

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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the quarterly period ended: June 30, 2025

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the transition period from _____ to _____.

Commission File Number: 000-20288

COLUMBIA BANKING SYSTEM, INC.

(Exact Name of Registrant as Specified in Its Charter)

Washington
(State or Other Jurisdiction
of Incorporation or Organization)

91-1422237
(I.R.S. Employer Identification Number)

1301 A Street
Tacoma, Washington 98402-4200
(Address of Principal Executive Offices)(Zip Code)

(253) 305-1900
(Registrant's Telephone Number, Including Area Code)

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

TITLE OF EACH CLASS
Common Stock, No Par Value

TRADING SYMBOL
COLB

NAME OF EXCHANGE
The Nasdaq Stock Market LLC

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer
 Smaller reporting company Emerging growth company

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

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

Indicate the number of shares outstanding for each of the issuer's classes of common stock, as of the latest practical date:
Common stock, no par value: 210,301,407 shares outstanding as of July 31, 2025.

COLUMBIA BANKING SYSTEM, INC.
FORM 10-Q
Table of Contents

GLOSSARY	3
PART I. FINANCIAL INFORMATION	4
Item 1. Financial Statements (unaudited)	4
Condensed Consolidated Balance Sheets (unaudited)	4
Condensed Consolidated Statements of Income (unaudited)	5
Condensed Consolidated Statements of Comprehensive Income (unaudited)	6
Condensed Consolidated Statements of Changes in Shareholders' Equity (unaudited)	7
Condensed Consolidated Statements of Cash Flows (unaudited)	8
Notes to Condensed Consolidated Financial Statements	9
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	47
Item 3. Quantitative and Qualitative Disclosures about Market Risk	74
Item 4. Controls and Procedures	75
Part II. OTHER INFORMATION	76
Item 1. Legal Proceedings	76
Item 1A. Risk Factors	76
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	78
Item 3. Defaults Upon Senior Securities	78
Item 4. Mine Safety Disclosures	78
Item 5. Other Information	79
Item 6. Exhibits	80
SIGNATURES	81

GLOSSARY OF DEFINED TERMS

ACL	Allowance for Credit Losses
ACLLL	Allowance for Credit Losses on Loans and Leases
ASU	Accounting Standards Update
Bank	Columbia Bank (dba: Umpqua Bank)
Bank Merger	Pacific Premier Bank, National Association, will merge with and into the Bank, with the Bank surviving
Basel III	Basel Capital Framework (third accord)
BOLI	Bank Owned Life Insurance
CECL	Current Expected Credit Losses
Columbia	Columbia Banking System, Inc.
Company	Columbia Banking System, Inc. and its Subsidiaries
CRE	Commercial Real Estate
CVA	Credit Valuation Adjustments
DCF	Discounted Cash Flow
EVE	Economic Value of Equity
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
Federal Reserve	Board of Governors of the Federal Reserve System
FHLB	Federal Home Loan Bank of Des Moines
FinPac	Financial Pacific Leasing, Inc.
FOMC	Federal Open Market Committee
FRB	Federal Reserve Bank
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GNMA	Government National Mortgage Association
HELOC	Home Equity Line of Credit
LGD	Loss Given Default
LIHTC	Low Income Housing Tax Credit
Merger	Merger Sub will merge with and into Pacific Premier, with Pacific Premier surviving
Mergers	The Merger, together with the subsequent merger of Pacific Premier with and into Columbia, with Columbia surviving
Merger Agreement	Agreement dated as of April 23, 2025 by and among Columbia, Pacific Premier, and Merger Sub.
Merger Sub	Balboa Merger Sub, Inc.
MSR	Mortgage Servicing Rights
NOL	Net Operating Loss
NM	Not Meaningful
Pacific Premier	Pacific Premier Bancorp, Inc.
PCD	Purchased with Credit Deterioration
PD	Probability of Default
RUC	Reserve for Unfunded Commitments
SBA	Small Business Administration
SEC	Securities and Exchange Commission
SOFR	Secured Overnight Financing Rate
UHC	Umpqua Holdings Corporation
Umpqua Merger	Umpqua Holdings Corporation merged with and into Columbia, with Columbia as the surviving corporation

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

COLUMBIA BANKING SYSTEM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(in thousands, except shares)	June 30, 2025	December 31, 2024
ASSETS		
Cash and due from banks (restricted cash of \$0 and \$1,298)	\$ 608,057	\$ 496,666
Interest-bearing cash and temporary investments (restricted cash of \$5,676 and \$6,419)	1,334,113	1,381,589
Total cash and cash equivalents	1,942,170	1,878,255
Investment securities		
Equity and other, at fair value	92,958	78,133
Available for sale, at fair value	8,653,172	8,274,615
Held to maturity, at amortized cost	2,013	2,101
Loans held for sale	65,590	71,535
Loans and leases (at fair value: \$177,949 and \$168,809)	37,637,013	37,680,901
Allowance for credit losses on loans and leases	(420,907)	(424,629)
Net loans and leases	37,216,106	37,256,272
Restricted equity securities	161,380	150,024
Premises and equipment, net	356,879	348,670
Operating lease right-of-use assets	110,478	111,227
Goodwill	1,029,234	1,029,234
Other intangible assets, net	430,443	484,248
Residential mortgage servicing rights, at fair value	102,863	108,358
Bank-owned life insurance	704,919	693,839
Deferred tax asset, net	299,043	359,425
Other assets	734,194	730,461
Total assets	\$ 51,901,442	\$ 51,576,397
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non-interest-bearing	\$ 13,219,631	\$ 13,307,905
Interest-bearing	28,523,026	28,412,827
Total deposits	41,742,657	41,720,732
Securities sold under agreements to repurchase	191,435	236,627
Borrowings	3,350,000	3,100,000
Junior subordinated debentures, at fair value	323,015	330,895
Junior and other subordinated debentures, at amortized cost	107,554	107,668
Operating lease liabilities	124,522	125,710
Other liabilities	720,377	836,541
Total liabilities	46,559,560	46,458,173
COMMITMENTS AND CONTINGENCIES (Note 7)		
SHAREHOLDERS' EQUITY		
Preferred stock, no par value, shares authorized: 2,000,000, issued and outstanding: 0	—	—
Common stock, no par value, shares authorized: 520,000,000 in 2025 and 2024; issued and outstanding: 210,213,254 in 2025 and 209,536,323 in 2024	5,826,488	5,817,458
Accumulated deficit	(150,822)	(237,254)
Accumulated other comprehensive loss	(333,784)	(461,980)
Total shareholders' equity	5,341,882	5,118,224
Total liabilities and shareholders' equity	\$ 51,901,442	\$ 51,576,397

See accompanying notes to condensed consolidated financial statements.

COLUMBIA BANKING SYSTEM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(in thousands, except per share amounts)	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
INTEREST INCOME				
Interest and fees on loans and leases	\$ 564,343	\$ 583,874	\$ 1,116,905	\$ 1,158,918
Interest and dividends on investment securities:				
Taxable	80,316	78,828	149,004	153,845
Exempt from federal income tax	6,769	6,904	13,576	13,808
Dividends	3,444	2,895	6,236	6,602
Interest on temporary investments and interest-bearing deposits	15,817	23,035	32,211	46,588
Total interest income	670,689	695,536	1,317,932	1,379,761
INTEREST EXPENSE				
Interest on deposits	180,154	207,307	356,788	405,742
Interest on securities sold under agreement to repurchase and federal funds purchased	955	1,515	1,929	2,781
Interest on borrowings	34,542	49,418	70,616	100,693
Interest on junior and other subordinated debentures	8,592	9,847	17,158	19,734
Total interest expense	224,243	268,087	446,491	528,950
Net interest income	446,446	427,449	871,441	850,811
PROVISION FOR CREDIT LOSSES				
Net interest income after provision for credit losses	416,997	395,629	814,589	801,855
NON-INTEREST INCOME				
Service charges on deposits	19,669	18,503	38,970	34,567
Card-based fees	14,559	14,681	27,130	27,864
Financial services and trust revenue	5,842	5,396	11,029	9,860
Residential mortgage banking revenue, net	7,343	5,848	16,677	10,482
Gain (loss) on sale of debt securities, net	1	(1)	5	11
Gain (loss) on equity securities, net	410	325	2,112	(1,240)
Gain (loss) on loan and lease sales, net	172	(1,516)	269	(1,295)
Gain (loss) on certain loans held for investment, at fair value	212	(10,114)	7,228	(12,486)
Bank-owned life insurance income	5,184	4,705	10,067	9,344
Other income	11,070	6,876	17,352	17,953
Total non-interest income	64,462	44,703	130,839	95,060
NON-INTEREST EXPENSE				
Salaries and employee benefits	154,883	145,066	300,122	299,604
Occupancy and equipment, net	47,178	45,147	95,348	90,438
Communications	3,350	3,408	6,776	7,190
Marketing	2,805	2,305	6,202	4,241
Services	13,296	14,600	29,374	28,022
FDIC assessments	8,144	9,664	16,166	24,124
Intangible amortization	25,826	29,230	53,805	61,321
Merger and restructuring expense	8,186	14,641	22,565	19,119
Legal settlement	—	—	55,000	—
Other expenses	14,327	15,183	32,759	32,701
Total non-interest expense	277,995	279,244	618,117	566,760
Income before provision for income taxes	203,464	161,088	327,311	330,155
Provision for income taxes	51,041	40,944	88,279	85,931
Net income	\$ 152,423	\$ 120,144	\$ 239,032	\$ 244,224
Earnings per common share:				
Basic	\$0.73	\$0.58	\$1.14	\$1.17
Diluted	\$0.73	\$0.57	\$1.14	\$1.17
Weighted average number of common shares outstanding:				
Basic	209,125	208,498	208,964	208,379
Diluted	209,975	209,011	209,965	208,999

See accompanying notes to condensed consolidated financial statements.

COLUMBIA BANKING SYSTEM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

(in thousands)	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Net income	\$ 152,423	\$ 120,144	\$ 239,032	\$ 244,224
Available for sale securities:				
Unrealized gains (losses) arising during the period	35,222	(39,571)	165,531	(162,233)
Income tax (expense) benefit related to unrealized gains (losses)	(9,157)	10,288	(43,038)	42,181
Reclassification adjustment for net realized (gains) losses in earnings	(1)	1	(5)	(11)
Income tax expense related to realized (gains) losses	—	—	1	3
Net change in unrealized gains (losses) for available for sale securities	<u>26,064</u>	<u>(29,282)</u>	<u>122,489</u>	<u>(120,060)</u>
Junior subordinated debentures, at fair value:				
Unrealized gains (losses) arising during the period	(1,878)	(384)	7,673	6,069
Income tax benefit (expense) related to unrealized (losses) gains	488	100	(1,995)	(1,578)
Net change in unrealized gains (losses) for junior subordinated debentures, at fair value	<u>(1,390)</u>	<u>(284)</u>	<u>5,678</u>	<u>4,491</u>
Pension plan liability adjustment:				
Amortization of unrecognized net actuarial loss included in net periodic pension cost	19	20	39	39
Income tax expense related to amortization of unrecognized net actuarial loss	(5)	(5)	(10)	(10)
Net change in pension plan liability adjustment	<u>14</u>	<u>15</u>	<u>29</u>	<u>29</u>
Other comprehensive income (loss), net of tax	<u>24,688</u>	<u>(29,551)</u>	<u>128,196</u>	<u>(115,540)</u>
Comprehensive income	<u>\$ 177,111</u>	<u>\$ 90,593</u>	<u>\$ 367,228</u>	<u>\$ 128,684</u>

See accompanying notes to condensed consolidated financial statements.

COLUMBIA BANKING SYSTEM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED)

(in thousands, except shares)	Common Stock		Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount			
Balance at January 1, 2024	208,584,667	\$ 5,802,747	\$ (467,571)	\$ (340,142)	\$ 4,995,034
Net income			124,080		124,080
Other comprehensive loss, net of tax				(85,989)	(85,989)
Stock-based compensation		4,422			4,422
Stock repurchased and retired	(240,329)	(4,847)			(4,847)
Issuances of common stock under stock plans	1,026,057	—			—
Cash dividends on common stock (\$0.36 per share)			(75,455)		(75,455)
Balance at March 31, 2024	209,370,395	\$ 5,802,322	\$ (418,946)	\$ (426,131)	\$ 4,957,245
Net income			120,144		120,144
Other comprehensive loss, net of tax				(29,551)	(29,551)
Stock-based compensation		5,486			5,486
Stock repurchased and retired	(41,399)	(767)			(767)
Issuances of common stock under stock plans	130,127	—			—
Cash dividends on common stock (\$0.36 per share)			(75,885)		(75,885)
Balance at June 30, 2024	209,459,123	\$ 5,807,041	\$ (374,687)	\$ (455,682)	\$ 4,976,672
Net income			146,182		146,182
Other comprehensive income, net of tax				221,798	221,798
Stock-based compensation		5,216			5,216
Stock repurchased and retired	(870)	(20)			(20)
Issuances of common stock under stock plans	73,629	—			—
Cash dividends on common stock (\$0.36 per share)			(76,020)		(76,020)
Balance at September 30, 2024	209,531,882	\$ 5,812,237	\$ (304,525)	\$ (233,884)	\$ 5,273,828
Net income			143,269		143,269
Other comprehensive loss, net of tax				(228,096)	(228,096)
Stock-based compensation		5,302			5,302
Stock repurchased and retired	(2,757)	(81)			(81)
Issuances of common stock under stock plans	7,198	—			—
Cash dividends on common stock (\$0.36 per share)			(75,998)		(75,998)
Balance at December 31, 2024	209,536,323	\$ 5,817,458	\$ (237,254)	\$ (461,980)	\$ 5,118,224
Net income			86,609		86,609
Other comprehensive income, net of tax				103,508	103,508
Stock-based compensation		11,186			11,186
Stock repurchased and retired	(249,856)	(6,741)			(6,741)
Issuances of common stock under stock plans	748,425	—			—
Issuances of common stock under employee stock purchase plan	77,523	1,384			1,384
Cash dividends on common stock (\$0.36 per share)			(76,361)		(76,361)
Balance at March 31, 2025	210,112,415	\$ 5,823,287	\$ (227,006)	\$ (358,472)	\$ 5,237,809
Net income			152,423		152,423
Other comprehensive income, net of tax				24,688	24,688
Stock-based compensation		5,061			5,061
Stock repurchased and retired	(74,607)	(1,860)			(1,860)
Issuances of common stock under stock plans	175,446	—			—
Cash dividends on common stock (\$0.36 per share)			(76,239)		(76,239)
Balance at June 30, 2025	210,213,254	\$ 5,826,488	\$ (150,822)	\$ (333,784)	\$ 5,341,882

See accompanying notes to condensed consolidated financial statements.

COLUMBIA BANKING SYSTEM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(in thousands)	Six Months Ended	
	June 30, 2025	June 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 239,032	\$ 244,224
Adjustments to reconcile net income to net cash provided by operating activities:		
Accretion of investment discounts, net	(37,083)	(39,785)
Gain on sale of investment securities, net	(5)	(11)
Provision for credit losses	56,852	48,956
Change in cash surrender value of bank-owned life insurance	(10,573)	(9,502)
Depreciation, amortization and accretion, net	67,919	77,120
Gain on sale of premises and equipment	(3,252)	(2,628)
Additions to residential mortgage servicing rights carried at fair value	(3,506)	(2,777)
Change in fair value of residential mortgage servicing rights carried at fair value	9,001	1,981
Stock-based compensation	16,247	9,908
Net increase in equity and other investments	(12,713)	(1,466)
(Gain) loss on equity securities, net	(2,112)	1,240
Gain on sale of loans and leases, net	(6,548)	(1,799)
Change in fair value of loans held for sale	(617)	(316)
Origination of loans held for sale	(299,843)	(227,778)
Proceeds from sales of loans held for sale	321,916	204,276
Change in other assets and liabilities:		
Net decrease (increase) in other assets	24,685	(49,478)
Net (decrease) increase in other liabilities	(130,593)	83,633
Net cash provided by operating activities	228,807	335,798
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investment securities available for sale	(547,550)	(33,506)
Proceeds from investment securities available for sale	371,534	237,615
Purchases of restricted equity securities	(137,601)	(85,500)
Redemption of restricted equity securities	126,245	148,500
Net change in loans and leases	(33,143)	(457,307)
Proceeds from sales of loans and leases	7,502	112,307
Purchases of premises and equipment, net of proceeds from sales	(22,002)	(12,369)
Proceeds from bank-owned life insurance death benefits	2,193	3,305
Purchase of bank-owned life insurance	(2,700)	—
Other	1,582	1,143
Net cash used in investing activities	(233,940)	(85,812)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase (decrease) in deposit liabilities	21,925	(83,748)
Net decrease in securities sold under agreements to repurchase	(45,192)	(54,259)
Proceeds from borrowings	5,525,000	3,900,000
Repayment of borrowings	(5,275,000)	(3,950,000)
Net proceeds from issuance of common stock under employee stock purchase plan	1,384	—
Dividends paid on common stock	(150,468)	(150,068)
Repurchase and retirement of common stock	(8,601)	(5,614)
Net cash provided by (used in) financing activities	69,048	(343,689)
Net increase (decrease) in cash and cash equivalents	63,915	(93,703)
Cash and cash equivalents, beginning of period	1,878,255	2,162,534
Cash and cash equivalents, end of period	\$ 1,942,170	\$ 2,068,831
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	\$ 440,191	\$ 525,478
Income taxes	\$ 84,788	\$ 52,373
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Changes in unrealized gains and losses on investment securities available for sale, net of taxes	\$ 122,489	\$ (120,060)
Changes in unrealized gains and losses on junior subordinated debentures carried at fair value, net of taxes	\$ 5,678	\$ 4,491

See accompanying notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

The accounting and financial reporting policies of Columbia Banking System, Inc. conform to accounting principles generally accepted in the United States of America and with prevailing practices within the banking and securities industries. All references in this report to "Columbia," "we," "our," or "us" or similar references mean the Company and its subsidiaries, including the wholly-owned banking subsidiary Columbia Bank (dba: Umpqua Bank) (the "Bank"). In order to align with the name of the holding company and the variety of brands already operated by the Bank today under the Columbia name, the Company renamed the Bank to "Columbia Bank" effective July 1, 2025, and the Bank will begin doing business under the Columbia Bank name and brand beginning on September 1, 2025. FinPac is a commercial equipment leasing company and a wholly-owned subsidiary of the Bank. The accompanying interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, and the Bank's wholly-owned subsidiaries. All inter-company balances and transactions have been eliminated. The condensed consolidated financial statements have not been audited. A more detailed description of the Company's accounting and financial reporting policies is included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

In preparing these condensed consolidated financial statements, the Company has evaluated events and transactions subsequent to June 30, 2025, for potential recognition or disclosure. In management's opinion, all accounting adjustments necessary to accurately reflect the financial position and results of operations on the accompanying financial statements have been made. These adjustments include those that are normal and recurring in nature considered necessary for a fair presentation. The results for interim periods are not necessarily indicative of results for the full year or any other interim period.

Application of New Accounting Guidance

Standard	Description	Effective Date	Effect on the Financial Statements or Other Significant Matters
ASU No. 2023-09, <i>Income Taxes (Topic 740): Improvements to Income Tax Disclosures</i>	The amendments are intended to provide more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The ASU requires annual disclosure of the rate reconciliation of specific categories as well as additional information related to the reconciliation of certain items that meet a quantitative threshold and further disaggregation of income taxes paid.	Fiscal years beginning after December 15, 2024.	The Company adopted the guidance on January 1, 2025 for annual reporting purposes. Refined disclosures will be included in the 2025 10-K.

Significant Accounting Standards Issued but Not Yet Adopted

Standard	Description	Effective Date	Effect on the Financial Statements or Other Significant Matters
ASU No. 2024-03 <i>Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses</i>	These amendments are aimed to enhance the transparency and usefulness of financial information by requiring entities to break down significant expense categories in the notes to the financial statements. The amendments focus on the disaggregation of income statement expenses and specifically address the need for more detailed disclosures about expense categories.	Fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027. Early adoption is permitted.	The Company is currently evaluating the impact of this ASU on the Company's consolidated financial statements.

Note 2 – Debt Securities

The following tables present the amortized cost, gross unrealized gains and losses, and estimated fair values of debt securities as of the dates presented:

June 30, 2025				
(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale:				
U.S. Treasury and agencies	\$ 1,391,854	\$ 5,528	\$ (50,322)	\$ 1,347,060
Obligations of states and political subdivisions	1,041,810	3,275	(30,202)	1,014,883
Mortgage-backed securities and collateralized mortgage obligations	6,637,696	32,849	(379,316)	6,291,229
Total available for sale securities	<u>\$ 9,071,360</u>	<u>\$ 41,652</u>	<u>\$ (459,840)</u>	<u>\$ 8,653,172</u>
Held to maturity:				
Mortgage-backed securities and collateralized mortgage obligations	\$ 2,013	\$ 572	\$ —	\$ 2,585
Total held to maturity securities	<u>\$ 2,013</u>	<u>\$ 572</u>	<u>\$ —</u>	<u>\$ 2,585</u>

December 31, 2024				
(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale:				
U.S. Treasury and agencies	\$ 1,495,542	\$ 1,092	\$ (73,847)	\$ 1,422,787
Obligations of states and political subdivisions	1,055,535	2,779	(32,261)	1,026,053
Mortgage-backed securities and collateralized mortgage obligations	6,307,252	3,937	(485,414)	5,825,775
Total available for sale securities	<u>\$ 8,858,329</u>	<u>\$ 7,808</u>	<u>\$ (591,522)</u>	<u>\$ 8,274,615</u>
Held to maturity:				
Mortgage-backed securities and collateralized mortgage obligations	\$ 2,101	\$ 602	\$ —	\$ 2,703
Total held to maturity securities	<u>\$ 2,101</u>	<u>\$ 602</u>	<u>\$ —</u>	<u>\$ 2,703</u>

The Company elected to exclude accrued interest receivable from the amortized cost basis of debt securities disclosed throughout this note. Interest accrued on investment securities totaled \$33.4 million and \$32.9 million as of June 30, 2025 and December 31, 2024, respectively, and is included in other assets on the Condensed Consolidated Balance Sheets.

The following tables present debt securities that were in an unrealized loss position as of the dates presented, based on the length of time individual securities have been in an unrealized loss position:

June 30, 2025						
(in thousands)	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Available for sale:						
U.S. Treasury and agencies	\$ 100,399	\$ (305)	\$ 768,214	\$ (50,017)	\$ 868,613	\$ (50,322)
Obligations of states and political subdivisions	484,667	(8,995)	273,928	(21,207)	758,595	(30,202)
Mortgage-backed securities and collateralized mortgage obligations	1,998,734	(26,985)	1,793,745	(352,331)	3,792,479	(379,316)
Total temporarily impaired securities	<u>\$ 2,583,800</u>	<u>\$ (36,285)</u>	<u>\$ 2,835,887</u>	<u>\$ (423,555)</u>	<u>\$ 5,419,687</u>	<u>\$ (459,840)</u>

(in thousands)	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
Available for sale:						
U.S. Treasury and agencies	\$ 185,042	\$ (2,770)	\$ 794,521	\$ (71,077)	\$ 979,563	\$ (73,847)
Obligations of states and political subdivisions	539,440	(8,036)	224,973	(24,225)	764,413	(32,261)
Mortgage-backed securities and collateralized mortgage obligations	3,398,609	(78,817)	1,830,720	(406,597)	5,229,329	(485,414)
Total temporarily impaired securities	<u>\$ 4,123,091</u>	<u>\$ (89,623)</u>	<u>\$ 2,850,214</u>	<u>\$ (501,899)</u>	<u>\$ 6,973,305</u>	<u>\$ (591,522)</u>

The number of individual debt securities in an unrealized loss position in the tables above decreased to 981 as of June 30, 2025, as compared to 1,210 at December 31, 2024. These unrealized losses on the debt securities held by the Company were caused by changes in market interest rates or the widening of market spreads subsequent to the initial purchase of these securities and are not due to the underlying credit of the issuers. Management monitors the published credit ratings of the issuers of the debt securities for material rating or outlook changes. As the decline in fair value of the debt securities is attributable to changes in interest rates or widening market spreads and not credit quality, these investments do not have an ACL as of June 30, 2025.

The following table presents the contractual maturities of debt securities as of June 30, 2025. Expected maturities will differ from contractual maturities because some securities may be called or prepaid with or without call or prepayment penalties.

(in thousands)	Available For Sale		Held To Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due within one year	\$ 274,177	\$ 274,135	\$ —	\$ —
Due after one year through five years	2,765,054	2,745,942	2	2
Due after five years through ten years	1,458,634	1,417,224	1	541
Due after ten years	4,573,495	4,215,871	2,010	2,042
Total debt securities	<u>\$ 9,071,360</u>	<u>\$ 8,653,172</u>	<u>\$ 2,013</u>	<u>\$ 2,585</u>

At June 30, 2025 and December 31, 2024, debt securities with a fair value of \$6.2 billion and \$5.2 billion, respectively, were pledged to secure borrowing capacity, public deposits, repurchase agreements, and for other purposes as required or permitted by law.

Note 3 – Loans and Leases

The following table presents the major types of loans and leases, net of deferred fees and costs, as of the dates presented:

(in thousands)	June 30, 2025	December 31, 2024
Commercial real estate		
Non-owner occupied term	\$ 6,189,992	\$ 6,278,154
Owner occupied term	5,319,529	5,270,294
Multifamily	5,735,057	5,804,364
Construction & development	2,069,727	1,983,213
Residential development	286,175	231,647
Commercial		
Term	5,352,598	5,537,618
Lines of credit & other	2,950,782	2,769,643
Leases & equipment finance	1,641,450	1,660,835
Residential		
Mortgage	5,829,833	5,933,352
Home equity loans & lines	2,082,766	2,031,653
Consumer & other	179,104	180,128
Total loans and leases, net of deferred fees and costs	<u>\$ 37,637,013</u>	<u>\$ 37,680,901</u>

The Company elected to exclude accrued interest receivable from the amortized cost basis of loans and leases disclosed throughout this note. Interest accrued on loans and leases totaled \$147.9 million and \$148.0 million as of June 30, 2025 and December 31, 2024, respectively, and is included in other assets on the Condensed Consolidated Balance Sheets. As of June 30, 2025, loans totaling \$22.4 billion were pledged to secure borrowings and available lines of credit, compared to \$22.0 billion as of December 31, 2024.

As of June 30, 2025 and December 31, 2024, the net deferred fees and costs were \$60.4 million and \$62.0 million, respectively. Total loans and leases also include discounts on acquired loans of \$388.7 million and \$439.0 million as of June 30, 2025 and December 31, 2024, respectively. Originated loans and leases are reported at the principal amount outstanding, net of deferred fees and costs, any partial charge-offs recorded, and interest applied to principal. Purchased loans are recorded at fair value at the date of purchase. The Company evaluates purchased loans for more-than-insignificant deterioration at the date of purchase. Purchased loans that have experienced more-than-insignificant deterioration from origination are considered PCD loans. All other purchased loans are considered non-PCD loans. The outstanding contractual unpaid principal balance of PCD loans, excluding acquisition accounting adjustments, was \$153.4 million and \$199.9 million as of June 30, 2025 and December 31, 2024, respectively. The carrying balance of PCD loans was \$136.2 million and \$178.5 million as of June 30, 2025 and December 31, 2024, respectively.

The Bank, through its commercial equipment leasing subsidiary, FinPac, is a provider of commercial equipment leasing and financing. Direct finance leases are included within the leases and equipment finance segment within the loans and leases, net line item. These direct financing leases typically have terms of three years to five years. Interest income recognized on these leases was \$5.7 million and \$11.4 million for the three and six months ended June 30, 2025, respectively, as compared to \$5.5 million and \$10.4 million for the six months ended June 30, 2024, respectively.

Note 4 – Allowance for Credit Losses

The ACL represents management's estimate of lifetime credit losses for assets within its scope, specifically loans and leases and unfunded commitments. For more information about the Company's ACL methodology, refer to Note 1 – *Summary of Significant Accounting Policies* included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

At June 30, 2025, the ACL was \$439.0 million, a decrease of \$1.8 million from the December 31, 2024 balance of \$440.8 million. The change in the total ACL reflects credit migration trends, changes in the economic assumptions, and a recalibration of the commercial real estate, residential mortgage, and home equity line of credit CECL models in the first quarter of 2025. To calculate the ACL, management uses models to estimate PD and LGD for loans and leases, incorporating forecasted economic conditions and macroeconomic variables. The Bank considers the current financial environment and various economic scenarios, selecting the most probable scenario at each measurement date. Forecasts for each variable are updated and incorporated into the ACL calculation. Projected macroeconomic variables over the forecast period can materially impact the ACL, with projections becoming less certain over time.

The Bank opted to use Moody's Analytics' May 2025 consensus economic forecast for estimating the ACL as of June 30, 2025. In the consensus scenario, the probability that the economy will perform better than this consensus is equal to the probability that it will perform worse and includes the following variables:

	2026	2027	2028	2029
U.S. real GDP average annualized growth	1.5 %	2.0 %	2.0 %	2.0 %
U.S. unemployment rate average	4.5 %	4.3 %	4.3 %	4.1 %
Forecasted average federal funds rate	3.3 %	3.4 %	3.4 %	3.4 %

The Bank also uses an additional scenario with varying severity to assess ACL sensitivity and inform qualitative adjustments, keeping economic variables consistent. For this analysis, the Bank selected Moody's Analytics' May 2025 S2 scenario, which predicts a 75% probability of better economic performance and a 25% probability of worse performance. The scenario includes the following variables:

	2026	2027	2028	2029
U.S. real GDP average annualized growth	0.2 %	2.7 %	2.9 %	2.8 %
U.S. unemployment rate average	6.9 %	5.2 %	4.6 %	4.4 %
Forecasted average federal funds rate	2.3 %	2.0 %	2.7 %	2.9 %

The forecast used to calculate the ACL as of June 30, 2025 reflects a deterioration in macroeconomic conditions, including lower projected GDP growth and higher expected unemployment rates, relative to the December 31, 2024 ACL calculation, which was based on Moody's Analytics' November 2024 consensus economic forecast. These changes negatively impacted the quantitative portion of the modeled ACL estimate. Management reviewed the results derived from the economic scenarios and the subsequent changes in macroeconomic variables through sensitivity analysis and considered these factors when evaluating qualitative adjustments.

To address the heightened economic uncertainty and sector-specific risks, management applied offsetting qualitative adjustments, primarily focused on the commercial real estate and commercial loan portfolios. These overlays are directionally consistent with those applied as of December 31, 2024 and were deemed necessary to ensure the ACL remains appropriately aligned with the Company's risk profile. As a result, the overall ACL remained relatively stable despite the less favorable economic outlook.

While qualitative overlays are applied, approximately 83% of the ACL is driven by modeled results, which management believes adequately reflect the significant changes in credit conditions and overall portfolio risk. Management believes the ACL was adequate as of June 30, 2025. However, there can be no assurance that future loan losses will not exceed the levels provided for in the ACL, which could result in additional provisions for credit losses.

The following tables summarize activity related to the ACL by portfolio segment for the periods indicated:

Three Months Ended June 30, 2025					
(in thousands)	Commercial Real Estate	Commercial	Residential	Consumer & Other	Total
Allowance for credit losses on loans and leases					
Balance, beginning of period	\$ 168,393	\$ 214,483	\$ 32,645	\$ 5,974	\$ 421,495
(Recapture) provision for credit losses for loans and leases	(8,564)	33,776	2,043	1,502	28,757
Charge-offs	(77)	(33,073)	(285)	(1,164)	(34,599)
Recoveries	71	4,676	187	320	5,254
Net charge-offs	(6)	(28,397)	(98)	(844)	(29,345)
Balance, end of period	\$ 159,823	\$ 219,862	\$ 34,590	\$ 6,632	\$ 420,907
Reserve for unfunded commitments					
Balance, beginning of period	\$ 7,765	\$ 7,009	\$ 1,516	\$ 1,094	\$ 17,384
(Recapture) provision for credit losses on unfunded commitments	(101)	812	(37)	18	692
Balance, end of period	7,664	7,821	1,479	1,112	18,076
Total allowance for credit losses	\$ 167,487	\$ 227,683	\$ 36,069	\$ 7,744	\$ 438,983

Six Months Ended June 30, 2025					
(in thousands)	Commercial Real Estate	Commercial	Residential	Consumer & Other	Total
Allowance for credit losses on loans and leases					
Balance, beginning of period	\$ 154,413	\$ 218,668	\$ 44,700	\$ 6,848	\$ 424,629
Provision (recapture) for credit losses for loans and leases	5,516	57,866	(9,807)	1,369	54,944
Charge-offs	(196)	(65,684)	(588)	(2,244)	(68,712)
Recoveries	90	9,012	285	659	10,046
Net charge-offs	(106)	(56,672)	(303)	(1,585)	(58,666)
Balance, end of period	\$ 159,823	\$ 219,862	\$ 34,590	\$ 6,632	\$ 420,907
Reserve for unfunded commitments					
Balance, beginning of period	\$ 5,932	\$ 6,935	\$ 2,084	\$ 1,217	\$ 16,168
Provision (recapture) for credit losses on unfunded commitments	1,732	886	(605)	(105)	1,908
Balance, end of period	7,664	7,821	1,479	1,112	18,076
Total allowance for credit losses	\$ 167,487	\$ 227,683	\$ 36,069	\$ 7,744	\$ 438,983

Three Months Ended June 30, 2024					
(in thousands)	Commercial Real Estate	Commercial	Residential	Consumer & Other	Total
Allowance for credit losses on loans and leases					
Balance, beginning of period	\$ 146,276	\$ 202,757	\$ 58,010	\$ 7,301	\$ 414,344
(Recapture) provision for credit losses for loans and leases	(3,096)	46,320	(9,032)	568	34,760
Charge-offs	(585)	(33,561)	(504)	(1,551)	(36,201)
Recoveries	551	4,198	411	608	5,768
Net charge-offs	(34)	(29,363)	(93)	(943)	(30,433)
Balance, end of period	\$ 143,146	\$ 219,714	\$ 48,885	\$ 6,926	\$ 418,671
Reserve for unfunded commitments					
Balance, beginning of period	\$ 13,028	\$ 5,890	\$ 2,757	\$ 1,193	\$ 22,868
(Recapture) provision for credit losses on unfunded commitments	(3,082)	657	(479)	(36)	(2,940)
Balance, end of period	9,946	6,547	2,278	1,157	19,928
Total allowance for credit losses	\$ 153,092	\$ 226,261	\$ 51,163	\$ 8,083	\$ 438,599

Six Months Ended June 30, 2024					
(in thousands)	Commercial Real Estate	Commercial	Residential	Consumer & Other	Total
Allowance for credit losses on loans and leases					
Balance, beginning of period	\$ 125,888	\$ 244,821	\$ 62,004	\$ 8,158	\$ 440,871
Provision (recapture) for credit losses for loans and leases	17,095	46,756	(12,706)	1,091	52,236
Charge-offs	(746)	(80,793)	(994)	(3,421)	(85,954)
Recoveries	909	8,930	581	1,098	11,518
Net recoveries (charge-offs)	163	(71,863)	(413)	(2,323)	(74,436)
Balance, end of period	\$ 143,146	\$ 219,714	\$ 48,885	\$ 6,926	\$ 418,671
Reserve for unfunded commitments					
Balance, beginning of period	\$ 11,170	\$ 7,841	\$ 2,940	\$ 1,257	\$ 23,208
Recapture for credit losses on unfunded commitments	(1,224)	(1,294)	(662)	(100)	(3,280)
Balance, end of period	9,946	6,547	2,278	1,157	19,928
Total allowance for credit losses	\$ 153,092	\$ 226,261	\$ 51,163	\$ 8,083	\$ 438,599

Asset Quality and Non-Performing Loans and Leases

The Bank manages asset quality and controls credit risk through diversification of the loan and lease portfolio and the application of policies designed to promote sound underwriting and loan and lease monitoring practices. The Bank's Credit Quality Administration department is charged with monitoring asset quality, establishing credit policies and procedures, and enforcing the consistent application of these policies and procedures across the Bank. Reviews of non-performing, past due loans and leases and larger credits, designed to identify potential charges to the ACL, and to determine the adequacy of the ACL, are conducted on an ongoing basis. These reviews consider such factors as the financial strength of borrowers, the value of the applicable collateral, loan and lease loss experience, estimated loan and lease losses, growth in the loan and lease portfolio, prevailing economic conditions, and other factors.

Loans and Leases Past Due and Non-Accrual Loans and Leases

Loans are considered past due if the required principal and interest payments have not been received as of the date such payments were due. Loans are placed on non-accrual status when, in management's opinion, the borrower may be unable to meet payment obligations as they become due, as well as when required by regulatory provisions. As of June 30, 2025 and December 31, 2024, loans and leases on non-accrual status with no related ACL was \$2.8 million and \$3.6 million, respectively, excluding collateral dependent loans and leases that have been written down to net realizable value without an associated ACL of \$46.6 million and \$59.4 million, respectively. The remaining balance of non-accrual loans are substantially covered by government guarantees. The Company recognized no interest income on non-accrual loans and leases during the three and six months ended June 30, 2025 and 2024.

The following tables present the carrying value of the loans and leases past due, by loan and lease class, as of the dates presented:

(in thousands)	June 30, 2025						
	Greater than 30 to 59 Days Past Due	60 to 89 Days Past Due	90 Days or More and Accruing ⁽²⁾	Total Past Due	Non-Accrual ⁽²⁾	Current and Other	Total Loans and Leases
Commercial real estate							
Non-owner occupied term	\$ 26,522	\$ —	\$ —	\$ 26,522	\$ 17,126	\$ 6,146,344	\$ 6,189,992
Owner occupied term	4,960	422	361	5,743	13,613	5,300,173	5,319,529
Multifamily	132	—	—	132	—	5,734,925	5,735,057
Construction & development	37,903	—	—	37,903	—	2,031,824	2,069,727
Residential development	—	—	—	—	—	286,175	286,175
Commercial							
Term	1,306	717	420	2,443	23,722	5,326,433	5,352,598
Lines of credit & other	3,959	1,284	—	5,243	23,639	2,921,900	2,950,782
Leases & equipment finance	17,019	15,466	5,161	37,646	19,448	1,584,356	1,641,450
Residential							
Mortgage ⁽¹⁾	—	18,054	71,237	89,291	—	5,740,542	5,829,833
Home equity loans & lines	9,514	3,422	4,326	17,262	—	2,065,504	2,082,766
Consumer & other	806	377	337	1,520	—	177,584	179,104
Total, net of deferred fees and costs	<u>\$ 102,121</u>	<u>\$ 39,742</u>	<u>\$ 81,842</u>	<u>\$ 223,705</u>	<u>\$ 97,548</u>	<u>\$ 37,315,760</u>	<u>\$ 37,637,013</u>

⁽¹⁾ Includes government guaranteed mortgage loans that the Bank has the right but not the obligation to repurchase that are past due 90 days or more, totaling \$2.0 million at June 30, 2025.

⁽²⁾ Includes government guaranteed portion of \$30.7 million and \$37.1 million for 90 days or greater and non-accrual loans, respectively.

(in thousands)	December 31, 2024						
	Greater than 30 to 59 Days Past Due	60 to 89 Days Past Due	90 Days or More and Accruing ⁽²⁾	Total Past Due	Non-Accrual	Current and Other	Total Loans and Leases
Commercial real estate							
Non-owner occupied term	\$ 27,954	\$ —	\$ —	\$ 27,954	\$ 14,577	\$ 6,235,623	\$ 6,278,154
Owner occupied term	1,411	169	—	1,580	24,755	5,243,959	5,270,294
Multifamily	—	—	—	—	—	5,804,364	5,804,364
Construction & development	—	—	—	—	—	1,983,213	1,983,213
Residential development	—	—	—	—	—	231,647	231,647
Commercial							
Term	1,711	893	—	2,604	29,483	5,505,531	5,537,618
Lines of credit & other	5,345	5,523	206	11,074	6,666	2,751,903	2,769,643
Leases & equipment finance	15,318	17,117	4,478	36,913	20,997	1,602,925	1,660,835
Residential							
Mortgage ⁽¹⁾	—	17,844	61,228	79,072	—	5,854,280	5,933,352
Home equity loans & lines	5,348	5,369	6,691	17,408	—	2,014,245	2,031,653
Consumer & other	808	389	179	1,376	—	178,752	180,128
Total, net of deferred fees and costs	\$ 57,895	\$ 47,304	\$ 72,782	\$ 177,981	\$ 96,478	\$ 37,406,442	\$ 37,680,901

⁽¹⁾ Includes government guaranteed mortgage loans the Bank has the right but not the obligation to repurchase that are past due 90 days or more, totaling \$2.4 million at December 31, 2024.

⁽²⁾ Includes government guaranteed portion of \$32.1 million and \$41.5 million for 90 days or greater and non-accrual loans, respectively.

Collateral-Dependent Loans and Leases

Loans and leases are classified as collateral-dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. The following tables summarize the amortized cost basis of the collateral-dependent loans and leases by the type of collateral securing the assets as of the periods indicated:

(in thousands)	June 30, 2025			
	Residential Real Estate	Commercial Real Estate	General Business Assets	Total
Commercial real estate				
Non-owner occupied term	\$ —	\$ 14,507	\$ —	\$ 14,507
Owner occupied term	—	9,347	—	9,347
Commercial				
Term	972	1,341	13,988	16,301
Lines of credit & other	—	2,709	19,861	22,570
Leases & equipment finance	—	—	19,448	19,448
Residential				
Mortgage	67,495	—	—	67,495
Home equity loans & lines	2,103	—	—	2,103
Total, net of deferred fees and costs	\$ 70,570	\$ 27,904	\$ 53,297	\$ 151,771

	December 31, 2024			
(in thousands)	Residential Real Estate	Commercial Real Estate	General Business Assets	Total
Commercial real estate				
Non-owner occupied term	\$ —	\$ 13,116	\$ —	\$ 13,116
Owner occupied term	—	20,198	—	20,198
Commercial				
Term	2,273	2,856	15,800	20,929
Lines of credit & other	—	1,501	3,645	5,146
Leases & equipment finance	—	—	20,997	20,997
Residential				
Mortgage	79,440	—	—	79,440
Home equity loans & lines	2,391	—	—	2,391
Total, net of deferred fees and costs	<u>\$ 84,104</u>	<u>\$ 37,671</u>	<u>\$ 40,442</u>	<u>\$ 162,217</u>

Loan and Lease Modifications Made to Borrowers Experiencing Financial Difficulty

The ACL on modified loans or leases is measured using the same credit loss estimation methods used to determine the ACL for all other loans and leases held for investment. These methods incorporate the post-modification loan or lease terms, as well as defaults and charge-offs associated with the modified loans and leases.

The following tables present the amortized cost basis of loans and leases that were both experiencing financial difficulty and modified during the three and six months ended June 30, 2025 and 2024, by class and type of modification. The percentage of the amortized cost basis of loans and leases to borrowers in financial distress that were modified as compared to the amortized cost basis of each class of financing receivable is also presented below.

Three Months Ended June 30, 2025									
(in thousands)	Interest Rate Reduction	Term Extension	Other -Than- Insignificant Payment Delay	Combo - Interest Rate Reduction and Term Extension	Combo - Term Extension and Other-than- Insignificant Payment Delay	Combo - Interest Rate Reduction and Other- than- Insignificant Payment Delay	Total	% of total class of financing receivable	
Commercial real estate									
Non-owner occupied term	\$ —	\$ —	\$ —	\$ 21,124	\$ —	\$ —	\$ 21,124	0.34 %	
Owner occupied term	—	3,011	—	—	—	—	3,011	0.06 %	
Construction & development	—	2,137	—	7,800	—	—	9,937	0.48 %	
Commercial									
Term	—	—	2,439	10,006	—	—	12,445	0.23 %	
Lines of credit & other	—	10,338	—	—	920	—	11,258	0.38 %	
Leases & equipment finance	—	1,215	—	—	—	—	1,215	0.07 %	
Residential									
Mortgage	120	483	7,028	—	1,037	207	8,875	0.15 %	
Total modified loans and leases experiencing financial difficulty	\$ 120	\$ 17,184	\$ 9,467	\$ 38,930	\$ 1,957	\$ 207	\$ 67,865	0.18 %	

Six Months Ended June 30, 2025									
(in thousands)	Interest Rate Reduction	Term Extension	Other -Than- Insignificant Payment Delay	Combo - Interest Rate Reduction and Term Extension	Combo - Term Extension and Other than Insignificant Payment Delay	Combo - Interest Rate Reduction and Other -Than- Insignificant Payment Delay	Total	% of total class of financing receivable	
Commercial real estate									
Non-owner occupied term	\$ —	\$ —	\$ —	\$ 21,124	\$ —	\$ —	\$ 21,124	0.34 %	
Owner occupied term	—	3,915	807	—	—	—	4,722	0.09 %	
Construction & development	—	2,137	—	7,800	—	—	9,937	0.48 %	
Commercial									
Term	281	—	8,401	10,006	—	—	18,688	0.35 %	
Lines of credit & other	11,589	25,504	1,579	—	920	—	39,592	1.34 %	
Leases & equipment finance	—	2,102	—	—	—	—	2,102	0.13 %	
Residential									
Mortgage	259	679	13,864	—	1,951	207	16,960	0.29 %	
Total modified loans and leases experiencing financial difficulty	\$ 12,129	\$ 34,337	\$ 24,651	\$ 38,930	\$ 2,871	\$ 207	\$ 113,125	0.30 %	

Three Months Ended June 30, 2024						
(in thousands)	Interest Rate Reduction	Term Extension	Other -Than- Insignificant Payment Delay	Total	% of total class of financing receivable	
Commercial real estate						
Owner occupied term	\$ 4,041	\$ —	\$ —	\$ 4,041		0.08 %
Commercial						
Term	1,237	5,493	1,988	8,718		0.16 %
Lines of credit & other	—	3,728	319	4,047		0.16 %
Leases & equipment finance	—	866	—	866		0.05 %
Residential						
Mortgage	—	1,447	7,389	8,836		0.15 %
Total modified loans and leases experiencing financial difficulty	<u>\$ 5,278</u>	<u>\$ 11,534</u>	<u>\$ 9,696</u>	<u>\$ 26,508</u>		<u>0.07 %</u>

Six Months Ended June 30, 2024						
(in thousands)	Interest Rate Reduction	Term Extension	Other -Than- Insignificant Payment Delay	Total	% of total class of financing receivable	
Commercial real estate						
Non-owner occupied term	\$ —	\$ —	\$ 17,577	\$ 17,577		0.27 %
Owner occupied term	4,041	—	530	4,571		0.09 %
Commercial						
Term	1,237	5,944	1,988	9,169		0.16 %
Lines of credit & other	—	10,913	319	11,232		0.44 %
Leases & equipment finance	—	1,457	—	1,457		0.09 %
Residential						
Mortgage	—	2,456	14,355	16,811		0.28 %
Total modified loans and leases experiencing financial difficulty	<u>\$ 5,278</u>	<u>\$ 20,770</u>	<u>\$ 34,769</u>	<u>\$ 60,817</u>		<u>0.16 %</u>

The following tables present the financial effect of loan modifications made to borrowers experiencing financial difficulty during the periods presented:

Three Months Ended June 30, 2025			
(dollars in thousands)	Interest Rate Reduction	Term Extension	Other-Than-Insignificant Payment Delay
	Weighted-Average Interest Rate Reduction	Weighted-Average Term Extension	Deferral Amount
Commercial real estate			
Non-owner occupied term	3.54 %	1.9 years	—
Owner occupied term	—	4 months	—
Construction & development	3.57 %	5 months	—
Commercial			
Term	3.54 %	1.9 years	\$ 200
Lines of credit & other	—	5 months	\$ 996
Leases & equipment finance	—	1.0 year	—
Residential			
Mortgage	0.60 %	11.8 years	\$ 522

Six Months Ended June 30, 2025			
(dollars in thousands)	Interest Rate Modification	Term Extension	Other-Than-Insignificant Payment Delay
	Weighted-Average Interest Rate Reduction	Weighted-Average Term Extension	Deferral Amount
Commercial real estate			
Non-owner occupied term	3.54 %	1.9 years	—
Owner occupied term	—	5 months	\$ 894
Construction & development	3.57 %	5 months	—
Commercial			
Term	3.45 %	1.9 years	\$ 444
Lines of credit & other	0.26 %	9 months	\$ 3,142
Leases & equipment finance	—	1.0 year	—
Residential			
Mortgage	0.57 %	9.8 years	\$ 1,171

(dollars in thousands)	Three Months Ended June 30, 2024		
	Interest Rate Modification	Term Extension	Other-Than-Insignificant Payment Delay
	Weighted-Average Interest Rate Reduction	Weighted-Average Term Extension	Deferral Amount
Commercial real estate			
Owner occupied term	3.79 %	—	—
Commercial			
Term	5.00 %	6 months	\$ 77
Lines of credit & other	—	9 months	\$ 48
Leases & equipment finance	—	11 months	—
Residential			
Mortgage	—	4.7 years	\$ 531

(dollars in thousands)	Six Months Ended June 30, 2024		
	Interest Rate Modification	Term Extension	Other-Than-Insignificant Payment Delay
	Weighted-Average Interest Rate Reduction	Weighted-Average Term Extension	Deferral Amount
Commercial real estate			
Non-owner occupied term, net	—	—	\$ 4,000
Owner occupied term	3.79 %	—	\$ 51
Commercial			
Term	5.00 %	6 months	\$ 77
Lines of credit & other	—	7 months	\$ 48
Leases & equipment finance	—	10 months	—
Residential			
Mortgage	—	8.3 years	\$ 1,000

The Company closely monitors the performance of loans and leases to borrowers experiencing financial difficulty that are modified to understand the effectiveness of its modification efforts. Loans and leases are considered to be in payment default at 90 or more days past due. For the three months ended June 30, 2025, all modified loans and leases were current and there were no loan or lease modifications made to borrowers experiencing financial difficulty that subsequently defaulted. The following tables present the amortized cost basis of modified loans that, within twelve months of the modification date, experienced a subsequent default during the periods presented:

Six Months Ended June 30, 2025						
(in thousands)	Interest Rate Reduction	Term Extension	Other-Than-Insignificant Payment Delay	Combo - Interest Rate Reduction and Term Extension	Combo - Term Extension and Other-than-Insignificant Payment Delay	Total
Commercial real estate						
Owner occupied term	\$ —	\$ —	\$ 564	\$ —	\$ —	\$ 564
Commercial						
Lines of credit & other	—	1,130	—	—	920	2,050
Residential						
Mortgage	121	452	413	222	314	1,522
Total loans and leases experiencing financial difficulty with a subsequent default	\$ 121	\$ 1,582	\$ 977	\$ 222	\$ 1,234	\$ 4,136

Three Months Ended June 30, 2024				
(in thousands)	Interest Rate Reduction	Term Extension	Other-Than-Insignificant Payment Delay	Total
Commercial real estate				
Owner occupied term	\$ 3,064	\$ —	\$ —	\$ 3,064
Commercial				
Lines of credit & other	—	250	—	250
Residential				
Mortgage	—	300	743	1,043
Total loans and leases experiencing financial difficulty with a subsequent default	\$ 3,064	\$ 550	\$ 743	\$ 4,357

Six Months Ended June 30, 2024				
(in thousands)	Interest Rate Reduction	Term Extension	Other-Than-Insignificant Payment Delay	Total
Commercial real estate				
Owner occupied term	\$ 3,064	\$ —	\$ —	\$ 3,064
Commercial				
Lines of credit & other	—	250	—	250
Residential				
Mortgage	—	300	743	1,043
Total loans and leases experiencing financial difficulty with a subsequent default	\$ 3,064	\$ 550	\$ 743	\$ 4,357

The following tables present an age analysis of loans and leases as of June 30, 2025 and 2024 that have been modified within the prior twelve months:

(in thousands)	June 30, 2025					
	Current	Greater than 30 to 59 Days Past Due	60 to 89 Days Past Due	90 Days or Greater Past Due	Nonaccrual	Total
Commercial real estate						
Non-owner occupied term	\$ 21,124	\$ —	\$ —	\$ —	\$ —	\$ 21,124
Owner occupied term	3,653	—	—	—	1,276	4,929
Construction & development	9,937	—	—	—	—	9,937
Commercial						
Term	20,749	—	—	—	4,615	25,364
Lines of credit & other	36,392	1,000	—	—	6,514	43,906
Leases & equipment finance	2,045	364	286	90	213	2,998
Residential						
Mortgage	23,856	—	2,299	3,240	—	29,395
Total loans and leases, net of deferred fees and costs	\$ 117,756	\$ 1,364	\$ 2,585	\$ 3,330	\$ 12,618	\$ 137,653

(in thousands)	June 30, 2024					
	Current	Greater than 30 to 59 Days Past Due	60 to 89 Days Past Due	90 Days or Greater Past Due	Nonaccrual	Total
Commercial real estate						
Non-owner occupied term	\$ 47,557	\$ —	\$ —	\$ —	\$ —	\$ 47,557
Owner occupied term	2,033	—	—	—	3,594	5,627
Commercial						
Term	9,784	—	—	—	1,237	11,021
Lines of credit & other	50,268	—	999	—	1,751	53,018
Leases & equipment finance	1,430	193	227	15	106	1,971
Residential						
Mortgage	33,971	—	2,841	5,103	—	41,915
Total loans and leases, net of deferred fees and costs	\$ 145,043	\$ 193	\$ 4,067	\$ 5,118	\$ 6,688	\$ 161,109

Credit Quality Indicators

Management regularly reviews loans and leases in the portfolio to assess credit quality indicators and to determine appropriate loan classification and grading. The Bank separates its loans and lease portfolios into homogeneous and non-homogeneous categories. Homogeneous loans are rated based on past due status and may enter a higher risk rating scale if modified, requiring six months of timely payments to return to the original scale. Non-homogeneous loans use a dual risk rating approach: the PD scale measures the likelihood of default, and the LGD scale measures potential loss if a default occurs. The product of PD and LGD gives the expected loss, providing a common language of credit risk across different loans. For more information about the Company's credit quality indicators, refer to Note 6 – *Allowance for Credit Losses* included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

[Table of Contents](#)

The following tables present the amortized cost basis of the loans and leases by credit classification and vintage year by loan and lease class of financing receivable, as well as gross charge-offs for the dates presented:

(in thousands)	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis	Revolving to Non-Revolving Loans Amortized Cost	Total
	June 30, 2025	2025	2024	2023	2022	2021			
Commercial real estate:									
Non-owner occupied term									
Credit quality indicator:									
Pass/Watch	\$ 319,701	\$ 279,975	\$ 505,563	\$ 1,235,203	\$ 1,093,408	\$ 2,538,927	\$ 29,911	\$ —	\$ 6,002,688
Special mention	—	—	274	29,011	—	24,052	—	—	53,337
Substandard	23,150	—	1,305	21,702	11,976	71,448	—	—	129,581
Doubtful	—	—	—	1,759	386	1,601	—	—	3,746
Loss	—	—	—	—	640	—	—	—	640
Total non-owner occupied term	\$ 342,851	\$ 279,975	\$ 507,142	\$ 1,287,675	\$ 1,106,410	\$ 2,636,028	\$ 29,911	\$ —	\$ 6,189,992
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Owner occupied term									
Credit quality indicator:									
Pass/Watch	\$ 309,370	\$ 502,817	\$ 506,365	\$ 958,592	\$ 827,798	\$ 1,880,078	\$ 14,718	\$ 65,936	\$ 5,065,674
Special mention	1,359	26,045	935	44,999	64,698	45,572	1,916	904	186,428
Substandard	2,818	5,862	4,746	4,759	10,379	28,601	424	1,000	58,589
Doubtful	—	2,752	—	2,924	—	361	—	—	6,037
Loss	—	—	—	907	93	1,801	—	—	2,801
Total owner occupied term	\$ 313,547	\$ 537,476	\$ 512,046	\$ 1,012,181	\$ 902,968	\$ 1,956,413	\$ 17,058	\$ 67,840	\$ 5,319,529
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ —	\$ 157	\$ —	\$ 39	\$ —	\$ —	\$ 196
Multifamily									
Credit quality indicator:									
Pass/Watch	\$ 85,957	\$ 166,119	\$ 251,595	\$ 1,898,540	\$ 1,646,824	\$ 1,522,799	\$ 99,232	\$ —	\$ 5,671,066
Special mention	29,060	—	—	10,654	2,845	17,127	—	—	59,686
Substandard	—	—	—	2,703	1,602	—	—	—	4,305
Total multifamily	\$ 115,017	\$ 166,119	\$ 251,595	\$ 1,911,897	\$ 1,651,271	\$ 1,539,926	\$ 99,232	\$ —	\$ 5,735,057
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Construction & development									
Credit quality indicator:									
Pass/Watch	\$ 78,010	\$ 552,015	\$ 462,169	\$ 670,435	\$ 79,869	\$ 89,503	\$ 22,112	\$ 926	\$ 1,955,039
Special mention	2,137	6,701	42,512	39,336	15,338	—	864	—	106,888
Substandard	7,800	—	—	—	—	—	—	—	7,800
Total construction & development	\$ 87,947	\$ 558,716	\$ 504,681	\$ 709,771	\$ 95,207	\$ 89,503	\$ 22,976	\$ 926	\$ 2,069,727
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Residential development									
Credit quality indicator:									
Pass/Watch	\$ 29,539	\$ 63,711	\$ 2,055	\$ 3,404	\$ —	\$ 61	\$ 184,535	\$ 2,870	\$ 286,175
Total residential development	\$ 29,539	\$ 63,711	\$ 2,055	\$ 3,404	\$ —	\$ 61	\$ 184,535	\$ 2,870	\$ 286,175
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total commercial real estate	\$ 888,901	\$ 1,605,997	\$ 1,777,519	\$ 4,924,928	\$ 3,755,856	\$ 6,221,931	\$ 353,712	\$ 71,636	\$ 19,600,480

(in thousands)	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis	Revolving to Non-Revolving Loans Amortized Cost	Total
	June 30, 2025	2025	2024	2023	2022	2021			
Commercial:									
Term									
Credit quality indicator:									
Pass/Watch	\$ 231,016	\$ 746,526	\$ 575,397	\$ 955,530	\$ 724,578	\$ 793,501	\$ 1,122,501	\$ 378	\$ 5,149,427
Special mention	572	556	50,767	26,129	3,116	14,892	34,968	—	131,000
Substandard	19,153	8,874	1,469	5,416	11,620	7,172	3,163	—	56,867
Doubtful	—	—	978	4,471	990	4,946	—	—	11,385
Loss	—	—	—	—	821	3,098	—	—	3,919
Total term	\$ 250,741	\$ 755,956	\$ 628,611	\$ 991,546	\$ 741,125	\$ 823,609	\$ 1,160,632	\$ 378	\$ 5,352,598
Current YTD period:									
Gross charge-offs	\$ —	\$ 29	\$ 815	\$ 55	\$ 129	\$ 1,859	\$ —	\$ —	\$ 2,887
Lines of credit & other									
Credit quality indicator:									
Pass/Watch	\$ 41,337	\$ 81,224	\$ 32,550	\$ 50,904	\$ 16,745	\$ 19,227	\$ 2,495,842	\$ 58,223	\$ 2,796,052
Special mention	1,579	—	598	124	—	109	66,843	2,009	71,262
Substandard	4,016	16,648	317	1,325	—	125	43,738	16,602	82,771
Doubtful	—	143	—	—	—	—	—	140	283
Loss	—	—	261	153	—	—	—	—	414
Total lines of credit & other	\$ 46,932	\$ 98,015	\$ 33,726	\$ 52,506	\$ 16,745	\$ 19,461	\$ 2,606,423	\$ 76,974	\$ 2,950,782
Current YTD period:									
Gross charge-offs	\$ —	\$ 14,954	\$ 15	\$ 425	\$ 25	\$ 520	\$ 5,663	\$ 3,822	\$ 25,424
Leases & equipment finance									
Credit quality indicator:									
Pass/Watch	\$ 332,767	\$ 501,715	\$ 357,916	\$ 219,961	\$ 65,323	\$ 45,726	\$ —	\$ —	\$ 1,523,408
Special mention	527	12,694	35,316	7,257	1,996	285	—	—	58,075
Substandard	2,533	6,364	7,539	6,947	2,104	649	—	—	26,136
Doubtful	679	7,150	10,111	10,413	2,894	634	—	—	31,881
Loss	47	296	646	659	197	105	—	—	1,950
Total leases & equipment finance	\$ 336,553	\$ 528,219	\$ 411,528	\$ 245,237	\$ 72,514	\$ 47,399	\$ —	\$ —	\$ 1,641,450
Current YTD period:									
Gross charge-offs	\$ —	\$ 6,193	\$ 11,395	\$ 12,170	\$ 4,933	\$ 2,682	\$ —	\$ —	\$ 37,373
Total commercial	\$ 634,226	\$ 1,382,190	\$ 1,073,865	\$ 1,289,289	\$ 830,384	\$ 890,469	\$ 3,767,055	\$ 77,352	\$ 9,944,830
Residential:									
Mortgage									
Credit quality indicator:									
Pass/Watch	\$ 86,980	\$ 274,391	\$ 205,693	\$ 1,722,815	\$ 2,021,270	\$ 1,431,349	\$ —	\$ —	\$ 5,742,498
Special mention	1,116	1,499	956	4,939	5,798	3,746	—	—	18,054
Substandard	437	2,529	1,934	5,543	9,501	18,211	—	—	38,155
Loss	1,222	4,509	3,712	3,789	5,667	12,227	—	—	31,126
Total mortgage	\$ 89,755	\$ 282,928	\$ 212,295	\$ 1,737,086	\$ 2,042,236	\$ 1,465,533	\$ —	\$ —	\$ 5,829,833
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ 41	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 41

(in thousands)	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis	Revolving to Non-Revolving Loans Amortized Cost	Total
	June 30, 2025	2025	2024	2023	2022	2021			
Home equity loans & lines									
Credit quality indicator:									
Pass/Watch	\$ 662	\$ 358	\$ 2,808	\$ 7,161	\$ 2,627	\$ 51,106	\$ 1,981,312	\$ 19,471	\$ 2,065,505
Special mention	—	—	140	240	61	1,703	9,093	1,699	12,936
Substandard	—	—	122	—	—	247	494	—	863
Loss	—	—	20	531	323	324	893	1,371	3,462
Total home equity loans & lines	\$ 662	\$ 358	\$ 3,090	\$ 7,932	\$ 3,011	\$ 53,380	\$ 1,991,792	\$ 22,541	\$ 2,082,766
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ —	\$ 60	\$ —	\$ 146	\$ 256	\$ 85	\$ 547
Total residential	\$ 90,417	\$ 283,286	\$ 215,385	\$ 1,745,018	\$ 2,045,247	\$ 1,518,913	\$ 1,991,792	\$ 22,541	\$ 7,912,599
Consumer & other:									
Credit quality indicator:									
Pass/Watch	\$ 14,825	\$ 9,701	\$ 12,620	\$ 7,745	\$ 3,544	\$ 6,726	\$ 121,676	\$ 747	\$ 177,584
Special mention	7	100	114	59	—	134	737	32	1,183
Substandard	—	3	30	1	—	39	204	60	337
Total consumer & other	\$ 14,832	\$ 9,804	\$ 12,764	\$ 7,805	\$ 3,544	\$ 6,899	\$ 122,617	\$ 839	\$ 179,104
Current YTD period:									
Gross charge-offs	\$ 441	\$ 510	\$ 175	\$ 24	\$ —	\$ 199	\$ 718	\$ 177	\$ 2,244
Grand total	\$ 1,628,376	\$ 3,281,277	\$ 3,079,533	\$ 7,967,040	\$ 6,635,031	\$ 8,638,212	\$ 6,235,176	\$ 172,368	\$ 37,637,013

(in thousands)	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis	Revolving to Non-Revolving Loans Amortized Cost	Total
	December 31, 2024	2024	2023	2022	2021	2020			
Commercial real estate:									
Non-owner occupied term									
Credit quality indicator:									
Pass/Watch	\$ 289,721	\$ 564,176	\$ 1,245,868	\$ 1,132,014	\$ 569,014	\$ 2,289,045	\$ 25,716	\$ 12,497	\$ 6,128,051
Special mention	—	—	9,346	600	463	21,191	—	—	31,600
Substandard	7,293	30,926	20,843	—	—	56,216	—	—	115,278
Doubtful	—	—	1,777	659	—	789	—	—	3,225
Total non-owner occupied term	\$ 297,014	\$ 595,102	\$ 1,277,834	\$ 1,133,273	\$ 569,477	\$ 2,367,241	\$ 25,716	\$ 12,497	\$ 6,278,154
Prior Year End period:									
Gross charge-offs	\$ —	\$ —	\$ 148	\$ —	\$ —	\$ 2,485	\$ —	\$ —	\$ 2,633
Owner occupied term									
Credit quality indicator:									
Pass/Watch	\$ 525,513	\$ 499,386	\$ 1,015,154	\$ 867,081	\$ 398,200	\$ 1,639,484	\$ 79,180	\$ 5,262	\$ 5,029,260
Special mention	271	957	23,245	80,611	17,748	38,637	1,920	—	163,389
Substandard	3,892	7,501	7,918	4,147	19,677	25,436	—	—	68,571
Doubtful	2,752	—	2,924	—	—	1,070	—	—	6,746
Loss	—	—	963	—	381	984	—	—	2,328
Total owner occupied term	\$ 532,428	\$ 507,844	\$ 1,050,204	\$ 951,839	\$ 436,006	\$ 1,705,611	\$ 81,100	\$ 5,262	\$ 5,270,294
Prior Year End period:									
Gross charge-offs	\$ 365	\$ —	\$ 569	\$ —	\$ 22	\$ 92	\$ —	\$ —	\$ 1,048
Multifamily									
Credit quality indicator:									
Pass/Watch	\$ 168,595	\$ 253,543	\$ 1,995,175	\$ 1,634,388	\$ 406,616	\$ 1,224,660	\$ 92,757	\$ —	\$ 5,775,734
Special mention	—	—	4,545	6,748	—	11,566	—	—	22,859
Substandard	—	—	2,738	1,613	—	1,420	—	—	5,771
Total multifamily	\$ 168,595	\$ 253,543	\$ 2,002,458	\$ 1,642,749	\$ 406,616	\$ 1,237,646	\$ 92,757	\$ —	\$ 5,804,364
Prior Year End period:									
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Construction & development									
Credit quality indicator:									
Pass/Watch	\$ 473,092	\$ 503,923	\$ 746,567	\$ 129,065	\$ 79,262	\$ 18,988	\$ 13,634	\$ —	\$ 1,964,531
Special mention	1,989	—	1,446	15,247	—	—	—	—	18,682
Total construction & development	\$ 475,081	\$ 503,923	\$ 748,013	\$ 144,312	\$ 79,262	\$ 18,988	\$ 13,634	\$ —	\$ 1,983,213
Prior Year End period:									
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Residential development									
Credit quality indicator:									
Pass/Watch	\$ 61,656	\$ 6,327	\$ 5,038	\$ 493	\$ 465	\$ 594	\$ 153,631	\$ 3,443	\$ 231,647
Total residential development	\$ 61,656	\$ 6,327	\$ 5,038	\$ 493	\$ 465	\$ 594	\$ 153,631	\$ 3,443	\$ 231,647
Prior Year End period:									
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total commercial real estate	\$ 1,534,774	\$ 1,866,739	\$ 5,083,547	\$ 3,872,666	\$ 1,491,826	\$ 5,330,080	\$ 366,838	\$ 21,202	\$ 19,567,672

(in thousands) December 31, 2024	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis	Revolving to Non-Revolving Loans Amortized Cost	Total
	2024	2023	2022	2021	2020	Prior			
Commercial:									
Term									
Credit quality indicator:									
Pass/Watch	\$ 827,497	\$ 650,426	\$ 1,047,231	\$ 789,076	\$ 296,953	\$ 618,886	\$ 1,080,293	\$ 20,922	\$ 5,331,284
Special mention	1,505	48,317	25,893	7,942	—	13,527	36,978	—	134,162
Substandard	25,103	1,792	9,834	5,329	3,067	9,585	—	—	54,710
Doubtful	1,460	1,160	3,771	3,533	683	2,128	—	—	12,735
Loss	—	10	648	1,478	884	1,707	—	—	4,727
Total term	\$ 855,565	\$ 701,705	\$ 1,087,377	\$ 807,358	\$ 301,587	\$ 645,833	\$ 1,117,271	\$ 20,922	\$ 5,537,618
Prior Year End period:									
Gross charge-offs	\$ 649	\$ 2,976	\$ 1,783	\$ 876	\$ 1,324	\$ 1,138	\$ 4,171	\$ —	\$ 12,917
Lines of credit & other									
Credit quality indicator:									
Pass/Watch	\$ 99,104	\$ 42,240	\$ 54,923	\$ 18,467	\$ 8,841	\$ 10,202	\$ 2,381,689	\$ 16,177	\$ 2,631,643
Special mention	79	1,697	675	25	100	175	30,603	4,006	37,360
Substandard	34,404	1,789	1,248	—	—	101	53,491	8,607	99,640
Doubtful	162	—	—	—	—	—	204	290	656
Loss	—	—	191	—	—	—	—	153	344
Total lines of credit & other	\$ 133,749	\$ 45,726	\$ 57,037	\$ 18,492	\$ 8,941	\$ 10,478	\$ 2,465,987	\$ 29,233	\$ 2,769,643
Prior Year End period:									
Gross charge-offs	\$ —	\$ 758	\$ 309	\$ 241	\$ 59	\$ 563	\$ 20,015	\$ 3,512	\$ 25,457
Leases & equipment finance									
Credit quality indicator:									
Pass/Watch	\$ 603,191	\$ 457,094	\$ 295,712	\$ 102,259	\$ 32,338	\$ 45,761	\$ —	\$ —	\$ 1,536,355
Special mention	10,193	39,259	9,419	2,468	478	122	—	—	61,939
Substandard	4,738	8,518	9,044	3,104	875	523	—	—	26,802
Doubtful	3,878	10,055	13,532	4,659	1,289	338	—	—	33,751
Loss	463	795	571	111	24	24	—	—	1,988
Total leases & equipment finance	\$ 622,463	\$ 515,721	\$ 328,278	\$ 112,601	\$ 35,004	\$ 46,768	\$ —	\$ —	\$ 1,660,835
Prior Year End period:									
Gross charge-offs	\$ 1,573	\$ 22,851	\$ 49,518	\$ 18,771	\$ 4,993	\$ 3,138	\$ —	\$ —	\$ 100,844
Total commercial	\$ 1,611,777	\$ 1,263,152	\$ 1,472,692	\$ 938,451	\$ 345,532	\$ 703,079	\$ 3,583,258	\$ 50,155	\$ 9,968,096
Residential:									
Mortgage									
Credit quality indicator:									
Pass/Watch	\$ 236,004	\$ 231,936	\$ 1,776,736	\$ 2,097,433	\$ 472,883	\$ 1,041,655	\$ —	\$ —	\$ 5,856,647
Special mention	1,782	2,536	2,245	2,838	910	7,534	—	—	17,845
Substandard	3,243	5,399	5,120	11,059	2,183	16,446	—	—	43,450
Loss	1,225	2,393	4,037	4,105	779	2,871	—	—	15,410
Total mortgage	\$ 242,254	\$ 242,264	\$ 1,788,138	\$ 2,115,435	\$ 476,755	\$ 1,068,506	\$ —	\$ —	\$ 5,933,352
Prior Year End period:									
Gross charge-offs	\$ —	\$ —	\$ 491	\$ 292	\$ 314	\$ 368	\$ —	\$ —	\$ 1,465

(in thousands)	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis	Revolving to Non-Revolving Loans Amortized Cost	Total
	December 31, 2024	2024	2023	2022	2021	2020			
Home equity loans & lines									
Credit quality indicator:									
Pass/Watch	\$ 756	\$ 870	\$ 2,072	\$ 1,374	\$ 578	\$ 37,625	\$ 1,940,517	\$ 30,453	\$ 2,014,245
Special mention	—	—	136	—	—	838	8,261	1,483	10,718
Substandard	—	—	445	—	—	270	1,230	549	2,494
Loss	—	28	—	175	8	631	1,678	1,676	4,196
Total home equity loans & lines	\$ 756	\$ 898	\$ 2,653	\$ 1,549	\$ 586	\$ 39,364	\$ 1,951,686	\$ 34,161	\$ 2,031,653
Prior Year End period:									
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 239	\$ 252	\$ —	\$ 491
Total residential	\$ 243,010	\$ 243,162	\$ 1,790,791	\$ 2,116,984	\$ 477,341	\$ 1,107,870	\$ 1,951,686	\$ 34,161	\$ 7,965,005
Consumer & other:									
Credit quality indicator:									
Pass/Watch	\$ 21,691	\$ 16,491	\$ 10,122	\$ 4,515	\$ 3,041	\$ 5,036	\$ 117,045	\$ 810	\$ 178,751
Special mention	17	193	24	12	5	75	722	150	1,198
Substandard	11	12	10	—	—	25	87	34	179
Total consumer & other	\$ 21,719	\$ 16,696	\$ 10,156	\$ 4,527	\$ 3,046	\$ 5,136	\$ 117,854	\$ 994	\$ 180,128
Prior Year End period:									
Gross charge-offs	\$ 87	\$ 2,851	\$ 104	\$ 35	\$ 1	\$ 305	\$ 2,060	\$ 896	\$ 6,339
Grand total	\$ 3,411,280	\$ 3,389,749	\$ 8,357,186	\$ 6,932,628	\$ 2,317,745	\$ 7,146,165	\$ 6,019,636	\$ 106,512	\$ 37,680,901

Note 5 – Goodwill and Other Intangible Assets

The Company had \$1.0 billion in goodwill as of June 30, 2025 and December 31, 2024, which represents the excess of the total acquisition price paid over the fair value of the assets acquired, net of fair value of liabilities assumed in connection with the Umpqua Merger.

Core deposit intangible assets values were determined based on the present value of the expected cost savings attributable to the core deposit funding relative to an alternative source of funding. The intangible assets are being amortized on an accelerated basis over a period of 10 years. No impairment losses have been recognized in the periods presented.

The following table summarizes other intangible assets as of the dates presented:

(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
June 30, 2025	\$ 710,230	\$ (279,787)	\$ 430,443
December 31, 2024	\$ 710,230	\$ (225,982)	\$ 484,248

Amortization expense recognized on intangible assets was \$25.8 million and \$53.8 million for the three and six months ended June 30, 2025, respectively, and \$29.2 million and \$61.3 million for the three and six months ended June 30, 2024, respectively.

The table below presents the forecasted amortization expense for intangible assets as of June 30, 2025:

(in thousands)	
Year	Expected Amortization
Remainder of 2025	\$ 51,653
2026	92,545
2027	79,632
2028	66,719
2029	53,805
Thereafter	86,089
Total intangible assets	<u>\$ 430,443</u>

Note 6 – Borrowings

The Bank's FHLB advances were \$3.4 billion as of June 30, 2025, as compared to \$3.1 billion at December 31, 2024. The FHLB advances have fixed interest rates ranging from 4.45% to 4.52% and all mature in 2025. The FHLB requires the Bank to maintain a required level of investment in FHLB and sufficient collateral to qualify for secured advances. Refer to Note 3 – *Loans and Leases* for further information on loans pledged as collateral for borrowings.

Note 7 – Commitments and Contingencies

Financial Instruments with Off-Balance-Sheet Risk — The Company's financial statements do not reflect various commitments and contingent liabilities that arise in the normal course of the Bank's business and involve elements of credit, liquidity, and interest rate risk.

The following table presents a summary of the Bank's commitments and contingent liabilities:

(in thousands)	June 30, 2025	December 31, 2024
Commitments to extend credit	\$ 10,042,369	\$ 10,077,780
Forward sales commitments	\$ 71,500	\$ 76,535
Commitments to originate residential mortgage loans held for sale	\$ 58,919	\$ 46,208
Standby letters of credit	\$ 321,187	\$ 216,422

The Bank is a party to financial instruments with off-balance sheet credit risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. These instruments involve elements of credit and interest-rate risk similar to the risk involved in on-balance sheet items. The contract or notional amounts of these instruments reflect the extent of the Bank's exposure in particular classes of financial instruments.

The Bank's exposure to credit loss in the event of non-performance by the other party to the financial instrument for commitments to extend credit and standby letters of credit, and financial guarantees written, is represented by the contractual notional amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

Standby letters of credit and written financial guarantees are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. These guarantees are primarily issued to support public and private borrowing arrangements, including international trade finance, commercial paper, bond financing, and similar transactions. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Bank holds cash, marketable securities, or real estate as collateral supporting those commitments for which collateral is deemed necessary. There were no financial guarantees in connection with standby letters of credit that the Bank was required to perform on during the three and six months ended June 30, 2025 and 2024. As of June 30, 2025, approximately \$295.2 million of standby letters of credit expire within one year, and \$26.0 million expire thereafter.

Residential mortgage loans sold into the secondary market are sold with limited recourse against the Company, meaning that the Company may be obligated to repurchase or otherwise reimburse the investor for incurred losses on any loans that suffer an early payment default, are not underwritten in accordance with investor guidelines or are determined to have pre-closing borrower misrepresentations.

Legal Proceedings and Regulatory Matters—The Company is subject to litigation in court and arbitral proceedings, as well as proceedings, investigations, examinations, and other actions brought or considered by governmental and self-regulatory agencies. The Company is party to various pending and threatened claims and legal proceedings arising in the normal course of business activities, some of which involve claims for substantial or uncertain amounts.

In September 2023, 34 related entities (the “iCap Entities”) that maintained their primary deposit accounts with the Bank filed jointly-administered Chapter 11 bankruptcies in the United States Bankruptcy Court for the Eastern District of Washington. The Bank was served with a request for production of account records and produced such records through counsel. Concurrently, in pleadings filed in the Bankruptcy Court for the Eastern District of Washington on behalf of investors who claimed losses of approximately \$290.0 million, the Bank was identified as a party against which claims may be brought in connection with the iCap Entities’ alleged operation of Ponzi schemes prior to the bankruptcy proceedings described above. The potential claims against the Bank and the amount of any alleged damages are not estimable. To the extent suits or actions are commenced, the Bank intends to vigorously defend against any and all claims.

In August 2020, a class action complaint was filed in the United States District Court for the Northern District of California alleging aiding and abetting claims against the Bank associated with the failure of two commercial real estate investment companies, Professional Financial Investors, Inc. and Professional Investors Security Fund, Inc., allegedly effected through a Ponzi scheme. Both companies maintained their primary deposit account relationship with the Bank’s Novato, Marin County, California branch office, acquired by the Bank from Circle Bank. The Bank’s motion to dismiss was denied in January 2021, and its motion for summary judgment was denied in December 2022, and at the same time the District Court certified the plaintiffs’ proposed class. Two other related cases were filed in 2023: one case alleges similar claims by two investors and was filed in May 2023 in Marin County Superior Court; and another case was filed in June 2023 in the United States District Court for the Northern District of California alleging claims by ten investors with different investments than the class members. Filing of these cases follows an SEC non-public investigation of Professional Financial Investors, Inc. and Professional Investors Security Fund, Inc. that commenced on May 28, 2020. The District Court case filed in June 2023 was dismissed in July 2024 due to the plaintiffs’ lack of standing. The Superior Court case does not yet have a clear estimate of damages and the Bank intends to defend this matter vigorously as appropriate and believes it has meritorious defenses. Plaintiffs in the District Court class action case alleged damages resulting from the scheme of between \$297.4 million and \$368.1 million, including prejudgment interest. Trial in the District Court class action case commenced on February 3, 2025 and a mistrial was declared on March 4, 2025. The Bank subsequently engaged in a court ordered settlement conference, and a Notice of Settlement was filed on March 27, 2025, which contemplates a settlement payment of \$55.0 million by the Bank, including any attorneys’ fees or costs. The settlement is subject to final court approval, with the hearing for final court approval scheduled for September 11, 2025. If approved, the settlement is expected to be funded in late 2025.

As previously disclosed, in 2023, the Bank was informed by one of its technology service providers (the “Vendor”) that a widely reported security incident involving MOVEit, a filesharing software used globally by government agencies, enterprise corporations, and financial institutions, resulted in the unauthorized acquisition by a third party of the names and social security numbers or tax identification numbers of certain of the Bank’s consumer and small business customers (the “Vendor Incident”).

Other than the information described above, no account information for accounts at the Bank was compromised as a result of the Vendor Incident, and no information from the Bank’s commercial customers was involved in the Vendor Incident. On June 22, 2023, the Bank sent an email to potentially affected consumer and small business customers informing them of the Vendor Incident. Between August 11, 2023, and August 15, 2023, the Vendor, on behalf of the Bank, initiated formal notice via U.S. Mail to the 429,252 Bank customers whose information was involved in the Vendor Incident. The Bank and the Vendor also notified applicable federal and state regulators regarding the Vendor Incident.

Beginning on August 18, 2023, some of the individuals who were notified of the Vendor Incident filed lawsuits against the Bank seeking monetary recovery and other relief on behalf of themselves and one or more putative classes of other individuals similarly situated. Two such cases were filed in federal court (the United States District Court for the Western District of Washington), one of which was later voluntarily dismissed without prejudice. Five such cases were filed in state court in Washington (the Washington Superior Court for Pierce County) and one case in state court in California (the California Superior Court for Contra Costa County). The state court cases were subsequently removed to federal court by the Bank. On October 4, 2023, the United States Judicial Panel on Multidistrict Litigation, in view of the large number of lawsuits arising out of the MOVEit data incident in federal courts across the United States, initiated a multidistrict litigation (“MDL”) for these cases to allow such cases to be transferred to one court for pre-trial proceedings. The MDL is titled *In Re: MOVEit Customer Data Security Breach Litigation*, MDL No. 3083 and is pending in the United States District Court for the District of Massachusetts as MDL No. 1:23-md-03083-ADB-PGL. All seven cases against the Bank have been transferred to the MDL as of January 29, 2024. The cases collectively allege claims for negligence, negligence *per se*, breach of contract, breach of implied contract, breach of third-party beneficiary contract, breach of fiduciary duty, invasion of privacy, breach of the covenant of good faith and fair dealing, unjust enrichment, and violation of certain statutes, namely the Washington Consumer Protection Act, the California Consumer Legal Remedies Act, the California Consumer Privacy Act, and the California Unfair Competition Law. The Bank has also received claims by or on behalf of individuals in connection with the Vendor Incident. Such claims have the potential to give rise to additional litigation. The Bank has engaged defense counsel and intends to vigorously defend against these suits and any similar or related suits or claims. The Bank has notified relevant insurance carriers and business counterparties and continues to reserve all of its relevant rights to indemnity, defense, contribution, and other relief in connection with these matters.

At least quarterly, liabilities and contingencies are assessed in connection with all outstanding or new legal matters, utilizing the most recent information available. If it is determined that a loss from a matter is probable and that the amount of the loss can be reasonably estimated, an accrual for the loss is established. Once established, each accrual is adjusted as appropriate to reflect any subsequent developments in the specific legal matter. It is inherently difficult to determine whether any loss is probable or even possible. It is also inherently difficult to estimate the amount of any loss and there may be matters for which a loss is probable or reasonably possible but not currently estimable. Actual losses may be in excess of any established accrual or the range of reasonably possible loss. Management's estimate will change from time to time. For matters where a loss is not probable, or the amount of the loss cannot be estimated, no accrual is established. In addition to the settlement payment accrual noted above, the Company has \$1.2 million accrued related to other legal matters as of June 30, 2025, which is recorded as a component of other liabilities on the Condensed Consolidated Balance Sheets.

The resolution and the outcome of legal claims are unpredictable, exacerbated by factors including the following: damages sought are unsubstantiated or indeterminate; it is unclear whether a case brought as a class action will be allowed to proceed on that basis; discovery or motion practice is not complete; the proceeding is not yet in its final stages; the matters present legal uncertainties; there are significant facts in dispute; there are a large number of parties, including multiple defendants; or there is a wide range of potential results. Any estimate or determination relating to the future resolution of legal and regulatory matters is uncertain and involves significant judgment. The Company is usually unable to determine whether a favorable or unfavorable outcome is remote, reasonably likely or probable, or to estimate the amount or range of a probable or reasonably likely loss until relatively late in the process.

Although there can be no assurance as to the ultimate outcome of a specific legal matter, the Company believes it has meritorious defenses to the claims asserted against us in our currently outstanding legal matters, and the Company intends to continue to vigorously defend ourselves. The Company will consider settlement of legal matters when, in management's judgment, it is in the best interests of the Company and its shareholders.

Based on information currently available, advice of counsel, available insurance coverage, and established reserves, the Company believes that the eventual outcome of the actions against us will not have a material adverse effect on the Company's consolidated financial statements. However, it is possible that the ultimate resolution of a matter, if unfavorable, may be material to the Company's results of operations for any particular reporting period.

Contingencies—The Merger Agreement between Columbia and Pacific Premier contains certain termination rights for both Columbia and Pacific Premier providing that upon termination of the Merger Agreement under certain circumstances, Columbia or Pacific Premier, as applicable, will be obligated to pay the other party a termination fee of \$75.0 million.

Concentrations of Credit Risk—The Bank grants real estate mortgage, real estate construction, commercial, agricultural and installment loans and leases to customers in Oregon, Washington, California, Idaho, Nevada, Arizona, Colorado, and Utah. In management's judgment, a concentration exists in real estate-related loans, which represented approximately 75% of the Bank's loan and lease portfolio for both June 30, 2025 and December 31, 2024. CRE concentrations are managed to ensure geographic and business diversity, primarily in our footprint. The multifamily portfolio, including construction, represented approximately 19% of the total loan portfolio as of both June 30, 2025 and December 31, 2024. The office portfolio represented approximately 8% of the total loan portfolio as of both June 30, 2025 and December 31, 2024. Although management believes such concentrations have no more than the normal risk of collectability, a substantial decline in the economy in general, material increases in interest rates, changes in tax policies, tightening credit or refinancing markets, or a decline in real estate values in the Bank's primary market areas in particular, could have an adverse impact on the repayment of these loans. Personal and business incomes, proceeds from the sale of real property, or proceeds from refinancing represent the primary sources of repayment for a majority of these loans.

The Bank recognizes the credit risks inherent in dealing with other depository institutions. Accordingly, to prevent excessive exposure to any single correspondent, the Bank has established general standards for selecting correspondent banks as well as internal limits for allowable exposure to any single correspondent. In addition, the Bank has an investment policy that sets forth limitations that apply to all investments with respect to credit rating and concentrations with an issuer.

Note 8 – Derivatives

The Bank may use derivatives to hedge the risk of changes in the fair values of interest rate lock commitments, residential mortgage loans held for sale, and MSRs. None of the Company's derivatives are designated as hedging instruments. Rather, they are accounted for as free-standing derivatives, or economic hedges, with changes in the fair value of the derivatives reported in income. The Company utilizes forward interest rate contracts in its derivative risk management strategy.

The Bank enters into forward delivery contracts to sell residential mortgage loans or mortgage-backed securities to broker-dealers at specific prices and dates in order to hedge the interest rate risk in its portfolio of mortgage loans held for sale and its residential mortgage interest rate lock commitments. Credit risk associated with forward delivery contracts is limited to the replacement cost of those forward delivery contracts in a gain position. There were no counterparty default losses on forward delivery contracts in the three and six months ended June 30, 2025 and 2024. Market risk with respect to forward delivery contracts arises principally from changes in the value of contractual positions due to changes in interest rates. The Bank limits its exposure to market risk by monitoring differences between commitments to customers and forward delivery contracts with broker-dealers. In the event the Company has forward delivery contracts commitments in excess of available mortgage loans, the Company completes the transaction by either paying or receiving a fee to or from the broker-dealer equal to the increase or decrease in the market value of the forward delivery contracts. As of June 30, 2025 and December 31, 2024, the Bank had commitments to originate mortgage loans held for sale totaling \$58.9 million and \$46.2 million, respectively, and forward sales commitments of \$71.5 million and \$76.5 million, respectively.

The Bank purchases interest rate futures and forward settling mortgage-backed securities to hedge the interest rate risk of MSRs. As of June 30, 2025, the Bank had \$188.0 million notional of interest rate futures contracts and \$17.0 million of mortgage-backed securities. As of December 31, 2024, the Bank had \$187.0 million notional of interest rate futures contracts and \$12.0 million of mortgage-backed securities related to this program.

The Bank executes interest rate swaps with commercial banking borrowers to facilitate their respective risk management strategies. Those interest rate swaps are simultaneously hedged by offsetting the interest rate swaps that the Bank executes with a third party, such that the Bank minimizes its net risk exposure. As of June 30, 2025, the Bank had interest rate swap assets with a notional amount of \$4.4 billion and interest rate swap liabilities with a notional amount of \$4.4 billion related to this program. As of December 31, 2024, the Bank had interest rate swap assets and interest rate swap liabilities, with notional amounts of \$4.3 billion and \$4.4 billion, respectively.

The Bank has collateral posting requirements for initial margins with its clearing houses and is required to post collateral against its obligations under these interest rate swaps of \$87.9 million and \$87.2 million as of June 30, 2025 and December 31, 2024, respectively.

The Bank's clearable interest rate swap derivatives are cleared through the Chicago Mercantile Exchange and London Clearing House. These clearing houses characterize the variation margin payments, for certain interest rate swap derivative contracts that are referred to as settled-to-market, as settlements of the derivative's mark-to-market exposure and not collateral. The Company accounts for the variation margin as an adjustment to cash collateral, as well as a corresponding adjustment to the derivative asset and liability. As of June 30, 2025 and December 31, 2024, the variation margin netting adjustments for centrally cleared interest rate swaps consisted of derivative asset adjustments of \$114.2 million and \$173.9 million, respectively.

The Bank also has solely executed interest rate swaps indexed to Term SOFR, which are not clearable. These interest rate swaps are executed on a bilateral basis with a counterparty bank. There is no initial margin posted for bilateral swaps, but cash collateral equivalent to variation margin is exchanged to cover the mark-to-market exposure on a daily basis.

The Bank also executes foreign currency hedges as a service for customers. These foreign currency hedges are then offset with hedges with other third-party banks to limit the Bank's risk exposure.

The Bank's derivative assets are included in other assets on the Condensed Consolidated Balance Sheets, while the derivative liabilities are included in other liabilities on the Condensed Consolidated Balance Sheets. The following table summarizes the types of derivatives, separately by assets and liabilities, and the fair values of such derivatives as of the dates presented:

(in thousands) Derivatives not designated as hedging instrument	Asset Derivatives		Liability Derivatives	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Interest rate lock commitments	\$ 478	\$ 16	\$ 43	\$ 32
Interest rate futures	2,791	—	—	3,033
Interest rate forward sales commitments	26	695	597	74
Interest rate swaps	88,000	107,385	200,714	277,042
Foreign currency derivatives	494	542	403	438
Total derivative assets and liabilities	<u>\$ 91,789</u>	<u>\$ 108,638</u>	<u>\$ 201,757</u>	<u>\$ 280,619</u>

The gains and losses on the Company's mortgage banking derivatives are included in mortgage banking revenue. The gains and losses on the Company's interest rate swaps and foreign currency derivatives are included in other income. The following table summarizes the types of derivatives and the gains (losses) recorded for the periods indicated:

(in thousands) Derivatives not designated as hedging instrument	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Interest rate lock commitments	\$ 156	\$ (467)	\$ 450	\$ (314)
Interest rate futures	1,831	(1,611)	5,043	(5,882)
Interest rate forward sales commitments	(337)	467	(1,165)	513
Interest rate swaps	(1,330)	424	(2,824)	1,621
Foreign currency derivatives	159	196	413	238
Total derivative gains (losses)	<u>\$ 479</u>	<u>\$ (991)</u>	<u>\$ 1,917</u>	<u>\$ (3,824)</u>

The Company is party to interest rate swap contracts that are subject to enforceable master netting arrangements or similar agreements. Under these agreements, the Company may have the right to net settle multiple contracts with the same counterparty.

The following table shows the gross interest rate swaps in the Condensed Consolidated Balance Sheets and the respective collateral received or pledged in the form of cash or other financial instruments. The collateral amounts are limited to the outstanding balances of the related asset or liability. Therefore, instances of over collateralization are not shown.

(in thousands)	Gross Amounts of Recognized Assets/Liabilities	Gross Amounts Offset in the Condensed Consolidated Balance Sheets	Net Amounts of Assets/Liabilities presented in the Condensed Consolidated Balance Sheets	Gross Amounts Not Offset in the Condensed Consolidated Balance Sheets		
				Financial Instruments	Collateral Received/Posted	Net Amount
June 30, 2025						
Derivative Assets						
Interest rate swaps	\$ 88,000	\$ —	\$ 88,000	\$ 7,031	\$ 46,440	\$ 34,529
Derivative Liabilities						
Interest rate swaps	\$ 200,714	\$ —	\$ 200,714	\$ 7,031	\$ 3,810	\$ 189,873
December 31, 2024						
Derivative Assets						
Interest rate swaps	\$ 107,385	\$ —	\$ 107,385	\$ 6,516	\$ 96,909	\$ 3,960
Derivative Liabilities						
Interest rate swaps	\$ 277,042	\$ —	\$ 277,042	\$ 6,516	\$ —	\$ 270,526

Note 9 – Earnings Per Common Share

The following is a computation of basic and diluted earnings per common share for the periods indicated:

(in thousands, except per share data)	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Net income	\$ 152,423	\$ 120,144	\$ 239,032	\$ 244,224
Weighted average number of common shares outstanding - basic	209,125	208,498	208,964	208,379
Effect of potentially dilutive common shares ⁽¹⁾	850	513	1,001	620
Weighted average number of common shares outstanding - diluted	209,975	209,011	209,965	208,999
Earnings per common share:				
Basic	\$ 0.73	\$ 0.58	\$ 1.14	\$ 1.17
Diluted	\$ 0.73	\$ 0.57	\$ 1.14	\$ 1.17

(1) Represents the effect of the assumed vesting of non-participating restricted shares based on the treasury stock method.

The following table represents the weighted average outstanding restricted stock awards and units that were not included in the computation of diluted earnings per share because their effect would be anti-dilutive for the periods indicated:

(in thousands)	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Restricted stock awards and units	796	571	584	588

Note 10 – Fair Value Measurement

The following table presents estimated fair values of the Company's financial instruments as of the dates presented, whether or not recognized or recorded at fair value on a recurring basis in the Condensed Consolidated Balance Sheets:

(in thousands)	Level	June 30, 2025		December 31, 2024	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:					
Cash and cash equivalents	1	\$ 1,942,170	\$ 1,942,170	\$ 1,878,255	\$ 1,878,255
Equity and other investment securities	1,2	92,958	92,958	78,133	78,133
Investment securities available for sale	1,2	8,653,172	8,653,172	8,274,615	8,274,615
Investment securities held to maturity	3	2,013	2,585	2,101	2,703
Loans held for sale	2	65,590	65,590	71,535	71,535
Loans and leases, net ⁽¹⁾	2,3	37,216,106	36,059,937	37,256,272	35,689,803
Restricted equity securities	1	161,380	161,380	150,024	150,024
Residential mortgage servicing rights	3	102,863	102,863	108,358	108,358
Bank-owned life insurance	1	704,919	704,919	693,839	693,839
Derivatives	2,3	91,789	91,789	108,638	108,638
Financial liabilities:					
Demand, money market, and savings deposits	1	\$ 35,524,096	\$ 35,524,096	\$ 35,618,693	\$ 35,618,693
Time deposits	2	6,218,561	6,203,196	6,102,039	6,088,430
Securities sold under agreements to repurchase	2	191,435	191,435	236,627	236,627
Borrowings	2	3,350,000	3,350,086	3,100,000	3,101,866
Junior subordinated debentures, at fair value	3	323,015	323,015	330,895	330,895
Junior and other subordinated debentures, at amortized cost	3	107,554	103,773	107,668	104,216
Derivatives	2,3	201,757	201,757	280,619	280,619

⁽¹⁾ Loans and leases, net are classified as level 3, with the exception of loans originated as held for sale and transferred into loans held for investment of \$177.9 million and \$168.8 million as of June 30, 2025 and December 31, 2024, respectively, which are classified as level 2.

Fair Value of Assets and Liabilities Measured on a Recurring Basis

The following tables present information about the Company's assets and liabilities measured at fair value on a recurring basis as of the periods presented:

Description	June 30, 2025			
	Total	Level 1	Level 2	Level 3
Financial assets:				
Equity and other investment securities				
Investments in mutual funds and other securities	\$ 75,309	\$ 56,850	\$ 18,459	\$ —
Equity securities held in rabbi trusts	17,649	17,649	—	—
Investment securities available for sale				
U.S. Treasury and agencies	1,347,060	231,715	1,115,345	—
Obligations of states and political subdivisions	1,014,883	—	1,014,883	—
Mortgage-backed securities and collateralized mortgage obligations	6,291,229	—	6,291,229	—
Loans held for sale, at fair value	65,590	—	65,590	—
Loans and leases, at fair value	177,949	—	177,949	—
Residential mortgage servicing rights, at fair value	102,863	—	—	102,863
Derivatives				
Interest rate lock commitments	478	—	—	478
Interest rate futures	2,791	—	2,791	—
Interest rate forward sales commitments	26	—	26	—
Interest rate swaps	88,000	—	88,000	—
Foreign currency derivatives	494	—	494	—
Total assets measured at fair value	<u>\$ 9,184,321</u>	<u>\$ 306,214</u>	<u>\$ 8,774,766</u>	<u>\$ 103,341</u>
Financial liabilities:				
Junior subordinated debentures, at fair value				
	\$ 323,015	\$ —	\$ —	\$ 323,015
Derivatives				
Interest rate lock commitments	43	—	—	43
Interest rate forward sales commitments	597	—	597	—
Interest rate swaps	200,714	—	200,714	—
Foreign currency derivatives	403	—	403	—
Total liabilities measured at fair value	<u>\$ 524,772</u>	<u>\$ —</u>	<u>\$ 201,714</u>	<u>\$ 323,058</u>

(in thousands)	December 31, 2024			
Description	Total	Level 1	Level 2	Level 3
Financial assets:				
Equity and other investment securities				
Investments in mutual funds and other securities	\$ 62,276	\$ 43,817	\$ 18,459	\$ —
Equity securities held in rabbi trusts	15,857	15,857	—	—
Investment securities available for sale				
U.S. Treasury and agencies	1,422,787	321,297	1,101,490	—
Obligations of states and political subdivisions	1,026,053	—	1,026,053	—
Mortgage-backed securities and collateralized mortgage obligations	5,825,775	—	5,825,775	—
Loans held for sale, at fair value	71,535	—	71,535	—
Loans and leases, at fair value	168,809	—	168,809	—
Residential mortgage servicing rights, at fair value	108,358	—	—	108,358
Derivatives				
Interest rate lock commitments	16	—	—	16
Interest rate forward sales commitments	695	—	695	—
Interest rate swaps	107,385	—	107,385	—
Foreign currency derivatives	542	—	542	—
Total assets measured at fair value	<u>\$ 8,810,088</u>	<u>\$ 380,971</u>	<u>\$ 8,320,743</u>	<u>\$ 108,374</u>
Financial liabilities:				
Junior subordinated debentures, at fair value				
	\$ 330,895	\$ —	\$ —	\$ 330,895
Derivatives				
Interest rate lock commitments	32	—	—	32
Interest rate futures	3,033	—	3,033	—
Interest rate forward sales commitments	74	—	74	—
Interest rate swaps	277,042	—	277,042	—
Foreign currency derivatives	438	—	438	—
Total liabilities measured at fair value	<u>\$ 611,514</u>	<u>\$ —</u>	<u>\$ 280,587</u>	<u>\$ 330,927</u>

The following methods were used to estimate the fair value of each class of financial instrument that is carried at fair value in the tables above:

Securities— Fair values for investment securities are based on quoted market prices when available or through the use of alternative approaches, such as matrix or model pricing, or broker indicative bids, when market quotes are not readily accessible or available. Management periodically reviews the pricing information received from the third-party pricing service and compares it to a secondary pricing service, evaluating significant price variances between services to determine an appropriate estimate of fair value to report.

Loans Held for Sale— Fair value for residential mortgage loans originated as held for sale is determined based on quoted secondary market prices for similar loans, including the implicit fair value of embedded servicing rights. For loans not originated as held for sale, these loans are accounted for at lower of cost or market, with the fair value estimated based on the expected sales price.

Loans and leases— Fair values are estimated for portfolios of loans with similar financial characteristics. Loans are segregated by type, including commercial, real estate, and consumer loans. Each loan category is further segregated by fixed and adjustable-rate loans. The fair value of loans is calculated by discounting expected cash flows at rates at which similar loans are currently being made. This model is periodically validated by an independent model validation group. These amounts are discounted further by embedded probable losses expected to be realized in the portfolio. For loans originated as held for sale and transferred into loans held for investment, the fair value is determined based on quoted secondary market prices for similar loans.

Residential Mortgage Servicing Rights—The fair value of MSR is estimated using a DCF model. Assumptions used include market discount rates, anticipated prepayment speeds, delinquency and foreclosure rates, and ancillary fee income net of servicing costs. This model is periodically validated by an independent model validation group. The model assumptions and the MSR fair value estimates are also compared to observable trades of similar portfolios as well as to MSR broker valuations and industry surveys, as available. Management believes the significant inputs utilized are indicative of those that would be used by market participants. The amount of contractually specified servicing fees, late fees, and ancillary fees earned, which is recorded in residential mortgage banking revenue, was \$5.8 million and \$11.7 million for the three and six months ended June 30, 2025, respectively, as compared to \$6.0 million and \$12.0 million for the three and six months ended June 30, 2024, respectively.

Junior Subordinated Debentures—The fair value of junior subordinated debentures is estimated using an income approach valuation technique. The significant unobservable input utilized in the estimation of fair value of these instruments is the credit risk adjusted spread. The credit risk adjusted spread represents the non-performance risk of the liability, contemplating the inherent risk of the obligation. The Company periodically utilizes a valuation firm to determine or validate the reasonableness of inputs and factors that are used to determine the fair value. The ending carrying (fair) value of the junior subordinated debentures measured at fair value represents the estimated amount that would be paid to transfer these liabilities in an orderly transaction among market participants. Due to credit concerns in the capital markets and inactivity in the trust preferred markets that have limited the observability of market spreads, the Company has classified this as a Level 3 fair value measurement.

Derivative Instruments—The fair value of the interest rate lock commitments, interest rate futures, and forward sales commitments are estimated using quoted or published market prices for similar instruments, adjusted for factors such as pull-through rate assumptions based on historical information, where appropriate. The pull-through rate assumptions are considered Level 3 valuation inputs and are significant to the interest rate lock commitment valuation; as such, the interest rate lock commitment derivatives are classified as Level 3. The fair value of the interest rate swaps is determined using a DCF technique incorporating credit valuation adjustments to reflect non-performance risk in the measurement of fair value. Although the Bank has determined that the majority of the inputs used to value its interest rate swap derivatives fall within Level 2 of the fair value hierarchy, the CVA associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. However, as of June 30, 2025, the Bank has assessed the significance of the impact of the CVA on the overall valuation of its interest rate swap positions and has determined that the CVA are not significant to the overall valuation of its interest rate swap derivatives. As a result, the Bank has classified its interest rate swap and futures derivative valuations in Level 2 of the fair value hierarchy.

Assets and Liabilities Measured at Fair Value Using Significant Unobservable Inputs (Level 3)

The following table provides a description of the valuation technique, significant unobservable inputs, and qualitative information about the unobservable inputs for the Company's assets and liabilities classified as Level 3 and measured at fair value on a recurring basis as of the dates presented:

Financial Instrument	Fair Value (in thousands)	Valuation Technique	Unobservable Input	Range of Inputs	Weighted Average
June 30, 2025					
Assets:					
Residential mortgage servicing rights	\$ 102,863	Discounted cash flow	Constant prepayment rate	5.77% - 31.60%	7.40%
			Discount rate	9.50% - 16.23%	10.20%
Interest rate lock commitments, net	\$ 435	Internal pricing model	Pull-through rate	66.95% - 100.00%	86.16%
Liabilities:					
Junior subordinated debentures	\$ 323,015	Discounted cash flow	Credit spread	2.18% - 4.52%	3.40%

Financial Instrument	Fair Value (in thousands)	Valuation Technique	Unobservable Input	Range of Inputs	Weighted Average
December 31, 2024					
Assets:					
Residential mortgage servicing rights	\$ 108,358	Discounted cash flow	Constant prepayment rate	5.77% - 60.85%	6.92%
			Discount rate	9.50% - 16.16%	10.23%
Liabilities:					
Interest rate lock commitments, net	\$ 16	Internal pricing model	Pull-through rate	71.00% - 100.00%	87.54%
Junior subordinated debentures	\$ 330,895	Discounted cash flow	Credit spread	1.46% - 4.15%	3.06%

Generally, increases in the constant prepayment rate or the discount rate utilized in the fair value measurement of the residential mortgage servicing rights will result in a decrease in fair value. Conversely, decreases in the constant prepayment rate or the discount rate will result in an increase in fair value.

An increase in the pull-through rate utilized in the fair value measurement of the interest rate lock commitment derivative will result in an increase in the fair value measurement. Conversely, a decrease in the pull-through rate will result in a decrease in the fair value measurement.

Management believes that the credit risk adjusted spread utilized in the fair value measurement of the junior subordinated debentures carried at fair value is indicative of the non-performance risk premium a willing market participant would require under current market conditions, which is an inactive market. Generally, an increase in the credit spread will result in a decrease in the estimated fair value. Conversely, a decrease in the credit spread will result in an increase in the estimated fair value.

[Table of Contents](#)

The following table provides a reconciliation of assets and liabilities measured at fair value using significant unobservable inputs (Level 3) on a recurring basis for the periods indicated:

(in thousands)	Three Months Ended June 30, 2025			Three Months Ended June 30, 2024		
	Residential mortgage servicing rights	Interest rate lock commitments, net	Junior subordinated debentures, at fair value	Residential mortgage servicing rights	Interest rate lock commitments, net	Junior subordinated debentures, at fair value
Beginning balance	\$ 105,663	\$ 278	\$ (320,774)	\$ 110,444	\$ 16	\$ (309,544)
Change included in earnings	(4,877)	30	(6,572)	(1,945)	(70)	(7,548)
Change in fair values included in comprehensive income/loss	—	—	(1,878)	—	—	(384)
Purchases and issuances	2,077	881	—	1,540	(1,238)	—
Sales and settlements	—	(754)	6,209	—	840	7,289
Ending balance	\$ 102,863	\$ 435	\$ (323,015)	\$ 110,039	\$ (452)	\$ (310,187)
Change in unrealized gains or losses for the period included in earnings for assets and liabilities held at end of period	\$ (1,764)	\$ 435	\$ (6,572)	\$ 1,238	\$ (452)	\$ (7,548)
Change in unrealized gains or losses for the period included in other comprehensive income for assets and liabilities held at end of period	\$ —	\$ —	\$ (1,878)	\$ —	\$ —	\$ (384)

(in thousands)	Six Months Ended June 30, 2025			Six Months Ended June 30, 2024		
	Residential mortgage servicing rights	Interest rate lock commitments, net	Junior subordinated debentures, at fair value	Residential mortgage servicing rights	Interest rate lock commitments, net	Junior subordinated debentures, at fair value
Beginning balance	\$ 108,358	\$ (16)	\$ (330,895)	\$ 109,243	\$ (137)	\$ (316,440)
Change included in earnings	(9,001)	70	(13,127)	(1,981)	(86)	(15,131)
Change in fair values included in comprehensive income/loss	—	—	7,673	—	—	6,069
Purchases and issuances	3,506	1,694	—	2,777	(1,191)	—
Sales and settlements	—	(1,313)	13,334	—	962	15,315
Ending balance	\$ 102,863	\$ 435	\$ (323,015)	\$ 110,039	\$ (452)	\$ (310,187)
Change in unrealized gains or losses for the period included in earnings for assets held at end of period	\$ (2,747)	\$ 435	\$ (13,127)	\$ 4,355	\$ (452)	\$ (15,131)
Change in unrealized gains or losses for the period included in other comprehensive income for assets held at end of period	\$ —	\$ —	\$ 7,673	\$ —	\$ —	\$ 6,069

Changes in residential mortgage servicing rights carried at fair value are recorded in residential mortgage banking revenue within non-interest income. Gains (losses) on interest rate lock commitments carried at fair value are recorded in residential mortgage banking revenue within non-interest income.

The contractual interest expense on the junior subordinated debentures is recorded on an accrual basis as interest on junior subordinated debentures within interest expense. Settlements related to the junior subordinated debentures represent the payment of accrued interest that is embedded in the fair value of these liabilities. The change in fair value of junior subordinated debentures is attributable to the change in the instrument specific credit risk; accordingly, the unrealized losses of \$1.9 million and unrealized gains of \$7.7 million for the three and six months ended June 30, 2025 were recorded net of tax as other comprehensive losses of \$1.4 million and gains of \$5.7 million, respectively. Comparatively, unrealized losses of \$384,000 and unrealized gains of \$6.1 million were recorded net of tax as other comprehensive losses of \$284,000 and gains of \$4.5 million for the three and six months ended June 30, 2024, respectively. The change recorded for the three months ended June 30, 2025 was mainly due to changes in swap rates and decreases in credit spreads. The change recorded for the six months ended June 30, 2025 was driven by increases in credit spreads and changes in swap rates.

Fair Value of Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

From time to time, certain assets are measured at fair value on a nonrecurring basis. These adjustments to fair value generally result from the application of lower-of-cost-or-market accounting or write-downs of individual assets due to impairment, typically on collateral-dependent loans. The following tables present information about the Company's assets and liabilities measured at fair value on a nonrecurring basis for which a nonrecurring change in fair value was recorded during the reporting period. The amounts disclosed below represent the fair values at the time the nonrecurring fair value measurements were made, and not necessarily the fair value as of the dates reported upon.

(in thousands)	June 30, 2025			
	Total	Level 1	Level 2	Level 3
Loans and leases	\$ 22,854	\$ —	\$ —	\$ 22,854

(in thousands)	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Loans and leases	\$ 28,177	\$ —	\$ —	\$ 28,177

The following table presents the losses resulting from nonrecurring fair value adjustments for the periods indicated:

(in thousands)	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Loans and leases	\$ 25,857	\$ 30,704	\$ 54,539	\$ 58,878

The following provides a description of the valuation technique and inputs for the Company's assets and liabilities classified as Level 3 and measured at fair value on a nonrecurring basis. Unobservable inputs and qualitative information about the unobservable inputs are not presented as the fair value is determined by third-party information for loans and leases.

The loans and leases amounts above represent collateral-dependent loans and leases that have been adjusted to fair value. When a loan or non-homogeneous lease is identified as collateral-dependent, the Bank measures the impairment using the current fair value of the collateral, less estimated selling costs. Depending on the characteristics of a loan or lease, the fair value of collateral is generally estimated by obtaining external appraisals, but in some cases the value of the collateral may be estimated as having little to no value. When a homogeneous lease or equipment finance agreement becomes 181 days past due, it is determined that the collateral has little to no value. If it is determined that the value of the collateral-dependent loan or lease is less than its recorded investment, the Bank recognizes this impairment and adjusts the carrying value of the loan or lease to fair value, less costs to sell, through the ACL. The loss represents charge-offs on collateral-dependent loans and leases for fair value adjustments based on the fair value of collateral.

Fair Value Option

The following table presents the difference between the aggregate fair value and the aggregate unpaid principal balance of loans held for sale and loans held for investment accounted for under the fair value option as of the dates presented:

(in thousands)	June 30, 2025			December 31, 2024		
	Fair Value	Aggregate Unpaid Principal Balance	Fair Value Less Aggregate Unpaid Principal Balance	Fair Value	Aggregate Unpaid Principal Balance	Fair Value Less Aggregate Unpaid Principal Balance
Loans held for sale	\$ 52,977	\$ 51,255	\$ 1,722	\$ 71,535	\$ 70,430	\$ 1,105
Loans held for investment	\$ 177,949	\$ 204,422	\$ (26,473)	\$ 168,809	\$ 200,925	\$ (32,116)

The Bank elected to measure certain residential mortgage loans held for sale under the fair value option, with interest income on these loans held for sale reported in interest and fees on loans and leases on the Condensed Consolidated Statements of Income. This reduces certain timing differences and better matches changes in the value of these assets with changes in the value of derivatives used as economic hedges for these assets. Residential mortgage loans held for sale accounted for under the fair value option are measured initially at fair value with subsequent changes in fair value recognized in earnings. Gains and losses from such changes in fair value are reported as a component of residential mortgage banking revenue. For the three and six months ended June 30, 2025, the Company recorded a net decrease in fair value of \$272,000 and net increase in fair value of \$617,000, respectively. For the three and six months ended June 30, 2024, the Company recorded a net increase in fair value of \$127,000 and \$316,000, respectively.

Management's intent to sell certain residential mortgage loans classified as held for sale may change over time due to factors including changes in overall market liquidity or changes in characteristics specific to certain loans held for sale. Consequently, these loans may be reclassified as loans held for investment and maintained in the Bank's loan portfolio. In the event that loans currently classified as held for sale are reclassified as loans held for investment, the loans will continue to be measured at fair value. Gains and losses from changes in fair value for these loans are reported in earnings as a component of other income and interest income on these loans are reported in interest and fees on loans and leases on the Condensed Consolidated Statements of Income. For the three and six months ended June 30, 2025, the Company recorded a net increase in fair value of \$212,000 and \$7.2 million, respectively, as compared to a net decrease in fair value of \$10.1 million and \$12.5 million for the three and six months ended June 30, 2024, respectively.

The Company selected the fair value measurement option for certain junior subordinated debentures originally issued by UHC prior to the Umpqua Merger (the Umpqua Statutory Trusts) and for junior subordinated debentures acquired by UHC from Sterling Financial Corporation prior to the Umpqua Merger, with changes in fair value recognized as a component of other comprehensive income. The remaining junior subordinated debentures were acquired through business combinations and were measured at fair value at the time of acquisition and subsequently measured at amortized cost.

Note 11 – Income Taxes and Investment Tax Credits

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, as well as in the majority of states. The Company believes it is more likely than not that it will be able to fully realize the benefit of its federal and state NOL and tax carryforwards and has not provided a valuation allowance against its deferred tax assets.

As of June 30, 2025, the Company had a net deferred tax asset of \$299.0 million, which includes \$1.5 million of federal and state NOL carry-forwards, expiring in tax years 2030-2031.

The Company recorded income tax expense of \$88.3 million and \$85.9 million for the six months ended June 30, 2025 and 2024, respectively, representing effective tax rates of 27.0% and 26.0%, respectively. The effective tax rates differed from the statutory rate principally because of state taxes, non-deductible compensation, non-deductible FDIC assessments, and income on tax-exempt investment securities and loans. The change to the effective tax rate for the six months ended June 30, 2025, as compared to the corresponding period in the prior year, was primarily attributable to an increase in non-deductible compensation.

On July 4, 2025, the One Big Beautiful Bill Act was signed into law. The Company is evaluating the impact of the new law on its consolidated financial statements but does not believe it will have a material impact.

Investment Tax Credits

The Company is involved in various entities that are considered to be variable interest entities, which are primarily related to investments promoting affordable housing and trust preferred securities. The Company is not required to consolidate variable interest entities in which it has concluded it does not have a controlling financial interest, and thus not the primary beneficiary. In such cases, the Company does not have both the power to direct the entities' most significant activities and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the variable interest entity. The maximum exposure to loss in the LIHTC is the amount of equity invested and credit extended by the Company.

Affordable Housing Tax Credit Investments

The Company makes certain equity investments in various limited partnerships that sponsor affordable housing projects; the purpose of these investments is to achieve a satisfactory return on capital, to facilitate the sale of additional affordable housing product offerings, and to assist in achieving goals associated with the Community Reinvestment Act. The primary activities of the limited partnerships include the identification, development, and operation of multi-family housing that is leased to qualifying residential tenants.

The Company's investments in these entities generate a return primarily through the realization of federal income tax credits and other tax benefits, such as tax deductions from operating losses of the investments, over specified time periods. These tax credits and deductions are recognized as a reduction to income tax expense.

The Company records the investments in affordable housing partnerships of \$226.0 million and \$221.0 million as of June 30, 2025 and December 31, 2024, respectively, as a component of other assets on the Condensed Consolidated Balance Sheets and uses the proportional amortization method to account for the investments. The Company's unfunded capital commitments to these investments were \$94.7 million and \$95.3 million as of June 30, 2025 and December 31, 2024, respectively, which are recorded as a component of other liabilities on the Condensed Consolidated Balance Sheets. Amortization related to these investments is recorded as a component of the provision for income taxes on the Condensed Consolidated Statements of Income.

Note 12 – Segment Reporting

The Company has one operating and reportable segment based on the products and services offered, primarily banking operations as well as the operations, technology, and administrative functions of the Bank and Holding Company. The Company primarily derives revenue from banking operations by providing consumer and residential real estate loans, commercial lending products, deposit products, and treasury and wealth management services. The Company's primary market areas are in Oregon, Washington, California, Idaho, Nevada, Arizona, Colorado, and Utah and it manages the business activities on a consolidated basis. The accounting policies of the Bank are the same as those described in Note 1 - *Summary of Significant Accounting Policies* of the Notes to Condensed Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

The Company's CODM is the Chief Executive Officer. The CODM assesses performance and decides how to allocate resources based on consolidated net income that is reported on the Condensed Consolidated Statements of Income. The measure of segment assets is total consolidated assets which is reported on the Condensed Consolidated Balance Sheets.

The CODM uses consolidated net income to evaluate income generated from segment assets in making decisions about the allocation of operating and capital resources. Net income is used to monitor budget versus actual results. The CODM also uses consolidated net income in competitive analysis by benchmarking to the Company's competitors. The competitive analysis along with the monitoring of budgeted versus actual results are used in assessing performance of the segment and in establishing management's compensation.

The CODM is regularly provided with significant segment expense information at a level consistent with that disclosed in the Company's Condensed Consolidated Statements of Income.

Note 13 – Subsequent Event

On April 23, 2025, Columbia announced that it entered into the Merger Agreement with Pacific Premier, pursuant to which Columbia will acquire Pacific Premier in an all-stock transaction, with Pacific Premier stockholders receiving 0.9150 of a share of Columbia common stock for each share of Pacific Premier common stock held. Upon completion of the acquisition, Pacific Premier stockholders are expected to own approximately 30% of the combined company.

On July 21, 2025, Columbia's shareholders and Pacific Premier's stockholders approved the acquisition at their respective special meetings. On August 6, 2025, Columbia and Pacific Premier jointly announced the receipt of all required regulatory approvals for the acquisition, including those from the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Oregon Department of Consumer and Business Services, Division of Financial Regulation. The acquisition is expected to close on or around August 31, 2025, subject to the satisfaction or waiver of the remaining customary closing conditions outlined in the Merger Agreement.

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

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains certain 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, which are intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. These statements may include statements that expressly or implicitly predict future results, performance, or events. Statements other than statements of historical fact are forward-looking statements. You can find many of these statements by looking for words such as "anticipates," "expects," "believes," "estimates," "intends," and "forecast," and words or phrases of similar meaning.

We make forward-looking statements including, but not limited to, statements about derivatives and hedging; the results and performance of models and economic assumptions used in our calculation of the ACL; projected sources of funds and the Company's liquidity position and deposit level and types; our securities portfolio; loan sales; adequacy of our ACL, including the RUC; provision for credit losses; non-performing loans and future losses; our CRE portfolio, its collectability and subsequent charge-offs; resolution of non-accrual loans; mortgage volumes and the impact of rate changes; the economic environment; inflation and interest rates generally; litigation; dividends; junior subordinated debentures; fair values of certain assets and liabilities, including MSR values and sensitivity analyses; tax rates; deposit pricing; and the effect of accounting pronouncements and changes in accounting methodology.

Forward-looking statements involve substantial risks and uncertainties, many of which are difficult to predict and are generally beyond our control. There are many factors that could cause actual results to differ materially from those contemplated by these forward-looking statements. Risks and uncertainties include those set forth in our filings with the Securities and Exchange Commission and the following factors that, among others, could cause actual results to differ materially from the anticipated results expressed or implied by forward-looking statements:

- changes in general economic, political, or industry conditions, and in conditions impacting the banking industry specifically;
- deterioration in economic conditions that could result in increased loan and lease losses, especially those risks associated with concentrations in real estate related loans;
- uncertainty in U.S. fiscal and monetary policy, including the interest rate policies of the Federal Reserve or the effects of any declines in housing and CRE prices, high or increasing unemployment rates, continued or renewed inflation, or any recession or slowdown in economic growth particularly in the western United States;
- volatility and disruptions in global capital and credit markets;
- risks related to the proposed Merger with Pacific Premier including, among others, (i) failure to complete the Merger or unexpected delays related to the Merger or either party's inability to satisfy the remaining customary closing conditions required to complete the Merger outlined in the Merger Agreement, (ii) certain restrictions during the pendency of the Merger that may impact the parties' ability to pursue certain business opportunities or strategic transactions, (iii) diversion of management's attention from ongoing business operations and opportunities, (iv) cost savings and any revenue or expense synergies from the Merger may not be fully realized or may take longer than anticipated to be realized, (v) deposit attrition, customer or employee loss, and/or revenue loss as a result of the announcement of the Merger, (vi) expenses related to the Merger being greater than expected, and (vii) shareholder litigation that could prevent or delay the closing of the Merger or otherwise negatively impact the Company's business and operations;
- the impact of proposed or imposed tariffs by the U.S. government and retaliatory tariffs proposed or imposed by U.S. trading partners that could have an adverse impact on customers;
- the impact of bank failures or adverse developments at other banks on general investor sentiment regarding the stability and liquidity of banks;
- changes in interest rates that could significantly reduce net interest income and negatively affect asset yields and valuations and funding sources, including impacts on prepayment speeds;
- competitive pressures among financial institutions and nontraditional providers of financial services, including on product pricing and services;
- continued consolidation in the financial services industry resulting in the creation of larger financial institutions that have greater resources;
- our ability to successfully, including on time and on budget, implement and sustain information technology product and system enhancements and operational initiatives;

- our ability to attract new deposits and loans and leases;
- our ability to retain deposits;
- our ability to achieve the efficiencies and enhanced financial and operating performance we expect to realize from investments in personnel, acquisitions, and infrastructure;
- the possibility that our recorded goodwill could become impaired, which may have an adverse impact on our earnings and capital;
- demand for financial services in our market areas;
- stability, cost, and continued availability of borrowings and other funding sources, such as brokered and public deposits;
- changes in legal or regulatory requirements or the results of regulatory examinations that could increase expenses or restrict growth;
- changes in the scope and cost of FDIC insurance and other coverage;
- our ability to manage climate change concerns, related regulations, and potential impacts on the creditworthiness of our customers;
- our ability to recruit and retain key management and staff;
- our ability to raise capital or incur debt on reasonable terms;
- regulatory limits on the Bank's ability to pay dividends to the Company that could impact the timing and amount of dividends to shareholders;
- financial services reform and the impact of legislation and implementing regulations on our business operations, including our compliance costs, interest expense, and revenue;
- a breach or failure of our operational or security systems, or those of our third-party vendors, including as a result of cyber-attacks;
- success, impact, and timing of our business strategies, including market acceptance of any new products or services;
- the outcome of legal proceedings;
- our ability to effectively manage credit risk, interest rate risk, market risk, operational risk, legal risk, liquidity risk and regulatory and compliance risk;
- the possibility that the anticipated benefits from ongoing initiatives to improve operational performance are not realized in the amounts or when expected if at all;
- economic forecast variables that are either materially worse or better than end of quarter projections and deterioration in the economy that exceeds current consensus estimates;
- the effect of geopolitical instability, including wars, conflicts, and terrorist attacks;
- natural disasters, including earthquakes, tsunamis, flooding, fires, pandemics, and other similarly unexpected events outside of our control;
- our ability to effectively manage problem credits;
- our ability to successfully negotiate with landlords or reconfigure facilities; and
- the effects of any damage to our reputation resulting from developments related to any of the items identified above.

There are many factors that could cause actual results to differ materially from those contemplated by these forward-looking statements. Forward-looking statements are made as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under federal securities laws. Readers should consider any forward-looking statements in light of this explanation, and we caution readers about relying on forward-looking statements.

General

Columbia Banking System, Inc. (referred to in this Quarterly Report on Form 10-Q as "we," "our," "the Company" and "Columbia") is a registered financial holding company, which wholly owns the Bank. In order to align with the name of the holding company and the variety of brands already operated by the Bank today under the Columbia name, Columbia renamed the Bank to "Columbia Bank" effective July 1, 2025, and the Bank will begin doing business under the Columbia Bank name and branding beginning on September 1, 2025. Through the Bank, we provide a broad range of banking, private banking, mortgage and other financial services to corporate, institutional, small business, and individual customers. FinPac, a commercial equipment leasing company, is a subsidiary of the Bank. Along with its subsidiaries, the Company is subject to the regulations of state and federal agencies and undergoes regular examinations by these regulatory agencies.

The majority of the Bank's loans and deposits are within its service areas in Oregon, Washington, California, Idaho, Nevada, Arizona, Colorado, and Utah. The Bank is an Oregon state-chartered commercial bank, the deposits of which are insured in whole or in part by the FDIC.

Executive Overview

Pending Acquisition

- On April 23, 2025, we announced that we and Pacific Premier, the parent company of Pacific Premier Bank, National Association, entered into the Merger Agreement, pursuant to which Columbia will acquire Pacific Premier in an all-stock transaction. Pursuant to the terms of the Merger Agreement, Pacific Premier stockholders will receive 0.9150 of a share of Columbia common stock for each Pacific Premier share they own. Columbia's shareholders and Pacific Premier's stockholders approved the acquisition at their respective special meetings, which were held on July 21, 2025. The acquisition is expected to close as soon as August 31, 2025, pending satisfaction of the remaining customary closing conditions. Integration efforts are progressing as planned, driven by the comprehensive preparation of cross-company teams, which are led by Columbia's Integration Management Office, positioning us for a smooth and timely closing once the remaining customary closing conditions are satisfied. The acquisition is a natural and strategic fit that supports our Business Bank of Choice operating strategy. Pacific Premier's footprint accelerates and strengthens Columbia's competitive position in Southern California, and it brings new products and services that enhance our offerings and elevate our ability to provide needs-based solutions for our existing and prospective customers.

The following is a discussion of our results for the three and six months ended June 30, 2025, as compared to the applicable prior periods.

Financial Performance

Comparison of current quarter to prior quarter

- Earnings per diluted common share was \$0.73 for the three months ended June 30, 2025, as compared to \$0.41 for the three months ended March 31, 2025. The increase for the three months ended June 30, 2025, as compared to the prior period, was primarily driven by a decrease in non-interest expense, as the prior period included a \$55.0 million accrual for a legal settlement and \$14.6 million in severance expense not repeated in the current quarter. Higher net interest income also contributed to the increase in earnings per diluted common share between periods.
- Net interest margin, on a tax-equivalent basis, was 3.75% for the three months ended June 30, 2025, as compared to 3.60% for the three months ended March 31, 2025, due primarily to higher earning asset yields. Net interest income was \$446.4 million for the three months ended June 30, 2025, an increase of \$21.5 million compared to the three months ended March 31, 2025. The increase reflects higher interest income earned on loans and investment securities and relatively stable funding costs.
- Non-interest income was \$64.5 million for the three months ended June 30, 2025, as compared to \$66.4 million for the three months ended March 31, 2025. The decrease was driven by changes in fair value adjustments, which include adjustments in fair value for certain loans held for investment and MSR hedging activity due to rate changes, which collectively resulted in a net fair value loss of \$640,000 in the three months ended June 30, 2025, compared to a net fair value gain of \$9.5 million in the prior period. The change between periods was partially offset by higher core fee-generating businesses, including card-based fee income, swap-related income, and financial services and trust revenue.
- Non-interest expense was \$278.0 million for the three months ended June 30, 2025, down \$62.1 million as compared to the three months ended March 31, 2025, which included a \$55.0 million accrual for a legal settlement and \$14.6 million in severance expense recorded in merger and restructuring expense that was not repeated in the current quarter.

Comparison of current year-to-date to prior year period

- Earnings per diluted common share was \$1.14 for the six months ended June 30, 2025, as compared to \$1.17 for the six months ended June 30, 2024. The decrease for the six months ended June 30, 2025, as compared to the prior year period, was primarily driven by an increase in non-interest expense, due to the litigation accrual and severance, as noted above. Higher non-interest income and net interest income partially offset the increase in non-interest expense.
- Net interest margin, on a tax-equivalent basis, was 3.67% for the six months ended June 30, 2025, as compared to 3.54% for the six months ended June 30, 2024. The increase for the six months ended June 30, 2025 compared to the prior year period was due to lower funding costs, which were partially offset by lower earning asset yields due to fluctuating interest rates and product repricing between the periods. A favorable balance sheet mix shift to lower-cost customer deposits from higher-cost wholesale funding sources between periods contributed positively to net interest margin. Net interest income increased \$20.6 million for the six months ended June 30, 2025, compared to the six months ended June 30, 2024, due to the same factors that impacted net interest margin, partially offset by slight contraction in the balance of average interest-earning assets between periods.
- Non-interest income was \$130.8 million for the six months ended June 30, 2025, as compared to \$95.1 million for the six months ended June 30, 2024. The increase was mainly due to fluctuations in fair value adjustments for certain loans held for sale and MSR hedging activity, which collectively resulted in a favorable change due to a net fair value gain of \$8.8 million for the six months ended June 30, 2025, compared to a net fair value loss of \$13.6 million for the six months ended June 30, 2024.
- Non-interest expense was \$618.1 million for the six months ended June 30, 2025, as compared to \$566.8 million for the six months ended June 30, 2024. The increase for the six months ended June 30, 2025 is mainly related to a \$55.0 million accrual for a legal settlement and \$14.6 million in severance expense recorded in merger and restructuring expense recorded in the first quarter. This increase was partially offset by lower FDIC assessment fees and intangible amortization during the period.

Comparison of current period end to prior year end

- Total loans and leases were \$37.6 billion as of June 30, 2025, a decrease of \$43.9 million, as compared to December 31, 2024. The decrease in total loans and leases was primarily in residential and commercial loan balances, partially offset by an increase in CRE balances. The contraction was driven by loan payoffs and slower origination volume, partially offset by draws in CRE construction loans and growth in owner-occupied term CRE balances.
- Total deposits were \$41.7 billion as of June 30, 2025, an increase of \$21.9 million, as compared to December 31, 2024. The increase was due to our recent small business and retail deposits campaign, as well as an increase in brokered deposits, partially offset by a decrease in customer deposits, due in part to seasonally anticipated customer tax payments and owner distributions. Customers also continue to use their own cash to make investments in their businesses or pay down debt.
- Total consolidated assets were \$51.9 billion as of June 30, 2025, compared to \$51.6 billion as of December 31, 2024.

Credit Quality

- Non-performing assets increased to \$180.3 million, or 0.35% of total assets, as of June 30, 2025, compared to \$169.6 million, or 0.33% of total assets, as of December 31, 2024. Non-performing loans and leases were \$177.4 million, or 0.47% of total loans and leases, as of June 30, 2025, compared to \$166.9 million, or 0.44% of total loans and leases, as of December 31, 2024. As of June 30, 2025, non-performing loans included \$67.8 million in government guarantees.
- The ACL was \$439.0 million as of June 30, 2025, a decrease of \$1.8 million compared to December 31, 2024. The decrease in the ACL reflects credit migration trends, changes in the economic assumptions used in credit models and decreases in loan portfolio balances during the period.

- The Company had a provision for credit losses of \$29.4 million and \$56.9 million for the three and six months ended June 30, 2025. This compares to a provision for credit losses of \$27.4 million for the three months ended March 31, 2025 and \$49.0 million for the six months ended June 30, 2024. The increase for the three and six months ended June 30, 2025 compared to the prior periods was mainly due to credit migration trends, charge-off activity, and changes in the economic forecasts used in credit models.

Liquidity

- Total cash and cash equivalents were \$1.9 billion as of June 30, 2025, an increase of \$63.9 million from December 31, 2024. The Company manages its cash position as part of management's strategy to maintain a high-quality liquid asset position to support balance sheet flexibility, fund growth in lending and investment portfolios, and deleverage the balance sheet by decreasing debt and non-deposit liabilities as economic conditions permit.
- Including secured off-balance sheet lines of credit, total available liquidity was \$18.6 billion as of June 30, 2025, representing 36% of total assets, 44% of total deposits, and 132% of estimated uninsured deposits.

Capital

- The Company's total risk-based capital ratio was 13.0% and its common equity tier 1 ("CET1") capital ratio was 10.8% as of June 30, 2025. As of December 31, 2024, the Company's total risk-based capital ratio was 12.8% and its CET1 capital ratio was 10.5%.
- Columbia paid a quarterly cash dividend of \$0.36 per common share to shareholders on June 16, 2025.

Critical Accounting Estimates

Our critical accounting estimates are described in detail in the Critical Accounting Estimates section of our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 25, 2025. The condensed consolidated financial statements are prepared in conformity with GAAP and follow general practices within the financial services industry, in which the Company operates. This preparation requires management to make estimates, assumptions, and judgments that affect the amounts reported in the financial statements and accompanying notes. These estimates, assumptions, and judgments are based on information available as of the date of the financial statements; accordingly, as this information changes, actual results could differ from the estimates, assumptions, and judgments reflected in the financial statements. Certain estimates inherently have a greater reliance on the use of assumptions and judgments and, as such, have a greater possibility of producing results that could be materially different than originally reported. Management believes that the estimates for ACL and goodwill are important to the portrayal of the Company's financial condition and results of operations and require difficult, subjective, or complex judgments. There have been no material changes in the methodology of these estimates during the six months ended June 30, 2025.

Results of Operations

Comparison of current quarter to prior quarter

The Company had net income of \$152.4 million for the three months ended June 30, 2025, compared to net income of \$86.6 million for the three months ended March 31, 2025. The increase in net income was mainly attributable to a decrease of \$62.1 million in non-interest expense, which related to a \$55.0 million accrual for a legal settlement and \$14.6 million in severance expense recorded in merger and restructuring expense in the first quarter of 2025 that was not repeated in the current quarter. There was also an increase of \$21.5 million in net interest income reflecting higher interest income earned on loans and investment securities and relatively stable funding costs as compared to the prior quarter.

Comparison of current year-to-date to prior year period

For the six months ended June 30, 2025, the Company had net income of \$239.0 million, compared to net income of \$244.2 million for the same period in the prior year. The decrease in net income was mainly attributable to an increase in non-interest expense, partially offset by increases in non-interest income and net interest income. The \$51.4 million increase in non-interest expense was primarily driven by a \$55.0 million accrual for a legal settlement and \$14.6 million in severance expense recorded in merger and restructuring expense, partially offset by decreases in FDIC assessment fees and intangible amortization. The increase of \$35.8 million in non-interest income was primarily driven by favorable fluctuations in fair value adjustments, which include adjustments in fair value for certain loans held for investment and MSR hedging activity. These adjustments resulted in a net fair value gain of \$8.8 million in the six months ended June 30, 2025, compared to a net fair value loss of \$13.6 million in the prior period, driven by changes in interest rates during the periods as well as growth in other core fee-generating businesses, including swap-related income, financial services and trust revenue, and treasury management fees. The increase of \$20.6 million in net interest income reflects lower funding costs, only partially offset by lower interest income in the period.

The following table presents the return on average assets (GAAP), average common shareholders' equity (GAAP), and average tangible common shareholders' equity (non-GAAP) for the periods indicated. For each period presented, the table includes the calculated ratios based on reported net income. To the extent return on average common shareholders' equity is used to compare our performance with other financial institutions that do not have merger and acquisition-related intangible assets, we believe it is beneficial to also consider the return on average tangible common shareholders' equity. This measure is useful for evaluating the performance of a business as it calculates the return available to common shareholders without the impact of intangible assets and their related amortization. Return on average tangible common shareholders' equity is also used as part of our incentive compensation program for our executive officers. The return on average tangible common shareholders' equity is calculated by dividing net income by average shareholders' common equity less average goodwill and other intangible assets, net (excluding MSR). The return on average tangible common shareholders' equity is considered a non-GAAP financial measure and should be viewed in conjunction with the return on average common shareholders' equity.

Return on Average Assets, Common Shareholders' Equity and Tangible Common Shareholders' Equity

(dollars in thousands)	Three Months Ended		Six Months Ended	
	June 30, 2025	March 31, 2025	June 30, 2025	June 30, 2024
Return on average assets	1.19 %	0.68 %	0.94 %	0.94 %
Return on average common shareholders' equity	11.56 %	6.73 %	9.18 %	9.93 %
Return on average tangible common shareholders' equity	16.03 %	9.45 %	12.80 %	14.69 %
Calculation of average common tangible shareholders' equity:				
Average common shareholders' equity	\$ 5,286,562	\$ 5,216,555	\$ 5,251,887	\$ 4,947,057
Less: average goodwill and other intangible assets, net	1,471,975	1,501,590	1,486,692	1,603,686
Average tangible common shareholders' equity	<u>\$ 3,814,587</u>	<u>\$ 3,714,965</u>	<u>\$ 3,765,195</u>	<u>\$ 3,343,371</u>

Additionally, management believes *tangible common equity* and the *tangible common equity ratio* are meaningful measures of capital adequacy. Columbia believes the exclusion of certain intangible assets in the computation of tangible common equity and the tangible common equity ratio provides a meaningful base for period-to-period and company-to-company comparisons, which management believes will assist investors in analyzing the operating results and capital of the Company. Tangible common equity is calculated as total shareholders' equity less goodwill and other intangible assets, net (excluding MSR). In addition, tangible assets are total assets less goodwill and other intangible assets, net (excluding MSR). The tangible common equity ratio is calculated as tangible common shareholders' equity divided by tangible assets. Tangible common equity and the tangible common equity ratio are considered non-GAAP financial measures and should be viewed in conjunction with total shareholders' equity and the total shareholders' equity ratio.

The following table provides a reconciliation of ending shareholders' equity (GAAP) to ending tangible common equity (non-GAAP), and ending assets (GAAP) to ending tangible assets (non-GAAP) as of the dates presented:

(dollars in thousands)	June 30, 2025	December 31, 2024
Total shareholders' equity	\$ 5,341,882	\$ 5,118,224
Less: Goodwill	1,029,234	1,029,234
Less: Other intangible assets, net	430,443	484,248
Tangible common shareholders' equity	<u>\$ 3,882,205</u>	<u>\$ 3,604,742</u>
Total assets	\$ 51,901,442	\$ 51,576,397
Less: Goodwill	1,029,234	1,029,234
Less: Other intangible assets, net	430,443	484,248
Tangible assets	<u>\$ 50,441,765</u>	<u>\$ 50,062,915</u>
Total shareholders' equity to total assets ratio	10.29 %	9.92 %
Tangible common equity to tangible assets ratio	7.70 %	7.20 %

Non-GAAP financial measures have inherent limitations, are not required to be uniformly applied, and are not reviewed or audited. Although we believe these non-GAAP financial measures are frequently used by stakeholders in the evaluation of a company, they have limitations as analytical tools, and should not be considered in isolation or as a substitute for analyses of results as reported under GAAP.

Net Interest Income

Comparison of current quarter to prior quarter

Net interest income for the three months ended June 30, 2025 was \$446.4 million, an increase of \$21.5 million compared to the three months ended March 31, 2025. The increase was driven by a \$23.4 million increase in interest income, mainly on loans and investment securities, and relatively stable funding costs.

The net interest margin (net interest income as a percentage of average interest-earning assets) on a fully tax-equivalent basis was 3.75% for the three months ended June 30, 2025, as compared to 3.60% for the three months ended March 31, 2025. Net interest margin benefited from an increase in the yield on taxable investment securities to 4.22% for the three months ended June 30, 2025, from 3.72% for the three months ended March 31, 2025. The increase is due to higher prepayment speeds and the purchase of higher-yielding investment securities during the quarter. The average yield on the loan portfolio increased 8 basis points between periods to 6.00% for the three months ended June 30, 2025, due primarily to higher yields on commercial and construction loans. Loan yields also benefited from a \$1.6 million interest recovery recorded during the month of June 2025 related to a non-performing loan that repaid in full. The cost of interest-bearing deposits was unchanged between periods at 2.52% for the second quarter of 2025. The cost of interest-bearing liabilities for the three months ended June 30, 2025 was 2.78%, a decrease of 2 basis points compared to the three months ended March 31, 2025.

Comparison of current year-to-date to prior year period

Net interest income for the six months ended June 30, 2025 was \$871.4 million, an increase of \$20.6 million compared to the six months ended June 30, 2024. The change in net interest income was mainly due to lower interest rates, driven by the reductions in the federal funds rate in the latter half of 2024, which resulted in lower rates on interest-bearing liabilities, almost completely offset by lower yields on interest-earning assets for the six months ended June 30, 2025 compared to the prior year period.

The net interest margin on a fully tax-equivalent basis was 3.67% for the six months ended June 30, 2025, as compared to 3.54% for the six months ended June 30, 2024. The increase for the six months ended June 30, 2025 compared to the prior year period was due to lower funding costs, partially offset by lower earning yields. A favorable balance sheet mix shift to lower-cost customer deposits from higher-cost wholesale funding sources between periods contributed positively to net interest margin. The yield on loans and leases for the six months ended June 30, 2025 and 2024 was 5.96% and 6.17%, respectively, a decrease of 21 basis points, primarily due to the declining rate environment. The cost of interest-bearing liabilities was 2.79% for the six months ended June 30, 2025, compared to 3.28% for the six months ended June 30, 2024, a decrease of 49 basis points, due to the reductions in the federal funds rate and the favorable balance sheet mix shift.

The Federal Reserve lowered the target range for the federal funds rate by 0.50% in September 2024 and an additional 0.25% in both November and December 2024. In the 2025 meetings, the Federal Reserve maintained the target rate at 4.25%-4.50%. The balance sheet remained in a slightly liability-sensitive position as of June 30, 2025. We expect customer deposit balance trends to be a driver of net interest margin performance, as we continue to target a lower funding contribution from wholesale sources, like FHLB Advances and brokered deposits.

The following tables present condensed average balance sheet information, together with interest income and yields on average interest-earning assets, and interest expense and rates paid on average interest-bearing liabilities for periods presented:

(dollars in thousands)	Three Months Ended					
	June 30, 2025			March 31, 2025		
	Average Balance	Interest Income or Expense	Average Yields or Rates	Average Balance	Interest Income or Expense	Average Yields or Rates
INTEREST-EARNING ASSETS:						
Loans held for sale	\$ 66,640	\$ 1,109	6.66 %	\$ 59,223	\$ 935	6.32 %
Loans and leases ⁽¹⁾	37,647,789	563,234	6.00 %	37,678,820	551,627	5.92 %
Taxable securities	7,937,471	83,760	4.22 %	7,690,610	71,480	3.72 %
Non-taxable securities ⁽²⁾	797,994	7,875	3.95 %	817,392	7,910	3.87 %
Temporary investments and interest-bearing cash	1,420,976	15,817	4.46 %	1,493,815	16,394	4.45 %
Total interest-earning assets ^{(1), (2)}	47,870,870	\$ 671,795	5.62 %	47,739,860	\$ 648,346	5.49 %
Goodwill and other intangible assets	1,471,975			1,501,590		
Other assets	2,209,369			2,211,158		
Total assets	\$ 51,552,214			\$ 51,452,608		
INTEREST-BEARING LIABILITIES:						
Interest-bearing demand deposits	\$ 8,479,613	\$ 48,232	2.28 %	\$ 8,370,584	\$ 46,632	2.26 %
Money market deposits	11,783,402	72,409	2.46 %	11,603,140	68,719	2.40 %
Savings deposits	2,287,433	756	0.13 %	2,350,459	574	0.10 %
Time deposits	6,125,997	58,757	3.85 %	6,136,389	60,709	4.01 %
Total interest-bearing deposits	28,676,445	180,154	2.52 %	28,460,572	176,634	2.52 %
Repurchase agreements and federal funds purchased	185,424	955	2.06 %	215,962	974	1.83 %
Borrowings	3,058,352	34,542	4.53 %	3,039,227	36,074	4.82 %
Junior and other subordinated debentures	428,348	8,592	8.05 %	437,729	8,566	7.94 %
Total interest-bearing liabilities	32,348,569	\$ 224,243	2.78 %	32,153,490	\$ 222,248	2.80 %
Non-interest-bearing deposits	13,122,635			13,238,678		
Other liabilities	794,448			843,885		
Total liabilities	46,265,652			46,236,053		
Common equity	5,286,562			5,216,555		
Total liabilities and shareholders' equity	\$ 51,552,214			\$ 51,452,608		
NET INTEREST INCOME ⁽²⁾		\$ 447,552			\$ 426,098	
NET INTEREST SPREAD ⁽²⁾			2.84 %			2.69 %
NET INTEREST INCOME TO EARNING ASSETS OR NET INTEREST MARGIN ^{(1), (2)}			3.75 %			3.60 %

⁽¹⁾ Non-accrual loans and leases are included in the average balance.

⁽²⁾ Tax-exempt investment security income was adjusted to a tax-equivalent basis at a 21% tax rate. The amount of such adjustment was an addition to recorded income of approximately \$1.1 million for the three months ended June 30, 2025, consistent with approximately \$1.1 for the three months ended March 31, 2025.

(dollars in thousands)	Six Months Ended					
	June 30, 2025			June 30, 2024		
	Average Balance	Interest Income or Expense	Average Yields or Rates	Average Balance	Interest Income or Expense	Average Yields or Rates
INTEREST-EARNING ASSETS:						
Loans held for sale	\$ 62,999	\$ 2,044	6.49 %	\$ 66,033	\$ 2,153	6.52 %
Loans and leases ⁽¹⁾	37,663,046	1,114,861	5.96 %	37,630,248	1,156,765	6.17 %
Taxable securities	7,814,761	155,240	3.97 %	7,960,102	160,447	4.03 %
Non-taxable securities ⁽²⁾	807,648	15,785	3.91 %	838,186	15,775	3.76 %
Temporary investments and interest-bearing cash	1,457,145	32,211	4.46 %	1,704,697	46,588	5.50 %
Total interest-earning assets ^{(1), (2)}	47,805,599	\$ 1,320,141	5.56 %	48,199,266	\$ 1,381,728	5.75 %
Goodwill and other intangible assets	1,486,692			1,603,686		
Other assets	2,210,217			2,229,811		
Total assets	\$ 51,502,508			\$ 52,032,763		
INTEREST-BEARING LIABILITIES:						
Interest-bearing demand deposits	\$ 8,425,683	\$ 94,864	2.27 %	\$ 8,091,427	\$ 105,268	2.62 %
Money market deposits	11,694,209	141,128	2.43 %	10,730,666	148,963	2.79 %
Savings deposits	2,318,799	1,330	0.12 %	2,621,909	1,644	0.13 %
Time deposits	6,130,653	119,466	3.93 %	6,447,865	149,867	4.67 %
Total interest-bearing deposits	28,569,344	356,788	2.52 %	27,891,867	405,742	2.93 %
Repurchase agreements and federal funds purchased	200,625	1,929	1.94 %	228,320	2,781	2.45 %
Borrowings	3,048,122	70,616	4.67 %	3,910,440	100,693	5.18 %
Junior and other subordinated debentures	433,012	17,158	7.99 %	420,428	19,734	9.44 %
Total interest-bearing liabilities	32,251,103	\$ 446,491	2.79 %	32,451,055	\$ 528,950	3.28 %
Non-interest-bearing deposits	13,180,478			13,684,032		
Other liabilities	819,040			950,619		
Total liabilities	46,250,621			47,085,706		
Common equity	5,251,887			4,947,057		
Total liabilities and shareholders' equity	\$ 51,502,508			\$ 52,032,763		
NET INTEREST INCOME ⁽²⁾		\$ 873,650			\$ 852,778	
NET INTEREST SPREAD ⁽²⁾			2.77 %			2.47 %
NET INTEREST INCOME TO EARNING ASSETS OR NET INTEREST MARGIN ^{(1), (2)}						
			3.67 %			3.54 %

⁽¹⁾ Non-accrual loans and leases are included in the average balance.

⁽²⁾ Tax-exempt investment security income was adjusted to a tax-equivalent basis at a 21% tax rate. The amount of such adjustment was an addition to recorded income of approximately \$2.2 million for the six months ended June 30, 2025, as compared to approximately \$2.0 million for the same period in 2024.

The following table sets forth a summary of the changes in tax equivalent net interest income due to changes in average asset and liability balances (volume) and changes in average rates (rate) for the periods presented. Changes in tax equivalent interest income and expense, which are not attributable specifically to either volume or rate, are allocated proportionately between both variances.

(in thousands)	Three Months Ended			Six Months Ended		
	June 30, 2025 compared to March 31, 2025			June 30, 2025 compared to June 30, 2024		
	Increase (decrease) in interest income and expense due to changes in			Increase (decrease) in interest income and expense due to changes in		
	Volume	Rate	Total	Volume	Rate	Total
INTEREST-EARNING ASSETS:						
Loans held for sale	\$ 120	\$ 54	\$ 174	\$ (99)	\$ (10)	\$ (109)
Loans and leases	(135)	11,742	11,607	886	(42,790)	(41,904)
Taxable securities	2,359	9,921	12,280	(2,914)	(2,293)	(5,207)
Non-taxable securities ⁽¹⁾	(187)	152	(35)	(582)	592	10
Temporary investments and interest-bearing cash	(636)	59	(577)	(6,248)	(8,129)	(14,377)
Total interest-earning assets ⁽¹⁾	1,521	21,928	23,449	(8,957)	(52,630)	(61,587)
INTEREST-BEARING LIABILITIES:						
Interest-bearing demand deposits	910	690	1,600	4,148	(14,552)	(10,404)
Money market deposits	1,368	2,322	3,690	12,509	(20,344)	(7,835)
Savings deposits	(16)	198	182	(183)	(131)	(314)
Time deposits	(70)	(1,882)	(1,952)	(7,174)	(23,227)	(30,401)
Repurchase agreements and federal funds purchased	(141)	122	(19)	(669)	(183)	(852)
Borrowings	281	(1,813)	(1,532)	(20,837)	(9,240)	(30,077)
Junior and other subordinated debentures	(128)	154	26	568	(3,144)	(2,576)
Total interest-bearing liabilities	2,204	(209)	1,995	(11,638)	(70,821)	(82,459)
Net (decrease) increase in net interest income ⁽¹⁾	\$ (683)	\$ 22,137	\$ 21,454	\$ 2,681	\$ 18,191	\$ 20,872

⁽¹⁾ Tax-exempt investment security income was adjusted to a tax-equivalent basis at a 21% tax rate.

Provision for Credit Losses

Comparison of current quarter to prior quarter

The Company had a \$29.4 million provision for credit losses for the three months ended June 30, 2025, as compared to a \$27.4 million provision for the three months ended March 31, 2025. As an annualized percentage of average outstanding loans and leases, the provision for credit losses recorded for the three months ended June 30, 2025 was 0.31%, as compared to 0.29% for the three months ended March 31, 2025. The change in provision for credit losses reflects credit migration trends, charge-off activity, and changes in the economic forecasts used in credit models.

For the three months ended June 30, 2025 and March 31, 2025, net charge-offs were \$29.3 million. As an annualized percentage of average outstanding loans and leases, net charge-offs for the three months ended June 30, 2025 were 0.31%, as compared to 0.32% for the three months ended March 31, 2025. Net charge-offs in the FinPac portfolio were \$14.2 million for the three months ended June 30, 2025, a \$2.6 million decrease from the three months ended March 31, 2025. Net charge-offs, exclusive of the FinPac portfolio, were \$15.2 million, as compared to \$12.6 million in the prior period, which reflects the partial charge-off of two relationships with previously established reserves.

Comparison of current year-to-date to prior year period

The Company had a \$56.9 million provision for credit losses for the six months ended June 30, 2025, as compared to \$49.0 million for the six months ended June 30, 2024. The increase was primarily driven by credit migration trends and changes in the economic forecasts used in credit models. As an annualized percentage of average outstanding loans and leases, the provision for credit losses recorded for the six months ended June 30, 2025 was 0.30%, as compared to 0.26% for the six months ended June 30, 2024.

For the six months ended June 30, 2025, net charge-offs were \$58.7 million, as compared to \$74.4 million for the six months ended June 30, 2024. As an annualized percentage of average outstanding loans and leases, net charge-offs for the six months ended June 30, 2025 were 0.31%, as compared to 0.40% for the six months ended June 30, 2024. Net charge-offs in the FinPac portfolio were \$30.9 million for the six months ended June 30, 2025, as compared to \$48.5 million for the six months ended June 30, 2024, which is reflective of continued improvement in the transportation sector of the lease portfolio. Net charge-offs were \$27.8 million for the Bank for the six months ended June 30, 2025, an increase of \$1.8 million, as compared to the six months ended June 30, 2024.

Typically, loans in a non-accrual status will not have an ACL as they will be written down to their net realizable value or charged off. However, the net realizable value for homogeneous leases and equipment finance agreements are determined by the LGD calculated by the CECL model, and therefore homogeneous leases and equipment finance agreements on non-accrual will have an ACL amount until they become 181 days past due, at which time they are charged off. The non-accrual leases and equipment finance agreements of \$19.4 million as of June 30, 2025 have a related ACL of \$17.2 million, with the remaining loans written-down to the estimated fair value of the collateral, less estimated costs to sell, and are expected to be resolved with no additional material loss, absent further decline in market prices.

Non-Interest Income

The following table presents the key components of non-interest income and the related dollar and percentage change from period to period:

(in thousands)	Three Months Ended				Six Months Ended			
	June 30, 2025	March 31, 2025	Change Amount	Change Percent	June 30, 2025	June 30, 2024	Change Amount	Change Percent
Service charges on deposits	\$ 19,669	\$ 19,301	\$ 368	2 %	\$ 38,970	\$ 34,567	\$ 4,403	13 %
Card-based fees	14,559	12,571	1,988	16 %	27,130	27,864	(734)	(3)%
Financial services and trust revenue	5,842	5,187	655	13 %	11,029	9,860	1,169	12 %
Residential mortgage banking revenue, net	7,343	9,334	(1,991)	(21)%	16,677	10,482	6,195	59 %
Gain on sale of debt securities, net	1	4	(3)	(75)%	5	11	(6)	(55)%
Gain (loss) on equity securities, net	410	1,702	(1,292)	(76)%	2,112	(1,240)	3,352	nm
Gain (loss) on loan and lease sales, net	172	97	75	77 %	269	(1,295)	1,564	nm
Gain (loss) on certain loans held for investment, at fair value	212	7,016	(6,804)	(97)%	7,228	(12,486)	19,714	nm
Bank-owned life insurance income	5,184	4,883	301	6 %	10,067	9,344	723	8 %
Other income	11,070	6,282	4,788	76 %	17,352	17,953	(601)	(3)%
Total non-interest income	\$ 64,462	\$ 66,377	\$ (1,915)	(3)%	\$ 130,839	\$ 95,060	\$ 35,779	38 %

nm = Not meaningful

Comparison of current quarter to prior quarter

Gain on certain loans held for investment, at fair value for the three months ended June 30, 2025, as compared to the three months ended March 31, 2025, decreased due to interest rate fluctuations between periods that resulted in a gain on the fair value of certain loans held for investment of \$212,000, as compared to a gain of \$7.0 million for the prior quarter.

Other income for the three months ended June 30, 2025, as compared to the three months ended March 31, 2025, increased primarily due to interest rate fluctuations between periods that resulted in higher trading income and a favorable change of \$1.3 million in swap customer fee revenue due to a higher transaction volumes in the current quarter compared to the prior quarter.

Comparison of current year-to-date to prior year period

Residential mortgage banking revenue increased during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. The variance was driven by the MSR hedge gain of \$5.0 million during the six months ended June 30, 2025, as compared to a loss of \$5.9 million in the six months ended June 30, 2024, partially offset by interest rate fluctuations, which decreased the fair value of the MSR asset during the six months ended June 30, 2025.

Gain (loss) on certain loans held for investment, at fair value for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, increased due to interest rate fluctuations between periods that resulted in a gain on the fair value of certain loans held for investment of \$7.2 million in the current period, as compared to a loss of \$12.5 million in the prior year period.

Non-Interest Expense

The following table presents the key elements of non-interest expense and the related dollar and percentage change from period to period:

(in thousands)	Three Months Ended				Six Months Ended			
	June 30, 2025	March 31, 2025	Change Amount	Change Percent	June 30, 2025	June 30, 2024	Change Amount	Change Percent
Salaries and employee benefits	\$ 154,883	\$ 145,239	\$ 9,644	7 %	\$ 300,122	\$ 299,604	\$ 518	— %
Occupancy and equipment, net	47,178	48,170	(992)	(2)%	95,348	90,438	4,910	5 %
Communications	3,350	3,426	(76)	(2)%	6,776	7,190	(414)	(6)%
Marketing	2,805	3,397	(592)	(17)%	6,202	4,241	1,961	46 %
Services	13,296	16,078	(2,782)	(17)%	29,374	28,022	1,352	5 %
FDIC assessments	8,144	8,022	122	2 %	16,166	24,124	(7,958)	(33)%
Intangible amortization	25,826	27,979	(2,153)	(8)%	53,805	61,321	(7,516)	(12)%
Merger and restructuring expense	8,186	14,379	(6,193)	(43)%	22,565	19,119	3,446	18 %
Legal settlement	—	55,000	(55,000)	(100)%	55,000	—	55,000	nm
Other expenses	14,327	18,432	(4,105)	(22)%	32,759	32,701	58	— %
Total non-interest expense	\$ 277,995	\$ 340,122	\$ (62,127)	(18)%	\$ 618,117	\$ 566,760	\$ 51,357	9 %

nm = Not meaningful

Comparison of current quarter to prior quarter

Salaries and employee benefits increased during the three months ended June 30, 2025, as compared to the three months ended March 31, 2025, driven by compensation accruals to salaries, annual merit increases, and incentive payouts earned during the quarter.

Merger and restructuring expense decreased during the three months ended June 30, 2025, as compared to the three months ended March 31, 2025, mainly due to a decrease in restructuring expense as compared to the prior period, which included higher severance expense. The three months ended June 30, 2025 includes higher merger-related expense related to Columbia's pending acquisition of Pacific Premier, as compared to the three months ended March 31, 2025. This upward trend is expected to continue as merger and integration activities progress.

Legal settlement decreased during the three months ended June 30, 2025, as compared to the three months ended March 31, 2025, due to the \$55.0 million accrual related to a legal settlement reached in the first quarter of 2025 that was not repeated in the current quarter. Refer to Note 7 – *Commitments and Contingencies* for further information.

Comparison of current year-to-date to prior year period

FDIC assessments decreased during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, due mainly to the \$5.7 million in FDIC special assessment expense in the first half of 2024 that was not repeated in the current period.

Legal settlement increased during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, due to the \$55.0 million accrual related to a legal settlement reached in the first quarter of 2025. Refer to Note 7 – *Commitments and Contingencies* for further information.

Income Taxes

The Company's effective tax rate for the three and six months ended June 30, 2025 was 25.1% and 27.0%, respectively, as compared to 30.1% for the three months ended March 31, 2025 and 26.0% for the six months ended June 30, 2024. The effective tax rates differed from the statutory rate principally because of state taxes, non-deductible compensation, nondeductible FDIC assessments, and income on tax-exempt investment securities and loans. The change to the effective tax rates for the three and six months ended June 30, 2025, as compared to prior periods, was primarily attributable to changes in non-deductible compensation.

FINANCIAL CONDITION

Debt Securities

Investment debt securities available for sale were \$8.7 billion as of June 30, 2025, compared to \$8.3 billion as of December 31, 2024. The increase was primarily due to securities purchases of \$547.6 million and an increase of \$165.5 million in fair value of investment securities available for sale, due to lower rates during the period, partially offset by paydowns, calls, and maturities of \$371.5 million.

The following tables present the par value, amortized cost, and fair values of debt securities as available for sale and held to maturity investment debt securities portfolio by major type as of the dates presented:

(dollars in thousands)	June 30, 2025				December 31, 2024			
	Current Par	Amortized Cost	Fair Value	% of Portfolio	Current Par	Amortized Cost	Fair Value	% of Portfolio
Available for sale:								
U.S. Treasury and agencies	\$ 1,381,374	\$ 1,391,854	\$ 1,347,060	16 %	\$ 1,486,374	\$ 1,495,542	\$ 1,422,787	17 %
Obligations of states and political subdivisions	1,100,168	1,041,810	1,014,883	12 %	1,115,198	1,055,535	1,026,053	12 %
Mortgage-backed securities and collateralized mortgage obligations	7,070,929	6,637,696	6,291,229	72 %	6,701,037	6,307,252	5,825,775	71 %
Total available for sale securities	<u>\$ 9,552,471</u>	<u>\$ 9,071,360</u>	<u>\$ 8,653,172</u>	<u>100 %</u>	<u>\$ 9,302,609</u>	<u>\$ 8,858,329</u>	<u>\$ 8,274,615</u>	<u>100 %</u>
Held to maturity:								
Mortgage-backed securities and collateralized mortgage obligations	\$ 3,026	\$ 2,013	\$ 2,585	100 %	\$ 3,186	\$ 2,101	\$ 2,703	100 %
Total held to maturity securities	<u>\$ 3,026</u>	<u>\$ 2,013</u>	<u>\$ 2,585</u>	<u>100 %</u>	<u>\$ 3,186</u>	<u>\$ 2,101</u>	<u>\$ 2,703</u>	<u>100 %</u>

We review investment securities on an ongoing basis for the presence of impairment, taking into consideration current market conditions, fair value in relationship to cost, extent and nature of the change in fair value, issuer rating changes and trends, whether we intend to sell a security or if it is likely that we will be required to sell the security before recovery of our amortized cost basis of the investment, which may be maturity, and other factors.

As of June 30, 2025, the available for sale investment portfolio had gross unrealized losses of \$459.8 million. Unrealized losses consisted primarily of unrealized losses on mortgage-backed securities and collateralized mortgage obligations of \$379.3 million. The unrealized losses were attributable to changes in market interest rates or the widening of market spreads subsequent to the initial purchase of these securities and are not attributable to changes in credit quality. In the opinion of management, no ACL was considered necessary on these debt securities as of June 30, 2025.

Loans and Leases

Total loans and leases outstanding as of June 30, 2025 were \$37.6 billion, a decrease of \$43.9 million as compared to December 31, 2024. The decrease was primarily in residential and commercial loan balances, partially offset by an increase in CRE balances. The contraction was driven by loan payoffs and slower origination volume, partially offset by draws in CRE construction loans and growth in owner-occupied term CRE balances. The loan to deposit ratio was 90% at both June 30, 2025 and December 31, 2024.

The following table presents the concentration distribution of the loan and lease portfolio as of the dates presented:

(dollars in thousands)	June 30, 2025		December 31, 2024	
	Amount	%	Amount	%
Commercial real estate				
Non-owner occupied term	\$ 6,189,992	16 %	\$ 6,278,154	17 %
Owner occupied term	5,319,529	14 %	5,270,294	14 %
Multifamily	5,735,057	15 %	5,804,364	15 %
Construction & development	2,069,727	6 %	1,983,213	5 %
Residential development	286,175	1 %	231,647	1 %
Commercial				
Term	5,352,598	14 %	5,537,618	15 %
Lines of credit & other	2,950,782	8 %	2,769,643	7 %
Leases & equipment finance	1,641,450	4 %	1,660,835	4 %
Residential				
Mortgage	5,829,833	15 %	5,933,352	16 %
Home equity loans & lines	2,082,766	6 %	2,031,653	5 %
Consumer & other	179,104	1 %	180,128	1 %
Total, net of deferred fees and costs	<u>\$ 37,637,013</u>	<u>100 %</u>	<u>\$ 37,680,901</u>	<u>100 %</u>

Loan Origination/Risk Management

The Bank has certain lending policies and procedures in place that are designed to maximize loan income within an acceptable level of risk. Management reviews and approves these policies and procedures on a regular basis. A reporting system supplements the review process by providing management with frequent reports related to loan production, loan quality, concentrations of credit, loan delinquencies and non-performing and potential problem loans. Diversification in the loan portfolio is a means of managing risk associated with fluctuations in economic conditions.

The Bank maintains an independent loan review department that reviews and validates the credit risk program on a periodic basis. Results of these reviews are presented to management and the appropriate committees of our Board of Directors. The loan review process evaluates that the risk identification and assessment decisions made by lenders and credit personnel are in line with our policies and procedures.

For a more comprehensive discussion of our loan and lease underwriting criteria, refer to discussion in the "Loans and Leases" section of Management's Discussion and Analysis included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Commercial Real Estate and Commercial Loans

CRE and commercial loans are the largest classifications within earning assets, representing 41% and 21%, respectively, of average earning assets at June 30, 2025 and 41% and 20%, respectively, at December 31, 2024.

Delinquency and non-accrual loan movements during the period reflect an anticipated move toward a normalized credit environment following a phase of exceptional high credit quality. Non-performing loans in the CRE and commercial portfolios include \$37.1 million in government guarantees, which offsets our credit exposure in those portfolios.

Commercial Real Estate Loans

The CRE portfolio includes loans to developers and institutional sponsors supporting income-producing or for-sale CRE properties. We mitigate our risk on these loans by requiring collateral values that exceed the loan amount and underwriting the loan with projected cash flow in excess of the debt service requirement. In addition, management tracks the level of owner-occupied CRE loans versus non-owner occupied loans. Owner-occupied real estate loans are based on cash flows from ongoing operations and the borrower must generally occupy more than 50% of rentable space or pay more than 50% of rents. As of June 30, 2025, approximately 27.1% of the outstanding principal balance of our CRE loan portfolio, which includes multifamily properties, were secured by owner-occupied properties.

As of June 30, 2025, the CRE loan portfolio was \$19.6 billion, an increase of \$32.8 million compared to December 31, 2024, driven by construction and development loan and line utilization. CRE concentrations are managed with a goal of optimizing relationship-driven commercial loans, as well as geographic, and business diversity, primarily in our footprint.

The following table provides detail on CRE loans by property type:

(in thousands)	June 30, 2025			December 31, 2024		
	Outstanding	Non-accrual ⁽¹⁾	% of Non-Accrual to total CRE	Outstanding	Non-accrual ⁽¹⁾	% of Non-Accrual to total CRE
CRE by property type:						
Multifamily	\$ 7,302,361	\$ —	— %	\$ 7,311,500	\$ —	— %
Office	2,851,123	10,030	0.05 %	2,873,561	10,304	0.05 %
Industrial	3,079,838	1,954	0.01 %	2,981,161	5,010	0.03 %
Retail	1,966,294	4,837	0.02 %	2,000,141	2,389	0.01 %
Special Purpose	1,302,143	5,100	0.03 %	1,317,463	14,751	0.08 %
Hotel/Motel	719,959	—	— %	724,271	13	— %
Other	2,378,762	8,818	0.04 %	2,359,575	6,865	0.03 %
Total CRE loans	\$ 19,600,480	\$ 30,739	0.16 %	\$ 19,567,672	\$ 39,332	0.20 %

⁽¹⁾ CRE non-accrual loans are inclusive of government guarantees of \$16.5 million and \$16.3 million as of June 30, 2025 and December 31, 2024, respectively.

The following table provides detail on the geographic distribution of our CRE portfolio as of the periods indicated:

(in thousands)	June 30, 2025		December 31, 2024	
	Amount	% of total	Amount	% of total
Southern California	\$ 3,748,366	19 %	\$ 3,752,705	19 %
Puget Sound	3,733,558	19 %	3,712,306	19 %
Oregon Other	2,843,742	15 %	2,908,835	15 %
Portland Metro	2,677,593	14 %	2,643,814	14 %
Northern California (excluding the Bay Area)	1,964,240	10 %	2,027,906	10 %
Bay Area	1,345,320	7 %	1,404,444	7 %
Washington Other	1,345,150	7 %	1,297,715	7 %
Other	1,942,511	9 %	1,819,947	9 %
Total CRE loans	\$ 19,600,480	100 %	\$ 19,567,672	100 %

Loans secured by multifamily properties, including construction, represented 19% of the total loan portfolio at both June 30, 2025 and December 31, 2024. These assets continue to perform well due to demand for rental properties in our geographic footprint. Although management believes such concentrations have no more than the normal risk of collectability, a substantial decline in the economy in general, material increases in interest rates, changes in tax and rent control policies, tightening credit or refinancing markets, or a decline in real estate values in the Bank's primary geographic footprint in particular, could have an adverse impact on the repayment of these loans.

Loans secured by office properties, which are predominantly located in suburban markets, represented approximately 8% of our total loan portfolio at both June 30, 2025 and December 31, 2024, and were comprised of 56% non-owner occupied, 41% owner occupied, and 3% construction loans at June 30, 2025, compared to 57% non-owner occupied, 40% owner occupied, and 3% construction loans at December 31, 2024.

The following table provides detail on the geographic distribution of our CRE secured by office properties:

(in thousands)	June 30, 2025		December 31, 2024	
	Amount	% of total	Amount	% of total
Southern California	\$ 547,373	19 %	\$ 582,112	20 %
Puget Sound	566,101	20 %	579,471	20 %
Oregon Other	456,981	16 %	459,815	16 %
Portland Metro	354,132	12 %	344,500	12 %
Northern California (excluding the Bay Area)	307,089	11 %	313,251	11 %
Bay Area	158,292	6 %	166,367	6 %
Washington Other	166,985	6 %	149,546	5 %
Other	294,170	10 %	278,499	10 %
Total CRE loans secured by office properties	<u>\$ 2,851,123</u>	<u>100 %</u>	<u>\$ 2,873,561</u>	<u>100 %</u>

Commercial Loans and Leases

Commercial loans are made to commercial customers for use in normal business operations to finance working capital needs, equipment purchases, or other projects. We focus on borrowers doing business within our geographic markets. Commercial loans are generally underwritten individually and secured with the assets of the company and/or the personal guarantee of the business owners. Lease and equipment financing products are designed to address the diverse financing needs of small to large companies, primarily for the acquisition of equipment. As of June 30, 2025, commercial loans held in our loan portfolio were \$9.9 billion, a decrease of \$23.3 million compared to December 31, 2024, which is mainly attributable to paydowns during the period.

The leases and equipment finance portfolio represents approximately 17% of the commercial portfolio and 4% of the total loan portfolio as of June 30, 2025 and December 31, 2024. Net charge-offs in the FinPac lease portfolio were \$14.2 million for the three months ended June 30, 2025, as compared to \$16.8 million for the three months ended March 31, 2025, reflecting improvements in the trucking and transportation sector of the portfolio. Net charge-offs were up \$2.7 million in the remaining commercial portfolio from the prior quarter, which reflects the charge-off of a loan with a previously established reserve.

The following table provides detail on commercial loans and leases by industry type:

(in thousands)	June 30, 2025			December 31, 2024		
	Outstanding	Non-accrual ⁽¹⁾	% of Non-accrual to total commercial	Outstanding	Non-accrual ⁽¹⁾	% of Non-accrual to total commercial
Commercial loans and leases by industry type:						
Agriculture	\$ 906,848	\$ 24,307	0.24 %	\$ 899,205	\$ 7,289	0.07 %
Contractors	811,029	6,502	0.07 %	771,109	5,621	0.06 %
Dentist	659,999	153	— %	679,528	791	0.01 %
Finance/Insurance	827,993	—	— %	742,712	—	— %
Gaming	806,617	299	— %	827,865	1,775	0.02 %
Healthcare	473,460	3,063	0.03 %	471,093	2,380	0.02 %
Manufacturing	666,782	2,702	0.03 %	701,794	1,910	0.02 %
Professional	352,725	1,860	0.02 %	371,975	1,491	0.01 %
Public Admin	576,780	48	— %	598,462	19	— %
Rental and leasing	640,405	448	— %	640,247	210	— %
Retail	267,470	10,582	0.11 %	283,459	14,770	0.15 %
Support Services	443,418	1,201	0.01 %	437,001	1,413	0.01 %
Transportation/Warehousing	739,071	10,311	0.10 %	764,119	11,568	0.12 %
Wholesale	770,028	1,938	0.02 %	742,549	3,486	0.03 %
Other	1,002,205	3,395	0.03 %	1,036,978	4,423	0.05 %
Total commercial portfolio	\$ 9,944,830	\$ 66,809	0.67 %	\$ 9,968,096	\$ 57,146	0.57 %

⁽¹⁾ Commercial non-accrual loans and leases are inclusive of government guarantees of \$20.6 million and \$25.2 million as of June 30, 2025 and December 31, 2024, respectively.

Residential Real Estate Loans

Residential real estate loans represent mortgage loans and lines of credit to consumers for the purchase or refinance of a residence. As of June 30, 2025, residential real estate loans held in our loan portfolio were \$7.9 billion, a decrease of \$52.4 million as compared to December 31, 2024. The decrease was primarily attributable to greater originations of loans sold on the secondary market, rather than being retained in our loans held for investment portfolio.

Consumer Loans

Consumer loans, including secured and unsecured personal loans, personal lines of credit, and motor vehicle loans, decreased \$1.0 million to \$179.1 million as of June 30, 2025, as compared to December 31, 2024. The decrease was due to normal business activity.

Asset Quality and Non-Performing Assets

The Bank manages asset quality and controls credit risk through diversification of the loan and lease portfolio and the application of policies designed to promote sound underwriting and loan and lease monitoring practices. The Bank's Credit Quality Administration department is charged with monitoring asset quality, establishing credit policies and procedures, and enforcing the consistent application of these policies and procedures across the Bank. Reviews of non-performing, past due loans and leases, and larger credits, designed to identify potential charges to the ACL, and to determine the adequacy of the ACL, are conducted on an ongoing basis. These reviews consider such factors as the financial strength of borrowers, the value of the applicable collateral, loan and lease loss experience, estimated loan and lease losses, growth in the loan and lease portfolio, prevailing economic conditions, and other factors.

The following table summarizes our non-performing assets, the ACL, and asset quality ratios as of the dates presented:

(dollars in thousands)	June 30, 2025	December 31, 2024
Non-performing assets: ⁽¹⁾		
Loans and leases on non-accrual status		
Commercial real estate	\$ 30,739	\$ 39,332
Commercial	66,809	57,146
Total loans and leases on non-accrual status	97,548	96,478
Loans and leases past due 90 days or more and accruing ⁽²⁾		
Commercial real estate	361	—
Commercial	5,581	4,684
Residential ⁽²⁾	73,607	65,552
Consumer & other	337	179
Total loans and leases past due 90 days or more and accruing ⁽²⁾	79,886	70,415
Total non-performing loans and leases ^{(1),(2)}	177,434	166,893
Other real estate owned	2,818	2,666
Total non-performing assets ^{(1),(2)}	\$ 180,252	\$ 169,559
ACLLL	\$ 420,907	\$ 424,629
Reserve for unfunded commitments	18,076	16,168
ACL	\$ 438,983	\$ 440,797
Asset quality ratios:		
Non-performing assets to total assets ^{(1),(2)}	0.35 %	0.33 %
Non-performing loans and leases to total loans and leases ^{(1),(2)}	0.47 %	0.44 %
Non-accrual loans and leases to total loans and leases ⁽²⁾	0.26 %	0.26 %
ACLLL to total loans and leases	1.12 %	1.13 %
ACL to total loans and leases	1.17 %	1.17 %
ACL to non-accrual loans and leases	450 %	457 %
ACL to total non-performing loans and leases	247 %	264 %

⁽¹⁾ Non-accrual and 90+ days past due loans include government guarantees of \$37.1 million and \$30.7 million, respectively, as of June 30, 2025. As of December 31, 2024, non-accrual and 90+ days past due loans include government guarantees of and \$41.5 million and \$32.1 million, respectively.

⁽²⁾ Excludes certain mortgage loans guaranteed by GNMA, which Columbia has the unilateral right to repurchase but has not done so, totaling \$2.0 million as of June 30, 2025 and \$2.4 million at December 31, 2024.

As of June 30, 2025 there were \$113.1 million or 0.30% of total loans, modified due to borrowers experiencing financial difficulties, compared to \$110.7 million or 0.29% as of December 31, 2024. A decline in economic conditions and other factors could adversely impact individual borrowers or the loan portfolio in general. Accordingly, there can be no assurance that loans will not become 90 days or more past due, placed on non-accrual status, restructured, or transferred to other real estate owned in the future. As of June 30, 2025, there was an increase in non-performing loans representative of a more normalized credit environment.

ALLOWANCE FOR CREDIT LOSSES

The ACL represents management's best estimate of lifetime credit losses for loans and leases and unfunded commitments. The ACL totaled \$439.0 million as of June 30, 2025, a decrease of \$1.8 million from \$440.8 million as of December 31, 2024. The changes in the ACL estimate during the three and six months ended June 30, 2025, reflect credit migration trends, changes in the economic assumptions used in the credit models, and a recalibration of the CRE, residential mortgage, and home equity line of credit CECL models in the first quarter of 2025.

The following table shows the activity in the ACL for the periods indicated:

(dollars in thousands)	Three Months Ended		Six Months Ended	
	June 30, 2025	March 31, 2025	June 30, 2025	June 30, 2024
Allowance for credit losses on loans and leases				
Balance, beginning of period	\$ 421,495	\$ 424,629	\$ 424,629	\$ 440,871
Provision for credit losses on loans and leases	28,757	26,187	54,944	52,236
Charge-offs:				
Commercial real estate	(77)	(119)	(196)	(746)
Commercial	(33,073)	(32,611)	(65,684)	(80,793)
Residential	(285)	(303)	(588)	(994)
Consumer & other	(1,164)	(1,080)	(2,244)	(3,421)
Total charge-offs	(34,599)	(34,113)	(68,712)	(85,954)
Recoveries:				
Commercial real estate	71	19	90	909
Commercial	4,676	4,336	9,012	8,930
Residential	187	98	285	581
Consumer & other	320	339	659	1,098
Total recoveries	5,254	4,792	10,046	11,518
Net (charge-offs) recoveries:				
Commercial real estate	(6)	(100)	(106)	163
Commercial	(28,397)	(28,275)	(56,672)	(71,863)
Residential	(98)	(205)	(303)	(413)
Consumer & other	(844)	(741)	(1,585)	(2,323)
Total net charge-offs	(29,345)	(29,321)	(58,666)	(74,436)
Balance, end of period	\$ 420,907	\$ 421,495	\$ 420,907	\$ 418,671
Reserve for unfunded commitments				
Balance, beginning of period	\$ 17,384	\$ 16,168	\$ 16,168	\$ 23,208
Provision (recapture) for credit losses on unfunded commitments	692	1,216	1,908	(3,280)
Balance, end of period	18,076	17,384	18,076	19,928
Total allowance for credit losses	\$ 438,983	\$ 438,879	\$ 438,983	\$ 438,599
As a percentage of average loans and leases (annualized):				
Net charge-offs	0.31 %	0.32 %	0.31 %	0.40 %
Provision for credit losses	0.31 %	0.29 %	0.30 %	0.26 %
Recoveries as a percentage of charge-offs	15.19 %	14.05 %	14.62 %	13.40 %

The following table shows the change in the ACL from March 31, 2025 to June 30, 2025:

(dollars in thousands)	March 31, 2025	Q2 2025 net (charge-offs)	Reserve (release) build	June 30, 2025	% of loans and leases outstanding
Commercial real estate	\$ 176,158	\$ (6)	\$ (8,665)	\$ 167,487	0.85 %
Commercial	221,492	(28,397)	34,588	227,683	2.29 %
Residential	34,161	(98)	2,006	36,069	0.46 %
Consumer & other	7,068	(844)	1,520	7,744	4.32 %
Total ACL	<u>\$ 438,879</u>	<u>\$ (29,345)</u>	<u>\$ 29,449</u>	<u>\$ 438,983</u>	1.17 %
% of loans and leases outstanding	1.17 %		1.17 %		

To calculate the ACL, the CECL models use a forecast of future economic conditions and are dependent upon specific macroeconomic variables that are relevant to each of the Bank's loan and lease portfolios, as well as qualitative factors to address uncertainty not measured within the quantitative analysis. In estimating the June 30, 2025 ACL, the Bank used Moody's Analytics' May 2025 consensus economic forecast to project the variables used in the models and used upward qualitative overlays, in both the commercial and CRE portfolios, to align with the S2 scenario. The 2025 consensus forecast reflects a deterioration in macroeconomic conditions, including lower projected GDP growth and higher expected unemployment rates, relative to the December 31, 2024 ACL calculation. Refer to Note 4 – *Allowance for Credit Losses* for further information. Refer to Note 1 – *Summary of Significant Accounting Policies* included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 for a description of the ACL methodology.

The models for calculating the ACL are sensitive to changes to economic variables, which could result in volatility as these assumptions change over time. We believe that the ACL as of June 30, 2025 is sufficient to absorb losses inherent in the loan and lease portfolio and in credit commitments outstanding as of that date based on the information available. If the economic conditions decline, the Bank may need additional provisions for credit losses in future periods.

The following table sets forth the allocation of the ACLLL and percent of loans and leases in each category to total loans and leases as of the date presented:

(dollars in thousands)	June 30, 2025		December 31, 2024	
	Amount	%	Amount	%
Commercial real estate	\$ 159,823	52 %	\$ 154,413	52 %
Commercial	219,862	26 %	218,668	26 %
Residential	34,590	21 %	44,700	21 %
Consumer & other	6,632	1 %	6,848	1 %
Total ACLLL	<u>\$ 420,907</u>	<u>100 %</u>	<u>\$ 424,629</u>	<u>100 %</u>

Residential Mortgage Servicing Rights

The following table presents the changes in our residential MSR portfolio for the periods indicated:

(in thousands)	Three Months Ended		Six Months Ended	
	June 30, 2025	March 31, 2025	June 30, 2025	June 30, 2024
Balance, beginning of period	\$ 105,663	\$ 108,358	\$ 108,358	\$ 109,243
Additions for new MSR capitalized	2,077	1,429	3,506	2,777
Changes in fair value:				
Changes due to collection/realization of expected cash flows over time	(3,113)	(3,141)	(6,254)	(6,336)
Changes due to valuation inputs or assumptions ⁽¹⁾	(1,764)	(983)	(2,747)	4,355
Balance, end of period	<u>\$ 102,863</u>	<u>\$ 105,663</u>	<u>\$ 102,863</u>	<u>\$ 110,039</u>

⁽¹⁾ The changes in valuation inputs and assumptions principally reflect changes in discount rates and prepayment speeds, which are primarily affected by changes in interest rates.

The following table presents information related to our residential serviced loan portfolio as of the dates presented:

(dollars in thousands)	June 30, 2025		December 31, 2024	
Balance of loans serviced for others	\$	7,851,562	\$	7,939,445
MSR as a percentage of serviced loans		1.31%		1.36%

Residential MSR are adjusted to fair value quarterly with the change recorded in residential mortgage banking revenue on the Condensed Consolidated Statements of Income. The value of servicing rights can fluctuate based on changes in interest rates and other factors. Generally, as interest rates decline and borrowers are able to take advantage of a refinance incentive, prepayments increase, and the total value of existing servicing rights declines as expectations of future servicing fee collections decline. Historically, the fair value of our residential MSR will increase as market rates for mortgage loans rise and decrease if market rates fall.

Goodwill and Other Intangible Assets

As of June 30, 2025 and December 31, 2024, the Company had \$1.0 billion in goodwill. Goodwill is recorded in connection with business combinations and represents the excess of the purchase price over the estimated fair value of the net assets acquired. There were no changes to goodwill during the period.

As of June 30, 2025, we had other intangible assets of \$430.4 million, as compared to \$484.2 million at December 31, 2024. As part of a business acquisition, the fair value of identifiable intangible assets such as core deposits, which includes all deposits except certificates of deposit, was recognized at acquisition date. Intangible assets with definite useful lives are amortized to their estimated residual values over their respective estimated useful lives. The core deposit intangible assets recorded are amortized on an accelerated basis over a period of 10 years using the sum-of-the-years-digits method. Intangible assets are evaluated for impairment if events and circumstances indicate a possible impairment. No impairment losses have been recognized in the periods presented.

Deposits

Total deposits were \$41.7 billion as of June 30, 2025, an increase of \$21.9 million as compared to December 31, 2024. The increase was due to our recent small business and retail deposits campaign, as well as an increase in brokered deposits, partially offset by a decrease in customer deposits, due in part to seasonally anticipated customer tax payments and owner distributions. Customers also continue to use their own cash to make investments in their businesses or pay down debt.

The following table presents the deposit balances by category as of the dates presented:

(dollars in thousands)	June 30, 2025		December 31, 2024	
	Amount	%	Amount	%
By type:				
Non-interest-bearing demand	\$ 13,219,631	32 %	\$ 13,307,905	32 %
Interest-bearing demand	8,334,553	20 %	8,475,693	20 %
Money market	11,694,412	28 %	11,475,055	27 %
Savings	2,275,500	5 %	2,360,040	6 %
Time, greater than \$250,000	1,099,101	3 %	1,201,887	3 %
Time, \$250,000 or less	5,119,460	12 %	4,900,152	12 %
Total deposits	\$ 41,742,657	100 %	\$ 41,720,732	100 %
Total deposits (insured/uninsured):				
Insured deposits	\$ 27,651,088	66 %	\$ 27,692,457	66 %
Uninsured deposits ⁽¹⁾	14,091,569	34 %	14,028,275	35 %
Total deposits	\$ 41,742,657	100 %	\$ 41,720,732	101 %

⁽¹⁾ Represents estimated uninsured deposits as calculated based on the methodologies and assumptions used for the Bank's Call Report less intercompany deposits, which are eliminated through consolidation, of \$12.9 million and \$5.2 million as of June 30, 2025 and December 31, 2024, respectively.

The following table presents total deposits by the categories shown below as of the dates presented:

(in thousands)	June 30, 2025		December 31, 2024	
Customer deposits	\$	35,333,708	\$	35,565,779
Public and administrative deposits		3,059,355		3,124,017
Brokered deposits		3,349,594		3,030,936
Total deposits	\$	41,742,657	\$	41,720,732

The Company's total core deposits, which are deposits, less time deposits greater than \$250,000 and all brokered deposits, were \$37.3 billion and \$37.5 billion as of June 30, 2025 and December 31, 2024, respectively. As of June 30, 2025, total available liquidity was \$18.6 billion, or 132% of estimated uninsured deposits.

Borrowings

As of June 30, 2025, the Bank had outstanding securities sold under agreements to repurchase of \$191.4 million, a decrease of \$45.2 million from December 31, 2024. The Bank had outstanding borrowings consisting of advances from the FHLB of \$3.4 billion as of June 30, 2025 and \$3.1 billion as of December 31, 2024. The increase funded asset growth between December 31, 2024 and June 30, 2025. FHLB advances have fixed rates ranging from 4.45% to 4.52%, all of which will mature in 2025. Advances from the FHLB are secured by loans secured by real estate.

Junior and Other Subordinated Debentures

We had junior and other subordinated debentures with carrying values of \$430.6 million and \$438.6 million as of June 30, 2025 and December 31, 2024, respectively. The decrease is mainly due to a decline of \$7.7 million in fair value for the junior subordinated debentures elected to be carried at fair value. The change in fair value was driven by increases in credit spreads and changes in swap rates during the six months ended June 30, 2025. As of June 30, 2025, substantially all of the junior subordinated debentures had interest rates that are adjustable on a quarterly basis based on a spread over three-month term SOFR. The \$10.0 million subordinated debenture matures in December 2025.

Liquidity and Cash Flow

The principal objective of our liquidity management program is to maintain the Bank's ability to meet the day-to-day cash flow requirements of our customers who either wish to withdraw funds or to draw upon credit facilities to meet their cash needs. The Bank's liquidity strategy includes maintaining sufficient on-balance sheet liquidity to support balance sheet flexibility, fund growth in lending and investment portfolios, and deleverage non-deposit liabilities as economic conditions permit. As a result, the Company believes that it has sufficient cash and access to borrowings to effectively manage through the current economic conditions, as well as meet its working capital and other needs. The Company will continue to prudently evaluate and maintain liquidity sources, including the ability to fund future loan growth and manage our borrowing sources.

We monitor the sources and uses of funds daily to maintain an acceptable liquidity position. One source of funds includes public deposits. Individual state laws require banks to collateralize public deposits, typically as a percentage of their public deposit balance in excess of FDIC insurance. Public deposits represented 7% of total deposits as of both June 30, 2025 and December 31, 2024. The amount of collateral required varies by state and may also vary by institution within each state, depending on the individual state's risk assessment of depository institutions. Changes in the pledging requirements for uninsured public deposits may require pledging additional collateral to secure these deposits, drawing on other sources of funds to finance the purchase of assets that would be available to be pledged to satisfy a pledging requirement, or could lead to the withdrawal of certain public deposits from the Bank.

The Bank's diversified deposit base provides a sizeable source of relatively stable and low-cost funding, while reducing the Bank's reliance on the wholesale markets. Total core deposits were \$37.3 billion as of June 30, 2025, compared with \$37.5 billion at December 31, 2024. The Bank also has liquidity from excess bond collateral of \$2.6 billion.

In addition to liquidity from core deposits and the repayments and maturities of loans and investment securities, the Bank can sell securities under agreements to repurchase, issue brokered certificates of deposit, or utilize off-balance sheet funding sources.

The Bank maintains a substantial level of total available liquidity in the form of off-balance sheet funding sources. These liquidity sources include capacity to borrow from uncommitted lines of credit, advances from the FHLB, and the Federal Reserve Bank's Discount Window. Availability of the uncommitted lines of credit is subject to federal funds balances available for loan and continued borrower eligibility. These lines are intended to support short-term liquidity needs, and the agreements may restrict consecutive day usage.

The following table presents total off-balance sheet liquidity as of the date presented:

(dollars in thousands)	June 30, 2025		
	Gross Availability	Utilization	Net Availability
FHLB lines	\$ 11,008,750	\$ 3,475,775	\$ 7,532,975
Federal Reserve Discount Window	6,105,290	—	6,105,290
Uncommitted lines of credit	600,000	—	600,000
Total off-balance sheet liquidity	<u>\$ 17,714,040</u>	<u>\$ 3,475,775</u>	<u>\$ 14,238,265</u>

The following table presents total available liquidity as of the date presented:

(dollars in thousands)	June 30, 2025
Total off-balance sheet liquidity	\$ 14,238,265
Cash and cash equivalents, less reserve requirements	1,745,806
Excess bond collateral	2,568,184
Total available liquidity	<u>\$ 18,552,255</u>

The Company is a separate entity from the Bank and must provide for its own liquidity. Substantially all of the Company's revenues are obtained from dividends declared and paid by the Bank. There were \$180.0 million of dividends paid by the Bank to the Company during the six months ended June 30, 2025. There are statutory and regulatory provisions that limit the ability of the Bank to pay dividends to the Company. FDIC and Oregon Division of Financial Regulation approval is required for quarterly dividends from the Bank to the Company.

Although we expect the Bank's and the Company's liquidity positions to remain satisfactory during 2025, it is possible that our deposit balances may not be maintained at previous levels due to pricing pressure or customers' behavior in the current economic environment. In addition, in order to generate deposit growth, our pricing may need to be adjusted in a manner that results in increased interest expense on deposits. We may utilize borrowings or other funding sources, which are generally more costly than deposit funding, to support our liquidity levels.

Commitments and Other Contractual Obligations - The Company participates in many different contractual arrangements which may or may not be recorded on its balance sheet, under which the Company has an obligation to pay certain amounts, provide credit or liquidity enhancements or provide market risk support. Our material contractual obligations are primarily for time deposits and borrowings. As of June 30, 2025, time deposits totaled \$6.2 billion, of which \$6.1 billion mature in a year or less. Total FHLB advances of as June 30, 2025 were \$3.4 billion, all of which mature within one year. The Company also has a \$10.0 million subordinated debenture that matures within one year. These arrangements also include off-balance sheet commitments to extend credit, letters of credit and various forms of guarantees. As of June 30, 2025, our loan commitments were \$10.0 billion, and letter of credit commitments were \$321.2 million. A portion of the commitments will eventually result in funded loans and increase our profitability through net interest income when drawn and unused commitment fees prior to being drawn. Refer to Note 7 – *Commitments and Contingencies* for further information. Financing commitments, letters of credit and deferred purchase commitments are presented at contractual amounts and do not necessarily reflect future cash outflows as many are expected to expire unused or partially used.

Concentrations of Credit Risk

Information regarding Concentrations of Credit Risk is included in Note 7 of the Notes to Condensed Consolidated Financial Statements.

Capital Resources

Shareholders' equity as of June 30, 2025 was \$5.3 billion, an increase of \$223.7 million from December 31, 2024. The increase in shareholders' equity during the six months ended June 30, 2025 was principally due to net income of \$239.0 million and other comprehensive income of \$128.2 million, partially offset by cash dividends paid of \$152.6 million during the period.

The Company's dividend policy considers, among other things, earnings, regulatory capital levels, the overall payout ratio and expected asset growth to determine the amount of dividends declared, if any, on a quarterly basis. There is no assurance that future cash dividends on common shares will be declared or increased. We cannot predict the extent of the economic decline that could result in inadequate earnings, regulatory restrictions and limitations, changes to our capital requirements, or a decision to increase capital by retention of earnings, which may result in the inability to pay dividends at previous levels, or at all.

On May 16, 2025, Columbia declared a cash dividend in the amount of \$0.36 per common share based on first quarter 2025 performance, which was paid on June 16, 2025.

The following table presents cash dividends declared and dividend payout ratios (dividends declared per common share divided by basic earnings per common share) for the periods indicated:

	Three Months Ended				Six Months Ended	
	June 30, 2025	March 31, 2025	June 30, 2025	June 30, 2024		
Dividend declared per common share	\$ 0.36	\$ 0.36	\$ 0.72	\$ 0.72		
Dividend payout ratio	49 %	88 %	63 %	62 %		

The Company is committed to managing capital to maintain strong protection for depositors and creditors and for maximum shareholder benefit. The Company also manages its capital to exceed regulatory capital requirements for banking organizations. The regulatory capital requirements effective for the Company follow Basel III, with the Company being subject to calculating its capital adequacy as a percentage of risk-weighted assets under the standardized approach. All regulatory ratios exceeded regulatory "well-capitalized" requirements.

The following table shows the Company's consolidated and the Bank's capital adequacy ratios compared to the regulatory minimum capital ratio and the regulatory minimum capital ratio needed to qualify as a "well-capitalized" institution, as calculated under regulatory guidelines of the Basel III at the dates presented:

(dollars in thousands)	Actual		For Capital Adequacy purposes	To be Well Capitalized
	Amount	Ratio	Ratio	Ratio
June 30, 2025				
Total Capital (to Risk Weighted Assets)				
Consolidated	\$ 5,219,584	13.03 %	8.00 %	10.00 %
Bank	\$ 5,081,231	12.69 %	8.00 %	10.00 %
Tier I Capital (to Risk Weighted Assets)				
Consolidated	\$ 4,324,362	10.80 %	6.00 %	8.00 %
Bank	\$ 4,647,009	11.61 %	6.00 %	8.00 %
Tier I Common (to Risk Weighted Assets)				
Consolidated	\$ 4,324,362	10.80 %	4.50 %	6.50 %
Bank	\$ 4,647,009	11.61 %	4.50 %	6.50 %
Tier I Capital (to Average Assets)				
Consolidated	\$ 4,324,362	8.56 %	4.00 %	5.00 %
Bank	\$ 4,647,009	9.19 %	4.00 %	5.00 %
December 31, 2024				
Total Capital (to Risk Weighted Assets)				
Consolidated	\$ 5,082,012	12.75 %	8.00 %	10.00 %
Bank	\$ 4,951,381	12.42 %	8.00 %	10.00 %
Tier I Capital (to Risk Weighted Assets)				
Consolidated	\$ 4,200,595	10.54 %	6.00 %	8.00 %
Bank	\$ 4,530,964	11.37 %	6.00 %	8.00 %
Tier I Common (to Risk Weighted Assets)				
Consolidated	\$ 4,200,595	10.54 %	4.50 %	6.50 %
Bank	\$ 4,530,964	11.37 %	4.50 %	6.50 %
Tier I Capital (to Average Assets)				
Consolidated	\$ 4,200,595	8.31 %	4.00 %	5.00 %
Bank	\$ 4,530,964	8.97 %	4.00 %	5.00 %

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our assessment of market risk as of June 30, 2025 indicates there are no material changes in the qualitative disclosures from those in our Annual Report on Form 10-K for the year ended December 31, 2024.

Interest Rate Simulation Impact on Net Interest Income

For the scenarios shown, the interest rate simulation assumes a parallel and sustained shift in market interest rates over a twelve-month period and no change in the composition or size of the balance sheet.

The scenarios are as of the dates presented:

	June 30, 2025		December 31, 2024	
	Year 1	Year 2	Year 1	Year 2
Up 300 basis points	(1.5)%	0.2 %	(0.5)%	(0.1)%
Up 200 basis points	(0.9)%	0.2 %	(0.3)%	— %
Up 100 basis points	(0.5)%	0.1 %	(0.1)%	— %
Down 100 basis points	0.6 %	— %	0.1 %	(0.2)%
Down 200 basis points	1.5 %	(0.1)%	0.4 %	(0.4)%
Down 300 basis points	2.4 %	(0.6)%	1.1 %	(0.7)%

An interest rate simulation model is used to estimate the sensitivity of net interest income to changes in market interest rates. The simulation model does not take into account any future actions management could undertake to mitigate the impact of interest rate changes or the impact a change in interest rates may have on our credit risk profile, loan prepayment estimates and spread relationships, which can change regularly. Actions we could undertake include, but are not limited to, growing or contracting the balance sheet, changing the composition of the balance sheet, or changing our pricing strategies for loans or deposits.

Simulation results indicate limited exposure to interest rate risk in either increasing or decreasing rate environments. The June 30, 2025 sensitivity in the most plausible down rate scenario is less than 1%, consistent with the position at December 31, 2024.

The short-term interest rate environment is primarily a function of the monetary policy of the Federal Reserve Board. The federal funds rate, the basis for overnight funding and driver of the short end of the yield curve, was unchanged during the second quarter of 2025. Longer maturities are influenced by the market’s expectations for economic growth and inflation but can also be influenced by Federal Reserve purchases and sales and expectations of monetary policy going forward.

Based on the FOMC Members’ median expectations for the federal funds target rate, the federal funds rate is projected to decline through 2026.

Economic Value of Equity

Another interest rate sensitivity measure we utilize is the quantification of economic value changes for all financial assets and liabilities, given an increase or decrease in market interest rates. This approach provides a longer-term view of interest rate risk, capturing all future expected cash flows.

The table below illustrates the effects of various instantaneous rate changes on the fair values of financial assets and liabilities compared to the corresponding carrying values and fair values as of the dates presented:

	June 30, 2025	December 31, 2024
Up 300 basis points	(13.6)%	(15.3)%
Up 200 basis points	(8.8)%	(9.6)%
Up 100 basis points	(4.3)%	(4.7)%
Down 100 basis points	3.9 %	4.5 %
Down 200 basis points	6.6 %	8.2 %
Down 300 basis points	6.9 %	10.3 %

Our EVE analysis indicates a liability sensitive profile in increasing interest rate scenarios. This suggests a sudden or sustained increase in market interest rates would result in a decrease in our estimated EVE, as the decrease in the economic value of our interest-earning assets exceeds the economic value change of interest-bearing liabilities. In declining interest rate scenarios, our EVE increases. This occurs as the increase in the economic value of interest-earning assets exceeds the decline in economic value of interest-bearing liabilities, including the core deposit intangible. As of June 30, 2025, our estimated EVE (fair value of financial assets and liabilities) was above our book value of equity primarily due to the economic value of the core deposit intangible.

Item 4. Controls and Procedures

Our management, including our Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer, has concluded that our disclosure controls and procedures are effective in timely alerting them to information relating to us that is required to be included in our periodic filings with the SEC. The disclosure controls and procedures were last evaluated by management as of June 30, 2025.

No change in internal control over financial reporting occurred during the quarter ended June 30, 2025 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

The information required by this item is set forth in Part I, Item 1 under Note 7 – *Commitments and Contingencies*—Legal Proceedings and Regulatory Matters, and incorporated herein by reference.

Item 1A. Risk Factors

Refer to "Part I—Item 1A—Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 for a discussion of risk factors relating to the Company's business. These factors could materially and adversely affect our business, financial condition, liquidity, results of operations and capital position, and could cause our actual results to differ materially from our historical results or the results contemplated by the forward-looking statements contained in this Quarterly Report on Form 10-Q. The Company believes that there has been no material change in its risk factors as previously disclosed in the Company's Form 10-K for the year ended December 31, 2024 other than as set forth below.

The Merger Agreement may be terminated in accordance with its terms and the Mergers may not be completed.

The Merger Agreement is subject to a number of conditions which must be fulfilled in order to complete the Mergers. Those conditions include, among other things, the absence of any order, injunction, decree, or other law preventing or making illegal the completion of the Mergers, the Bank Merger or any of the other transactions contemplated by the Merger Agreement. Each party's obligation to complete the Merger is also subject to certain additional customary conditions, including (a) subject to applicable materiality standards, the accuracy of the representations and warranties of the other party, (b) the performance in all material respects by the other party of its obligations under the Merger Agreement and (c) the receipt by each party of an opinion from its counsel to the effect that the Mergers will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986.

These conditions to the closing of the Merger may not be fulfilled in a timely manner or at all, and, accordingly, the Mergers may not be completed. In addition, the parties can mutually decide to terminate the Merger Agreement at any time, or Columbia or Pacific Premier may unilaterally elect to terminate the Merger Agreement in certain other circumstances.

Failure to complete the Mergers could negatively impact Columbia.

If the Mergers are not completed for any reason there may be various adverse consequences and Columbia may experience negative reactions from the financial markets and from its customers and employees. For example, Columbia's business may have been impacted adversely by the failure to pursue other beneficial opportunities due to the focus of management on the Mergers, without realizing any of the anticipated benefits of completing the Mergers. Also, Columbia has devoted significant internal resources to the pursuit of the Mergers and the expected benefit of those resource allocations would be lost if the Mergers are not completed. Additionally, if the Merger Agreement is terminated, the market price of Columbia's common stock could decline to the extent that current market prices reflect a market assumption that the Mergers will be beneficial and will be completed. Columbia also could be subject to litigation related to any failure to complete the Mergers or to proceedings commenced against Columbia to perform its obligations under the Merger Agreement. If the Merger Agreement is terminated under certain circumstances, Columbia may be required to pay a termination fee of \$75 million to Pacific Premier.

Combining Columbia and Pacific Premier may be more difficult, costly or time-consuming than expected, and Columbia may fail to realize the anticipated benefits of the Mergers.

Columbia and Pacific Premier have operated and, until the completion of the Mergers, will continue to operate independently. The success of the Mergers, including anticipated benefits and cost savings, will depend, in part, on our ability to successfully combine and integrate the businesses of Columbia and Pacific Premier in a manner that permits growth opportunities and does not materially disrupt the existing customer relations nor result in decreased revenues due to loss of customers. It is possible that the integration process could result in the loss of key employees, the disruption of either company's ongoing businesses or inconsistencies in standards, controls, procedures, and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors, and employees or to achieve the anticipated benefits and cost savings of the Mergers. The loss of key employees could adversely affect Columbia's ability to successfully conduct its business, which could have an adverse effect on Columbia's financial results and the value of its common stock. If Columbia experiences difficulties with the integration process, the anticipated benefits of the Mergers may not be realized fully or at all, or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause Columbia or Pacific Premier to lose customers or cause customers to remove their accounts from Columbia or Pacific Premier and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of Columbia and Pacific Premier during this transition period and for an undetermined period after completion of the Mergers on the combined company. In addition, the actual cost savings of the Mergers could be less than anticipated.

The combined company may be unable to retain Columbia and/or Pacific Premier personnel successfully after the Mergers are completed.

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

Columbia will be subject to business uncertainties and contractual restrictions while the Mergers are pending.

Uncertainty about the effect of the Mergers on employees and customers may have an adverse effect on Columbia. These uncertainties may impair Columbia's ability to attract, retain and motivate key personnel until the Mergers are completed, and could cause customers and others that deal with Columbia to seek to change existing business relationships with Columbia. In addition, subject to certain exceptions, Columbia has agreed to operate its business in the ordinary course prior to closing in all material respects. These restrictions may prevent Columbia from pursuing attractive business opportunities that may arise prior to the completion of the Mergers.

Columbia has incurred and is expected to incur substantial costs related to the Mergers and integration.

Both Columbia and Pacific Premier will incur substantial expenses in connection with the negotiation and completion of the transactions contemplated by the Merger Agreement. These costs include legal, financial advisory, accounting, consulting, and other advisory fees, retention, severance and employee benefit-related costs, public company filing fees and other regulatory fees, financial printing and other printing costs, closing, integration, and other related costs. Some of these costs are payable by Columbia regardless of whether or not the Mergers are completed.

Shareholder litigation related to the Mergers could prevent or delay the completion of the Mergers, result in the payment of damages or otherwise negatively impact the business and operations of Columbia.

Shareholders may bring claims in connection with the proposed Mergers and, among other remedies, may seek damages or an injunction preventing the Mergers from closing. If any plaintiff were successful in obtaining an injunction prohibiting Columbia or Pacific Premier from completing the Mergers or any other transactions contemplated by the Merger Agreement, then such injunction may delay or prevent the effectiveness of the Mergers and could result in costs to Columbia, including costs in connection with the defense or settlement of any shareholder lawsuits filed in connection with the Mergers. Further, such lawsuits and the defense or settlement of any such lawsuits may have an adverse effect on the financial condition and results of operations of Columbia.

The Merger Agreement limits Columbia's ability to pursue acquisition proposals.

The Merger Agreement prohibits Columbia from initiating, soliciting, knowingly encouraging, or knowingly facilitating certain third-party acquisition proposals. These provisions might discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of Columbia from considering or proposing such an acquisition.

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

(a) Not applicable

(b) Not applicable

(c) The following table provides information about repurchases of Columbia common stock by the Company during the quarter ended June 30, 2025:

Period	Total number of Common Shares Purchased ⁽¹⁾	Average Price Paid per Common Share	Total Number of Shares Purchased as Part of Publicly Announced Plan ⁽²⁾	Maximum Number of Shares that May be Purchased at Period End under the Plan ⁽²⁾
04/01/25 - 04/30/25	69,946	\$ 24.90	—	—
05/01/25 - 05/31/25	4,029	\$ 25.61	—	—
06/01/25 - 06/30/25	632	\$ 23.44	—	—
Total for quarter	74,607	\$ 24.93	—	—

⁽¹⁾ Common shares repurchased by the Company during the quarter consist of cancellation of 74,607 shares to be issued upon vesting of restricted stock units and awards to pay withholding taxes.

⁽²⁾ The Company does not currently have a share repurchase authorization from its Board of Directors.

Item 3. Defaults upon Senior Securities

Not applicable

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

Rule 10b5-1 or Non-Rule 10b5-1 Trading Arrangements

During the second quarter of 2025 none of our directors or officers adopted or terminated a trading plan intended to satisfy Rule 10b5-1 or any "non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K.

Certain of our officers and directors have made elections to participate in, and are participating in, our 401(k) and profit sharing plan and have made, and may from time to time make, elections to (i) have shares withheld to cover withholding taxes or (ii) have dividends from Columbia common stock reinvested into Columbia common stock, (iii) have a portion of their 401(k) account contributions used to purchase Columbia common stock, or (iv) participate in the employee stock purchase plan, which may be intended to satisfy the affirmative defense conditions of Rule 10b5-1 under the Exchange Act or may constitute non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

On August 4, 2025, the Board of Directors of the Company amended and restated the Company's Amended and Restated Bylaws to remove certain corporate governance provisions that were added to the Company's Amended and Restated Bylaws in connection with the Umpqua Merger (the "Amendment"). The Amendment removed provisions from the Company's Amended and Restated Bylaws related to (i) the roles of the Company's Chief Executive Officer and former Executive Chair, and (ii) the headquarters and name of the Company and the Bank.

The foregoing summary of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amended and Restated Bylaws of the Company, a copy of which is attached hereto as Exhibit 3.2 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

Item 6. Exhibits

<u>Exhibit #</u>	<u>Description</u>	<u>Location</u>
2.1	Agreement and Plan of Merger, dated as of April 23, 2025, by and among the Company, Pacific Premier, and Balboa Merger Sub, Inc.	Incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed on April 25, 2025
3.1	Restated Articles of Incorporation	Incorporated by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023
3.2	Amended and Restated Bylaws	Filed herewith
4.1	Specimen Common Stock Certificate	Incorporated by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-3 filed on December 19, 2008
4.2	Pursuant to Item 601(b) (4) (iii) (A) of Regulation S-K, copies of instruments defining the rights of holders of long-term debt and preferred securities are not filed. The Company agrees to furnish a copy thereof to the Securities and Exchange Commission upon request.	
31.1	Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.3	Certification of Principal Accounting Officer under Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32	Certification of Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
101.INS	Inline XBRL Instance Document – 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	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, formatted in Inline XBRL (included in Exhibit 101)	

** Management contract or compensatory plan or arrangement

SIGNATURES

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

COLUMBIA BANKING SYSTEM, INC.
(Registrant)

Dated August 6, 2025

/s/ Clint E. Stein

Clint E. Stein
President and Chief Executive Officer

Dated August 6, 2025

/s/ Ronald L. Farnsworth

Ronald L. Farnsworth
Executive Vice President, Chief Financial Officer and Principal Financial Officer

Dated August 6, 2025

/s/ Lisa M. White

Lisa M. White
Executive Vice President, Corporate Controller and Principal Accounting Officer

EXHIBIT 3.2

**AMENDED AND RESTATED BYLAWS
OF
COLUMBIA BANKING SYSTEM, INC.**

Table of Contents

<u>ARTICLE 1 Meetings of Shareholders</u>	4
<u>SECTION 1.1 – Shareholder Meetings.</u>	4
<u>SECTION 1.2 – Annual Meeting.</u>	4
<u>SECTION 1.3 – Special Meetings.</u>	4
<u>SECTION 1.4 – Nominations and Business at Annual and Special Meetings.</u>	4
<u>SECTION 1.5 – Notice.</u>	5
<u>SECTION 1.6 – Quorum; Vote Required.</u>	5
<u>SECTION 1.7 – Adjournment.</u>	6
<u>SECTION 1.8 – Chair of Meeting.</u>	6
<u>SECTION 1.9 – Secretary of Meeting.</u>	6
<u>SECTION 1.10 – Conduct of Meetings.</u>	6
<u>SECTION 1.11 – Voting.</u>	6
<u>SECTION 1.12 – Proxies.</u>	6
<u>SECTION 1.13 – Shareholder Advisor.</u>	6
<u>SECTION 1.14 – Recording of Proceedings.</u>	6
<u>SECTION 1.15 – Record Date.</u>	6
<u>SECTION 1.16 – List of Shareholders.</u>	7
<u>SECTION 1.17 – Notice of Shareholder Business to be Conducted at a Meeting of Shareholders.</u>	7
<u>SECTION 1.18 – Submission of Questionnaire, Representation and Agreement.</u>	12
<u>ARTICLE 2 Directors</u>	12
<u>SECTION 2.1 – Management of Corporation.</u>	12
<u>SECTION 2.2 – Number of Directors; Vacancies.</u>	12
<u>SECTION 2.3 – Qualifications of Directors; Tenure.</u>	13
<u>SECTION 2.4 – Annual Meetings.</u>	13
<u>SECTION 2.5 – Place of Meetings.</u>	13
<u>SECTION 2.6 – Regular Meetings.</u>	13
<u>SECTION 2.7 – Special Meetings.</u>	13
<u>SECTION 2.8 – Notices.</u>	13
<u>SECTION 2.9 – Quorum.</u>	13
<u>SECTION 2.10 – Attendance by Conference Telecommunication.</u>	13
<u>SECTION 2.11 – Consent to Action.</u>	14
<u>SECTION 2.12 – Compensation.</u>	14
<u>SECTION 2.13 – Manifestation of Dissent.</u>	14

<u>SECTION 2.14 – Lead Independent Director.</u>	<u>14</u>
<u>ARTICLE 3 Committees of the Board of Directors</u>	<u>14</u>
<u>SECTION 3.1 – Executive Committee.</u>	<u>14</u>
<u>SECTION 3.2 – Audit Committee.</u>	<u>14</u>
<u>SECTION 3.3 – Other Committees.</u>	<u>15</u>
<u>SECTION 3.4 – Rules of Procedure.</u>	<u>15</u>
<u>ARTICLE 4 Officers and Employees</u>	<u>15</u>
<u>SECTION 4.1 – Officers.</u>	<u>15</u>
<u>SECTION 4.2 – Election.</u>	<u>15</u>

<u>SECTION 4.3 – Removal and Vacancy.</u>	15
<u>SECTION 4.4 – Compensation.</u>	15
<u>SECTION 4.5 – Exercise of Rights as Shareholders.</u>	15
<u>SECTION 4.6 – Duties of Chair of the Board.</u>	16
<u>SECTION 4.7 – Duties of Vice Chair.</u>	16
<u>SECTION 4.8 – Duties of Chief Executive Officer.</u>	16
<u>SECTION 4.9 – Duties of President.</u>	16
<u>SECTION 4.10 – Duties of Vice President.</u>	16
<u>SECTION 4.11 – Duties of Secretary.</u>	16
<u>SECTION 4.12 – Duties of Treasurer.</u>	16
<u>SECTION 4.13 – Other Officers.</u>	16
<u>SECTION 4.14 – Clerks and Agents.</u>	17
<u>ARTICLE 5 Shares and Certificates for Shares</u>	17
<u>SECTION 5.1 – Consideration.</u>	17
<u>SECTION 5.2 – Stock Certificates.</u>	17
<u>SECTION 5.3 – Lost Certificates.</u>	17
<u>SECTION 5.4 – Transfer of Shares.</u>	17
<u>SECTION 5.5 – Holder of Record.</u>	17
<u>SECTION 5.6 – Issuance of Shares.</u>	18
<u>SECTION 5.7 – Subscriptions.</u>	18
<u>SECTION 5.8 – Payment of Subscriptions.</u>	18
<u>SECTION 5.9 – Default in Payment of Subscriptions.</u>	18
<u>ARTICLE 6 Seal</u>	18
<u>SECTION 6.1 – Corporate Seal.</u>	18
<u>ARTICLE 7 Miscellaneous Provisions</u>	18
<u>SECTION 7.1 – Fiscal Year.</u>	18
<u>SECTION 7.2 – Records.</u>	18
<u>ARTICLE 8 Bylaws</u>	18
<u>SECTION 8.1 – Inspection.</u>	18
<u>SECTION 8.2 – Amendments.</u>	19
<u>ARTICLE 9 Certain Corporate Governance Matters</u>	19
<u>SECTION 9.1 – Executive Chair; President and Chief Executive Officer.</u>	19
<u>SECTION 9.2 – Headquarters; Name.</u>	19
<u>SECTION 9.23 – Amendments; Interpretation.</u>	19

ARTICLE 1
Meetings of Shareholders

SECTION 1.1 – Shareholder Meetings. Shareholder meetings shall be held at the principal office of Columbia Banking System, Inc. (the “Corporation”), or at such other location within or without the State of Washington as shall be determined by the Board of Directors (the “Board”) and stated in the Notice of Meeting.

SECTION 1.2 – Annual Meeting. The regular annual meeting of the shareholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held on such day and at such time following the close of the Corporation’s fiscal year as shall be determined each year by the Board. If such annual meeting is omitted by oversight or otherwise during such period, a subsequent annual meeting may nonetheless be held, and any business transacted or elections held at such meeting shall be as valid as if the annual meeting had been held during the period provided above.

SECTION 1.3 – Special Meetings. Special meetings of the shareholders may be called at any time by the Chair, the Chief Executive Officer (the “CEO”), the President, a majority of the Board, or upon the delivery of a written demand of the holders of record of ten (10) percent of the outstanding stock entitled to vote on any issue proposed to be considered at the proposed special meeting to the Secretary of the Corporation (such demand being referred to as a “Demand”).

SECTION 1.4 – Nominations and Business at Annual and Special Meetings. Nominations of persons for election to the Board and the proposal of business to be considered by the shareholders at an annual or special meeting of shareholders may be made only:

- (A) pursuant to the Corporation’s notice of meeting delivered pursuant to Section 1.5 of these bylaws;
- (B) by or at the direction of the Board (or any duly authorized committee thereof);
- (C) in the case of an annual meeting, by any shareholder entitled to vote at the meeting who complies with the notice procedures set forth in Section 1.17 of these bylaws; or
- (D) in the case of a special meeting:
 - (i) called pursuant to a Demand for a special meeting delivered in accordance with Section 1.3 of these bylaws, as specified in such Demand by the shareholder(s) making such Demand who shall have complied with the notice procedures set forth in Section 1.17 of these bylaws; or
 - (ii) called by the Corporation other than pursuant to a Demand, if directors are to be elected pursuant to the Corporation’s notice of meeting delivered pursuant to Section 1.5 of these bylaws, then nominations of persons for election to the Board may be made by any shareholder entitled to vote at the meeting who complies with the notice procedures set forth in Section 1.17 of these bylaws. Any such shareholder may nominate such number of persons for election to the Board as is less than or equal to the number of position(s) as are specified in the Corporation’s notice of meeting.

Clauses (C) and (D) of this Section 1.4 shall be the exclusive means for a shareholder to make nominations of persons for election to the Board or submit other business before a meeting of shareholders. The notice procedures set forth in Section 1.17 of these bylaws shall be deemed satisfied by

a shareholder who seeks to have the shareholder's proposal included in the Corporation's proxy statement and identified as a proposal in the Corporation's form of proxy pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 ("1934 Act") if such shareholder complies with the provisions of that Rule.

SECTION 1.5 – Notice. Written notice stating the place, day, and hour of the meeting, and in case of a special meeting the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting (except when the purpose of the meeting includes action on an amendment to the Articles of Incorporation of the Corporation (the "Articles of Incorporation"), a plan of merger or share exchange, a proposed sale of assets pursuant to Section 23B.12.020 of the Washington Business Corporation Act (the "WBCA"), or the dissolution of the Corporation, in which case notice shall be delivered not less than twenty (20) nor more than sixty (60) days before the meeting date), either personally or by mail, by or at the direction of the Chair, the CEO, the President, the Secretary, or the person or persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the shareholder at their address as it appears on the stock transfer books of the Corporation. Each shareholder shall be responsible for providing the Secretary with the shareholder's current mailing address to which notices of meetings and all other corporate notices may be sent. A shareholder may waive any notice required for any meeting by executing a written waiver of notice either before or after said meeting and such waiver shall be equivalent to the giving of such notice. The attendance of a shareholder at a shareholders' meeting, in person or by proxy, shall constitute a waiver of notice of the meeting.

SECTION 1.6 – Quorum; Vote Required. A majority of the shares entitled to vote shall constitute a quorum at a meeting of shareholders. When a quorum is present at any meeting, except as set forth below, action on a matter is approved if the votes cast favoring the action exceed the votes cast opposing the action, unless otherwise provided by the Articles of Incorporation or law. The Corporation elects to be governed by Section 23B.10.205 of the WBCA with respect to the election of directors, as set forth in this Section 1.6. In any election of directors that is not a contested election the candidates elected are those receiving a majority of votes cast. For purposes of this Section 1.6, a "majority of votes cast" means that the number of shares voted "for" a director nominee must exceed the number of shares voted "against" that director nominee. The following shall not be considered votes cast for this purpose: (i) a share whose ballot is marked as withheld; (ii) a share otherwise present at the meeting but for which there is an abstention; and (iii) a share otherwise present at the meeting as to which a shareholder of record gives no authority or direction. A nominee for director in an election that is not a contested election who does not receive a majority of votes cast, but who was a director at the time of the election, shall continue to serve as a director for a term that shall terminate on the date that is the earlier of: (i) ninety (90) days from the date on which the voting results of the election are determined, (ii) the date on which an individual is selected by the Board to fill the office held by such director, which selection shall be deemed to constitute the filling of a vacancy by the Board, or (iii) the date on which the director's resignation is accepted by the Board. In a contested election, the directors shall be elected by a plurality of the votes cast. For purposes of this Section 1.6, a "contested election" is any meeting of shareholders for which (i) the Secretary of the Corporation receives a notice that a shareholder has nominated a person for election to the Board in compliance with the advance notice requirements for shareholder nominees for director set forth in Section 1.17 of these bylaws, (ii) such nomination has not been withdrawn by such shareholder on or prior to the last date that a notice of nomination for such meeting is timely as determined under Section 1.17 and (iii) the Board has not determined before the notice of meeting is given that the shareholder's nominee(s) do not create a bona fide election contest. For purposes of clarity and to resolve any ambiguity under Section 23B.10.205 of the WBCA, it is assumed that for purposes of determining the number of director nominees, on the last day for delivery of a notice under Section 1.17, there is a candidate nominated by the Board for each of the director positions to be voted on at the meeting. Nothing in this bylaw is intended to limit the authority of the Board to determine that a bona fide election contest does not exist, in which event it shall disclose the applicable voting regime in the notice

of meeting or, if such determination occurs after such notice has been sent, send a new notice which shall include disclosure of the applicable voting regime.

SECTION 1.7 – Adjournment. A majority of the shares represented at a meeting, even if less than a quorum, may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally stated in the notice of meeting. The shareholders present at a duly organized meeting may continue to transact business until adjournment notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

SECTION 1.8 – Chair of Meeting. The Chair, or in their absence, the CEO, or the President, shall preside at all meetings of the shareholders unless the Board shall otherwise determine. The Board may appoint any shareholder to act as chair of the meeting.

SECTION 1.9 – Secretary of Meeting. The Secretary shall act as a secretary at all meetings of the shareholders, and in their absence, the presiding officer may appoint any person to act as secretary.

SECTION 1.10 – Conduct of Meetings. Shareholder meetings shall be conducted in an orderly and fair manner, but the presiding officer shall not be bound by any technical rules of parliamentary procedure.

SECTION 1.11 – Voting. Each outstanding share shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders.

SECTION 1.12 – Proxies. At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by their duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

SECTION 1.13 – Shareholder Advisor. A shareholder or holder of a valid proxy may be accompanied at any shareholders' meeting by one personal advisor, but no such advisor may address the meeting without the consent of the presiding officer.

SECTION 1.14 – Recording of Proceedings. The proceedings of a shareholders' meeting may not be mechanically or electronically recorded other than by the Secretary or acting secretary without the express approval of all individuals in attendance at the meeting.

SECTION 1.15 – Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board may fix in advance a date as the record date for any such determination of shareholders. Such date in any case shall not be more than sixty (60) days and, in case of a meeting of shareholders, not less than ten (10) days prior to the date on which the particular action requiring such determination of shareholders is to be taken. If no record date is fixed by the Board, the date on which notice of the meeting is mailed or the date on which the resolution of the Board declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof.

SECTION 1.16 – List of Shareholders. The Secretary of the Corporation shall make a complete record of the shareholders entitled to vote at a meeting of shareholders, or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each as shown on the Corporation’s stock transfer books on the record date. Such record shall be kept on file at the registered office of the Corporation for a period of ten (10) days prior to the meeting of shareholders. Such record shall be produced and kept open at the time and place of the shareholders’ meeting and shall be subject to the inspection of any shareholder during the meeting for any proper purpose.

SECTION 1.17 – Notice of Shareholder Business to be Conducted at a Meeting of Shareholders. In order for a shareholder to properly bring any nomination of a person for election to the Board or other item of business before a meeting of shareholders, such shareholder (the “Noticing Shareholder”) must give timely notice thereof in proper written form to the Secretary of the Corporation, and, in the case of business other than nominations, such other business must otherwise be a proper matter for shareholder action. This Section 1.17 shall constitute an “advance notice provision” for purposes of Rule 14a-4(c)(1), promulgated under the 1934 Act.

(A) To be timely, a Noticing Shareholder’s notice (which, in the case of a shareholder making a Demand for a special meeting, shall be the Noticing Shareholder’s Demand) shall be delivered to the Secretary at the principal executive offices of the Corporation:

(i) as to an annual meeting, not earlier than the close of business on the 150th day and not later than the close of business on the 120th day prior to the first anniversary of the preceding year’s annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the close of business on the 150th day prior to the date of such annual meeting and not later than the close of business on the later of the 120th day prior to the date of such annual meeting or, if the first public announcement (as defined below) of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation;

(ii) as to a special meeting called pursuant to a Demand, not later than the close of business on the date of delivery of the first shareholder demand in compliance with 23B.07.020 of the WCBA; or

(iii) as to a special meeting called by the Corporation other than pursuant to a Demand, at which directors are to be elected pursuant to the Corporation’s notice of meeting delivered pursuant to Section 1.5 of these bylaws, not later than the earlier of the tenth (10th) day following the mailing of definitive proxy materials with respect to the meeting or the day on which public announcement of the date of such meeting and of the nominees proposed by the Board to be elected at such meeting is first made by the Corporation.

In no event shall any adjournment or postponement of an annual or special meeting, or the public announcement thereof, commence a new time period for the giving of a shareholder’s notice as described above.

(B) To be in proper form, a Noticing Shareholder’s notice to the Secretary (which, in the case of a shareholder making a Demand for a special meeting, shall be the Noticing Shareholder’s Demand) must:

(i) set forth and include the following information and/or documents, as applicable:

(a) the name and address of such Noticing Shareholder, as they appear on the Corporation's books, and the name and address of each Beneficial Owner (as defined below);

(b) representations that, as of the date of delivery of such notice, such Noticing Shareholder is a holder of record of shares of the Corporation and is entitled to vote at such meeting and intends to appear in person or by proxy at such meeting to propose such nomination or business;

(c) (1) the name of each individual, firm, corporation, limited liability company, partnership, trust or other entity (including any successor thereto, a "Person") with whom the Noticing Shareholder, Beneficial Owner, Shareholder Nominee (as defined below), and their respective Affiliates and Associates (as defined under Regulation 12B under the 1934 Act or any successor provision thereto) (each of the foregoing, a "Shareholder Group Member") and each other Person with whom such Shareholder Group Member is acting in concert with respect to the Corporation (each Person described in this clause (1), including each Shareholder Group Member, a "Covered Person") has any agreement, arrangement or understanding (whether written or oral) for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy given to such Person in response to a public proxy solicitation made generally by such Person to all holders of shares of the Corporation entitled to vote at the meeting (collectively, "Voting Stock") or disposing of any Voting Stock or to cooperate in obtaining, changing or influencing the control of the Corporation (except independent financial, legal and other advisors acting in the ordinary course of their respective businesses), and a description of each such agreement, arrangement or understanding (whether written or oral), (2) a list of the class and number of shares of Voting Stock that are Beneficially Owned or owned of record by each Covered Person, together with documentary evidence of such record or Beneficial Ownership, (3) a list of (A) all of the derivative securities (as defined under Rule 16a-1 under the 1934 Act) and other derivatives or similar agreements or arrangements with an exercise or conversion privilege or a periodic or settlement payment or payments or mechanism at a price or in an amount or amounts related to any security of the Corporation or with a value derived or calculated in whole or in part from the value of any security of the Corporation, in each case, directly or indirectly owned of record or Beneficially Owned by any Covered Person and (B) each other direct or indirect opportunity of any Covered Person to profit or share in any profit derived from any increase or decrease in the value of any security of the Corporation, in each case, regardless of whether (x) such interest conveys any voting rights in such security to such Covered Person, (y) such interest is required to be, or is capable of being, settled through delivery of such security or (z) such Person may have entered into other transactions that hedge the economic effect of such interest (any such interest described in this clause (3) being a "Derivative Interest"), (4) a description of each agreement, arrangement or understanding (whether written or oral) with the effect or intent of increasing or decreasing the voting power of, or that contemplates any Person voting together with, any Covered Person with respect to any Voting Stock, Shareholder Nominee or other proposal ("Voting Arrangements"), (5) details of all other material interests of each Covered Person in such nomination or proposal or capital stock of the Corporation (including any rights to dividends or performance related fees based on any increase or decrease in the value of such capital stock or Derivative Interests) (collectively, "Other Interests"), (6) a description of all economic terms of all such Derivative Interests, Voting Arrangements and Other Interests and copies of all agreements and other documents (including but not limited to master agreements, confirmations and all ancillary documents and the names and details of the counterparties to, and brokers involved in, all such transactions) relating to each such Derivative Interest, Voting Arrangement and Other Interests, (7) a list of all transactions by each

Covered Person involving any Voting Stock or any Derivative Interests, Voting Arrangements or Other Interests within six months prior to the date of the notice and (8) a representation whether any Covered Person intends or is part of a group which intends (a) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect any Shareholder Nominee and/or (b) otherwise to solicit or participate in the solicitation of proxies from shareholders of the Corporation in support of such nomination or proposal. A notice delivered by or on behalf of any Noticing Shareholder under this Section 1.17(B) shall be deemed to be not in compliance with this Section 1.17(B) and not effective if (x) such notice does not include all of the information and documents required under this Section 1.17(B) or (y) after delivery of such notice, any information or document required to be included in such notice changes or is amended, modified or supplemented, as applicable, prior to the date of the relevant meeting and such information and/or document is not delivered to the Corporation by way of a further written notice as promptly as practicable following the event causing such change in information or amendment, modification or supplement, as applicable, and in any case where such event occurs within forty-five (45) days of the date of the relevant meeting, within five (5) business days after such event; provided, however, that the Board shall have the authority to waive any such non-compliance if the Board determines that such action is appropriate in the exercise of its fiduciary duties;

(ii) if the notice relates to any business other than a nomination of a director or directors that the shareholder proposes to bring before the meeting, such notice must also set forth:

(a) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such Noticing Shareholder in such business;

(b) the text of the proposal (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend these bylaws, the text of the proposed amendment); and

(c) the reasons for conducting such business at the meeting;

(iii) if the notice relates to the nomination of a director or directors, such notice must also set forth, as to each person whom the Noticing Shareholder proposes to nominate for election or reelection to the Board (a "Shareholder Nominee"):

(a) all information relating to such Shareholder Nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the 1934 Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and

(b) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among, any Covered Person, on the one hand, and each proposed Shareholder Nominee, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Securities and Exchange Commission (the "SEC") Regulation S-K if any Covered Person, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant; and

(iv) with respect to each Shareholder Nominee, the notice must also include a completed and signed questionnaire, representation and agreement required by Section 1.17 of these bylaws.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such nominee.

(C) Notwithstanding anything in Section 1.17(A)(i) of this bylaw to the contrary, in the event that the number of directors to be elected to the Board is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board at least 100 days prior to the first anniversary of the preceding year's annual meeting, a Noticing Shareholder's notice required by this bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation and such notice otherwise complies with the requirements of this Section 1.17.

(D) Only such persons who are nominated in accordance with the procedures set forth in this bylaw shall be eligible to be elected as directors at a meeting of shareholders and only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in this bylaw. Except as otherwise provided by law, the Articles of Incorporation or these bylaws, the Chair of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this bylaw and, if any proposed nomination or business is not in compliance with this bylaw, to declare that such defective proposal or nomination shall be disregarded. The Board may adopt by resolution such rules and regulations for the conduct of meetings of shareholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the Chair shall have the right and authority to convene and adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of the Chair, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the Chair, may include the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to shareholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the Board or the Chair shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the Chair, meetings of shareholders shall not be required to be held in accordance with the rules of parliamentary procedure. Notwithstanding the foregoing provisions of this Section 1.17, unless otherwise required by applicable law, if the Noticing Shareholder (or a qualified representative of the Noticing Shareholder) does not appear at the annual or special meeting of shareholders to present a nomination or proposed business previously put forward by or on behalf of such Noticing Shareholder or, immediately prior to the commencement of such meeting, such Noticing Shareholder does not provide a written certification to the Corporation on and as of the date of the applicable meeting that such Noticing Shareholder and each Covered Person, if any, is then in compliance with this Section 1.17, then such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 1.17, to be considered a qualified representative of the Noticing Shareholder, a person must be a duly authorized officer, manager or partner of such Noticing Shareholder or must be authorized by a writing executed by such Noticing Shareholder and each Covered Person, if any, or an electronic transmission delivered by such Noticing Shareholder and each Covered Person, if any, to act for such Noticing Shareholder and each Covered Person, if any, as proxy at the meeting of shareholders and to provide such

certification on behalf of the Noticing Shareholder and each Person required pursuant to this Section 1.17 and such Person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of shareholders. Nothing in this bylaw shall be deemed to affect any rights of (a) shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act or (b) holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the Articles of Incorporation.

(E) For purposes of this bylaw, a Person shall be deemed the "Beneficial Owner" of, shall be deemed to "Beneficially Own" and shall be deemed to have "Beneficial Ownership" of, any Voting Stock (i) that such Person or any of such Person's Affiliates or Associates (as defined under Regulation 12B under the 1934 Act or any successor provision thereto) is deemed to "beneficially own" within the meaning of Section 13(d) of, and Regulation 13D under, the 1934 Act or any successor provision thereto, or (ii) that is the subject of, or the reference security for or that underlies any Derivative Interest of such Person or any of such Person's Affiliates or Associates (as defined under Regulation 12B under the 1934 Act or any successor provision thereto), with the number of shares of Voting Stock deemed Beneficially Owned being the notional or other number of shares of Voting Stock specified in the documentation evidencing the Derivative Interest as being subject to be acquired upon the exercise or settlement of the Derivative Interest or as the basis upon which the value or settlement amount of such Derivative Interest is to be calculated in whole or in part or, if no such number of shares of Voting Stock is specified in such documentation, as determined by the Board in good faith to be the number of shares of Voting Stock to which the Derivative Interest relates. When two or more Persons act as a partnership, limited partnership, syndicate, or other group, or otherwise act in concert, in each case, for the purpose of acquiring, holding, or disposing of securities of the Corporation or for the purpose of proposing one or more Shareholder Nominees, putting forward any other proposal for consideration or voting together on any matter presented at a shareholder meeting, such syndicate or group shall be deemed a "Person" for the purpose of this definition. In addition, any Person who, directly or indirectly, creates or uses a trust, proxy, power of attorney, pooling arrangement or any contract, arrangement, or device with the purpose or effect of divesting such Person of Beneficial Ownership of any Voting Stock or preventing the vesting of such Beneficial Ownership as part of a plan or scheme to evade the reporting requirements of this Section 1.17 shall be deemed for the purposes of this bylaw to be the Beneficial Owner of such Voting Stock.

(F) For purposes of this bylaw, "public announcement" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the SEC pursuant to Section 13, 14 or 15(d) of the 1934 Act and the rules and regulations promulgated thereunder.

(G) Notwithstanding the foregoing provisions of this bylaw, a Noticing Shareholder shall also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder with respect to the matters set forth in this bylaw; provided, however, that any references in these bylaws to the 1934 Act or the rules promulgated thereunder are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be considered pursuant to Section 1.18 or Section 1.4 of these bylaws.

SECTION 1.18 – Submission of Questionnaire, Representation and Agreement. To be eligible to be a nominee for election or reelection as a director of the Corporation pursuant to a nomination of a Noticing Shareholder, a person must deliver (in accordance with the time periods prescribed for delivery of notice under Section 1.17 of these bylaws) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person:

(A) is not and will not become a party to:

(i) any agreement, arrangement or understanding (whether written or oral) with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a “Voting Commitment”) that has not been disclosed in writing to the Corporation, or

(ii) any Voting Commitment that could limit or interfere with such person’s ability to comply, if elected as a director of the Corporation, with such person’s fiduciary duties under applicable law,

(B) is not and will not become a party to any agreement, arrangement or understanding (whether written or oral) with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed in writing to the Corporation, and

(C) in such person’s individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

ARTICLE 2

Directors

SECTION 2.1 – Management of Corporation. All corporate powers shall be exercised by, or under authority of, and the business and affairs of the Corporation shall be managed under the direction of the Board.

SECTION 2.2 – Number of Directors; Vacancies. The initial number of directors is stated in the Articles of Incorporation. The number to be elected by the shareholders shall consist of not less than eight (8) nor more than fifteen (15) persons. The exact number within such minimum and maximum limits shall be fixed and determined by resolution of the Board. A vacancy on the Board may occur by the resignation, removal, termination of term or death of an existing director, or by reason of increasing the number of directors on the Board as provided in these bylaws. Except as may be limited by the Articles of Incorporation, any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining directors whether or not less than a quorum. A director elected to fill a vacancy shall be elected for a term of office continuing until the director or their successor is duly elected and qualified at the next election of directors by shareholders or until their earlier resignation, removal from office, termination of term or death. If the vacant office was held by a director elected by holders of one or more

authorized classes or series of shares, only the holders of those classes or series of shares are entitled to vote to fill the vacancy.

SECTION 2.3 – Qualifications of Directors; Tenure. Any person who will not attain the age of seventy-five (75) before the meeting of shareholders at which elected (or had not attained that age by the date of the last annual meeting of shareholders, if appointed) may become a director of this Corporation. Directors shall serve until their successors are duly elected and qualified or until their earlier resignation, removal from office, termination of their term or death.

SECTION 2.4 – Annual Meetings. Immediately after the annual meeting of shareholders, the directors shall meet to elect officers and transact any other business.

SECTION 2.5 – Place of Meetings. Meetings of the Board, regular or special, may be held within or without the State of Washington.

SECTION 2.6 – Regular Meetings. Regular meetings of the Board may be held without notice at such time and at such place as the Board may by vote from time to time designate.

SECTION 2.7 – Special Meetings. Special meetings of the Board may be called by the Chair, the CEO, the President, or by any two (2) directors.

SECTION 2.8 – Notices. Notices of special meetings of the Board stating the date, time, place and in general terms the purpose or purposes thereof shall be delivered to each director, by mailing written notice at least two (2) days before the meeting or by telephoning, telegraphing or personally advising each director at least one (1) day before the meeting. A special meeting shall be held not more than twenty (20) days after the delivery of said notice. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the director at the address provided to the Secretary. An entry of the service of notice, given in the manner above provided, shall be made in the minutes of the proceedings of the Board, and such entry, if read and approved at the subsequent meeting of the Board, shall be conclusive on the question of service. Attendance of a director at a special meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. A director also may waive any notice required for any meeting by executing a written waiver of notice either before or after said meeting, and such waiver shall be equivalent to the giving of such notice.

SECTION 2.9 – Quorum. A majority of the directors shall constitute a quorum for the transaction of business. Unless otherwise provided in the Articles of Incorporation or these bylaws, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board. A majority of those present at the time and place of any regular or special meeting, although less than a quorum, may adjourn from time to time, without further notice, until a quorum shall attend. When a quorum shall attend, any business may be transacted which might have been transacted at the meeting had the same been held on the date stated in the notice of meeting.

SECTION 2.10 – Attendance by Conference Telecommunication. Members of the Board may participate in a meeting of such Board by means of a conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

SECTION 2.11 – Consent to Action. Any action which may be taken at a meeting of the Board, or at a meeting of any committee of the Board, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors or all the members of the committee. Such consent shall have the same force and effect as a unanimous vote at a duly convened meeting.

SECTION 2.12 – Compensation. The directors shall receive such reasonable compensation for their services as directors and as members of any committee appointed by the Board as may be prescribed by the Board and may be reimbursed by the Corporation for ordinary and reasonable expenses incurred in the performance of their duties.

SECTION 2.13 – Manifestation of Dissent. A director of the Corporation who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless their dissent shall be entered in the minutes of the meeting or unless they shall file their written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

SECTION 2.14 – Lead Independent Director. From and after the Effective Time (as defined in Article 9) until the Expiration Date (as defined in Article 9), at any time at which the Chair of the Board is not an independent director, the Board, by the vote of the majority of the full Board, shall designate a lead independent director from among the independent directors. For purposes of this Section 2.14, “independent director” shall mean a director who is determined by the Board to be “independent” under the rules of the securities exchange on which the Corporation’s common stock is, at the time of such determination, listed.

ARTICLE 3 Committees of the Board of Directors

SECTION 3.1 – Executive Committee. By resolution adopted by a majority of the entire Board, the Board may designate from among its members an Executive Committee of not less than five (5) nor more than nine (9) members, including the Chair, the CEO, and the President. The Chair, or in their absence the CEO, shall act as chair of the committee. Any member of the Board may serve as an alternate member of the committee in the absence of a regular member or members. The committee shall have and may exercise all of the authority of the Board during the intervals between meetings of the Board, except that the committee shall not have the authority to: (1) authorize or approve a distribution or issuance of shares, except according to a general formula or method prescribed by the Board, (2) approve or propose to shareholders actions or proposals requiring shareholder approval, (3) fill vacancies on the Board or any committee thereof, (4) amend the Articles of Incorporation pursuant to Section 23B.10.020 of the WBCA, (5) adopt, amend or repeal these bylaws, (6) approve a plan of merger not requiring shareholder approval, or (7) authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences, and limitations of a class or series of shares, except within certain limits specifically prescribed by the Board.

SECTION 3.2 – Audit Committee. By resolution adopted by a majority of the entire Board, the Board may appoint from among its members an Audit Committee of three (3) or more, none of whom shall be active officers of the Corporation, and may designate one (1) of such members as chair of the committee. The Board may also designate one or more directors as alternates to serve as a member or members of the committee in the absence of a regular member or members. The committee shall establish and maintain continuing communications between the Board and the Corporation’s independent auditors, internal auditors, and members of financial management with respect to the audit of the Corporation’s

accounts and financial affairs and the audit of the Corporation's controlled subsidiaries. The committee shall have such other powers and perform such other duties as may from time to time be prescribed by the Board or applicable law or regulations.

SECTION 3.3 – Other Committees. By resolution adopted by a majority of the entire Board, the Board may designate from among its members such other committees as it may deem necessary, each of which shall consist of not less than two (2) directors and have such powers and duties as may from time to time be prescribed by the Board.

SECTION 3.4 – Rules of Procedure. The majority of the members of any committee may fix its rules of procedure. All actions by any committee shall be reported in written minutes available at any reasonable time to any Board member. Such actions shall be subject to revision, alteration, and approval by the Board; provided, that no rights or acts of third parties who have relied in good faith on the authority granted herein shall be affected by such revision or alteration.

ARTICLE 4 Officers and Employees

SECTION 4.1 – Officers. The Board shall elect a Chair, a CEO, and a President. It shall also elect a Secretary and such additional officers as in the opinion of the Board the business of the Corporation requires. The Board may also elect or appoint, or in its discretion delegate to the CEO the authority to appoint, from time to time such other or additional officers as are desirable for the conduct of the business of the Corporation.

SECTION 4.2 – Election. The Chair, the CEO and the President shall be directors. These persons shall be elected annually by the Board, and they shall hold office at the pleasure of the Board.

SECTION 4.3 – Removal and Vacancy. Any officer, agent, or employee of the Corporation may be removed by the Board at any time with or without cause. Such removal, however, shall be without prejudice to the contract rights, if any, of the persons so removed. Election or appointment of an officer or agent or employee shall not of itself create contract rights. If any corporate office becomes vacant by reason of death, resignation, removal or otherwise, the Board or the executive officer possessing delegated authority to appoint such an officer, shall have power to fill such vacancies. In case of the absence or disability of any officer, the Board or the CEO may delegate the powers or duties of any such officer to another officer for the time being.

SECTION 4.4 – Compensation. The compensation of the CEO shall be fixed by the Board or a duly appointed committee thereof. Unless fixed by the Board, the compensation for all other officers, employees or agents of the Corporation shall be established by or at the direction of the CEO.

SECTION 4.5 – Exercise of Rights as Shareholders. Unless otherwise ordered by the Board, the CEO or the CEO's designee acting by written designation, shall have full power and authority on behalf of the Corporation to attend and to vote at any meeting of shareholders of any corporation in which this Corporation may hold stock, other than in a fiduciary capacity, and may exercise on behalf of this Corporation any and all of the rights and powers incident to the ownership of such stock at any such meeting, and shall have power and authority to execute and deliver proxies and consents on behalf of this Corporation in connection with the exercise by this Corporation of the rights and powers incident to the ownership of such stock. The Board, from time to time, may confer like powers upon any other person or persons.

SECTION 4.6 – Duties of Chair of the Board. The Chair shall preside at all meetings of the shareholders and at meetings of the Board and the Executive Committee, and shall exercise such powers and perform such duties as pertain to such office or as may be conferred upon, or assigned to, the Chair by the Board or as set forth in any agreement with the Corporation. The Chair may be an “Executive Chair” who is not independent and serves as an employee of the Corporation or one of its affiliates.

SECTION 4.7 – Duties of Vice Chair. Reserved.

SECTION 4.8 – Duties of Chief Executive Officer. The CEO shall have general management of the business of the Corporation. The CEO shall see that all orders and resolutions of the Board and the Executive Committee are carried into effect and shall have general supervision over the property, business, and affairs of the Corporation and its several officers. The CEO shall be the person to whom the President, and all other officers designated by the CEO, shall report. The CEO may delegate such duties as such officer sees fit to delegate to the President, or other officers of the Corporation, other than the Chair. The CEO may appoint agents or employees other than those appointed by the Board and shall perform such other duties as may be prescribed from time to time by the Board or by these bylaws.

SECTION 4.9 – Duties of President. The President shall, subject to the authority granted to the CEO, be the chief operating officer of the Corporation and shall have general supervision over the day-to-day business of the Corporation. The President shall have such other authority and shall exercise such other duties as shall, from time to time, be delegated to such officer by the CEO or by the Board. Unless otherwise determined by the Board, the President shall perform all of the duties of the CEO in case of absence or disability of the CEO.

SECTION 4.10 – Duties of Vice President. The Vice Presidents shall have such powers and perform such duties as may be assigned to them by the Board or the CEO. A Vice President designated by the Board shall perform all of the duties of the President in case of absence or disability of the President.

SECTION 4.11 – Duties of Secretary. The Secretary shall, subject to the direction of the CEO, keep the minutes of all meetings of the shareholders and of the Board and, to the extent ordered by the Board or the CEO, the minutes of all meetings of all committees. The Secretary shall cause notice to be given of the meetings of the shareholders, of the Board, and of any committee appointed by the Board. The Secretary shall have custody of the corporate seal and general charge of the records, documents, and papers of the Corporation not pertaining to the performance of the duties vested in other officers, which shall at all reasonable times be open to the examination of any director. Without limiting the generality of the foregoing, the Secretary shall have charge (directly or through such transfer agents or registrars as the Board may appoint) of the issuance, transfer, and registration of certificates for shares of the Corporation and of the records pertaining thereto. Said records shall be kept in such manner as to show at any time the number of shares of the Corporation issued and outstanding, the manner in which and the time when such shares were paid for, the names and addresses of the holders of record thereof, the numbers and classes of shares held by each, and the time when each became such holder of record. The Secretary shall perform such other duties as may be assigned by the Board or the CEO.

SECTION 4.12 – Duties of Treasurer. Except as otherwise set forth herein, the Treasurer shall, subject to the direction of the CEO, have general custody of all the property, funds and securities of the Corporation and have general supervision of the collection and disbursement of funds of the Corporation. The Treasurer shall provide for the keeping of proper records of all transactions of the Corporation and shall perform such other duties as may be assigned by the Board or the CEO.

SECTION 4.13 – Other Officers. Such other officers as shall be appointed by the Board, or the CEO, acting pursuant to delegated authority of the Board, shall exercise such powers and perform such

duties as pertain to their several offices, or as may be conferred upon, or assigned to, them by the Board or the CEO or such officer's designee.

SECTION 4.14 – Clerks and Agents. The CEO, or any other officer of the Corporation authorized by the CEO, may, subject to the supervision of the Board, appoint such custodians, bookkeepers and other clerks, agents, and employees as they shall deem advisable for the prompt and orderly transaction of the business of the Corporation and shall define their duties, fix the salaries to be paid to them and have the authority to dismiss them.

ARTICLE 5

Shares and Certificates for Shares

SECTION 5.1 – Consideration. Certificates for shares of the Corporation shall be issued only when fully paid for.

SECTION 5.2 – Stock Certificates. Shares may but need not be represented by certificates. Certificates, if utilized, shall be signed by the CEO and the Secretary, or any other two officers as may be designated by the Board, and may be sealed with the seal of the Corporation or a facsimile thereof. The signatures of such officers may be facsimiles. If an officer who has signed or whose facsimile signature has been placed upon such certificate ceases to be an officer before the certificate is issued, it may be issued by the Corporation with the same effect as if the person were an officer on the date of issue. Each newly issued certificate of stock at a minimum shall state:

- (A) the name of the Corporation and that it is organized under the laws of the State of Washington;
- (B) the name of the person to whom issued; and
- (C) the number and class of shares and the designation of the series, if any, which such certificate represents.

SECTION 5.3 – Lost Certificates. No new certificates shall be issued until the former certificate for the shares represented thereby shall have been surrendered and cancelled, except in the case of lost or destroyed certificates, and in that case only after the receipt of a bond or other security by the Corporation, satisfactory to the Board, indemnifying the Corporation and all persons against loss in consequence of the issuance of such new certificate.

SECTION 5.4 – Transfer of Shares. Shares of the Corporation may be transferred by endorsement by the signature of the owner, their agent, attorney or legal representative, and the delivery of the certificate; but no transfer shall be valid except between the parties thereto, until the same shall have been entered upon the books of the Corporation, so as to show the names of the parties, by and to whom transferred, the numbers and designation of the shares and the date of transfer.

SECTION 5.5 – Holder of Record. The person registered on the books of the Corporation as the owner of the issued shares shall be recognized by the Corporation as the person exclusively entitled to have and to exercise the rights and privileges incident to the ownership of such shares. Notwithstanding the preceding sentence, the Board may adopt by resolution a procedure whereby a shareholder may certify in writing to the Corporation that all or a portion of the shares registered in the name of such shareholder are held for the account of a specified person or persons. Upon receipt by the Corporation of a certification complying with such an adopted procedure, the person specified in the certification shall be

deemed, for the purpose or purposes set forth in the certification, to be the holders of record of the number of shares specified in place of the shareholder making the certification.

SECTION 5.6 – Issuance of Shares. Any shares authorized but not issued by this Corporation shall be issued, sold, or otherwise transferred by this Corporation only upon authorization of the Board.

SECTION 5.7 – Subscriptions. A subscription for shares of this Corporation shall be in writing and upon such terms as may be approved by the Board.

SECTION 5.8 – Payment of Subscriptions. A subscription for shares shall be paid in accordance with the terms set forth in the subscription or related subscription agreement, if any. If the subscription or subscription agreement does not require payment on or before a stated date or at a fixed period after a stated date, then payment shall be made in such manner and at such times as may be determined by the Board and expressed by it in a written call for payment; provided that the call shall be uniform as to all shares of the same class or series and that the call shall be mailed to each subscriber at such subscriber's last post office address known to the Corporation at least thirty (30) days in advance of the date upon which payment or the first installment, if installment payments are called for, is due.

SECTION 5.9 – Default in Payment of Subscriptions. If a payment required by a subscription, a subscription agreement, or a call of the Board is not paid when due, then the Corporation may make written demand for payment upon the defaulting subscriber by personal service or by mailing a copy of the demand to the subscriber at their last post office address known to the Corporation. If the payment is not made within twenty (20) days of the serving or mailing of the demand for payment, the Corporation may terminate the subscription, forfeit the subscriber's rights thereunder, retain as liquidated damages any sums previously paid on the subscription, and hold and dispose of the shares as though never subject to the subscription. In lieu of forfeiture, the Corporation may proceed to collect the amount due in the same manner as any debt due the Corporation.

ARTICLE 6 Seal

SECTION 6.1 – Corporate Seal. In the exercise of its discretion the Board may adopt and maintain a suitable seal for the Corporation.

ARTICLE 7 Miscellaneous Provisions

SECTION 7.1 – Fiscal Year. The fiscal year of the Corporation shall be the calendar year.

SECTION 7.2 – Records. The Articles of Incorporation, these bylaws, and the proceedings of all meetings of the shareholders, the Board and standing committees of the Board shall be recorded in appropriate minute books provided for that purpose. The minutes of each meeting shall be signed by the Secretary or other person appointed to act as Secretary.

ARTICLE 8 Bylaws

SECTION 8.1 – Inspection. A copy of these bylaws, with all amendments thereto, shall at all times be kept in a convenient place at the principal office of the Corporation, and shall be open for inspection of all shareholders during normal business hours.

SECTION 8.2 – Amendments. These bylaws may be amended, altered or repealed, at any regular meeting of the Board, by a vote of the majority of the whole Board, provided that a written statement of the proposed action shall have been personally delivered or mailed to all directors at least two (2) days prior to any such meeting.

ARTICLE 9

Certain Corporate Governance Matters

SECTION 9.1 – ~~Executive Chair; President and Chief Executive Officer.~~ Effective as of February 28, 2023 (the “Effective Time”), ~~(A) Mr. Cort L. O’Haver shall serve as the Executive Chair of the Board and of the board of directors of the Corporation’s wholly-owned subsidiary, Umpqua Bank, an Oregon state-chartered bank (the “Bank”) (the “Bank Board”) and (B) Mr. Clint E. Stein shall serve as the President and CEO of the Corporation and CEO of the Corporation’s wholly-owned subsidiary, Columbia Bank (the “Bank”), the Bank and as a member of the Board and of the Bank Board. The Corporation may enter into or amend appropriate agreements or arrangements with the individuals referenced herein Mr. Stein in connection with the subject matter of this Section 9.1.~~

Prior to the thirty-six (36) month anniversary of the Effective Time (the “Expiration Date”), the following actions shall require the affirmative vote of at least (i.e., a percentage equal to or greater than) 75% of the full Board: ~~(i) (a) the removal of Mr. O’Haver from, or the failure to appoint, re-elect or re-nominate Mr. O’Haver to, as applicable, his positions as the Executive Chair of the Board and of the Bank Board, (b) any termination of Mr. O’Haver’s employment for any reason by the Corporation, the Bank or any of their respective subsidiaries, or (c) any modification to the terms and conditions of Mr. O’Haver’s employment that would be a basis for him to assert a claim for termination for “good reason”; and (ii) (a) the removal of Mr. Stein from, or the failure to appoint, re-elect or re-nominate Mr. Stein to, as applicable, his positions as the President and CEO of the Corporation and CEO of the Bank and as a member of the Board and of the Bank Board, (b) any termination of Mr. Stein’s employment for any reason by the Corporation, the Bank or any of their respective subsidiaries, or (c) any modification to the terms and conditions of Mr. Stein’s employment agreement that would be a basis for him to assert a claim for termination for “good reason.”~~

SECTION 9.2 – ~~Headquarters; Name.~~ Effective as of and from the Effective Time, ~~(A) the headquarters of the Corporation will be located in Tacoma, Washington, and the headquarters of the Bank will be located in the Portland, Oregon metropolitan area (including Clackamas and Washington Counties), and (B) the name of the Corporation will be “Columbia Banking System, Inc.” and the name of the Bank will be “Umpqua Bank.”~~

SECTION 9.32 – ~~Amendments; Interpretation.~~ Effective as of the Effective Time until the Expiration Date and notwithstanding anything to the contrary in these bylaws including Section 8.2, the provisions of this Article 9 may be modified, amended or repealed, and any bylaw provision or other resolution (including any proposed corresponding modification, amendment or repeal of any provision of the Corporation’s other constituent documents) inconsistent with this Article 9 may be adopted, only by (and any such modification, amendment, repeal or inconsistent bylaw provision or other resolution may be proposed or recommended by the Board for adoption by the shareholders of the Corporation only by) the affirmative vote of at least (i.e., a percentage equal to or greater than) 75% of the full Board. In the event of any inconsistency between any provision of this Article 9 and any other provision of these bylaws or the Corporation’s other constituent documents, the provisions of this Article 9 shall control to the fullest extent permitted by law.

Adopted by the Board of Directors of Columbia Banking System, Inc. on ~~November~~ August 4, 2024/2025.

Corporate Secretary
/s/ Kumi Yamamoto Baruffi

I, Clint E. Stein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Columbia Banking System, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal controls 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 fourth 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 officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent function):
 - 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 6, 2025

/s/ Clint E. Stein

Clint E. Stein

President and Chief Executive Officer
Columbia Banking System, Inc.

I, Ronald L. Farnsworth, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Columbia Banking System, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal controls 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 fourth 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 officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent function):
 - 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 6, 2025

/s/ Ronald L. Farnsworth

Ronald L. Farnsworth
Executive Vice President, Chief Financial Officer and Principal Financial Officer
Columbia Banking System, Inc

I, Lisa M. White, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Columbia Banking System, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure control 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 controls 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 fourth 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 officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent function):
 - 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 6, 2025

/s/ Lisa M. White

Lisa M. White

Executive Vice President, Corporate Controller and Principal Accounting Officer

Columbia Banking System, Inc

CERTIFICATION OF

**CHIEF EXECUTIVE OFFICER, PRINCIPAL FINANCIAL OFFICER AND PRINCIPAL ACCOUNTING OFFICER UNDER SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

This certification is given by the undersigned Chief Executive Officer, Principal Financial Officer and Principal Accounting Officer of Columbia Banking System, Inc. (the “registrant”) pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Each of the undersigned hereby certifies, with respect to the registrant’s quarterly report on Form 10-Q for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant

/s/ Clint E. Stein

Clint E. Stein
President and Chief Executive Officer
Columbia Banking System, Inc.

/s/ Ronald L. Farnsworth

Ronald L. Farnsworth
Executive Vice President, Chief Financial Officer and Principal Financial
Officer
Columbia Banking System, Inc.

/s/ Lisa M. White

Lisa M. White
Executive Vice President, Corporate Controller and Principal Accounting
Officer
Columbia Banking System, Inc.

August 6, 2025