Fourth Quarter 2013

Columbia Banking System Inc.

Cautionary Note: Forward Looking Statements

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements relate to future events and expectations and involve known and unknown risks and uncertainties. Actual results may differ materially from those currently expected or projected in these forward-looking statements. These forward-looking statements are based on current expectations and assumptions, and we assume no obligation to update these forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements. For risks relating to these forward-looking statements and factors that could cause actual results to differ materially from those anticipated, please review Columbia's latest Annual Report on Form 10-K and Quarterly Reports on Form 10-Q (including the "Risk Factors," "Business" and "Management's Discussion and Analysis" sections therein) and other filings with the Securities and Exchange Commission.

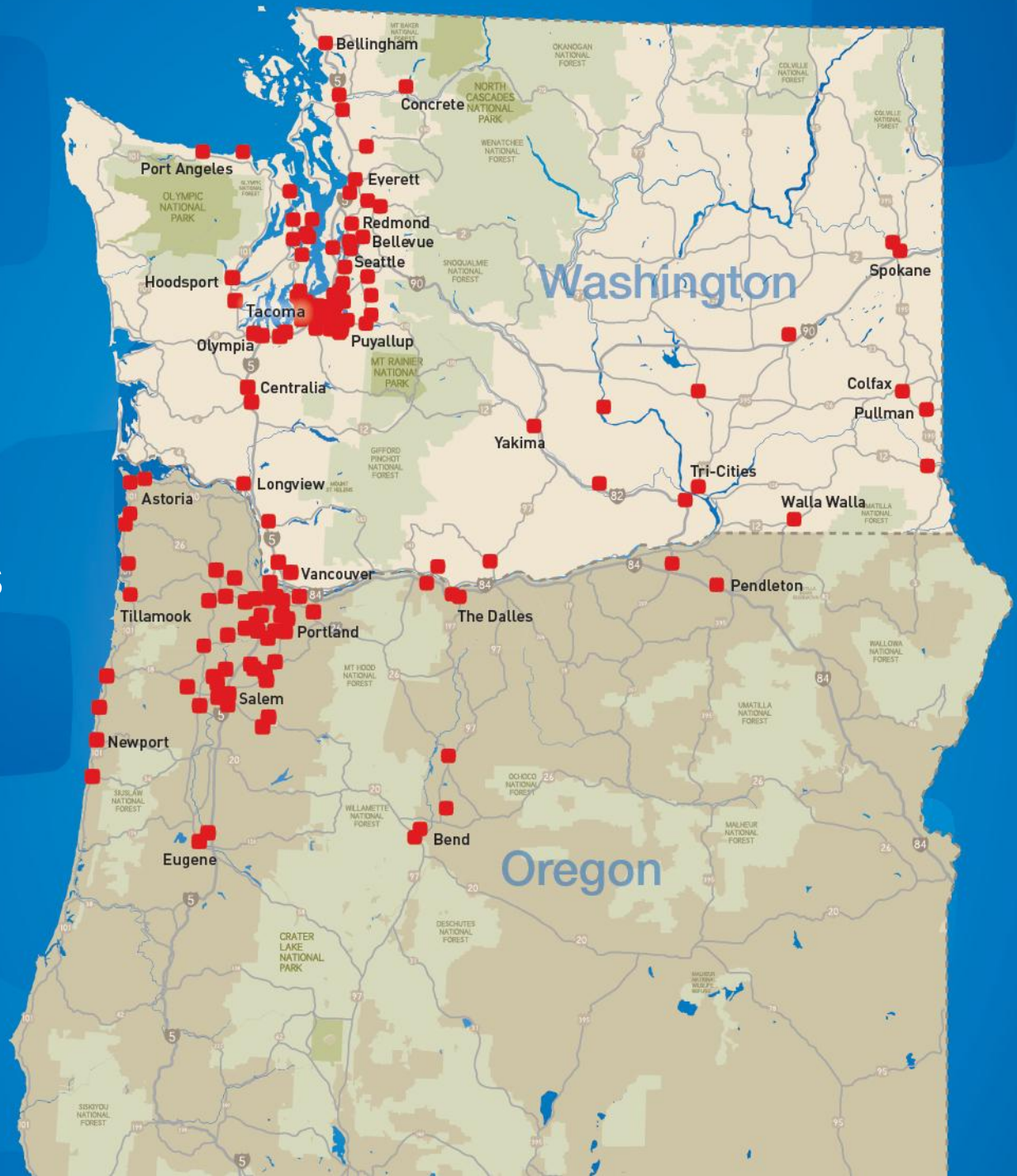
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Columbia Footprint

Strong retail system of 140 branch locations in the Pacific Northwest built through de novo branching and strategic acquisitions



Integration of West Coast Bank

- Transaction closed April 1, 2013; the quarterly earnings accretion after the first full year was realized during fourth quarter, 2013.
- Estimated annual cost savings of $20.9 million have been identified, with $18.8 million implemented as of year-end 2013.
- Merger related expenses for the transaction totaled $27.3 million through year-end 2013, and are expected to approximate the $30.0 million estimated when the deal was signed.
- Core data conversion completed third quarter, 2013.
- Loan and deposit production consistent with legacy Columbia Bank footprint.

Share of Deposit Market in Footprint

Washington

2013 Rank	Institution (ST)	2013 Deposits ($000s)	2013 Market Share*
1	Bank of America (NC)	25,259,298	21.45%
2	Wells Fargo (CA)	13,550,440	11.51%
3	U.S. Bank (MN)	12,841,179	10.90%
4	JP Morgan Chase (NY)	11,122,022	9.44%
5	Key Bank (OH)	8,556,094	7.26%
6	Washington Federal (WA)	4,314,346	3.66%
7	**Columbia Bank**	**3,530,866**	**3.00%**
8	Sterling Savings (WA)	3,404,310	2.89%
9	Union Bank (Mitsubishi UFJ)	3,078,558	2.61%
10	Washington Trust (WA)	3,062,066	2.60%
Other Institutions in Market		**29,053,161**	**24.68%**
Total for Institutions in Market		**117,772,340**	**100.00%**

Oregon

2013 Rank	Institution (ST)	2013 Deposits ($000s)	2013 Market Share*
1	U.S. Bank (MN)	12,071,085	20.60%
2	Wells Fargo (CA	9,434,782	16.10%
3	Bank of America (NC)	9,030,717	15.41%
4	JP Morgan Chase (NY)	4,516,040	7.71%
5	Umpqua Bank (OR)	4,417,571	7.54%
6	Key Bank (OH)	3,249,570	5.55%
7	**Columbia Bank**	**2,309,155**	**3.94%**
8	Washington Federal (WA)	1,902,495	3.25%
9	Sterling Savings Bank (WA)	1,798,826	3.07%
10	Bank of the West (CA)	1,099,102	1.88%
Other Institutions in Market		**8,769,542**	**14.95%**
Total for Institutions In Market		**58,598,885**	**100.00%**

* Based on June 30, 2013 FDIC deposit market share data

2013 – A Year in Review

- Acquisition of West Coast Bancorp completed on April 1, 2013.
- Successful operating system conversion in August, 2013
- Total Assets $7.16 billion, up 46% from $4.91 billion at 12/31/2012
- Total noncovered Loans $4.22 billion, up 67% from $2.53 billion the prior year
- Total deposits $5.96 billion, up 47% from $4.04 billion the prior year
  - Core deposits 96% of total deposits
- Record production of over $800 million in loan originations throughout footprint; $240 million in 4th quarter 2013
- Nonperforming assets to period end noncovered assets reduced to 0.84%
- Celebrated 20th Anniversary – August 2013

As of December 31, 2013

Columbia Overview – An Historical Look Back

- Doors opened in Tacoma, Washington headquarters in August, 1993
- Organic growth first five years (1992-1996)
  - Average annual growth rate for total assets: 38.9%
  - From 4 to 16 branches
- Cascade Bancorp acquisition (December 1997); $97 million in assets
- Bank of Fife acquisition (December 1997); $34 million in assets
- Bank of Astoria acquisition (October 2004); $203 million in assets
- Mount Rainier Bank acquisition (July, 2007); $266 million in assets
- Town Center Bank acquisition (July, 2007); $166 million in assets
- Raised $120 million through stock offering (August, 2009)
- $240 million common stock issued (May 2010)

Columbia Overview – An Historical Look Back

- Repaid all $76.9 million in Capital Purchase Program funds (August 2010)
- Repurchased common stock warrant issued to U.S. Treasury (Sept. 2010)
- FDIC-assisted acquisitions:
  - Columbia River Bank (January, 2010) $913 million in assets
  - American Marine Bank (January, 2010) $308 million in assets
  - Bank of Whitman (August, 2011) $438 million in assets
  - First Heritage Bank (May, 2011) $165 million in assets
  - Summit Bank (May, 2011) $131 million in assets
- Redeemed trust preferred obligations (July, 2011)
- Announced definitive agreement with West Coast Bancorp (September 26, 2012).
- West Coast acquisition completed April 1, 2013; $2.42 billion in assets

Positive Business Climate & Economic Outlook

- **Washington** continues to outpace the U.S. as a whole; **Oregon** is showing steady economic growth. Seattle, WA and Portland, OR metro areas leading the recovery
- **Unemployment** rates improving in Washington & Oregon, with net gain in jobs
- **Seattle & Tacoma ports** rank #9 and #8, respectively, in the west coast top 10 in terms of container traffic
- **Military a major driver of NW economy**. Over 90,000 Active and Civilian personnel across Washington and Oregon; provides over $3 billion annually in total payroll
- **Home prices** rising, with the Pacific Northwest above the national median.
- **Export-driven, diversified economy** steadily improving in the Pacific Northwest, one of the fastest growing areas of the country.

Operating Results Highlights

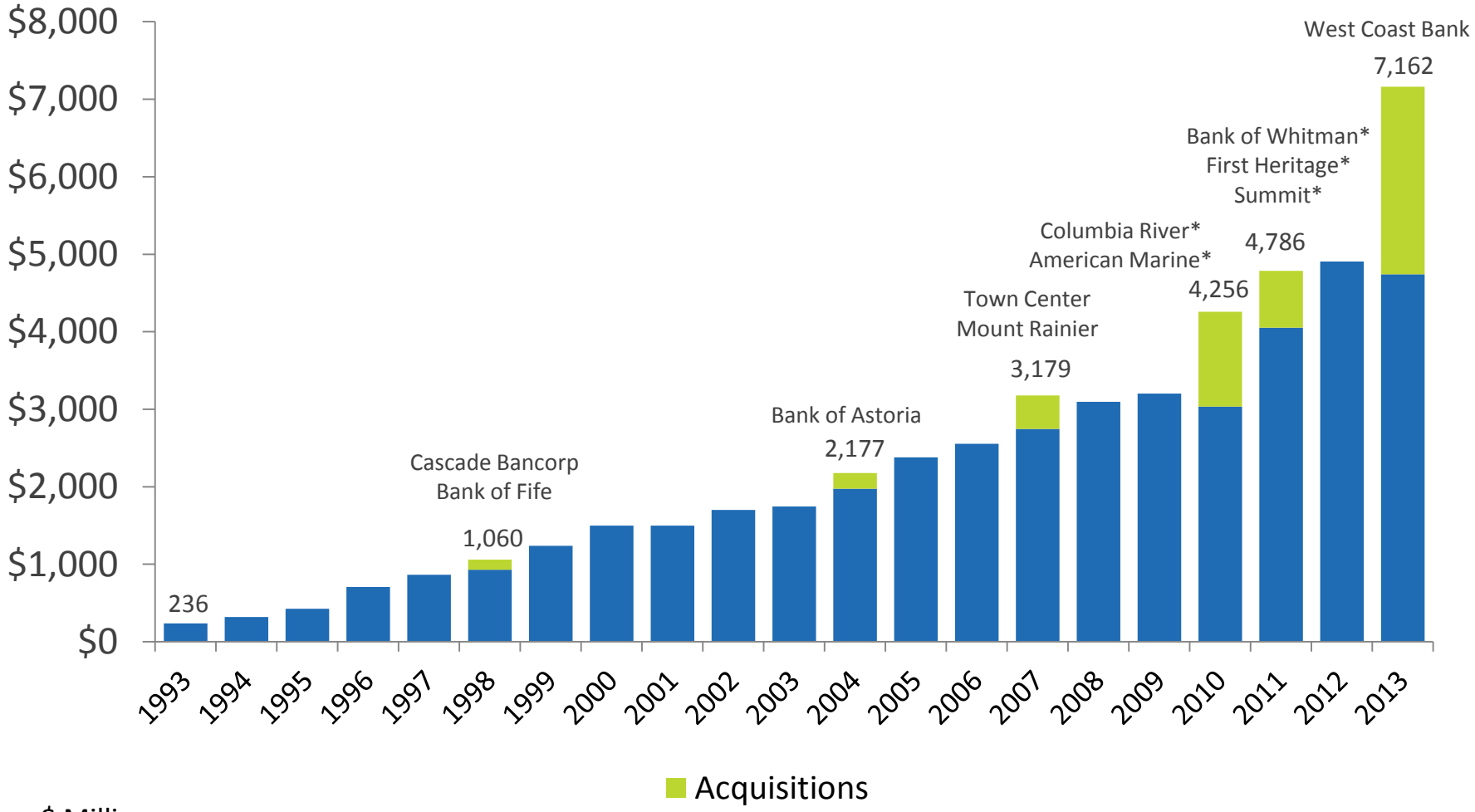
$ in Thousands	4Q13	3Q13	2Q13	1Q13	2013	2012
Operating Net Interest Inc	$63,892	$63,061	$61,879	$44,037	$232,869	$177,750
Prov /(Recap) for Loan Losses	(2,100)	4,260	2,000	(1,000)	3,160	13,475
Net Int Inc after Provision	**65,992**	**58,801**	**59,879**	**45,037**	**229,709**	**164,275**
Noninterest Income	20,183	19,448	19,853	11,771	71,255	47,792
Noninterest Expense	56,981	58,087	57,891	39,700	212,659	161,398
Pre-tax Operating Income	**29,194**	**20,162**	**21,841**	**17,108**	**88,305**	**50,669**
Impact of Acquired Loan Acctg	(1,248)	(3,362)	(3,149)	(2,249)	(10,008)	10,872
Impact of Acctg on Other Acqu'd Loans	6,540	10,025	9,635	--	26,200	--
Gain/(Loss) on Inv Securities	--	--	92	370	462	3,733
Gain/(Loss) on OREO & OPPO	1,308	806	2,820	2,605	7,539	211
West Coast Merger Expense	(7,910)	(7,621)	(9,234)	(723)	(25,488)	(1,780)
Tax Provision/(Benefit)	7,911	6,734	7,414	4,935	26,994	17,562
Net Income	**$19,973**	**$13,276**	**$14,591**	**$12,176**	**60,016**	**$46,143**
Earnings per Share *	$0.38	$0.25	$0.28	$0.31	$1.21	$1.16
Pre-tax Op Inc (before LL Provision)	*$27,094*	*$24,422*	*$23,841*	*$16,108*	*$91,465*	*$64,144*

* Due to averaging of shares, quarterly EPS may not add up to the totals reported for the full year.

Balance Sheet Highlights

$ in Millions	4Q13	3Q13	2Q13	1Q13	2012	2011
Total Assets	$7,162	$7,150	$7,070	$4,905	$4,906	$4,786
Noncovered Loans, net	$4,219	$4,194	$4,181	$2,621	$2,526	$2,348
Covered Assets, net	$290	$315	$352	$377	$408	$560
Core Deposits	$5,696	$5,663	$5,468	$3,797	$3,802	$3,510
Total Deposits	$5,959	$5,949	$5,748	$4,047	$4,042	$3,816
Nonperforming Assets/ Noncovered Assets	0.84%	0.87%	1.01%	0.99%	1.08%	2.02%
Return on Average Assets	4Q13: 1.11% FY 2013: 0.92%	0.75%	0.82%	1.02%	0.96%	1.07%
Return on Average Common Equity	4Q13: 7.57% FY 2013: 6.14%	5.13%	5.56%	6.43%	6.06%	6.57%

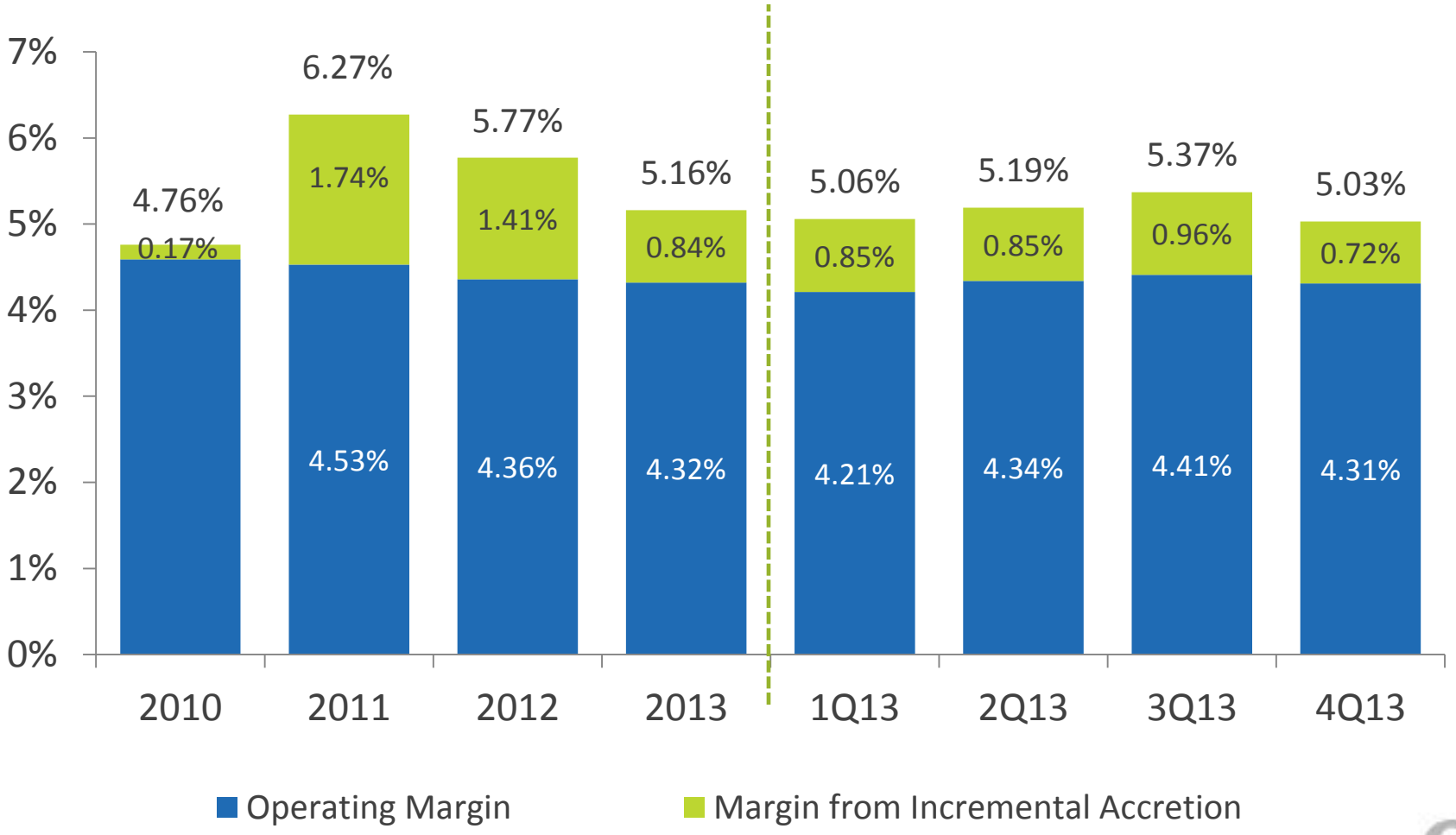
Growth of Total Assets 1993 - 2013



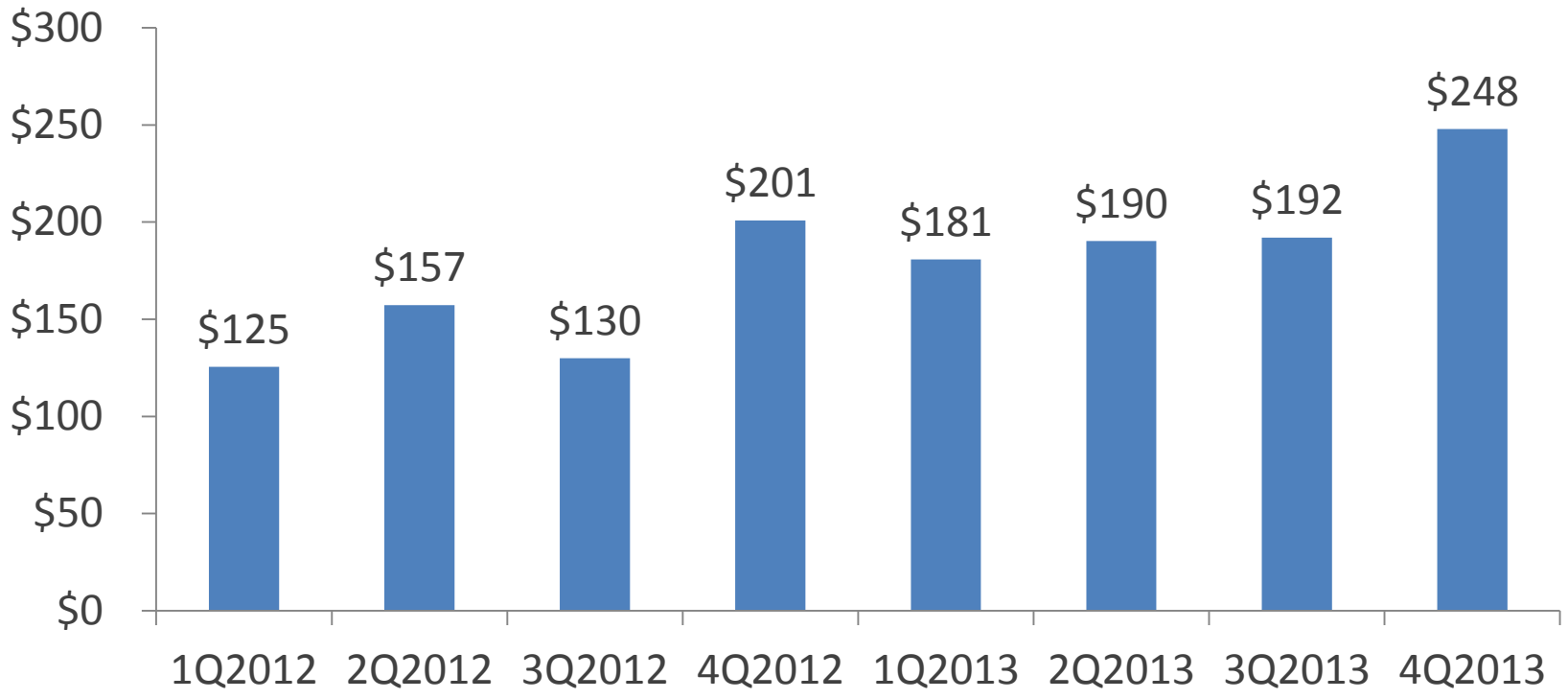
$ Millions

* FDIC Assisted Acquisition

Stable Operating Net Interest Margin



New Loan Originations



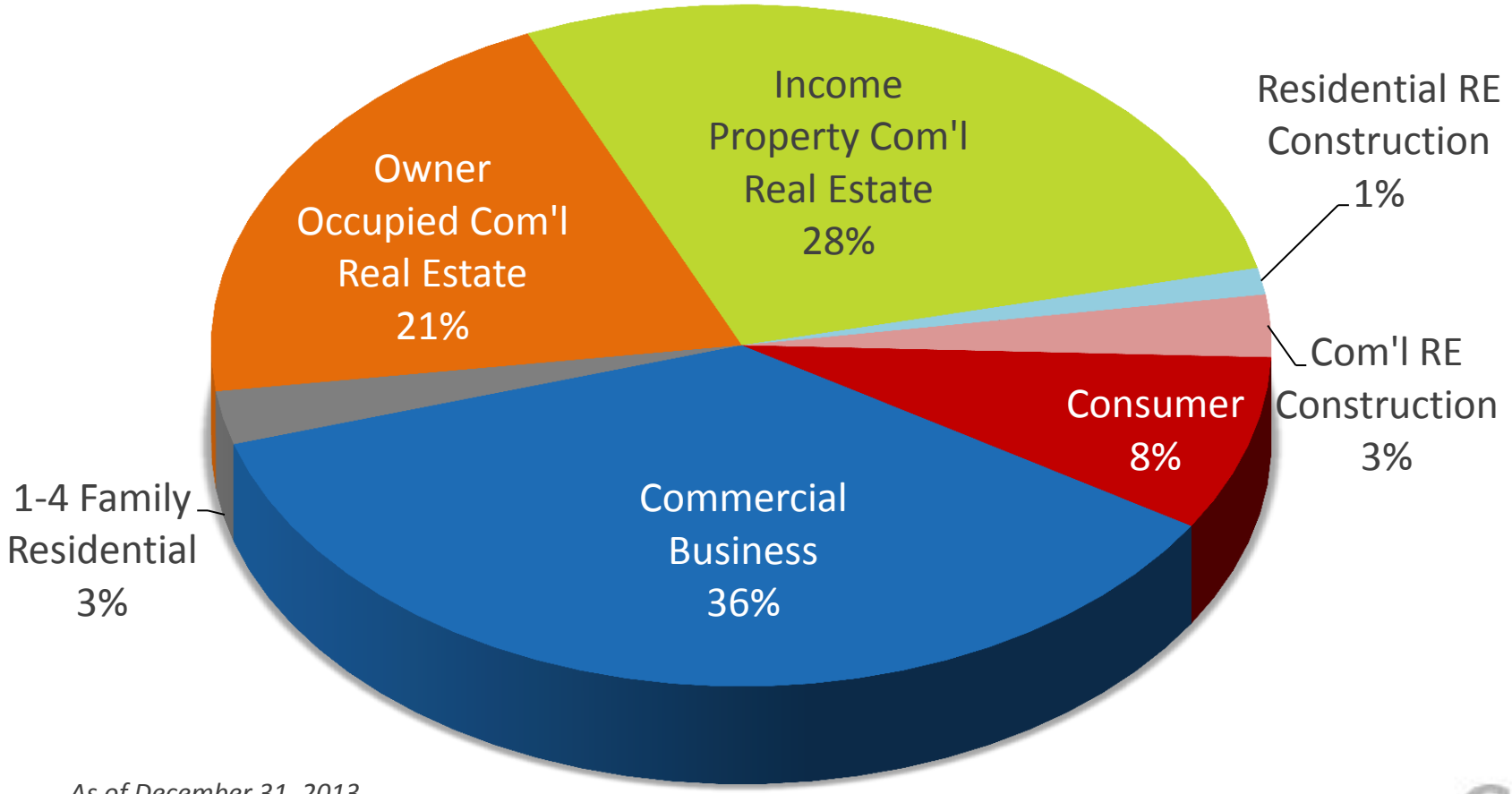
Over $800 million in newly originated loans in 2013, up from approximately $600 million in 2012.

$ in Millions

Balanced Non-covered Loan Portfolio

Total Loan Portfolio = $4.2 Billion

An increase of 67% over the past 12 months.

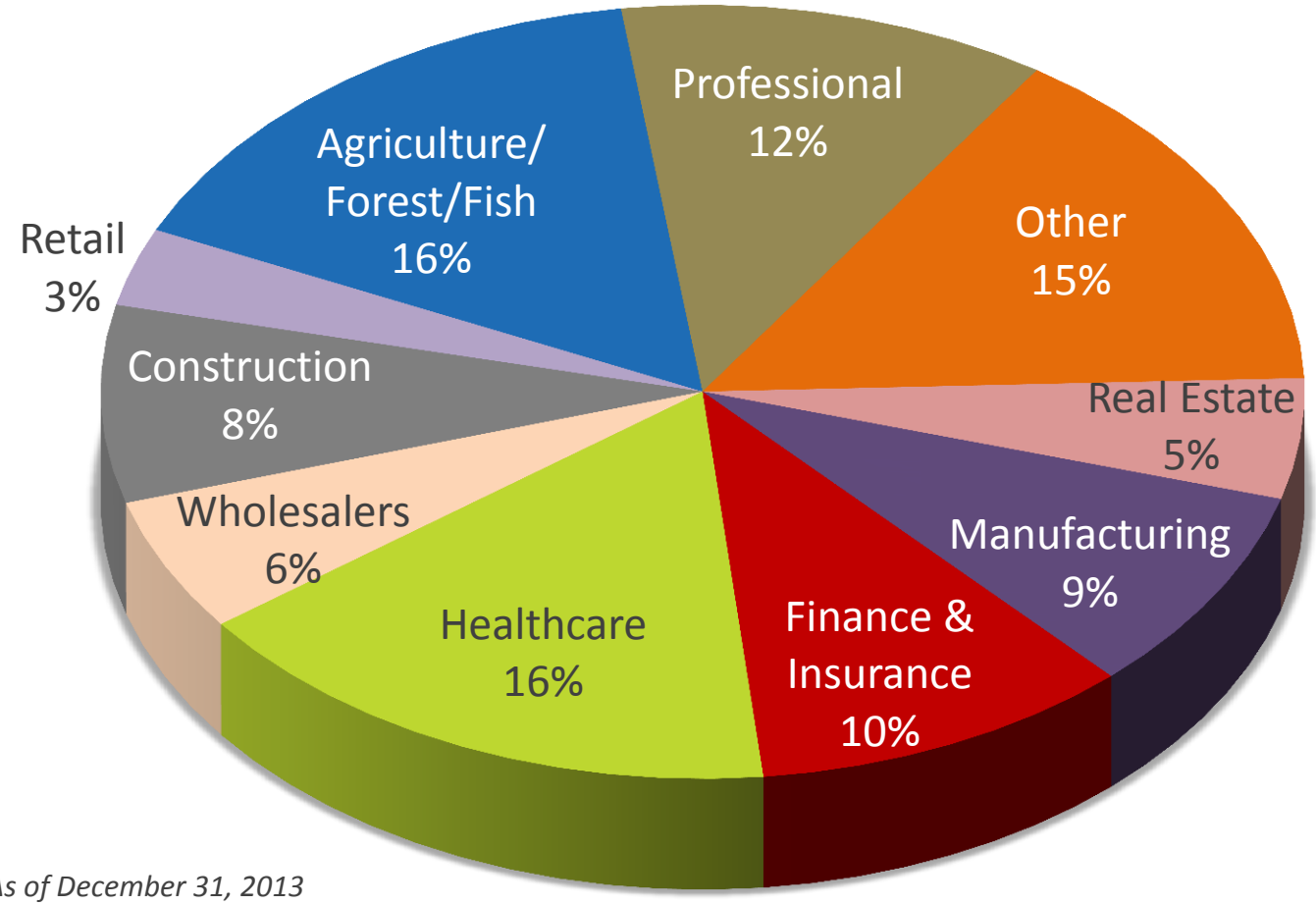


As of December 31, 2013

Non-covered Commercial Business Portfolio

Total Portfolio = $1.6 Billion

An increase of 35% over the past 12 months

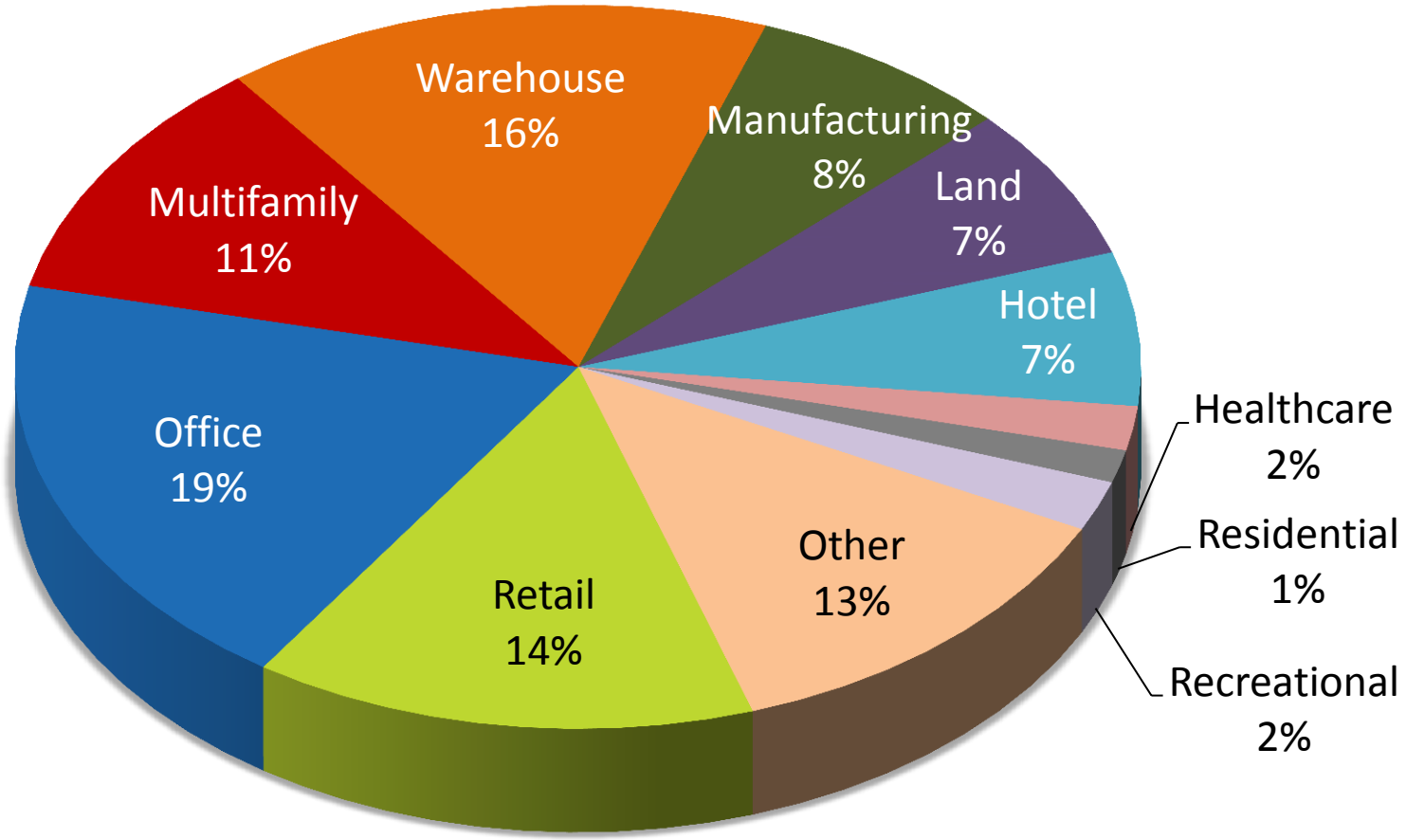


As of December 31, 2013

Non-covered Commercial Real Estate Portfolio

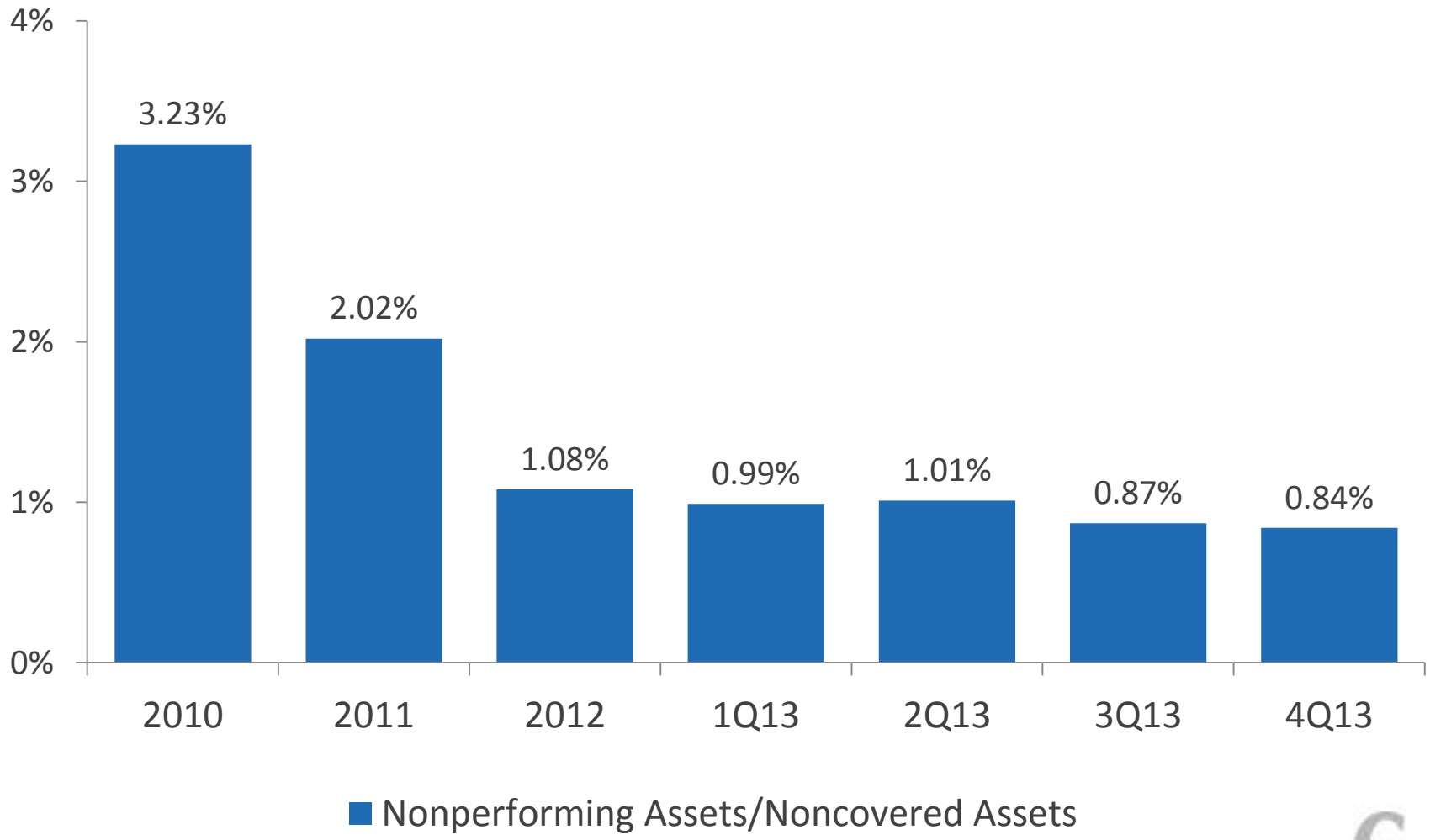
Total Portfolio = $2.1 Billion

An increase of 96% over the past 12 months



As of December 31, 2013

Effective Management of Nonperforming Assets

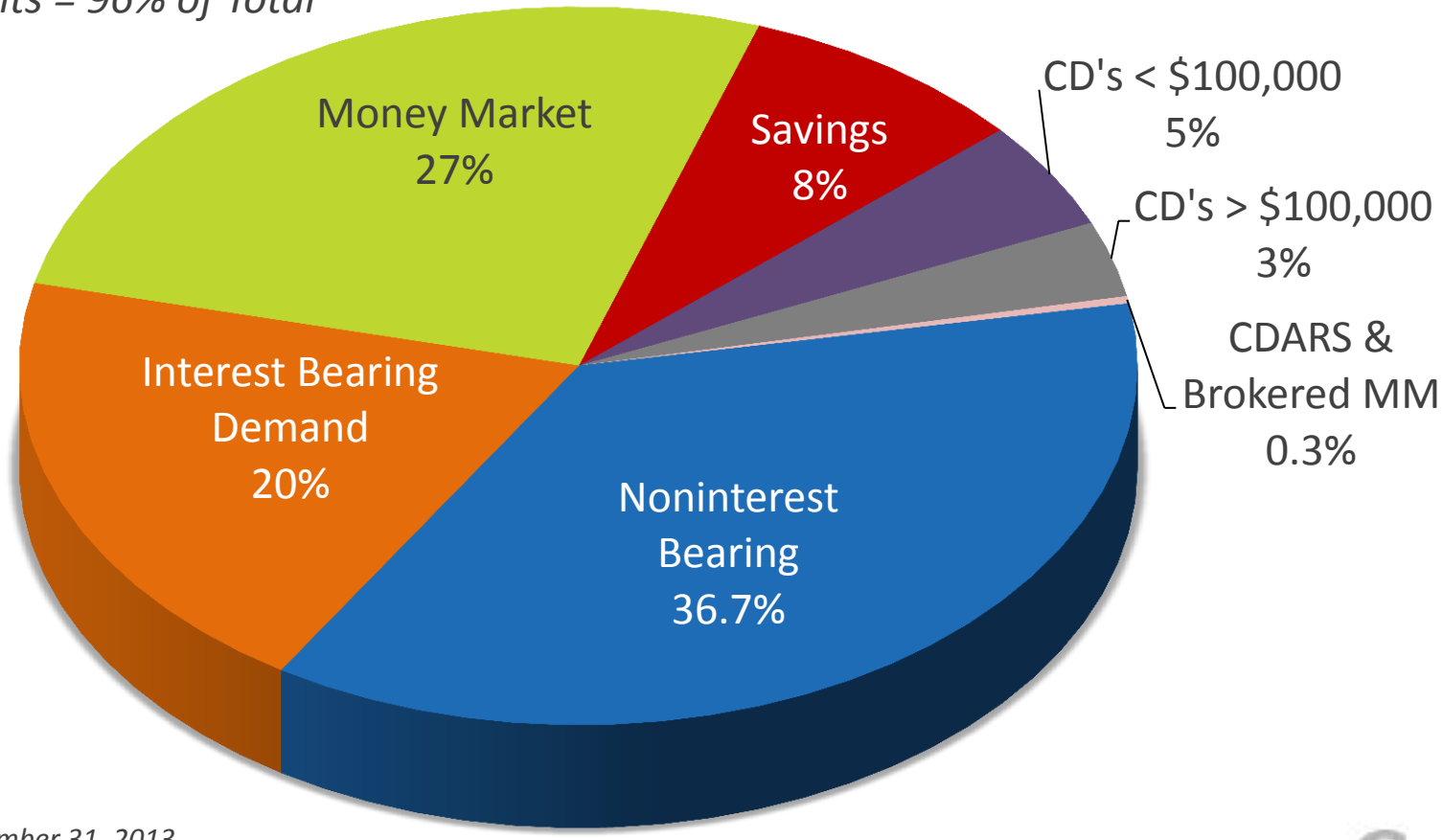


Diversified, Relationship Based Deposit Base

Total Deposits = $6.0 Billion

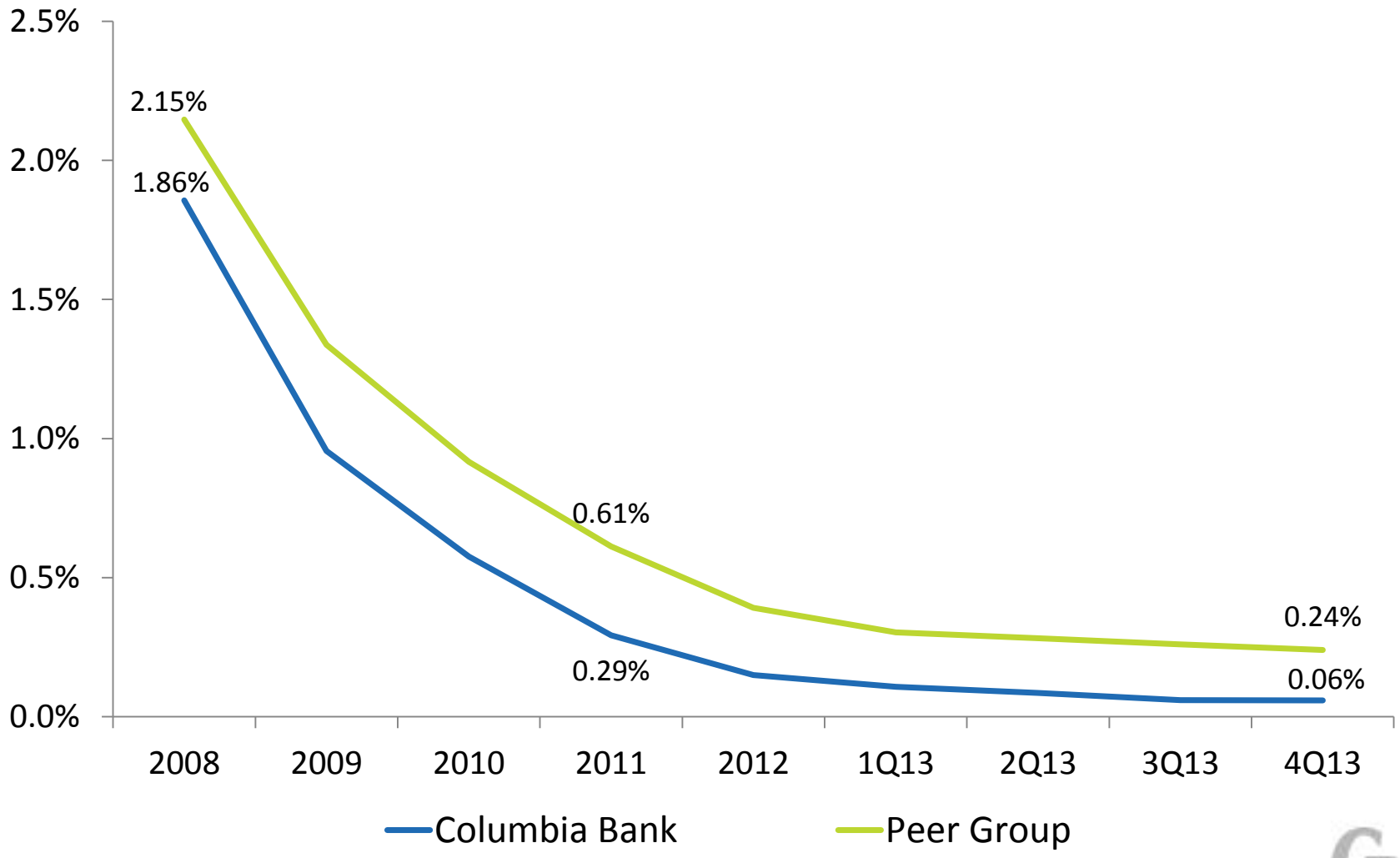
Average YTD Cost of Interest Bearing Deposits = 11bps

Core Deposits = 96% of Total



As of December 31, 2013

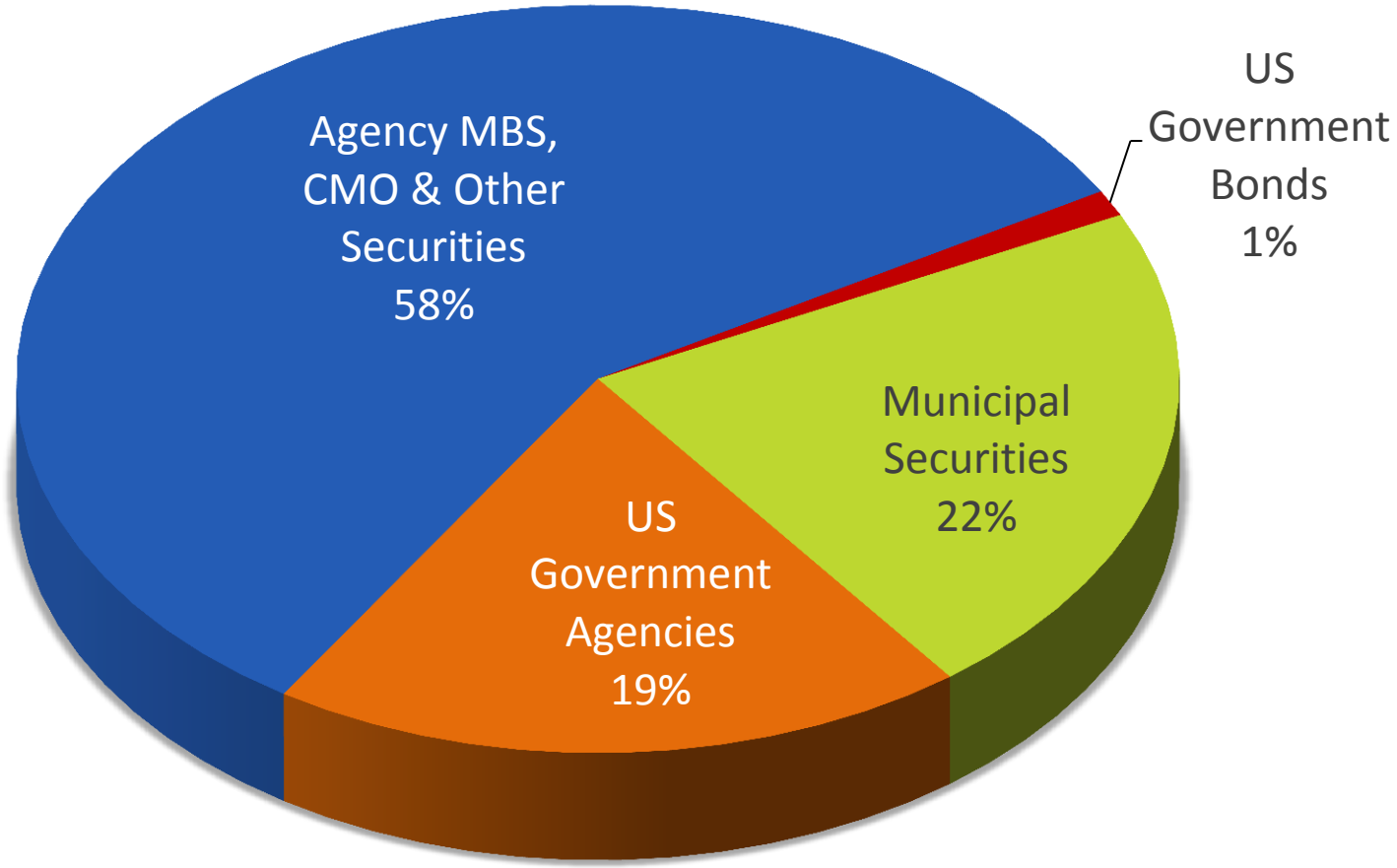
Total Cost of Deposits



Conservative Investment Portfolio

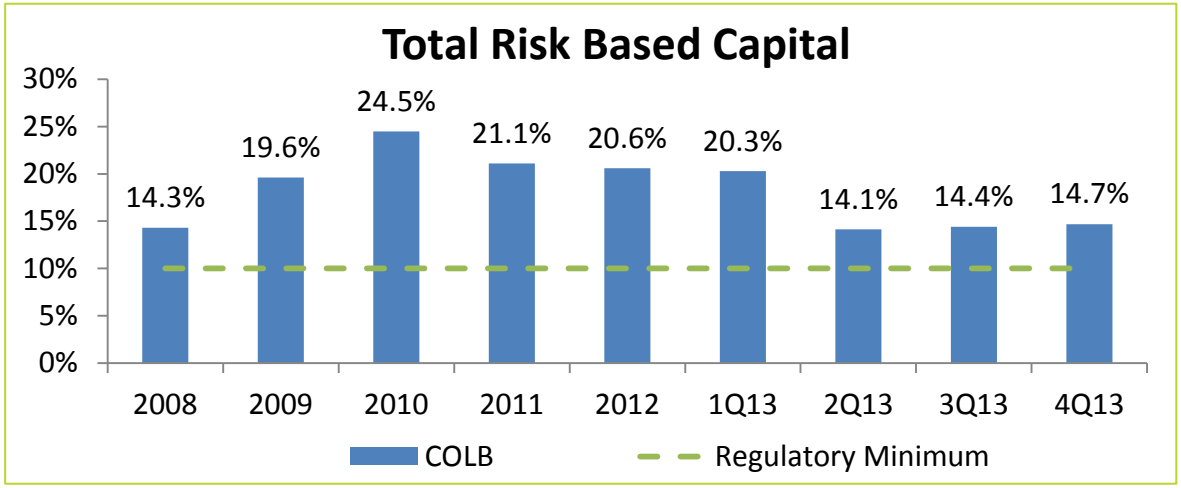
Total Book Value = $1.7 Billion

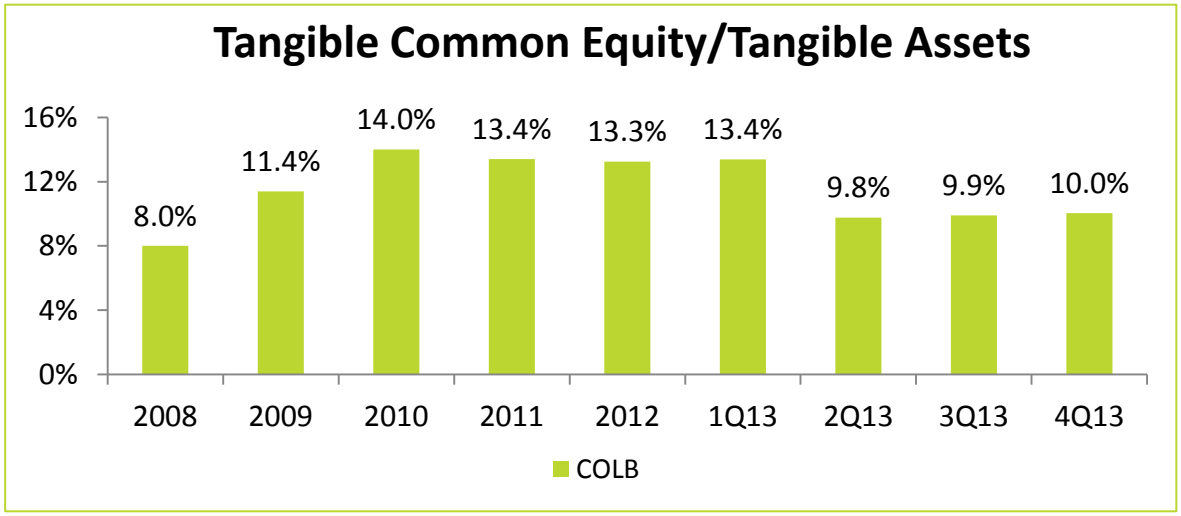
2013 Effective Yield = 2.42%



As of December 31, 2013

Strong Capital Measures





Columbia Bank's capital is well in excess of regulatory minimums.

Priorities Moving Forward

- Successfully conclude the final integration of Columbia and West Coast systems and procedures
- Maintain external focus; continue business development and sales management efforts to increase market share; emphasis on growing loans
- Continue emphasis on expense control and growth in non-interest income
- Focus on Core Deposits; developing new and existing customer relationships
- Continued commitment to remain a true community bank

COLB: Total Return Performance

