securities	6,673	6,673	6,350	323		—
Federal Home Loan Bank stock	60,387	60,387	—	60,387		—
Loans receivable, net	7,856,970	7,393,058	—	—		7,393,058
Derivative assets	18,895	18,895	—	18,895		—
Financial liabilities:						
Deposits	\$ 8,096,149	\$ 8,088,842	\$ —	\$ 8,088,842	\$ —	
Borrowings	1,080,600	1,077,466	—	1,077,466		—
Derivative liabilities	20,025	20,025	—	20,025		—

Limitations

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument. Because limited markets exist for a significant portion of the Company's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair value estimates are based on existing on and off-balance-sheet financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments. Other significant assets and liabilities that are not considered financial assets or liabilities include goodwill and intangible assets, deferred tax assets and liabilities, office properties and equipment, and bank-owned life insurance.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

15. Other Comprehensive Income (Loss)

The following tables present the components of other comprehensive income (loss), both gross and net of tax, for the three and six months ended June 30, 2025 and 2024:

	For the Three Months Ended June 30,					
	2025			2024		
	Before Tax	Tax Effect	After Tax	Before Tax	Tax Effect	After Tax
(In thousands)						
Components of other comprehensive income (loss):						
Unrealized gain (loss) on debt securities available for sale:	\$ 5,889	\$ (1,639)	\$ 4,250	\$ (626)	\$ 176	\$ (450)
Accretion of unrealized (loss) gain on debt securities reclassified as held to maturity	6	(2)	4	3	(1)	2
Reclassification adjustment for (loss) included in net income	336	(93)	243	—	—	—
	<u>6,231</u>	<u>(1,734)</u>	<u>4,497</u>	<u>(623)</u>	<u>175</u>	<u>(448)</u>
Derivatives:						
Unrealized (loss) gain on swap contracts accounted for as cash flow hedges	(1,649)	459	(1,190)	414	(116)	298
	<u>(1,649)</u>	<u>459</u>	<u>(1,190)</u>	<u>414</u>	<u>(116)</u>	<u>298</u>
Employee benefit plans:						
Amortization of prior service cost included in net income	(34)	9	(25)	(14)	4	(10)
Reclassification adjustment of actuarial net gain (loss) included in net income	23	(6)	17	(548)	154	(394)
Change in funded status of retirement obligations	3,668	(1,021)	2,647	8,224	(2,315)	5,909
	<u>3,657</u>	<u>(1,018)</u>	<u>2,639</u>	<u>7,662</u>	<u>(2,157)</u>	<u>5,505</u>
Total other comprehensive income	<u>\$ 8,239</u>	<u>\$ (2,293)</u>	<u>\$ 5,946</u>	<u>\$ 7,453</u>	<u>\$ (2,098)</u>	<u>\$ 5,355</u>

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

15. Other Comprehensive Income (Loss) (Continued)

	For the Six Months Ended June 30,					
	2025			2024		
	Before Tax	Tax Effect	After Tax	Before Tax	Tax Effect	After Tax
	(In thousands)					
Components of other comprehensive income (loss):						
Unrealized gain (loss) on debt securities available for sale:	\$ 21,773	\$ (6,058)	\$ 15,715	\$ (7,575)	\$ 2,133	\$ (5,442)
Accretion of unrealized (loss) gain on debt securities reclassified as held to maturity	(8)	2	(6)	8	(2)	6
Reclassification adjustment for (loss) included in net income	336	(93)	243	(1,256)	353	(903)
	<u>22,101</u>	<u>(6,149)</u>	<u>15,952</u>	<u>(8,823)</u>	<u>2,484</u>	<u>(6,339)</u>
Derivatives:						
Unrealized (loss) gain on swap contracts accounted for as cash flow hedges	(4,616)	1,285	(3,331)	5,647	(1,589)	4,058
	<u>(4,616)</u>	<u>1,285</u>	<u>(3,331)</u>	<u>5,647</u>	<u>(1,589)</u>	<u>4,058</u>
Employee benefit plans:						
Amortization of prior service cost included in net income	(67)	19	(48)	(28)	8	(20)
Reclassification adjustment of actuarial net gain (loss) included in net income	46	(13)	33	(1,082)	304	(778)
Change in funded status of retirement obligations	3,684	(1,026)	2,658	8,813	(2,481)	6,332
	<u>3,663</u>	<u>(1,020)</u>	<u>2,643</u>	<u>7,703</u>	<u>(2,169)</u>	<u>5,534</u>
Total other comprehensive income	<u>\$ 21,148</u>	<u>\$ (5,884)</u>	<u>\$ 15,264</u>	<u>\$ 4,527</u>	<u>\$ (1,274)</u>	<u>\$ 3,253</u>

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

15. Other Comprehensive Income (Loss) (continued)

The following tables present the changes in the components of accumulated other comprehensive income (loss), net of tax, for the three and six months ended June 30, 2025 and 2024:

	For the Three Months Ended June 30,							
	2025				2024			
	Unrealized (Losses) on Debt Securities Available for Sale	Unrealized (Losses) on Swaps	Employee Benefit Plans	Accumulated Other Comprehensive (Loss)	Unrealized (Losses) on Debt Securities Available for Sale	Unrealized Gains on Swaps	Employee Benefit Plans	Accumulated Other Comprehensive (Loss)
	(In thousands)							
Balance at beginning of period	\$ (72,068)	\$ (776)	\$ (28,206)	\$ (101,050)	\$ (119,540)	\$ 3,346	\$ (44,643)	\$ (160,837)
Current period changes in other comprehensive income (loss)	4,497	(1,190)	2,639	5,946	(448)	298	5,505	5,355
Total other comprehensive income (loss)	<u>\$ (67,571)</u>	<u>\$ (1,966)</u>	<u>\$ (25,567)</u>	<u>\$ (95,104)</u>	<u>\$ (119,988)</u>	<u>\$ 3,644</u>	<u>\$ (39,138)</u>	<u>\$ (155,482)</u>

	For the Six Months Ended June 30,							
	2025				2024			
	Unrealized (Losses) on Debt Securities Available for Sale	Unrealized Gains (Losses) on Swaps	Employee Benefit Plans	Accumulated Other Comprehensive (Loss)	Unrealized (Losses) on Debt Securities Available for Sale	Unrealized Gains (Losses) on Swaps	Employee Benefit Plans	Accumulated Other Comprehensive (Loss)
	(In thousands)							
Balance at beginning of period	\$ (83,523)	\$ 1,365	\$ (28,210)	\$ (110,368)	\$ (113,649)	\$ (414)	\$ (44,672)	\$ (158,735)
Current period changes in other comprehensive income (loss)	15,952	(3,331)	2,643	15,264	(6,339)	4,058	5,534	3,253
Total other comprehensive income (loss)	<u>\$ (67,571)</u>	<u>\$ (1,966)</u>	<u>\$ (25,567)</u>	<u>\$ (95,104)</u>	<u>\$ (119,988)</u>	<u>\$ 3,644</u>	<u>\$ (39,138)</u>	<u>\$ (155,482)</u>

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

15. Other Comprehensive Income (Loss) (continued)

The following tables reflect amounts reclassified from accumulated other comprehensive income (loss) to the Consolidated Statements of Income and the affected line item in the statement where net income is presented for the three and six months ended June 30, 2025 and 2024:

	Accumulated Other Comprehensive Income (Loss) Components		Affected Line Items in the Consolidated Statements of Income
	For the Three Months Ended June 30,		
	2025	2024	
	(In thousands)		
Reclassification adjustment for gain included in net income	\$ 336	\$ —	Gain (loss) on securities transactions
Reclassification adjustment of actuarial net gain (loss) included in net income	\$ 23	\$ (548)	Other non-interest expense
Total before tax	359	(548)	
Income tax benefit	(99)	154	
Net of tax	\$ 260	\$ (394)	

	Accumulated Other Comprehensive Income (Loss) Components		Affected Line Items in the Consolidated Statements of Income
	For the Six Months Ended June 30,		
	2025	2024	
	(In thousands)		
Reclassification adjustment for gain (loss) included in net income	\$ 336	\$ (1,256)	Gain (loss) on securities transactions
Reclassification adjustment of actuarial net gain (loss) included in net income	\$ 46	\$ (1,082)	Other non-interest expense
Total before tax	382	(2,338)	
Income tax benefit	(106)	657	
Net of tax	\$ 276	\$ (1,681)	

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

16. Derivatives and Hedging Activities

The Company uses derivative financial instruments as components of its market risk management, principally to manage interest rate risk. Certain derivatives are entered into in connection with transactions with commercial customers. Derivatives are not used for speculative purposes. All derivatives are recognized as either assets or liabilities in the Consolidated Statements of Financial Condition, reported at fair value and presented on a gross basis. Until a derivative is settled, a favorable change in fair value results in an unrealized gain that is recognized as an asset, while an unfavorable change in fair value results in an unrealized loss that is recognized as a liability.

The Company generally applies hedge accounting to its derivatives used for market risk management purposes. Hedge accounting is permitted only if specific criteria are met, including a requirement that a highly effective relationship exists between the derivative instrument and the hedged item, both at inception of the hedge and on an ongoing basis. Changes in the fair value of effective fair value hedges are recognized in current earnings (with the change in fair value of the hedged asset or liability also recognized in earnings). Changes in the fair value of effective cash flow hedges are recognized in other comprehensive income (loss) until earnings are affected by the variability in cash flows of the designated hedged item. Ineffective portions of hedge results are recognized in current earnings. Changes in the fair value of derivatives for which hedge accounting is not applied are recognized in current earnings.

The Company formally documents at inception all relationships between the derivative instruments and the hedged items, as well as its risk management objectives and strategies for undertaking the hedge transactions. This process includes linking all derivatives that are designated as hedges to specific assets and liabilities, or to specific firm commitments. The Company also formally assesses, both at inception of the hedge and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in the fair values or cash flows of the hedged items. If it is determined that a derivative is not highly effective or has ceased to be a highly effective hedge, the Company would discontinue hedge accounting prospectively. Gains or losses resulting from the termination of a derivative accounted for as a cash flow hedge remain in other comprehensive income (loss) and is (accrued) amortized to earnings over the remaining period of the former hedging relationship.

Certain derivative financial instruments are offered to certain commercial banking customers to manage their risk of exposure and risk management strategies. These derivative instruments consist primarily of currency forward contracts and interest rate swap contracts. The risks associated with these transactions is mitigated by simultaneously entering into similar transactions having essentially offsetting terms with a third party. In addition, the Company executes interest rate swaps with third parties in order to hedge the interest rate risk of short-term FHLB advances.

Interest Rate Swaps. At June 30, 2025 and December 31, 2024, the Company had 86 and 84 interest rate swaps in place with commercial banking customers executed by offsetting interest rate swaps with third parties, with aggregated notional amounts of \$327.8 million and \$298.8 million, respectively. These derivatives are not designated as hedges and are not speculative. These interest rate swaps do not meet hedge accounting requirements.

At June 30, 2025 and December 31, 2024, the Company had 34 and 31 interest rate swaps with notional amounts of \$388.7 million and \$378.7 million, respectively, hedging certain FHLB advances. These interest rate swaps meet the cash flow hedge accounting requirements. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counter-party in exchange for the Company making fixed-rate payments over the life of the agreements without the exchange of the underlying notional amount.

At June 30, 2025 and December 31, 2024, the Company had one and eight interest rate fair value swaps with notional amounts totaling \$100.0 million and \$850.0 million, respectively. The Company is exposed to changes in the fair value of certain of its fixed-rate pools of assets due to changes in benchmark interest rates. The Company uses interest rate swaps to manage its exposure to changes in fair value on these instruments attributable to changes in the designated benchmark interest rate, the Secured Overnight Financing Rate ("SOFR").

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

16. Derivatives and Hedging Activities (continued)

Interest rate swaps designated as fair value hedges involve the payment of fixed-rate amounts to a counterparty in exchange for the Company receiving variable-rate payments over the life of the agreements without the exchange of the underlying notional amount.

For the six months ended June 30, 2025 and 2024, and the three months ended June 30, 2024, the Company recorded hedge ineffectiveness associated with these contracts totaling approximately \$24,000, \$47,000 and \$11,000, respectively. For the three months ended June 30, 2025, there was no hedge ineffectiveness associated with these contracts.

The tables below present the fair value of the Company's derivative financial instruments as well as their classification in the Consolidated Statements of Financial Condition at June 30, 2025 and December 31, 2024:

June 30, 2025				
Asset Derivative			Liability Derivative	
Consolidated Statements of Financial Condition	Fair Value		Consolidated Statements of Financial Condition	Fair Value
(In thousands)				
Derivatives:				
Interest rate products - designated hedges	Other Assets	\$ 643	Other Liabilities	\$ 3,105
Interest rate products - non-designated hedges	Other Assets	11,199	Other Liabilities	11,298
Total derivative instruments		<u>\$ 11,842</u>		<u>\$ 14,403</u>

December 31, 2024				
Asset Derivative			Liability Derivative	
Consolidated Statements of Financial Condition	Fair Value		Consolidated Statements of Financial Condition	Fair Value
(In thousands)				
Derivatives:				
Interest rate products - designated hedges	Other Assets	\$ 3,619	Other Liabilities	\$ 4,847
Interest rate products - non-designated hedges	Other Assets	15,276	Other Liabilities	15,178
Total derivative instruments		<u>\$ 18,895</u>		<u>\$ 20,025</u>

For the three months ended June 30, 2025 and 2024, (losses) of \$(102,000) and \$(43,000), respectively, were recorded for changes in fair value of interest rate swaps with third parties. For the six months ended June 30, 2025 and 2024, (losses) gains of \$(198,000) and \$50,000, respectively, were recorded for changes in fair value of interest rate swaps with third parties.

At June 30, 2025 and December 31, 2024, accrued interest was \$324,000 and \$639,000, respectively.

The Company has agreements with counterparties that contain a provision that if the Company defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default of its derivative obligations.

At June 30, 2025, the termination value of derivatives in a net liability position, which includes accrued interest, was \$2.6 million. The Company has collateral posting thresholds with certain of its derivative counterparties, and as of June 30, 2025 has required posted collateral of \$430,000 against its obligations under these agreements.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Notes to Unaudited Consolidated Financial Statements

16. Derivatives and Hedging Activities (continued)

Fair Value Hedges of Interest Rate Risk. The Company is exposed to changes in the fair value of certain of its fixed-rate pools of assets due to changes in benchmark interest rates. The Company uses interest rate swaps to manage its exposure to changes in fair value on these instruments attributable to changes in the designated benchmark interest rate, SOFR. Interest rate swaps designated as fair value hedges involve the payment of fixed-rate amounts to a counterparty in exchange for the Company receiving variable-rate payments over the life of the agreements without the exchange of the underlying notional amount.

For derivatives designated and that qualify as fair value hedges, the gain or loss on the derivative as well as the offsetting gain or loss on the hedged item attributable to the hedged risk are recognized in interest income.

At June 30, 2025 and December 31, 2024, the following amounts were recorded on the Consolidated Statements of Financial Condition related to cumulative basis adjustment for fair value hedges:

	Carrying Amount of Hedged Assets/(Liabilities)	Cumulative Amount of Fair Value Hedging Adjustment included in the Carrying Amount of Hedged Assets/(Liabilities)	Carrying Amount of Hedged Assets/(Liabilities)	Cumulative Amount of Fair Value Hedging Adjustment included in the Carrying Amount of Hedged Assets/(Liabilities)
	At June 30, 2025		At December 31, 2024	
	(In thousands)			
Fair value interest rate products	\$ 99,747	\$ (253)	\$ 853,422	\$ 3,422

17. Segment Reporting

The Company's reportable segment is determined by the President, Chief Executive Officer ("CEO"), who is designated the chief operating decision maker ("CODM"), based upon information provided about the Company's products and services offered, which primarily consists of banking products. The segment is also distinguished by the level of information provided by the CODM, who uses such information to review the performance of various components of the business, which are then aggregated if operating performance, products and services, and customers are similar. The CODM evaluates the financial performance of the Company's business components including revenue streams, significant expenses and budget to actual results in assessing the Company's segments, and in the determination of allocating resources. The CODM uses revenue streams to evaluate product pricing and significant expenses to assess performance and evaluate return on assets. The CODM utilizes consolidated net income to benchmark the Company against its competitors. The benchmarking analysis coupled with the monitoring of budget to actual results are used in assessing performance and in establishing compensation. Loans, investments, and deposits provide the revenue in banking operations. Interest expense, provision for credit losses, and payroll provide the significant expenses in banking operations. All operations are domestic.

Our segment assets represent our total assets as presented on the Consolidated Statements of Financial Position. Our segment revenues and expenses are presented on the Consolidated Statements of Income.

18. Revenue Recognition

The Company's revenue includes net interest income on financial instruments and non-interest income. Most of the Company's revenue is not within the scope of Accounting Standards Codification Topic 606 which does not apply to revenue associated with financial instruments, including interest income on loans and securities, which comprise the majority of the Company's revenue. Revenue-generating activities that are within the scope of this guidance are components of non-interest income. These revenue streams can generally be classified as demand deposit account fees, title insurance fees, insurance agency income, and other fees.

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18. Revenue Recognition (continued)

The following table presents non-interest income, segregated by revenue streams in-scope and out-of-scope of Topic 606, for the three and six months ended June 30, 2025 and 2024.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
	(In thousands)			
Non-interest income				
In-scope of Topic 606:				
Demand deposit account fees	\$ 2,015	\$ 1,590	\$ 3,903	\$ 3,003
Title insurance fees	861	744	1,507	1,247
Insurance agency income	88	60	154	107
Other non-interest income	1,547	1,430	3,103	2,908
Total in-scope non-interest income	4,511	3,824	8,667	7,265
Total out-of-scope non-interest income	5,662	5,356	9,977	9,367
Total non-interest income	\$ 10,173	\$ 9,180	\$ 18,644	\$ 16,632

Demand deposit account fees include monthly maintenance fees and service charges. These fees are generally derived as a result of either transaction-based or serviced-based services. The Company's performance obligation for these services is generally satisfied, and revenue recognized, at the time the transaction is completed, or the service rendered. Fees for these services are generally received from the customer either at the time of the transaction or monthly.

Title insurance fees are generally recognized at the time the transaction closes or when the service is rendered.

Columbia Insurance Services Inc. performs the function of an insurance intermediary, by introducing the policyholder and insurer for life and health, and property and casualty insurance, and is compensated by a commission fee for placement of an insurance policy. Commission and fees are generally recognized as of the effective date of the insurance policy. Commission revenues related to installment billings are recognized on the invoice date. Subsequent commission adjustments are recognized upon the receipt of notification from insurance companies concerning matters necessitating such adjustments.

Other non-interest income includes check printing fees, gift card fees, branch service fees, overdraft fees, account analysis fees, other deposit related fees, wealth management related fee income which includes annuity fees, brokerage commissions, and asset management fees. Wealth management related fee income represent fees earned from customers as consideration for asset management and investment advisory services provided by a third party. The Company's performance obligation is generally satisfied monthly, and the resulting fees are recognized monthly based upon the month-end market value of the assets under management and the applicable fee rate. The Company does not earn performance-based incentives. The Company's performance obligation for these transaction-based services are generally satisfied, and related revenue recognized, at the time the transaction closes or when the service is rendered or a point in time when the service is completed.

Also included in other fees are debit card and ATM fees which are transaction-based. Debit card revenue is primarily comprised of interchange fees earned when a customer's Company card is processed through a card payment network. ATM fees are largely generated when a Company cardholder uses a non-Company ATM, or a non-Company cardholder uses a Company ATM. The Company's performance obligation for these services is satisfied when the service is rendered. Payment is generally received at time of transaction or monthly.

Out-of-scope non-interest income primarily consists of income from bank-owned life insurance, loan prepayment and servicing fees, net fees on loan level swaps, gains and losses on the sale of loans and securities, credit card interchange income, and changes in the fair value of equity securities. None of these revenue streams are subject to the requirements of Topic 606.

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19. Subsequent Events

The Company has evaluated events subsequent to June 30, 2025 and through the financial statement issuance date of August 8, 2025, and, except as disclosed below, has concluded that no material events occurred that would require disclosure except as noted below.

On August 1, 2025, Columbia Insurance Services, Inc., a wholly owned subsidiary of the Bank, completed the purchase of certain assets from, and the assumption of certain liabilities of, an insurance agency for an immaterial aggregate cash purchase price which is, in part, contingent on the future revenue associated with the acquired assets meeting or exceeding certain agreed upon targets. The Company does not expect the transaction to have a material impact on its operations or financial position.

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Forward-Looking Statements

Certain statements contained herein are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements may be identified by reference to a future period or periods, or by the use of forward-looking terminology, such as “may,” “will,” “believe,” “expect,” “estimate,” “project,” “intend,” “anticipate,” “continue,” or similar terms or variations on those terms, or the negative of those terms. Forward-looking statements are subject to numerous risk factors and uncertainties, including, but not limited to, those set forth in Item 1A of the Company's Annual Report on Form 10-K as supplemented by its Quarterly Reports on Form 10-Q, and those related to the economic environment, particularly in the market areas in which the Company operates, competitive products and pricing, as well as its impact on fiscal and monetary policies of the U.S. Government, changes in government regulations affecting financial institutions, including regulatory fees and capital requirements, changes in interest rates, higher inflation and their impact on national and local economic conditions, the Company's ability to successfully implement its business strategy, acquisitions and the integration of acquired businesses, the successful implementation of our December 2024 balance sheet repositioning strategy, the impacts of tariffs, sanctions and other trade policies of the United States and its global trading counterparts, the adequacy of loan loss reserves, the impact of legal, judicial and regulatory proceedings or investigations; competitive pressures from other financial institutions and financial services companies, credit risk management, asset-liability management, the financial and securities markets, the impact of failures or disruptions in or breaches of the Company's operational or security systems, data or infrastructure, or those of third parties, including as a result of cyber attacks or campaigns, and the availability of and costs associated with sources of liquidity.

The Company cautions readers not to place undue reliance on any such forward-looking statements which speak only as of the date made. The Company also advises readers that the factors listed above could affect the Company's financial performance and could cause the Company's actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements. The Company does not have any obligation to update any forward-looking statements to reflect any subsequent events or circumstances after the date of this statement.

Comparison of Financial Condition at June 30, 2025 and December 31, 2024

Total assets increased \$263.5 million, or 2.5%, to \$10.7 billion at June 30, 2025 as compared to \$10.5 billion at December 31, 2024. The increase in total assets was primarily attributable to an increase in debt securities available for sale of \$31.0 million, and an increase in loans receivable, net, of \$254.1 million, partially offset by a decrease in cash and cash equivalents of \$41.0 million.

Cash and cash equivalents decreased \$41.0 million, or 14.2%, to \$248.2 million at June 30, 2025 from \$289.2 million at December 31, 2024. The decrease was primarily attributable to purchases of securities of \$159.3 million, purchases of loans of \$150.9 million and the origination of loans receivable, partially offset by proceeds from principal repayments on securities of \$98.5 million, and repayments on loans receivable.

Debt securities available for sale increased \$31.0 million, or 3.0%, to \$1.1 billion at June 30, 2025 from \$1.0 billion at December 31, 2024. The increase was attributable to purchases of securities of \$126.0 million, consisting primarily of U.S. government obligations and mortgage-backed securities, and a decrease in the gross unrealized loss on securities of \$22.1 million, partially offset by maturities on securities of \$28.5 million, repayments on securities of \$73.6 million, and the sale of securities of \$15.7 million.

Loans receivable, net, increased \$254.1 million, or 3.2%, to \$8.1 billion at June 30, 2025 from \$7.9 billion at December 31, 2024. Multifamily loans, commercial real estate loans and commercial business loans increased \$118.1 million, \$177.8 million, and \$104.5 million, respectively, partially offset by decreases in one-to-four family real estate loans, construction loans and home equity loans and advances of \$81.6 million, \$58.2 million, and \$2.6 million, respectively. The increase in commercial business loans was primarily due to the purchase of \$130.9 million in equipment finance loans from a third party in May 2025, at a \$3.2 million discount, which included \$5.1 million of purchased credit deteriorated loans (“PCD”). The principal balance of the PCD loans was charged-off by \$3.2 million. The allowance for credit losses for loans increased \$4.5 million to \$64.5 million at June 30, 2025 from \$60.0 million at December 31, 2024, primarily due to an increase in the outstanding balance of loans.

Total liabilities increased \$223.2 million, or 2.4%, to \$9.6 billion at June 30, 2025 from \$9.4 billion at December 31, 2024. The increase was primarily attributable to an increase in total deposits of \$39.3 million, or 0.5%, and an increase in borrowings of \$192.0 million, or 17.8%, partially offset by a decrease in other liabilities of \$12.2 million. The increase in total deposits consisted of increases in non-interest-bearing demand deposits, money market accounts and certificates of deposit of \$1.9 million, \$114.0 million, and \$80.2 million, respectively, partially offset by decreases in interest-bearing demand deposits and savings and club accounts of

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\$149.0 million and \$7.7 million, respectively. The \$192.0 million increase in borrowings was driven by a net increase in short-term borrowings of \$122.0 million, coupled with new long-term borrowings of \$130.0 million, partially offset by repayments of \$60.0 million in maturing long-term borrowings. Proceeds from borrowings were utilized to fund the purchase of \$130.9 million in equipment finance loans from a third party in May 2025.

Total stockholders' equity increased \$40.3 million, or 3.7%, with a balance of \$1.1 billion at both June 30, 2025 and December 31, 2024. The increase in total stockholders' equity was primarily attributable to net income of \$21.2 million, and an increase of \$15.3 million in other comprehensive income, which includes changes in unrealized losses on debt securities available for sale and unrealized gains on swap contracts, net of taxes, included in other comprehensive income.

Comparison of Results of Operations for the Three Months Ended June 30, 2025 and June 30, 2024

Net income of \$12.3 million was recorded for the quarter ended June 30, 2025, an increase of \$7.8 million, as compared to net income of \$4.5 million for the quarter ended June 30, 2024. The increase in net income was primarily attributable to a \$9.6 million increase in net interest income, a \$993,000 increase in non-interest income and a \$1.3 million decrease in non-interest expense, partially offset by a \$3.9 million increase in income tax expense.

Net interest income was \$53.7 million for the quarter ended June 30, 2025, an increase of \$9.6 million, or 21.8%, from \$44.1 million for the quarter ended June 30, 2024. The increase in net interest income was primarily attributable to a \$3.2 million increase in interest income and a \$6.4 million decrease in interest expense on deposits and borrowings. The increase in interest income was primarily due to an increase in the average balance of loans coupled with an increase in average yields on loans and securities. During the fourth quarter of 2024 the Company implemented a balance sheet repositioning transaction which resulted in an increase in the average yield on securities and a decrease in the cost of borrowings, which had a notable impact on net interest income for the quarter ended June 30, 2025. The 100 basis point decrease in market interest rates during the last four months of 2024 contributed to lower interest rates paid on new and repricing deposits and borrowings during the quarter ended June 30, 2025. Prepayment penalties, which are included in interest income on loans, totaled \$615,000 for the quarter ended June 30, 2025, compared to \$436,000 for the quarter ended June 30, 2024.

The average yield on loans for the quarter ended June 30, 2025 increased 3 basis points to 4.96%, as compared to 4.93% for the quarter ended June 30, 2024. Interest income on loans increased due to an increase in both the average balance and yield on loans. The average yield on securities for the quarter ended June 30, 2025 increased 66 basis points to 3.55%, as compared to 2.89% for the quarter ended June 30, 2024. This was a result of lower yielding securities sold as part of the balance sheet repositioning transaction implemented in the fourth quarter of 2024 being replaced with higher yielding securities purchased in 2024 and throughout the six months ended June 30, 2025. The average yield on other interest-earning assets for the quarter ended June 30, 2025 decreased 114 basis points to 5.16%, as compared to 6.30% for the quarter ended June 30, 2024, mainly due to a 150 basis point decrease in the dividend rate received on Federal Home Loan Bank stock.

Total interest expense was \$62.8 million for the quarter ended June 30, 2025, a decrease of \$6.4 million, or 9.3%, from \$69.2 million for the quarter ended June 30, 2024. The decrease in interest expense was primarily attributable to a 19 basis point decrease in the average cost of interest-bearing deposits along with a 52 basis point decrease in the average cost of borrowings, coupled with a decrease in the average balance of borrowings, partially offset by an increase in the average balance of interest-bearing deposits. Interest expense on deposits decreased \$482,000, or 1.0%, and interest expense on borrowings decreased \$5.9 million, or 30.6% for the quarter ended June 30, 2025 as compared to the quarter ended June 30, 2024.

The Company's net interest margin for the quarter ended June 30, 2025 increased 38 basis points to 2.19% when compared to 1.81%, due to an increase in the average yield on interest-earning assets coupled with a decrease in the average cost of interest-bearing liabilities. The weighted average yield on interest-earning assets increased 11 basis points to 4.75% for the quarter ended June 30, 2025 as compared to 4.64% for the quarter ended June 30, 2024. The average cost of interest-bearing liabilities decreased 31 basis points to 3.18% for the quarter ended June 30, 2025 as compared to 3.49% for the quarter ended June 30, 2024.

Non-interest income was \$10.2 million for the quarter ended June 30, 2025, an increase of \$993,000, or 10.8%, from \$9.2 million for the quarter ended June 30, 2024. The increase was primarily attributable to an increase of \$425,000 in demand deposit account fees mainly related to commercial account treasury services, an increase of \$366,000 in loan fees and service charges related to swap income, gains on securities transactions of \$336,000, and a \$281,000 gain on the sale of real estate owned, partially offset by a decrease of \$693,000 in other non-interest income. The gain on the sale of other real estate owned resulted from the sale of a commercial real estate property acquired by foreclosure in 2024 with a book value of \$1.3 million which was sold in June 2025.

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Non-interest expense was \$44.9 million for the quarter ended June 30, 2025, a decrease of \$1.3 million, or 2.9%, from \$46.2 million for the quarter ended June 30, 2024. The decrease was primarily attributable to a decrease in professional fees of \$1.0 million, as legal, regulatory, and compliance-related costs were higher in the 2024 period, a decrease in merger-related expenses of \$692,000, and a decrease in other non-interest expense of \$798,000.

Income tax expense was \$4.2 million for the quarter ended June 30, 2025, an increase of \$3.9 million, as compared to income tax expense of \$279,000 for the quarter ended June 30, 2024, mainly due to an increase in pre-tax income. The Company's effective tax rate was 25.4% and 5.8% for the quarters ended June 30, 2025 and 2024, respectively. The effective tax rate for the 2024 period was primarily impacted by permanent income tax differences.

Results of Operations for the Six Months Ended June 30, 2025 and June 30, 2024

Net income of \$21.2 million was recorded for the six months ended June 30, 2025, an increase of \$17.8 million, or 526.4%, compared to net income of \$3.4 million for the six months ended June 30, 2024. The increase in net income was primarily attributable to a \$17.7 million increase in net interest income, a \$2.1 million decrease in provision for credit losses, a \$2.0 million increase in non-interest income and a \$3.2 million decrease in non-interest expense, partially offset by a \$7.2 million increase in income tax expense.

Net interest income was \$104.0 million for the six months ended June 30, 2025, an increase of \$17.7 million, or 20.6%, from \$86.3 million for the six months ended June 30, 2024. The increase in net interest income was primarily attributable to a \$6.7 million increase in interest income and a \$11.0 million decrease in interest expense on deposits and borrowings. The increase in interest income was primarily due to an increase in the average balance of loans coupled with an increase in the average yields on loans and securities. During the fourth quarter of 2024 the Company implemented a balance sheet repositioning transaction which resulted in an increase in the average yield on securities and a decrease in the cost of borrowings, which had a notable impact on net interest income for the six months ended June 30, 2025. The 100 basis point decrease in market interest rates during the last four months of 2024 contributed to a decrease in interest rates paid on new and repricing deposits and borrowings during the six months ended June 30, 2025. The decrease in interest expense on borrowings was also impacted by a decrease in the average balance of borrowings and the decrease in the cost of new borrowings. Prepayment penalties, which are included in interest income on loans, totaled \$872,000 for the six months ended June 30, 2025, compared to \$703,000 for the six months ended June 30, 2024.

The average yield on loans for the six months ended June 30, 2025 increased 6 basis points to 4.92%, as compared to 4.86% for the six months ended June 30, 2024. Interest income on loans increased due to an increase in both the average balance and yield on loans. The average yield on securities for the six months ended June 30, 2025 increased 73 basis points to 3.50%, as compared to 2.77% for the six months ended June 30, 2024. This was a result of lower yielding securities sold as part of the balance sheet repositioning transaction implemented in the fourth quarter of 2024 being replaced with higher yielding securities purchased in 2024 and throughout the six months ended June 30, 2025. The average yield on other interest-earning assets for the six months ended June 30, 2025 decreased 72 basis points to 5.47%, as compared to 6.19% for the six months ended June 30, 2024, due to lower dividends received on Federal Home Loan Bank stock.

Total interest expense was \$124.6 million for the six months ended June 30, 2025, a decrease of \$11.0 million, or 8.1%, from \$135.6 million for the six months ended June 30, 2024. The decrease in interest expense was primarily attributable to a 10 basis point decrease in the average cost of interest-bearing deposits along with a 53 basis point decrease in the average cost of borrowings coupled with a decrease in the average balance of borrowings. Interest expense on deposits increased \$1.2 million, or 1.3%, and interest expense on borrowings decreased \$12.3 million, or 32.8% for the six months ended June 30, 2025 as compared to the six months ended June 30, 2024.

The Company's net interest margin for the six months ended June 30, 2025 increased 37 basis points to 2.15%, when compared to 1.78% for the six months ended June 30, 2024. The net interest margin increased for the six months ended June 30, 2025, due to an increase in the average yield on interest-earning assets coupled with a decrease in the average cost of interest-bearing liabilities. The weighted average yield on interest-earning assets increased 15 basis points to 4.72% for the six months ended June 30, 2025, as compared to 4.57% for the six months ended June 30, 2024. The average cost of interest-bearing liabilities decreased 25 basis points to 3.19% for the six months ended June 30, 2025, as compared to 3.44% for the six months ended June 30, 2024.

The provision for credit losses for the six months ended June 30, 2025 was \$5.4 million, a decrease of \$2.1 million, or 27.7% from \$7.5 million for the six months ended June 30, 2024. The decrease in provision for credit losses was primarily attributable to a decrease in net charge-offs, which totaled \$4.1 million for the six months ended June 30, 2025 as compared to \$5.5 million for the six months ended June 30, 2024, and a decrease in quantitative loss rates based on the evaluation of current and projected economic conditions.

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Non-interest income was \$18.6 million for the six months ended June 30, 2025, an increase of \$2.0 million, or 12.1%, from \$16.6 million for the six months ended June 30, 2024. The increase was primarily attributable to an increase in gain on securities transactions of \$1.6 million, an increase of \$900,000 in demand deposit account fees mainly related to commercial account treasury services, an increase of \$461,000 in loan fees and service charges related to swap income and a \$281,000 gain on the sale of real estate owned, partially offset by a decrease of \$2.0 million in other non-interest income.

Non-interest expense was \$88.8 million for the six months ended June 30, 2025, a decrease of \$3.2 million, or 3.4% from \$91.9 million for the six months ended June 30, 2024. The decrease was primarily attributable to a decrease in federal deposit insurance premiums of \$615,000, a decrease in professional fees of \$3.1 million, a decrease in merger-related expenses of \$714,000 and a decrease in other non-interest expense of \$1.3 million, partially offset by an increase in compensation and employee benefits expense of \$2.3 million. Professional fees for legal, regulatory and compliance-related costs decreased in the 2025 period.

Income tax expense was \$7.3 million for the six months ended June 30, 2025, an increase of \$7.2 million, as compared to income tax expense of \$150,000 for the six months ended June 30, 2024, mainly due to an increase in pre-tax income. The Company's effective tax rate was 25.6% and 4.2% for the six months ended June 30, 2025 and 2024, respectively. The effective tax rate for the 2024 period was impacted by permanent income tax differences.

Asset Quality

The Company's non-performing loans at June 30, 2025 totaled \$39.5 million, or 0.49% of total gross loans, as compared to \$21.7 million, or 0.28% of total gross loans, at December 31, 2024. The \$17.8 million increase in non-performing loans was primarily attributable to a \$5.9 million construction loan designated as non-performing during the 2025 period, an increase in non-performing one-to-four family real estate loans of \$2.6 million, an increase in non-performing commercial real estate loans of \$7.5 million, and an increase in non-performing commercial business loans of \$1.3 million. The \$5.9 million non-performing construction loan represents the construction of a mixed use five-story building with both commercial space and apartments. The increase in non-performing one-to-four family real estate loans was due to an increase in the number of loans from 32 non-performing loans at December 31, 2024 to 43 loans at June 30, 2025. The increase in non-performing commercial real estate loans was due to an increase in the number of loans from four non-performing loans at December 31, 2024 to 14 loans at June 30, 2025. The increase in non-performing commercial business loans was due to an increase in the number of loans from 11 non-performing loans at December 31, 2024 to 16 loans at June 30, 2025. Non-performing assets as a percentage of total assets totaled 0.37% at June 30, 2025, as compared to 0.22% at December 31, 2024.

For the quarter ended June 30, 2025, net charge-offs totaled approximately \$3.2 million, as compared to \$533,000 in net charge-offs recorded for the quarter ended June 30, 2024. For the six months ended June 30, 2025, net charge-offs totaled \$4.1 million as compared to \$5.5 million in net charge-offs recorded for the six months ended June 30, 2024. Charge-offs for the three and six months ended June 30, 2025 included \$3.2 million in charge-offs related to PCD loans included in the equipment finance loan purchase noted above.

The Company's allowance for credit losses on loans was \$64.5 million, or 0.79% of total gross loans, at June 30, 2025, compared to \$60.0 million, or 0.76% of total gross loans, at December 31, 2024. The increase in the allowance for credit losses for loans was primarily due to an increase in the outstanding balance of loans.

Critical Accounting Policies

The Company considers certain accounting policies to be critically important to the fair presentation of its Consolidated Statements of Financial Condition and Consolidated Statements of Income. These policies require management to make significant judgments and assumptions on matters which by their nature have elements of uncertainty. The sensitivity of the Company's consolidated financial statements to these critical accounting policies, and the assumptions, estimates and judgments applied, could have a material impact on its financial condition and results of operations. These assumptions, estimates and judgments we use can be influenced by a number of factors, including the general economic environment. The Company has identified the following as critical accounting policies:

- Adequacy of the allowance for credit losses
- Valuation of deferred tax assets
- Valuation of retirement and post-retirement benefits

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The determination of the allowance for credit losses ("ACL") on loans is considered a critical accounting estimate by management because of the high degree of judgment involved in determining qualitative loss factors, the subjectivity of the assumptions used, and the potential for changes in the forecasted economic environment. The ACL is maintained at a level management considers adequate to provide for estimated losses and impairment based upon an evaluation of known and inherent risk in the loan portfolio. The ACL consists of two elements: (1) identification of loans that must be individually analyzed for impairment and (2) establishment of an ACL for loans collectively analyzed.

Management estimates the ACL using relevant and reliable information from internal and external sources, related to past events, current conditions, and a reasonable and supportable forecast. Historical credit loss experience for both the Company and its segment-specific peers provides the basis for the estimate of expected credit losses. Credit losses over a defined period are converted to PD rate curves through the use of segment-specific LGD risk factors that convert default rates to loss severity based on industry-level, observed relationships between the two variables for each segment, primarily due to the nature of the underlying collateral. These risk factors were assessed for reasonableness against the Company's own loss experience and adjusted in certain cases when the relationship between the Company's historical default and loss severity deviates from that of the wider industry. The historical PD curves, together with corresponding economic conditions, establish a quantitative relationship between economic conditions and loan performance through an economic cycle.

Portfolio segments are defined as the level at which an entity develops and documents a systematic methodology to determine its allowance for credit losses. Management developed segments for estimating losses based on the type of borrower and collateral which is generally based upon federal call report segmentation. The segments have been combined or sub-segments have been added as needed to ensure loans of similar risk profiles are appropriately pooled.

We maintain a loan review system that provides a periodic review of the loan portfolio and the identification of individually analyzed loans. The ACL for individually analyzed loans is based on the fair value of collateral or cash flows. While management uses the best information available to make such evaluations, future adjustments to the allowance may be necessary if economic conditions differ substantially from the assumptions used in making the evaluations.

The ACL quantitative allowance for each segment is measured using a discounted cash flow methodology incorporating an econometric, probability of default ("PD") and loss given default ("LGD") with distinct segment-specific multi-variate regression models applied. Expected credit losses are estimated over the life of the loans by measuring the difference between the net present value of modeled cash flows and amortized cost basis. Contractual cash flows over the contractual life of the loans are the basis for the modeled cash flows, adjusted for model defaults and expected prepayments and discounted at the loan-level effective interest rate. The contractual term excludes expected extensions, renewals, and modifications.

Management estimates the ACL using relevant and reliable information from internal and external sources, related to past events, current conditions, and a reasonable and supportable forecast. Historical credit loss experience for both the Company and its segment-specific peers provides the basis for the estimate of expected credit losses. Credit losses over a defined period are converted to PD rate curves through the use of segment-specific LGD risk factors that convert default rates to loss severity based on industry-level, observed relationships between the two variables for each segment, primarily due to the nature of the underlying collateral. These risk factors were assessed for reasonableness against the Company's own loss experience and adjusted in certain cases when the relationship between the Company's historical default and loss severity deviates from that of the wider industry. The historical PD curves, together with corresponding economic conditions, establish a quantitative relationship between economic conditions and loan performance through an economic cycle.

Using the historical relationship between economic conditions and loan performance, management's expectation of future loan performance is incorporated using a single economic forecast of macroeconomic variables (i.e., unemployment, gross domestic product, vacancy, and home price index). This forecast is applied over a period that management has determined to be reasonable and supportable. Beyond the period over which management can develop or source a reasonable and supportable forecast, the model reverts to long-term average historical loss rates using a straight-line, time-based methodology. The Company's current forecast period is six quarters, with a four-quarter reversion period to long-term average historical loss rates.

After quantitative considerations, management applies additional qualitative adjustments that consider the expected impact of certain factors not fully captured in the quantitative reserve. Qualitative adjustments include but are not limited to concentrations of large loan balances, delinquency trends, change in collateral values within segments, and other considerations.

The ACL is established through the provision for credit losses that are charged to income, which is based upon an evaluation of estimated losses in the current loan portfolio, including the evaluation of individually analyzed loans. Charge-offs against the ACL

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

are taken on loans where management determines that the collection of loan principal and interest is unlikely. Recoveries made on loans that have been charged-off are credited to the ACL. Although we believe we have established and maintained the ACL on loans at appropriate levels, changes in reserves may be necessary if actual economic and other conditions differ substantially from the forecast used in estimating the ACL.

Our financial results are affected by the changes in and the level of the ACL. This process involves our analysis of internal and external variables, and it requires that we exercise judgment to estimate an appropriate ACL. As a result of the uncertainty associated with this subjectivity, we cannot assure the precision of the amount reserved, should we experience sizable loan losses in any particular period and/or significant changes in assumptions or economic condition. We believe the primary risks inherent in the portfolio are a general decline in the economy, a decline in real estate market values, rising unemployment, increasing vacancy rates, and increases in interest rates in the absence of economic improvement or any other such factors. Any one or a combination of these events may adversely affect a borrower's ability to repay its loan, resulting in increased delinquencies and loan losses. Accordingly, we have recorded loan credit losses at a level which is estimated to represent the current risk in the loan portfolio.

Most of our non-performing assets are collateral dependent loans which are written down to the fair value of the collateral less estimated costs to sell. We continue to assess the collateral of these loans and update our appraisals on these loans on at least an annual basis. To the extent the property values decline, there could be additional losses on these non-performing assets, which may be material. Management considered these market conditions in deriving the estimated ACL. Should economic difficulties occur, the ultimate amount of loss could vary from our current estimate.

The determination of whether deferred tax assets will be realizable is predicated on the reversal of existing deferred tax liabilities, utilization against carry-back years, and projections of future taxable income. These estimates are subject to management's judgment. A valuation allowance is established when management is unable to conclude that it is more likely than not that it will realize deferred tax assets based on the nature and timing of these items. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income tax expense in the period enacted. Management believes, based on current facts, that it is more likely than not that there will be sufficient taxable income in future years to realize federal deferred tax assets and the benefits from certain state temporary differences. At June 30, 2025 and December 31, 2024, the Company's net deferred tax assets totaled approximately \$729,000 and \$12.4 million, respectively. No valuation allowance was deemed necessary at both period end dates. Based upon projections of future taxable income and the ability to carryforward operating losses indefinitely, management believes it is more likely than not the Company will realize the remaining deferred tax assets.

The Company provides certain health care and life insurance benefits, along with a split dollar BOLI death benefit, to eligible retired employees. The cost of retiree health care and other benefits during the employees' period of active service are accrued monthly. The accounting guidance requires the following: (a) recognize in the statement of financial position the over funded or underfunded status of a defined benefit post-retirement plan measured as the difference between the fair value of plan assets and the benefit obligations; (b) measure a plan's assets and its obligations that determine its funded status as of the end of the Company's fiscal year (with limited exceptions); and (c) recognize as a component of other comprehensive income (loss), net of tax, the actuarial gain and losses and the prior service costs and credits that arise during the period. These assets and liabilities and expenses are based upon actuarial assumptions including interest rates, rates of increase in compensation, expected rate of return on plan assets and the length of time we will have to provide those benefits. Actual results may differ from these assumptions. These assumptions are reviewed and updated at least annually, and management believes the estimates are reasonable.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES
Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Qualitative Analysis. Interest rate risk is defined as the exposure of a Company's current and future earnings and capital arising from movements in market interest rates. The guidelines of the Company's interest rate risk policy seek to limit the exposure to changes in interest rates that affect the underlying economic value of assets, liabilities, earnings and capital.

The Asset/Liability Committee meets regularly to review the impact of interest rate changes on net interest income, net interest margin, net income, and the economic value of equity. The Asset/Liability Committee reviews a variety of strategies that project changes in asset or liability mix and the impact of those changes on projected net interest income and net income.

The Company's strategy for liabilities has been to maintain a stable funding base by focusing on core deposit accounts. The Company's ability to retain maturing time deposit accounts is the result of its strategy to remain competitively priced within its marketplace. The Company's pricing strategy may vary depending upon current funding needs and the ability of the Company to fund operations through alternative sources.

Quantitative Analysis. Current and future sensitivity to changes in interest rates are measured through the use of balance sheet and income simulation models. The analysis captures changes in net interest income using flat rates as a base and rising and declining interest rate forecasts. Changes in net interest income and net income for the forecast period, generally twelve to twenty-four months, are measured and compared to policy limits for acceptable changes. The Company periodically reviews historical deposit re-pricing activity and makes modifications to certain assumptions used in its balance sheet and income simulation models regarding the interest rate sensitivity of deposits. These modifications are made to more closely reflect the most likely results under the various interest rate change scenarios. Since it is inherently difficult to predict the sensitivity of interest-bearing deposits to changes in interest rates, the changes in net interest income due to changes in interest rates cannot be precisely predicted. There are a variety of reasons that may cause actual results to vary considerably from the predictions presented below which include, but are not limited to, the timing, magnitude, and frequency of changes in interest rates, interest rate spreads, prepayments, and actions taken in response to such changes.

Assumptions used in the simulation model may include but are not limited to:

- Securities pricing from third parties;
- Loan pricing indications from third parties;
- Loan and depository spread assumptions based upon the Company's product offerings;
- Securities and borrowing spreads based upon third party indications; and
- Prepayment assumptions derived from the Company's actual results and third party surveys.

Certain shortcomings are inherent in the methodologies used in the interest rate risk measurements. Modeling changes in net interest income requires the use of certain assumptions regarding prepayment and deposit repricing, which may or may not reflect the manner in which actual yields and costs respond to changes in market interest rates. While management believes such assumptions are reasonable, there can be no assurance that assumed prepayment rates and repricing rates will approximate actual future asset prepayment and liability repricing activity.

The table below sets forth an approximation of our interest rate exposure. Net interest income assumes that the composition of interest sensitive assets and liabilities existing at the beginning of a period remains constant over the period being measured and also assumes that a particular change in interest rates is reflected uniformly across the yield curve regardless of the duration to maturity or repricing of specific assets and liabilities. Accordingly, although the net interest income table provides an indication of our interest rate risk exposure at a particular point in time, such measurement is not intended to and does not provide a precise forecast of the effect of changes in market interest rates on our net interest income and will differ from actual.

The table below sets forth, as of June 30, 2025, the net portfolio value, the estimated changes in the net portfolio value, and the net interest income that would result from the designated instantaneous parallel changes in market interest rates. This data is for Columbia Bank and its subsidiaries only and does not include any assets of Columbia Financial, Inc.

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES
Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Change in Interest Rates (Basis Points)	Twelve Months Net Interest Income			Net Portfolio Value ("NPV")		
	Amount	Dollar Change	Percent Change	Estimated NPV	Present Value Ratio	Percent Change
	(Dollars in thousands)					
+400	\$ 182,719	\$ (50,762)	(21.74)%	\$ 830,681	9.00 %	(34.59)%
+300	196,261	(37,220)	(15.94)	948,729	10.01	(25.30)
+200	209,425	(24,056)	(10.30)	1,062,581	10.93	(16.34)
+100	222,437	(11,044)	(4.73)	1,173,247	11.77	(7.62)
Base	233,481	—	—	1,270,046	12.41	—
-100	244,245	10,764	4.61	1,359,964	12.95	7.08
-200	255,276	21,795	9.33	1,430,352	13.27	12.62
-300	265,848	32,367	13.86	1,473,566	13.33	16.02
-400	264,819	31,338	13.42	1,418,556	12.51	11.69

As of June 30, 2025, based on the scenarios above, net interest income would decrease by approximately 10.30% if rates were to rise 200 basis points, and would increase by 9.33% if rates were to decrease 200 basis points over a one-year time horizon.

Another measure of interest rate sensitivity is to model changes in net portfolio value through the use of immediate and sustained interest rate shocks. As of June 30, 2025, based on the scenarios above, in the event of an immediate and sustained 200 basis point increase in interest rates, the NPV is projected to decrease 16.34%. If rates were to decrease 200 basis points, the model forecasts a 12.62% increase in the NPV.

Overall, our June 30, 2025 results indicate that we are adequately positioned with an acceptable net interest income and economic value at risk in all scenarios and that all interest rate risk results continue to be within our policy guidelines.

Liquidity Management and Capital Resources:

Liquidity Management. Liquidity refers to the Company's ability to generate adequate amounts of cash to meet financial obligations of a short-term and long-term nature. Sources of funds consist of deposit inflows, loan repayments and maturities, maturities and sales of securities, and the ability to execute new borrowings. While maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit flows, calls of debt securities, and prepayments on loans and mortgage-backed securities are influenced by economic conditions, competition, and interest rate movements.

The Company's cash flows are identified as cash flows from operating activities, investing activities and financing activities. Refer to the Consolidated Statements of Cash Flows for further details of the cash inflows and outflows of the Company.

We mitigate liquidity risk by attempting to structure our balance sheet prudently and by maintaining diverse borrowing resources to fund potential cash needs. For example, we structure our balance sheet so that we fund less liquid assets, such as loans, with stable funding sources, such as retail deposits, long-term debt, wholesale borrowings, and capital. We assess liquidity needs arising from asset growth, maturing obligations, and deposit withdrawals, taking into account operations in both the normal course of business and times of unusual events. In addition, we consider our off-balance sheet arrangements and commitments that may impact liquidity in certain business environments.

Our Asset/Liability Committee measures liquidity risks, sets policies to manage these risks, and reviews adherence to those policies at its quarterly meetings. For example, we manage the use of short-term unsecured borrowings as well as total wholesale funding through policies established and reviewed by our Asset/Liability Committee. In addition, the Risk Committee of our Board of Directors reviews liquidity limits and reviews current and forecasted liquidity positions at each of its regularly scheduled meetings.

We have contingency funding plans that assess liquidity needs that may arise from certain stress events such as rapid asset growth or financial market disruptions. Our contingency plans also provide for continuous monitoring of net borrowed funds and dependence on and available sources of contingent liquidity. These sources of contingent liquidity include cash and cash equivalents, capacity to borrow at the Federal Reserve discount window and through the FHLB system, fed funds purchased from other banks and the ability to sell, pledge or borrow against unencumbered securities in our securities portfolio. The potential liquidity from these sources is an amount we believe currently exceeds any contingent liquidity need. As of June 30, 2025 and

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES
Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

December 31, 2024, the Company had immediate access to approximately \$2.5 billion and \$2.7 billion, respectively, of funding from these sources, with additional unpledged loan collateral of approximately \$2.6 billion and \$2.1 billion, respectively.

Capital Resources. The Company and the Bank are subject to various regulatory capital requirements administered by the federal banking regulators, including a risk-based capital measure. The Federal Reserve establishes capital requirements, including well capitalized standards, for the consolidated financial holding company, and the Office of the Comptroller of the Currency (the "OCC") has similar requirements for the Bank. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's Consolidated Statements of Financial Condition.

Federal regulators require federally insured depository institutions to meet several minimum capital standards: (1) total capital to risk-weighted assets of 8.0%; (2) tier 1 capital to risk-weighted assets of 6.0%; (3) common equity tier 1 capital to risk-weighted assets of 4.5%; and (4) tier 1 capital to adjusted total assets of 4.0%. In addition to establishing the minimum regulatory capital requirements, the regulations limit capital distributions and certain discretionary bonus payments to management if the institution does not hold a "capital conservation buffer" consisting of 2.5% of common equity tier 1 capital to risk-weighted assets above the amount necessary to meet its minimum risk-based capital requirements. The regulators established a framework for the classification of savings institutions into five categories: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized. Generally, an institution is considered well capitalized if it has: a total capital to risk-weighted assets ratio of at least 10.0%, a tier 1 capital to risk-weighted assets ratio of at least 8.0%, a common tier 1 capital to risk-weighted assets ratio of at least 6.5%, and a tier 1 capital to adjusted total assets ratio of at least 5.0%. As of June 30, 2025 and December 31, 2024, each of the Company and Columbia Bank exceeded all capital adequacy requirements to which it was subject.

The following tables present the Company's and Columbia Bank's actual capital amounts and ratios at June 30, 2025 and December 31, 2024 compared to the Federal Reserve Bank minimum capital adequacy requirements and the Federal Reserve Bank requirements for classification as a well-capitalized institution:

	Actual		Minimum Capital Adequacy Requirements		Minimum Capital Adequacy Requirements with Capital Conservation Buffer		To be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
(In thousands, except ratio data)								
Company								
At June 30, 2025:								
Total capital (to risk-weighted assets)	\$ 1,173,170	14.18 %	\$ 662,100	8.00 %	\$ 869,006	10.50 %	N/A	N/A
Tier 1 capital (to risk-weighted assets)	1,105,241	13.35	496,575	6.00	703,481	8.50	N/A	N/A
Common equity tier 1 capital (to risk-weighted assets)	1,098,024	13.27	372,431	4.50	579,338	7.00	N/A	N/A
Tier 1 capital (to adjusted total assets)	1,105,241	10.37	426,123	4.00	426,123	4.00	N/A	N/A
At December 31, 2024:								
Total capital (to risk-weighted assets)	\$ 1,131,159	14.20 %	\$ 637,077	8.00 %	\$ 836,164	10.50 %	N/A	N/A
Tier 1 capital (to risk-weighted assets)	1,067,445	13.40	477,808	6.00	676,895	8.50	N/A	N/A
Common equity tier 1 capital (to risk-weighted assets)	1,060,228	13.31	358,356	4.50	557,443	7.00	N/A	N/A
Tier 1 capital (to adjusted total assets)	1,067,445	10.02	426,319	4.00	426,319	4.00	N/A	N/A

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES
Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

	Actual		Minimum Capital Adequacy Requirements		Minimum Capital Adequacy Requirements with Capital Conservation Buffer		To be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
(In thousands, except ratio data)								
Columbia Bank								
At June 30, 2025:								
Total capital (to risk-weighted assets)	\$ 1,127,914	14.40 %	\$ 626,527	8.00 %	\$ 822,317	10.50 %	\$ 783,159	10.00 %
Tier 1 capital (to risk-weighted assets)	1,059,985	13.53	469,895	6.00	665,685	8.50	626,527	8.00
Common equity tier 1 capital (to risk-weighted assets)	1,059,985	13.53	352,422	4.50	548,211	7.00	509,053	6.50
Tier 1 capital (to adjusted total assets)	1,059,985	9.95	426,020	4.00	426,020	4.00	532,525	5.00
At December 31, 2024:								
Total capital (to risk-weighted assets)	\$ 1,090,717	14.41 %	\$ 605,734	8.00 %	\$ 795,025	10.50 %	\$ 757,167	10.00 %
Tier 1 capital (to risk-weighted assets)	1,027,003	13.56	454,300	6.00	643,592	8.50	605,734	8.00
Common equity tier 1 capital (to risk-weighted assets)	1,027,003	13.56	340,725	4.50	530,017	7.00	492,159	6.50
Tier 1 capital (to adjusted total assets)	1,027,003	9.64	425,935	4.00	425,935	4.00	532,419	5.00

COLUMBIA FINANCIAL, INC. AND SUBSIDIARIES

Item 4. CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities and Exchange Act of 1934, as amended) as of June 30, 2025. In designing and evaluating the Company's disclosure controls and procedures, the Company and its management recognize that any controls and procedures, no matter how well-designed and operated, can provide only a reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating and implementing possible controls and procedures. Based on that evaluation, the Company's management, including the Chief Executive Officer and the Chief Financial Officer, concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective.

During the quarter ended June 30, 2025, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in various legal actions and claims arising in the normal course of business. In the opinion of management, these legal actions and claims are not expected to have a material adverse impact on the Company's financial condition.

Item 1A. Risk Factors

For information regarding the Company's risk factors, refer to the Risk Factors previously disclosed under Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2024 filed with the Securities and Exchange Commission on March 3, 2025. As of June 30, 2025, the risk factors of the Company have not materially changed from those disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

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

The following table reports information regarding repurchases of the Company's common stock, excluding excise tax during the quarter ended June 30, 2025:

Period	Total Number of Shares (2)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
April 1 - 30, 2025	—	\$ —	—	—
May 1 - 31, 2025	3,339	14.69	—	—
June 1 - 30, 2025	424	14.13	—	—
Total	3,763	\$ 14.63	—	—

(1) There are no outstanding repurchase programs.

(2) During the three months ended June 30, 2025, 3,339 shares were repurchased for taxes related to the 2019 Equity Incentive Plan and 424 shares were repurchased pursuant to forfeitures and not as part of a share repurchase program.

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

During the fiscal quarter ended June 30, 2025, none of our directors or officers informed us of the adoption or termination of a "Rule 10b5-1 trading arrangement or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 of Regulation S-K.

Item 6. Exhibits

The exhibits listed in the Exhibit Index (following the signatures section of this report) are included in, or incorporated by reference into this Quarterly Report on Form 10-Q.

Exhibit Index

31.1	<u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2	<u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32	<u>Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.0	The following materials from the Company's Quarterly Report to Stockholders on Form 10-Q for the quarter ended June 30, 2025, formatted in inline XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Financial Condition, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive Income (Loss), (iv) the Consolidated Statements of Changes in Stockholder's Equity, (v) the Consolidated Statements of Cash Flows and (vi) the Notes to the Consolidated Financial Statements.
101. INS	The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document
101. SCH	Inline XBRL Taxonomy Extension Schema Document
101. CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101. DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101. LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101. PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Registrant has duly caused this quarterly report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 8, 2025

Columbia Financial, Inc.

/s/Thomas J. Kemly

Thomas J. Kemly
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 8, 2025

/s/Dennis E. Gibney

Dennis E. Gibney
Senior Executive Vice President and Chief Financial
Officer
(Principal Financial and Accounting Officer)

Section 2: EX-31.1 (EXHIBIT 31.1)

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Thomas J. Kemly, certify that:

1. I have reviewed this report on Form 10-Q of Columbia Financial, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025

/s/Thomas J. Kemly
Thomas J. Kemly
President and Chief Executive Officer

Section 3: EX-31.2 (EXHIBIT 31.2)

**Certification Pursuant to
Exchange Act Rule 13a-14(a) and Rule 15d-14(a)**

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Dennis E. Gibney, certify that:

1. I have reviewed this report on Form 10-Q of Columbia Financial, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025

/s/Dennis E. Gibney
Dennis E. Gibney
Senior Executive Vice President and Chief
Financial Officer

Section 4: EX-32 (Exhibit 32)

**Certification pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to Section 906
of the Sarbanes-Oxley Act of 2002**

Thomas J. Kemly, President and Chief Executive Officer, and Dennis E. Gibney, Senior Executive Vice President and Chief Financial Officer of Columbia Financial Inc. (the “Company”), each certify in his capacity as an officer of the Company that he has reviewed the quarterly report of the Company on Form 10-Q for the quarter ended June 30, 2025 and that to the best of his knowledge:

- (1) the report fully complies with the requirements of Sections 13(a) of the Securities Exchange Act of 1934; and
- (2) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2025

/s/Thomas J. Kemly
Thomas J. Kemly
President and Chief Executive Officer

Date: August 8, 2025

/s/Dennis E. Gibney
Dennis E. Gibney
Senior Executive Vice President and Chief Financial Officer