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DELTA REPORT

10-Q

NFBK - NORTHFIELD BANCORP, INC.

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	939
CHANGES	600
DELETIONS	162
ADDITIONS	177

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, 2023 September 30, 2023
or

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

For transition period from _________ to _________

Commission File Number: 001-35791

Northfield Bancorp, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**80-0882592**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
581 Main Street, Woodbridge, New Jersey	**07095**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (732) 499-7200

Not Applicable
(Former name, former address, and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol	Name of exchange on which registered
Common stock, par value $0.01 per share	NFBK	The NASDAQ Stock Market LLC

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

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

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

Large accelerated filer		Accelerated filer	
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 ☐

As of July 31, 2023 October 31, 2023, the registrant had 44,987,773 44,956,118 shares of Common Stock, par value $0.01 per share, issued and outstanding.

NORTHFIELD BANCORP, INC.

Form 10-Q Quarterly Report

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PART I

ITEM 1. FINANCIAL STATEMENTS

NORTHFIELD BANCORP, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited) (In thousands, except share amounts)

		June 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
ASSETS:	**ASSETS:**			**ASSETS:**		
Cash and due from banks	Cash and due from banks	$ 13,853	$ 14,530	Cash and due from banks	$ 13,258	$ 14,530
Interest-bearing deposits in other financial institutions	Interest-bearing deposits in other financial institutions	75,274	31,269	Interest-bearing deposits in other financial institutions	67,298	31,269
Total cash and cash equivalents	Total cash and cash equivalents	89,127	45,799	Total cash and cash equivalents	80,556	45,799
Trading securities	Trading securities	11,731	10,751	Trading securities	11,504	10,751
Debt securities available-for-sale, at estimated fair value (with no allowance for credit losses at June 30, 2023 and December 31, 2022)		802,257	952,173			

Debt securities available-for-sale, at estimated fair value (with no allowance for credit losses at September 30, 2023 and December 31, 2022)				Debt securities available-for-sale, at estimated fair value (with no allowance for credit losses at September 30, 2023 and December 31, 2022)	743,699	952,173
Debt securities held-to-maturity, at amortized cost	Debt securities held-to-maturity, at amortized cost	10,316	10,760	Debt securities held-to-maturity, at amortized cost	10,114	10,760
(estimated fair value of $9,946 at June 30, 2023, and $10,389 at December 31, 2022, with no allowance for credit losses at June 30, 2023 and December 31, 2022)						
(estimated fair value of $9,371 at September 30, 2023, and $10,389 at December 31, 2022, with no allowance for credit losses at September 30, 2023 and December 31, 2022)				(estimated fair value of $9,371 at September 30, 2023, and $10,389 at December 31, 2022, with no allowance for credit losses at September 30, 2023 and December 31, 2022)		
Equity securities	Equity securities	10,653	10,443	Equity securities	10,628	10,443
Loans held-for-sale	Loans held-for-sale	977	—	Loans held-for-sale	950	—
Loans held-for-investment	Loans held-for-investment	4,274,042	4,243,693	Loans held-for-investment	4,229,974	4,243,693
Less: allowance for credit losses	Less: allowance for credit losses	(41,154)	(42,617)	Less: allowance for credit losses	(38,480)	(42,617)
Net loans held-for-investment	Net loans held-for-investment	4,232,888	4,201,076	Net loans held-for-investment	4,191,494	4,201,076
Accrued interest receivable	Accrued interest receivable	17,721	17,426	Accrued interest receivable	17,355	17,426
Bank-owned life insurance	Bank-owned life insurance	169,671	167,912	Bank-owned life insurance	170,591	167,912
Federal Home Loan Bank ("FHLB") of New York stock, at cost	Federal Home Loan Bank ("FHLB") of New York stock, at cost	40,376	30,382	Federal Home Loan Bank ("FHLB") of New York stock, at cost	41,165	30,382
Operating lease right-of-use assets	Operating lease right-of-use assets	32,010	34,288	Operating lease right-of-use assets	31,407	34,288
Premises and equipment, net	Premises and equipment, net	24,573	24,844	Premises and equipment, net	24,154	24,844
Goodwill	Goodwill	41,012	41,012	Goodwill	41,012	41,012
Other assets	Other assets	57,503	54,427	Other assets	62,455	54,427
Total assets	**Total assets**	$ 5,540,815	$ 5,601,293	**Total assets**	$ 5,437,084	$ 5,601,293
LIABILITIES AND STOCKHOLDERS' EQUITY:	**LIABILITIES AND STOCKHOLDERS' EQUITY:**			**LIABILITIES AND STOCKHOLDERS' EQUITY:**		
LIABILITIES:	**LIABILITIES:**			**LIABILITIES:**		
Deposits	Deposits	$ 3,764,403	$ 4,150,219	Deposits	$ 3,668,513	$ 4,150,219
Securities sold under agreements to repurchase	Securities sold under agreements to repurchase	25,000	25,000	Securities sold under agreements to repurchase	25,000	25,000
FHLB advances and other borrowings	FHLB advances and other borrowings	898,535	558,859	FHLB advances and other borrowings	893,973	558,859
Subordinated debentures, net of issuance costs	Subordinated debentures, net of issuance costs	61,108	60,996	Subordinated debentures, net of issuance costs	61,163	60,996

Operating lease liabilities	Operating lease liabilities	37,274	39,790	Operating lease liabilities	36,535	39,790
Advance payments by borrowers for taxes and insurance	Advance payments by borrowers for taxes and insurance	29,117	25,995	Advance payments by borrowers for taxes and insurance	25,968	25,995
Accrued expenses and other liabilities	Accrued expenses and other liabilities	38,737	39,044	Accrued expenses and other liabilities	41,857	39,044
Total liabilities	**Total liabilities**	4,854,174	4,899,903	**Total liabilities**	4,753,009	4,899,903
STOCKHOLDERS' EQUITY:	**STOCKHOLDERS' EQUITY:**			**STOCKHOLDERS' EQUITY:**		
Preferred stock, $0.01 par value: 25,000,000 shares authorized, none issued or outstanding	Preferred stock, $0.01 par value: 25,000,000 shares authorized, none issued or outstanding	—	—	Preferred stock, $0.01 par value: 25,000,000 shares authorized, none issued or outstanding	—	—
Common stock, $0.01 par value: 150,000,000 shares authorized, 64,770,875 shares issued at	Common stock, $0.01 par value: 150,000,000 shares authorized, 64,770,875 shares issued at			Common stock, $0.01 par value: 150,000,000 shares authorized, 64,770,875 shares issued at		
June 30, 2023 and December 31, 2022, 45,243,673 and 47,442,488 outstanding at June 30, 2023 and December 31, 2022, respectively		648	648			
September 30, 2023 and December 31, 2022, 44,956,118 and 47,442,488 outstanding at September 30, 2023 and December 31, 2022, respectively				September 30, 2023 and December 31, 2022, 44,956,118 and 47,442,488 outstanding at September 30, 2023 and December 31, 2022, respectively	648	648
Additional paid-in-capital	Additional paid-in-capital	589,335	590,249	Additional paid-in-capital	590,018	590,249
Unallocated common stock held by employee stock ownership plan	Unallocated common stock held by employee stock ownership plan	(15,192)	(15,650)	Unallocated common stock held by employee stock ownership plan	(14,958)	(15,650)
Retained earnings	Retained earnings	427,921	418,353	Retained earnings	430,535	418,353
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(45,074)	(48,331)	Accumulated other comprehensive loss	(47,983)	(48,331)
Treasury stock at cost: 19,527,202 and 17,328,387 shares at June 30, 2023 and December 31, 2022, respectively		(270,997)	(243,879)			
Treasury stock at cost: 19,814,757 and 17,328,387 shares at September 30, 2023 and December 31, 2022, respectively				Treasury stock at cost: 19,814,757 and 17,328,387 shares at September 30, 2023 and December 31, 2022, respectively	(274,185)	(243,879)
Total stockholders' equity	**Total stockholders' equity**	686,641	701,390	**Total stockholders' equity**	684,075	701,390
Total liabilities and stockholders' equity	**Total liabilities and stockholders' equity**	$ 5,540,815	$ 5,601,293	**Total liabilities and stockholders' equity**	$ 5,437,084	$ 5,601,293

See accompanying notes to unaudited consolidated financial statements.

NORTHFIELD BANCORP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited) (In thousands, except per share data)

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
Interest income:	**Interest income:**					**Interest income:**				
Loans	Loans	$45,300	$38,998	$89,007	$75,719	Loans	$46,213	$42,311	$135,220	$118,030
Mortgage-backed securities	Mortgage-backed securities	3,714	3,043	7,506	5,518	Mortgage-backed securities	3,664	3,284	11,170	8,802
Other securities	Other securities	1,113	989	2,498	1,684	Other securities	1,095	1,201	3,593	2,885
FHLB of New York dividends	FHLB of New York dividends	727	260	1,192	505	FHLB of New York dividends	933	283	2,125	788
Deposits in other financial institutions	Deposits in other financial institutions	816	166	1,394	224	Deposits in other financial institutions	831	199	2,225	423
Total interest income	Total interest income	51,670	43,456	101,597	83,650	Total interest income	52,736	47,278	154,333	130,928
Interest expense:	**Interest expense:**					**Interest expense:**				
Deposits	Deposits	10,483	1,334	18,304	2,493	Deposits	13,614	2,121	31,918	4,614
Borrowings	Borrowings	9,198	1,918	15,589	4,084	Borrowings	8,593	2,304	24,182	6,388
Subordinated debt	Subordinated debt	828	119	1,647	119	Subordinated debt	837	842	2,484	961
Total interest expense	Total interest expense	20,509	3,371	35,540	6,696	Total interest expense	23,044	5,267	58,584	11,963
Net interest income	Net interest income	31,161	40,085	66,057	76,954	Net interest income	29,692	42,011	95,749	118,965
Provision for credit losses	Provision for credit losses	30	149	894	552	Provision for credit losses	188	2,703	1,082	3,255
Net interest income after provision for credit losses	Net interest income after provision for credit losses	31,131	39,936	65,163	76,402	Net interest income after provision for credit losses	29,504	39,308	94,667	115,710
Non-interest income:	**Non-interest income:**					**Non-interest income:**				
Fees and service charges for customer services	Fees and service charges for customer services	1,309	1,375	2,689	2,706	Fees and service charges for customer services	1,317	1,500	4,006	4,206
Income on bank-owned life insurance	Income on bank-owned life insurance	889	848	1,759	1,687	Income on bank-owned life insurance	920	861	2,679	2,548
(Losses) gains on available-for-sale debt securities, net	(Losses) gains on available-for-sale debt securities, net	(18)	—	(17)	264	(Losses) gains on available-for-sale debt securities, net	—	—	(17)	264
Gains (losses) on trading securities, net		506	(1,563)	1,018	(2,365)					
(Losses) gains on trading securities, net						(Losses) gains on trading securities, net	(295)	(426)	723	(2,791)
Gain on sale of loans	Gain on sale of loans	35	—	35	—	Gain on sale of loans	99	273	134	273

Other	Other	95	105	664	186	Other	80	78	744	264
Total non-interest income	Total non-interest income	2,816	765	6,148	2,478	Total non-interest income	2,121	2,286	8,269	4,764
Non-interest expense:	**Non-interest expense:**					**Non-interest expense:**				
Compensation and employee benefits	Compensation and employee benefits	12,353	9,418	23,390	18,925	Compensation and employee benefits	10,920	10,784	34,310	29,709
Occupancy	Occupancy	3,244	3,286	6,616	6,694	Occupancy	3,416	3,347	10,032	10,041
Furniture and equipment	Furniture and equipment	460	426	914	852	Furniture and equipment	479	438	1,393	1,290
Data processing	Data processing	2,071	1,762	4,314	3,475	Data processing	1,994	1,847	6,308	5,322
Professional fees	Professional fees	768	1,229	1,739	2,137	Professional fees	883	903	2,622	3,040
Advertising	Advertising	573	404	1,420	837	Advertising	414	420	1,834	1,257
Federal Deposit Insurance Corporation insurance	Federal Deposit Insurance Corporation insurance	568	355	1,172	712	Federal Deposit Insurance Corporation insurance	591	356	1,763	1,068
Credit loss (benefit) expense for off-balance sheet exposures		(661)	349	(550)	628					
Credit loss expense (benefit) for off-balance sheet exposures						Credit loss expense (benefit) for off-balance sheet exposures	160	(1,888)	(390)	(1,260)
Other	Other	1,399	1,484	2,888	3,162	Other	1,710	1,663	4,598	4,825
Total non-interest expense	**Total non-interest expense**	20,775	18,713	41,903	37,422	**Total non-interest expense**	20,567	17,870	62,470	55,292
Income before income tax expense	Income before income tax expense	13,172	21,988	29,408	41,458	Income before income tax expense	11,058	23,724	40,466	65,182
Income tax expense	**Income tax expense**	3,613	6,114	8,142	11,457	**Income tax expense**	2,877	6,745	11,019	18,202
Net income	**Net income**	$ 9,559	$15,874	$21,266	$30,001	**Net income**	$ 8,181	$16,979	$ 29,447	$ 46,980
Net income per common share:	**Net income per common share:**					**Net income per common share:**				
Basic	Basic	$ 0.22	$ 0.34	$ 0.48	$ 0.64	Basic	$ 0.19	$ 0.37	$ 0.67	$ 1.01
Diluted	Diluted	$ 0.22	$ 0.34	$ 0.48	$ 0.64	Diluted	$ 0.19	$ 0.37	$ 0.67	$ 1.01

See accompanying notes to unaudited consolidated financial statements.

NORTHFIELD BANCORP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) - (Continued)
(Unaudited) (In thousands)

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		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
Net income	**Net income**	$9,559	$15,874	$21,266	$30,001	**Net income**	$8,181	$16,979	$29,447	$46,980
Other comprehensive (loss) income:	**Other comprehensive (loss) income:**					**Other comprehensive (loss) income:**				
Unrealized (losses) gains on debt securities available-for-sale:	Unrealized (losses) gains on debt securities available-for-sale:					Unrealized (losses) gains on debt securities available-for-sale:				
Net unrealized holding (losses) gains	Net unrealized holding (losses) gains	(3,891)	(11,079)	4,506	(45,973)	Net unrealized holding (losses) gains	(4,039)	(31,339)	467	(77,312)
Less: reclassification adjustment for net losses (gains) included in net income	Less: reclassification adjustment for net losses (gains) included in net income	18	—	17	(264)	Less: reclassification adjustment for net losses (gains) included in net income	—	—	17	(264)
Net unrealized (losses) gains	Net unrealized (losses) gains	(3,873)	(11,079)	4,523	(46,237)	Net unrealized (losses) gains	(4,039)	(31,339)	484	(77,576)
Post-retirement benefits adjustment	Post-retirement benefits adjustment	—	—	—	(48)	Post-retirement benefits adjustment	—	—	—	(48)
Other comprehensive (loss) income before tax	Other comprehensive (loss) income before tax	(3,873)	(11,079)	4,523	(46,285)	Other comprehensive (loss) income before tax	(4,039)	(31,339)	484	(77,624)
Income tax benefit (expense) related to net unrealized holding (losses) gains on debt securities available-for-sale	Income tax benefit (expense) related to net unrealized holding (losses) gains on debt securities available-for-sale	1,089	3,102	(1,261)	12,869	Income tax benefit (expense) related to net unrealized holding (losses) gains on debt securities available-for-sale	1,130	8,771	(131)	21,640
Income tax (benefit) expense related to reclassification adjustment for gains included in net income		(5)	—	(5)	74					
Income tax (benefit) expense related to reclassification adjustment for (losses) gains included in net income						Income tax (benefit) expense related to reclassification adjustment for (losses) gains included in net income	—	—	(5)	74

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Income tax benefit related to post retirement benefit adjustment	Income tax benefit related to post retirement benefit adjustment	—	—	—	13	Income tax benefit related to post retirement benefit adjustment	—	—	—	13
Other comprehensive (loss) income, net of tax	**Other comprehensive (loss) income, net of tax**	(2,789)	(7,977)	3,257	(33,329)	**Other comprehensive (loss) income, net of tax**	(2,909)	(22,568)	348	(55,897)
Comprehensive income (loss)	**Comprehensive income (loss)**	$6,770	$ 7,897	$24,523	$ (3,328)	**Comprehensive income (loss)**	$5,272	$ (5,589)	$29,795	$ (8,917)

See accompanying notes to unaudited consolidated financial statements.

NORTHFIELD BANCORP, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Three Months Ended June 30, 2023 September 30, 2023 and 2022

(Unaudited) (In thousands, except share data)

		Common Stock									Common Stock				
		Shares Outstanding	**Par Value**	**Additional Paid-in Capital**	**Unallocated Common Stock Held by the Employee Stock Ownership Plan**	**Retained Earnings**	**Accumulated Other Comprehensive Income (loss) Net of tax**	**Treasury Stock**	**Total Stockholders' Equity**		**Shares Outstanding**	**Par Value**	**Additional Paid-in Capital**	**Unallocated Common Stock Held by the Employee Stock Ownership Plan**	**R**
Balance at March 31, 2022		48,910,192	$648	$588,131	$ (16,822)	$389,387	$ (23,289)	$(222,657)	$ 715,398						
Balance at June 30, 2022										**Balance at June 30, 2022**	48,684,875	$648	$588,940	$ (16,584)	$
Net income	Net income					15,874			15,874	Net income					
Other comprehensive loss, net of tax	Other comprehensive loss, net of tax						(7,977)		(7,977)	Other comprehensive loss, net of tax					
ESOP shares allocated or committed to be released	ESOP shares allocated or committed to be released			163	238				401	ESOP shares allocated or committed to be released			179	240	
Stock compensation expense	Stock compensation expense			449					449	Stock compensation expense			456		
Restricted stock forfeitures	Restricted stock forfeitures	(13,738)		197				(197)	—	Restricted stock forfeitures	(1,902)		28		
Exercise of stock options, net	Exercise of stock options, net								—	Exercise of stock options, net	1,000		(1)		
Cash dividends declared and paid ($0.13 per common share)	Cash dividends declared and paid ($0.13 per common share)					(6,130)			(6,130)	Cash dividends declared and paid ($0.13 per common share)					
Repurchase of treasury stock (average cost of $12.96 per share)		(211,579)						(2,742)	(2,742)						

Repurchase of treasury stock (average cost of $14.20 per share)										Repurchase of treasury stock (average cost of $14.20 per share)	(795,597)				
Balance at June 30, 2022		48,684,875	$648	$588,940	$ (16,584)	$399,131	$ (31,266)	$(225,596)	$ 715,273						
Balance at September 30, 2022										**Balance at September 30, 2022**	47,888,376	$648	$589,602	$ (16,344)	$4
Balance at March 31, 2023		46,530,167	$648	$588,532	$ (15,422)	$424,148	$ (42,285)	$(257,455)	$ 698,166						
Balance at June 30, 2023										**June 30, 2023**	45,243,673	$648	$589,335	$ (15,192)	$4
Net income	Net income					9,559			9,559	Net income					
Other comprehensive loss, net of tax	Other comprehensive loss, net of tax						(2,789)		(2,789)	Other comprehensive loss, net of tax					
ESOP shares allocated or committed to be released	ESOP shares allocated or committed to be released			67	230				297	ESOP shares allocated or committed to be released			75	234	
Stock compensation expense	Stock compensation expense			505					505	Stock compensation expense			580		
Restricted stock forfeitures	Restricted stock forfeitures	(16,154)		231				(231)	—	Restricted stock forfeitures	(1,967)		28		
Cash dividends declared and paid ($0.13 per common share)	Cash dividends declared and paid ($0.13 per common share)					(5,786)			(5,786)	Cash dividends declared and paid ($0.13 per common share)					
Repurchase of treasury stock (average cost of $10.48 per share)		(1,270,340)						(13,311)	(13,311)						
Repurchase of treasury stock (average cost of $11.06 per share)										Repurchase of treasury stock (average cost of $11.06 per share)	(285,588)				
Balance at June 30, 2023		45,243,673	$648	$589,335	$ (15,192)	$427,921	$ (45,074)	$(270,997)	$ 686,641						
Balance at September 30, 2023										**Balance at September 30, 2023**	44,956,118	$648	$590,018	$ (14,958)	$4

See accompanying notes to unaudited consolidated financial statements.

NORTHFIELD BANCORP, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Six Nine Months Ended June 30, 2023 September 30, 2023 and 2022

(Unaudited) (In thousands, except share data)

Common Stock	**Common Stock**

		Shares Outstanding	Par Value	Additional Paid-in Capital	Unallocated Common Stock Held by the Employee Stock Ownership Plan	Retained Earnings	Accumulated Other Comprehensive Income (loss) Net of tax	Treasury Stock	Total Stockholders' Equity		Shares Outstanding	Par Value	Additional Paid-in Capital	Unallocated Common Stock Held by the Employee Stock Ownership Plan	R E
Balance at December 31, 2021	**Balance at December 31, 2021**	49,266,733	$648	$589,972	$ (17,058)	$381,361	$ 2,063	$(217,103)	$ 739,883	**Balance at December 31, 2021**	49,266,733	$648	$589,972	$ (17,058)	$
Net income	Net income					30,001			30,001	Net income					
Other comprehensive loss, net of tax	Other comprehensive loss, net of tax						(33,329)		(33,329)	Other comprehensive loss, net of tax					
ESOP shares allocated or committed to be released	ESOP shares allocated or committed to be released			378	474				852	ESOP shares allocated or committed to be released			557	714	
Stock compensation expense	Stock compensation expense			845					845	Stock compensation expense			1,301		
Restricted stock issuance	Restricted stock issuance	157,416		(2,484)				2,484	—	Restricted stock issuance	157,416		(2,484)		
Restricted stock forfeitures	Restricted stock forfeitures	(16,613)		237				(237)	—	Restricted stock forfeitures	(18,515)		265		
Exercise of stock options, net	Exercise of stock options, net	17,040		(8)				239	231	Exercise of stock options, net	18,040		(9)		
Cash dividends declared and paid ($0.13 per common share)						(12,231)			(12,231)						
Repurchase of treasury stock (average cost of $14.84 per share)		(739,701)						(10,979)	(10,979)						
Cash dividends declared and paid ($0.39 per common share)										Cash dividends declared and paid ($0.39 per common share)					
Repurchase of treasury stock (average cost of $14.51 per share)										Repurchase of treasury stock (average cost of $14.51 per share)	(1,535,298)				
Balance at June 30, 2022		48,684,875	$648	$588,940	$ (16,584)	$399,131	$ (31,266)	$(225,596)	$ 715,273						
Balance at September 30, 2022										**Balance at September 30, 2022**	47,888,376	$648	$589,602	$ (16,344)	$
Balance at December 31, 2022	**Balance at December 31, 2022**	47,442,488	$648	$590,249	$ (15,650)	$418,353	$ (48,331)	$(243,879)	$ 701,390	**Balance at December 31, 2022**	47,442,488	$648	$590,249	$ (15,650)	$
Net income	Net income					21,266			21,266	Net income					
Other comprehensive income, net of tax	Other comprehensive income, net of tax						3,257		3,257	Other comprehensive income, net of tax					

		Shares	Common stock	Additional paid-in capital	Unallocated ESOP	Retained earnings	AOCI	Treasury stock	Total		Shares	Common stock	Additional paid-in capital	Unallocated ESOP
ESOP shares allocated or committed to be released	ESOP shares allocated or committed to be released			232	458				690	ESOP shares allocated or committed to be released			307	692
Stock compensation expense	Stock compensation expense			1,223					1,223	Stock compensation expense			1,803	
Restricted stock issuance	Restricted stock issuance	173,060		(2,670)				2,670	—	Restricted stock issuance	173,060		(2,670)	
Restricted stock forfeitures	Restricted stock forfeitures	(21,252)		308				(308)	—	Restricted stock forfeitures	(23,219)		336	
Exercise of stock options, net	Exercise of stock options, net	7,600		(7)				107	100	Exercise of stock options, net	7,600		(7)	
Cash dividends declared and paid ($0.13 per common share)						(11,698)			(11,698)					
Repurchase of treasury stock (average cost of $12.42 per share)		(2,358,223)						(29,587)	(29,587)					
Cash dividends declared and paid ($0.39 per common share)										Cash dividends declared and paid ($0.39 per common share)				
Repurchase of treasury stock (average cost of $12.27 per share)										Repurchase of treasury stock (average cost of $12.27 per share)	(2,643,811)			
Balance at June 30, 2023		45,243,673	$648	$589,335	$ (15,192)	$427,921	$ (45,074)	$(270,997)	$ 686,641					
Balance at September 30, 2023										**Balance at September 30, 2023**	44,956,118	$648	$590,018	$ (14,958)

See accompanying notes to unaudited consolidated financial statements.

NORTHFIELD BANCORP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited) (In thousands)

		Six Months Ended June 30,			Nine Months Ended September 30,	
		2023	2022		2023	2022
Net income	Net income	$ 21,266	$ 30,001	Net income	$ 29,447	$ 46,980
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:			Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	Provision for credit losses	894	552	Provision for credit losses	1,082	3,255
ESOP and stock compensation expense	ESOP and stock compensation expense	1,913	1,697	ESOP and stock compensation expense	2,802	2,572
Depreciation	Depreciation	1,832	1,857	Depreciation	2,765	2,755

Amortization of premiums and deferred loan costs, net of accretion of discounts and deferred loan fees	Amortization of premiums and deferred loan costs, net of accretion of discounts and deferred loan fees	3,876	4,915	Amortization of premiums and deferred loan costs, net of accretion of discounts and deferred loan fees	5,483	7,298
Amortization of debt issuance costs	Amortization of debt issuance costs	112	—	Amortization of debt issuance costs	167	56
Amortization of intangible assets	Amortization of intangible assets	62	93	Amortization of intangible assets	93	130
Amortization of operating lease right-of-use assets	Amortization of operating lease right-of-use assets	2,341	2,331	Amortization of operating lease right-of-use assets	3,526	3,468
Income on bank-owned life insurance	Income on bank-owned life insurance	(1,759)	(1,687)	Income on bank-owned life insurance	(2,679)	(2,548)
Net gain on sale of loans	Net gain on sale of loans	(35)	—	Net gain on sale of loans	(134)	(273)
Proceeds from sale of loans held-for-sale	Proceeds from sale of loans held-for-sale	498	—	Proceeds from sale of loans held-for-sale	1,583	—
Origination of loans held-for-sale	Origination of loans held-for-sale	(1,440)	—	Origination of loans held-for-sale	(1,449)	(504)
Losses (gains) on available-for-sale debt securities, net	Losses (gains) on available-for-sale debt securities, net	17	(264)	Losses (gains) on available-for-sale debt securities, net	17	(264)
(Gains) losses on trading securities, net	(Gains) losses on trading securities, net	(1,018)	2,365	(Gains) losses on trading securities, net	(723)	2,791
Loss (gain) on sale of other real estate owned, net	Loss (gain) on sale of other real estate owned, net	7	(17)	Loss (gain) on sale of other real estate owned, net	7	(17)
Net sales of trading securities		38	695			
Increase in accrued interest receivable		(295)	(376)			
Net (purchases) sales of trading securities				Net (purchases) sales of trading securities	(30)	596
Decrease (increase) in accrued interest receivable				Decrease (increase) in accrued interest receivable	71	(1,503)
Increase in other assets	Increase in other assets	(6,983)	(1,155)	Increase in other assets	(12,157)	(7,949)
Decrease in accrued expenses and other liabilities	Decrease in accrued expenses and other liabilities	(307)	(623)	Decrease in accrued expenses and other liabilities	2,813	1,518
Net cash provided by operating activities	Net cash provided by operating activities	21,019	40,384	Net cash provided by operating activities	32,684	58,361
Cash flows from investing activities:	Cash flows from investing activities:			Cash flows from investing activities:		
Net increase in loans receivable		(29,716)	(300,245)			
Net decrease (increase) in loans receivable				Net decrease (increase) in loans receivable	10,190	(434,992)
Purchases of loans	Purchases of loans	(3,781)	(7,696)	Purchases of loans	(3,781)	(7,696)

Proceeds from sale of loans held-for-sale				Proceeds from sale of loans held-for-sale	—	2,796
Purchases of FHLB of New York stock	Purchases of FHLB of New York stock	(36,054)	(5,423)	Purchases of FHLB of New York stock	(44,998)	(25,043)
Redemptions of FHLB of New York stock	Redemptions of FHLB of New York stock	26,060	7,817	Redemptions of FHLB of New York stock	34,215	24,962
Purchases of debt securities available-for-sale	Purchases of debt securities available-for-sale	—	(164,988)	Purchases of debt securities available-for-sale	(765)	(168,988)
Purchases of equity securities	Purchases of equity securities	(210)	(2,510)	Purchases of equity securities	(185)	(3,229)
Principal payments and maturities on debt securities available-for-sale	Principal payments and maturities on debt securities available-for-sale	151,279	193,873	Principal payments and maturities on debt securities available-for-sale	205,310	249,213
Principal payments and maturities on debt securities held-to-maturity	Principal payments and maturities on debt securities held-to-maturity	432	76	Principal payments and maturities on debt securities held-to-maturity	630	674
Proceeds from sale of debt securities available-for-sale	Proceeds from sale of debt securities available-for-sale	—	41,464	Proceeds from sale of debt securities available-for-sale	—	41,464
Proceeds from sale of equity securities		—	31			
Proceeds from bank-owned life insurance	Proceeds from bank-owned life insurance	—	1,526	Proceeds from bank-owned life insurance	—	1,526
Proceeds from sale of other real estate owned	Proceeds from sale of other real estate owned	63	125	Proceeds from sale of other real estate owned	63	125
Purchases and improvements of premises and equipment	Purchases and improvements of premises and equipment	(1,561)	(1,686)	Purchases and improvements of premises and equipment	(2,075)	(2,200)
Net cash provided by (used in) investing activities	Net cash provided by (used in) investing activities	106,512	(237,636)	Net cash provided by (used in) investing activities	198,604	(321,388)
Cash flows from financing activities:	Cash flows from financing activities:			Cash flows from financing activities:		
Net (decrease) increase in deposits	Net (decrease) increase in deposits	(385,816)	248,668	Net (decrease) increase in deposits	(481,706)	234,825
Dividends paid	Dividends paid	(11,698)	(12,231)	Dividends paid	(17,265)	(18,207)
Exercise of stock options	Exercise of stock options	100	231	Exercise of stock options	100	244
Purchase of treasury stock	Purchase of treasury stock	(29,587)	(10,979)	Purchase of treasury stock	(32,747)	(22,273)
Increase in advance payments by borrowers for taxes and insurance		3,122	4,549			
(Decrease) increase in advance payments by borrowers for taxes and insurance				(Decrease) increase in advance payments by borrowers for taxes and insurance	(27)	1,228
Proceeds from issuance of subordinated debt, net of issuance costs	Proceeds from issuance of subordinated debt, net of issuance costs	—	60,917	Proceeds from issuance of subordinated debt, net of issuance costs	—	60,884

Proceeds from FHLB advances and other borrowings and securities sold under agreements to repurchase	Proceeds from FHLB advances and other borrowings and securities sold under agreements to repurchase	692,788	261	Proceeds from FHLB advances and other borrowings and securities sold under agreements to repurchase	743,553	105,923
Repayments related to securities sold under agreements to repurchase and other borrowings	Repayments related to securities sold under agreements to repurchase and other borrowings	(353,112)	(75,000)	Repayments related to securities sold under agreements to repurchase and other borrowings	(408,439)	(120,000)
Net cash (used in) provided by financing activities	Net cash (used in) provided by financing activities	(84,203)	216,416	Net cash (used in) provided by financing activities	(196,531)	242,624
Net increase in cash and cash equivalents		43,328	19,164			
Net increase (decrease) in cash and cash equivalents				Net increase (decrease) in cash and cash equivalents	34,757	(20,403)
Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	45,799	91,068	Cash and cash equivalents at beginning of period	45,799	91,068
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	$ 89,127	$ 110,232	Cash and cash equivalents at end of period	$ 80,556	$ 70,665

See accompanying notes to unaudited consolidated financial statements

NORTHFIELD BANCORP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS - (Continued)
(Unaudited) (In thousands)

		Six Months Ended June 30,			Nine Months Ended September 30,	
		2023	2022		2023	2022
Supplemental cash flow information:	Supplemental cash flow information:			Supplemental cash flow information:		
Cash paid during the period for:	Cash paid during the period for:			Cash paid during the period for:		
Interest	Interest	$ 33,942	$ 6,807	Interest	$ 56,109	$ 11,578
Income taxes	Income taxes	10,156	11,205	Income taxes	13,336	19,399
Non-cash transactions:	Non-cash transactions:			Non-cash transactions:		
Loan charge-offs, net	Loan charge-offs, net	2,357	494	Loan charge-offs, net	5,219	345
Transfer of loans held-for-investment to other real estate owned	Transfer of loans held-for-investment to other real estate owned	70	—	Transfer of loans held-for-investment to other real estate owned	70	—
Right-of-use assets obtained in exchange for new lease liabilities	Right-of-use assets obtained in exchange for new lease liabilities	63	4,983	Right-of-use assets obtained in exchange for new lease liabilities	645	4,983

Transfer of loans held-for-investment to loans held-for-sale at fair value	Transfer of loans held-for-investment to loans held-for-sale at fair value	—	2,346	Transfer of loans held-for-investment to loans held-for-sale at fair value	950	2,523

See accompanying notes to unaudited consolidated financial statements.

NORTHFIELD BANCORP, INC.
Notes to Unaudited Consolidated Financial Statements

Note 1 – Consolidated Financial Statements

Basis of Presentation

The consolidated financial statements are comprised of the accounts of Northfield Bancorp, Inc. and its wholly owned subsidiaries, Northfield Investments, Inc. and Northfield Bank (the "Bank"), and the Bank's wholly-owned subsidiaries, NSB Services Corp. and NSB Realty Trust (collectively the "Company"). All significant intercompany accounts and transactions have been eliminated in consolidation.

In the opinion of management, all adjustments (consisting solely of normal and recurring adjustments) necessary for the fair presentation of the consolidated balance sheets and the consolidated statements of comprehensive income for the unaudited periods presented have been included. The results of operations and other data presented for the three and six nine months ended June 30, 2023 September 30, 2023 are not necessarily indicative of the results of operations that may be expected for the year ending December 31, 2023 or for any other period. Whenever necessary, certain prior year amounts are reclassified to conform to the current year presentation.

In preparing the unaudited consolidated financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"), management has made estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated balance sheets and for the periods indicated in the consolidated statements of comprehensive income. Material estimates that are particularly susceptible to change are: the allowance for credit losses and the valuation allowance against deferred tax assets. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the consolidated financial statements in the period they are deemed necessary. While management uses its best judgment, actual amounts or results could differ significantly from those estimates.

Certain information and note disclosures usually included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for the preparation of interim financial statements. The consolidated financial statements presented should be read in conjunction with the audited consolidated financial statements and notes to consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the SEC.

Recent Accounting Pronouncements Adopted

Effective January 1, 2023, the Company adopted Accounting Standards Update ("ASU") No. 2022-02, "Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures" ("ASU 2022-02"). The amendments in this ASU were issued to (1) eliminate accounting guidance for Troubled Debt Restructurings ("TDRs") by creditors, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty; (2) require disclosures of current period gross write-offs by year of origination for financing receivables and net investments in leases. Under ASU 2022-02, the Company assesses all loan modifications to determine whether one is granted to a borrower experiencing financial difficulty, regardless of whether the modified loan terms include a concession. Modifications granted to borrowers experiencing financial difficulty may be in the form of an interest rate reduction, an other-than-insignificant payment delay, a term extension, principal forgiveness or a combination thereof.

Prior to the adoption of ASU 2022-02, a TDR occurred when the terms of a loan were modified because of deterioration in the financial condition of the borrower. Modifications could include extension of the repayment terms of the loan, reduced interest rates, or forgiveness of accrued interest and/or principal. For the Company's accounting policy related to TDRs granted prior to the adoption of ASU 2022-02, see "Note 1. Significant Accounting Policies Policies" included in Item "Item 8. Financial Statements and Supplementary Data" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

The Company adopted ASU 2022-02 on a prospective basis. The adoption of this update did not have a material effect on the Company's consolidated financial statements. Additional disclosures are included in Note 5 to the consolidated financial statements.

NORTHFIELD BANCORP, INC.
Notes to Unaudited Consolidated Financial Statements - (Continued)

Note 2 – Debt Securities Available-for-Sale

The following is a comparative summary of mortgage-backed securities and other debt securities available-for-sale at June 30, 2023 September 30, 2023, and December 31, 2022 (in thousands):

	June 30, 2023	September 30, 2023

		Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value		Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
U.S. Government agency securities	U.S. Government agency securities	$ 75,958	$ —	$ (3,872)	$ 72,086	U.S. Government agency securities	$ 75,898	$ —	$ (3,589)	$ 72,309
Mortgage-backed securities:	Mortgage-backed securities:					Mortgage-backed securities:				
Pass-through certificates:	Pass-through certificates:					Pass-through certificates:				
Government sponsored enterprises ("GSEs")	Government sponsored enterprises ("GSEs")	417,226	—	(38,667)	378,559	Government sponsored enterprises ("GSEs")	390,580	—	(43,536)	347,044
Real estate mortgage investment conduits ("REMICs"):	Real estate mortgage investment conduits ("REMICs"):					Real estate mortgage investment conduits ("REMICs"):				
GSE	GSE	251,166	—	(15,120)	236,046	GSE	236,907	—	(15,347)	221,560
		668,392	—	(53,787)	614,605		627,487	—	(58,883)	568,604
Other debt securities:	Other debt securities:					Other debt securities:				
Municipal bonds						Municipal bonds	766	—	(3)	763
Corporate bonds	Corporate bonds	120,817	—	(5,251)	115,566	Corporate bonds	106,498	—	(4,475)	102,023
		120,817	—	(5,251)	115,566		107,264	—	(4,478)	102,786
Total debt securities available-for-sale	Total debt securities available-for-sale	$ 865,167	$ —	$ (62,910)	$ 802,257	Total debt securities available-for-sale	$ 810,649	$ —	$ (66,950)	$ 743,699

	December 31, 2022			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
U.S. Government agency securities	$ 76,150	$ —	$ (4,074)	$ 72,076
Mortgage-backed securities:				
Pass-through certificates:				
GSE	472,963	1	(40,346)	432,618
REMICs:				
GSE	280,870	—	(16,146)	264,724
	753,833	1	(56,492)	697,342
Other debt securities:				
Municipal bonds	21	—	—	21
Corporate bonds	189,603	2	(6,871)	182,734
	189,624	2	(6,871)	182,755
Total debt securities available-for-sale	$ 1,019,607	$ 3	$ (67,437)	$ 952,173

The following is a summary of the expected maturity distribution of debt securities available-for-sale, other than mortgage-backed securities, at June 30, 2023 September 30, 2023 (in thousands):

Available-for-sale	Available-for-sale	Amortized cost	Estimated fair value	Available-for-sale	Amortized cost	Estimated fair value
Due in one year or less	Due in one year or less	$ 156,756	$ 151,319	Due in one year or less	$ 148,348	$ 143,534
Due after one year through five years	Due after one year through five years	40,019	36,333	Due after one year through five years	34,814	31,561
		$ 196,775	$ 187,652		$ 183,162	$ 175,095

Contractual maturities for mortgage-backed securities are not included above, as expected maturities on mortgage-backed securities may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without penalties.

Certain debt securities available-for-sale are pledged or encumbered to secure borrowings under Pledge Agreements and Repurchase Agreements and for other purposes required by law. At June 30, 2023 September 30, 2023 and December 31, 2022, the fair value of debt securities available-for-sale that were pledged to secure borrowings and deposits was $643.1 $567.7 million and $591.7 million, respectively.

For the three months ended June 30, 2023 September 30, 2023, the Company had no gross proceeds on sales of debt securities available-for-sale with and no gross realized gains of $21,000 and gross realized losses of $39,000 related to the payoff of securities. or losses. For the six nine months ended June 30, 2023 September 30, 2023, the Company had no gross proceeds on sales of debt securities available-for-sale, with gross realized gains of $22,000 and gross realized losses of $39,000 related to the payoff of securities. For the three months ended June 30, 2022 September 30, 2022, the Company had no sales of debt securities available-for-sale and no gross realized gains or losses. For the six nine months ended June 30, 2022 September 30, 2022, the Company had gross proceeds of $41.5 million on sales and calls of debt securities available-for-sale, with gross realized gains of $264,000 related to sales of securities and no gross realized losses. The Company recognized net losses of $295,000 and net gains of $506,000 and $1.0 million $723,000 on its trading securities portfolio during the three and six nine months ended June 30, 2023 September 30, 2023, respectively. During the three and six nine months ended June 30, 2022 September 30, 2022, the Company recognized net losses of $1.6 million $426,000 and $2.4 $2.8 million, respectively, on its trading securities portfolio.

Gross unrealized losses on mortgage-backed securities and other debt securities available-for-sale, and the estimated fair value of the related securities, aggregated by security category and length of time that individual securities have been in a continuous unrealized loss position, at June 30, 2023 September 30, 2023 and December 31, 2022, were as follows (in thousands):

		June 30, 2023							September 30, 2023					
		Less than 12 months		12 months or more		Total			Less than 12 months		12 months or more		Total	
		Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value		Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value
U.S. Government agency securities	U.S. Government agency securities	$ —	$ —	$ (3,872)	$ 72,086	$ (3,872)	$ 72,086	U.S. Government agency securities	$ —	$ —	$ (3,589)	$ 72,309	$ (3,589)	$ 72,309
Mortgage-backed securities:	Mortgage-backed securities:							Mortgage-backed securities:						
Pass-through certificates:	Pass-through certificates:							Pass-through certificates:						
GSE	GSE	(269)	8,034	(38,398)	370,503	(38,667)	378,537	GSE	(11)	302	(43,525)	346,732	(43,536)	347,034
REMICs:	REMICs:							REMICs:						
GSE	GSE	—	—	(15,120)	236,046	(15,120)	236,046	GSE	—	—	(15,347)	221,560	(15,347)	221,560
Other debt securities:	Other debt securities:							Other debt securities:						
Municipal bonds								Municipal bonds	(3)	763	—	—	(3)	763
Corporate bonds	Corporate bonds	(735)	3,265	(4,516)	112,301	(5,251)	115,566	Corporate bonds	—	—	(4,475)	102,023	(4,475)	102,023
Total	Total	$ (1,004)	$ 11,299	$ (61,906)	$ 790,936	$ (62,910)	$ 802,235	Total	$ (14)	$ 1,065	$ (66,936)	$ 742,624	$ (66,950)	$ 743,689

December 31, 2022

	Less than 12 months		12 months or more		Total	
	Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value
U.S. Government agency securities	$ (3,942)	$ 71,058	$ (132)	$ 1,018	$ (4,074)	$ 72,076
Mortgage-backed securities:						
Pass-through certificates:						
GSE	(8,112)	142,605	(32,234)	289,890	(40,346)	432,495
REMICs:						
GSE	(8,303)	180,612	(7,843)	84,112	(16,146)	264,724
Other debt securities:						
Corporate bonds	(842)	35,778	(6,029)	129,174	(6,871)	164,952
Total	$ (21,199)	$ 430,053	$ (46,238)	$ 504,194	$ (67,437)	$ 934,247

NORTHFIELD BANCORP, INC.
Notes to Unaudited Consolidated Financial Statements - (Continued)

The Company held 102 114 pass-through mortgage-backed securities issued or guaranteed by GSEs, 81 77 REMIC mortgage-backed securities issued or guaranteed by GSEs, 19 18 corporate bonds, and five U.S. Government agency securities that were in a continuous unrealized loss position of twelve months or greater at June 30, 2023 September 30, 2023. There were 21 11 pass-through mortgage-backed securities issued or guaranteed by GSEs and one corporate municipal bond that were in an unrealized loss position of less than twelve months at June 30, 2023 September 30, 2023. All Substantially all securities referred to above were rated investment grade at June 30, 2023 September 30, 2023.

Available for sale debt securities in unrealized loss positions are evaluated for impairment related to credit losses on a quarterly basis. In performing an assessment of whether any decline in fair value is due to a credit loss, the Company considers the extent to which the fair value is less than the amortized cost, changes in credit ratings, any adverse economic conditions, as well as all relevant information at the individual security level such as credit deterioration of the issuer or collateral underlying the security. In assessing the impairment, the Company compares the present value of cash flows expected to be collected with the amortized cost basis of the security. If it is determined that the decline in fair value was due to credit losses, an allowance for credit losses is recorded, limited to the amount the fair value is less than amortized cost basis. The Company did not recognize any allowance for credit losses on its available-for-sale debt securities as of June 30, 2023 September 30, 2023 or December 31, 2022.

The non-credit related decrease in the fair value, such as a decline due to changes in market interest rates, is recorded in other comprehensive income, net of tax. The Company also assesses its intent to sell the securities (as well as the likelihood of a near-term recovery). If the Company intends to sell an available for sale available-for-sale debt security or it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis, the debt security is written down to its fair value and the write down is charged to the debt security's fair value at the reporting date with any incremental impairment reported in earnings.

The Company has made the accounting policy election to exclude accrued interest receivable on available-for-sale securities from the estimate of credit losses. Accrued interest receivable associated with debt securities available-for-sale totaled $2.5 $1.9 million and $2.8 million, at June 30, 2023 September 30, 2023 and December 31, 2022, respectively, and was reported in accrued interest receivable on the consolidated balance sheets. The Company elected not to measure an allowance for credit losses on accrued interest receivable, as an allowance on possible uncollectible accrued interest is not warranted.

Note 3 – Debt Securities Held-to-Maturity

The following is a summary of mortgage-backed securities held-to-maturity at June 30, 2023 September 30, 2023 and December 31, 2022 (in thousands):

		June 30, 2023					September 30, 2023			
		Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value		Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Mortgage-backed securities:	Mortgage-backed securities:					Mortgage-backed securities:				
Pass-through certificates:	Pass-through certificates:					Pass-through certificates:				
GSE	GSE	$ 10,316	$ 83	$ (453)	$ 9,946	GSE	$ 10,114	$ —	$ (743)	$ 9,371
Total securities held-to-maturity	Total securities held-to-maturity	$ 10,316	$ 83	$ (453)	$ 9,946	Total securities held-to-maturity	$ 10,114	$ —	$ (743)	$ 9,371

December 31, 2022

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Mortgage-backed securities:				
Pass-through certificates:				
GSE	$ 10,760	$ 90	$ (461)	$ 10,389
Total securities held-to-maturity	$ 10,760	$ 90	$ (461)	$ 10,389

NORTHFIELD BANCORP, INC.
Notes to Unaudited Consolidated Financial Statements - (Continued)

Contractual maturities for mortgage-backed securities are not presented, as expected maturities on mortgage-backed securities may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without penalties. There were no sales of held-to-maturity securities for the six nine months ended June 30, 2023 September 30, 2023 or June 30, 2022 September 30, 2022.

At June 30, 2023 September 30, 2023 and December 31, 2022, debt securities held-to-maturity with a carrying value of $10.3 $10.1 million and $2.0 million, respectively, were pledged to secure borrowings and deposits.

NORTHFIELD BANCORP, INC.
Notes to Unaudited Consolidated Financial Statements - (Continued)

Gross unrealized losses on mortgage-backed securities held-to-maturity, and the estimated fair value of the related securities, aggregated by security category and length of time that individual securities have been in a continuous unrealized loss position at June 30, 2023 September 30, 2023 and December 31, 2022 were as follows (in thousands):

		June 30, 2023							September 30, 2023					
		Less than 12 months		12 months or more		Total			Less than 12 months		12 months or more		Total	
		Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value		Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value
Mortgage-backed securities:	Mortgage-backed securities:							Mortgage-backed securities:						
Pass-through certificates:	Pass-through certificates:							Pass-through certificates:						
GSE	GSE	$ (86)	$ 3,253	$ (367)	$ 3,768	$ (453)	$ 7,021	GSE	$ (210)	$ 5,948	$ (533)	$ 3,423	$ (743)	$ 9,371
Total	Total	$ (86)	$ 3,253	$ (367)	$ 3,768	$ (453)	$ 7,021	Total	$ (210)	$ 5,948	$ (533)	$ 3,423	$ (743)	$ 9,371

	December 31, 2022					
	Less than 12 months		12 months or more		Total	
	Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value
Mortgage-backed securities:						
Pass-through certificates:						
GSE	$ (461)	$ 7,433	$ —	$ —	$ (461)	$ 7,433
Total	$ (461)	$ 7,433	$ —	$ —	$ (461)	$ 7,433

The Company held six pass-through mortgage-backed debt securities held-to-maturity issued or guaranteed by GSEs that were in a continuous unrealized loss position of twelve months or greater at June 30, 2023 September 30, 2023. The Company held three five pass-through mortgage-backed debt securities held-to-maturity issued or guaranteed by GSEs that were in an unrealized loss position of less than twelve months at June 30, 2023 September 30, 2023.

The Company's held-to-maturity securities are residential mortgage-backed securities issued by Ginnie Mae, Freddie Mac and Fannie Mae, and it is expected that the securities will not be settled at prices less than the amortized cost bases of the securities as such securities are backed by the full faith and credit of and/or guaranteed by the U.S. Government. Accordingly, no allowance for credit losses has been recorded for these securities.

The Company has made the accounting policy election to exclude accrued interest receivable on held-to-maturity securities from the estimate of credit losses. Accrued interest receivable associated with held-to-maturity securities totaling $37,000 and $39,000, at June 30, 2023 September 30, 2023 and December 31, 2022, respectively, was reported in accrued interest receivable on the consolidated balance sheets. sheets. The Company elected not to measure an allowance for credit losses on accrued interest receivable, as an allowance on possible uncollectible accrued interest is not warranted.

NORTHFIELD BANCORP, INC.
Notes to Unaudited Consolidated Financial Statements - (Continued)

Note 4 – Equity Securities

Equity securities totaled $10.7 $10.6 million and $10.4 million at June 30, 2023 September 30, 2023 and December 31, 2022, respect. respectively. Equity securities consisted of money market mutual funds recorded at fair value of $653,000 $348,000 and $361,000 at June 30, 2023 September 30, 2023 and December 31, 2022, respectively, and an investment in a private SBA loan fund (the "SBA Loan Fund") recorded at net asset value of $10.0 million $10.3 million and $10.1 million at June 30, 2023 September 30, 2023 and December 31, 2022, respectively. As the SBA Loan Fund operates as a private fund, its shares are not publicly traded and, therefore, have no readily determinable market value. The SBA Loan Fund was recorded at net asset value as a practical expedient for reporting fair value.

NORTHFIELD BANCORP, INC.
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Note 5 – Loans

The following table summarizes the Company's loans held-for-investment (in thousands):

		June 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
Real estate loans:	Real estate loans:			Real estate loans:		
Multifamily	Multifamily	$ 2,814,809	$ 2,824,579	Multifamily	$ 2,782,141	$ 2,824,579
Commercial mortgage	Commercial mortgage	942,980	899,249	Commercial mortgage	932,987	899,249
One-to-four family residential mortgage	One-to-four family residential mortgage	170,767	173,946	One-to-four family residential mortgage	164,525	173,946
Home equity and lines of credit	Home equity and lines of credit	158,517	152,555	Home equity and lines of credit	160,798	152,555
Construction and land	Construction and land	29,444	24,932	Construction and land	32,290	24,932
Total real estate loans	Total real estate loans	4,116,517	4,075,261	Total real estate loans	4,072,741	4,075,261
Commercial and industrial loans (1)	Commercial and industrial loans (1)	143,314	154,700	Commercial and industrial loans (1)	144,788	154,700
Other loans	Other loans	2,663	2,230	Other loans	2,074	2,230
Total commercial and industrial and other loans	Total commercial and industrial and other loans	145,977	156,930	Total commercial and industrial and other loans	146,862	156,930
Loans held-for-investment (excluding purchased credit-deteriorated ("PCD") loans)	Loans held-for-investment (excluding purchased credit-deteriorated ("PCD") loans)	4,262,494	4,232,191	Loans held-for-investment (excluding purchased credit-deteriorated ("PCD") loans)	4,219,603	4,232,191
PCD loans	PCD loans	11,548	11,502	PCD loans	10,371	11,502
Total loans held-for-investment	Total loans held-for-investment	4,274,042	4,243,693	Total loans held-for-investment	4,229,974	4,243,693
Allowance for credit losses	Allowance for credit losses	(41,154)	(42,617)	Allowance for credit losses	(38,480)	(42,617)

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Net loans held-for-investment	Net loans held-for-investment	$	4,232,888	$	4,201,076	Net loans held-for-investment	$	4,191,494	$	4,201,076

(1) Included in commercial and industrial loans at June 30, 2023 September 30, 2023 and December 31, 2022 are Payment Protection Program ("PPP") loans totaling $366,000 $325,000 and $5.1 million, respectively.

The Company had $977,000 $950,000 of loans held-for-sale at June 30, 2023 September 30, 2023 and no loans held-for-sale at December 31, 2022.

In addition to originating loans, the Company may acquire loans through portfolio purchases or acquisitions of other companies. Purchased loans that have evidence of more than insignificant credit deterioration since origination are deemed PCD loans. For PCD loans, each loan pool is accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows. PCD loans totaled $10.4 million at September 30, 2023, as compared to $11.5 million at both June 30, 2023 and December 31, 2022. The majority of the PCD loan balance is attributable to those loans balances were acquired as part of a Federal Deposit Insurance Corporation-assisted transaction. At June 30, 2023 September 30, 2023, PCD loans consisted of approximately 10% home equity loans, 31% 27% commercial real estate loans, 52% 55% commercial and industrial loans, and 7% 8% in one-to-four family residential loans. At December 31, 2022, PCD loans consisted of approximately 9% one-to-four family residential loans, 28% commercial real estate loans, 53% commercial and industrial loans, and 10% in home equity loans.

Credit Quality Indicators

The Company monitors the credit quality of its loan portfolio on a regular basis. Credit quality is monitored by reviewing certain credit quality indicators. Management has determined that loan-to-value ("LTV") ratios (at period end) and internally assigned credit risk ratings by loan type are the key credit quality indicators that best measure the credit quality of the Company's loan receivables. LTV ratios used by management in monitoring credit quality are based on current period loan balances and original appraised values at the time of origination (unless a current appraisal has been obtained as a result of the loan being deemed impaired).

The Company maintains a credit risk rating system as part of the risk assessment of its loan portfolio. The Company's lending officers are required to assign a credit risk rating to each loan in their portfolio at origination. This risk rating is reviewed periodically and adjusted if necessary. Monthly, management presents monitored assets to the loan committee. In addition, the Company engages a third-party independent loan reviewer that performs semi-annual reviews of a sample of loans, validating the credit risk ratings assigned to such loans. The credit risk ratings play an important role in the establishment of the provision for credit losses on loans and the allowance for credit losses for loans held-for-investment. After determining the loss factor for each portfolio segment held-for-investment, the collectively evaluated for impairment balance of the held-for-investment portfolio is multiplied by the collectively evaluated for impairment loss factor for the respective portfolio segment in order to determine the allowance for loans collectively evaluated for impairment.

When assigning a credit risk rating to a loan, management utilizes the Bank's internal nine-point credit risk rating system.

1. Strong
2. Good
3. Acceptable
4. Adequate
5. Watch
6. Special Mention
7. Substandard
8. Doubtful
9. Loss

Loans rated 1 to 5 are considered pass ratings. An asset is classified substandard if it is inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Substandard assets have well defined weaknesses based on objective evidence, and are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected. Assets classified as doubtful have all of the weaknesses inherent in those classified substandard with the added characteristic that the weaknesses present make collection or liquidation in full highly questionable and improbable based on current circumstances. Assets classified as loss are those considered uncollectible and of such little value that their continuance as assets is not warranted. Assets which do not currently expose the Company to sufficient risk to warrant classification in one of the aforementioned categories, but possess weaknesses, are required to be designated special mention.

The following table presents the Company's loans held-for-investment and current period gross charge-offs, excluding PCD loans, by loan class, credit risk ratings and year of origination, at June 30, 2023 September 30, 2023 (in thousands):

	June 30, 2023	September 30

	2023	2022	2021	2020	2019	Prior	Revolving Loans	Total
Real Estate:								
Multifamily								
Pass	$ 75,847	$626,142	$659,433	$474,042	$252,353	$ 716,825	$ 562	$2,805,204
Special mention	—	—	—	—	—	334	—	334
Substandard	—	—	—	—	—	9,271	—	9,271
Total multifamily	75,847	626,142	659,433	474,042	252,353	726,430	562	2,814,809
Commercial								
Pass	82,595	211,238	156,830	67,219	89,326	318,992	1,849	928,049
Special mention	—	—	—	—	—	733	—	733
Substandard	—	2,864	—	—	—	11,034	300	14,198
Total commercial	82,595	214,102	156,830	67,219	89,326	330,759	2,149	942,980
One-to-four family residential								
Pass	6,252	28,705	12,190	8,508	9,595	102,168	953	168,371
Special mention	—	—	—	—	—	1,670	—	1,670
Substandard	—	—	—	—	—	726	—	726
Total one-to-four family residential	6,252	28,705	12,190	8,508	9,595	104,564	953	170,767
Home equity and lines of credit								
Pass	11,552	34,476	16,134	7,955	5,657	14,831	67,576	158,181
Special mention	—	—	—	—	—	69	—	69
Substandard	—	—	24	—	91	152	—	267
Total home equity and lines of credit	11,552	34,476	16,158	7,955	5,748	15,052	67,576	158,517
Construction and land								
Pass	459	7,217	1,425	8,994	1,234	7,464	2,651	29,444
Total construction and land	459	7,217	1,425	8,994	1,234	7,464	2,651	29,444
Total real estate loans	176,705	910,642	846,036	566,718	358,256	1,184,269	73,891	4,116,517
Commercial and industrial								
Pass	4,195	25,703	17,345	2,841	3,230	8,502	65,291	127,107
Special mention	—	—	—	44	—	107	250	401
Substandard	—	1,029	427	116	87	274	13,873	15,806
Total commercial and industrial	4,195	26,732	17,772	3,001	3,317	8,883	79,414	143,314

	2023	2022	2021	2020	2019
Real Estate:					
Multifamily					
Pass	$ 86,526	$617,861	$652,903	$470,913	$250,844
Special mention	—	—	—	—	—
Substandard	—	—	—	—	—
Total multifamily	86,526	617,861	652,903	470,913	250,844
Commercial					
Pass	84,267	209,944	156,104	66,719	88,529
Special mention	—	—	—	—	—
Substandard	—	2,851	—	—	—
Total commercial	84,267	212,795	156,104	66,719	88,529
One-to-four family residential					
Pass	6,226	27,036	12,115	8,435	9,138
Special mention	—	—	—	—	—
Substandard	—	—	—	—	—
Total one-to-four family residential	6,226	27,036	12,115	8,435	9,138
Home equity and lines of credit					
Pass	18,647	34,510	15,648	7,357	5,512
Special mention	—	—	—	—	—
Substandard	—	—	22	—	90
Total home equity and lines of credit	18,647	34,510	15,670	7,357	5,602
Construction and land					
Pass	753	8,319	1,725	10,251	1,213
Total construction and land	753	8,319	1,725	10,251	1,213
Total real estate loans	196,419	900,521	838,517	563,675	355,326
Commercial and industrial					
Pass	7,025	27,846	18,348	2,932	2,818
Special mention	—	250	—	61	—
Substandard	5	941	14,196	116	96
Total commercial and industrial	7,030	29,037	32,544	3,109	2,914

Current period gross charge-offs	Current period gross charge-offs	—	1,591	707	—	—	113	—	2,411	Current period gross charge-offs	1,488	2,164	1,101	437	12
Other	Other									Other					
Pass	Pass	2,497	—	—	97	—	17	42	2,653	Pass	1,950	—	—	56	—
Substandard	Substandard	—	—	—	—	—	—	10	10	Substandard	—	—	—	—	—
Total other	Total other	2,497	—	—	97	—	17	52	2,663	Total other	1,950	—	—	56	—
Total loans held-for-investment	Total loans held-for-investment	$183,397	$937,374	$863,808	$569,816	$361,573	$1,193,169	$ 153,357	$4,262,494	Total loans held-for-investment	$205,399	$929,558	$871,061	$566,840	$358,240
Total current-period gross charge-offs	Total current-period gross charge-offs	$ —	$ 1,591	$ 707	$ —	$ —	$ 113	$ —	$ 2,411	Total current-period gross charge-offs	$ 1,488	$ 2,164	$ 1,101	$ 437	$ 12

The following table presents the Company's loans held-for-investment, excluding PCD loans, by loan class, credit risk ratings and year of origination, at December 31, 2022 (in thousands):

	December 31, 2022							
	2022	2021	2020	2019	2018	Prior	Revolving Loans	Total
Real Estate:								
Multifamily								
Pass	$ 632,613	$ 676,370	$ 500,069	$ 255,374	$ 204,810	$ 545,335	$ 521	$ 2,815,092
Substandard	—	—	—	—	3,525	5,962	—	9,487
Total multifamily	632,613	676,370	500,069	255,374	208,335	551,297	521	2,824,579
Commercial								
Pass	213,621	147,419	68,215	90,644	72,512	275,606	1,664	869,681
Special mention	—	—	—	—	—	4,852	—	4,852
Substandard	2,889	10,574	—	—	—	11,253	—	24,716
Total commercial	216,510	157,993	68,215	90,644	72,512	291,711	1,664	899,249
One-to-four family residential								
Pass	26,432	12,340	8,623	10,057	7,227	105,787	1,006	171,472
Special mention	—	—	—	—	—	1,716	—	1,716
Substandard	—	—	—	—	—	758	—	758
Total one-to-four family residential	26,432	12,340	8,623	10,057	7,227	108,261	1,006	173,946
Home equity and lines of credit								
Pass	36,513	16,053	8,198	5,948	4,484	11,315	69,539	152,050
Special mention	—	—	—	—	—	70	—	70
Substandard	—	—	—	92	48	295	—	435
Total home equity and lines of credit	36,513	16,053	8,198	6,040	4,532	11,680	69,539	152,555
Construction and land								
Pass	8,121	1,145	6,335	1,276	1,427	3,905	653	22,862
Substandard	—	—	—	—	2,070	—	—	2,070
Total construction and land	8,121	1,145	6,335	1,276	3,497	3,905	653	24,932
Total real estate loans	920,189	863,901	591,440	363,391	296,103	966,854	73,383	4,075,261
Commercial and industrial								
Pass	16,941	14,805	7,754	3,754	1,460	8,172	98,969	151,855
Special mention	—	—	48	—	—	124	214	386
Substandard	291	482	96	50	200	217	1,123	2,459
Total commercial and industrial	17,232	15,287	7,898	3,804	1,660	8,513	100,306	154,700

Other								
Pass	2,010	—	114	5	6	21	74	2,230
Total other	2,010	—	114	5	6	21	74	2,230
Total loans held-for-investment	$ 939,431	$ 879,188	$ 599,452	$ 367,200	$ 297,769	$ 975,388	$ 173,763	$ 4,232,191

Past Due and Non-Accrual Loans

Included in loans receivable held-for-investment are loans for which the accrual of interest income has been discontinued due to deterioration in the financial condition of the borrowers. The recorded investment of these non-accrual loans was $10.1 million $9.6 million and $9.8 million at June 30, 2023 September 30, 2023 and December 31, 2022, respectively. Generally, originated loans are placed on non-accrual status when they become 90 days or more delinquent, or sooner if considered appropriate by management, and remain on non-accrual status until they are brought current, have six consecutive months of performance under the loan terms, and factors indicating reasonable doubt about the timely collection of payments no longer exist.
Therefore, loans may be current in accordance with their loan terms, or may be less than 90 days delinquent and still be on a non-accruing status.

When an individual loan no longer demonstrates the similar credit risk characteristics as other loans within its current segment, the Company evaluates each for expected credit losses on an individual basis. All non-accrual loans $500,000 and above and all loans designated as TDRs prior to the adoption of ASU 2022-02 are individually evaluated. The non-accrual amounts included in loans individually evaluated for impairment were $5.1 million $5.0 million and $5.2 million at June 30, 2023 September 30, 2023, and December 31, 2022, respectively. Loans on non-accrual status with principal balances less than $500,000, and therefore not meeting the Company's definition of an impaired loan, amounted to $5.0 million at June 30, 2023, and $4.6 million at both September 30, 2023 and December 31, 2022., respectively. Loans past due 90 days or more and still accruing interest were $224,000 $592,000 and $425,000 at June 30, 2023 September 30, 2023 and December 31, 2022, respectively, and consisted of loans that are well-secured and in the process of collection.

The following tables set forth the detail, and delinquency status, of non-performing loans (non-accrual loans and loans past due 90 days or more and still accruing), net of deferred fees and costs, at June 30, 2023 September 30, 2023, and December 31, 2022, excluding PCD loans (in thousands):

		June 30, 2023							September 30, 2023					
		Total Non-Performing Loans							Total Non-Performing Loans					
		Non-Accruing Loans							Non-Accruing Loans					
		Current	30-89 Days Past Due	90 Days or More Past Due	Total	90 Days or More Past Due and Accruing	Total Non-Performing Loans		Current	30-89 Days Past Due	90 Days or More Past Due	Total	90 Days or More Past Due and Accruing	Total Non-Performing Loans
Loans held-for-investment:	Loans held-for-investment:							Loans held-for-investment:						
Real estate loans:	Real estate loans:							Real estate loans:						
Multifamily	Multifamily							Multifamily						
Substandard	Substandard	$ 2,257	$ —	$ 966	$ 3,223	$ 218	$ 3,441	Substandard	$ 2,248	$ —	$ 825	$ 3,073	$ 209	$ 3,282
Total multifamily	Total multifamily	2,257	—	966	3,223	218	3,441	Total multifamily	2,248	—	825	3,073	209	3,282
Commercial	Commercial							Commercial						
Substandard	Substandard	2,886	171	2,336	5,393	—	5,393	Substandard	2,875	—	2,560	5,435	114	5,549
Total commercial	Total commercial	2,886	171	2,336	5,393	—	5,393	Total commercial	2,875	—	2,560	5,435	114	5,549
One-to-four family residential	One-to-four family residential							One-to-four family residential						
Substandard	Substandard	82	—	27	109	6	115	Substandard	79	—	27	106	139	245

Total one-to-four family residential	Total one-to-four family residential	82	—	27	109	6	115	Total one-to-four family residential	79	—	27	106	139	245
Home equity and lines of credit	Home equity and lines of credit							Home equity and lines of credit						
Pass								Pass	—	—	—	—	39	39
Substandard	Substandard	—	—	100	100	—	100	Substandard	22	—	76	98	76	174
Total home equity and lines of credit	Total home equity and lines of credit	—	—	100	100	—	100	Total home equity and lines of credit	22	—	76	98	115	213
Total real estate	Total real estate	5,225	171	3,429	8,825	224	9,049	Total real estate	5,224	—	3,488	8,712	577	9,289
Commercial and industrial loans	Commercial and industrial loans							Commercial and industrial loans						
Pass								Pass	—	—	—	—	15	15
Substandard	Substandard	90	—	1,185	1,275	—	1,275	Substandard	97	—	751	848	—	848
Total commercial and industrial loans	Total commercial and industrial loans	90	—	1,185	1,275	—	1,275	Total commercial and industrial loans	97	—	751	848	15	863
Other loans	Other loans							Other loans						
Substandard	Substandard	—	—	10	10	—	10	Substandard	—	—	10	10	—	10
Total other	Total other	—	—	10	10	—	10	Total other	—	—	10	10	—	10
Total non-performing loans	Total non-performing loans	$ 5,315	$ 171	$ 4,624	$ 10,110	$ 224	$ 10,334	Total non-performing loans	$ 5,321	$ —	$ 4,249	$ 9,570	$ 592	$ 10,162

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	December 31, 2022					
	Total Non-Performing Loans					
	Non-Accruing Loans					
	Current	30-89 Days Past Due	90 Days or More Past Due	Total	90 Days or More Past Due and Accruing	Total Non-Performing Loans
Loans held-for-investment:						
Real estate loans:						
Multifamily						
Substandard	$ 1,923	$ —	$ 1,362	$ 3,285	$ 233	$ 3,518
Total multifamily	1,923	—	1,362	3,285	233	3,518
Commercial						
Substandard	2,806	431	1,947	5,184	8	5,192
Total commercial	2,806	431	1,947	5,184	8	5,192
One-to-four family residential						
Substandard	—	—	118	118	155	273
Total one-to-four family residential	—	—	118	118	155	273
Home equity and lines of credit						
Substandard	186	—	76	262	—	262
Total home equity and lines of credit	186	—	76	262	—	262
Total real estate	4,915	431	3,503	8,849	396	9,245
Commercial and industrial loans						
Substandard	—	26	938	964	24	988

Total commercial and industrial loans	—	26	938	964	24	988
Other loans						
Pass	—	—	—	—	5	5
Total other	—	—	—	—	5	5
Total non-performing loans	$ 4,915	$ 457	$ 4,441	$ 9,813	$ 425	$ 10,238

The following tables set forth the detail and delinquency status of loans held-for-investment, excluding PCD loans, net of deferred fees and costs, at June 30, 2023 September 30, 2023, and December 31, 2022 (in thousands):

		June 30, 2023							September 30, 2023					
		Past Due Loans							Past Due Loans					
		30-89 Days Past Due	90 Days or More Past Due	90 Days or More Past Due and Accruing	Total Past Due	Current	Total Loans Receivable, net		30-89 Days Past Due	90 Days or More Past Due	90 Days or More Past Due and Accruing	Total Past Due	Current	Total Loans Receivable, net
Loans held-for-investment:	Loans held-for-investment:							Loans held-for-investment:						
Real estate loans:	Real estate loans:							Real estate loans:						
Multifamily	Multifamily							Multifamily						
Pass	Pass	$ —	$ —	$ —	$ —	$ 2,805,204	$ 2,805,204	Pass	$ 178	$ —	$ —	$ 178	$ 2,772,594	$ 2,772,772
Special mention	Special mention	—	—	—	—	334	334	Special mention	—	—	—	—	331	331
Substandard	Substandard	—	966	218	1,184	8,087	9,271	Substandard	—	825	209	1,034	8,004	9,038
Total multifamily	Total multifamily	—	966	218	1,184	2,813,625	2,814,809	Total multifamily	178	825	209	1,212	2,780,929	2,782,141
Commercial	Commercial							Commercial						
Pass	Pass	185	—	—	185	927,864	928,049	Pass	716	—	—	716	917,451	918,167
Special mention	Special mention	—	—	—	—	733	733	Special mention	—	—	—	—	722	722
Substandard	Substandard	789	2,336	—	3,125	11,073	14,198	Substandard	1,176	2,560	114	3,850	10,248	14,098
Total commercial	Total commercial	974	2,336	—	3,310	939,670	942,980	Total commercial	1,892	2,560	114	4,566	928,421	932,987
One-to-four family residential	One-to-four family residential							One-to-four family residential						
Pass	Pass	365	—	—	365	168,006	168,371	Pass	2,643	—	—	2,643	160,813	163,456
Special mention	Special mention	67	—	—	67	1,603	1,670	Special mention	65	—	—	65	287	352
Substandard	Substandard	135	27	6	168	558	726	Substandard	—	27	139	166	551	717
Total one-to-four family residential	Total one-to-four family residential	567	27	6	600	170,167	170,767	Total one-to-four family residential	2,708	27	139	2,874	161,651	164,525
Home equity and lines of credit	Home equity and lines of credit							Home equity and lines of credit						
Pass	Pass	165	—	—	165	158,016	158,181	Pass	1,116	—	39	1,155	159,311	160,466
Special mention	Special mention	—	—	—	—	69	69	Special mention	—	—	—	—	68	68
Substandard	Substandard	91	100	—	191	76	267	Substandard	90	76	76	242	22	264

Total home equity and lines of credit	Total home equity and lines of credit	256	100	—	356	158,161	158,517	Total home equity and lines of credit	1,206	76	115	1,397	159,401	160,798
Construction and land	Construction and land							Construction and land						
Pass	Pass	—	—	—	—	29,444	29,444	Pass	—	—	—	—	32,290	32,290
Total construction and land	Total construction and land	—	—	—	—	29,444	29,444	Total construction and land	—	—	—	—	32,290	32,290
Total real estate	Total real estate	1,797	3,429	224	5,450	4,111,067	4,116,517	Total real estate	5,984	3,488	577	10,049	4,062,692	4,072,741
Commercial and industrial	Commercial and industrial							Commercial and industrial						
Pass	Pass	2,036	—	—	2,036	125,071	127,107	Pass	1,574	—	15	1,589	127,063	128,652
Special mention	Special mention	44	—	—	44	357	401	Special mention	293	—	—	293	124	417
Substandard	Substandard	372	1,185	—	1,557	14,249	15,806	Substandard	250	751	—	1,001	14,718	15,719
Total commercial and industrial	Total commercial and industrial	2,452	1,185	—	3,637	139,677	143,314	Total commercial and industrial	2,117	751	15	2,883	141,905	144,788
Other loans	Other loans							Other loans						
Pass	Pass	—	—	—	—	2,653	2,653	Pass	4	—	—	4	2,060	2,064
Substandard	Substandard	—	10	—	10	—	10	Substandard	—	10	—	10	—	10
Total other loans	Total other loans	—	10	—	10	2,653	2,663	Total other loans	4	10	—	14	2,060	2,074
Total loans held-for-investment	Total loans held-for-investment	$ 4,249	$ 4,624	$ 224	$ 9,097	$ 4,253,397	$ 4,262,494	Total loans held-for-investment	$ 8,105	$ 4,249	$ 592	$ 12,946	$ 4,206,657	$ 4,219,603

	December 31, 2022					
	Past Due Loans					
	30-89 Days Past Due	90 Days or More Past Due	90 Days or More Past Due and Accruing	Total Past Due	Current	Total Loans Receivable, net
Loans held-for-investment:						
Real estate loans:						
Multifamily						
Pass	$ 189	$ —	$ —	$ 189	$ 2,814,903	$ 2,815,092
Substandard	—	1,362	233	1,595	7,892	9,487
Total multifamily	189	1,362	233	1,784	2,822,795	2,824,579
Commercial						
Pass	726	—	—	726	868,955	869,681
Special mention	—	—	—	—	4,852	4,852
Substandard	605	1,947	8	2,560	22,156	24,716
Total commercial	1,331	1,947	8	3,286	895,963	899,249
One-to-four family residential						
Pass	603	—	—	603	170,869	171,472
Special mention	69	—	—	69	1,647	1,716
Substandard	—	118	155	273	485	758
Total one-to-four family residential	672	118	155	945	173,001	173,946
Home equity and lines of credit						

Pass	657	—	—	657	151,393	152,050
Special mention	—	—	—	—	70	70
Substandard	173	76	—	249	186	435
Total home equity and lines of credit	830	76	—	906	151,649	152,555
Construction and land						
Pass	—	—	—	—	22,862	22,862
Substandard	—	—	—	—	2,070	2,070
Total construction and land	—	—	—	—	24,932	24,932
Total real estate	3,022	3,503	396	6,921	4,068,340	4,075,261
Commercial and industrial						
Pass	573	—	—	573	151,282	151,855
Special mention	—	—	—	—	386	386
Substandard	498	938	24	1,460	999	2,459
Total commercial and industrial	1,071	938	24	2,033	152,667	154,700
Other loans						
Pass	5	—	5	10	2,220	2,230
Total other loans	5	—	5	10	2,220	2,230
Total loans held-for-investment	$ 4,098	$ 4,441	$ 425	$ 8,964	$ 4,223,227	$ 4,232,191

NORTHFIELD BANCORP, INC.
Notes to Unaudited Consolidated Financial Statements - (Continued)

The following tables summarize information on non-accrual loans, excluding PCD loans, as of June 30, 2023 September 30, 2023 and December 31, 2022 (in thousands):

	June 30, 2023			September 30, 2023		
	Recorded Investment	Unpaid Principal Balance	With No Related Allowance	Recorded Investment	Unpaid Principal Balance	With No Related Allowance
Real estate loans:						
Multifamily	$ 3,223	$ 3,510	$ 2,042	$ 3,073	$ 3,360	$ 1,917
Commercial	5,393	5,848	3,031	5,435	5,890	3,019
One-to-four family residential	109	109	—	106	106	—
Home equity and lines of credit	100	349	—	98	348	—
Commercial and industrial	1,275	2,511	69	848	4,468	80
Other	10	9	—	10	9	—
Total non-accrual loans	$ 10,110	$ 12,336	$ 5,142	$ 9,570	$ 14,181	$ 5,016

	December 31, 2022		
	Recorded Investment	Unpaid Principal Balance	With No Related Allowance
Real estate loans:			
Multifamily	$ 3,285	$ 3,294	$ 2,050
Commercial	5,184	5,639	3,069
One-to-four family residential	118	118	—
Home equity and lines of credit	262	512	—
Commercial and industrial	964	1,288	67
Total non-accrual loans	$ 9,813	$ 10,851	$ 5,186

The following table summarizes interest income on non-accrual loans, excluding PCD loans, during the three and six nine months ended June 30, 2023 September 30, 2023 and June 30, 2022 September 30, 2022 (in thousands):

		Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022		Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Real estate loans:	Real estate loans:					Real estate loans:				
Multifamily	Multifamily	$ 56	$ 24	$ 103	$ 48	Multifamily	$ 41	$ 25	$ 144	$ 73
Commercial	Commercial	74	70	120	82	Commercial	63	26	183	108
One-to-four family residential	One-to-four family residential	1	7	5	10	One-to-four family residential	1	—	6	10
Home equity and lines of credit	Home equity and lines of credit	1	11	1	11	Home equity and lines of credit	—	5	1	16
Commercial and industrial	Commercial and industrial	28	7	29	8	Commercial and industrial	48	6	77	14
Total interest income on non-accrual loans	Total interest income on non-accrual loans	$ 160	$ 119	$ 258	$ 159	Total interest income on non-accrual loans	$ 153	$ 62	$ 411	$ 221

NORTHFIELD BANCORP, INC.
Notes to Unaudited Consolidated Financial Statements - (Continued)

Collateral-Dependent Loans

Loans for which the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral are considered to be collateral-dependent loans. Collateral can have a significant financial effect in mitigating exposure to credit risk and, where there is sufficient collateral, an allowance for credit losses is not recognized or is minimal. For collateral-dependent loans, the allowance for credit losses is individually assessed based on the fair value of the collateral less estimated costs of sale. The Company's collateral-dependent loans are secured by real estate. Collateral values are generally based on appraisals which are adjusted for changes in market indices. As of June 30, 2023 September 30, 2023 and December 31, 2022, the Company had $7.2 $7.0 million and $7.4 million of collateral-dependent impaired loans, respectively. The collateral-dependent loans at June 30, 2023 September 30, 2023 consisted of $4.8 $4.7 million of commercial real estate loans, $2.0 $1.9 million of multifamily loans, and $314,000 $309,000 of one-to-four family residential loans. For the six nine months ended June 30, 2023 September 30, 2023, there was no significant deterioration or changes in the collateral securing these loans.

Loan Modifications Made to Borrowers Experiencing Financial Difficulty

Effective January 1, 2023, the Company adopted ASU 2022-02, which eliminated the accounting for TDRs while expanding loan modification and vintage disclosure requirements. See Note 1 to the consolidated financial statements for further information.

The following table presents tables present the amortized cost basis at June 30, 2023 September 30, 2023 of loan modifications made to borrowers experiencing financial difficulty that were restructured modified during the three and six nine months ended June 30, 2023 September 30, 2023 by class and by type of modification (dollars in thousands):

		Three and Six Months Ended June 30, 2023						Three Months Ended September 30, 2023					
		Payment Delay	Payment Delay and Interest Rate Reduction	Payment Delay, Term Extension, and Interest Rate Reductions	Total	Percent of Total Class		Payment Delay	Term Extension(1)	Payment Delay and Interest Rate Reduction	Payment Delay, Term Extension, and Interest Rate Reductions	Total	Percentage of Total Class of Financing Receivable
Commercial mortgage	Commercial mortgage	$ 65	$ —	$ —	$ 65	0.01 %	Commercial mortgage	$ 171	$ —	$ —	$ —	$ 171	0.02 %
Commercial and industrial	Commercial and industrial	—	210	325	535	0.37 %	Commercial and industrial	96	13,379	—	390	13,865	9.58 %
Total loans	Total loans	$ 65	$ 210	$ 325	$ 600	0.06 %	Total loans	$ 267	$ 13,379	$ —	$ 390	$ 14,036	

Nine Months Ended September 30, 2023

	Payment Delay	Term Extension[1]	Payment Delay and Interest Rate Reduction	Payment Delay, Term Extension, and Interest Rate Reductions	Total	Percentage of Total Class of Financing Receivable
Commercial mortgage	$ 236	$ —	$ —	$ —	$ 236	0.03 %
Commercial and industrial	96	13,379	208	636	14,319	9.89 %
Total loans	$ 332	$ 13,379	$ 208	$ 636	$ 14,555	

[1] Represents one loan that was risk rated substandard and was modified during the three months ended September 30, 2023, to receive a maturity extension of 90-days through November 1, 2023. This loan previously had multiple extensions. The loan was originally downgraded to substandard due to operating losses, however the current debt service coverage ratio is 1.84x and the loan is adequately secured by receivables in excess of $18 million. The loan is current as of September 30, 2023.

The following table presents the financial effect of loan modifications made to borrowers experiencing financial difficulty during the three and six nine months ended June 30, 2023 September 30, 2023 (in thousands):

	Three and Six Months Ended June 30, 2023	
	Weighted-Average Term Extension (in months)	Weighted-Average Interest Rate Reduction
Commercial and industrial	32	(4.65)%

	Weighted-Average Term Extension (in months)	Weighted-Average Interest Rate Reduction
Three Months Ended September 30, 2023		
Commercial and industrial	3.4	2.87 %
Nine Months Ended September 30, 2023		
Commercial and industrial	3.5	3.75 %

No modifications involved forgiveness of principal. There were no commitments to lend additional funds to borrowers experiencing financial difficulty whose terms have been restructured at June 30, 2023 September 30, 2023.

For restructured loans, a subsequent payment default is defined in terms of delinquency, when a principal or interest payment is 90 days past due or classified into non-accrual status during the reporting period. Of the loans restructured during the three and six nine months ended June 30, 2023 September 30, 2023 (since adoption of ASU 2022-02), there were no subsequent defaults as was one commercial and industrial loan with a balance of June 30, 2023 approximately $76,000 that subsequently defaulted and was charged-off during the quarter ended September 30, 2023.

NORTHFIELD BANCORP, INC.
Notes to Unaudited Consolidated Financial Statements - (Continued)

The Company closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of the modification efforts. The following table presents tables present the aging analysis of loan modifications made to borrowers experiencing financial difficulty during the three and six nine months ended June 30, 2023 September 30, 2023 (in thousands):

		June 30, 2023				
		Current	30-89 Days Past Due	90 Days or More Past Due	Non-Accrual	Total
Commercial mortgage	Commercial mortgage	$ —	$ 65	$ —	$ —	$ 65
Commercial and industrial	Commercial and industrial	459	76	—	—	535
Total loans	Total loans	$ 459	$ 141	$ —	$ —	$ 600

	Three Months Ended September 30, 2023				
	Current	30-89 Days Past Due	90 Days or More Past Due	Non-Accrual	Total
Commercial mortgage	$ —	$ —	$ —	$ 171	$ 171
Commercial and industrial	13,865	—	—	—	13,865
Total loans	$ 13,865	$ —	$ —	$ 171	$ 14,036

Nine Months Ended September 30, 2023

	Current	30-89 Days Past Due	90 Days or More Past Due	Non-Accrual	Total
Commercial mortgage	$ —	$ 65	$ —	$ 171	$ 236
Commercial and industrial	14,319	—	—	—	14,319
Total loans	$ 14,319	$ 65	$ —	$ 171	$ 14,555

Troubled Debt Restructured Loans prior to the adoption of ASU 2022-02

Prior to the adoption of ASU 2022-02, the Company classified certain loans as TDRs when credit terms to a borrower in financial difficulty were modified, in accordance with ASC 310-40. With the adoption of ASU 2022-02 the Company has ceased to recognize or measure for new TDRs, but those existing at December 31, 2022 will remain until settled.

There were no loans modified as a TDR during the three or six nine months ended June 30, 2022 September 30, 2022.

At December 31, 2022 the Company had TDRs of $7.0 million.

Management classifies all TDRs as loans individually evaluated for impairment. Loans individually evaluated for impairment are assessed to determine that the loan's carrying value is not in excess of the estimated fair value of the collateral less cost to sell, if the loan is collateral-dependent, or the present value of the expected future cash flows, if the loan is not collateral-dependent. Management performs an evaluation of each impaired loan and generally obtains updated appraisals as part of the evaluation. In addition, management adjusts estimated fair values down to appropriately consider recent market conditions, our willingness to accept a lower sales price to effect a quick sale, and costs to dispose of any supporting collateral. Determining the estimated fair value of underlying collateral (and related costs to sell) can be difficult in illiquid real estate markets and is subject to significant assumptions and estimates. Management employs an independent third-party management firm that specializes in appraisal preparation and review to ascertain the reasonableness of updated appraisals. Projecting the expected cash flows under TDRs which are not collateral-dependent is inherently subjective and requires, among other things, an evaluation of the borrower's current and projected financial condition. Actual results may be significantly different than our projections and our established allowance for credit losses on these loans, which could have a material effect on our financial results.

At June 30, 2022 September 30, 2022, there were no restructured TDRs during the preceding twelve months that subsequently defaulted.

NORTHFIELD BANCORP, INC.
Notes to Unaudited Consolidated Financial Statements - (Continued)

Note 6 – Allowance for Credit Losses ("ACL") on Loans

Allowance for Collectively Evaluated Loans Held-for-Investment

In estimating the quantitative component of the allowance on a collective basis, the Company uses a risk rating migration model which calculates an expected life of loan loss percentage for each loan by generating probability of default and loss given default metrics. These metrics are multiplied by the exposure at the potential default, taking into consideration estimated prepayments, to calculate the quantitative component of the ACL. The metrics are based on the migration of loans from performing to loss by credit risk rating or delinquency categories using historical life-of-loan analysis periods for each loan portfolio pool, and the severity of loss, based on the aggregate net lifetime losses incurred using the Company's own historical loss experience and comparable peer data loss history. The model's expected losses based on loss history are adjusted for qualitative adjustments to address risks that may not be adequately represented in the risk rating migration model. Among other things, these adjustments include and account for differences in: (i) changes in lending policies and procedures; (ii) changes in local, regional, national, and international economic and business conditions and developments that affect the collectability of our portfolio, including the condition of various market segments; (iii) changes in the experience, ability and depth of lending management and other relevant staff; (iv) changes in the quality of our loan review system; (v) the existence and effect of any concentrations of credit, and changes in the level of such concentrations; and (vi) the effect of other external factors such as competition and legal and regulatory requirements on the level of estimated credit losses in our existing portfolio.

The Company utilizes a two-year reasonable and supportable forecast period after which estimated losses revert to historical loss experience immediately for the remaining life of the loan. In establishing its estimate of expected credit losses, the Company utilizes five externally-sourced forward-looking economic scenarios developed by Moody's Analytics ("Moody's").

Management utilizes five different Moody's scenarios so as to incorporate uncertainties related to the economic environment. These scenarios, which range from more benign to more severe economic outlooks, include a "most likely outcome" (the "Baseline" scenario) and four less likely scenarios referred to as the "Upside" and "Downside" scenarios. Each scenario is assigned a weighting with a majority of the weighting placed on the Baseline scenario and lower weights placed on both the Upside and Downside scenarios. The weighting assigned by management is based on the economic outlook and available information at the reporting date. The model projects economic variables under each scenario based on detailed statistical analyses. The Company has identified and selected key variables that most closely correlated to its historical credit performance, which include: Gross domestic product, unemployment, and three collateral indices: the Commercial Property Price Index, the Commercial Property Price Apartment Index and the Case-Shiller Home Price Index.

NORTHFIELD BANCORP, INC.

Allowance for Individually Evaluated Loans

The Company measures specific reserves for individual loans that do not share common risk characteristics with other loans, consisting of all loans previously modified as TDR's TDRs and non-accrual loans with an outstanding balance of $500,000 or greater. Loans individually evaluated for impairment are assessed to determine whether the loan's carrying value is not in excess of the estimated fair value of the collateral less cost to sell, if the loan is collateral-dependent, or the present value of the expected future cash flows, if the loan is not collateral-dependent. Management performs an evaluation of each impaired loan and generally obtains updated appraisals as part of the evaluation. In addition, management adjusts estimated fair values down to appropriately consider recent market conditions, our willingness to accept a lower sales price to effect a quick sale, and costs to dispose of any supporting collateral. Determining the estimated fair value of underlying collateral (and related costs to sell) can be difficult in illiquid real estate markets and is subject to significant assumptions and estimates. Management employs an independent third-party management firm that specializes in appraisal preparation and review to ascertain the reasonableness of updated appraisals. Projecting the expected cash flows for modified loans which are not collateral-dependent is inherently subjective and requires, among other things, an evaluation of the borrower's current and projected financial condition. Actual results may be significantly different than our projections and our established allowance for credit losses on these loans, which could have a material effect on our financial results. Individually impaired loans that have no impairment losses are not considered for collective allowances described earlier. At June 30, 2023 September 30, 2023 and December 31, 2022, the ACL for loans individually evaluated for impairment was $44,900 $45,300 and $38,200, respectively.

Allowance for Credit Losses – Off-Balance Sheet Exposures

An ACL for off-balance-sheet exposures represents an estimate of expected credit losses arising from off-balance sheet exposures such as loan commitments, standby letters of credit and unused lines of credit (loans already on the books). Commitments to fund unused lines of credit are agreements to lend additional funds to customers as long as there have been no violations of any of the conditions established in the agreements (original or restructured). Commitments to originate loans generally have a fixed expiration or other termination clauses, which may require payment of a fee. Since some of these loan commitments are expected to expire without being drawn upon, total commitments do not necessarily represent future cash requirements. The reserve for off-balance sheet exposures is determined using the Current Expected Credit Losses ("CECL") reserve factor in the related funded loan segment, adjusted for an average historical funding rate. The allowance for credit losses for off-balance sheet credit exposures is recorded in other liabilities on the consolidated balance sheets and the corresponding provision is included in other non-interest expense.

The table below summarizes the allowance for credit losses for off-balance sheet credit exposures as of, and for, the three and six nine months ended June 30, 2023 September 30, 2023, and June 30, 2022 September 30, 2022 (in thousands):

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
Balance at beginning of period	Balance at beginning of period	$ 902	$ 2,131	$ 791	$ 1,852	Balance at beginning of period	$ 241	$ 2,480	$ 791	$ 1,852
Provision for credit losses		(661)	349	(550)	628					
Provision (benefit) for credit losses						Provision (benefit) for credit losses	160	(1,888)	(390)	(1,260)
Balance at end of period	Balance at end of period	$ 241	$ 2,480	$ 241	$ 2,480	Balance at end of period	$ 401	$ 592	$ 401	$ 592

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Notes to Unaudited Consolidated Financial Statements - (Continued)

The following tables set forth activity in our allowance for credit losses on loans, by loan type, as of, and for the three and six nine months ended June 30, 2023 September 30, 2023, and June 30, 2022 September 30, 2022 (in thousands):

		Three Months Ended June 30, 2023										Three Months Ended Septe				
		Real Estate										Real Estate				
		Commercial (1)	One-to-Four Family	Home Equity and Lines of Credit	Construction and Land	Commercial and Industrial	Other	Total Loans (excluding PCD)	PCD	Total		Commercial (1)	One-to-Four Family	Home Equity and Lines of Credit	Construction and Land	Commer and Industr
Allowance for credit losses:	**Allowance for credit losses:**										**Allowance for credit losses:**					

	Commercial (1)	One-to-Four Family	Home Equity and Lines of Credit	Construction and Land	Commercial and Industrial	Other	Total Loans (excluding PCD)	PCD	Total
Beginning balance	$ 28,030	$3,587	$1,398	$ 286	$ 4,366	$ 7	$ 37,674	$3,762	$41,436
Charge-offs	—	—	—	—	(355)	—	(355)	—	(355)
Recoveries	29	—	1	—	13	—	43	—	43
Provisions (credit)	(3,326)	227	(121)	15	3,271	—	66	(36)	30
Ending balance	$ 24,733	$3,814	$1,278	$ 301	$ 7,295	$ 7	$ 37,428	$3,726	$41,154

	Commercial (1)	One-to-Four Family	Home Equity and Lines of Credit	Construction and Land	Commercial and Industrial
Beginning balance	$ 24,733	$3,814	$1,278	$ 301	$ 7,2
Charge-offs	—	—	—	—	(2,9
Recoveries	14	—	—	—	
Provisions (credit)	(409)	(243)	77	(2)	1,3
Ending balance	$ 24,338	$3,571	$1,355	$ 299	$ 5,8

	Three Months Ended June 30, 2022								
	Real Estate								
	Commercial (1)	One-to-Four Family	Home Equity and Lines of Credit	Construction and Land	Commercial and Industrial	Other	Total Loans (excluding PCD)	PCD	Total
Allowance for credit losses:									
Beginning balance	27,247	3,589	679	166	2,954	9	34,644	4,630	39,274
Charge-offs	—	—	—	—	—	—	—	(525)	(525)
Recoveries	19	—	—	—	114	—	133	—	133
Provisions (credit)	799	(584)	123	119	(363)	2	96	53	149
Ending balance	$ 28,065	$3,005	$ 802	$ 285	$ 2,705	$ 11	$ 34,873	$4,158	$39,031

	Three Months Ended Septe				
	Real Estate				
	Commercial (1)	One-to-Four Family	Home Equity and Lines of Credit	Construction and Land	Commerc and Industri
Allowance for credit losses:					
Beginning balance	$ 28,065	$3,005	$ 802	$ 285	$ 2,70
Charge-offs	—	—	—	—	
Recoveries	4	7	19	—	
Provisions (credit)	2,117	553	53	(10)	23
Ending balance	$ 30,186	$3,565	$ 874	$ 275	$ 2,95

(1) Commercial includes commercial real estate loans collateralized by owner-occupied, non-owner occupied, and multifamily properties.

	Six Months Ended June 30, 2023								
	Real Estate								
	Commercial (1)	One-to-Four Family	Home Equity and Lines of Credit	Construction and Land	Commercial and Industrial	Other	Total Loans (excluding PCD)	PCD	Total
Allowance for credit losses:									
Beginning balance	$ 29,485	$3,936	$ 866	$ 324	$ 4,114	$ 9	$ 38,734	$3,883	$42,617
Charge-offs	—	—	—	—	(2,411)	—	(2,411)	(8)	(2,419)
Recoveries	34	—	1	—	27	—	62	—	62
Provisions (credit)	(4,786)	(122)	411	(23)	5,565	(2)	1,043	(149)	894
Ending balance	$ 24,733	$3,814	$1,278	$ 301	$ 7,295	$ 7	$ 37,428	$3,726	$41,154

	Nine Months Ended Septe				
	Real Estate				
	Commercial (1)	One-to-Four Family	Home Equity and Lines of Credit	Construction and Land	Commer and Industr
Allowance for credit losses:					
Beginning balance	$ 29,485	$3,936	$ 866	$ 324	$ 4,1
Charge-offs	—	—	—	—	(5,3
Recoveries	48	—	1	—	
Provisions (credit)	(5,195)	(365)	488	(25)	6,9
Ending balance	$ 24,338	$3,571	$1,355	$ 299	$ 5,8

	Six Months Ended June 30, 2022											Nine Months Ended Septer					
		Real Estate										Real Estate				
		Commercial (1)	One-to-Four Family	Home Equity and Lines of Credit	Construction and Land	Commercial and Industrial	Other	Total Loans (excluding PCD)	PCD	Total		Commercial (1)	One-to-Four Family	Home Equity and Lines of Credit	Construction and Land	Commerc and Industri
Allowance for credit losses:	**Allowance for credit losses:**										**Allowance for credit losses:**					
Beginning balance	Beginning balance	$ 26,785	$3,545	$ 560	$ 169	$ 3,173	$ 9	$ 34,241	$4,732	$38,973	Beginning balance	$ 26,785	$3,545	$ 560	$ 169	$ 3,17
Charge-offs	Charge-offs	—	—	—	—	(185)	—	(185)	(525)	(710)	Charge-offs	—	—	—	—	(18
Recoveries	Recoveries	97	—	—	—	119	—	216	—	216	Recoveries	101	7	19	—	13
Provisions (credit)	Provisions (credit)	1,183	(540)	242	116	(402)	2	601	(49)	552	Provisions (credit)	3,300	13	295	106	(16
Ending balance	Ending balance	$ 28,065	$3,005	$ 802	$ 285	$ 2,705	$ 11	$ 34,873	$4,158	$39,031	Ending balance	$ 30,186	$3,565	$ 874	$ 275	$ 2,95

(1) Commercial includes commercial real estate loans collateralized by owner-occupied, non-owner occupied, and multifamily properties.

The allowance for credit losses on loans decreased to $41.2 $38.5 million at June 30, 2023 September 30, 2023, compared to $42.6 million as of December 31, 2022, primarily due to minimal a decrease in loan growth and balances, a decrease in reserves related to non-economic qualitative loss factors in the multifamily and commercial real estate portfolios, partially offset by and a worsening macroeconomic outlook and an increase decrease in reserves for commercial related to the PCD portfolio, attributable to improved cash flow and industrial loans, primarily due to a $13.8 million loan that is current and collateralized by receivables and business assets being downgraded to substandard.

higher charge-offs.

The following tables detail the amount of loans receivable held-for-investment, net of deferred loan fees and costs, that are evaluated, individually and collectively, for impairment, and the related portion of the allowance for credit losses that is allocated to each loan portfolio segment, at June 30, 2023 September 30, 2023 and December 31, 2022 (in thousands):

	June 30, 2023											Sep			
		Real Estate										Real Estate			
		Commercial (1)	One-to-Four Family	Home Equity and Lines of Credit	Construction and Land	Commercial and Industrial	Other	Total Loans (excluding PCD)	PCD	Total		Commercial (1)	One-to-Four Family	Home Equity and Lines of Credit	Construct and Lan
Allowance for credit losses:	**Allowance for credit losses:**										**Allowance for credit losses:**				
Ending balance: individually evaluated for impairment	Ending balance: individually evaluated for impairment	$ 24	$ —	$ 3	$ —	$ 18	$ —	$ 45	$ —	$ 45	Ending balance: individually evaluated for impairment	$ 24	$ —	$ 3	$
Ending balance: collectively evaluated for impairment	Ending balance: collectively evaluated for impairment	24,709	3,814	1,275	301	7,277	7	37,383	—	37,383	Ending balance: collectively evaluated for impairment	24,313	3,571	1,353	2

Ending balance: PCD loans evaluated for impairment (2)	Ending balance: PCD loans evaluated for impairment (2)	—	—	—	—	—	—	—	3,726	3,726	Ending balance: PCD loans evaluated for impairment (2)	—	—	—	
Loans, net:	**Loans, net:**										**Loans, net:**				
Ending balance	Ending balance	$ 3,757,789	$170,767	$158,517	$ 29,444	$ 143,314	$2,663	$4,262,494	$11,548	$4,274,042	Ending balance	$ 3,715,128	$164,525	$160,798	$ 32,2
Ending balance: individually evaluated for impairment	Ending balance: individually evaluated for impairment	7,916	636	25	—	89	—	8,666	—	8,666	Ending balance: individually evaluated for impairment	7,681	624	24	
Ending balance: collectively evaluated for impairment	Ending balance: collectively evaluated for impairment	3,749,873	170,131	158,492	29,444	142,859	2,663	4,253,462	—	4,253,462	Ending balance: collectively evaluated for impairment	3,707,447	163,901	160,774	32,2
Ending balance: PCD loans evaluated for impairment (2)	Ending balance: PCD loans evaluated for impairment (2)	—	—	—	—	—	—	—	11,548	11,548	Ending balance: PCD loans evaluated for impairment (2)	—	—	—	
PPP loans not evaluated for impairment (3)	PPP loans not evaluated for impairment (3)	—	—	—	—	366	—	366	—	366	PPP loans not evaluated for impairment (3)	—	—	—	

	December 31, 2022								
	Real Estate								
	Commercial (1)	One-to-Four Family	Home Equity and Lines of Credit	Construction and Land	Commercial and Industrial	Other	Total Loans (excluding PCD)	PCD	Total
Allowance for credit losses:									
Ending balance: individually evaluated for impairment	$ 18	$ —	$ 2	$ —	$ 18	$ —	$ 38	$ —	$ 38
Ending balance: collectively evaluated for impairment	29,467	3,936	864	324	4,096	9	38,696	—	38,696
Ending balance: PCD loans evaluated for impairment (2)	—	—	—	—	—	—	—	3,883	3,883
Loans, net:									
Ending balance	$ 3,723,828	$ 173,946	$ 152,555	$ 24,932	$ 154,700	$ 2,230	$ 4,232,191	$ 11,502	$4,243,693
Ending balance: individually evaluated for impairment	8,152	666	27	—	94	—	8,939	—	8,939
Ending balance: collectively evaluated for impairment	3,715,676	173,280	152,528	24,932	149,463	2,230	4,218,109	—	4,218,109
Ending balance: PCD loans evaluated for impairment (2)	—	—	—	—	—	—	—	11,502	11,502
PPP loans not evaluated for impairment (3)	—	—	—	—	5,143	—	5,143	—	5,143

(1) Commercial includes commercial real estate loans collateralized by owner-occupied, non-owner occupied, and multifamily properties.

(2) Upon adoption of CECL, the Company elected to maintain pools of PCD loans that were previously accounted for under ASC 310-30, and will continue to evaluate PCD loans under this guidance.

(3) PPP loans are guaranteed by the SBA and therefore excluded from the allowance for credit losses.

Note 7 – Deposits

Deposit account balances are summarized as follows (in thousands):

		June 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
Non-interest-bearing checking	Non-interest-bearing checking	$ 754,498	$ 852,660	Non-interest-bearing checking	$ 727,605	$ 852,660
Negotiable orders of withdrawal ("NOW") and interest-bearing checking		1,116,000	1,132,290			
Negotiable orders of withdrawal ("NOW") and interest-bearing checking				Negotiable orders of withdrawal ("NOW") and interest-bearing checking	1,150,647	1,132,290
Savings and money market	Savings and money market	1,239,673	1,425,247	Savings and money market	1,259,519	1,425,247
Certificates of deposit	Certificates of deposit	654,232	740,022	Certificates of deposit	530,742	740,022
Total deposits	Total deposits	$ 3,764,403	$ 4,150,219	Total deposits	$ 3,668,513	$ 4,150,219

Interest expense on deposit accounts is summarized for the periods indicated (in thousands):

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
NOW and interest-bearing checking, savings, and money market	NOW and interest-bearing checking, savings, and money market	$ 6,486	$ 599	$ 10,329	$ 1,170	NOW and interest-bearing checking, savings, and money market	$ 8,865	$ 701	$ 19,194	$ 1,871
Certificates of deposit	Certificates of deposit	3,997	735	7,975	1,323	Certificates of deposit	4,749	1,420	12,724	2,743
Total interest expense on deposit accounts	Total interest expense on deposit accounts	$ 10,483	$ 1,334	$ 18,304	$ 2,493	Total interest expense on deposit accounts	$ 13,614	$ 2,121	$ 31,918	$ 4,614

Note 8 – Subordinated Debt

On June 17, 2022, the Company issued $62.0 million in aggregate principal amount of fixed-to-floating subordinated notes (the "Notes") to certain institutional investors. The Notes mature on June 30, 2032, unless redeemed earlier. The Notes initially bear interest, payable semi-annually in arrears, at a fixed rate of 5.00% per annum until June 30, 2027. Beginning June 30, 2027 and until maturity or redemption, the interest rate applicable to the outstanding principal amount of the Notes due will reset quarterly to an interest rate per annum equal to the then current three-month Secured Overnight Financing Rate plus 200 basis points, payable quarterly in arrears. The Company has the option to redeem the Notes, at par and in whole or in part, beginning on June 30, 2027 and to redeem the Notes at any time in whole upon certain other events. Any redemption of the Notes will be subject to prior regulatory approval to the extent required. Debt issuance costs totaled $1.1 million and are being amortized to maturity. The Company recognized amortization expense of $56,000 and $112,000 $167,000 for the three and six nine months ended June 30, 2023 September 30, 2023, respectively. The Company recognized amortization expense of $56,000 for both the three and nine months ended September 30, 2022. The Company intends to use the net proceeds from the issuance of the Notes for general corporate purposes, including to fund potential repurchases of shares of the Company's outstanding common stock.

Note 9 – Equity Incentive Plans

The following table is a summary of the Company's stock options outstanding as of June 30, 2023 September 30, 2023, and changes therein during the six nine months then ended.

	Number of Stock Options	Weighted Average Grant Date Fair Value	Weighted Average Exercise Price	Weighted Average Contractual Life (years)
Outstanding - December 31, 2022	1,582,826	$ 4.03	$ 14.04	2.01
Forfeited	(10,900)	3.98	13.80	—
Exercised	(7,600)	3.91	13.13	—
Outstanding - June 30, 2023	1,564,326	4.03	14.05	1.51
Exercisable - June 30, 2023	1,564,326	4.03	14.05	1.51

	Number of Stock Options	Weighted Average Grant Date Fair Value	Weighted Average Exercise Price	Weighted Average Contractual Life (years)
Outstanding - December 31, 2022	1,582,826	$ 4.03	$ 14.04	2.01
Forfeited or cancelled	(30,920)	3.97	13.79	—
Exercised	(7,600)	3.91	13.13	—
Outstanding - September 30, 2023	1,544,306	4.03	14.05	1.26
Exercisable - September 30, 2023	1,544,306	4.03	14.05	1.26

On January 27, 2023, the Company granted to directors and employees, under the 2019 Equity Incentive Plan, 157,525 restricted stock awards with a total grant-date fair value of $2.3 million. Of these grants, 33,813 vest one year from the date of grant and 123,712 vest in equal installments over a three-year period beginning one year from the date of grant. The Company also issued 34,724 performance-based restricted stock units to its executive officers with a total grant date fair value of $499,000. Vesting of the performance-based restricted stock units will be based on achievement of certain levels of Core Return on Average Assets and will cliff-vest after a three-year measurement period ended January 27, 2026. At the end of the performance period, the number of actual shares to be awarded may vary between 0% and 120% of target amounts.

The following is a summary of the status of the Company's restricted stock awards and performance-based restricted stock units at June 30, 2023 September 30, 2023, and changes therein during the six nine months then ended.

		Number of Shares Awarded	Weighted Average Grant Date Fair Value		Number of Shares Awarded	Weighted Average Grant Date Fair Value
Non-vested at December 31, 2022	Non-vested at December 31, 2022	321,501	$ 14.66	Non-vested at December 31, 2022	321,501	$ 14.66
Granted	Granted	192,249	14.37	Granted	192,249	14.37
Incremental performance-based restricted stock units earned	Incremental performance-based restricted stock units earned	10,353	—	Incremental performance-based restricted stock units earned	10,353	—
Vested	Vested	(124,586)	15.27	Vested	(124,586)	13.96
Forfeited	Forfeited	(35,157)	14.33	Forfeited	(37,123)	14.33
Non-vested at June 30, 2023		364,360	14.36			
Non-vested at September 30, 2023				Non-vested at September 30, 2023	362,394	14.36

Expected future stock award expense related to the non-vested restricted share awards and performance-based restricted stock units as of June 30, 2023 September 30, 2023, was $4.3 million $3.7 million over a weighted average period of 2.1 1.9 years.

During the three months ended June 30, 2023 September 30, 2023 and June 30, 2022 September 30, 2022, the Company recorded $507,000 $577,000 and $449,000, $456,000, respectively, of stock-based compensation related to the above plan. During the six nine months ended June 30, 2023 September 30, 2023 and June 30, 2022 September 30, 2022, the Company recorded $1.2 million $1.8 million and $845,000, $1.3 million, respectively, of stock-based compensation related to the above plan.

Note 10 – Fair Value Measurements

The following tables present the assets reported on the consolidated balance sheets at their estimated fair value as of June 30, 2023 September 30, 2023, and December 31, 2022, by level within the fair value hierarchy as required by the Fair Value Measurements and Disclosures Topic of the FASB ASC. Financial assets and liabilities are classified in their entirety based on the level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

- Level 1 Inputs – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

- Level 2 Inputs – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (for example, interest rates, volatilities, prepayment speeds, loss severities, credit risks and default rates) or inputs that are derived principally from or corroborated by observable market data by correlations or other means.

- Level 3 Inputs – Significant unobservable inputs that reflect the Company's own assumptions that market participants would use in pricing the assets or liabilities.

The methods of determining the fair value of assets and liabilities presented in this note are consistent with our methodologies disclosed in Note 17 to the Consolidated Financial Statements of the Company's 2022 Annual Report on Form 10-K.

		Fair Value Measurements at June 30, 2023 Using:					Fair Value Measurements at September 30, 2023 Using:			
		Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(in thousands)					(in thousands)			
Measured on a recurring basis:	Measured on a recurring basis:					Measured on a recurring basis:				
Assets:	Assets:					Assets:				
Investment securities:	Investment securities:					Investment securities:				
Debt securities available-for-sale:	Debt securities available-for-sale:					Debt securities available-for-sale:				
U.S. Government agency	U.S. Government agency	$ 72,086	$ —	$ 72,086	$ —	U.S. Government agency	$ 72,309	$ —	$ 72,309	$ —
Mortgage-backed securities:	Mortgage-backed securities:					Mortgage-backed securities:				
Pass-through certificates:	Pass-through certificates:					Pass-through certificates:				
GSE	GSE	378,559	—	378,559	—	GSE	347,044	—	347,044	—
REMICs:	REMICs:					REMICs:				
GSE	GSE	236,046	—	236,046	—	GSE	221,560	—	221,560	—
		614,605	—	614,605	—		568,604	—	568,604	—
Other debt securities:	Other debt securities:					Other debt securities:				
Municipal bonds						Municipal bonds	763	—	763	—
Corporate bonds	Corporate bonds	115,566	—	115,566	—	Corporate bonds	102,023	—	102,023	—
		115,566	—	115,566	—		102,786	—	102,786	—

Total debt securities available-for-sale	Total debt securities available-for-sale	802,257	—	802,257	—	Total debt securities available-for-sale	743,699	—	743,699	—
Trading securities	Trading securities	11,731	11,731	—	—	Trading securities	11,504	11,504	—	—
Equity securities (1)	Equity securities (1)	653	653	—	—	Equity securities (1)	348	348	—	—
Total	Total	$ 814,641	$ 12,384	$ 802,257	$ —	Total	$ 755,551	$ 11,852	$ 743,699	$ —
Measured on a non-recurring basis:	Measured on a non-recurring basis:					Measured on a non-recurring basis:				
Assets:	Assets:					Assets:				
Loans individually evaluated for impairment:	Loans individually evaluated for impairment:					Loans individually evaluated for impairment:				
Real estate loans:	Real estate loans:					Real estate loans:				
Commercial real estate	Commercial real estate	$ 2,460	$ —	$ —	$ 2,460	Commercial real estate	$ 2,376	$ —	$ —	$ 2,376
Multifamily	Multifamily	1,923	—	—	1,923	Multifamily	1,917	—	—	1,917
Home equity and lines of credit	Home equity and lines of credit	22	—	—	22	Home equity and lines of credit	21	—	—	21
Total individually evaluated real estate loans	Total individually evaluated real estate loans	4,405	—	—	4,405	Total individually evaluated real estate loans	4,314	—	—	4,314
Commercial and industrial loans	Commercial and industrial loans	61	—	—	61	Commercial and industrial loans	60	—	—	60
Total	Total	$ 4,466	$ —	$ —	$ 4,466	Total	$ 4,374	$ —	$ —	$ 4,374

(1) Excludes investment measured at net asset value of $10.0 $10.3 million at June 30, 2023 September 30, 2023, which has not been classified in the fair value hierarchy.

NORTHFIELD BANCORP, INC.
Notes to Unaudited Consolidated Financial Statements - (Continued)

	Fair Value Measurements at December 31, 2022 Using:			
	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in thousands)			
Measured on a recurring basis:				
Assets:				
Investment securities:				
Debt securities available-for-sale:				
U.S. Government agency securities	$ 72,076	$ —	$ 72,076	$ —
Mortgage-backed securities:				
Pass-through certificates:				
GSE	432,618	—	432,618	—
REMICs:				
GSE	264,724	—	264,724	—
	697,342	—	697,342	—

Other debt securities:				
Municipal bonds	21	—	21	—
Corporate bonds	182,734	—	182,734	—
	182,755	—	182,755	—
Total debt securities available-for-sale	952,173	—	952,173	—
Trading securities	10,751	10,751	—	—
Equity securities (1)	361	361	—	—
Total	$ 963,285	$ 11,112	$ 952,173	$ —
Measured on a non-recurring basis:				
Assets:				
Loans individually evaluated for impairment:				
Real estate loans:				
Commercial real estate	$ 2,631	$ —	$ —	$ 2,631
Multifamily	1,923	—	—	1,923
Home equity and lines of credit	24	—	—	24
Total impaired real estate loans	4,578	—	—	4,578
Commercial and industrial loans	62	—	—	62
Total	$ 4,640	$ —	$ —	$ 4,640

(1) Excludes investment measured at net asset value of $10.1 million at December 31, 2022, which has not been classified in the fair value hierarchy.

The following table presents qualitative information for Level 3 assets measured at fair value on a non-recurring basis at June 30, 2023 September 30, 2023 and December 31, 2022 (dollars in thousands):

	Fair Value		Valuation Methodology	Unobservable Inputs	Range of Inputs	
	June 30, 2023	December 31, 2022			June 30, 2023	December 31, 2022
Individually evaluated loans	$ 4,466	$ 4,640	Appraisals	Discount for costs to sell	7.0%	7.0%
				Discount for quick sale	10.0%	10.0%
			Discounted cash flows	Interest rates	4.88% to 7.50%	4.88% to 7.50%

	Fair Value		Valuation Methodology	Unobservable Inputs	Range of Inputs	
	September 30, 2023	December 31, 2022			September 30, 2023	December 31, 2022
Individually evaluated loans	$ 4,374	$ 4,640	Appraisals	Discount for costs to sell	7.0%	7.0%
				Discount for quick sale	10.0%	10.0%
			Discounted cash flows	Interest rates	4.88% to 7.50%	4.88% to 7.50%

The valuation techniques described below were used to measure fair value of financial instruments in the tables below on a recurring basis and a non-recurring basis at June 30, 2023 September 30, 2023, and December 31, 2022.

Debt Securities Available for Sale: The estimated fair values for mortgage-backed securities, corporate, and other debt securities are obtained from an independent nationally recognized third-party pricing service. The estimated fair values are derived primarily from cash flow models, which include assumptions for interest rates, credit losses, and prepayment speeds. Broker/dealer quotes are utilized as well, when such quotes are available and deemed representative of the market. The significant inputs utilized in the cash flow models are based on market data obtained from sources independent of the Company (Observable Inputs), and are therefore classified as Level 2 within the fair value hierarchy. There were no transfers of securities between Level 1 and Level 2 during the six nine months ended June 30, 2023 September 30, 2023 or June 30, 2022 September 30, 2022.

Trading Securities: Fair values are derived from quoted market prices in active markets. The assets consist of publicly traded mutual funds.

Equity Securities: Fair values of equity securities consisting of publicly traded mutual funds are derived from quoted market prices in active markets.

Loans Individually Evaluated for Impairment: At June 30, 2023 September 30, 2023 and December 31, 2022, the Company had loans individually evaluated for impairment (excluding PCD loans) with outstanding principal balances of $6.2 million $6.1 million and $6.7 million, respectively, which were recorded at their estimated fair value of $4.5 million $4.4 million and $4.6 million, respectively. The Company recorded net increases in the specific reserve for impaired loans of $7,000 $7,100 and $6,000 $15,400 for the six nine months ended June 30, 2023 September 30, 2023 and June 30, 2022 September 30, 2022, respectively. Net charge-offs of $2.4 million $5.2 million and $494,000 $345,000 were recorded for the six nine months ended June 30, 2023 September 30, 2023 and June 30, 2022 September 30, 2022, respectively, utilizing Level 3 inputs. For purposes of estimating the fair value of impaired loans, management utilizes independent appraisals, if the loan is collateral-dependent, adjusted downward by management, as necessary, for changes in relevant valuation factors subsequent to the appraisal date, or the present value of expected future cash flows for non-collateral dependent loans and TDRs.

Other Real Estate Owned: At June 30, 2023 September 30, 2023 and December 31, 2022, the Company had no assets acquired through foreclosure.

In addition, the Company may be required, from time to time, to measure the fair value of certain other financial assets on a nonrecurring basis in accordance with U.S. GAAP. The adjustments to fair value usually result from the application of lower-of-cost-or-market accounting or write downs of individual assets.

Fair Value of Financial Instruments:

The FASB ASC Topic for Financial Instruments requires disclosure of the fair value of financial assets and financial liabilities, including those financial assets and financial liabilities that are not measured and reported at fair value on a recurring or non-recurring basis. The methodologies for estimating the fair value of financial assets and financial liabilities that are measured at fair value on a recurring or non-recurring basis are discussed above. The following methods and assumptions were used to estimate the fair value of other financial assets and financial liabilities not already discussed above:

(a) Cash and Cash Equivalents

Cash and cash equivalents are short-term in nature with original maturities of three months or less; the carrying amount approximates fair value. Certificates of deposit having original terms of six-months or less; the carrying value generally approximates fair value. Certificates of deposit with an original maturity of six months or greater; the fair value is derived from discounted cash flows.

(b) Debt Securities (Held-to-Maturity)

The estimated fair values for substantially all of our securities are obtained from an independent nationally recognized pricing service. The independent pricing service utilizes market prices of same or similar securities whenever such prices are available. Prices involving distressed sellers are not utilized in determining fair value. Where necessary, the independent third-party pricing service estimates fair value using models employing techniques such as discounted cash flow analysis. The assumptions used in these models typically include assumptions for interest rates, credit losses, and prepayments, utilizing market observable data where available.

(c) Investments in Equity Securities at Net Asset Value Per Share

The Company uses net asset value as a practical expedient to record its investment in a private SBA Loan Fund since the shares in the fund are not publicly traded, do not have a readily determinable fair value and the net asset value per share is calculated in a manner consistent with the measurement principles of an investment company.

(d) Federal Home Loan Bank of New York Stock

Federal Home Loan Bank of New York ("FHLBNY" (“FHLBNY”) stock is carried at cost, which approximates fair value, since this is the amount for which it could be redeemed and there is no active market for this stock.

(e) Loans (Held-for-Investment)

Fair values are estimated for portfolios of loans with similar financial characteristics. Loans are segregated by type such as originated and purchased, and further segregated by residential mortgage, construction, land, multifamily, commercial and consumer. Each loan category is further segmented into amortizing and non-amortizing and fixed and adjustable rate interest terms and by performing and non-performing categories. The fair value of loans is estimated using a discounted cash flow analysis. The discount rates used to determine fair value use interest rate spreads that reflect factors such as liquidity, credit, and non-performance risk of the loans.

(f) Loans (Held-for-Sale)

Held-for-sale loans are carried at the lower of aggregate cost or estimated fair value, less costs to sell, and therefore fair value is equal to carrying value.

(g) Deposits

The fair value of deposits with no stated maturity, such as interest and non-interest bearing demand deposits, savings, NOW and money market accounts, is equal to the amount payable on demand. The fair value of certificates of deposit is based on the discounted value of contractual cash flows. The discount rate is estimated using the rates currently offered for deposits of similar remaining maturities.

(h) Commitments to Extend Credit and Standby Letters of Credit

The fair value of commitments to extend credit and standby letters of credit is estimated using the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present creditworthiness of the counterparties. For fixed-rate loan commitments, fair value also considers the difference between current levels of interest rates and the committed rates. The fair value of off-balance sheet commitments is insignificant and therefore not included in the following table.

(i) Borrowings

The fair value of borrowed funds is estimated by discounting future cash flows based on rates currently available for debt with similar terms and remaining maturity.

(j) Advance Payments by Borrowers for Taxes and Insurance

Advance payments by borrowers for taxes and insurance have no stated maturity; the fair value is equal to the amount currently payable.

(k) Derivatives

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

NORTHFIELD BANCORP, INC.
Notes to Unaudited Consolidated Financial Statements - (Continued)

The estimated fair values of the Company's significant financial instruments at June 30, 2023 September 30, 2023 and December 31, 2022, are presented in the following tables (in thousands):

		June 30, 2023						September 30, 2023				
			Estimated Fair Value						Estimated Fair Value			
		Carrying Value	Level 1	Level 2	Level 3	Total		Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets:	Financial assets:						Financial assets:					
Cash and cash equivalents	Cash and cash equivalents	$ 89,127	$ 89,127	$ —	$ —	$ 89,127	Cash and cash equivalents	$ 80,556	$ 80,556	$ —	$ —	$ 80,556
Trading securities	Trading securities	11,731	11,731	—	—	11,731	Trading securities	11,504	11,504	—	—	11,504
Debt securities available-for-sale	Debt securities available-for-sale	802,257	—	802,257	—	802,257	Debt securities available-for-sale	743,699	—	743,699	—	743,699
Debt securities held-to-maturity	Debt securities held-to-maturity	10,316	—	9,946	—	9,946	Debt securities held-to-maturity	10,114	—	9,371	—	9,371
Equity securities (1)	Equity securities (1)	653	653	—	—	653	Equity securities (1)	348	348	—	—	348
FHLBNY stock, at cost	FHLBNY stock, at cost	40,376	—	40,376	—	40,376	FHLBNY stock, at cost	41,165	—	41,165	—	41,165
Loans held-for-sale							Loans held-for-sale	950	—	—	950	950
Net loans held-for-investment	Net loans held-for-investment	4,232,888	—	—	4,044,104	4,044,104	Net loans held-for-investment	4,191,494	—	—	3,942,539	3,942,539
Derivative assets	Derivative assets	5,334	—	5,334	—	5,334	Derivative assets	6,515	—	6,515	—	6,515
Financial liabilities:	Financial liabilities:						Financial liabilities:					
Deposits	Deposits	$ 3,764,403	$ —	$ 3,765,299	$ —	$ 3,765,299	Deposits	$ 3,668,513	$ —	$ 3,669,988	$ —	$ 3,669,988

FHLB advances and other borrowings (including securities sold under agreements to repurchase)	FHLB advances and other borrowings (including securities sold under agreements to repurchase)	923,535	—	897,657	—	897,657	FHLB advances and other borrowings (including securities sold under agreements to repurchase)	918,973	—	850,551	—	850,551
Subordinated debentures, net of issuance costs	Subordinated debentures, net of issuance costs	61,108	—	51,788	—	51,788	Subordinated debentures, net of issuance costs	61,163	—	45,196	—	45,196
Advance payments by borrowers for taxes and insurance	Advance payments by borrowers for taxes and insurance	29,117	—	29,117	—	29,117	Advance payments by borrowers for taxes and insurance	25,968	—	25,968	—	25,968
Derivative liabilities	Derivative liabilities	5,335	—	5,335	—	5,335	Derivative liabilities	6,516	—	6,516	—	6,516

(1) Excludes investment measured at net asset value of $10.0 $10.3 million at June 30, 2023 September 30, 2023, which has not been classified in the fair value hierarchy.

	December 31, 2022				
		Estimated Fair Value			
	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	$ 45,799	$ 45,799	$ —	$ —	$ 45,799
Trading securities	10,751	10,751	—	—	10,751
Debt securities available-for-sale	952,173	—	952,173	—	952,173
Debt securities held-to-maturity	10,760	—	10,389	—	10,389
Equity securities (1)	361	361	—	—	361
FHLBNY stock, at cost	30,382	—	30,382	—	30,382
Net loans held-for-investment	4,201,076	—	—	4,016,849	4,016,849
Derivative assets	5,321	—	5,321	—	5,321
Financial liabilities:					
Deposits	$ 4,150,219	$ —	$ 4,148,938	$ —	$ 4,148,938
FHLB advances and other borrowings (including securities sold under agreements to repurchase)	583,859	—	564,588	—	564,588
Subordinated debentures, net of issuance costs	60,996		54,393		54,393
Advance payments by borrowers for taxes and insurance	25,995	—	25,995	—	25,995
Derivative liabilities	5,321	—	5,321	—	5,321

(1) Excludes investment measured at net asset value of $10.1 million at December 31, 2022, which has not been classified in the fair value hierarchy.

Limitations

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument. Because no market exists for a significant portion of the Company's financial instruments, fair value estimates are based on judgments regarding future expected losses, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair value estimates are based on existing on-and off-balance sheet financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments. In addition, the tax ramifications related to the realization of the unrealized gains and losses can have a significant effect on fair value estimates and have not been considered in the estimates.

Note 11 – Earnings Per Share

Basic earnings per share is computed by dividing net income available to common stockholders by the weighted average number of shares outstanding during the period. For purposes of calculating basic earnings per share, weighted average common shares outstanding excludes unallocated employee stock ownership plan ("ESOP") shares that have not been committed for release and unvested restricted stock and performance-based restricted stock units.

Diluted earnings per share is computed using the same method as basic earnings per share, but reflects the potential dilution that could occur if stock options were exercised and converted into common stock and unvested shares of restricted stock and performance-based restricted stock units vested. These potentially dilutive shares are then included in the weighted average number of shares outstanding for the period using the treasury stock method. When applying the treasury stock method, we added the assumed proceeds from option exercises and the average unamortized compensation costs related to unvested shares of restricted stock, performance-based restricted stock units and stock options. We then divided this sum by our average stock price for the period to calculate assumed shares repurchased. The excess of the number of shares issuable over the number of shares assumed to be repurchased is added to basic weighted average common shares to calculate diluted earnings per share.

The following is a summary of the Company's earnings per share calculations and reconciliation of basic to diluted earnings per share for the periods indicated (in thousands, except per share data):

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
Net income available to common stockholders	Net income available to common stockholders	$ 9,559	$ 15,874	$ 21,266	$ 30,001	Net income available to common stockholders	$ 8,181	$ 16,979	$ 29,447	$ 46,980
Weighted average shares outstanding-basic	Weighted average shares outstanding-basic	43,914,110	46,591,723	44,346,881	46,708,716	Weighted average shares outstanding-basic	42,866,246	46,047,104	43,848,873	46,486,086
Effect of non-vested restricted stock and stock, performance-based restricted stock units and options outstanding	Effect of non-vested restricted stock and stock, performance-based restricted stock units and options outstanding	38,829	46,390	91,752	161,717	Effect of non-vested restricted stock and stock, performance-based restricted stock units and options outstanding	51,928	189,557	78,477	170,997
Weighted average shares outstanding-diluted	Weighted average shares outstanding-diluted	43,952,939	46,638,113	44,438,633	46,870,433	Weighted average shares outstanding-diluted	42,918,174	46,236,661	43,927,350	46,657,083
Earnings per share-basic	Earnings per share-basic	$ 0.22	$ 0.34	$ 0.48	$ 0.64	Earnings per share-basic	$ 0.19	$ 0.37	$ 0.67	$ 1.01
Earnings per share-diluted	Earnings per share-diluted	$ 0.22	$ 0.34	$ 0.48	$ 0.64	Earnings per share-diluted	$ 0.19	$ 0.37	$ 0.67	$ 1.01
Anti-dilutive shares	Anti-dilutive shares	1,849,258	1,922,988	1,384,805	1,098,229	Anti-dilutive shares	1,707,261	738,103	1,492,290	978,187

Note 12 – Leases

The Company's leases primarily relate to real estate property for branches and office space with terms extending from six two months up to 32.0 31.8 years. At June 30, 2023 September 30, 2023, all of the Company's Company's leases are classified as operating leases, which are required to be recognized on the consolidated balance sheets as a right-of-use asset and a corresponding lease liability.

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The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets and operating lease liabilities on the consolidated balance sheets. Right-of-use assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recorded at the present value of lease payments over the lease term. As the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate, at lease inception, over a similar term in determining the present value of lease payments. Certain leases include options to renew, with one or more renewal terms ranging from five to ten years. If the exercise of a renewal option is considered to be reasonably certain, the Company includes the extended term in the calculation of the right-of-use asset and lease liability.

At June 30, 2023 September 30, 2023, the Company's operating lease right-of-use assets and operating lease liabilities included on the consolidated balance sheet were $32.0 $31.4 million and $37.3 $36.5 million, respectively. At December 31, 2022, the Company's operating lease right-of-use assets and operating lease liabilities included on the consolidated balance sheet were $34.3 million and $39.8 million, respectively. Operating lease expense is recognized on a straight-line basis over the lease term, while variable lease payments are recognized as incurred. Variable lease payments include common area maintenance charges, real estate taxes, repairs and maintenance costs and utilities. Operating and variable lease expenses are recorded in occupancy expense on the consolidated statements of comprehensive income.

Supplemental lease information at or for the three and six nine months ended June 30, 2023 September 30, 2023, and June 30, 2022 September 30, 2022 is as follows (dollars in thousands):

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
Operating lease cost	Operating lease cost	$ 1,504	$ 1,521	$ 3,011	$ 2,990	Operating lease cost	$ 1,471	$ 1,499	$ 4,482	$ 4,489
Variable lease cost	Variable lease cost	936	863	1,842	1,828	Variable lease cost	1,067	964	2,909	2,792
Net lease cost	Net lease cost	$ 2,440	$ 2,384	$ 4,853	$ 4,818	Net lease cost	$ 2,538	$ 2,463	$ 7,391	$ 7,281
Cash paid for amounts included in measurement of operating lease liabilities	Cash paid for amounts included in measurement of operating lease liabilities	$ 1,615	$ 1,597	$ 3,221	$ 3,161	Cash paid for amounts included in measurement of operating lease liabilities	$ 1,632	$ 1,590	$ 4,853	$ 4,751
Right-of-use assets obtained in exchange for new operating lease liabilities	Right-of-use assets obtained in exchange for new operating lease liabilities	$ —	$ 4,983	$ 63	$ 4,983	Right-of-use assets obtained in exchange for new operating lease liabilities	$ 582	$ —	$ 645	$ 4,983
Weighted average remaining lease term	Weighted average remaining lease term			11.14 years	11.37 years	Weighted average remaining lease term			11.10 years	11.29 years
Weighted average discount rate	Weighted average discount rate			3.56 %	3.52 %	Weighted average discount rate			3.59 %	3.53 %

The following table summarizes lease payment obligations for each of the next five years and thereafter in addition to a reconcilement to the Company's current lease liability (in thousands):

Year	Year	Amount	Year	Amount
2023	2023	$ 3,263	2023	$ 1,635
2024	2024	6,059	2024	6,133
2025	2025	5,718	2025	5,792
2026	2026	4,955	2026	5,029
2027	2027	3,995	2027	4,068
Thereafter	Thereafter	22,705	Thereafter	23,146
Total lease payments	Total lease payments	46,695	Total lease payments	45,803
Less: imputed interest	Less: imputed interest	(9,421)	Less: imputed interest	(9,268)
Present value of lease liabilities	Present value of lease liabilities	$ 37,274	Present value of lease liabilities	$ 36,535

As of June 30, 2023 During the nine months ended September 30, 2023, the Company had entered into an additional operating lease that has not yet commenced related to a new branch expected to open lease for commercial banking space in the fall of 2023. Elizabeth, New Jersey. The lease has an initial term of 10 years with ending December 15, 2033 and undiscounted cash payments of approximately $850,000 in total.

Subsequent to the quarter end, the Company gave notice of its intent to exercise a five-year option on its Linden branch lease commencing March 1, 2024 through February 28, 2029. During the five year renewal term, the rent will be fixed at $19,657 per month for the entire five years totaling approximately $1.2 million.

As of September 30, 2023, the Company had not entered into any leases that have not yet commenced.

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Notes to Unaudited Consolidated Financial Statements - (Continued)

Note 13 – Derivatives

The Company has interest rate derivatives resulting from a service provided to certain qualified borrowers in a loan-related transaction and, therefore, are not used to manage interest rate risk in the Company's assets or liabilities. The interest rate swap agreement which the Company executed with the commercial borrower is collateralized by the borrower's commercial real estate financed by the Company. The collateral exceeds the maximum potential amount of future payments under the credit derivative. As these interest rate swaps do not meet the hedge accounting requirements, changes in the fair value of both the customer swaps and the offsetting swaps are recognized directly in earnings.

At June 30, 2023 September 30, 2023, the Company had eight nine interest rate swaps with a notional amount of $61.3 $64.0 million. At December 31, 2022, the Company had seven interest rate swaps with a notional amount of $37.0 million. There was no The Company recorded fee income related to these swaps of $20,000 and $251,000 for the three and nine months ended June 30, 2023. The Company recorded swap fee income of $231,000 for the six months ended June 30, 2023. September 30, 2023, respectively. There was no fee income related to these swaps for the three and six nine months ended June 30, 2022 September 30, 2022.

The table below presents the fair value of the derivatives as well as their location on the consolidated balance sheets (in thousands):

		Fair Value			Fair Value	
Balance Sheet Location	**Balance Sheet Location**	**June 30, 2023**	**December 31, 2022**	**Balance Sheet Location**	**September 30, 2023**	**December 31, 2022**
Other assets	Other assets	$ 5,334	$ 5,321	Other assets	$ 6,515	$ 5,321
Other liabilities	Other liabilities	5,335	5,321	Other liabilities	6,516	5,321

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

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report contains certain "forward-looking statements," which can be identified by the use of such words as "estimate," "project," "believe," "intend," "anticipate," "plan," "seek," "expect," "annualized," "could," "may," "should," "will," and words of similar meaning. These forward-looking statements include, but are not limited to:

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

These forward-looking statements are based on current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change.

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

- general economic conditions, internationally, nationally, or in our market areas, including inflationary and/or recessionary pressures, supply chain disruptions, employment prospects, real estate values, and geopolitical risks that are worse than expected;
- competition among depository and other financial institutions, including with respect to reduction of overdraft and other fees;
- inflation and changes in the interest rate environment that reduce our margins and yields, or reduce the market value of our assets including the fair value of financial instruments;
- adverse changes in the securities or credit markets;
- changes in laws, tax policies, or government regulations or policies affecting financial institutions, changes in regulatory fees, assessments, and capital requirements;
- changes in the quality and/or composition of our loan and securities portfolios;

- our ability to manage our liquidity, including the size and composition of our deposit portfolio, including the percentage of uninsured deposits in the portfolio;
- our ability to enter new markets successfully and capitalize on growth opportunities;
- our ability to access and/or retain cost-effective funding;
- our ability to successfully integrate acquired entities;
- changes in consumer demand, spending, borrowing and savings habits;
- changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Financial Accounting Standards Board (the "FASB"), the Securities and Exchange Commission (the "SEC"), or the Public Company Accounting Oversight Board;
- cyber-attacks, computer viruses and other technological risks that may breach the security of our website or other systems to obtain unauthorized access to confidential information and destroy data or disable our systems;
- technological changes that may be more difficult or expensive to implement than expected;
- changes in our organization, compensation, and benefit plans;
- our ability to attract and/or retain key employees;
- changes in the value of our goodwill or other intangible assets;
- the current or anticipated impact of military conflict, terrorism or other geopolitical events;
- changes in the level of government support for housing finance;
- changes in monetary or fiscal policies of the U.S. Government, including policies of the U.S. Treasury and the Federal Reserve Board;
- the ability of third-party providers to perform their obligations to us;
- the effects of any U.S. Government shutdowns;
- the effects of natural disasters and increases in flood insurance premiums;
- the disruption to local, regional, national and global economic activity caused by infectious disease outbreaks such as COVID-19, and the significant impact that such pandemics may have on our growth, operations, earnings and asset quality;
- significant increases in our loan losses; and
- changes in the financial condition, results of operations, or future prospects of issuers of securities that we own.

Because of these and other uncertainties, our actual future results may be materially different from the results indicated by these forward-looking statements. Accordingly, you should not place undue reliance on such statements. Except as required by law, we disclaim any intention or obligation to update or revise any forward-looking statements after the date of this Quarterly Report on Form 10-Q, whether as a result of new information, future events or otherwise.

Critical Accounting Policies

Note 1 to the Company's Audited Consolidated Financial Statements for the year ended December 31, 2022, included in the Company's Annual Report on Form 10-K, as supplemented by this report, contains a summary of significant accounting policies. Various elements of these accounting policies, by their nature, are inherently subject to estimation techniques, valuation assumptions and other subjective assessments. Certain assets are carried in the consolidated balance sheets at estimated fair value or the lower of cost or estimated fair value. Policies with respect to the methodologies used to determine the allowance for credit losses on loans and judgments regarding the valuation allowance against deferred tax assets are the most critical accounting policies because they are important to the presentation of the Company's financial condition and results of operations, involve a higher degree of complexity, and require management to make subjective judgments which often require assumptions or estimates about highly uncertain matters. The use of different judgments, assumptions, and estimates could result in material differences in the results of operations or financial condition. These critical accounting policies and their application are reviewed periodically and, at least annually, with the Audit Committee of the Board of Directors.

The accounting estimates relating to the allowance for credit losses remain "critical accounting estimates" for the following reasons:

- Changes in the provision for credit losses can materially affect our financial results;
- Estimates relating to the allowance for credit losses require us to utilize a reasonable and supportable forecast period based upon forward-looking economic scenarios in order to estimate probability of default and loss given default rates, which our Current Expected Credit Losses ("CECL") methodology encompasses;
- The allowance for credit losses is influenced by factors outside of our control such as industry and business trends, as well as economic conditions such as trends in housing prices, interest rates, gross domestic product, inflation, and unemployment; and
- Judgment is required to determine whether the models used to generate the allowance for credit losses produce an estimate that is sufficient to encompass the current view of lifetime expected credit losses.

Our estimation process is subject to risks and uncertainties, including a reliance on historical loss and trend information that may not be representative of current conditions and indicative of future performance. Changes in such estimates could significantly impact our allowance and provision for credit losses. Accordingly, our actual credit loss experience may not be in line with our expectations.

For a further discussion of the critical accounting policies of the Company, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Overview

This overview highlights selected information and may not contain all the information that is important to you in understanding our performance during the periods presented. For a more complete understanding of trends, events, commitments, uncertainties, liquidity, capital resources, and critical accounting estimates, you should read this entire document carefully, as well as our Annual Report on Form 10-K for the year ended December 31, 2022.

Net income was $21.3 million $29.4 million for the six nine months ended June 30, 2023 September 30, 2023, as compared to $30.0 million $47.0 million for the six nine months ended June 30, 2022 September 30, 2022. Basic and diluted earnings per common share were $0.48 $0.67 for the six nine months ended June 30, 2023 September 30, 2023, compared to basic and diluted earnings per common share of $0.64 $1.01 for the six nine months ended June 30, 2022 September 30, 2022. For the six nine months ended June 30, 2023 September 30, 2023, our return on average assets was 0.77% 0.71%, as compared to 1.09% 1.13% for the six nine months ended June 30, 2022 September 30, 2022. For the six nine months ended June 30, 2023 September 30, 2023, our return on average stockholders' equity was 6.16% 5.69% as compared to 8.37% 8.73% for the six nine months ended June 30, 2022 September 30, 2022. Net earnings for the six nine months ended June 30, 2023 September 30, 2023, were down from the comparative prior year period primarily due to an increase in interest expense on deposits and other borrowed funds, borrowings, offset in part by an increase in interest income on loans. Net earnings for the six months ended June 30, 2023 at December 31, 2022. included severance expense of approximately $440,000.

Total assets decreased by $60.5 million $164.2 million, or 1.1% 2.9%, to $5.54 billion $5.44 billion at June 30, 2023 September 30, 2023, from $5.60 billion at December 31, 2022. Total liabilities decreased $45.7 million $146.9 million, or 0.9% 3.0%, to $4.85 billion $4.75 billion at June 30, 2023 September 30, 2023, from $4.90 billion at December 31, 2022.

Recent Developments

Bank failures earlier in the year led to uncertainty and volatility in the financial services industry. In response to these events, the Company took a series of precautionary measures, which included expanding and optimizing its funding and contingency funding sources; enhanced monitoring of deposit and funding flows; evaluated evaluating supplemental liquidity and capital resources; and curtailed curtailing loan originations. Refer to the "Liquidity and Capital Resources" section for further information regarding liquidity.

Comparison of Financial Condition at June September 30, 2023 and December 31, 2022

Total assets decreased by $60.5 million $164.2 million, or 1.1% 2.9%, to $5.54 billion $5.44 billion at June 30, 2023 September 30, 2023, from $5.60 billion at December 31, 2022. The decrease was primarily due to a decrease in available-for-sale debt securities of $149.9 million $208.5 million, or 15.7% 21.9%, and loans receivable of $12.8 million, or 0.3%, partially offset by increases in cash and cash equivalents of $43.3 million $34.8 million, or 94.6%, loans receivable of $31.3 million, or 0.7% 75.9%, Federal Home Loan Bank of New York ("FHLBNY") stock of $10.0 million $10.8 million, or 32.9% 35.5%, and other assets of $3.1 million $8.0 million, or 5.7% 14.8%.

Cash and cash equivalents increased by $43.3 million $34.8 million, or 94.6% 75.9%, to $89.1 million $80.6 million at June 30, 2023 September 30, 2023, from $45.8 million at December 31, 2022, primarily due to an increase in Federal Reserve Bank of New York ("FRB") balances driven by excess cash from borrowings. borrowings and proceeds from the maturity and calls of available for sale securities. Balances fluctuate based on the timing of receipt of security and loan repayments and the redeployment of cash into higher-yielding assets such as loans and securities, or the funding of deposit outflows or borrowing maturities. For During the six months ended June 30, 2023, Management first quarter of 2023, management believed it was prudent to increase balance sheet liquidity given general market volatility and uncertainty.

The Company's available-for-sale debt securities portfolio decreased by $149.9 million $208.5 million, or 15.7% 21.9%, to $802.3 million $743.7 million at June 30, 2023 September 30, 2023, from $952.2 million at December 31, 2022. The decrease was primarily attributable to paydowns, maturities and calls. At June 30, 2023 September 30, 2023, $614.6 million $568.6 million of the portfolio consisted of residential mortgage-backed securities issued or guaranteed by Fannie Mae, Freddie Mac, or Ginnie Mae. In addition, the Company held $72.1 million $72.3 million in U.S. Government agency securities, and $115.6 million $102.0 million in corporate bonds, substantially all of which were considered investment grade, and $763,000 in municipal bonds at June 30, 2023 September 30, 2023. Unrealized losses, net of tax, on available-for-sale debt securities and held-to-maturity securities approximated $45.3 million $48.2 million and $326,000, $535,000, respectively, at June 30, 2023 September 30, 2023, and $48.6 million and $332,000, respectively, at December 31, 2022. The effective duration of the securities portfolio at June 30, 2023 September 30, 2023 was 2.33 2.65 years.

Equity securities were $10.7 million $10.6 million at June 30, 2023 September 30, 2023 and $10.4 million at December 31, 2022. Equity securities are primarily comprised of an investment in a Small Business Administration Loan Fund. This investment is utilized by the Bank as part of its Community Reinvestment Act program.

As of June 30, 2023 September 30, 2023, our non-owner occupied commercial real estate loans (as defined by regulatory guidance) to total risk-based capital was estimated at approximately 469% 459%. Management believes that Northfield Bank (the "Bank") has implemented appropriate risk management practices including risk assessments, board-approved Board-approved underwriting policies and related procedures, which include monitoring Bank portfolio performance, performing market analysis (economic and real estate), and stressing of the Bank's commercial real estate portfolio under severe, adverse economic conditions. Although management believes the Bank has implemented appropriate policies and procedures to manage its commercial real estate concentration risk, the Bank's regulators could require it to implement additional policies and procedures or could require it to maintain higher levels of regulatory capital, which might adversely affect its loan originations, the Company's ability to pay dividends, and overall profitability.

Loans held-for-investment, net, increased decreased by $30.3 million $13.7 million, or 0.7% 0.3%, to $4.27 billion $4.23 billion at June 30, 2023 September 30, 2023 from $4.24 billion at December 31, 2022, primarily due to a decrease in multifamily loans, partially offset by an increase in commercial real estate loans, partially offset by decreases in multifamily loans and commercial and industrial loans. The Company continues to focus on the credit needs of its customers, and to a lesser extent, the development of new business, given notwithstanding the uncertain economic environment. Commercial Multifamily loans decreased $42.4 million, or 1.5%, to $2.78 billion at September 30, 2023 from $2.82 billion at December 31, 2022, one-to-four family residential loans decreased $9.4 million, or 5.4%, to $164.5 million at September 30, 2023 from $173.9 million at December 31, 2022, and commercial and industrial loans decreased $9.9 million, or 6.4%, to $144.8 million at September 30, 2023 from $154.7 million at December 31, 2022. Partially offsetting these decreases were increases in commercial real estate loans increased $43.7 of $33.7 million, or 4.9% 3.8%, to $943.0 $933.0 million at June 30, 2023 September 30, 2023 from $899.2 million at December 31, 2022, home equity loans increased $6.0 of $8.2 million, or 3.9% 5.4%, to $158.5 $160.8 million at June 30, 2023 September 30, 2023 from $152.6 million at December 31, 2022, and construction and land loans increased $4.5 of $7.4 million, or 18.1% 29.5%, to $29.4 $32.3 million at June 30, 2023 September 30, 2023 from $24.9 million at December 31, 2022. The increases were partially offset by decreases in multifamily loans of $9.8 million, or 0.3%, to $2.81 billion at June 30, 2023 from $2.82 billion at December 31, 2022, one-to-four family residential loans of $3.2 million, or 1.8%, to $170.8 million at June 30, 2023 from $173.9 million at December 31, 2022, and commercial and industrial loans of $11.4 million, or 7.4%, to $143.3 million at June 30, 2023 from $154.7 million at December 31, 2022.

At June 30, 2023 September 30, 2023, office-related loans represented $213.3 million $210.8 million, or approximately 5% of our total loan portfolio, with an average balance of $1.7 million (although we have originated these type of loans in amounts substantially greater than this average) and a weighted average loan-to-value ratio of 58%. Approximately 46% were owner-occupied. The geographic locations of the properties collateralizing our office-related loans are as follows: 53.2% 53.6% in New York 46.5% and 46.4% in New Jersey and 0.3% in Pennsylvania. Jersey. At June 30, 2023 September 30, 2023, our largest office-related loan had a principal balance of $85.0 million $86.0 million (with a net active principal balance for the Bank of $28.3 million $28.7 million as we have a 33.3% participation interest), was secured by an office facility located in Staten Island, New York, and was performing in accordance with its original contractual terms.

Purchased credit-deteriorated ("PCD") PCD loans totaled $10.4 million and $11.5 million at June 30, 2023 September 30, 2023 and December 31, 2022, respectively. respectively, and the decrease was primarily due to one loan with a balance of approximately $950,000 transferred to loans held-for-sale at September 30, 2023. The majority of the remaining PCD loan balance consists of loans acquired as part of a Federal Deposit Insurance Corporation-assisted transaction. The Company accreted interest income of $337,000 $325,000 and $678,000 $1.0 million attributable to PCD loans for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, as compared to $339,000 $368,000 and $729,000 $1.1 million for the three and six nine months ended June 30, 2022 September 30, 2022, respectively. PCD loans had an allowance for credit losses of approximately $3.7 million $3.1 million at June 30, 2023 September 30, 2023.

FHLBNY stock increased by $10.0 million $10.8 million, or 32.9% 35.5%, to $40.4 million $41.2 million at June 30, 2023 September 30, 2023, from $30.4 million at December 31, 2022. The increase in FHLBNY stock directly correlates with the increase in FHLB advances during the period.

Other assets increased $3.1 million $8.0 million, or 5.7% 14.8%, to $57.5 million $62.5 million at June 30, 2023 September 30, 2023, from $54.4 million at December 31, 2022. The increase was primarily attributable to an increase in net deferred tax assets. assets, receivables from taxing authorities, and an increase in interest rate swaps.

Total liabilities decreased $45.7 million $146.9 million, or 0.9% 3.0%, to $4.85 billion $4.75 billion at June 30, 2023 September 30, 2023, from $4.90 billion at December 31, 2022. The decrease was primarily attributable to a decrease in total deposits of $385.8 million $481.7 million, partially offset by an increase in FHLB advances and other borrowings of $339.7 million $335.1 million. The Company routinely utilizes brokered deposits and borrowed funds to manage interest rate risk, the cost of interest bearing liabilities, and funding needs related to loan originations and deposit activity.

Deposits decreased $385.8 million $481.7 million, or 9.3% 11.6%, to $3.76 billion $3.67 billion at June 30, 2023 September 30, 2023, as compared to $4.15 billion at December 31, 2022. Brokered deposits decreased by $218.6 million $390.0 million, or 56.0%. 100.0%, as we increased borrowings to pay off brokered deposits, as described below. Deposits, excluding brokered deposits, decreased $167.2 million $91.7 million, or 4.4% 2.4%. The decrease in deposits, excluding brokered deposits, was attributable to decreases of $114.5 million $106.7 million in transaction accounts and $198.6 million $204.6 million in money market accounts. These decreases were partially offset by increases of $132.8 million $180.8 million in time deposits and $13.0 million $38.8 million in savings accounts. Estimated uninsured deposits (excluding fully collateralized uninsured governmental deposits of $617.4 million $661.1 million) were approximately $827.8 million $899.5 million, or 22% 24.5%, of total deposits as of June 30, 2023 September 30, 2023.

Borrowed funds increased to $984.6 million $980.1 million at June 30, 2023 September 30, 2023, from $644.9 million at December 31, 2022. The increase in borrowings for the period was due to an increase in FHLB and FRB borrowings of $339.7 million $335.1 million, including $134.5 million $114.5 million of borrowings under the Federal Reserve Bank Term Funding Program, which included favorable terms and conditions as compared to FHLB advances. advances and brokered deposits. Management utilizes borrowings to mitigate interest rate risk, for short-term liquidity, and to a lesser extent from time to time, as part of leverage strategies. During the six nine months ended June 30, 2023 September 30, 2023, the Company increased borrowings to pay off higher-rate brokered certificates of deposit, and, to a lesser extent, fund deposit outflows of non-brokered deposits.

The following table sets forth term borrowing maturities (excluding overnight borrowings, floating rate advances, and subordinated debt) and the weighted average rate by year at June 30, 2023 September 30, 2023 (dollars in thousands):

Year	Year	Amount (1)	Weighted Average Rate	Year	Amount (1)	Weighted Average Rate
2023	2023	$65,000	3.88%	2023	$20,000	4.38%
2024	2024	194,500	3.98%	2024	195,265	3.96%
2025	2025	182,500	2.59%	2025	182,500	2.59%
2026	2026	148,000	4.36%	2026	148,000	4.36%
2027	2027	173,000	3.19%	2027	173,000	3.19%
Thereafter	Thereafter	154,288	3.96%	Thereafter	154,288	3.96%
		$917,288	3.61%		$873,053	3.60%

(1) Borrowings maturing in 2023 and 2024 include $40.0 million $20.0 million and $94.5 million, respectively, of FRB borrowings that can be repaid without any penalty.

Total stockholders' equity decreased by $14.7 million $17.3 million to $686.6 million $684.1 million at June 30, 2023 September 30, 2023, from $701.4 million at December 31, 2022. The decrease was attributable to $29.3 million $32.4 million in stock repurchases and $11.7 million $17.3 million in dividend payments, partially offset by net income of $21.3 million $29.4 million for the six nine months ended June 30, 2023 September 30, 2023, a $3.3 million $348,000 increase in accumulated other comprehensive income associated with an increase in the estimated fair value of our debt securities available-for-sale portfolio, and a $1.7 million $2.6 million increase in equity award activity. During the six nine months ended June 30, 2023 September 30, 2023, the Company repurchased approximately 2.4 million 2.6 million of its common stock outstanding at an average price of $12.42 $12.27 for a total of $29.3 million $32.4 million pursuant to approved stock repurchase plans. As of June 30, 2023 September 30, 2023, the Company had approximately $3.2 million in no remaining capacity under its current repurchase program. On November 7, 2023, the Board of Directors of the Company approved a new $7.5 million stock repurchase program and the Company anticipates conducting such repurchases beginning on November 10, 2023.

Comparison of Operating Results for the Six Nine Months Ended June 30, 2023 September 30, 2023 and 2022

Net Income. Net income was $21.3 million $29.4 million and $30.0 million $47.0 million for the six nine months ended June 30, 2023 September 30, 2023 and June 30, 2022 September 30, 2022, respectively. Significant variances from the comparable prior year period are as follows: a $10.9 million $23.2 million decrease in net interest income, a $3.7 million $2.2 million decrease in the provision for credit losses on loans, a $3.5 million increase in non-interest income, a $4.5 million $7.2 million increase in non-interest expense, and a $3.3 million $7.2 million decrease in income tax expense.

Interest Income. Interest income increased $17.9 million $23.4 million, or 21.5% 17.9%, to $101.6 million $154.3 million for the six nine months ended June 30, 2023 September 30, 2023, from $83.7 million $130.9 million for the six nine months ended June 30, 2022 September 30, 2022, primarily due to a $103.9 million, or 2.0%, increase in the average balance of interest-earning assets coupled with a 61 58 basis point increase in yields on interest-earning assets due to the rising rate environment and a greater percentage of assets consisting of higher-yielding loans. loans, coupled with an $8.2 million, or 0.2%, increase in the average balance of interest-earning assets. The increase was partially offset by lower loan prepayment income and lower fees recognized from Paycheck Protection Program ("PPP") loans. The increase in the average balance of interest-earning assets was due to increases in the average balance of loans outstanding of $344.1 million $241.1 million and the average balance of FHLBNY stock of $19.6 million $19.2 million, partially offset by decreases in the average balance of mortgage-backed securities of $193.9 million $186.9 million, the average balance of other securities of $41.7 million, and the average balance of interest-earning deposits in financial institutions of $46.4 million, and the average balance of other securities of $19.5 million $23.4 million. The Company accreted interest income related to PCD loans of $678,000 $1.0 million for the six nine months ended June 30, 2023 September 30, 2023, as compared to $729,000 $1.1 million for the six nine months ended June 30, 2022 September 30, 2022. Fees recognized from PPP loans totaled $29,000 $30,000 for the six nine months ended June 30, 2023 September 30, 2023, as compared to $1.1 million $1.3 million for the six nine months ended June 30, 2022 September 30, 2022. Net interest income for the six nine months ended June 30, 2023 September 30, 2023, included loan prepayment income of $1.2 million $1.3 million as compared to $2.6 million $4.2 million for the six nine months ended June 30, 2022 September 30, 2022.

Interest Expense. Interest expense increased $28.8 million $46.6 million, or 430.8% 389.7%, to $35.5 million $58.6 million for the six nine months ended June 30, 2023 September 30, 2023, as compared to $6.7 million $12.0 million for the six nine months ended June 30, 2022 September 30, 2022. The increase was due to an increase in interest expense on deposits of $15.8 million $27.3 million, or 634.2% 591.8%, an increase in interest expense on borrowings of $11.5 million $17.8 million, or 281.7% 278.6%, and an increase in interest expense on subordinated debt of $1.5 million. The increase in interest expense on deposits was attributable to a 106 124 basis point increase in the cost of interest-bearing deposits from 0.15% 0.18% to 1.21% 1.42% for the six nine months ended June 30, 2023 September 30, 2023, due to rising market interest rates and a shift in the composition of the deposit portfolio towards higher-costing certificates of deposit. The increase in interest expense on deposits was offset by a $402.1 million, or 11.8%, decrease in the average balance of interest-bearing deposits. The increase in interest expense on borrowings was attributable to a 149 145 basis point increase in the average cost of borrowings, and a $486.2 million $501.7 million, or 122.2% 125.1%, increase in average borrowings outstanding. The increase in interest expense on subordinated debt was due to the issuance of $62.0 million in aggregate principal amount of fixed to floating subordinated notes in June 2022.

Net Interest Income. Net interest income for the six nine months ended June 30, 2023 September 30, 2023, decreased $10.9 million $23.2 million, or 14.2% 19.5%, to $66.1 million $95.7 million, from $77.0 million $119.0 million for the six nine months ended June 30, 2022 September 30, 2022, primarily due to a 47 58 basis point decrease in net interest margin to 2.48% 2.41% from 2.95% 2.99% for the six nine months ended June 30, 2022 September 30, 2022. The decrease in net interest margin was primarily due to the cost of interest-bearing liabilities increasing faster than the repricing of interest-earning assets. The cost of interest-bearing liabilities increased by 144 155 basis points to 1.80% 1.97% for the six nine months ended June 30, 2023 September 30, 2023, from 0.36% 0.42% for the six nine months ended June 30, 2022 September 30, 2022, driven primarily by the 149 basis point increase in the cost both higher costs of borrowings. deposits and borrowed funds. The increase in the cost of interest-bearing liabilities was partially offset by an increase in yields the yield on interest-earning assets which increased 61 58 basis points to 3.82% 3.88% for the six nine months ended June 30, 2023 September 30, 2023, from 3.21% 3.30% for the six nine months ended June 30, 2022 September 30, 2022 due to the rising rate environment and a greater percentage of assets consisting of higher-yielding loans.

Provision for Credit Losses. The provision for credit losses on loans increased decreased by $342,000 $2.2 million to $894,000 $1.1 million for the six nine months ended June 30, 2023 September 30, 2023, compared to $552,000 $3.3 million for the six nine months ended June 30, 2022. The increase in the provision for credit losses for the current period, as compared to the comparable prior year period, was primarily the result of a weakening macroeconomic outlook, higher net charge-offs, and an increase in reserves for commercial and industrial loans September 30, 2022, primarily due to a $13.8 million decrease in loan that is current and collateralized by receivables and business assets being downgraded to substandard, partially offset by balances, a decrease in reserves related to non-economic qualitative loss factors in the multifamily and commercial real estate portfolios, and decreased loan growth. a decrease in reserves related to the PCD portfolio, attributable to improved cash flows. The decreases were partially offset by a worsening macroeconomic outlook, higher net charge-offs, and higher reserves for downgraded commercial and industrial loans. Net charge-offs were $2.4 million $5.2 million for the six nine months ended June 30, 2023 September 30, 2023, as compared to net charge-offs of $494,000 $345,000 for the six nine months ended June 30, 2022 September 30, 2022, the increase being due to $5.2 million in net charge-offs on small business unsecured commercial and industrial loans. Management continues to monitor the small business unsecured commercial and industrial loan portfolio, which totaled $41.4 million $39.1 million at June 30, 2023 September 30, 2023.

Non-interest Income. Non-interest income increased by $3.7 million $3.5 million, or 148.1% 73.6%, to $6.1 million $8.3 million for the six nine months ended June 30, 2023 September 30, 2023, from $2.5 million $4.8 million for the six nine months ended June 30, 2022 September 30, 2022, due primarily to a $3.4 million $3.5 million increase in mark to market gains on trading securities, net, and a $478,000 increase in other income, which was primarily an increase in swap fee income. net. For the six nine months ended June 30, 2023 September 30, 2023, gains on trading securities were $1.0 million, $723,000, as compared to losses of $2.4 million $2.8 million for the six nine months ended June 30, 2022 September 30, 2022. The trading portfolio is utilized to fund the Company's deferred compensation obligation to certain employees and directors of the Company's deferred compensation plan (the "Plan"). The participants of this Plan, at their election, defer a portion of their compensation. Gains and losses on trading securities have a minimal effect on net income since participants benefit from, and bear the full risk of, changes in the trading securities market values. Therefore, the Company records an equal and offsetting amount in compensation expense, reflecting the change in the Company’s obligations under the Plan. Partially offsetting the increases was a decrease of $281,000 in net realized gains on available-for-sale debt securities.

Non-interest Expense. Non-interest expense increased $4.5 million $7.2 million, or 12.0% 13.0%, to $41.9 million $62.5 million for the six nine months ended June 30, 2023 September 30, 2023, compared to $37.4 million $55.3 million for the six nine months ended June 30, 2022 September 30, 2022. The increase was primarily due to a $4.5 million $4.6 million increase in employee compensation and benefits, primarily attributable to a $3.4 million $3.5 million increase in the mark to market of the Company's deferred compensation plan expense, which as discussed above has no effect on net income, coupled with an increase in equity award expense related to awards issued in the first quarter of 2023, annual merit increases, and severance expense of $440,000, partially offset by a decrease in the accrual for incentive compensation. During the second quarter of 2023, due to current economic conditions, the Company implemented a workforce reduction plan, which included modest layoffs and the elimination of, and/or not filling, certain open positions. The annual estimated cost savings of this plan is $1.4 million, pre-tax. Data processing expense increased by $839,000, $986,000, due to continued investments in technology, increased transaction costs related to an increase in the number of customer accounts and related volume of transactions, and higher pricing effective January 2023. Advertising expense increased by $583,000 $577,000 due to the timing of certain programs and new promotions on deposit products. FDIC insurance expense increased by $460,000 $695,000 due to higher assessments. Partially offsetting the increases assessment rates. There was a an $870,000 decrease of $1.2 million in credit loss expense/(benefit)/expense for off-balance sheet credit exposures and a $274,000 decrease in other operating expense. The decrease in credit loss expense for off-balance sheet credit exposures was due to a benefit of $550,000 $390,000 recorded during the six nine months ended June 30, 2023 September 30, 2023, compared to a provision benefit of $628,000 $1.3 million for the prior year period, attributed to a larger decrease in the pipeline of loans committed and awaiting closing. closing in the prior year as compared to the current year. Partially offsetting the increases was a $418,000 decrease in professional fees attributable to higher recruitment, consulting and outsourcing fees in the prior year.

Income Tax Expense. The Company recorded income tax expense of $8.1 million $11.0 million for the six nine months ended June 30, 2023 September 30, 2023, compared to $11.5 million $18.2 million for the six nine months ended June 30, 2022 September 30, 2022, with the decrease due to lower taxable income. The effective tax rate for the six nine months ended June 30, 2023 September 30, 2023, was 27.7% 27.2% compared to 27.6% 27.9% for the six nine months ended June 30, 2022 September 30, 2022.

The following table sets forth average balances, average yields and costs, and certain other information for the periods indicated.

		For the Six Months Ended							**For the Nine Months Ended**					
		June 30, 2023			**June 30, 2022**				**September 30, 2023**			**September 30, 2022**		
		Average Outstanding Balance	**Interest**	**Average Yield/ Rate (1)**	**Average Outstanding Balance**	**Interest**	**Average Yield/ Rate (1)**		**Average Outstanding Balance**	**Interest**	**Average Yield/ Rate (1)**	**Average Outstanding Balance**	**Interest**	**Average Yield/ Rate (1)**
Interest-earning assets:	**Interest-earning assets:**							**Interest-earning assets:**						
Loans (2)	Loans (2)	$ 4,264,932	$ 89,007	4.21 %	$ 3,920,792	$75,719	3.89 %	Loans (2)	$ 4,260,827	$135,220	4.24 %	$ 4,019,750	$118,030	3.93 %
Mortgage-backed securities (3)	Mortgage-backed securities (3)	724,955	7,506	2.09	918,864	5,518	1.21	Mortgage-backed securities (3)	703,320	11,170	2.12	890,257	8,802	1.32
Other securities (3)	Other securities (3)	257,514	2,498	1.96	277,035	1,684	1.23	Other securities (3)	241,280	3,593	1.99	283,017	2,885	1.36
Federal Home Loan Bank of New York stock	Federal Home Loan Bank of New York stock	41,000	1,192	5.86	21,440	505	4.75	Federal Home Loan Bank of New York stock	41,093	2,125	6.91	21,845	788	4.82
Interest-earning deposits in financial institutions	Interest-earning deposits in financial institutions	72,519	1,394	3.88	118,872	224	0.38	Interest-earning deposits in financial institutions	72,683	2,225	4.09	96,122	423	0.59
Total interest-earning assets	Total interest-earning assets	5,360,920	101,597	3.82	5,257,003	83,650	3.21	Total interest-earning assets	5,319,203	154,333	3.88	5,310,991	130,928	3.30
Non-interest-earning assets	Non-interest-earning assets	242,288			272,869			Non-interest-earning assets	244,319			267,581		

Total assets	Total assets	$ 5,603,208			$ 5,529,872			Total assets	$ 5,563,522			$ 5,578,572		
Interest-bearing liabilities:	**Interest-bearing liabilities:**							**Interest-bearing liabilities:**						
Savings, NOW, and money market accounts	Savings, NOW, and money market accounts	$ 2,461,283	$ 10,329	0.85 %	$ 2,981,180	$ 1,170	0.08 %	Savings, NOW, and money market accounts	$ 2,443,400	19,194	1.05 %	$ 2,961,776	1,871	0.08 %
Certificates of deposit	Certificates of deposit	582,642	7,975	2.76	406,156	1,323	0.66	Certificates of deposit	572,283	12,724	2.97	455,985	2,743	0.80
Total interest-bearing deposits	Total interest-bearing deposits	3,043,925	18,304	1.21	3,387,336	2,493	0.15	Total interest-bearing deposits	3,015,683	31,918	1.42	3,417,761	4,614	0.18
Borrowed funds	Borrowed funds	883,934	15,589	3.56	397,775	4,084	2.07	Borrowed funds	902,802	24,182	3.58	401,109	6,388	2.13
Subordinated debt	Subordinated debt	61,183	1,647	5.43	4,790	119	5.01	Subordinated debt	61,164	2,484	5.43	23,828	961	5.39
Total interest-bearing liabilities	Total interest-bearing liabilities	$ 3,989,042	35,540	1.80	$ 3,789,901	6,696	0.36	Total interest-bearing liabilities	3,979,649	58,584	1.97	3,842,698	11,963	0.42
Non-interest bearing deposits	Non-interest bearing deposits	814,266			914,409			Non-interest bearing deposits	788,991			913,322		
Accrued expenses and other liabilities	Accrued expenses and other liabilities	104,118			102,679			Accrued expenses and other liabilities	102,765			103,075		
Total liabilities	Total liabilities	4,907,426			4,806,989			Total liabilities	4,871,405			4,859,095		
Stockholders' equity	Stockholders' equity	695,782			722,883			Stockholders' equity	692,117			719,477		
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	$ 5,603,208			$ 5,529,872			Total liabilities and stockholders' equity	$ 5,563,522			$ 5,578,572		
Net interest income	Net interest income		$ 66,057			$76,954		Net interest income		$ 95,749			$118,965	
Net interest rate spread (4)	Net interest rate spread (4)			2.02 %			2.85 %	Net interest rate spread (4)			1.91 %			2.88 %
Net interest-earning assets (5)	Net interest-earning assets (5)	$ 1,371,878			$ 1,467,102			Net interest-earning assets (5)	$ 1,339,554			$ 1,468,293		
Net interest margin (6)	Net interest margin (6)			2.48 %			2.95 %	Net interest margin (6)			2.41 %			2.99 %
Average interest-earning assets to interest-bearing liabilities	Average interest-earning assets to interest-bearing liabilities			134.39 %			138.71 %	Average interest-earning assets to interest-bearing liabilities			133.66 %			138.21 %

(1) Average yields and rates are annualized.
(2) Includes non-accruing loans.
(3) Securities available-for-sale and other securities are reported at amortized cost.
(4) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average cost of interest-bearing liabilities.
(5) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.
(6) Net interest margin represents net interest income divided by average total interest-earning assets.

Comparison of Operating Results for the Three Months Ended June 30, 2023 September 30, 2023 and 2022

Net Income. Net income was $9.6 million $8.2 million and $15.9 million $17.0 million for the quarters ended June 30, 2023 September 30, 2023 and June 30, 2022 September 30, 2022, respectively. Significant variances from the comparable prior year quarter are as follows: an $8.9 million a $12.3 million decrease in net interest income, a $2.1 million increase $2.5 million decrease in the provision for credit losses on loans, a $165,000 decrease in non-interest income, a $2.1 million $2.7 million increase in non-interest expense, and a $2.5 million $3.9 million decrease in income tax expense.

Interest Income. Interest income increased $8.2 million $5.5 million, or 18.9% 11.5%, to $51.7 million $52.7 million for the quarter ended June 30, 2023 September 30, 2023, from $43.5 million $47.3 million for the quarter June 30, 2022 September 30, 2022, primarily due to an increase in average interest-earning assets of $33.8 million, or 0.6%, coupled with a 59 54 basis point increase in yields on interest-earning assets due to the rising rate environment and a greater percentage of assets consisting of higher-yielding loans, partially offset by lower loan prepayment income. a decrease in average interest-earning assets of $180.1 million, or 3.3%. The increase decrease in the average balance of interest-earning assets was primarily due to decreases in the average balance of mortgage-backed securities of $173.2 million and the average balance of other securities of $85.4 million, partially offset by increases in the average balance of loans outstanding of $292.1 million and $38.3 million, the average balance of FHLBNY stock of $23.2 million, partially offset by decreases in the average balance of mortgage-backed securities of $196.1 million, the average balance of other securities of $58.6 million $18.6 million, and the average balance of interest-earning deposits in financial institutions of $26.9 million $21.6 million. Net interest income for the quarter ended September 30, 2023, included loan prepayment income of $183,000, as compared to $1.6 million for the quarter ended September 30, 2022. The Company accreted interest income related to PCD loans of $337,000 $325,000 for the quarter ended June 30, 2023 September 30, 2023, as compared to $339,000 $368,000 for quarter ended June 30, 2022. Fees recognized from PPP loans totaled $24,000 for the quarter ended June 30, 2023, as compared to $432,000 for the quarter ended June 30, 2022. Net interest income for the quarter ended June 30, 2023, included loan prepayment income of $194,000, as compared to $1.5 million for the quarter ended June 30, 2022 September 30, 2022.

Interest Expense. Interest expense increased $17.1 million $17.8 million, or 508.4% 337.5%, to $20.5 million $23.0 million for the quarter ended June 30, 2023 September 30, 2023, from $3.4 million $5.3 million for the quarter ended June 30, 2022 September 30, 2022. The increase was attributed to an increase in interest expense on deposits of $9.1 million $11.5 million, or 685.8%, 541.9% and an increase in interest expense on borrowings of $7.3 million $6.3 million, or 379.6%, and an increase in interest expense on subordinated debt of $709,000. 273.0%. The increase in interest expense on deposits was primarily attributable to a 127 158 basis point increase in the cost of interest-bearing deposits to 1.43% 1.82% for the quarter ended June 30, 2023 September 30, 2023, from 0.16% 0.24% for the quarter ended June 30, 2022 September 30, 2022, due to rising market interest rates and a shift in the composition of the deposit portfolio towards higher-yielding certificates of deposit. The increase in interest expense on borrowings was primarily due to a 164 139 basis point increase in the cost of borrowings from 2.04% 2.24% for the quarter ended June 30, 2022 September 30, 2022, to 3.68% 3.63% for the quarter ended June 30, 2023 September 30, 2023. The increase in interest expense for the quarter was also driven by a $14.6 million, or 0.4%, increase in the average balance of interest-bearing liabilities, including an increase of $532.3 million in average borrowed funds, partially offset by a $517.5 million decrease in average interest-bearing deposits.

Net Interest Income. Net interest income for the quarter ended June 30, 2023 September 30, 2023, decreased $8.9 million $12.3 million, or 22.3% 29.3%, to $31.2 million $29.7 million, from $40.1 million $42.0 million for the quarter ended June 30, 2022 September 30, 2022 primarily due to a 69 an 83 basis point decrease in net interest margin to 2.34% 2.25% for the quarter ended June 30, 2023 September 30, 2023, from 3.03% 3.08% for the quarter ended June 30, 2022, September 30, 2022. The decrease in net interest margin was primarily due to the cost of interest-bearing liabilities increasing faster than the repricing of interest-earning assets. The cost of interest-bearing liabilities increased by 170 178 basis points to 2.05% 2.31% for the quarter ended June 30, 2023 September 30, 2023, from 0.35% 0.53% for the quarter ended June 30, 2022 September 30, 2022, driven by both higher cost of deposits and borrowed funds, reflective of the rising interest rate environment. The increase in the cost of interest-bearing liabilities was partially offset by an increase in yields the yield on interest-earning assets, which increased by 59 54 basis points to 3.88% 4.00% for the quarter ended June 30, 2023 September 30, 2023, from 3.29% 3.46% for the quarter ended June 30, 2022 September 30, 2022.

Provision for Credit Losses. The provision for credit losses on loans decreased by $119,000 $2.5 million to a provision of $30,000 $188,000 for the quarter ended June 30, 2023 September 30, 2023, from a provision of $149,000 $2.7 million for the quarter ended June 30, 2022 September 30, 2022. The decrease in the current quarter provision for credit losses was primarily due to minimal a decrease in loan growth and balances, a decrease in reserves related to non-economic qualitative loss factors in the multifamily and commercial real estate portfolios, and a decrease in reserves related to the PCD portfolio, attributable to improved cash flows. The decreases were partially offset by a worsening macroeconomic outlook, higher net charge-offs, and an increase in reserves for downgraded commercial and industrial loans, primarily due to a $13.8 million loan that is current and collateralized by receivables and business assets being downgraded to substandard. loans. Net charge-offs were $312,000 $2.9 million for the quarter ended June 30, 2023 September 30, 2023, compared to net charge-offs recoveries of $392,000 $149,000 for the quarter ended June 30, 2022. September 30, 2022, due to $2.9 million in net charge-offs on small business unsecured commercial and industrial loans.

Non-interest Income. Non-interest income increased decreased by $2.1 million, $165,000, or 268.1% 7.2%, to $2.8 million $2.1 million for the quarter ended June 30, 2023 September 30, 2023, from $765,000 $2.3 million for the quarter ended June 30, 2022 September 30, 2022, primarily due to a $2.1 million increase $183,000 decrease in fees and service charges for customers, primarily related to lower overdraft fees, and a $174,000 decrease in gains on sales of loans, partially offset by a $131,000 decrease in losses on trading securities. The decrease in gains on sales of loans was due to a $99,000 gain realized on the sale of one SBA loan totaling $974,000 in the third quarter of 2023 as compared to a $273,000 gain realized on the sale of two SBA loans totaling $2.5 million in the third quarter of 2022. For the quarter ended June 30, 2023 September 30, 2023, gains losses on trading securities, net, were $506,000, $295,000, compared to losses of $1.6 million $426,000 in the comparative prior year quarter. quarter ended September 30, 2022. Gains and losses on trading securities have a minimal effect on net income since participants benefit from, and bear the full risk of, changes in the trading securities market values.

Non-interest Expense. Non-interest expense increased by $2.1 million $2.7 million, or 11.0% 15.1%, to $20.8 million $20.6 million for the quarter ended June 30, 2023 September 30, 2023, from $18.7 million $17.9 million for the quarter ended June 30, 2022 September 30, 2022. The increase was primarily due to a $2.9 million $2.0 million increase in compensation and employee benefits, primarily attributable to a $2.1 million increase in the mark to market of the Company's deferred compensation plan expense, which as discussed above has no effect on net income, and, to a lesser extent, an increase in salary expense related to annual merit increases and severance expense of $440,000. Data processing expense increased by $309,000 due to continued investments in technology. Advertising expense increased by $169,000 due to the timing of certain programs and new promotions on demand deposit products. FDIC insurance expense increased by $213,000 due to higher assessments. Partially offsetting the increases was a $1.0 million decrease in the credit loss expense/(benefit)/expense for off-balance sheet exposures and a $461,000 decrease in professional fees. The decrease in credit loss (benefit)/expense for off-balance sheet credit exposures which was due to a benefit $160,000 of $661,000 expense recorded during the quarter ended June 30, 2023 September 30, 2023, compared to a provision benefit of $349,000 for $1.9 million recorded in the prior year period, attributed quarter. The benefit in the prior year quarter was attributable to a decrease in the pipeline of loans committed and awaiting closing. The decrease Additionally, there was a $136,000 increase in professional fees was compensation and employee benefits, a $147,000 increase in data processing expense due to continued investments in technology, and a $235,000 increase in FDIC insurance expense due to higher audit and recruiting fees in the prior year. assessments.

Income Tax Expense. The Company recorded income tax expense of $3.6 million $2.9 million for the quarter ended June 30, 2023 September 30, 2023, compared to $6.1 million $6.7 million for the quarter ended June 30, 2022 September 30, 2022, with the decrease due to lower taxable income. The effective tax rate for the quarter ended June 30, 2023 September 30, 2023 was 27.4% 26.0%, compared to 27.8% 28.4% for the quarter ended June 30, 2022 September 30, 2022.

The following table sets forth average balances, average yields and costs, and certain other information for the periods indicated.

		For the Three Months Ended							For the Three Months Ended					
		June 30, 2023			June 30, 2022				September 30, 2023			September 30, 2022		
		Average Outstanding Balance	Interest	Average Yield/ Rate (1)	Average Outstanding Balance	Interest	Average Yield/ Rate (1)		Average Outstanding Balance	Interest	Average Yield/ Rate (1)	Average Outstanding Balance	Interest	Average Yield/ Rate (1)
Interest-earning assets:	**Interest-earning assets:**							**Interest-earning assets:**						
Loans (2)	Loans (2)	$ 4,284,871	$ 45,300	4.24 %	$ 3,992,731	$ 38,998	3.92 %	Loans (2)	$ 4,252,752	$ 46,213	4.31 %	$ 4,214,438	$ 42,311	3.98 %
Mortgage-backed securities (3)	Mortgage-backed securities (3)	703,415	3,714	2.12	899,479	3,043	1.36	Mortgage-backed securities (3)	660,753	3,664	2.20	833,975	3,284	1.56
Other securities (3)	Other securities (3)	239,273	1,113	1.87	297,859	989	1.33	Other securities (3)	209,341	1,095	2.08	294,786	1,201	1.62
Federal Home Loan Bank of New York stock	Federal Home Loan Bank of New York stock	43,901	727	6.64	20,689	260	5.04	Federal Home Loan Bank of New York stock	41,278	933	8.97	22,641	283	4.96
Interest-earning deposits in financial institutions	Interest-earning deposits in financial institutions	67,822	816	4.83	94,689	166	0.70	Interest-earning deposits in financial institutions	73,005	831	4.52	51,364	199	1.54
Total interest-earning assets	Total interest-earning assets	5,339,282	51,670	3.88	5,305,447	43,456	3.29	Total interest-earning assets	5,237,129	52,736	4.00	5,417,204	47,278	3.46
Non-interest-earning assets	Non-interest-earning assets	244,567			266,303			Non-interest-earning assets	248,315			257,177		
Total assets	Total assets	$ 5,583,849			$ 5,571,750			Total assets	$ 5,485,444			$ 5,674,381		
Interest-bearing liabilities:	**Interest-bearing liabilities:**							**Interest-bearing liabilities:**						

Savings, NOW, and money market accounts	Savings, NOW, and money market accounts	$ 2,399,631	$ 6,486	1.08 %	$ 3,007,929	$ 599	0.08 %	Savings, NOW, and money market accounts	$ 2,408,218	8,865	1.46 %	$ 2,923,600	701	0.10 %
Certificates of deposit	Certificates of deposit	540,984	3,997	2.96	438,835	735	0.67	Certificates of deposit	551,904	4,749	3.41	554,018	1,420	1.02
Total interest-bearing deposits	Total interest-bearing deposits	2,940,615	10,483	1.43	3,446,764	1,334	0.16	Total interest-bearing deposits	2,960,122	13,614	1.82	3,477,618	2,121	0.24
Borrowed funds	Borrowed funds	1,003,611	9,198	3.68	377,044	1,918	2.04	Borrowed funds	939,922	8,593	3.63	407,668	2,304	2.24
Subordinated debt	Subordinated debt	61,071	828	5.44	9,527	119	5.01	Subordinated debt	61,127	837	5.43	61,283	842	5.45
Total interest-bearing liabilities	Total interest-bearing liabilities	4,005,297	20,509	2.05	3,833,335	$ 3,371	0.35	Total interest-bearing liabilities	3,961,171	23,044	2.31	3,946,569	$ 5,267	0.53
Non-interest bearing deposits	Non-interest bearing deposits	780,806			918,980			Non-interest bearing deposits	739,266			911,183		
Accrued expenses and other liabilities	Accrued expenses and other liabilities	102,846			105,525			Accrued expenses and other liabilities	100,103			103,853		
Total liabilities	Total liabilities	4,888,949			4,857,840			Total liabilities	4,800,540			4,961,605		
Stockholders' equity	Stockholders' equity	694,900			713,910			Stockholders' equity	684,904			712,776		
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	$ 5,583,849			$ 5,571,750			Total liabilities and stockholders' equity	$ 5,485,444			$ 5,674,381		
Net interest income	Net interest income		$ 31,161			$ 40,085		Net interest income		$ 29,692			$ 42,011	
Net interest rate spread (4)	Net interest rate spread (4)			1.83 %			2.94 %	Net interest rate spread (4)			1.69 %			2.93 %
Net interest-earning assets (5)	Net interest-earning assets (5)	$ 1,333,985			$ 1,472,112			Net interest-earning assets (5)	$ 1,275,958			$ 1,470,635		
Net interest margin (6)	Net interest margin (6)			2.34 %			3.03 %	Net interest margin (6)			2.25 %			3.08 %
Average interest-earning assets to interest-bearing liabilities	Average interest-earning assets to interest-bearing liabilities			133.31 %			138.40 %	Average interest-earning assets to interest-bearing liabilities			132.21 %			137.26 %

(1) Average yields and rates are annualized.
(2) Includes non-accruing loans.
(3) Securities available-for-sale and other securities are reported at amortized cost.
(4) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average cost of interest-bearing liabilities.
(5) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.
(6) Net interest margin represents net interest income divided by average total interest-earning assets.

Asset Quality

PCD Loans (Held-for-Investment)

Based on its detailed review of PCD loans and experience in loan workouts, management believes it has a reasonable expectation about the amount and timing of future cash flows and accordingly has classified PCD loans ($11.5 10.4 million and $11.5 million at June 30, 2023 September 30, 2023 and December 31, 2022, respectively) as accruing, even though they may be contractually past due. At June 30, 2023 September 30, 2023, 5.2% 3.5% of PCD loans were past due 30 to 89 days, and 29.7% 28.2% were past due 90 days or more, as compared to 6.8% and 23.0%, respectively, at December 31, 2022.

Loans

The following table details total non-accruing loans, non-performing loans, non-performing assets and troubled debt restructurings ("TDR") (excluding PCD loans) on which interest is accruing, and accruing loans 30 to 89 days delinquent at June 30, 2023 September 30, 2023, and December 31, 2022 (in thousands):

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Non-accrual loans:				
Held-for-investment				
Real estate loans:				
Multifamily	$ 3,223	$ 3,285	$ 3,073	$ 3,285
Commercial	5,393	5,184	5,435	5,184
One-to-four family residential	109	118	106	118
Home equity and lines of credit	100	262	98	262
Commercial and industrial	1,275	964	848	964
Other	10	—	10	—
Total non-accrual loans held-for-investment	10,110	9,813	9,570	9,813
Loans delinquent 90 days or more and still accruing:				
Held-for-investment				
Real estate loans:				
Multifamily	218	233	209	233
Commercial	—	8	114	8
One-to-four family residential	6	155	139	155
Home equity and lines of credit			115	—
Commercial and industrial	—	24	15	24
Other	—	5	—	5
Total loans delinquent 90 days or more and still accruing held-for-investment	224	425	592	425
Total non-performing assets	$ 10,334	$ 10,238	$ 10,162	$ 10,238
Non-performing loans to total loans	0.24 %	0.24 %	0.24 %	0.24 %
Non-performing assets to total assets	0.19 %	0.18 %	0.19 %	0.18 %

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Loans subject to restructuring agreements and still accruing (1)	Loans subject to restructuring agreements and still accruing (1)	$	—	$	3,751	Loans subject to restructuring agreements and still accruing (1)	$	—	$	3,751
Accruing loans 30 to 89 days delinquent	Accruing loans 30 to 89 days delinquent	$	4,076	$	3,644	Accruing loans 30 to 89 days delinquent	$	8,105	$	3,644

(1) With the adoption of Accounting Standards Update ("ASU") 2022-02, Financial Instruments - Credit Losses (Topic 326) Troubled Debt Restructurings and Vintage Disclosures ("ASU 2022-02"), effective January 1, 2023, TDR accounting has been eliminated.

Other Real Estate Owned

At June 30, 2023 September 30, 2023 and December 31, 2022, the Company had no assets acquired through foreclosure.

Accruing Loans 30 to 89 Days Delinquent

Loans 30 to 89 days delinquent and on accrual status totaled $4.1 million $8.1 million and $3.6 million at June 30, 2023 September 30, 2023 and December 31, 2022, respectively. The following table sets forth delinquencies for accruing loans by type and by amount at June 30, 2023 September 30, 2023 and December 31, 2022 (in thousands):

		June 30, 2023		December 31, 2022			September 30, 2023		December 31, 2022
Held-for-investment	Held-for-investment					Held-for-investment				
Real estate loans:	Real estate loans:					Real estate loans:				
Multifamily	Multifamily	$	—	$	189	Multifamily	$	178	$	189
Commercial	Commercial		803		900	Commercial		1,892		900
One-to-four family residential	One-to-four family residential		567		672	One-to-four family residential		2,708		672
Home equity and lines of credit	Home equity and lines of credit		256		830	Home equity and lines of credit		1,206		830
Commercial and industrial loans	Commercial and industrial loans		2,450		1,048	Commercial and industrial loans		2,117		1,048
Other loans	Other loans		—		5	Other loans		4		5
Total delinquent accruing loans held-for-investment	Total delinquent accruing loans held-for-investment	$	4,076	$	3,644	Total delinquent accruing loans held-for-investment	$	8,105	$	3,644

The increase in delinquent commercial loans was primarily due to one loan with a balance of $1.1 million that became delinquent during the current quarter. The loan is secured by property in Staten Island, New York with an appraised value of $4.2 million. The majority of the loans past due in the one-to-four family residential and home equity and lines of credit portfolios were due to loans past due 30 days at September 30, 2023, and became current subsequent to the quarter end, therefore management does not believe the recent increase in delinquencies in these portfolios is an indicator of credit deterioration. The increase in the commercial and industrial loan delinquencies was primarily due to an increase in delinquencies in unsecured small business loans. Unsecured small business loans totaled $41.4 million $39.1 million and $43.3 million at June 30, 2023 September 30, 2023 and December 31, 2022, respectively. Management continues to monitor the small business unsecured commercial and industrial loan portfolio.

Loans Subject to TDR Agreements prior to the adoption of ASU 2022-02

Effective January 1, 2023, The the Company adopted ASU 2022-02, which eliminated the recognition and measure of troubled debt restructurings and enhanced disclosures for loan modifications to borrowers experiencing financial difficulty. There were no material modifications of loans to borrowers who were experiencing financial difficulty during the three months ended June 30, 2023 September 30, 2023.

Information on loan modifications prior to the adoption of ASU 2022-02 on January 1, 2023 is presented in accordance with the applicable accounting standards in effect at that time.

Included in non-accruing loans are loans subject to TDR agreements totaling $3.3 million at December 31, 2022. At December 31, 2022, three of the non-accruing TDRs totaling $547,000 were not performing in accordance with their restructured terms. Two of the loans totaling $477,000 are collateralized by real estate with an appraised value of $2.4 million. A third loan in the amount of $70,000 is an unsecured commercial and industrial loan, which has a specific reserve against it.

The Company also holds held loans subject to TDR agreements that are were on accrual status totaling $3.8 million at December 31, 2022. At December 31, 2022, $3.6 million, or 94.8%, of the $3.8 million of accruing loans subject to TDR agreements were performing in accordance with their restructured terms. Generally, the types of concessions that we make to troubled borrowers include both temporary and permanent reductions to interest rates, extensions of payment terms, and, to a lesser extent, forgiveness of principal and interest.

The following table details the amounts and categories of the loans subject to restructuring agreements by loan type as of December 31, 2022 (in thousands):

	December 31, 2022	
	Non-Accruing	Accruing
Real estate loans:		
Commercial	$ 3,069	$ 3,034
One-to-four family residential	—	666
Multifamily	126	—
Home equity and lines of credit	—	27
Commercial and industrial loans	70	24
	$ 3,265	$ 3,751
Performing in accordance with restructured terms	83.2 %	94.8 %

Liquidity and Capital Resources

Liquidity. The objective of our liquidity management is to ensure the availability of sufficient funds to meet financial commitments and to take advantage of lending and investment opportunities. The Bank manages liquidity in order to meet deposit withdrawals, to repay borrowings as they mature, and to fund new loans and investments as opportunities arise.

The Bank's primary sources of funds are deposits, principal and interest payments on loans and securities, borrowed funds, the proceeds from maturing securities and short-term investments, and to a lesser extent, proceeds from the sales of loans and securities and wholesale borrowings. The scheduled amortization of loans and securities, as well as proceeds from borrowed funds, are predictable sources of funds. Other funding sources, however, such as deposit inflows and loan prepayments are greatly influenced by market interest rates, economic conditions, and competition. The Bank is a member of the FHLBNY, which provides an additional source of short-term and long-term funding. The Bank also has short-term borrowing capabilities with the Federal Reserve Bank of New York ("FRBNY"). The Bank's short-term borrowed funds, excluding lease obligations, floating rate advances and an overnight line of credit, were $917.3 million $873.1 million at June 30, 2023 September 30, 2023, and had a weighted average interest rate of 3.61% 3.60%. A total of $209.5 million $190.3 million of these borrowings will mature in less than one year. Short-term borrowed funds, excluding floating rate advances and other interest-bearing liabilities, were $572.0 million at December 31, 2022.

On June 17, 2022, the Company issued $62.0 million in aggregate principal amount of fixed to floating subordinated notes (the "Notes"). The Notes are non-callable for five years, have a stated maturity of June 30, 2032, and bear interest at a fixed rate of 5.00% until June 30, 2027. From July 2027 to the maturity date or early redemption date, the interest rate will reset quarterly to a level equal to the then current three-month Secured Overnight Financing Rate plus 200 basis points.

The Bank has the ability to obtain additional funding from the FHLBNY of approximately $1.27 billion $1.35 billion utilizing unencumbered securities of $145.6 million $161.1 million, loans of $1.12 billion $1.19 billion, and encumbered securities of $1.4 million $7.7 million at June 30, 2023 September 30, 2023. Additionally, the Bank has remaining borrowing capacity utilizing encumbered securities through the FRBNY Discount Window of $28.3 million $42.5 million. The Bank expects to have sufficient funds available to meet current commitments in the normal course of business.

The Company has a diversified deposit base, and government deposits are collateralized by assets or letters of credit issued by the FHLBNY. Uninsured deposits (excluding fully collateralized uninsured governmental deposits of $617.4 million $661.1 million) are estimated at approximately $827.8 million $899.5 million, or 22.0% 24.5%, of total deposits. deposits as of September 30, 2023. At June 30, 2023 September 30, 2023, the composition of the Company's deposit base (excluding brokered deposits) was as follows: 55% 56% retail, 28% 27% business, and 17% governmental. The average deposit balance at June 30, 2023 September 30, 2023 was $36,000.

Northfield Bancorp, Inc. (standalone) is a separate legal entity from the Bank and must provide for its own liquidity to pay dividends, repurchase its stock, and for other corporate purposes. Northfield Bancorp, Inc.'s primary source of liquidity is dividend payments from the Bank. At June 30, 2023 September 30, 2023, Northfield Bancorp, Inc. (standalone) had liquid assets of $37.6 million $27.4 million.

Capital Resources. Federal regulations require federally insured depository institutions to meet several minimum capital standards: a common equity Tier 1 capital to risk-based assets ratio of 4.5%, a Tier 1 capital to risk-based assets ratio of 6.0%, a total capital to risk-based assets of 8.0%, and a 4.0% Tier 1 capital to total assets leverage ratio. In addition to establishing the minimum regulatory capital requirements, the regulations limit capital distributions and certain discretionary bonus payments to management if the institution does not hold a "capital conservation buffer" consisting of 2.5% of common equity Tier 1 capital to risk-weighted assets in addition to the amount necessary to meet its minimum risk-based capital requirements.

As a result of the Economic Growth, Regulatory Relief, and Consumer Protection Act, the federal banking agencies developed a "Community Bank Leverage Ratio" ("CBLR") (the ratio of a bank's tangible equity capital to average total consolidated assets) for financial institutions with assets of less than $10 billion. A qualifying community bank that exceeds this ratio will be deemed to be in compliance with all other capital and leverage requirements, including the capital requirements to be considered "well capitalized" under Prompt Corrective Action statutes. The federal banking agencies approved 9% as the minimum capital for the CBLR. Effective March 31, 2020, a financial institution could elect to be subject to this new definition. Northfield Bank and Northfield Bancorp elected to opt into the CBLR framework. The CBLR replaced the risk-based and leverage capital requirements in the generally applicable capital rules.

At June 30, 2023 September 30, 2023, and December 31, 2022, as set forth in the following table, both Northfield Bank and Northfield Bancorp, Inc. exceeded all of the regulatory capital requirements to which they were subject at such dates.

		Northfield Bank	Northfield Bancorp, Inc.	For Capital Adequacy Purposes	For Well Capitalized Under Prompt Corrective Action Provisions		Northfield Bank	Northfield Bancorp, Inc.	For Capital Adequacy Purposes	For Well Capitalized Under Prompt Corrective Action Provisions
As of June 30, 2023:										
As of September 30, 2023:						**As of September 30, 2023:**				
CBLR	CBLR	12.54%	12.46%	9.00%	9.00%	CBLR	12.94%	12.69%	9.00%	9.00%
As of December 31, 2022:	**As of December 31, 2022:**					**As of December 31, 2022:**				
CBLR	CBLR	12.68%	12.65%	9.00%	9.00%	CBLR	12.68%	12.65%	9.00%	9.00%

Off-Balance Sheet Arrangements and Contractual Obligations

In the normal course of operations, the Company engages in a variety of financial transactions that, in accordance with U.S. GAAP, are not recorded in the financial statements. These transactions primarily relate to lending commitments. These arrangements are not expected to have a material impact on the Company's results of operations or financial condition.

Commitments to fund unused lines of credit are agreements to lend additional funds to customers as long as there have been no violations of any of the conditions established in the agreements (original or restructured). Commitments to originate loans generally have a fixed expiration or other termination clauses, which may require payment of a fee. Since some of these loan commitments are expected to expire without being drawn upon, total commitments do not necessarily represent future cash requirements. At June 30, 2023 September 30, 2023, the reserve for commitments to fund unused lines of credit recorded in accrued expenses and other liabilities was $241,000. $401,000.

For further information regarding our off-balance sheet arrangements and contractual obligations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Accounting Pronouncements Not Yet Adopted

ASU No. 2020-04. In March 2020, the FASB issued ASU No. 2020-04, "Reference Rate Reform ("ASC 848"): Facilitation of the Effects of Reference Rate Reform on Financial Reporting", which provides temporary optional guidance to ease the potential burden in accounting for reference rate reform. The ASU provides optional expedients and exceptions for applying generally accepted accounting principles to contract modifications and hedging relationships, subject to meeting certain criteria, that reference the London Inter-Bank Offered Rate ("LIBOR") or another reference rate expected to be discontinued. It is intended to help stakeholders during the global market-wide reference rate transition period. The guidance was effective for all entities as of March 12, 2020 through December 31, 2022. However, in December 2022, the FASB issued ASU 2022-06, deferring the sunset date to December 31, 2024. The Company has evaluated the regulatory requirements to cease the use of LIBOR and has put in place systems and capabilities for this purpose. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Management of Market Risk

General. A majority of our assets and liabilities are monetary in nature. Consequently, our most significant form of market risk is interest rate risk. Our assets, consisting primarily of mortgage-related securities and loans, generally have longer maturities than our liabilities, which consist primarily of deposits and wholesale borrowings. As a result, a principal part of our business strategy involves managing interest rate risk and limiting the exposure of our net interest income to changes in market interest rates. Accordingly, our Board of Directors has established a Management Asset-Liability Committee, comprised of our Senior Vice President ("SVP") & Chief Investment Officer and Treasurer, who chairs this Committee, our President & Chief Executive Officer, our Executive Vice President ("EVP") & Chief Risk Officer, our EVP & Chief Financial Officer, our EVP & Chief Lending Officer, our EVP & Chief Branch Administration, Deposit Operations & Business Development Officer, and our SVP & Director of Marketing, and other officers and staff as necessary or appropriate. This committee is responsible for, among other things, evaluating the interest rate risk inherent in our assets and liabilities, for recommending to the risk management committee of our Board of Directors the level of risk that is appropriate given our business strategy, operating environment, capital, liquidity and performance objectives, and for managing this risk consistent with the guidelines approved by the Board of Directors.

We seek to manage our interest rate risk in order to minimize the exposure of our earnings and capital to changes in interest rates. As part of our ongoing asset-liability management, we currently use the following strategies to manage our interest rate risk:

- originating multifamily loans and commercial real estate loans that generally have shorter maturities than one-to-four family residential real estate loans and have higher interest rates that generally reset from five to ten years;
- investing in investment grade corporate securities and mortgage-backed securities; and
- obtaining general financing through lower-cost core deposits, brokered deposits, and longer-term FHLB advances and repurchase agreements.

Shortening the average term of our interest-earning assets by increasing our investments in shorter-term assets, as well as originating loans with variable interest rates, helps to match the maturities and interest rates of our assets and liabilities better, thereby reducing the exposure of our net interest income to changes in market interest rates.

Net Portfolio Value Analysis. We compute amounts by which the net present value of our assets and liabilities (net portfolio value or "NPV"), would change in the event market interest rates changed over an assumed range of rates. Our simulation model uses a discounted cash flow analysis to measure the interest rate sensitivity of our NPV. Depending on current market interest rates, we estimate the economic value of these assets and liabilities under the assumption that interest rates experience an instantaneous and sustained increase of 100, 200, 300, or 400 basis points, or a decrease of 100 and 200 basis points, which is based on the current interest rate environment. A basis point equals one-hundredth of one percent, and 100 basis points equals one percent. An increase in interest rates from 3% to 4% would mean, for example, a 100 basis point increase in the "Change in Interest Rates" column below.

Net Interest Income Analysis. In addition to NPV calculations, we analyze our sensitivity to changes in interest rates through our net interest income model. Net interest income is the difference between the interest income we earn on our interest-earning assets, such as loans and securities, and the interest we pay on our interest-bearing liabilities, such as deposits and borrowings. In our model, we estimate what our net interest income would be for a twelve-month period. Depending on current market interest rates we then calculate what the net interest income would be for the same period under the assumption that interest rates experience an instantaneous and sustained increase of 100, 200, 300, or 400 basis points, or a decrease of 100 and 200 basis points, which is based on the current interest rate environment.

The following tables set forth, as of June 30, 2023 September 30, 2023 and December 31, 2022, our calculation of the estimated changes in our NPV, NPV ratio, and percent change in net interest income that would result from the designated instantaneous and sustained changes in interest rates (dollars in thousands). Computations of prospective effects of hypothetical interest rate changes are based on numerous assumptions, including relative levels of market interest rates, loan prepayments and deposit repricing characteristics, including decay rates, and correlations to movements in interest rates, and should not be relied on as indicative of actual results.

		At June 30, 2023										At September 30, 2023					
Change in Interest Rates (basis points)	Change in Interest Rates (basis points)	Estimated Present Value of Assets	Estimated Present Value of Liabilities	Estimated NPV	Estimated Change In NPV	Estimated Change in NPV %	Estimated NPV/Present Value of Assets Ratio	Next 12 Months Net Interest Income Percent Change	Months 13-24 Net Interest Income Percent Change	Change in Interest Rates (basis points)	Estimated Present Value of Assets	Estimated Present Value of Liabilities	Estimated NPV	Estimated Change In NPV	Estimated Change in NPV %	Estimated NPV/Presen Value of Assets Rati
+400	+400	$4,790,299	$4,080,777	$709,522	$(198,518)	(21.86) %	14.81 %	(24.35)%	(12.12)%	+400	$4,687,721	$3,971,187	$716,534	$(148,692)	(17.19) %	15.29
+300	+300	4,901,380	4,155,642	745,738	(162,302)	(17.87)	15.21	(18.74)	(10.34)	+300	4,793,699	4,042,752	750,947	(114,279)	(13.21)	15.67
+200	+200	5,036,146	4,234,193	801,953	(106,087)	(11.68)	15.92	(12.05)	(6.33)	+200	4,911,090	4,117,847	793,243	(71,983)	(8.32)	16.15
+100	+100	5,179,465	4,316,863	862,602	(45,438)	(5.00)	16.65	(5.14)	(1.92)	+100	5,027,830	4,196,889	830,941	(34,285)	(3.96)	16.53
—	—	5,312,277	4,404,237	908,040	—	—	17.09	—	—	—	5,145,649	4,280,423	865,226	—	—	16.81
(100)	(100)	5,438,693	4,501,404	937,289	29,249	3.22	17.23	2.94	(1.39)	(100)	5,265,528	4,372,412	893,116	27,890	3.22	16.96
(200)	(200)	5,561,063	4,607,296	953,767	45,727	5.04	17.15	3.98	(5.51)	(200)	5,378,218	4,470,259	907,959	42,733	4.94	16.88

	At December 31, 2022						
Change in Interest Rates (basis points)	Estimated Present Value of Assets	Estimated Present Value of Liabilities	Estimated NPV	Estimated Change In NPV	Estimated Change in NPV %	Estimated NPV/Present Value of Assets Ratio	Next 12 Months Net Interest Income Percent Change	Months 13-24 Net Interest Income Percent Change
+400	$ 4,850,423	$ 4,057,885	$ 792,538	$ (227,578)	(22.31)%	16.34 %	(25.83)%	(11.03)%
+300	4,967,247	4,126,616	840,631	(179,485)	(17.59)	16.92	(19.51)	(8.90)
+200	5,106,889	4,198,831	908,058	(112,058)	(10.98)	17.78	(12.01)	(4.41)

+100	5,244,669	4,274,947	969,722	(50,394)	(4.94)	18.49	(5.33)	(1.19)
—	5,375,689	4,355,573	1,020,116	—	—	18.98	—	—
(100)	5,503,211	4,464,131	1,039,080	18,964	1.86	18.88	0.76	(3.80)
(200)	5,626,336	4,586,245	1,040,091	19,975	1.96	18.49	0.00	(8.91)

At June 30, 2023 September 30, 2023, in the event of a 200 basis point decrease in interest rates, we would experience a 5.04% 4.94% increase in estimated net portfolio value, a 3.98% 4.53% increase in net interest income in year one, and a 5.51% 4.74% decrease in net interest income in year two. In the event of a 400 basis point increase in interest rates, we would experience a 21.86% 17.19% decrease in estimated net portfolio value, a 24.35% 21.29% decrease in net interest income in year one and a 12.12% 5.03% decrease in net interest income in year two. Our policies provide that, in the event of a 200 basis point decrease or less in interest rates, our net present value ratio should decrease by no more than 300 basis points and 10%, and in the event of a 400 basis point increase or less, our net present value should decrease by no more than 475 basis points and 35%. In the event of a 200 basis point decrease or less, our projected net interest income should decrease by no more than 10% in year one and 16% 20% in year two, and in the event of a 400 basis point increase or less, our projected net interest income should decrease by no more than 38% 39% in year one and 26% in year two. However, when the federal funds rate is low and negative rate shocks do not produce meaningful results, management may temporarily suspend use of guidelines for negative interest rate shocks. At June 30, 2023 September 30, 2023 and December 31, 2022, we were in compliance with all Board-approved policies with respect to interest rate risk management.

Certain shortcomings are inherent in the methodologies used in determining interest rate risk through changes in net portfolio value and net interest income. Our model requires us to make certain assumptions that may or may not reflect the manner in which actual yields and costs respond to changes in market interest rates. However, we also apply consistent parallel yield curve shifts (in both directions) to determine possible changes in net interest income if the theoretical yield curve shifts occurred gradually. Net interest income analysis also adjusts the asset and liability repricing analysis based on changes in prepayment rates resulting from the parallel yield curve shifts. In addition, the net portfolio value and net interest income information presented assume that the composition of our interest-sensitive assets and liabilities existing at the beginning of a period remains constant over the period being measured and assume that a particular change in interest rates is reflected uniformly across the yield curve regardless of the duration or repricing of specific assets and liabilities. Accordingly, although interest rate risk calculations provide an indication of our interest rate risk exposure at a particular point in time, such measurements are not intended to and do not provide a precise forecast of the effect of changes in market interest rates on our net portfolio value or net interest income and will differ from actual results.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of the Company's management, including the President and Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended) as of June September 30, 2023. Based on that evaluation, the Company's management, including the President and Chief Executive Officer and the Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective.

During the three months ended June 30, 2023 September 30, 2023, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

The Company and subsidiaries are subject to various legal actions arising in the normal course of business. In the opinion of management, the resolution of these legal actions is not expected to have a material adverse effect on the Company's consolidated financial condition or results of operations.

ITEM 1A. RISK FACTORS

During the quarter ended June 30, 2023 September 30, 2023, there have been no material changes to the risk factors as previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and in our quarterly report on Form 10-Q for the quarter ended March 31, 2023, each as filed with the Securities and Exchange Commission, except as previously disclosed in our other filings with the Securities and Exchange Commission.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

(a) **Unregistered Sale of Equity Securities**. There were no sales of unregistered securities during the period covered by this report.

(b) **Use of Proceeds**. Not applicable.

(c) **Repurchases of Our Equity Securities**.

On June 1, 2023, the Board of Directors of the Company approved a new $10.0 million stock repurchase program. The program permits the Company's shares of common stock to be repurchased in open market or private transactions, through block trades, and pursuant to any trading plan that may be adopted in accordance with Rule 10b5-1 of the Securities and Exchange Commission. The timing of the repurchases depends on certain factors, including but not limited to, market conditions and prices, the Company's liquidity and capital requirements, and alternative uses of capital. Any repurchased shares are held as treasury stock and available for general corporate purposes. The repurchases can be suspended, terminated or modified at any time for any reason, including market conditions, the cost of repurchasing shares, the availability of alternative investment opportunities, liquidity, and other factors deemed appropriate. The Company had suspended repurchases on March 16, 2023, and reinstated them on May 1, 2023.

The following table reports information regarding purchases of the Company's common stock during the three months ended June 30, 2023 September 30, 2023.

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (in thousands)
April 1, 2023 to April 30, 2023	—	$ —	—	$ 6,471
May 1, 2023 to May 31, 2023	661,140	9.79	661,140	10,000
June 1, 2023 to June 30, 2023	609,200	11.23	609,200	3,159
Total	1,270,340		1,270,340	

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (in thousands)
July 1, 2023 to July 31, 2023	255,900	$ 11.00	255,900	$ 345
August 1, 2023 to August 31, 2023	29,688	11.62	29,688	—
Total	285,588		285,588	

In addition to the repurchases disclosed above, participants in the Company's stock-based incentive plans may have shares withheld to cover income taxes upon the vesting of restricted stock awards. Shares withheld to cover income taxes upon the vesting of restricted stock awards are repurchased pursuant to the terms of the applicable plan and not under the Company's stock repurchase program. There were no shares repurchased pursuant to these plans during the three months ended June 30, 2023 September 30, 2023.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the three months ended June 30, 2023 September 30, 2023, no directors or executive officers of the Company adopted or terminated any contract, instruction or written plan for the purchase or sale of the Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) and/or any "Rule 10b5-1 trading arrangement."

ITEM 6. EXHIBITS

The following exhibits required by Item 601 of Regulation S-K are included with this Quarterly Report on Form 10-Q.

Exhibit Number	Description
31.1	Certification of Steven M. Klein, Chairman, President and Chief Executive Officer, Pursuant to Rule 13a-14(a) and Rule 15d-14(a).(1)
31.2	Certification of William R. Jacobs, Executive Vice President and Chief Financial Officer, Pursuant to Rule 13a-14(a) and Rule 15d-14(a).(1)
32	Certification of Steven M. Klein, Chairman, President and Chief Executive Officer, and William R. Jacobs, Executive Vice President and Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(1)
101.INS	XBRL (Extensible Business Reporting Language) 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	Cover page information from the Company's Quarterly Report on Form 10-Q filed August 9, 2023 November 8, 2023, formatted in Inline XBRL.

(1) Filed herewith.

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.

NORTHFIELD BANCORP, INC.
(Registrant)

Date: August 9, 2023 November 8, 2023

/s/ Steven M. Klein

Steven M. Klein
Chairman, President and Chief Executive Officer

/s/ William R. Jacobs

William R. Jacobs
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

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Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven M. Klein, certify that:

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

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

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

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

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

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

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

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

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2023 November 8, 2023

/s/ Steven M. Klein

Steven M. Klein
Chairman, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William R. Jacobs, certify that:

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

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

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

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

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

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

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

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

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2023 November 8, 2023

/s/ William R. Jacobs

William R. Jacobs
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Steven M. Klein, Chairman, President and Chief Executive Officer of Northfield Bancorp, Inc. (the "Company"), and William R. Jacobs, Executive Vice President and Chief Financial Officer of the Company, each certify in his capacity as an officer of the Company that he has reviewed the quarterly report of the Company on Form 10-Q for the quarter ended June 30, 2023 September 30, 2023, (the "Report") and that to best of his knowledge:

(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 Company.

/s/ Steven M. Klein — Date: August 9, 2023 November 8, 2023

Steven M. Klein
Chairman, President and Chief Executive Officer

/s/ William R. Jacobs — Date: August 9, 2023 November 8, 2023

William R. Jacobs
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.