



NASDAQ: CLBK

Sandler O'Neill East Coast Financial Services Conference

Thomas K. Kemly President and CEO
Dennis E. Gibney EVP, Chief Financial Officer

November 7, 2018

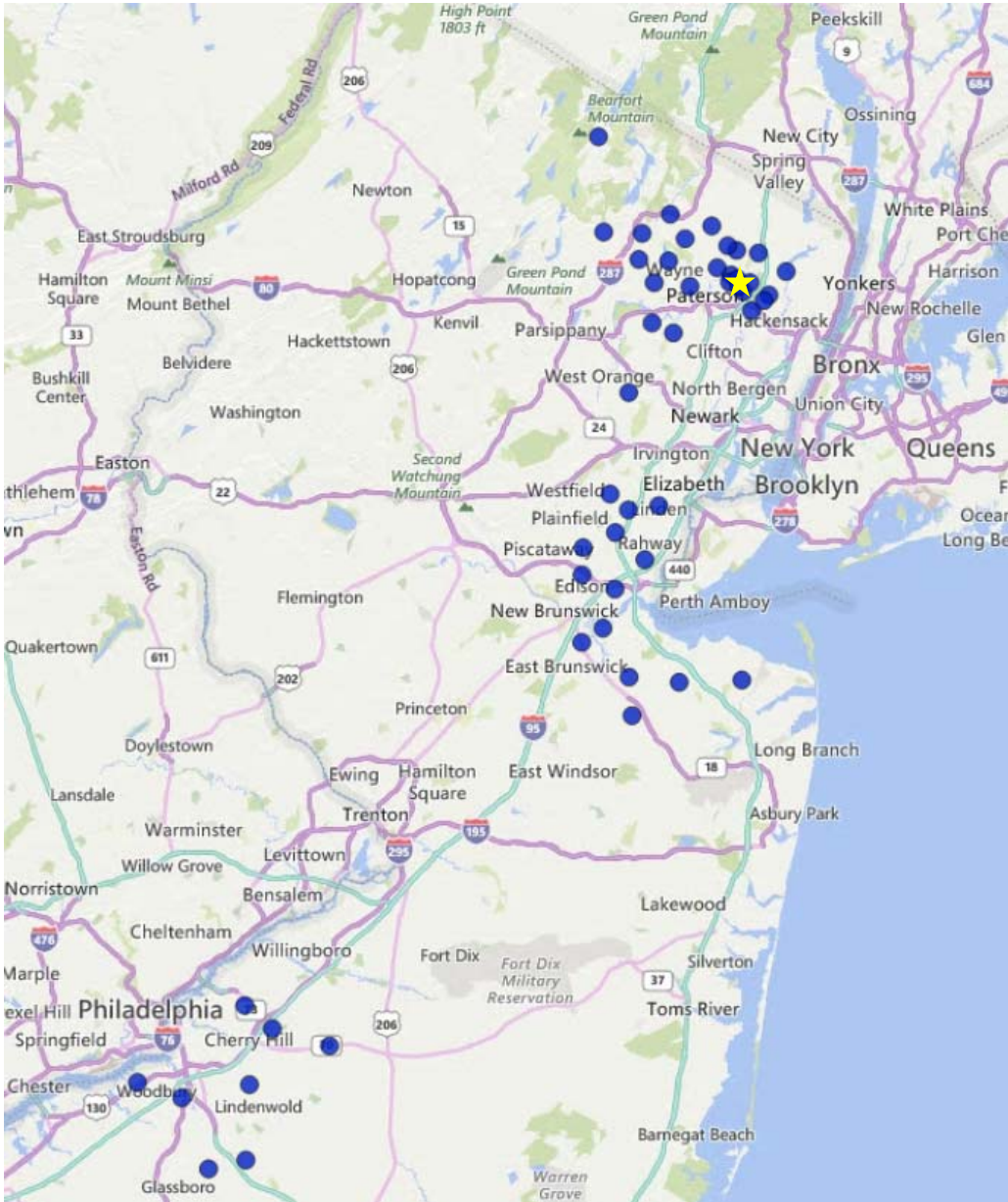
Safe Harbor Statement

THIS PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 REGARDING COLUMBIA FINANCIAL INC.'S EXPECTATIONS OR PREDICTIONS OF FUTURE FINANCIAL OR BUSINESS PERFORMANCE OR CONDITIONS. FORWARD-LOOKING STATEMENTS ARE TYPICALLY IDENTIFIED BY WORDS SUCH AS "BELIEVE," "EXPECT," "ANTICIPATE," "INTEND," "TARGET," "ESTIMATE," "CONTINUE," "POSITIONS," "PROSPECTS" OR "POTENTIAL," BY FUTURE CONDITIONAL VERBS "WILL," "WOULD," "SHOULD," "COULD" OR SUCH AS WILL, WOULD, SHOULD, COULD "MAY", OR BY VARIATIONS OF SUCH WORDS OR BY SIMILAR EXPRESSIONS. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO NUMEROUS ASSUMPTIONS, RISKS AND UNCERTAINTIES, WHICH CHANGE OVER TIME. FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE THEY ARE MADE AND WE ASSUME NO DUTY TO UPDATE FORWARD-LOOKING STATEMENTS. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM CURRENT PROJECTIONS.

IN ADDITION TO FACTORS PREVIOUSLY DISCLOSED IN COLUMBIA FINANCIAL'S REPORTS FILED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION AND THOSE IDENTIFIED ELSEWHERE IN THIS PRESENTATION, THE FOLLOWING FACTORS AMONG OTHERS, COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM FORWARD-LOOKING STATEMENTS OR HISTORICAL PERFORMANCE: CHANGES IN ASSET QUALITY AND CREDIT RISK; THE INABILITY TO SUSTAIN REVENUE AND EARNINGS GROWTH; OUR ABILITY TO CONTROL COSTS AND EXPENSES; CHANGES IN INTEREST RATES AND CAPITAL MARKETS; LOAN DELINQUENCY RATES; INFLATION; CUSTOMER ACCEPTANCE OF COLUMBIA BANK PRODUCTS AND SERVICES; CUSTOMER BORROWING, REPAYMENT, INVESTMENT AND DEPOSIT PRACTICES; CUSTOMER DISINTERMEDIATION; THE INTRODUCTION, WITHDRAWAL, SUCCESS AND TIMING OF BUSINESS INITIATIVES; COMPETITIVE CONDITIONS AND OUR ABILITY TO OFFER COMPETITIVE PRODUCTS AND PRICING; THE INABILITY TO REALIZE COST SAVINGS OR REVENUES OR TO IMPLEMENT INTEGRATION PLANS AND OTHER CONSEQUENCES ASSOCIATED WITH MERGERS, ACQUISITIONS AND DIVESTITURES; NATIONAL, REGIONAL AND LOCAL ECONOMIC CONDITIONS; AND THE IMPACT, EXTENT AND TIMING OF TECHNOLOGICAL CHANGES, CAPITAL MANAGEMENT ACTIVITIES, AND OTHER ACTIONS OF THE FEDERAL RESERVE BOARD AND OTHER LEGISLATIVE AND REGULATORY ACTIONS AND REFORMS. THESE FACTORS SHOULD BE CONSIDERED IN EVALUATING THE FORWARD-LOOKING STATEMENTS AND UNDUE RELIANCE SHOULD NOT BE PLACED ON SUCH STATEMENTS.

THIS PRESENTATION ALSO INCLUDES INTERIM AND UNAUDITED FINANCIAL INFORMATION THAT IS SUBJECT TO FURTHER REVIEW BY COLUMBIA FINANCIAL'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

Background



- Columbia Financial Inc. (“CLBK”) is the mid-tier holding company for Columbia Bank (the “Bank”), a community bank with 49 branches.
- CLBK is in the mutual holding company (“MHC”) structure and completed its minority stock offering of 46% of the total shares outstanding (43% to depositors and 3% to a charitable foundation) on April 20, 2018, raising \$498.3 million in gross proceeds. The remaining 54% of the total shares outstanding is owned by Columbia Bank, MHC.
- Established in 1927, the Bank is headquartered in Fair Lawn, NJ and operates branches in 10 New Jersey counties.
- The Bank attracts deposits from businesses and the general public and uses those funds to originate a variety of loans including commercial real estate and multifamily loans, residential mortgages, commercial business loans, construction loans, home equity loans and other consumer loans.
- In addition to deposit and loan fees, the Bank offers title insurance through First Jersey Title Services, the Bank’s wholly owned subsidiary and insurance and investment advisory services through a third party relationship.

Strategy

- Increasing earnings through the growth of our balance sheet
- Expanding our commercial business relationships
- Continuing to emphasize the origination of 1-4 family residential mortgage loans
- Increasing fee income through continued growth of fee-based activities
- Expanding our franchise through de novo branching, branch acquisitions and the possible acquisition of other financial institutions and/or financial service companies
- Maintaining asset quality through the application of a prudent, disciplined approach to credit risk as part of an overall risk management program
- Expanding our technology infrastructure to broaden our product capabilities and improve product delivery and efficiency
- Focusing on enhanced customer experience and continued customer satisfaction
- Employing a shareholder-focused management of capital

Vested Interest

- Directors and Executive Officers have individually purchased approximately 785 thousand shares as of November 1, 2018.
- The IPO purchase limitation for individuals and groups was 55 thousand shares. Insiders did not receive any preference in the IPO and some Executive Officers and Directors had their orders cut back due to the level of oversubscription.
- In total, Directors and employees subscribed for 3.0 million shares and were allocated 2.3 million shares (5% of the shares sold) in the IPO.
- A ESOP plan was established as part of the IPO and presently holds 4.5 million shares (9% of the shares sold).
- All Directors, Executive Officers and Senior Vice Presidents have share holding requirements to meet by the fifth anniversary of the IPO equal to: CEO = 5x salary, Directors = 3x fees, Sr. EVP/EVPs = 3x salary and SVPs = 1.5x salary.

Holder	Position	Common Stock Equivalent Held	Percent of Shares Outstanding	Percent of Minority Shares Outstanding	Market Value (\$000)	Position Date	Source
Directors							
Noel R. Holland	Chairman of the Board	55,000	0.05%	0.10%	\$ 857	4/19/2018	13D
Thomas J. Kemly	President, CEO and Director	122,575	0.11%	0.23%	1,910	11/1/2018	Form 4
Frank Czerwinski	Director	55,000	0.05%	0.10%	857	4/19/2018	13D
Raymond G. Hallock	Director	55,000	0.05%	0.10%	857	4/19/2018	13D
Henry Kuiken	Director	85,775	0.07%	0.16%	1,336	8/29/2018	Form 4
Michael Massood Jr.	Director	48,030	0.04%	0.09%	748	5/24/2018	Form 4
Elizabeth E. Randall	Director	24,942	0.02%	0.05%	389	4/19/2018	13D
John R. Salvetti	Director	18,000	0.02%	0.03%	280	8/14/2018	Form 4
Robert Van Dyk	Director	55,000	0.05%	0.10%	857	4/19/2018	13D
Executive Officers							
Edward Thomas Allen Jr.	SEVP and Chief Operating Officer	56,351	0.05%	0.11%	878	9/4/2018	Form 4
Joseph Francis Dempsey Jr.	EVP and Head of Commercial Banking	3,000	0.00%	0.01%	47	10/30/2018	Form 4
Dennis E. Gibney	EVP and Chief Financial Officer	65,000	0.06%	0.12%	1,013	10/30/2018	Form 4
Geri M. Kelly	EVP and Human Resources Officer	55,385	0.05%	0.10%	863	9/10/2018	Form 4
John Klimowich	EVP and Chief Risk Officer	16,890	0.01%	0.03%	263	8/2/2018	Form 4
Mark S. Krukar	EVP and Chief Credit Officer	32,800	0.03%	0.06%	511	4/19/2018	13D
Brian W. Murphy	EVP and Operations Officers	31,100	0.03%	0.06%	485	4/19/2018	13D
Allyson Katz Schlesinger	EVP and Head of Consumer Banking	4,876	0.00%	0.01%	76	10/31/2018	Form 4
					\$	12,226	

Market value is calculated using the closing price 15.58 USD as of 11/2/2018.

Recent Additions to the Team



Allyson Schlesinger was appointed as Executive Vice President, Head of Consumer Banking in September 2018. In that role, Ms. Schlesinger is responsible for the Retail Banking, Retail Lending, Wealth Management and Marketing Divisions of Columbia Bank. Ms. Schlesinger was previously with Citigroup, Inc. for 25 years, most recently as its Managing Director, U.S. Retail and Division Manager for Citi's New York City and New Jersey markets. In this role she led their largest branch market globally, and helped to implement the "Big Apple" strategy by deploying next generation banking centers, and championing new digital strategies. Ms. Schlesinger holds a Bachelor's Degree from the University of Michigan.

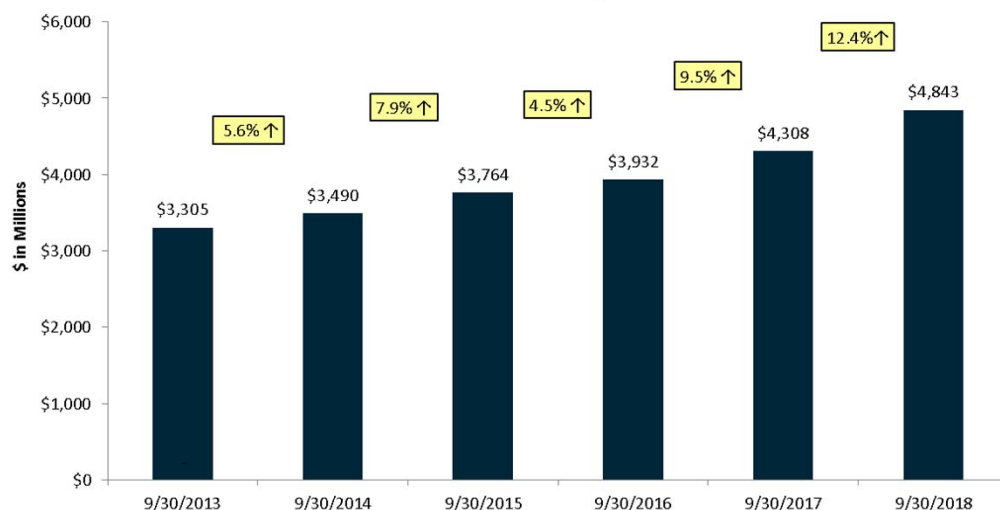


Joseph Dempsey was appointed as Executive Vice President, Head of Commercial Banking in September 2018. In that role, Mr. Dempsey is responsible for Columbia Bank's Commercial Lending functions, including C&I, SBA, Middle Market Lending, Commercial Real Estate and Construction financing, as well as the Bank's Business Development Division. Mr. Dempsey previously served as New Jersey Market President and Chair of Market Leadership Team at JP Morgan Chase, where he directed Chase's middle market operations for the State of New Jersey before moving to Capital One as its Senior Regional Commercial Credit Officer. In that role, he was responsible for Middle Market lending activities in New Jersey, New York, Long Island and Pennsylvania. Mr. Dempsey holds a Bachelor's Degree from Dartmouth College and an M.B.A. in Finance from New York University.

In addition to Ms. Schlesinger and Mr. Dempsey, we have hired Elizabeth De Laney, formerly of Valley National Bank, as SVP, Retail Lending and Linda LeMond, formerly of Orange Bank and Trust Co., as SVP, Treasury Management to implement and support treasury management services for commercial customers.

Lending

Loans Receivable, net

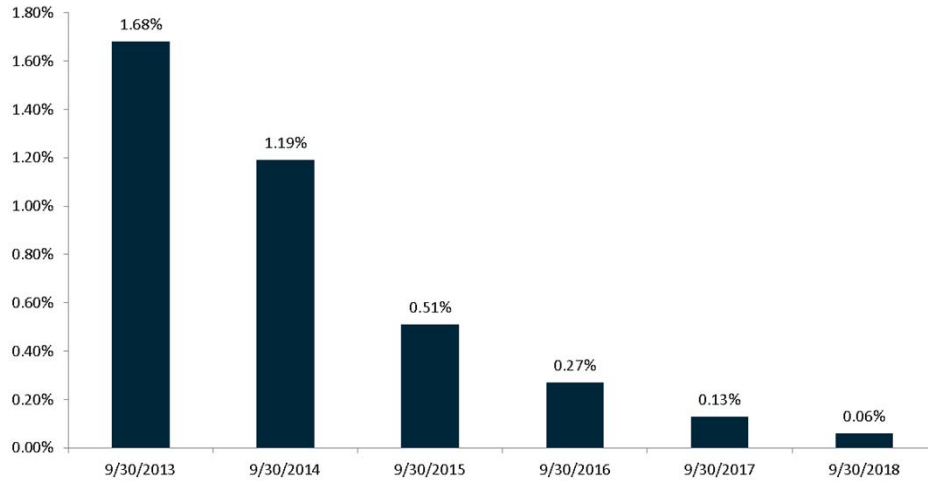


Loan Type	9/30/2013	9/30/2018	% Change
\$ in thousands			
Residential Real Estate	\$ 1,450,431	\$ 1,823,266	25.7%
Home Equity / Consumer	537,727	405,056	-24.7%
Commercial Real Estate	1,129,381	2,089,130	85.0%
Construction	128,262	269,729	110.3%
Commercial	117,400	304,221	159.1%
Total Loans	3,363,201	4,891,402	45.4%
Net Deferred Loan Costs	2,874	15,301	
Allowance for Loan Losses	(61,292)	(63,406)	
Loans Receivable, Net	\$ 3,304,783	\$ 4,843,297	

- In September 2018, the Bank segregated its lending function from its credit function to provide more independence and enhance credit oversight.
- Mark Krukar assumed the role of Chief Credit Officer and Joseph Dempsey was hired as EVP, Head of Commercial Banking.
- The Bank intends to continue to grow all segments of its loan portfolio, but will have a greater emphasis on commercial segments.
- The Bank is currently increasing its commercial lending team in order to source new relationships and loans.
- Historically, the Bank had limited its lending to properties or borrowers located in New Jersey. More recently, the Bank has followed existing commercial borrowers outside the state thereby expanding the market area for new borrowers to the neighboring States of Pennsylvania, New York and Connecticut.
- Residential mortgage lending has expanded to Pennsylvania and New York counties contiguous to our market area.
- The Bank will seek to sell a portion of its residential originations to support the growth of servicing fee income.

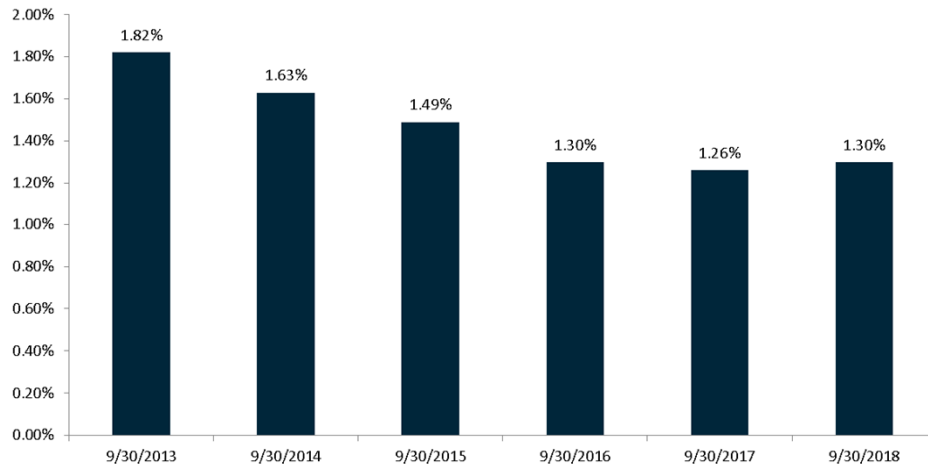
Asset Quality

NPAs / Total Assets

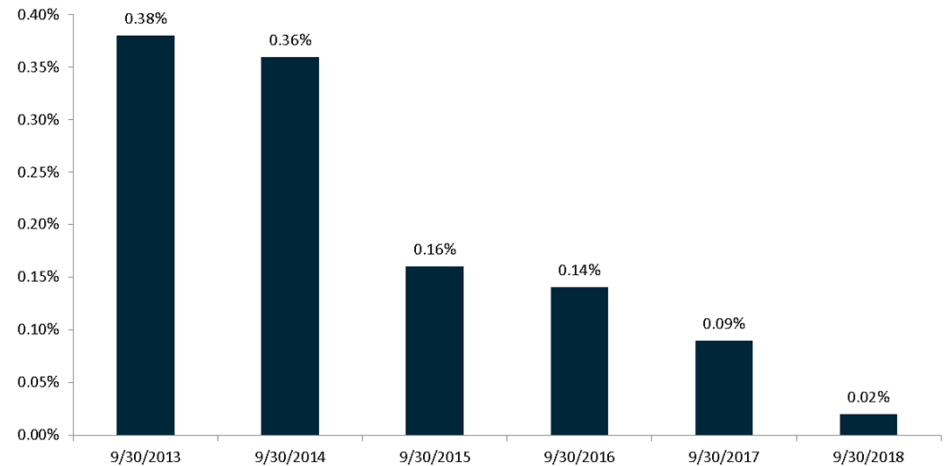


- NPAs to assets have declined from 1.68% of assets at September 30, 2013 to 0.06% of assets at September 30, 2018.
- While credit quality is strong, the Company operates in a judicial state with consumer friendly foreclosure and eviction laws and practices which elongate the collection process for mortgages. The Company periodically elects to sell delinquent loans to shorten the collection process.
- ALLL to loans was 1.30% at September 30, 2018.
- As previously noted, in order to further strengthen credit oversight as we grow, the Company has segregated its Credit Department from Commercial Lending to improve independence and enhance credit oversight.

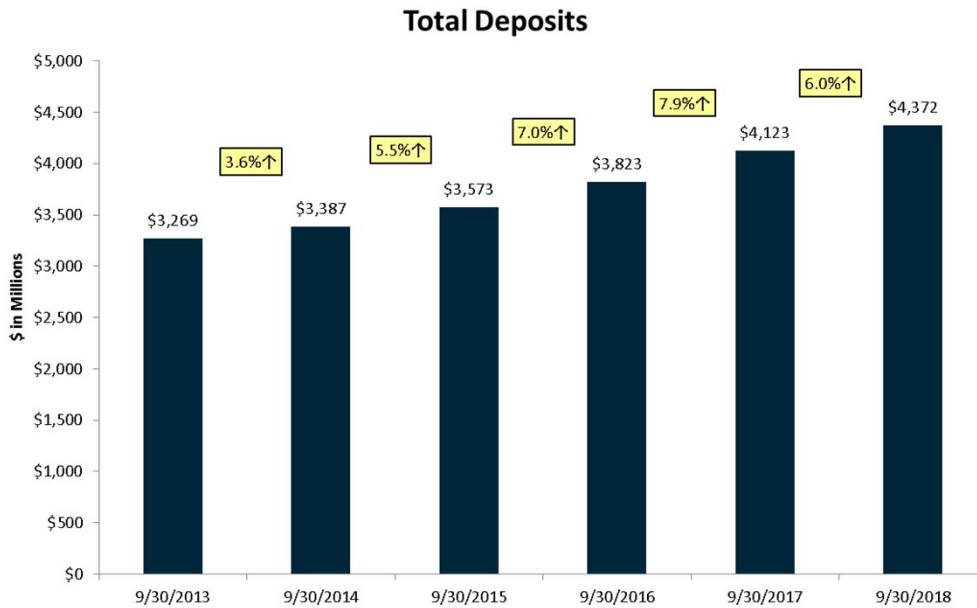
ALLL / Total Loans



NCOs / Loans

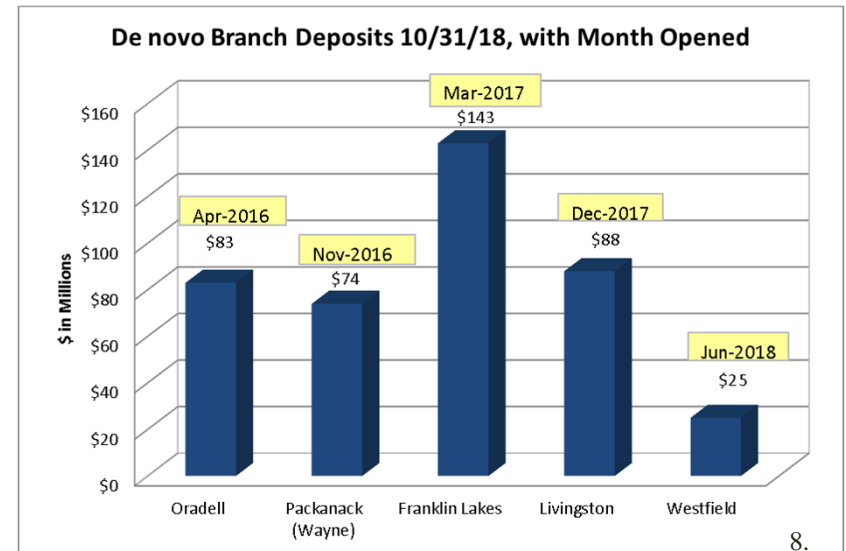
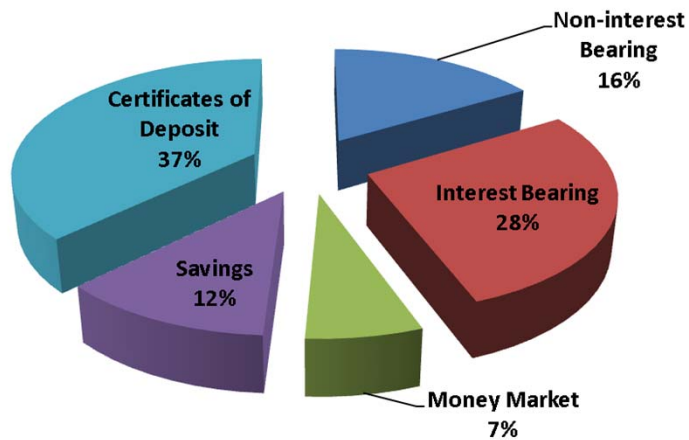


Deposits



- The Company's primary source of funds is deposits, which are comprised of transaction accounts, money market accounts, savings accounts and certificates of deposit.
- Deposit growth is sourced through our retail branch network in conjunction with the efforts of our business development and commercial lending teams.
- The Company will seek to add de novo branches to enter new markets and expand market penetration.
- The Company does not currently use brokered deposits or on-line listing services to attract deposits.

Total Deposits Breakdown as of 9/30/2018



Investments and Borrowings

At September 30, 2018

	Amortized Cost	Fair Value
	In thousands	
Securities Available-for-Sale		
US government and agency obligations	\$ 54,813	\$ 53,163
Agency MBS and CMOs	902,572	872,686
Municipal obligations	1,587	1,587
Corporate debt securities	54,492	53,392
Trust preferred securities	5,000	4,593
Equity securities	783	1,655
Total	\$ 1,019,247	\$ 987,076
Securities Held-to-Maturity		
US government and agency obligations	\$ 23,404	\$ 22,857
Agency MBS and CMOs	240,780	228,560
Total	\$ 264,184	\$ 251,417

Yield for the three months ended September 30, 2018 was 2.75%

Securities

- The \$1.2 billion security portfolio, at fair value, is primarily comprised of government and GSE securities.
- The portfolio is highly liquid and generates consistent cash flow.
- The Company will assume duration risk. The portfolio had a duration of 4.4 at September 30, 2018.

Borrowings

- At September 30, 2018, all borrowings are with the FHLB of New York as a counterparty.
- Longer term fixed-rate borrowings are used to offset the duration of the residential mortgage portfolio.
- The Company will borrow on a three-month rolling basis and utilize interest rate swaps to hedge interest costs for terms up to seven years.
- The Company redeemed the entire \$51.5 million of 8.00% trust preferred securities in August 2018.

Earnings

Columbia Financial, Inc. Summary Income Statement

(\$ in thousands)

	For nine months ended	
	2018	2017
Interest and dividend income	\$ 164,508	\$ 140,098
Interest expense	43,847	33,723
Net interest income	120,661	106,375
Provision for loan losses	5,900	6,426
Non-interest income	15,280	12,266
Non-interest expense	114,372	79,995
Pre-tax income	15,669	32,220
Income tax expense	7,800	11,140
Net income	<u>\$ 7,869</u>	<u>\$ 21,080</u>
Core net income	\$ 35,251	\$ 26,195
Reconciliation of GAAP to Non-GAAP Financial Measures		
<u>Reconciliation to Core Net Income</u>		
Net income	\$ 7,869	\$ 21,080
Add: contribution to foundation, net of tax	27,466	2,281
Add: losses (gains) on sale of investment securities, net of tax	(84)	2,834
Core net income	<u>\$ 35,251</u>	<u>\$ 26,195</u>

Digital Platform and Strategy

- The Company completed its core system conversion in 2015 to a state-of-the-art banking platform to facilitate real time transactions.
 - This real time platform allows the Company to support online account opening, mobile transactions and creates an enhanced user experience across our digital banking channels
 - The platform also facilitates P2P payments and advanced fraud monitoring applications
- In 2016, the Company implemented a residential and consumer origination system to enhance productivity and customer experience. Online loan applications are fully supported.
- The Q2 Business Treasury Management platform was implemented in 2018, enabling the Company to match the offerings of money center banks and far exceeding the capabilities of many of our regional peers.
- A CRM and Commercial Loan Origination System will be implemented in 2019, which we believe will enhance the capability and efficiency of both our salesforce and back office.

Mobile App Survey Taken the Week of September 17, 2018

	Columbia Bank	Money Center Bank 1	Money Center Bank 2	Regional Competitor 1	Regional Competitor 2
Touch ID	X	X	X	X	X
Account Transfers	X	X	X	X	X
Bill Pay	X	X	X	X	X
Remote Check Deposit	X	X	X	X	X
P2P Payments	X	X	X		
Loan Payments	X	X	X		
ATM Preferences	X	X			
Online Statements	X	X	X	X	
Account Opening	X				
Find a Branch	X	X	X	X	X
Credit Score		X	X		
Card Management	X (Separate App)	X	X		X (Separate App)
Personal Financial Management			X		
Apple Watch			X	X	

Money Center Banks are assumed to have assets >\$100B and Regional Competitors have assets > \$10B.




Columbia Bank Mobile Banking
 Has Been Rated
4.8 OUT OF 5 STARS!
 One of Banking's Highest Rated Apps
 On The iOS App Store!
 Download It Today!



What Differentiates CLBK?

- We are fully invested in the success of the Company
- We have a long tenured management team and have supplemented the team with strong outside hires.
- We are further along in developing our commercial business line than our thrift counterparts
- We source the overwhelming majority of our commercial loan originations
- We invest where appropriate, but maintain a discipline of cost control
- We have developed a robust enterprise risk management culture and maintain strong regulatory relationships
- We have a strong interest rate risk management program
- We are agile with the ability to adapt to changing market conditions
- We offer a challenging and rewarding work environment with strong employee loyalty
- We maintain a strong commitment to the communities we serve