COLUMBIA BANK BUILDING A PREMIER REGIONAL COMMUNITY BANK

Third Quarter 2015

NASDAQ: COLB

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

Over 150 branches in the Pacific Northwest built through de novo branching and strategic acquisitions



Positive Business Climate & Economic Outlook

- **Employment trends continue to improve** in the Pacific Northwest, with net gain in jobs and workers entering the job market

  September, 2015: (National rate: 5.1%)

  WA: 5.2% unemployment rate (6.2% Sept. 2014) 81,700 jobs added year over year
  OR: 6.2% unemployment rate (7.1% Sept. 2014) 49,500 jobs added year over year
  ID: 4.2% unemployment rate (4.5% June 2014) 19,300 jobs added year over year

- **Northwest ports are big economic drivers in the region.** The Northwest Seaport Alliance (formerly Seattle and Tacoma ports) launched in August 2015, and is the 3rd largest cargo gateway in North America. Over 48,000 jobs were supported, with $4.3 billion generated in economic activity. (2013)

- **Leading economic indicators** point to continuing strong forward momentum in the Pacific Northwest's export-driven, diversified economy, particularly in Seattle, Portland and Boise metro areas.

- **Survey of our business customers** shows confidence in their business' future in all industries and most report an increase in confidence about their industry's general business conditions

- **Military a major driver of the Pacific Northwest economy**. Over 90,000 Active and Civilian personnel across Washington, Oregon and Idaho; provides over $3 billion annually in total payroll. **Washington State**: $7.9 billion in installation expenditures and $5.2 billion in contract spending; $12.2 billion in gross state product, 4% of total; 191,600 jobs supported

Attractive Pacific Northwest Markets

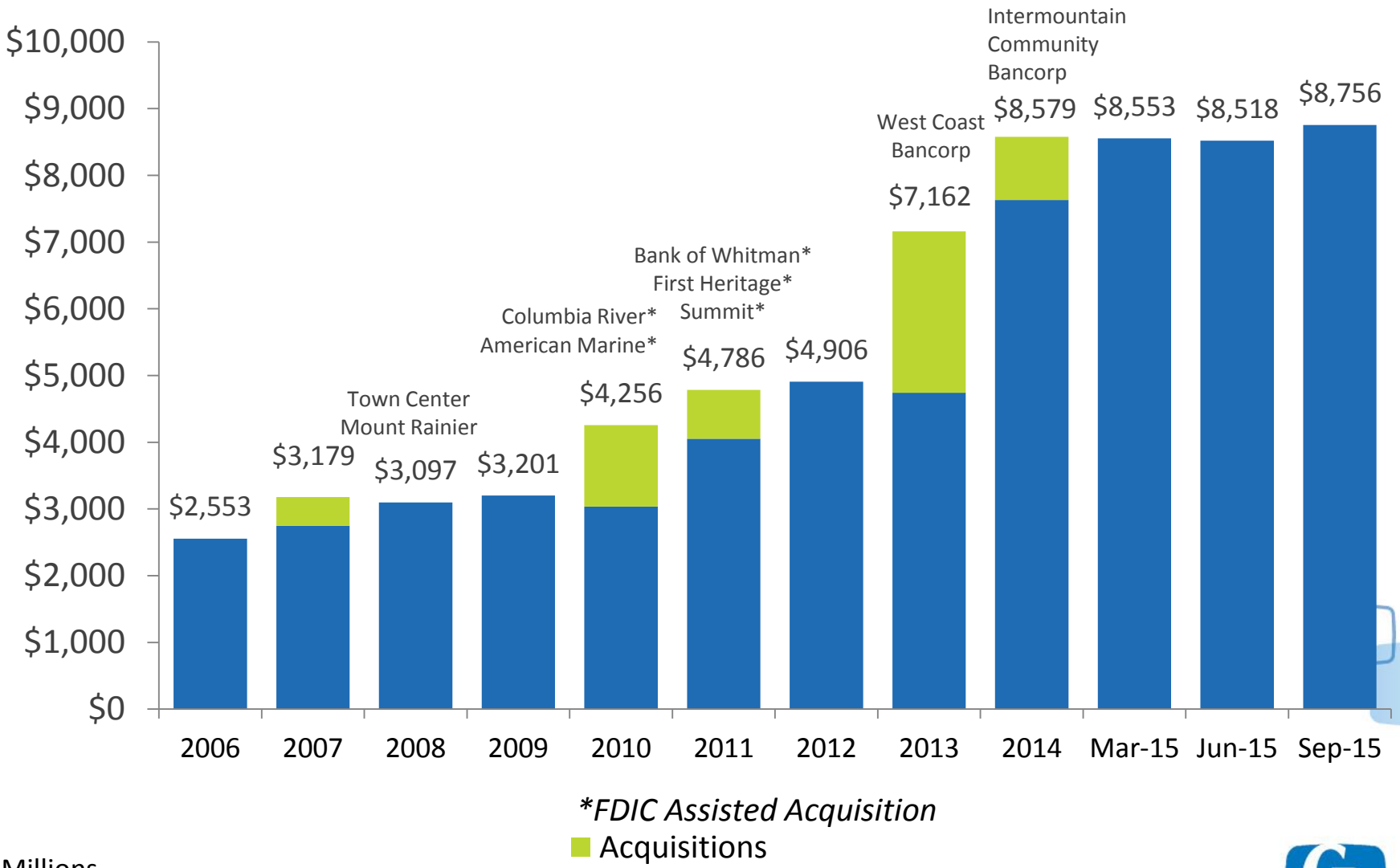
✓ *Better Than or Equal to U.S. Average*		Seattle/ Tacoma/ Bellevue	Portland/ Vancouver	Boise	Washington	Oregon	Idaho	United States
Demographics	Population as of 2014 *(in millions)*	3.66	2.35	0.67	7.08	3.98	1.63	319.5
	Population Increase *(2010 – 2015)*	6.49%✓	5.36%✓	8.23%✓	5.34%✓	3.76%✓	4.23%✓	3.47%
	Projected Population Change *(2015-2020)*	6.16%✓	5.07%✓	7.10%✓	5.41%✓	3.90%✓	4.43%✓	3.52%
	Median Household Income *(2015)*	$68,280✓	$59,247✓	$48,750	$60,320✓	$49,964	$47,224	$53,706
	Projected HH Income Change *(2015-2020)*	6.38%	6.17%	1.91%	6.40%	6.04 %	4.56%	6.68%
Economics	Unemployment Rate [(1)] *(September 2015)*	3.7%✓	5.6%	3.8%✓	5.2%	6.2%	4.2%✓	5.1%
	Home Price Index Change *(Low in 1Q12 – August 2015)*	42.5%✓	44.6%✓	n/a	n/a	n/a	n/a	30.9%
	Annual Housing Starts/Permits [(2)] *(Aug 2014 – July 2015)*	8,433	6,313	3,903	18,534	9,314	7,007	680M
	Growth Rate of Annual Housing Starts/Permits over past 3 Years [(2)]	24%	60%✓	74%✓	23%	55%✓	48%✓	31%

(1) MSA unemployment rates are not seasonally adjusted. State and US rates are seasonally adjusted.
(2) Privately Owned Housing Starts Authorized by Building Permits, Seasonally Adjusted
Sources: SNL Financial, Bureau of Labor Statistics, Case-Schiller, Federal Reserve of St. Louis

Seasoned Acquirer with Proven Integration Track Record

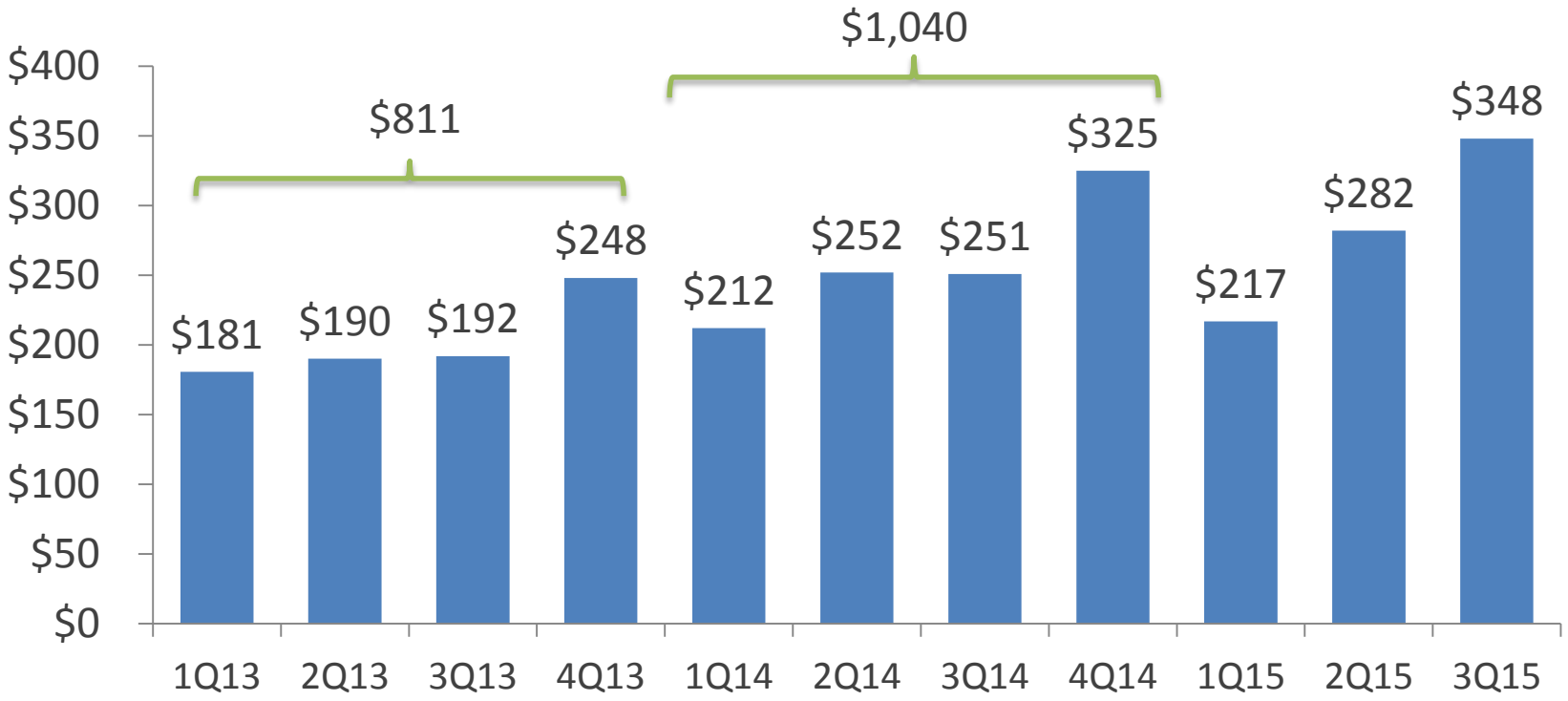
Notable Acquisitions Since 2004	**Assets**
Bank of Astoria (October 2004)	$203 million
Mount Rainier Bank (July 2007)	$266 million
Town Center Bank (July 2007)	$166 million
FDIC-assisted acquisitions:	
• Columbia River Bank (January 2010)	$913 million
• American Marine Bank (January 2010)	$308 million
• Summit Bank (May 2011)	$131 million
• First Heritage Bank (May 2011)	$165 million
• Bank of Whitman (August 2011)	$438 million
West Coast Bancorp (April 2013)	$ 2.6 billion
Intermountain Community Bancorp (November 2014)	$964 million

Growth of Total Assets 2006 - 2015



$ Millions

Growing Loan Originations



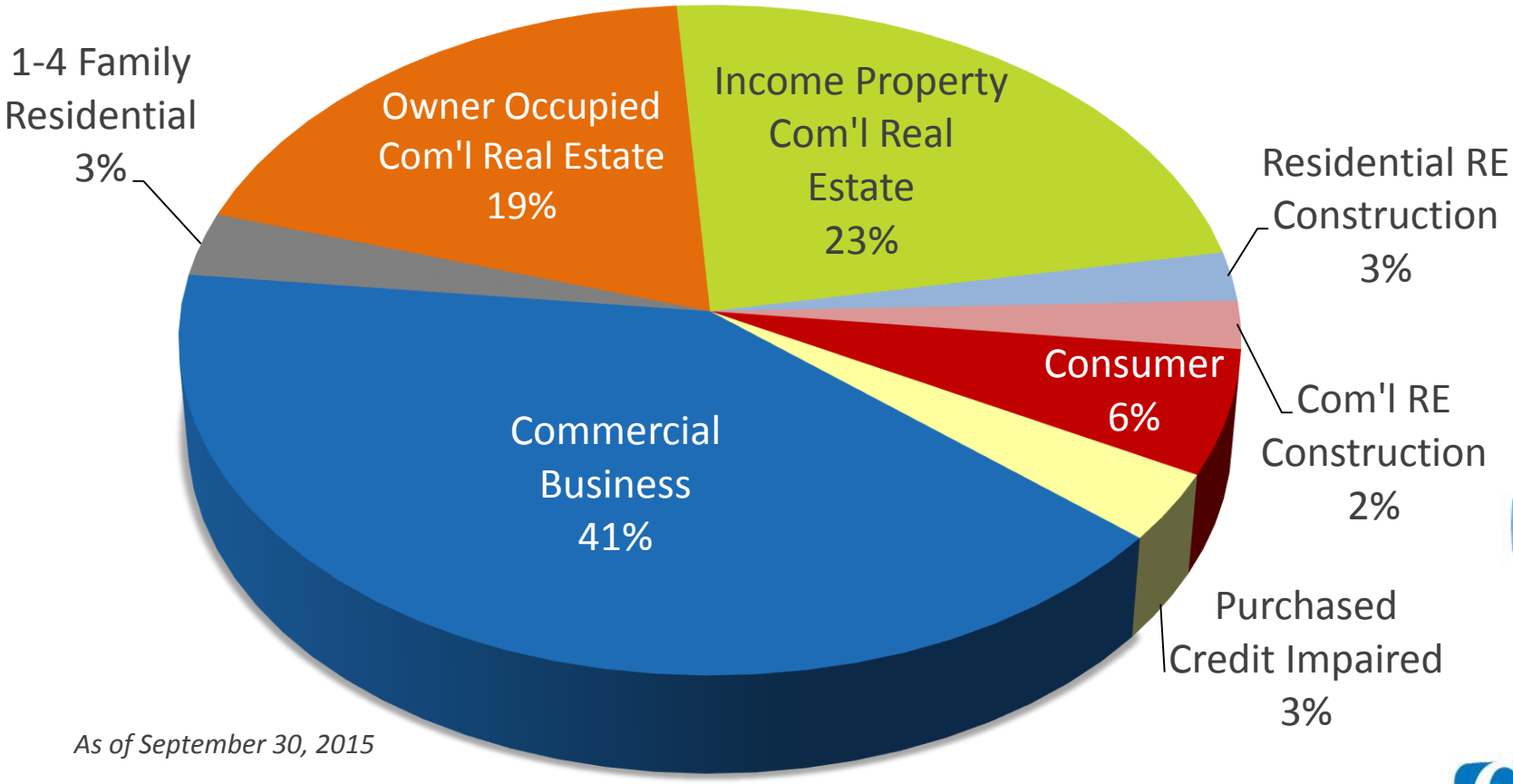
Third quarter loan production was the best quarter on record; production over the past 9 months totaled $847 million.

$ in Millions

Balanced Loan Portfolio

Total Portfolio = $5.7 Billion

Annualized linked quarter growth of 10%.



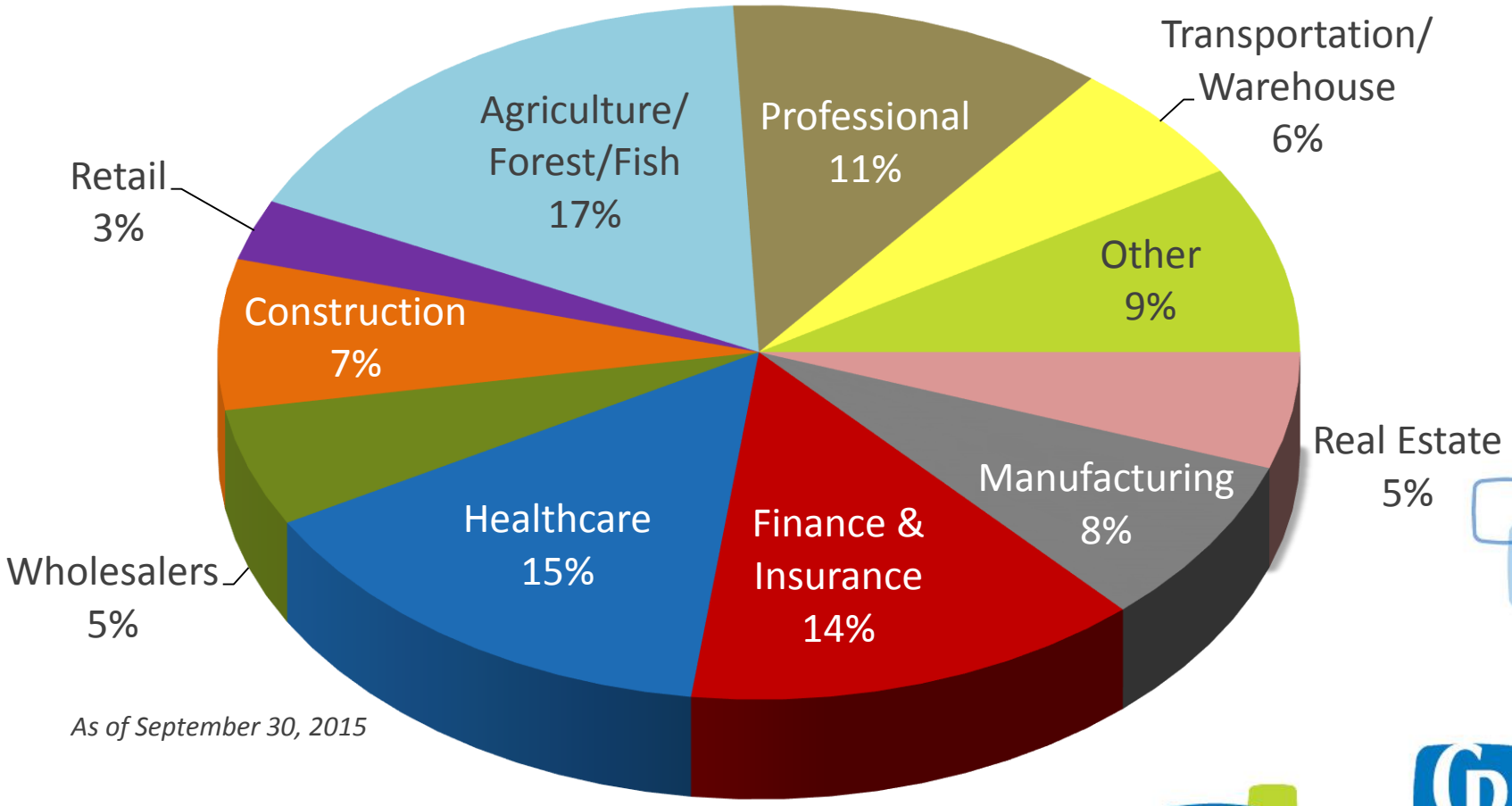
As of September 30, 2015

Diversified Commercial Business Portfolio

Total Portfolio = $2.4 Billion

An increase of 29% over the past 12 months

Net organic growth of 20% with the IMCB acquisition adding 9%



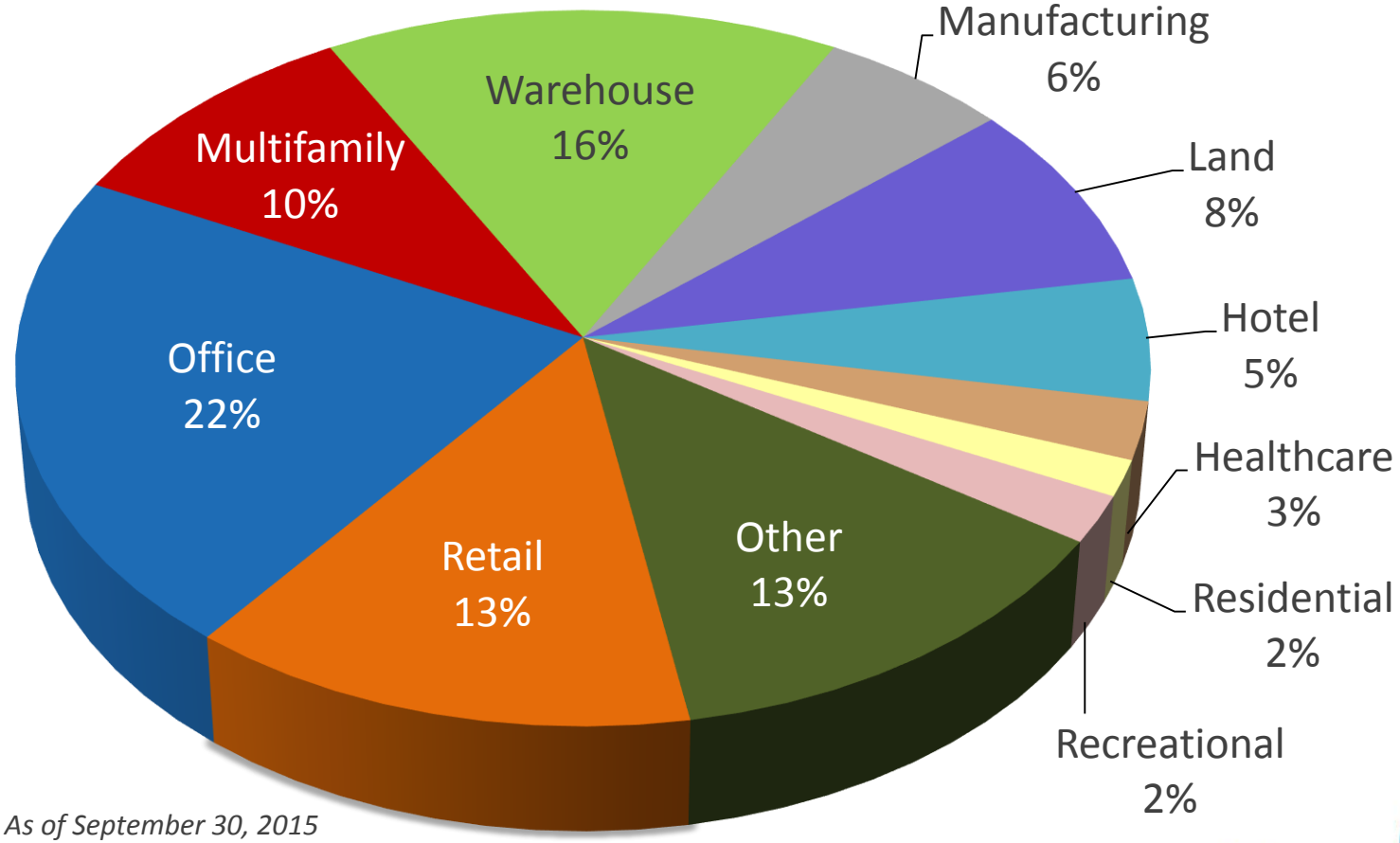
As of September 30, 2015

Commercial Real Estate Portfolio

Total Portfolio = $2.4 Billion

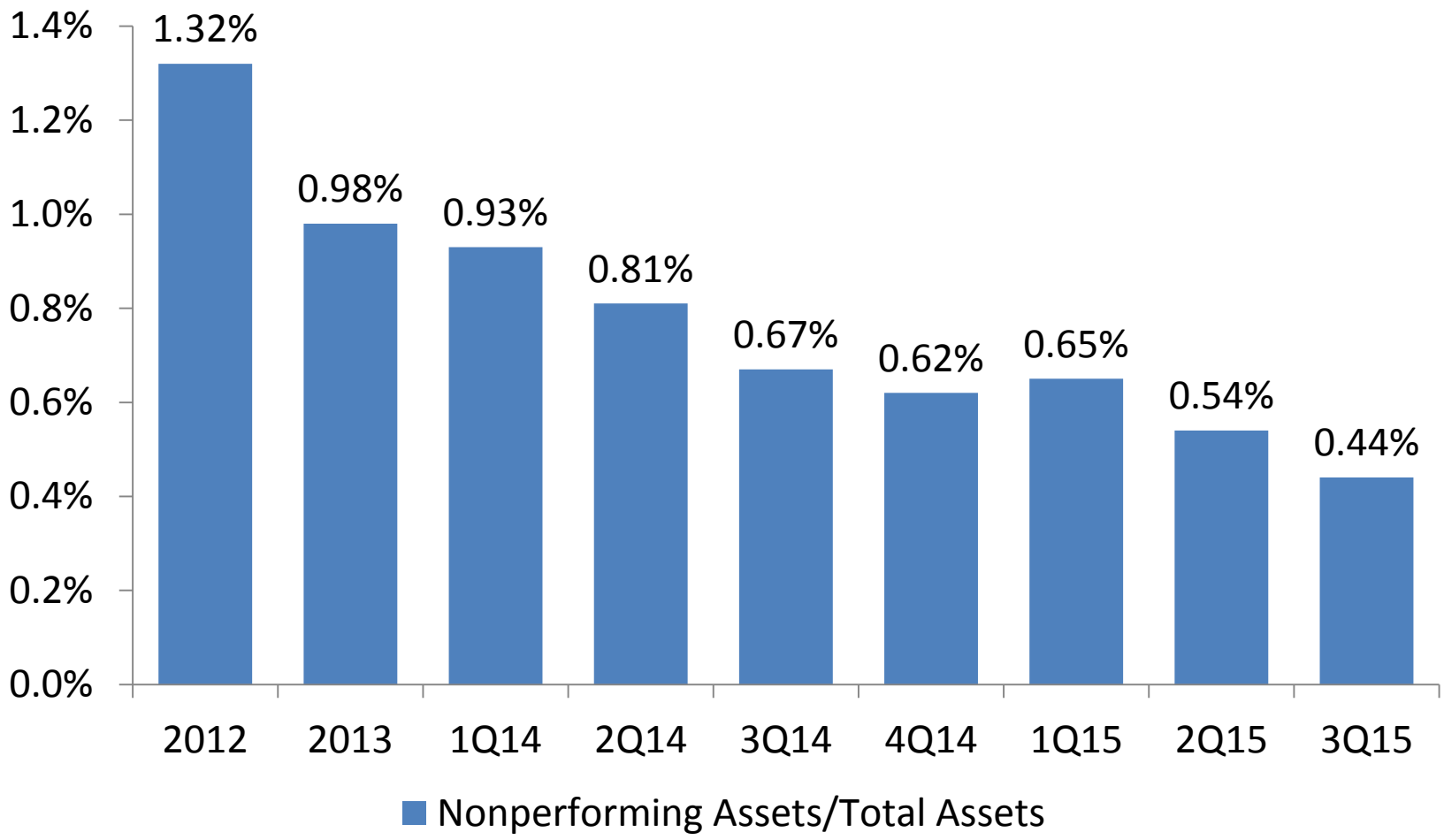
Income Property comprises 55% of the total and Owner Occupied 45%

Net organic growth of 11% with the IMCB acquisition adding 9%



As of September 30, 2015

Effective Management of Nonperforming Assets*



*** Adjusted from previously reported to include historically disclosed "covered" asset amounts as these are no longer disclosed separately.**

Opportunity for Deposit Market Share Growth

Pacific Northwest (Washington, Oregon and Idaho)

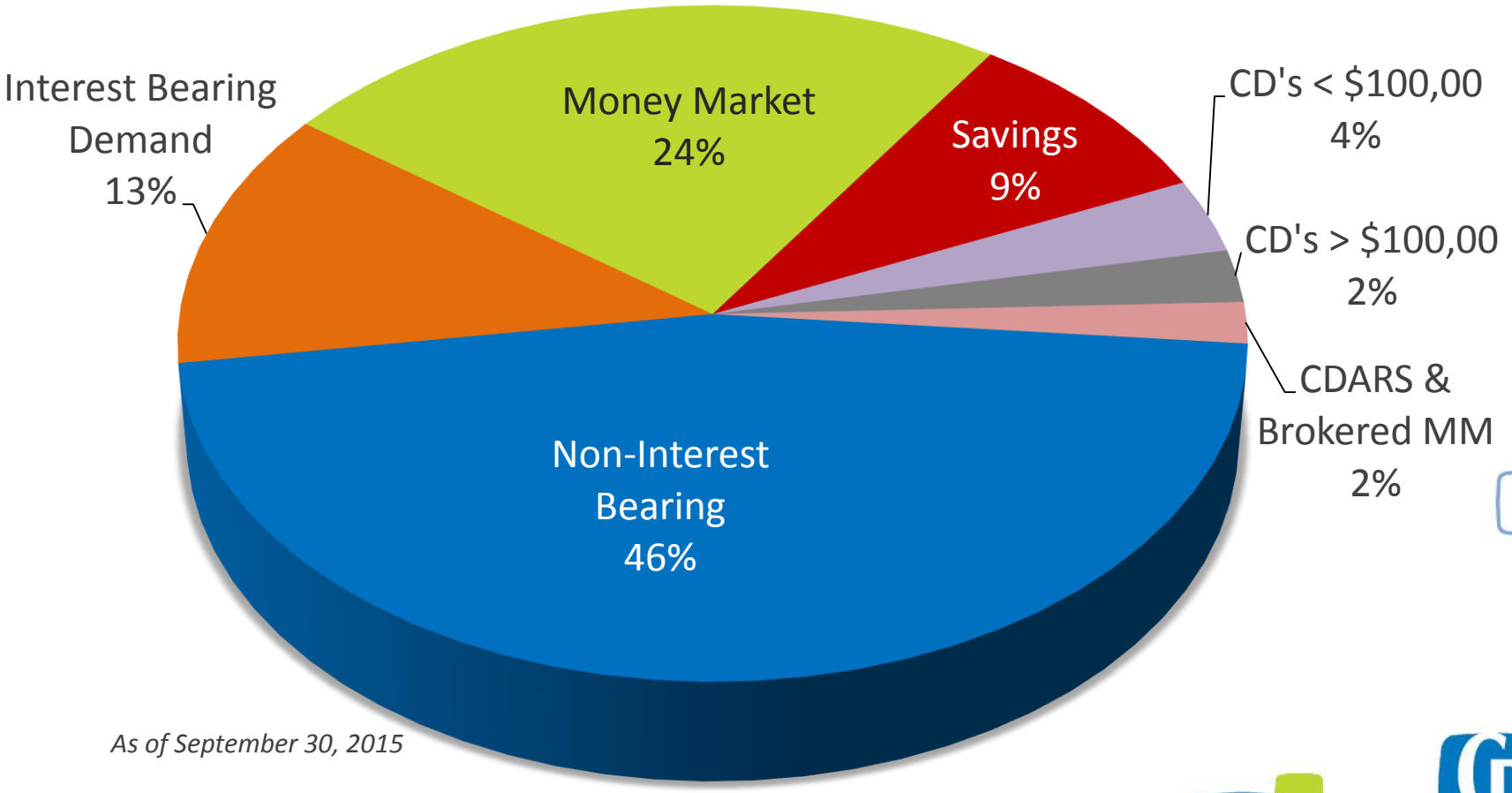
2015 Rank	Institution (ST)	2015 Deposits ($000s)	2015 Market Share*
1	Bank of America (NC)	39,181,724	17.66%
2	Wells Fargo (CA)	32,991,032	14.87%
3	U.S. Bank (MN)	31,818,504	14.34%
4	JP Morgan Chase (NY)	19,467,169	8.77%
5	Key Bank (OH)	14,338,736	6.46%
6	Umpqua Bank (OR)	11,957,743	5.39%
7	Washington Federal (WA)	7,751,617	3.49%
8	**Columbia Bank** (WA)	**7,052,160**	**3.18%**
9	Banner Bank (WA)	4,129,988	1.86%
10	Washington Trust (WA)	4,119,017	1.86%
Other Institutions in Market		**49,053,718**	**22.11%**
Total for Institutions in Market (127)		**221,860,408**	**100.00%**

* **Based on June 30, 2015 FDIC deposit market share data**

Diversified, Relationship-Centered Deposit Base

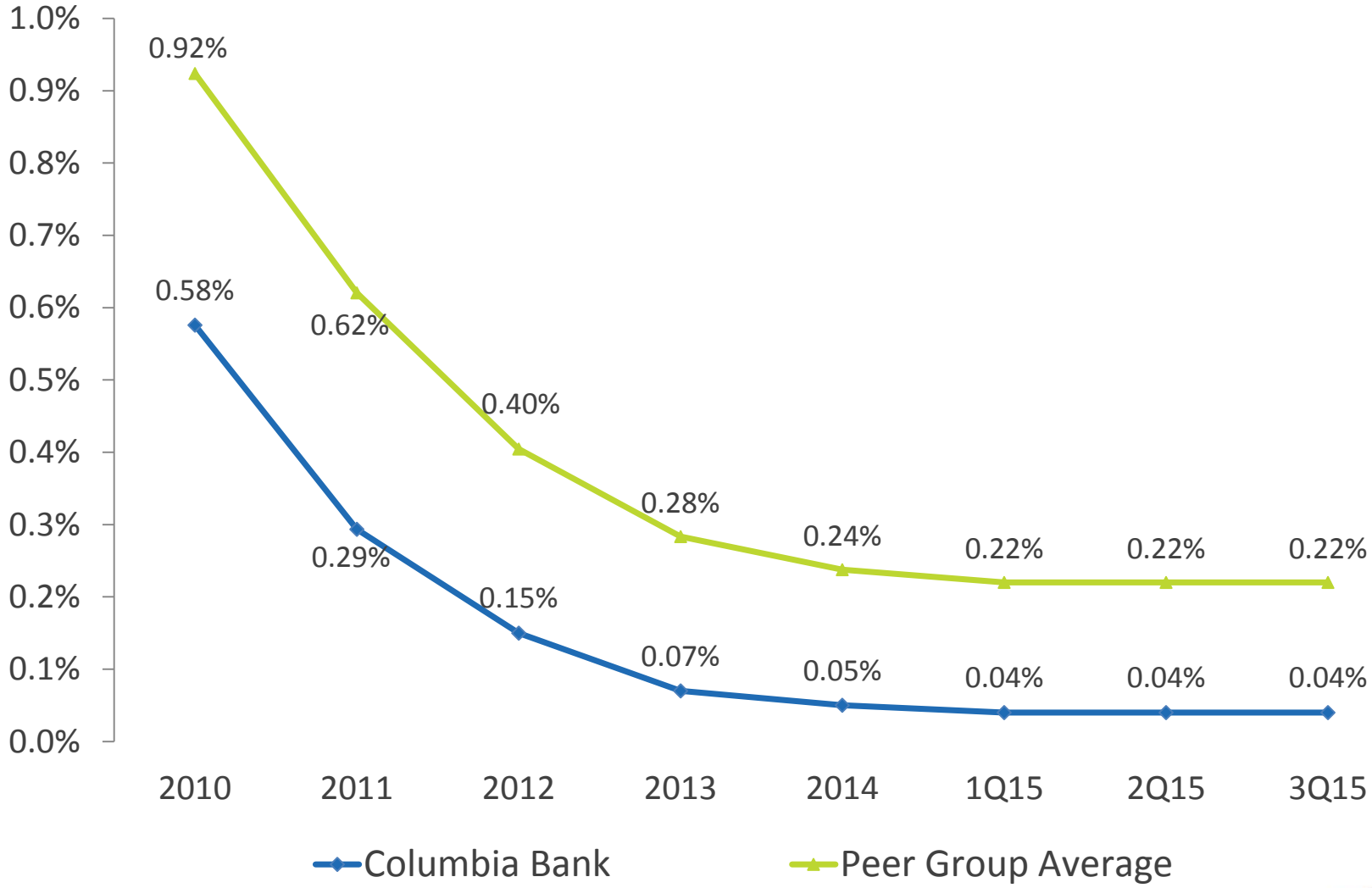
Total Deposits = $7.3 Billion

An increase of 17% over the past 12 months. Net organic growth of 6% with the IMCB acquisition adding 11%. The mix is 54% Business and 46% Consumer based.

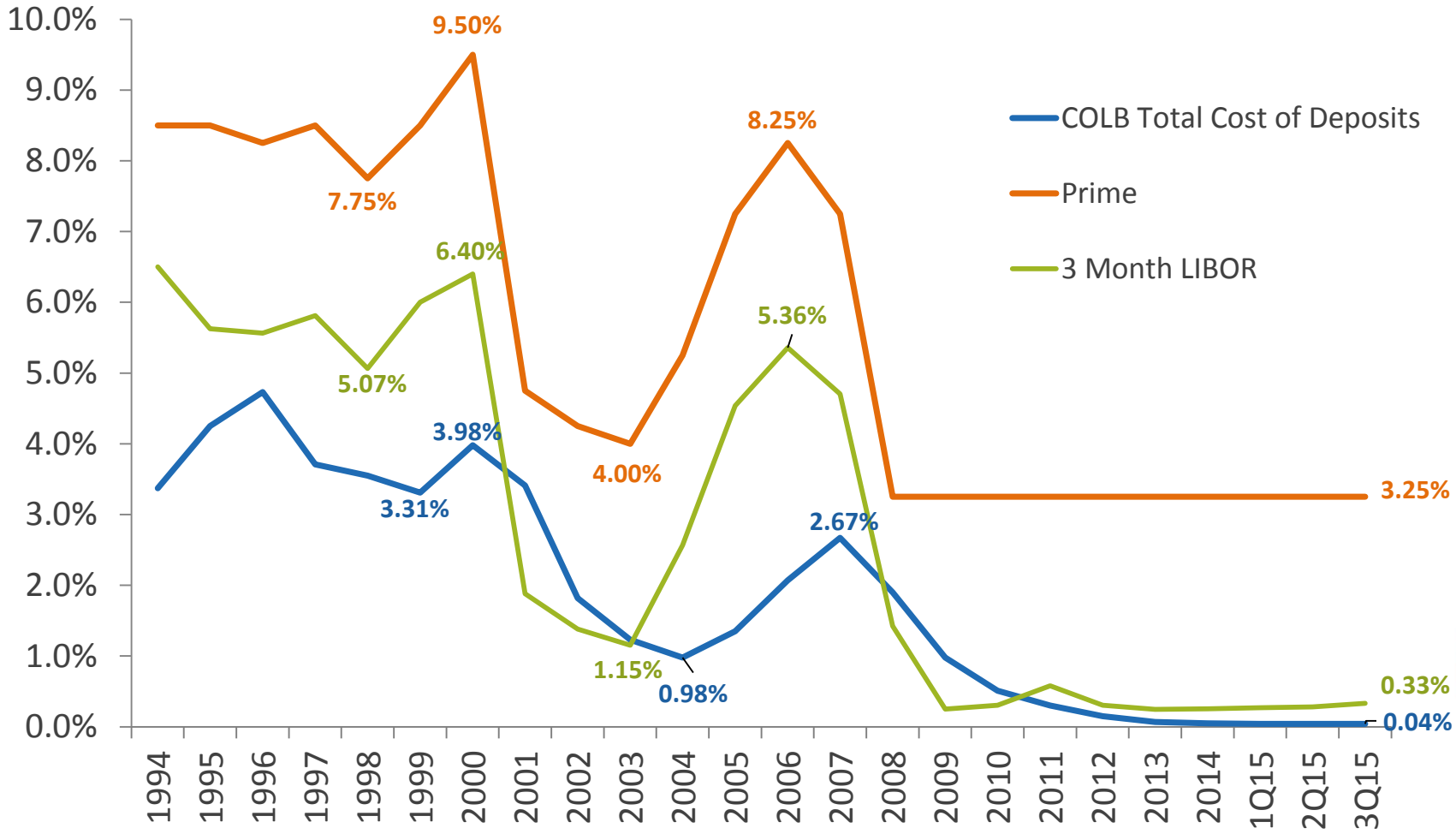


As of September 30, 2015

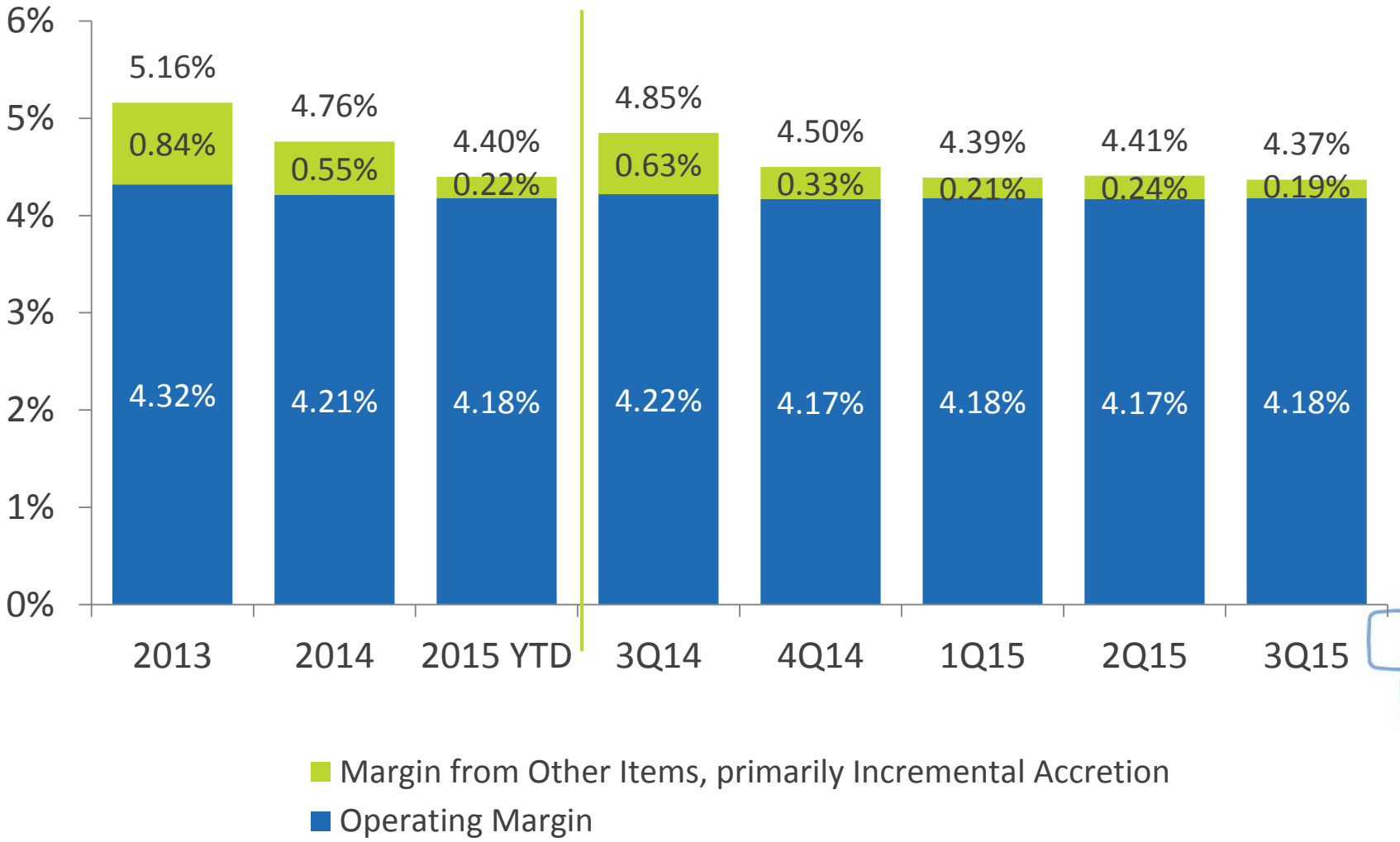
One of the Lowest Deposit Funding Costs in the U.S.



Historically, Deposit Costs Lag Market in Rising Rate Environments



Stable Operating Net Interest Margin*



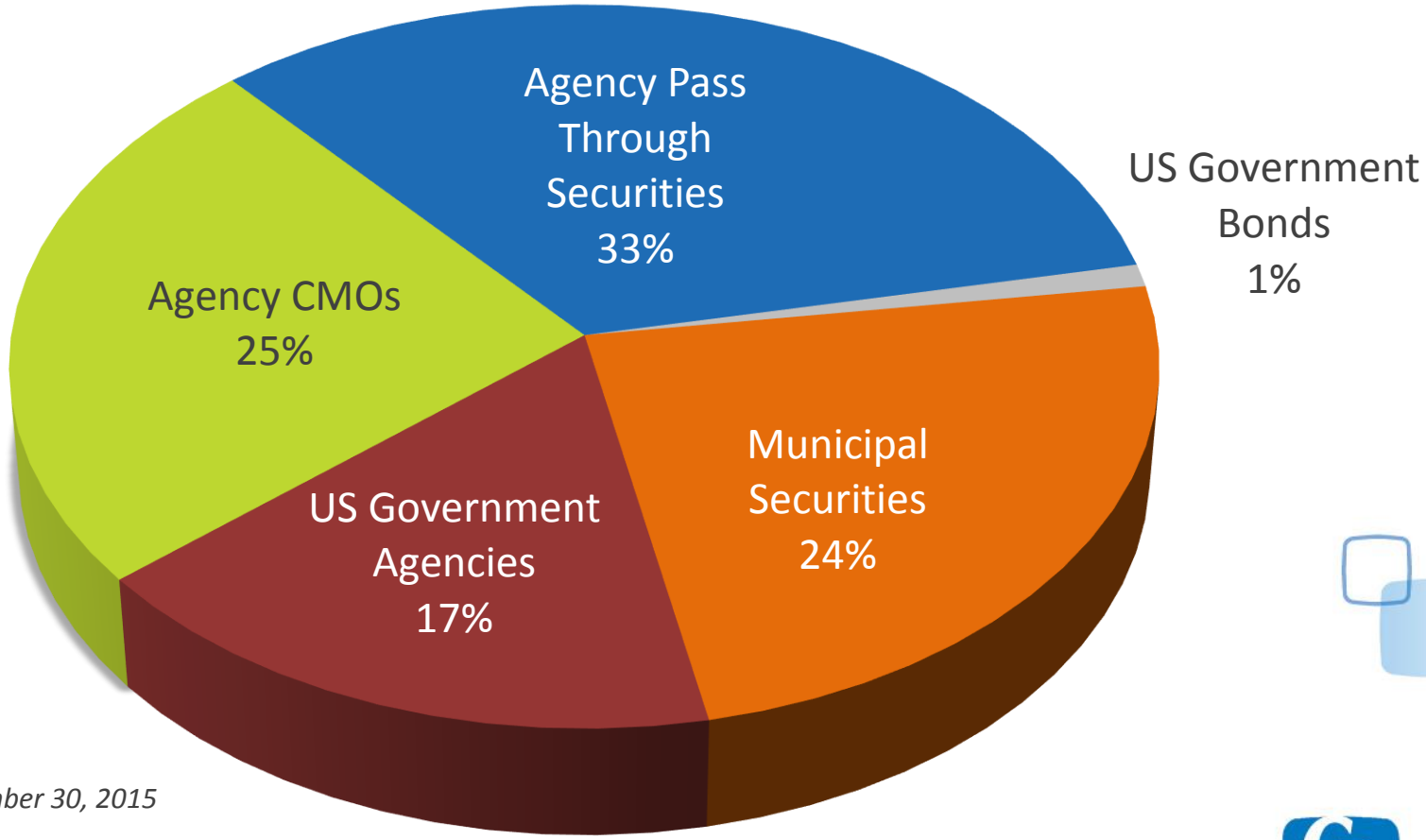
* Operating Net Interest Margin is a non-GAAP financial measure. Refer to appendix for additional information.

Conservative Investment Portfolio

Total Fair Value = $2.0 Billion

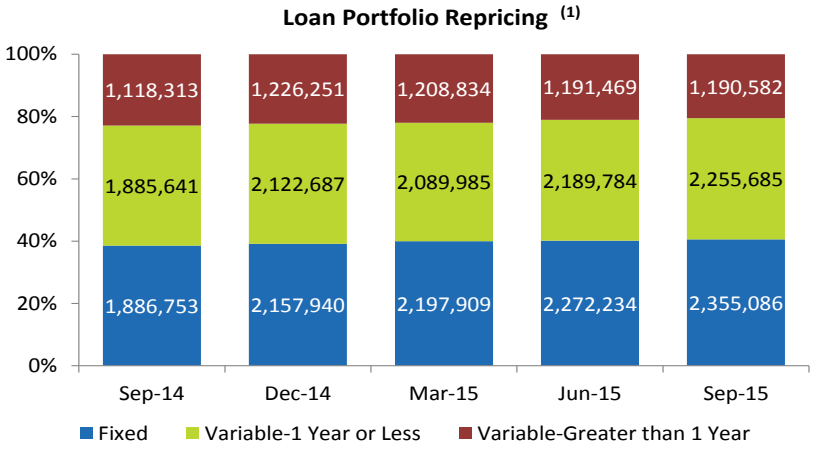
2015 YTD Yield = 2.41%

Portfolio Duration = 3.6 Years



As of September 30, 2015

Interest Rate Sensitivity



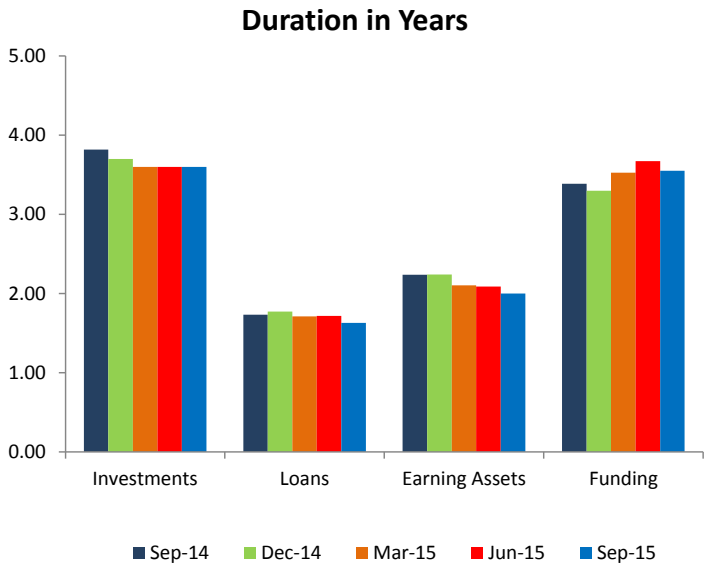
Loan Repricing Detail (1)	Sep-14	Sep-15	Sep-14	Sep-15
Fixed	$1,886,753	$2,355,086	39%	40%
Prime	1,132,533	1,241,014	23%	21%
Libor	678,540	937,060	15%	16%
1Y FHLB/UST/Libor	74,568	77,611	1%	1%
Variable-1 Year or Less	1,885,641	2,255,685	39%	38%
3Y FHLB/SWAP/UST	171,937	172,049	3%	3%
5Y FHLB/SWAP/UST	914,424	920,416	18%	17%
OVER 5Y FHLB/SWAP	31,952	98,117	1%	2%
Variable-Greater than 1Y	1,118,313	1,190,582	22%	22%
Total	**$4,890,707**	**$5,801,353**	**100%**	**100%**

- Slight mix shift in loan portfolio as current production is more weighted towards fixed and short-term variable
- Weighted average remaining maturity of the fixed rate loan portfolio is approximately 7 years
- Interest rate floors within the loan portfolio total $1.8 billion with 52% or $953 million in the money.

  Floor Exceeds Fully Indexed Rate by (basis points):

<=50	51-100	101-150	151-200	>200
$457MM	$262MM	$138MM	$56MM	$40MM

- Asset and liability durations are estimates and remain stable
- Note that deposit durations are effective durations and are mainly based on estimated decay rates and deposit rate betas. The decay rates assume a balloon maturity of 15 years and decay rates to achieve a five year estimated life.



(1) Loan balances exclude deferred fees/costs and premiums/discounts. Balances in $000's.

Financial Highlights

$ in Millions	3Q15	2Q15	1Q15	4Q14	3Q14
Total Assets	$8,756	$8,518	$8,553	$8,579	$7,466
Total Loans [1]	$5,747	$5,612	$5,451	$5,445	$4,823
Purchased Credit Impaired Loans [1]	$191	$202	$220	$231	$244
Investment Securities [3]	$2,038	$1,926	$2,040	$2,132	$1,643
Core Deposits	$6,986	$6,738	$6,772	$6,620	$5,990
Total Deposits	$7,315	$7,044	$7,075	$6,925	$6,244
Nonperforming Assets/Total Assets	0.44%	0.54%	0.65%	0.62%	0.67%
Return on Average Assets	1.19%	1.03%	1.15%	0.93%	1.18%
Return on Average Common Equity	8.32%	7.04%	7.86%	6.39%	7.86%
Return on Average Tangible Equity [2]	12.95%	11.03%	12.35%	10.08%	12.30%

(1) Total Loans include Purchased Credit Impaired Loans. Total Loans and Purchased Credit Impaired Loans are presented net of unearned income and gross of ALLL.

(2) Return on Average Tangible Equity is a non-GAAP measure. Refer to appendix for additional information.

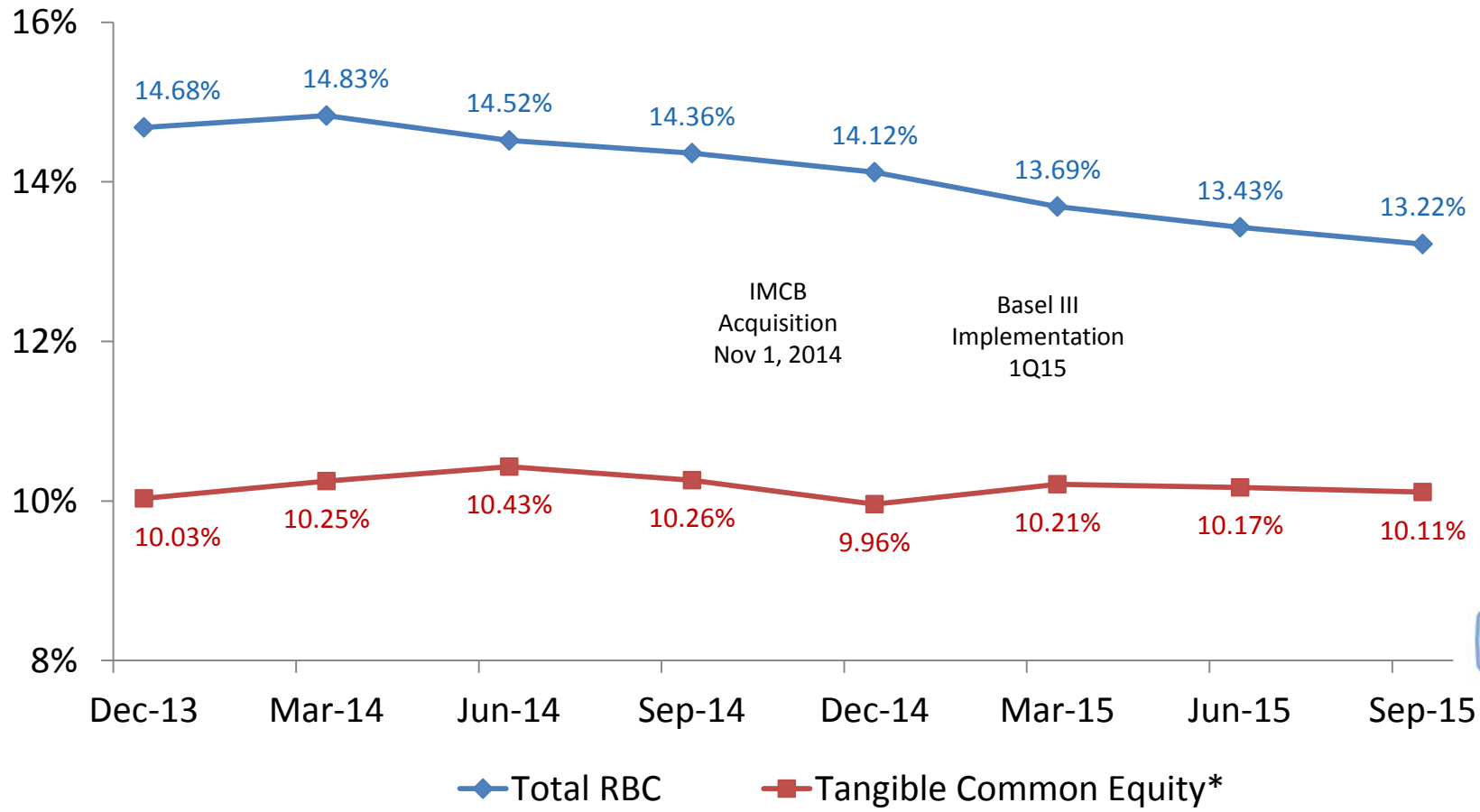
(3) Includes Federal Home Loan Bank Stock

Net Income

$ in Thousands	3Q15	2Q15	1Q15	4Q14	2015 YTD	2014 YTD
Reported Net Income						
Net Interest Income	$81,694	$81,010	$80,364	$78,764	$243,068	$225,284
Provision for Loan Losses	2,831	2,202	1,209	1,708	6,242	5,019
Net Interest Inc after Provision	**78,863**	**78,808**	**79,155**	**77,056**	**236,826**	**220,265**
Noninterest Income	22,499	21,462	22,767	15,185	66,728	44,565
Noninterest Expense	64,067	68,471	66,734	64,154	199,272	175,132
Pre-tax Net Income	**37,295**	**31,799**	**35,188**	**28,087**	**104,282**	**89,698**
Provision for Income Taxes	11,515	9,853	10,827	9,167	32,195	27,044
Net Income	**$25,780**	**$21,946**	**$24,361**	**$18,920**	**$72,087**	**$62,654**
Earnings per Share (Diluted)	$0.45	$0.38	$0.42	$0.34	$1.25	$1.18
Core Pre-tax Net Income*						
Net Interest Income*	$79,578	$78,628	$77,800	$74,958	$236,006	$205,760
Provision/(Recapture) for Loan Losses*	3,350	1,726	(1,400)	(500)	3,676	1,600
Net Interest Inc after Provision*	**76,228**	**76,902**	**79,200**	**75,458**	**232,330**	**204,160**
Noninterest Income*	24,134	22,956	22,617	20,489	69,707	58,685
Noninterest Expense*	63,237	63,419	64,978	59,446	191,634	171,296
Pre-tax Net Income*	**$37,125**	**$36,439**	**$36,839**	**$36,501**	**$110,403**	**$91,549**
Pre-tax Income (before LL Prov)*	**$40,475**	**$38,165**	**$35,439**	**$36,001**	**$114,079**	**$93,149**

* A non-GAAP financial measure. Refer to appendix for additional information.

COLB Capital Ratios



*Tangible common equity is a non-GAAP measure. Refer to appendix for additional information

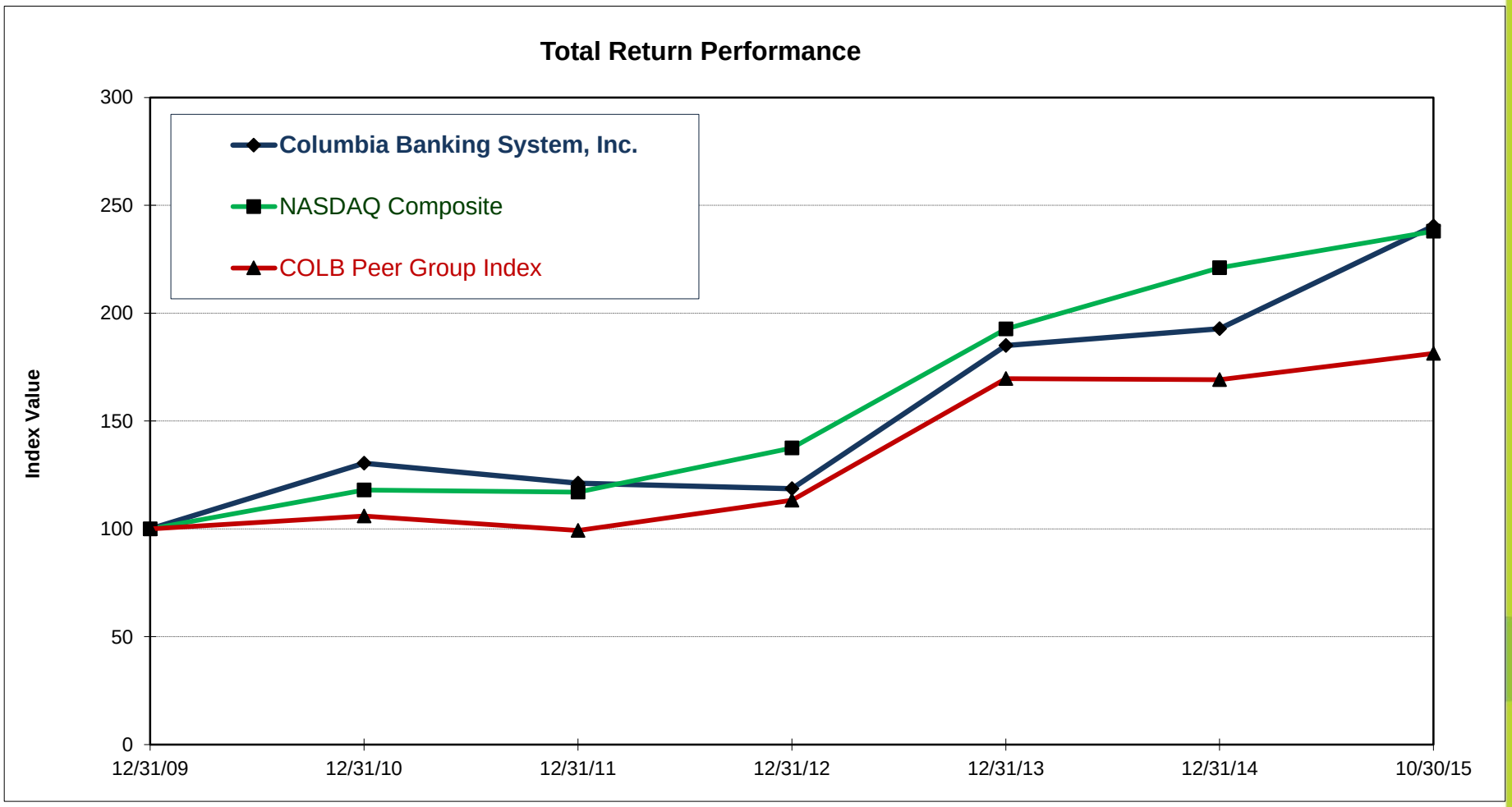
IMCB Transaction Summary

Transaction Value	$131.9 million
Attractive Financial Returns	~2% earnings accretion / ~22% incremental earnings accretion in 2016[(1)] > 15% IRR Tangible Book Value Earnback of ~3 years ~1% TBV Dilution at Close
Cost Savings	Estimated at approximately $8.6 million or 27.1% of IMCB's 2015e NIE Expected to be phased 50% in 2015 and 100% in 2016+
Deal Related Expenses	Approximately $18 million, pre-tax
Actual Loan Mark, Fair Value and Other Purchase Accounting Adjustments	Loan mark was a net discount of $10.9 million or 2.13% of loans Core Deposit Intangible equaled 1.75% of IMCB's core deposits Investment Securities markup was $1.3 million Fixed Asset markdown was $13.1 million Deposit markup of $0.9 million was related to CDs Trust Preferred Redemption of $16.5 million

Columbia – An Award-Winning Company

- *Forbes* "America's Best Banks, 2014" list ranked Columbia Bank 17th, up from 31st place in 2013. For the fourth year in a row, *Forbes* named Columbia as the best bank headquartered in Washington State based on safety and soundness measures.
- Receives highest 5-star rating in June, 2015 for financial strength, including capital, profitability and loan quality, by BauerFinancial
- Voted "Best Large Business" 2015 by readers of *South Sound Magazine* during annual poll
- For 9th consecutive year, named in 2015 as one of *Puget Sound Business Journal*'s "**Washington's Best Workplaces.**
- Named *Pierce County Business Examiner's* "Top Place to Work 2015" in the Large Employer category

COLB: Total Return Performance



Source: KBW

Appendix

Non-GAAP Financial Measures – Net Interest Margin

$ in Thousands	2013	2014	2015 YTD	3Q14	4Q14	1Q15	2Q15	3Q15
Net interest margin (tax equivalent)	**5.16%**	**4.76%**	**4.39%**	**4.85%**	**4.50%**	**4.39%**	**4.41%**	**4.37%**
Adjustments to net interest margin to arrive at operating net interest margin:								
Incremental accretion income on FDIC purchased credit impaired loans	(0.52%)	(0.31%)	(0.12%)	(0.26%)	(0.21%)	(0.14%)	(0.13%)	(0.11%)
Incremental accretion income on other FDIC acquired loans	(0.04%)	(0.01%)	-	(0.01%)	-	-	-	-
Incremental accretion income on other acquired loans	(0.46%)	(0.32%)	(0.25%)	(0.31%)	(0.28%)	(0.26%)	(0.26%)	(0.22%)
Premium amortization on acquired securities	0.13%	0.11%	0.14%	0.09%	0.14%	0.15%	0.14%	0.12%
Investment portfolio premium amortization adjustment	-	(0.04%)	-	(0.16%)	-	-	-	-
Interest reversals on nonaccrual loans	0.02%	0.02%	0.02%	0.02%	0.02%	0.04%	0.01%	0.02%
Prepayment charges on FHLB advances	0.03%	-		-	-			
Operating net interest margin (tax equivalent)	**4.32%**	**4.21%**	**4.18%**	**4.22%**	**4.17%**	**4.18%**	**4.17%**	**4.18%**

Non-GAAP Financial Measures – Net Interest Margin

$ in Thousands	2013	2014	2015 YTD	3Q14	4Q14	1Q15	2Q15	3Q15
Net Interest Margin (tax equivalent)	**$297,139**	**$312,146**	**$250,218**	**$78,232**	**$81,056**	**$82,667**	**$83,298**	**$84,254**
Incremental accretion income on FDIC purchased credit impaired loans	(29,815)	(20,224)	(6,896)	(4,205)	(3,796)	(2,447)	(2,367)	(2,082)
Incremental accretion income on other FDIC acquired loans	(2,211)	(484)	(166)	(175)	(10)	(117)	(15)	(34)
Incremental accretion income on other acquired loans	(26,200)	(21,093)	(14,116)	(5,040)	(4,957)	(4,934)	(4,889)	(4,293)
Premium amortization on acquired securities	7,309	7,123	7,964	1,454	2,490	2,861	2,706	2,396
Investment portfolio premium amortization adjustment	-	(2,622)	-	(2,622)	-	-	-	-
Interest reversals on nonaccrual loans	882	1,291	1,131	423	189	650	156	325
Prepayment charges on FHLB advances	1,548	-	-	-	-	-	-	-
Operating Net Interest Margin *(tax equivalent)*	**$248,652**	**$276,137**	**$238,135**	**$68,067**	**$74,972**	**$78,680**	**$78,889**	**$80,566**
Average Earning Assets	$5,754,543	$6,561,047	$7,600,954	$6,451,660	$7,199,443	$7,529,040	$7,560,288	$7,711,531
Net Interest Margin *(tax equivalent)*	**5.16%**	**4.76%**	**4.39%**	**4.85%**	**4.50%**	**4.39%**	**4.41%**	**4.37%**
Operating Net Interest Margin *(tax equivalent)*	**4.32%**	**4.21%**	**4.18%**	**4.22%**	**4.17%**	**4.18%**	**4.17%**	**4.18%**

Non-GAAP Financial Measures – Core Results

$ in Thousands	3Q15	2Q15	1Q15	4Q14	2015 YTD	2014 YTD
Reported Net Interest Income	**$81,694**	**$81,010**	**$80,364**	**$78,764**	**$243,068**	**225,284**
- FDIC Loan Accretion	(2,116)	(2,382)	(2,564)	(3,806)	(7,062)	(16,902)
- Inv Portfolio Premium Amort Adj	-	-	-	-	-	(2,622)
Core Net Interest Income	**$79,578**	**$78,628**	**$77,800**	**$74,958**	**$236,006**	**$205,760**
Reported Provision/(Recapture)for Loan Losses	**2,831**	**$2,202**	**$1,209**	**$1,708**	**6,242**	**5,019**
- Purchased Credit Impaired (Provision)/ Recapture	519	(476)	(2,609)	542	(2,566)	(3,419)
- IMCB 1st Month (Provision)/ Recapture	-	-	-	(2,750)	-	-
Core Provision/(Recapture)	**3,350**	**$1,726**	**($1,400)**	**($500)**	**$3,676**	**$1,600**

Non-GAAP Financial Measures – Core Results

$ in Thousands	3Q15	2Q15	1Q15	4Q14	2015 YTD	2014 YTD
Reported Noninterest Income	**$22,499**	**$21,462**	**$22,767**	**$15,185**	**$66,728**	**$44,565**
- Decrease/(Increase) in FDIC Loss Sharing Asset	1,635	1,494	(150)	5,304	2,979	14,685
- Gain on Sale of Branch Deposits	-	-	-	-	-	(565)
Core Noninterest Income	**$24,134**	**$22,956**	**$22,617**	**$20,489**	**$69,707**	**$58,685**
Reported Noninterest Expense	**$64,067**	**$68,471**	**$66,734**	**$64,154**	**$199,272**	**$175,132**
- FDIC Clawback Expense/(Recap)	(174)	30	(23)	8	(167)	(302)
- Acquisition Related Costs	(428)	(5,643)	(2,974)	(4,556)	(9,045)	(4,876)
- OREO/OPPO Expense, Net	(228)	561	1,241	(160)	1,574	1,342
Core Noninterest Expense	**$63,237**	**$63,419**	**$64,978**	**$59,446**	**$191,634**	**$171,296**

Non-GAAP Financial Measures - ROATCE

$ in Thousands	3Q15	2Q15	1Q15	4Q14	3Q14
Net Income	**25,780**	**$21,946**	**$24,361**	**$18,920**	**$21,583**
- Preferred Dividends	(35)	(35)	(31)	(31)	(29)
Net Income Applicable to Common Shareholders	**25,745**	**21,911**	**24,330**	**18,889**	**21,554**
+ Amortization of Intangibles	1,695	1,718	1,817	1,777	1,456
- Tax Effect on Intangible Amort	(593)	(601)	(636)	(645)	(528)
Adjusted Net Income	**$26,847**	**$23,028**	**$25,511**	**$20,021**	**$22,482**
Average Shareholders' Equity	**$1,239,830**	**$1,247,887**	**$1,240,853**	**$1,185,346**	**$1,099,512**
- Average Preferred Equity	(2,217)	(2,217)	(2,217)	(2,217)	(2,217)
- Average Intangibles	(408,515)	(410,200)	(412,026)	(388,884)	(365,897)
Adjusted Average Common Shareholders' Equity	**$829,098**	**$835,470**	**$826,610**	**$794,245**	**$731,398**
Return on Average Tangible Common Shareholders' Equity	**12.95%**	**11.03%**	**12.35%**	**10.08%**	**12.30%**

Non-GAAP Financial Measures – TCE Ratio

$ in Thousands	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15
Total Shareholders' Equity	$1,074,491	$1,092,151	$1,096,211	$1,228,175	$1,244,443	$1,236,214	$1,254,136
- Preferred Stock	(2,217)	(2,217)	(2,217)	(2,217)	(2,217)	(2,217)	(2,217)
- Goodwill	(343,952)	(343,952)	(343,952)	(382,537)	(382,537)	(382,537)	(382,762)
- Other Intangible Assets, net	(24,273)	(22,792)	(21,336)	(30,459)	(28,642)	(26,924)	(25,229)
Tangible Common Equity	**$704,049**	**$723,190**	**$728,706**	**$812,962**	**$831,047**	**$824,536**	**$843,928**
Total Assets	$7,237,053	$7,297,458	$7,466,081	$8,578,846	$8,552,902	$8,518,019	$8,755,984
- Goodwill	(343,952)	(343,952)	(343,952)	(382,537)	(382,537)	(382,537)	(382,762)
- Other Intangible Assets, net	(24,273)	(22,792)	(21,336)	(30,459)	(28,642)	(26,924)	(25,229)
Tangible Assets	**$6,868,828**	**$6,930,714**	**$7,100,793**	**$8,165,850**	**$8,141,723**	**$8,108,558**	**$8,347,993**
Tangible Common Equity Ratio	**10.25%**	**10.43%**	**10.26%**	**9.96%**	**10.21%**	**10.17%**	**10.11%**