Columbia Financial, Inc.

2021 ANNUAL REPORT

Corporate Profile

Columbia Financial, Inc. is the holding company for Columbia Bank and Freehold Bank. Columbia Bank has served the residents and businesses of New Jersey since 1927 and Freehold Bank, which we acquired in 2021, has served the residents and businesses of Freehold, New Jersey since 1853. Columbia Bank enjoys an established reputation for being a reliable, community-based financial institution, with assets of $9.2 billion, full service branch offices throughout New Jersey, along with three regional lending centers.

The mission of Columbia Bank is to operate as a high performing independent community bank that provides our customers and members of the community with a broad and appealing range of financial services, supported by excellence in quality of product, service and performance. Columbia Bank continues to build on its financial soundness and profitability, while also seeking out new opportunities to improve operational efficiencies, expand our branch network, grow community outreach programs and enhance our products and services.

CLBK

President's Message

Dear Shareholders,

Thomas J. Kemly, President & Chief Executive Officer

We are pleased to report that Columbia Financial, Inc. achieved outstanding profitability and maintained solid asset quality in 2021 despite disruptions from the Pandemic. This past year has been full of unique challenges as we supported community recovery efforts by participating in the Paycheck Protection Program ("PPP") as well as providing loan deferral relief for both our residential and commercial loan clients. We remained focused in our commitment to personalized service, and continued to deliver results for Columbia Bank and our customers. We invested in new technological initiatives which improved the customer experience, increased product offerings, and improved efficiencies, all of which have contributed to enhance the strength of our Company.

During the year ended December 31, 2021 we reported net income of $92.0 million, or $0.88 per basic and diluted share, as compared to net income of $57.6 million, or $0.52 per basic and diluted share, for the year ended December 31, 2020. Earnings for the year ended December 31, 2021 reflected higher net interest income, a lower provision for loan losses, higher non-interest income and lower non-interest expense, partially offset by higher income tax expense. Our favorable results reflect the strength of our balance sheet, particularly our credit quality, liquidity and capital levels. Total assets increased $425.6 million, or 4.8%, to $9.2 billion at December 31, 2021 from $8.8 billion at December 31, 2020 mainly due to the deployment of excess liquidity into higher yielding investments securities and loans and by reducing our cost of funds and prepaying higher costing debt. The growth we have achieved could not have been accomplished without the talent, focus, teamwork and commitment of our employees at every level of our organization.

During the year, we successfully completed the acquisition of Freehold Bank, which expands our footprint and provides opportunities to build upon our existing loan and deposit base. Our expansion and investment decisions have been sound and create value within our organization. We believe our community-based focus is attractive to our customers and distinguishes us from large regional banks that operate in our area. We intend to maintain this focus as we grow.

We believe that strong asset quality is a key to long-term financial success. The Company's non-performing loans at December 31, 2021 totaled $3.9 million, or 0.06% of total gross loans, as compared to $8.2 million, or 0.13% of total gross loans, at December 31, 2020.

Our capital position remains strong. Total stockholders' equity increased $67.8 million, or 6.7%, to $1.1 billion at December 31, 2021 from $1.0 billion at December 31, 2020. The increase was primarily attributable to net income of $92.0 million, an increase in paid-in-capital of $47.2 million due to the issuance of 2,591,007 shares of Company common stock to Columbia Bank MHC in connection with the Freehold acquisition, and a change in the pension obligation of $41.2 million, partially offset by the repurchase of 6,055,119 shares of common stock totaling $107.8 million under our stock repurchase program. Our strong capital position allows us to grow and innovate to retain and attract new customers, generate balance sheet growth, pursue acquisition opportunities, and provide returns to our stockholders.

During 2021, we continued to focus on digital transformation as we introduced a digital small business lending solution, online chat, appointment scheduling and a credit card platform. The hiring of specialized talent allows us to continue to innovate the client experience. With our automated mortgage process, along with record-high new home purchases and refinances, we continued to facilitate homeownership throughout our footprint. We also enhanced our cybersecurity systems and redesigned our investor relations website. We continue to expand our market reach through acquisitions and organic growth with the opening of a second Newark office in the fourth quarter of 2021 and the planned opening of two more offices in the second quarter of 2022.

Much of next year will be about continuing to innovate and execute on our strategic vision and optimize efficiency. We are committed to implementing new technologies and strategies to better serve our customers and enhance your investment. It is my pleasure to lead a strong organization and work with our dedicated directors and employees for the benefit of our shareholders. We thank you for your confidence and investment in CLBK.

Sincerely,

Thomas J. Kemly

Thomas J. Kemly, President & CEO

Financial Highlights

(Dollars In Thousands)	At or For the Years Ended Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Total assets	$9,224,097	$8,798,536	$8,188,694	$6,691,618
Debt securities available for sale	1,703,847	1,316,952	1,098,336	1,032,868
Debt securities held to maturity	429,734	262,720	285,756	262,143
Loans receivable, net	6,297,912	6,107,094	6,135,857	4,916,840
Deposits	7,570,216	6,778,624	5,645,842	4,413,873
Borrowings	377,309	799,364	1,407,022	1,189,180
Total stockholder's equity	1,079,081	1,011,287	982,517	972,060
Net interest income	$233,134	$221,573	$172,371	$164,034
Net income	92,049	57,603	54,717	22,736
Return on average assets	1.01%	0.66%	0.77%	0.36%
Return on average equity	8.98%	5.67%	5.50%	2.87%
Net interest margin	2.76%	2.72%	2.58%	2.74%
Allowance for loan losses as a percent of total gross loans	0.99%	1.21%	1.00%	1.26%
Non-performing assets as a percent of total assets	0.04%	0.09%	0.08%	0.04%
Tier 1 capital to adjusted total assets	11.23%	11.38%	12.92%	15.75%

Expanding our Market Presence

Columbia Bank is proud to welcome Freehold Bank. The acquisition of Freehold Bank expands our presence in contiguous markets thereby attracting new clients. Additionally, we announced the acquisition of RSI Bank in 2021, which is expected to be completed in the second quarter of 2022. As a result, RSI customers will enjoy an expanded ATM network, more branches, and access to a wider range of digital products and services. A significant part of our strategic plan is to continue to grow our branch network organically. We recently opened our second branch in Newark and have plans to open two more offices in Bergenfield and Teaneck during the second quarter of 2022. Renovations of our existing branches continue to provide our customers with an enhanced banking experience.

Emerging Technologies

With the use of digital transactions accelerating, we continue to collaborate with Fintechs for an enhanced customer experience. Leveraging data to create more personalized customer experiences through the use of SalesForce and nCino will continue to benefit customers in new ways. Digital Small Lending Business Solutions, Online Chat, Appointment Scheduling, a new Credit Card Platform, and Contactless Debit Cards are now a part of our capabilities. Additionally, our mortgage process automation ensures customers receive the best mortgage experience possible.

Client Experience

In 2021, Columbia Bank introduced a Client Experience Team tasked with tracking service metrics, support cases and complaints to identify trends as well as areas of opportunity. The team takes a proactive approach and ensures Columbia Bank continues offering a competitive product line. In 2021, among other things, the Client Experience Team tightened reporting, enhanced digital user experiences and built debit card efficiencies. Using both internal and external data, the team is able to bridge the best of relationship banking along with process automation.

Commercial Banking

We believe that our community based experience and expertise provides a "competitive edge" for business owners, professionals, entrepreneurs, and non-profits. As a leading provider of business banking and commercial services, the goal of our dedicated team of business banking officers and commercial lenders is to create a financial environment where businesses thrive based on long-term relationships.

Our commercial services are supported by centralized lending centers making local decisions in Fair Lawn, Edison, and Voorhees. Columbia Bank's product line is designed to support small and middle market, commercial and industrial, and real estate investment and development needs. Throughout our digital transformation we continue to make investments in emerging technology to further enhance our customer experience and build new client relationships. In addition to a convenient network of full service branches, our teams of business banking and commercial lending specialists are dedicated to each client.

We offer a full suite of Treasury Solutions. By adding speed and efficiency to their business banking functions, we help our clients save time, increase profitability and grow their assets. For example, we offer an innovative cash management platform for treasury management services including ACH originations and wire transfers, online bill payments, customized reporting and fraud detection software. Additionally, we have commercial credit cards, merchant services and lockbox services.

Professionals, including physicians, attorneys, accountants, and landlords, can benefit from the specialty banking services Columbia Bank provides. Additionally, Columbia Bank has a team of specialists that service municipalities, boards of education, charitable organizations and non-profit entities. Our banking specialists take the time to learn and understand the competitive demands and challenges each business type has before them to best provide the products and services they need.

Diversity & Inclusion

In keeping with its commitment to support and serve its communities, Columbia Bank is proud to be a sponsor of local events that celebrate diversity and inclusion. From a sensational Juneteenth celebration in Newark, to colorful Pride celebrations in Mahwah and Morristown, New Jersey can Count on Columbia to help create an inclusive culture where all people and businesses thrive. For our Hispanic Community, Columbia Bank also collaborated with Univision Contigo to present "Buying Your Home", a virtual chat in Spanish with experts on how to purchase your next home and mortgage opportunities!

Columbia Bank works hard every day to keep our Diversity, Equity and Inclusion Initiatives at the forefront of what we do. We recently launched eight Employee Resource Groups in efforts to craft an inclusive culture where all backgrounds, experiences and perspectives are welcome.

Community Involvement

Being Your Community Bank means more to us than just providing great banking services. Giving back and making an impact in our community is ingrained in our culture.

Through Team Columbia, our employees are offered fun and meaningful ways to give back, including events such as toy and food drives, walks for a cure, and employee field days. Employees who participate in Company approved events are able to volunteer on company time, at no cost to vacation or personal time.

In addition to Columbia Bank's charitable efforts, The Columbia Bank Foundation is now one of the largest private foundations in the state of New Jersey. We partner with local 501 (c)(3) organizations to fund innovative, need-based projects that help to build better, stronger communities.

The Columbia Bank Foundation actively seeks to provide support in seven major areas: affordable housing programs, community investment and economic development opportunities, financial literacy and educational opportunities, health and human services, food insecurities, environmental sustainability, and the arts. Special consideration is always given to programs that provide a measurable community impact. Throughout 2021, Team Columbia volunteered a total of 3,254 hours and the Columbia Bank Foundation donated approximately $2.6 million to local charitable organizations.

Week of Giving

During our Annual Week of Giving, Team Columbia members support the neighborhoods where they live and work, in consistent and meaningful ways.

Within the span of 6 days, Team Columbia embarked on its largest Week of Giving yet. Together we filled an estimated 700 volunteer slots, helped and donated to 43 organizations, volunteered approximately 1,300 hours and had nearly 100% participation from our employees and directors.

As a part of our Week of Giving initiative, Columbia Bank also donated 100 turkeys to those in need. The turkeys were personally delivered by bank employees to over 15 local organizations to help make the holiday season a little brighter.

Columbia Bank Foundation

Consistent with Columbia Bank's mission to serve the community, the Columbia Bank Foundation helps support local charitable causes and communities with grants on a sustained basis. Our goal is to make a difference in as many people's lives as we can and to do our part to help make our communities better, stronger and safer.

The Columbia Bank Foundation is committed to serving the needs of its local communities. The Foundation actively seeks and focuses on innovative programs that provide a measurable impact in the communities that it serves. Special consideration is always given to programs that provide a measurable community impact.

Employee Sponsored Giving

What matters to our employees, matters to our company. We enable employees to have a voice through our Employee Sponsored Giving program. Each month, employees across the bank are able to nominate organizations of their choice and vote to determine which organizations receive a donation.

Investor Information

Stock Listing
Common shares of Columbia Financial, Inc. trade on the Nasdaq Global Select Market under the symbol "CLBK."

Registrar and Transfer Agent
Broadridge Corporate Issuer Solutions
P.O. Box 1342
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1-800-586-1549
shareholder@broadridge.com
M-F 9:00 am to 6:00 pm ET

Corporate Headquarters
Columbia Financial, Inc.
19-01 Route 208 North
Fair Lawn, NJ 07410
1-800-522-4167

Investor Relations
1-833-550-0717

Executive Management

Thomas J. Kemly
President and
Chief Executive Officer

E. Thomas Allen, Jr.
Senior Executive Vice President
and Chief Operating Officer

Dennis E. Gibney
Executive Vice President
and Chief Financial Officer

W. Justin Jennings
Executive Vice President
Operations Officer

Geri M. Kelly
Executive Vice President
and Human Resources Officer

John Klimowich
Executive Vice President
and Chief Risk Officer

Mark S. Krukar
Executive Vice President
and Chief Credit Officer

Oliver Lewis
Executive Vice President
and Head of Commercial Banking

Allyson Schlesinger
Executive Vice President
and Head of Consumer Banking

Board of Directors

Noel R. Holland
Chairman of the Board and
Retired Andersen & Holland
Law Firm Partner

Thomas J. Kemly
President and
Chief Executive Officer

Frank Czerwinski
Retired Director of Real Estate
Operations for Philip Morris
Companies

James M. Kuiken
Director of Operations
Roche Molecular Systems, Inc.

Michael Massood, Jr.
President of Massood & Company,
P.A., CPAs

Elizabeth E. Randall
Former New Jersey Commissioner
of Banking and Insurance

Lucy Sorrentini
Chief Executive Officer
Impact Consulting, LLC

Daria S. Torres
Founder and Managing Partner of
Walls Torres Group LLC

Robert Van Dyk
President and
Chief Executive Officer
of Van Dyk Health Care

Paul Van Ostenbridge
Former President and
Chief Executive Officer
of Stewardship Financial Corp.

Information on Columbia Financial, Inc. can also be found at ColumbiaBankOnline.com

New Jersey Locations

Columbia Bank Locations

Aberdeen

Bernardsville

Cedar Grove

Clark

Colonia

Cranford

Deptford Twp.

East Brunswick

Edison
Edison
Raritan Center

Fairfield

Fair Lawn
Broadway
River Road
Radburn
Route 208
Saddle River Road

Franklin Lakes

Hawthorne

High Bridge

Kinnelon

Linden

Livingston

Lyndhurst

Maple Shade

Marlboro

Medford

Middletown

Midland Park

Montville

Morristown

Mount Laurel

Newark
Broad Street
Chestnut Street

North Haledon

Oakland

Old Bridge

Oradell

Paramus
Route 4
Route 17

Pequannock

Pompton Lakes

Pompton Plains

Ramsey

Roselle

Ridgewood

Saddle Brook

Sayreville

South Plainfield

Voorhees Twp.

Waldwick

Wayne
Packanack
PCTI
Wayne Hills
Wayne Valley

Washington Twp.

West Deptford

Westfield

West Milford

West Orange

Westwood

Woodbridge

Wyckoff

Freehold Bank Locations

Freehold
Main Street
Route 9 North

Coming soon to Bergenfield and Teaneck

Columbia Financial, Inc.

Corporate Headquarters: 19-01 Route 208 North • Fair Lawn, NJ 07410

Convenient modern banking in the ♥ of your neighborhood.

Visit us in a branch, online or follow us on social media. (800) 522-4167

ColumbiaBankOnline.com

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