COLUMBIA BANK BUILDING A PREMIER REGIONAL COMMUNITY BANK

Fourth 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

149 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

	December, 2015: (National rate: 5.0%)		**Jobs added year over year**
WA:	5.5% unemployment rate	(6.3% Dec. 2014)	68,000
OR:	5.4% unemployment rate	(6.7% Dec. 2014)	55,000
ID:	3.9% unemployment rate	(4.4% Dec. 2014)	29,100

- **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. International container volumes were up 8% in 2015. The value of the ports' two-way international trade is expected to total more than $75 billion in 2015.

- **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 continue to be optimistic 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; over $13 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)] *(December 2015)*	4.6✓	4.9%✓	3.7%✓	5.5%	5.4%	3.9%✓	5.0%
	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
	Average Growth Rate of Annual Housing Starts/Permits over past 3 Years [(2)]	4%	18%✓	17%✓	6%	15%✓	13%✓	8%

(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

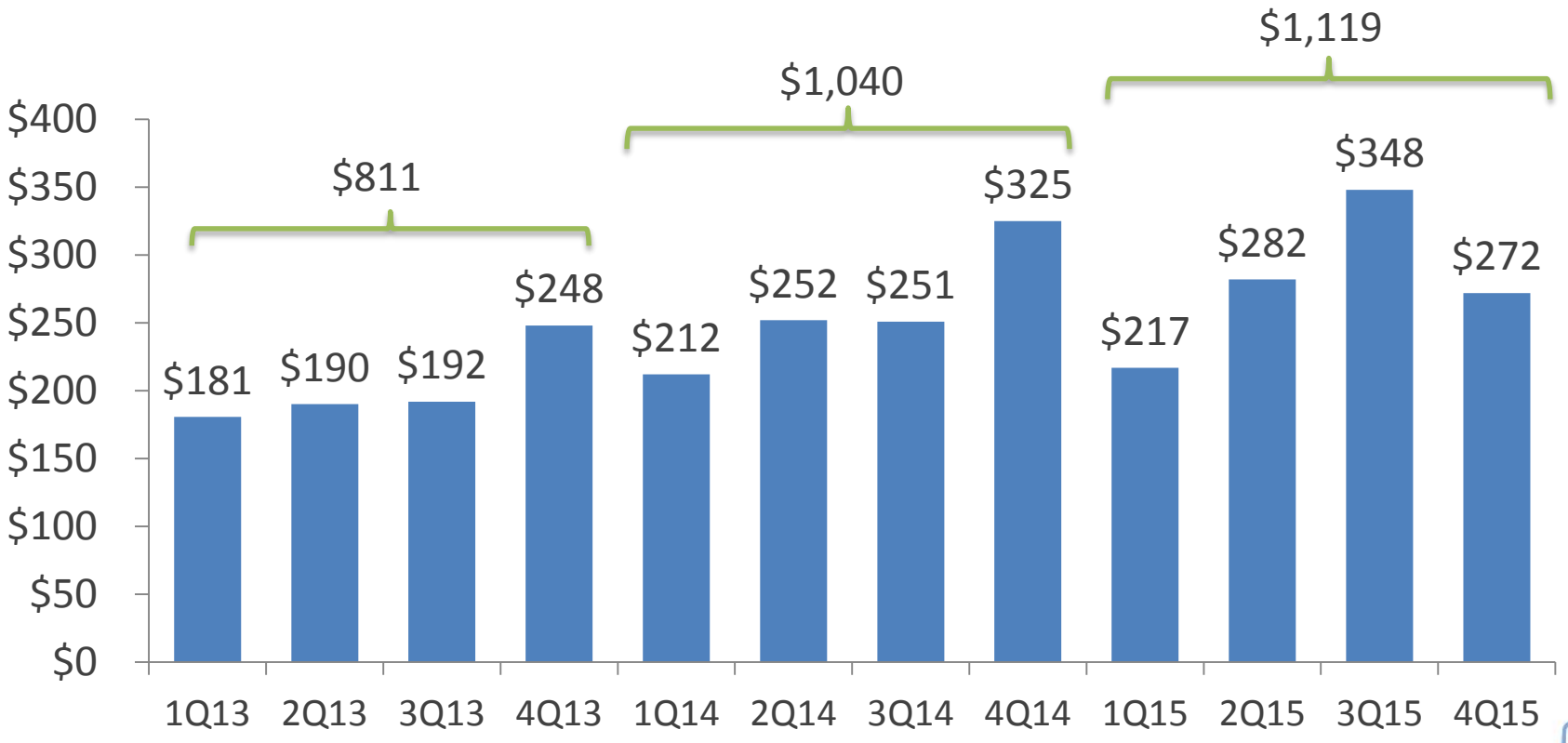
Notable Acquisitions last 10 years	**Assets**
Mount Rainier Bank (July 2007)	$266 million
Town Center Bank (July 2007)	$166 million
FDIC-assisted acquisitions:	
• Columbia River Bank (January 2010)	$913 million
• American Marine Bank (January 2010)	$308 million
• Summit Bank (May 2011)	$131 million
• 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



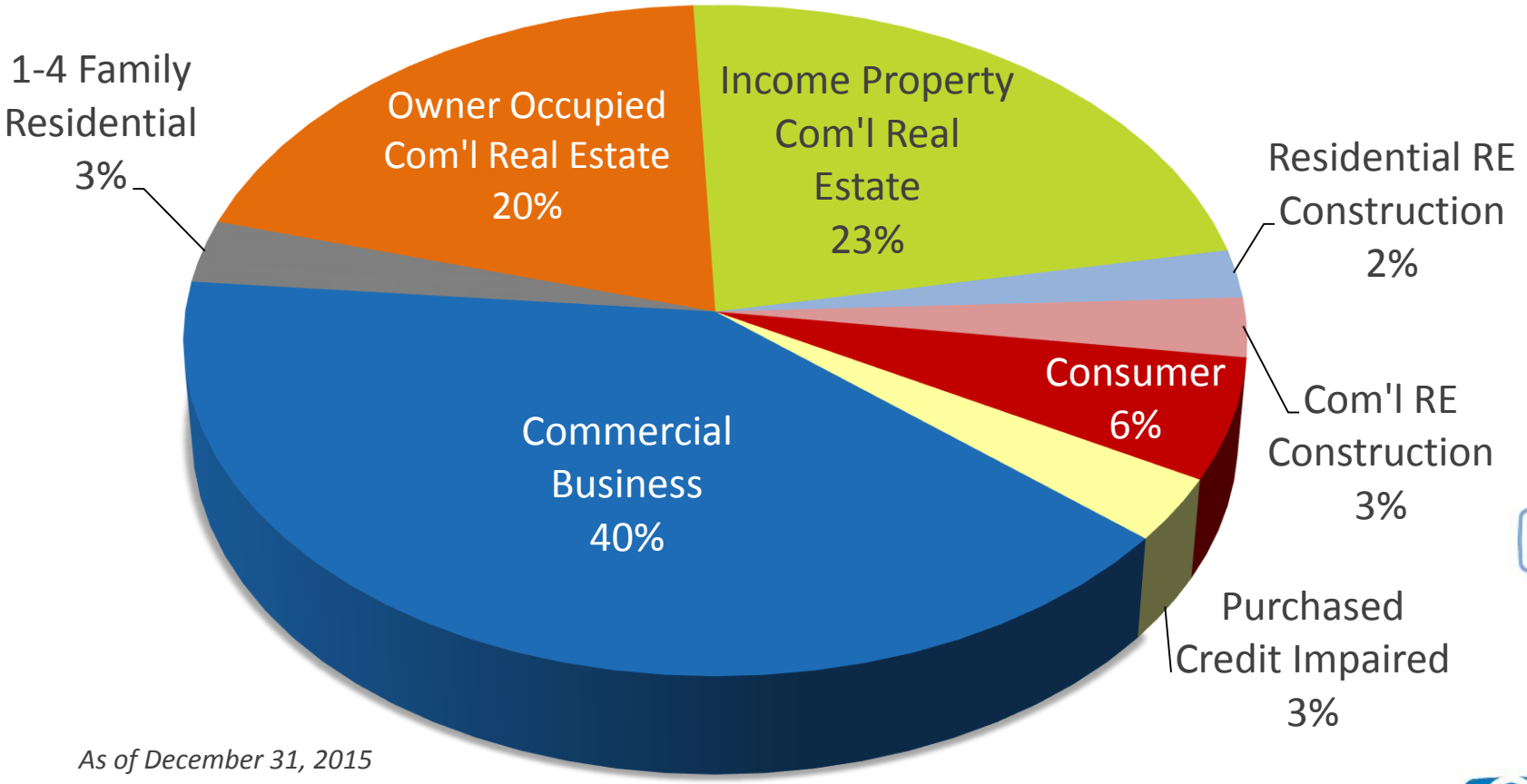
Loan production has exceeded $1 billion for the second consecutive year.

$ in Millions

Balanced Loan Portfolio

Total Portfolio = $5.8 Billion

An increase of 7% over the past 12 months

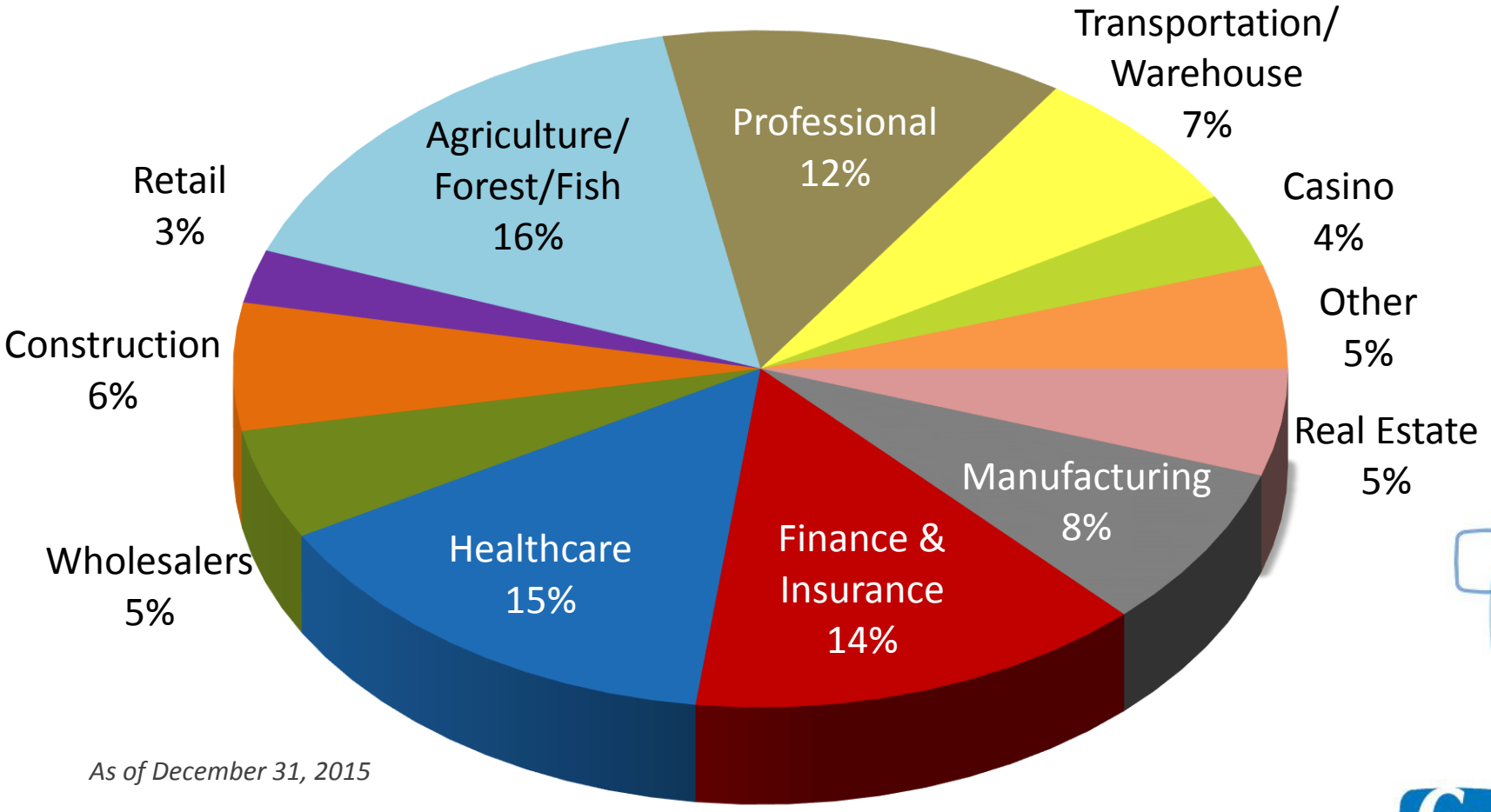


As of December 31, 2015

Diversified Commercial Business Portfolio

Total Portfolio = $2.4 Billion

An increase of 11% over the past 12 months



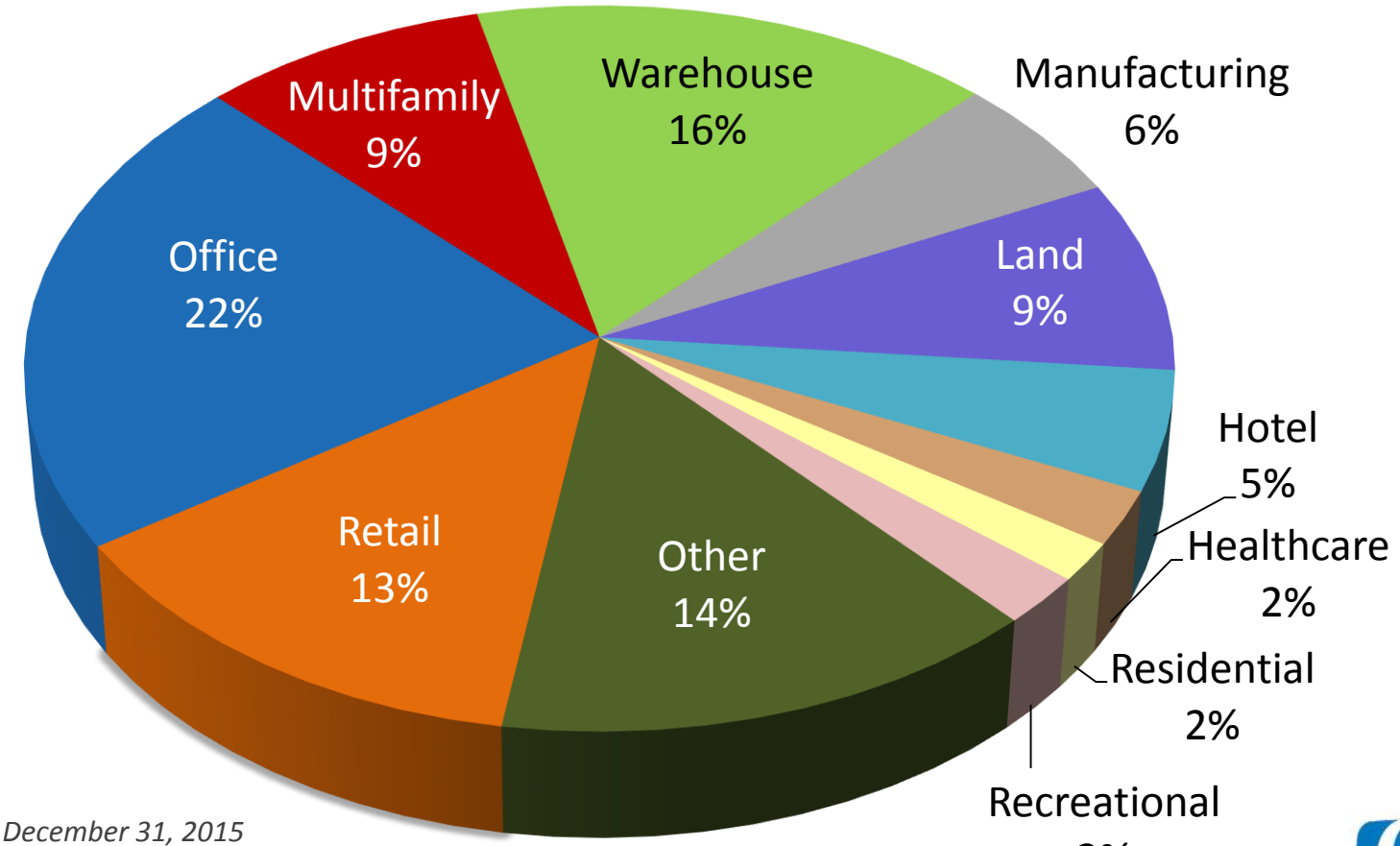
As of December 31, 2015

Commercial Real Estate Portfolio

Total Portfolio = $2.5 Billion

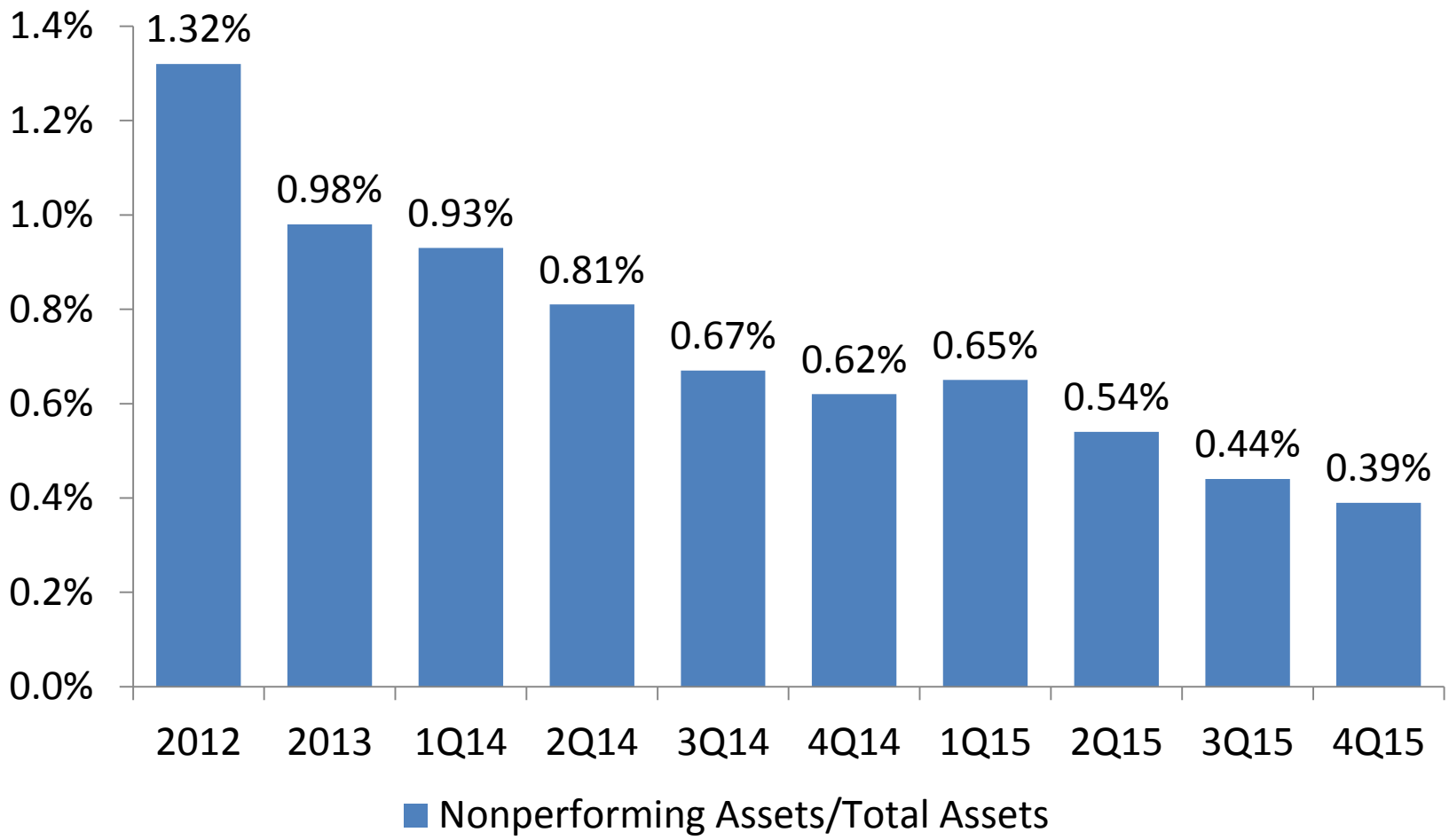
Balanced portfolio with Income Property comprising 53% and Owner Occupied 47%

An increase of 5% over the past 12 months



As of December 31, 2015

Effective Management of Nonperforming Assets*



Opportunity for Deposit Market Share Growth

Pacific Northwest (Washington, Oregon and Idaho)

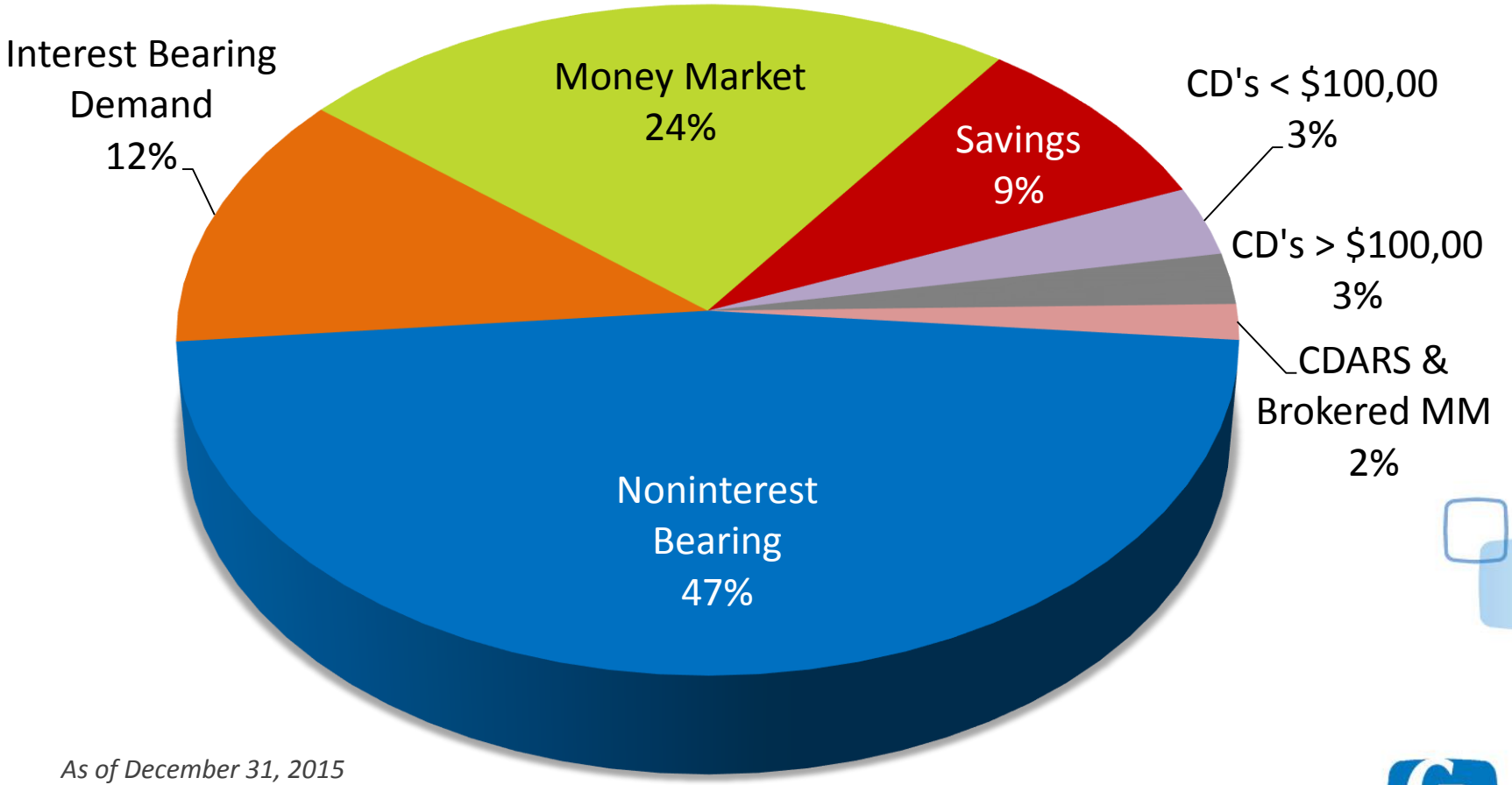
2015 Rank	Institution (ST)	2015 Deposits ($000s)	2015 Market Share*
1	Bank of America (NC)	39,181,724	17.66%
2	Wells Fargo (CA)	32,991,032	14.87%
3	U.S. Bank (MN)	31,818,504	14.34%
4	JP Morgan Chase (NY)	19,467,169	8.77%
5	Key Bank (OH)	14,338,736	6.46%
6	Umpqua Bank (OR)	11,957,743	5.39%
7	Washington 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

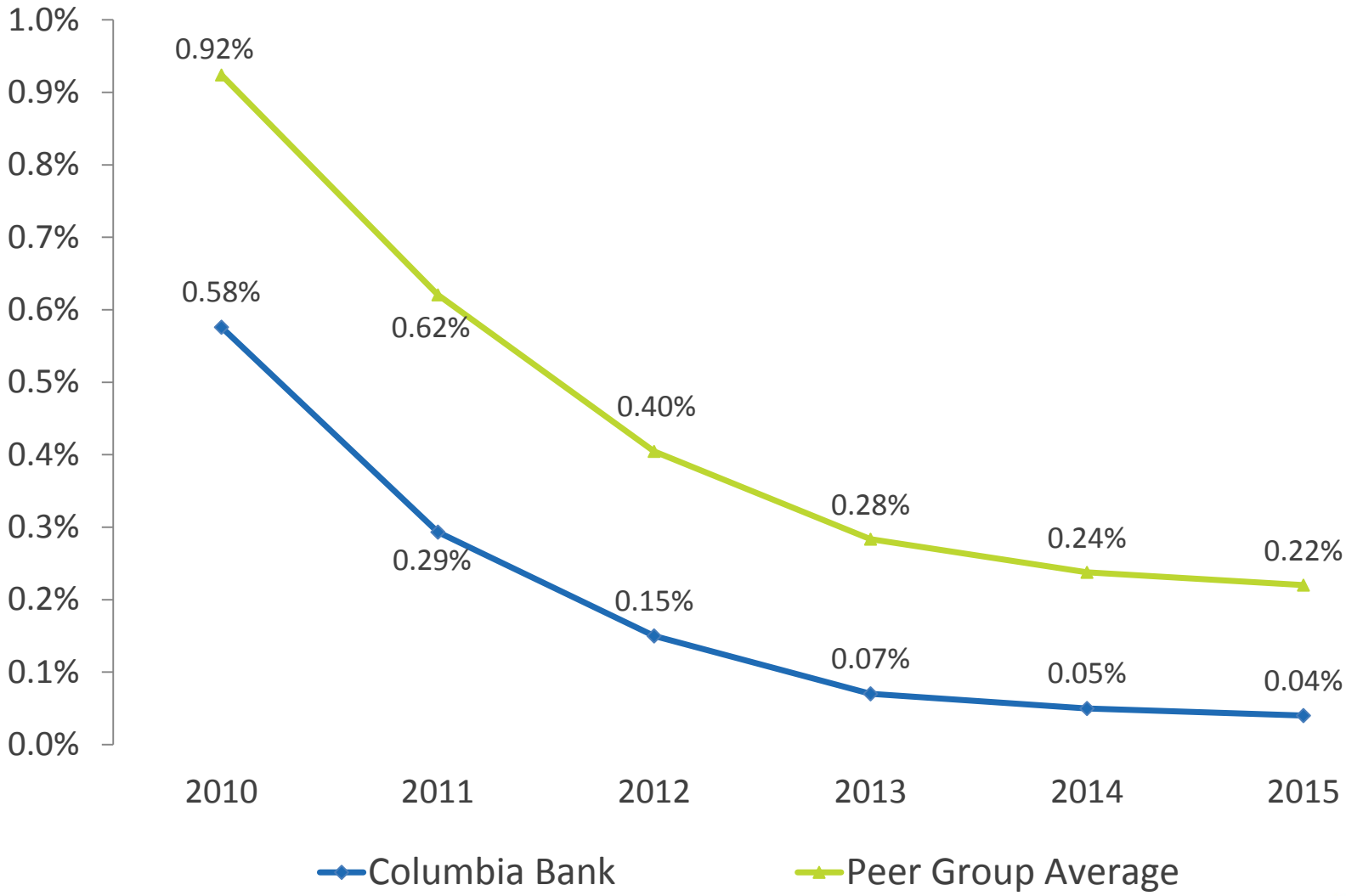
Total Deposits = $7.4 Billion

An increase of 7% over the past 12 months. The mix is 54% Business and 46% Consumer based.

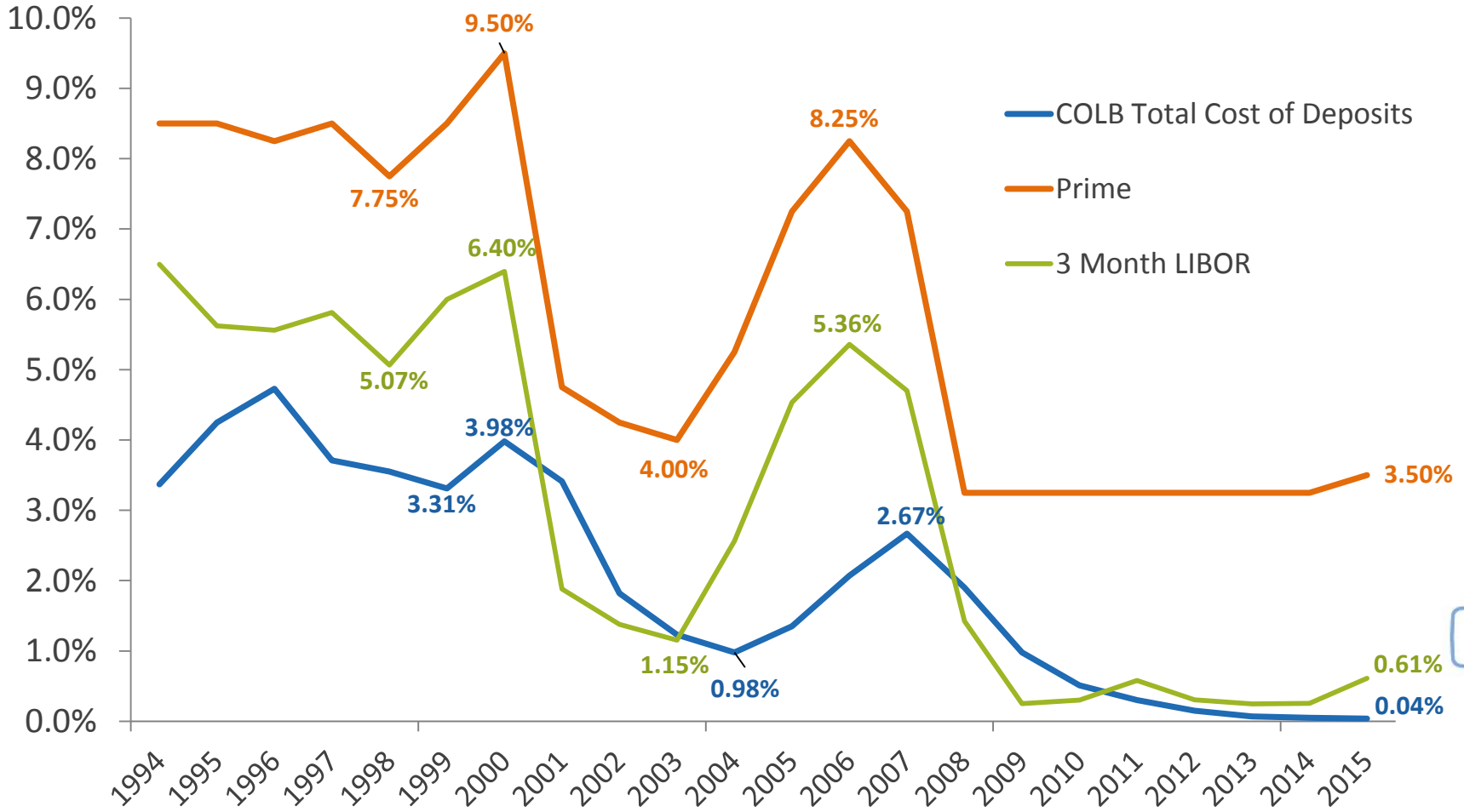


As of December 31, 2015

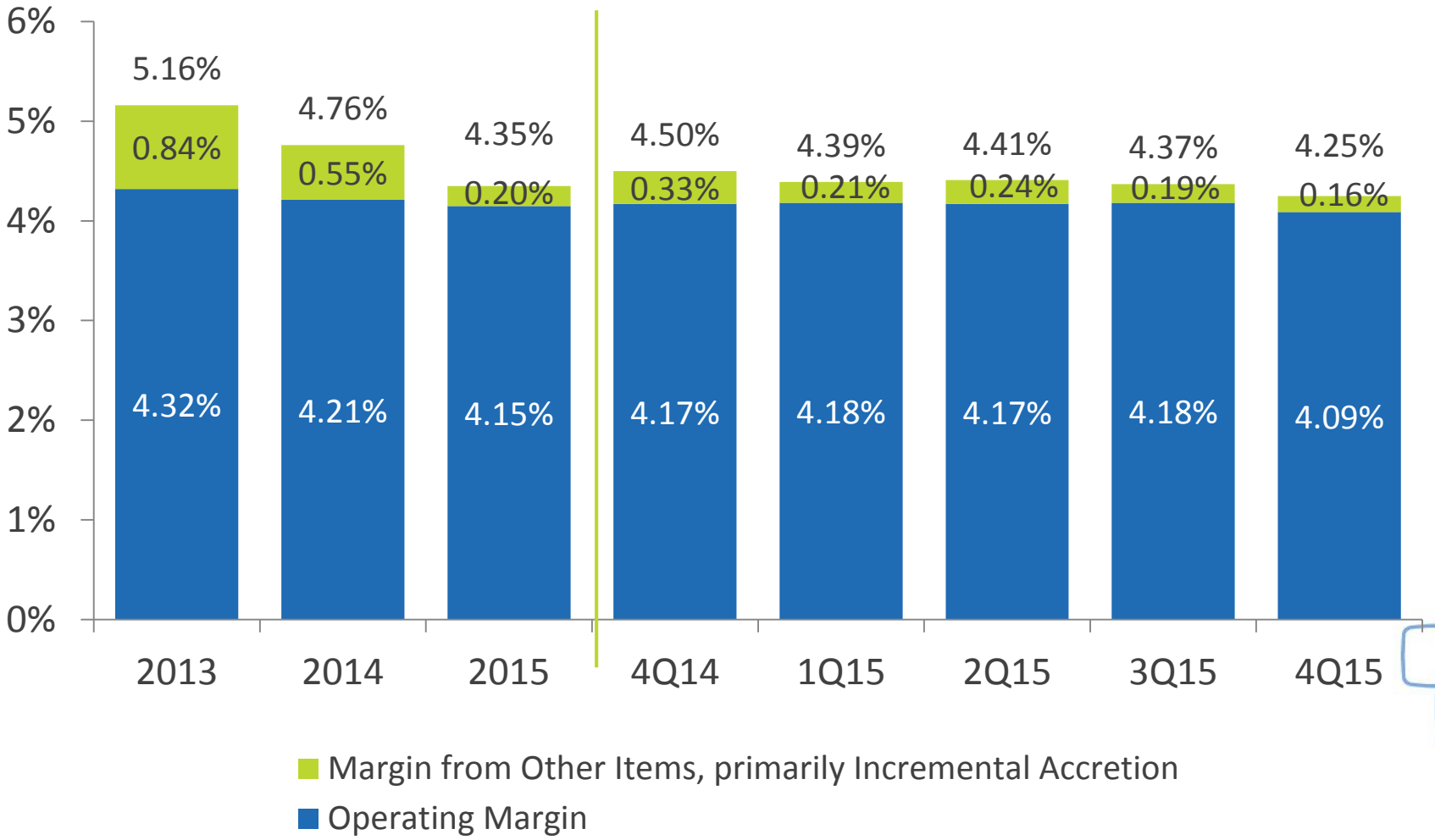
One of the Lowest Deposit Funding Costs in the U.S.



Historically, Deposit Costs Lag Market in Rising Rate Environments



Stable Operating Net Interest Margin*



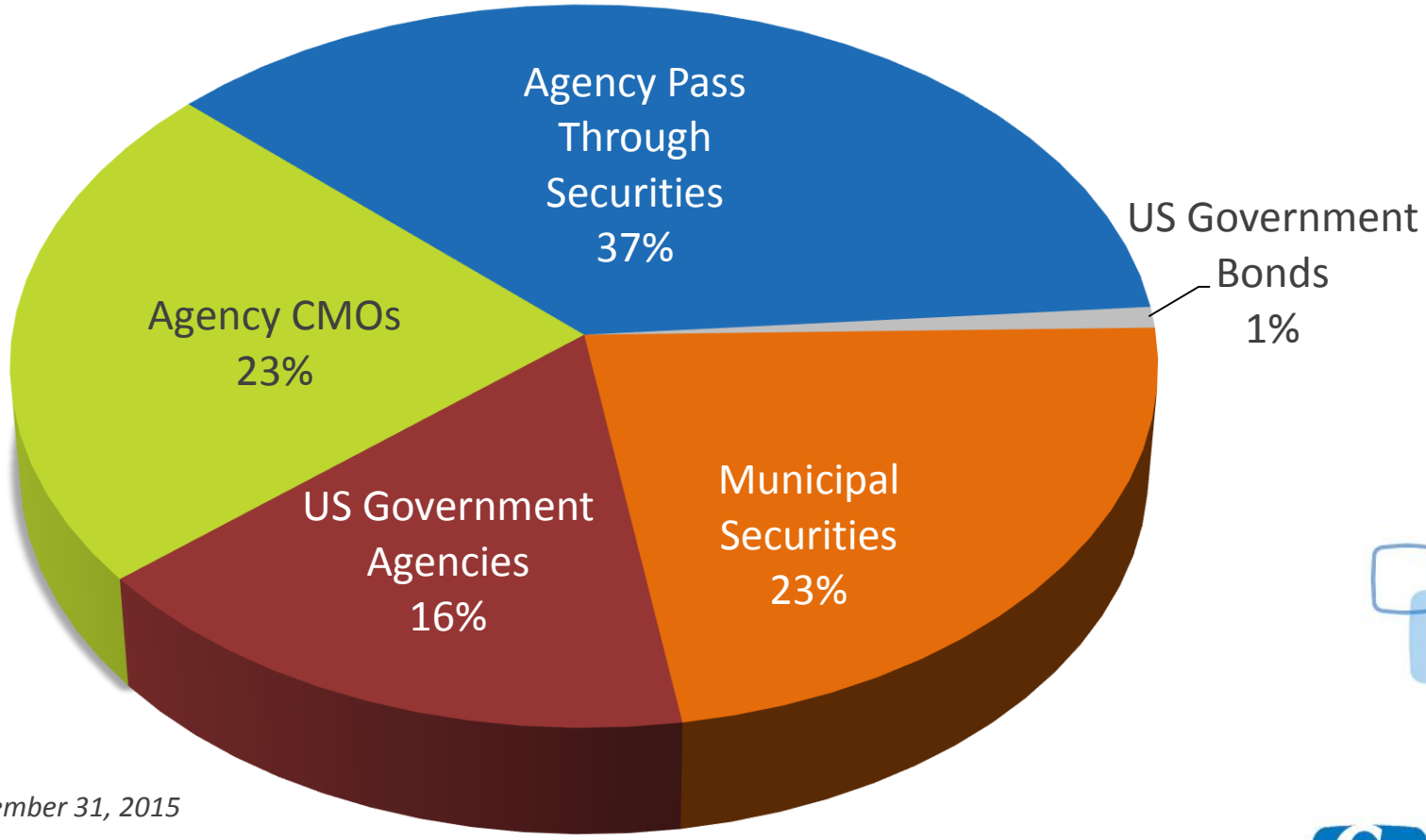
* Operating Net Interest Margin is a non-GAAP financial measure. Refer to appendix for additional information.

Conservative Investment Portfolio

Total Fair Value = $2.2 Billion

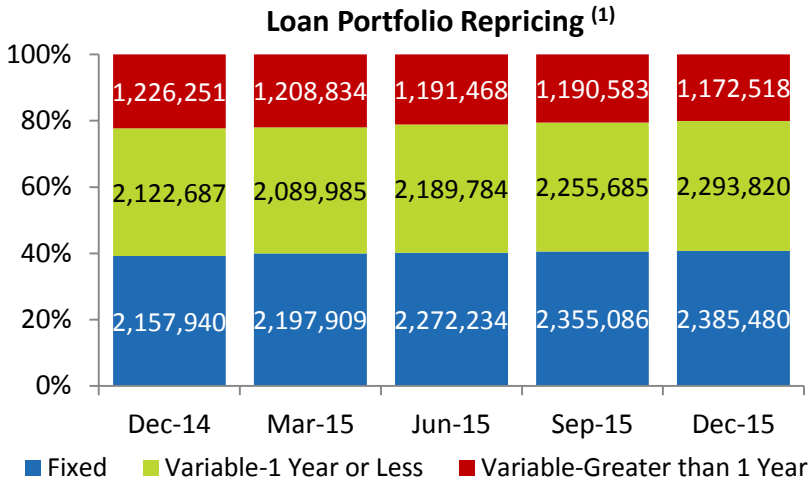
2015 Yield = 2.41%

Portfolio Duration = 3.7 Years



As of December 31, 2015

Interest Rate Sensitivity



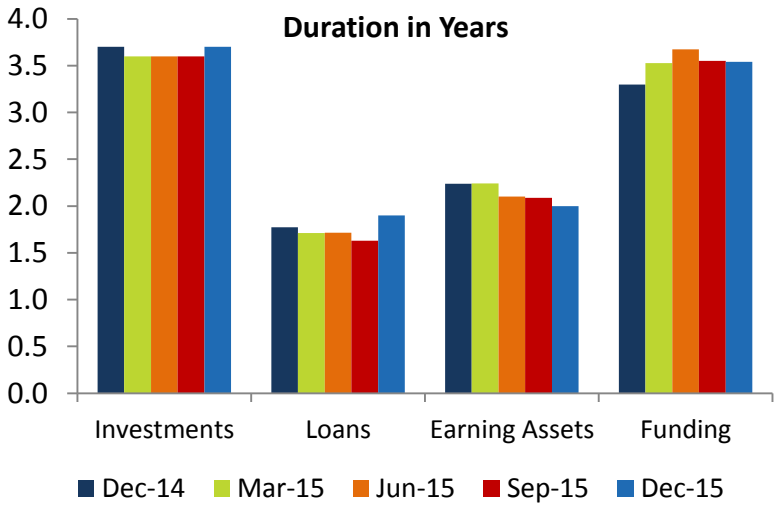
Loan Repricing Detail (1)	Dec-14	Dec-15	Dec-14	Dec-15
Fixed	$2,157,940	$2,385,480	39%	41%
Prime	1,229,799	1,215,796	23%	21%
Libor	810,658	1,007,897	15%	17%
1Y FHLB/UST/Libor	82,230	70,127	1%	1%
Variable-1 Year or Less	2,122,687	2,293,820	39%	39%
3Y FHLB/SWAP/UST	193,054	170,595	3%	3%
5Y FHLB/SWAP/UST	966,906	902,423	18%	16%
OVER 5Y FHLB/SWAP	66,291	99,500	1%	1%
Variable-Greater than 1Y	1,226,251	1,172,518	22%	20%
Total	**$5,506,878**	**$5,851,818**	**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 $1.87 billion with 48% or $0.9 billion in the money.

  Floor Exceeds Fully Indexed Rate by (basis points):

<=50	51-100	101-150	151-200	>200
$445MM	$282MM	$100MM	$39MM	$38MM

- 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	2015	2014	2013	2012	2011
Total Assets	$8,954	$8,579	$7,162	$4,906	$4,786
Total Loans [1]	$5,815	$5,445	$4,517	$2,947	$2,885
Purchased Credit Impaired Loans [1]	$181	$231	$298	$421	$537
Core Deposits	$7,128	$6,620	$5,696	$3,802	$3,510
Total Deposits	$7,439	$6,925	$5,959	$4,042	$3,816
Nonperforming Assets/ Total Assets	0.39%	0.62%	0.98%	1.32%	2.37%
Return on Average Assets	1.14%	1.09%	0.92%	0.96%	1.07%
Return on Average Common Equity	7.93%	7.36%	6.14%	6.06%	6.57%
Return on Average Tangible Equity	12.35%	11.64%	9.46%	7.81%	8.52%

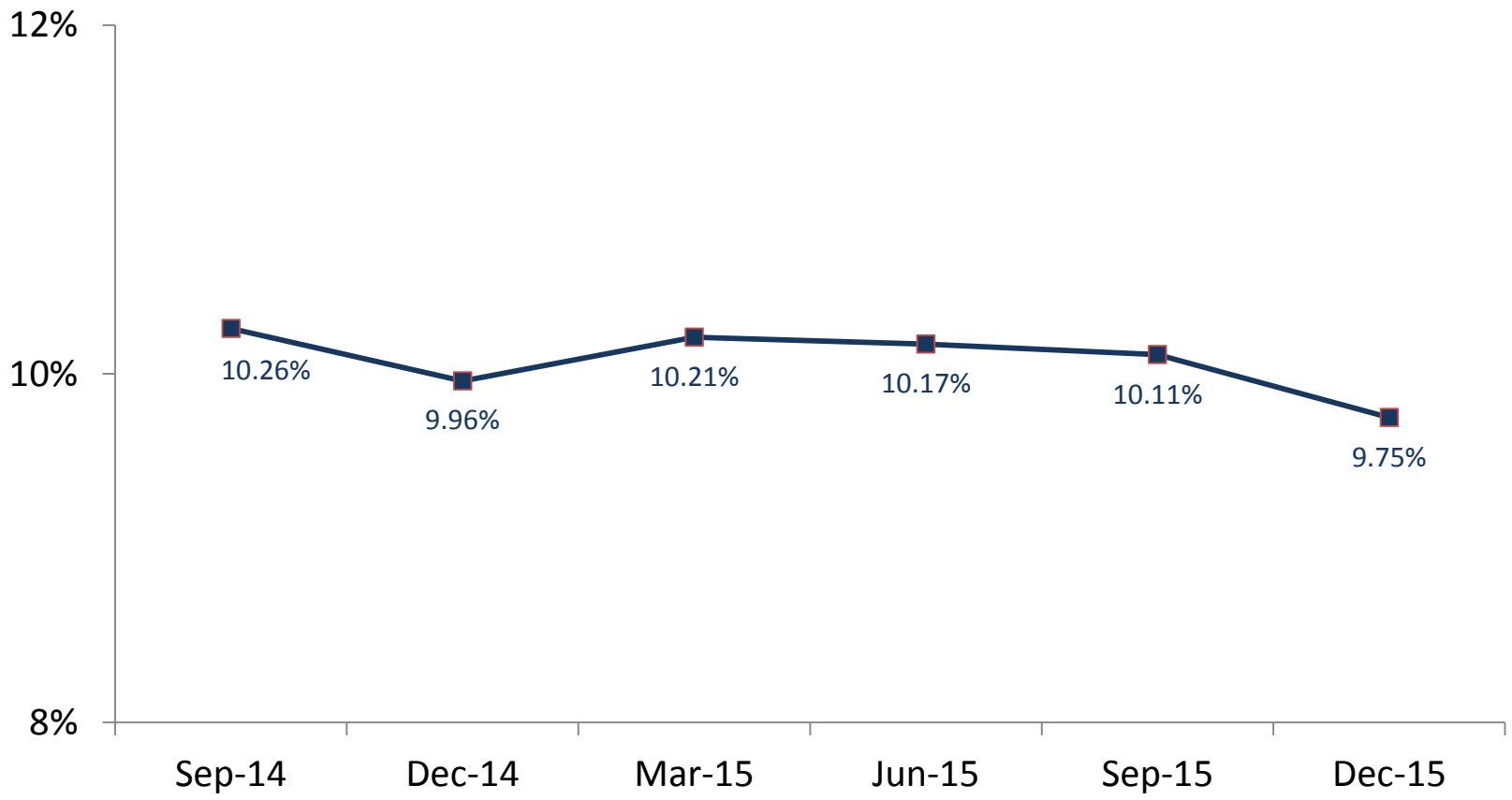
(1) Total Loans include Purchased Credit Impaired Loans. Both are presented net of unearned income and gross of ALLL.

Net Income

$ in Thousands	4Q15	3Q15	2Q15	1Q15	2015	2014
Reported Net Income						
Net Interest Income	$81,819	$81,694	$81,010	$80,364	$324,887	$304,048
Provision for Loan Losses	2,349	2,831	2,202	1,209	8,591	6,727
Net Interest Inc after Provision	**79,470**	**78,863**	**78,808**	**79,155**	**316,296**	**297,321**
Noninterest Income	24,745	22,499	21,462	22,767	91,473	59,750
Noninterest Expense	66,877	64,067	68,471	66,734	266,149	239,286
Pre-tax Net Income	**37,338**	**37,295**	**31,799**	**35,188**	**141,620**	**117,785**
Provision for Income Taxes	10,598	11,515	9,853	10,827	42,793	36,211
Net Income	**$26,740**	**$25,780**	**$21,946**	**$24,361**	**$98,827**	**$81,574**
Earnings per Share (Diluted)	$0.46	$0.45	$0.38	$0.42	$1.71	$1.52
Core Pre-tax Net Income*						
Net Interest Income*	$79,551	$79,578	$78,628	$77,800	$315,557	$280,718
Provision/(Recapture) for Loan Losses*	1,000	3,350	1,726	(1,400)	4,676	1,100
Net Interest Inc after Provision*	**78,551**	**76,228**	**76,902**	**79,200**	**310,881**	**279,618**
Noninterest Income*	22,629	24,134	22,956	22,617	92,336	79,174
Noninterest Expense*	64,343	63,237	63,419	64,978	255,977	230,742
Pre-tax Net Income*	**$36,837**	**$37,125**	**$36,439**	**$36,839**	**$147,240**	**$128,050**
Pre-tax Income (before LL Prov)*	**$37,837**	**$40,475**	**$38,165**	**$35,439**	**$151,916**	**$129,150**

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

COLB Tangible Common Equity*



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

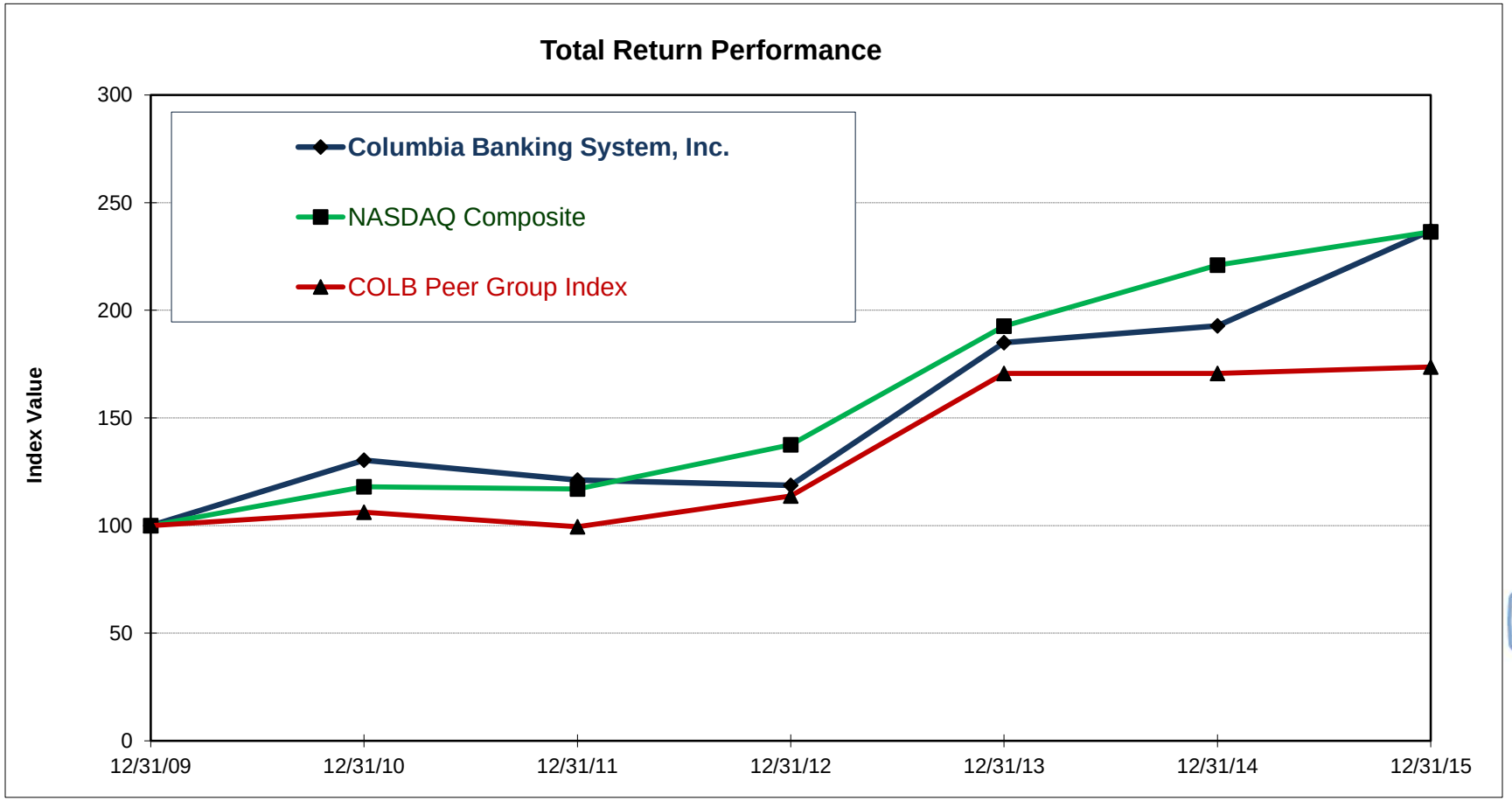
IMCB Transaction Summary

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	Original estimate was $8.6 million or 27% of IMCB's 2015e NIE Current estimate is $9.7 million or 31% of IMCB's 2015e NIE
Deal Related Expenses	Original estimate was $18 million; current estimate is $18.4 million
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, 2016" list ranked Columbia Bank 19th in the country, based on asset quality, capital adequacy, net interest margin and profitability among the nation's 100 largest publicly traded bank and thrifts.
- Received 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



COLB Peer Group: BANF, BXS, FCF, FFBC, FIBK, FMBI, HTLF. IBKC, MBFI, NBTB, NPBC, PACW, PNFP, TCBI, TRMK, UMPQ, WAL

Non-GAAP Financial Measures – Net Interest Margin

$ in Thousands	2013	2014	2015	4Q14	1Q15	2Q15	3Q15	4Q15
Net interest margin (tax equivalent)	**5.16%**	**4.76%**	**4.35%**	**4.50%**	**4.39%**	**4.41%**	**4.37%**	**4.25%**
Incremental accretion income on FDIC purchased credit impaired loans	(0.52%)	(0.31%)	(0.12%)	(0.21%)	(0.14%)	(0.13%)	(0.11%)	(0.11%)
Incremental accretion income on other FDIC acquired loans	(0.04%)	(0.01%)	-	-	-	-	-	-
Incremental accretion income on other acquired loans	(0.46%)	(0.32%)	(0.23%)	(0.28%)	(0.26%)	(0.26%)	(0.22%)	(0.19%)
Premium amortization on acquired securities	0.13%	0.11%	0.13%	0.14%	0.15%	0.14%	0.12%	0.11%
Investment portfolio premium amortization adjustment	-	(0.04%)	-	-	-	-	-	-
Interest reversals on nonaccrual loans	0.02%	0.02%	0.02%	0.02%	0.04%	0.01%	0.02%	0.03%
Prepayment charges on FHLB advances	0.03%	-	-	-	-	-	-	-
Operating net interest margin (tax equivalent)	**4.32%**	**4.21%**	**4.15%**	**4.17%**	**4.18%**	**4.17%**	**4.18%**	**4.09%**

Non-GAAP Financial Measures – Net Interest Margin

$ in Thousands	2013	2014	2015	4Q14	1Q15	2Q15	3Q15	4Q15
Net Interest Margin (tax equivalent)	**$297,139**	**$312,146**	**$334,548**	**$81,056**	**$82,667**	**$83,298**	**$84,254**	**$84,329**
Incremental accretion income on FDIC purchased credit impaired loans	(29,815)	(20,224)	(9,096)	(3,796)	(2,447)	(2,367)	(2,082)	(2,200)
Incremental accretion income on other FDIC acquired loans	(2,211)	(484)	(234)	(10)	(117)	(15)	(34)	(68)
Incremental accretion income on other acquired loans	(26,200)	(21,093)	(17,862)	(4,957)	(4,934)	(4,889)	(4,293)	(3,745)
Premium amortization on acquired securities	7,309	7,123	10,217	2,490	2,861	2,706	2,396	2,253
Investment portfolio premium amortization adjustment	-	(2,622)	-	-	-	-	-	-
Interest reversals on nonaccrual loans	882	1,291	1,713	189	650	156	325	582
Prepayment charges on FHLB advances	1,548	-	-	-	-	-	-	-
Operating Net Interest Margin *(tax equivalent)*	**$248,652**	**$276,137**	**$319,286**	**$74,972**	**$78,680**	**$78,889**	**$80,566**	**$81,151**
Average Earning Assets	$5,754,543	$6,561,047	$7,685,734	$7,199,443	$7,529,040	$7,560,288	$7,711,531	$7,937,308
Net Interest Margin *(tax equivalent)*	**5.16%**	**4.76%**	**4.35%**	**4.50%**	**4.39%**	**4.41%**	**4.37%**	**4.25%**
Operating Net Interest Margin *(tax equivalent)*	**4.32%**	**4.21%**	**4.15%**	**4.17%**	**4.18%**	**4.17%**	**4.18%**	**4.09%**

Non-GAAP Financial Measures – Core Results

$ in Thousands	4Q15	3Q15	2Q15	1Q15	2015	2014
Reported Net Interest Income	**$81,819**	**$81,694**	**$81,010**	**$80,364**	**$324,887**	**$304,048**
- FDIC Loan Accretion	(2,268)	(2,116)	(2,382)	(2,564)	(9,330)	(20,708)
- Inv Portfolio Premium Amort Adj	-	-	-	-	-	(2,622)
Core Net Interest Income	**$79,551**	**$79,578**	**$78,628**	**$77,800**	**$315,557**	**$280,718**
Reported Provision/(Recapture)for Loan Losses	**$2,349**	**$2,831**	**$2,202**	**$1,209**	**$8,591**	**$6,727**
- Purchased Credit Impaired (Provision)/ Recapture	(1,349)	519	(476)	(2,609)	(3,915)	(2,877)
- IMCB 1st Month (Provision)/ Recapture	-	-	-	-	-	(2,750)
Core Provision/(Recapture)	**$1,000**	**$3,350**	**$1,726**	**($1,400)**	**$4,676**	**$1,100**

Non-GAAP Financial Measures – Core Results

$ in Thousands	4Q15	3Q15	2Q15	1Q15	2015	2014
Reported Noninterest Income	**$24,745**	**$22,499**	**$21,462**	**$22,767**	**$91,473**	**$59,750**
- Decrease/(Increase) in FDIC Loss Sharing Asset	1,031	1,635	1,494	(150)	4,010	19,989
- WCB Mortgage Purchase Reserve Recapture	(3,147)	-	-	-	(3,147)	-
- Gain on Sale of Branch Deposits	-	-	-	-	-	(565)
Core Noninterest Income	**$22,629**	**$24,134**	**$22,956**	**$22,617**	**$92,336**	**$79,174**
Reported Noninterest Expense	**$66,877**	**$64,067**	**$68,471**	**$66,734**	**$266,149**	**$239,286**
- FDIC Clawback Expense/(Recap)	(812)	(174)	30	(23)	(979)	(294)
- Acquisition Related Costs	(1,872)	(428)	(5,643)	(2,974)	(10,917)	(9,432)
- OREO/OPPO Expense, Net	150	(228)	561	1,241	1,724	1,182
Core Noninterest Expense	**$64,343**	**$63,237**	**$63,419**	**$64,978**	**$255,977**	**$230,742**

Non-GAAP Financial Measures - ROATCE

$ in Thousands	2015	2014	2013	2012	2011
Net Income	**$98,827**	**$81,574**	**$60,016**	**$46,143**	**$48,037**
- Preferred Dividends	(138)	(96)	(32)	-	-
Net Income Applicable to Common Shareholders	**98,689**	**81,478**	**59,984**	**46,143**	**48,037**
+ Amortization of Intangibles	6,882	6,293	6,045	4,445	4,319
- Tax Effect on Intangible Amort	(2,409)	(2,283)	(2,149)	(1,580)	(1,535)
Adjusted Net Income	**$103,162**	**$85,488**	**$63,880**	**$49,008**	**$50,821**
Average Shareholders' Equity	**$1,246,952**	**$1,109,581**	**$979,099**	**$761,185**	**$730,726**
- Average Preferred Equity	(2,217)	(2,217)	(1,670)	-	-
- Average Intangibles	(409,436)	(372,803)	(299,335)	(133,631)	(134,562)
Adjusted Average Common Shareholders' Equity	**$835,299**	**$734,561**	**$678,094**	**$627,554**	**$596,164**
Return on Average Tangible Common Shareholders' Equity	**12.35%**	**11.64%**	**9.42%**	**7.81%**	**8.52%**

Non-GAAP Financial Measures – TCE Ratio

$ in Thousands	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Total Shareholders' Equity	$1,092,151	$1,096,211	$1,228,175	$1,244,443	$1,236,214	$1,254,136	$1,242,128
- Preferred Stock	(2,217)	(2,217)	(2,217)	(2,217)	(2,217)	(2,217)	(2,217)
- Goodwill	(343,952)	(343,952)	(382,537)	(382,537)	(382,537)	(382,762)	(382,762)
- Other Intangible Assets, net	(22,792)	(21,336)	(30,459)	(28,642)	(26,924)	(25,229)	(23,577)
Tangible Common Equity	**$723,190**	**$728,706**	**$812,962**	**$831,047**	**$824,536**	**$843,928**	**$833,572**
Total Assets	$7,297,458	$7,466,081	$8,578,846	$8,552,902	$8,518,019	$8,755,984	$8,954,382
- Goodwill	(343,952)	(343,952)	(382,537)	(382,537)	(382,537)	(382,762)	(382,762)
- Other Intangible Assets, net	(22,792)	(21,336)	(30,459)	(28,642)	(26,924)	(25,229)	(23,577)
Tangible Assets	**$6,930,714**	**$7,100,793**	**$8,165,850**	**$8,141,723**	**$8,108,558**	**$8,347,993**	**$8,548,043**
Tangible Common Equity Ratio	**10.43%**	**10.26%**	**9.96%**	**10.21%**	**10.17%**	**10.11%**	**9.75%**