COLUMBIA BANK BUILDING A PREMIER REGIONAL COMMUNITY BANK

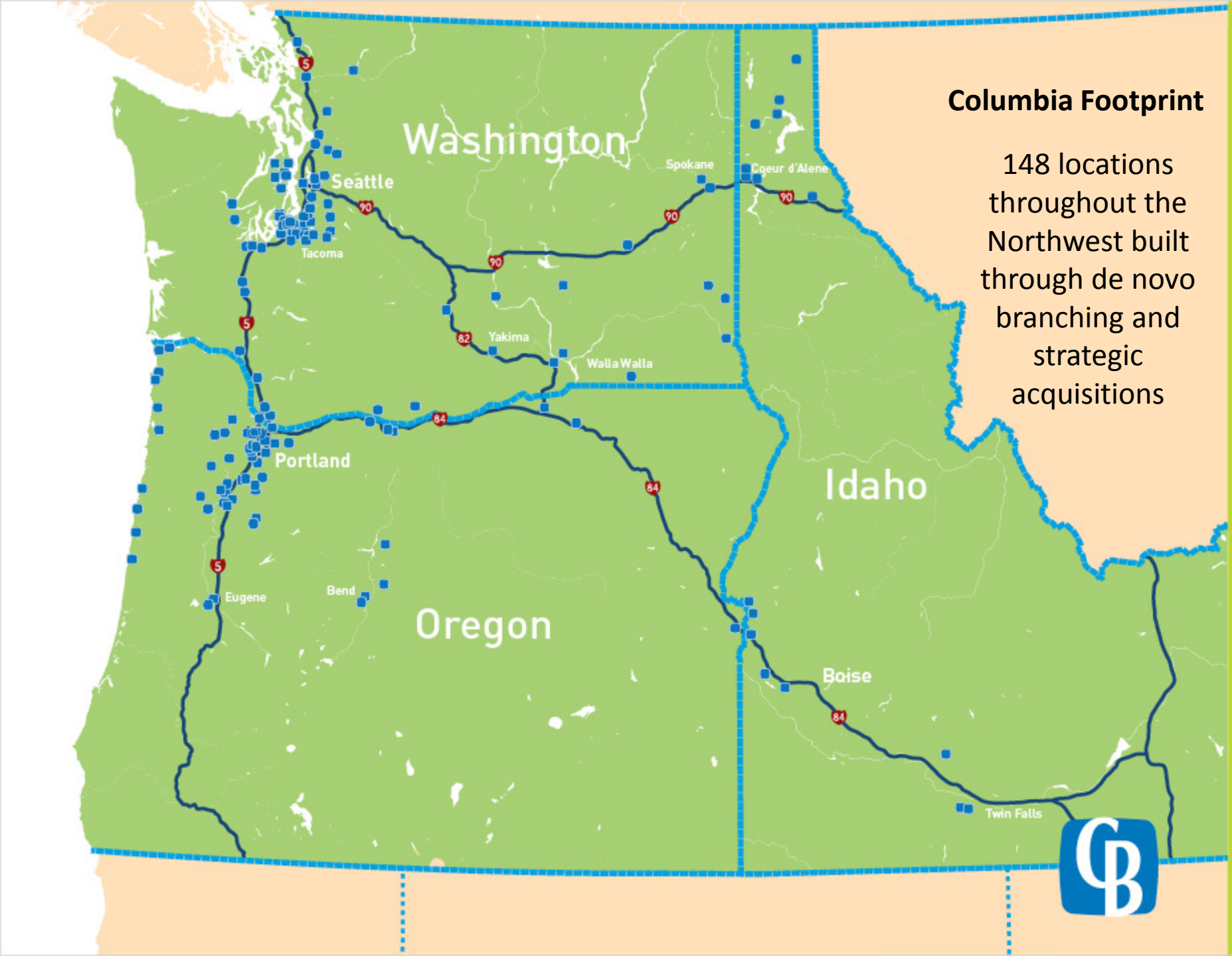
First Quarter 2016

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.


Columbia Footprint
148 locations throughout the Northwest built through de novo branching and strategic acquisitions
Washington
Oregon
Idaho
Seattle
Tacoma
Spokane
Coeur d'Alene
Yakima
Walla Walla
Portland
Eugene
Bend
Boise
Twin Falls
5
90
82
84

Positive Business Climate & Economic Outlook

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

March 2016: (National rate: 5.0%)		**Jobs added year over year**
WA: 5.8% unemployment rate	(5.6% March 2015)	101,000
OR: 4.5% unemployment rate	(5.7% March 2015)	64,800
Lowest rate since comparable records began in 1976		
ID: 3.8% unemployment rate	(4.1% March 2015)	23,500

- **Northwest ports are big economic drivers in the region.** The Northwest Seaport Alliance (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. International container volumes rebounded strongly, increasing 4% in 2015. The value of the ports' two-way international trade totaled more than $75 billion in 2015.

- **Leading economic indicators** such as employment trends, housing, consumer confidence and spending point to continuing forward momentum in the Northwest's export-driven, diversified economy, particularly in Seattle, Portland and Boise metro areas.

- **Survey of our business customers** shows continued confidence in their business' future in all industries and optimism about their industry's general conditions. However, businesses are reluctant to invest in capital projects due to concerns about the political climate, global economy, government regulations and taxes.

- **Military a major driver of the Northwest economy**. Over 115,000 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

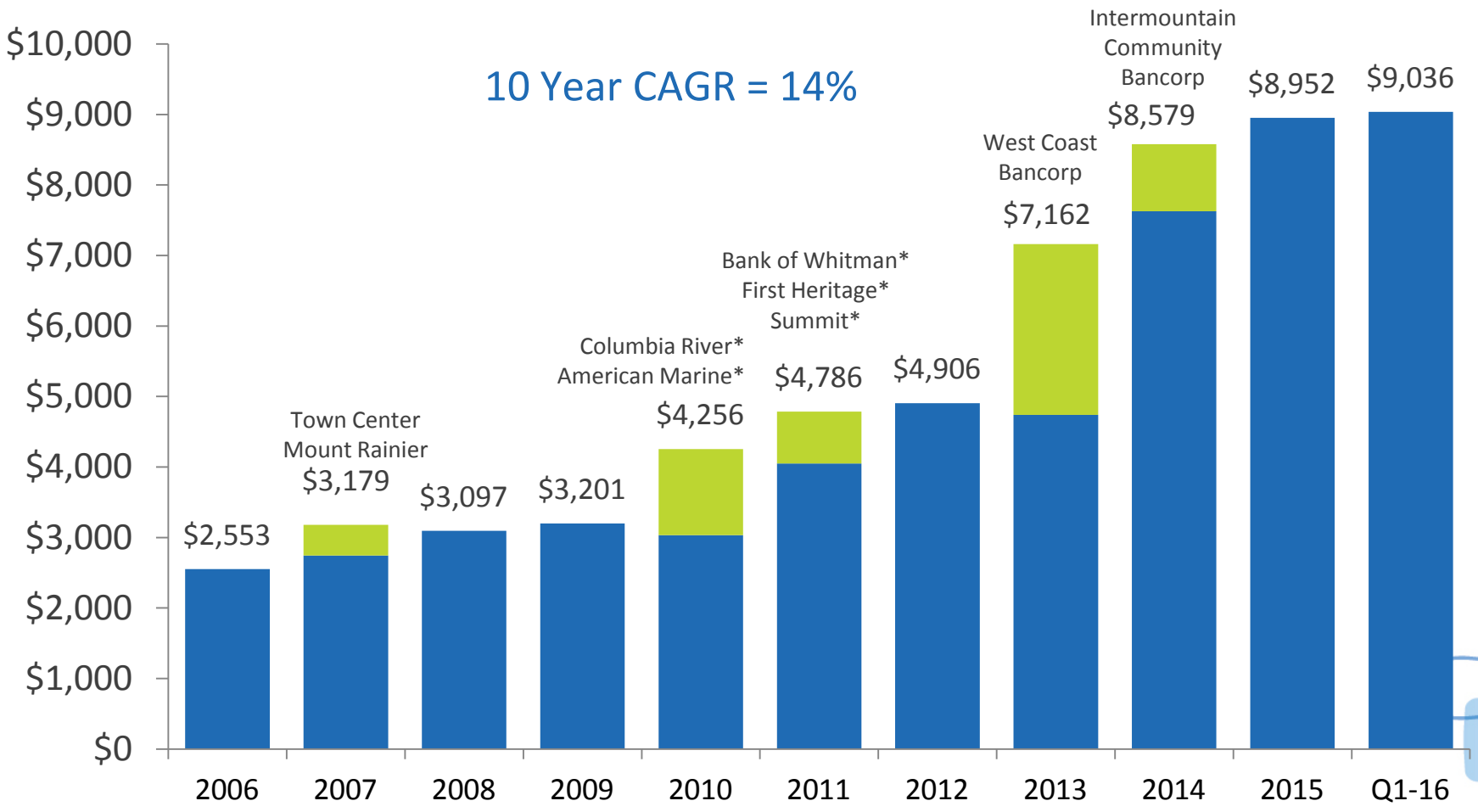
✓ *Better Than or Equal to U.S. Average*		Seattle/ Tacoma/ Bellevue	Portland/ Vancouver	Boise	Washington	Oregon	Idaho	United States
Demographics	Population as of 2015 *(in millions)*	3.73	2.41	0.68	7.13	4.04	1.66	321.8
	Population Increase *(2010 – 2015)*	6.49%✓	5.36%✓	8.23%✓	5.34%✓	3.76%✓	4.23%✓	3.47%
	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)] *(March 2016)*	4.6%	4.3%✓	3.2%✓	5.8%	4.5%✓	3.8%✓	5.0%
	Home Price Index Change *12 months ending February 2016* *Low in 1Q12 – February 2016*	11.0%✓ 46.5%✓	11.9%✓ 44.6%✓	n/a	n/a	n/a	n/a	5.3% 30.8%
	Annual Housing Starts/Permits [(2)] *(April 2015-March 2016)*	9,157	7,492	4,686	20,676	10,432	7,885	724M
	Compound Average Growth Rate of Annual Housing Starts/Permits over past 3 Years [(2)]	2%	15%✓	15%✓	5%	12%✓	10%✓	9%

(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

Nine Acquisitions in the last 9 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 - 2016

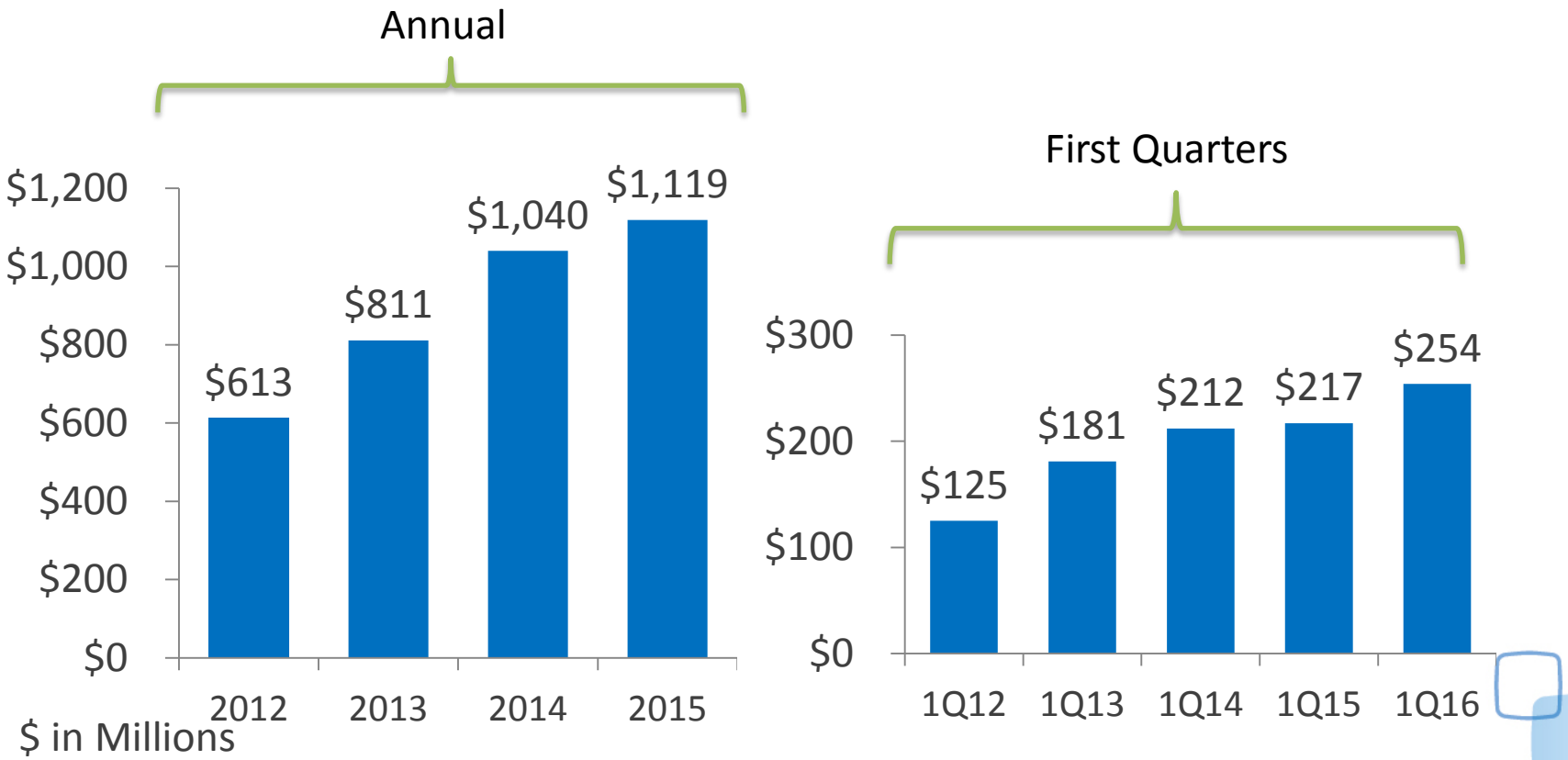


$ in Millions

Acquisitions

**FDIC Assisted Acquisition*

Growing Loan Originations

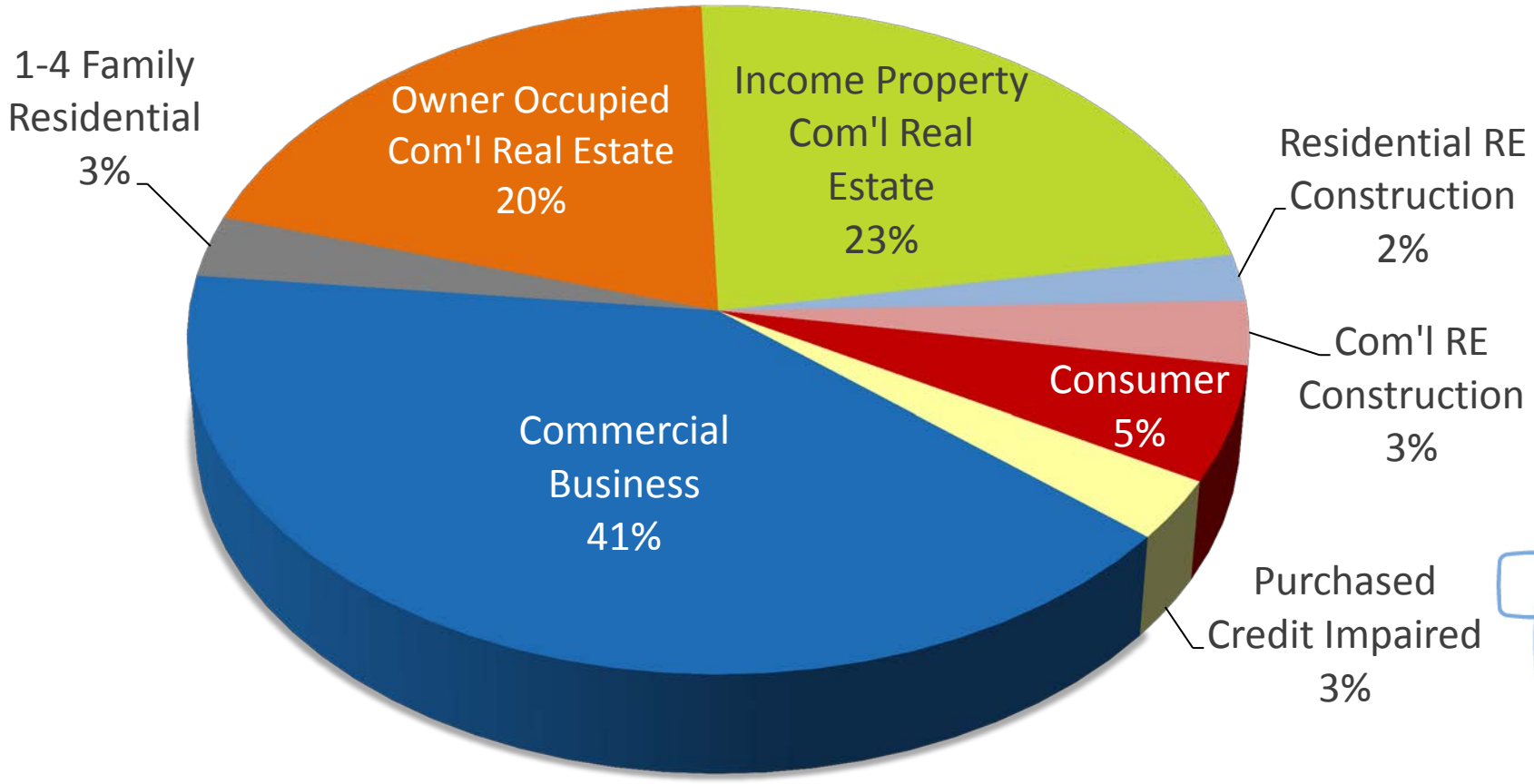


First quarter 2016 loan production of $254 million is a 17% increase over 1Q15.

Balanced Loan Portfolio

Total Portfolio = $5.9 Billion

An increase of 8% over the past 12 months

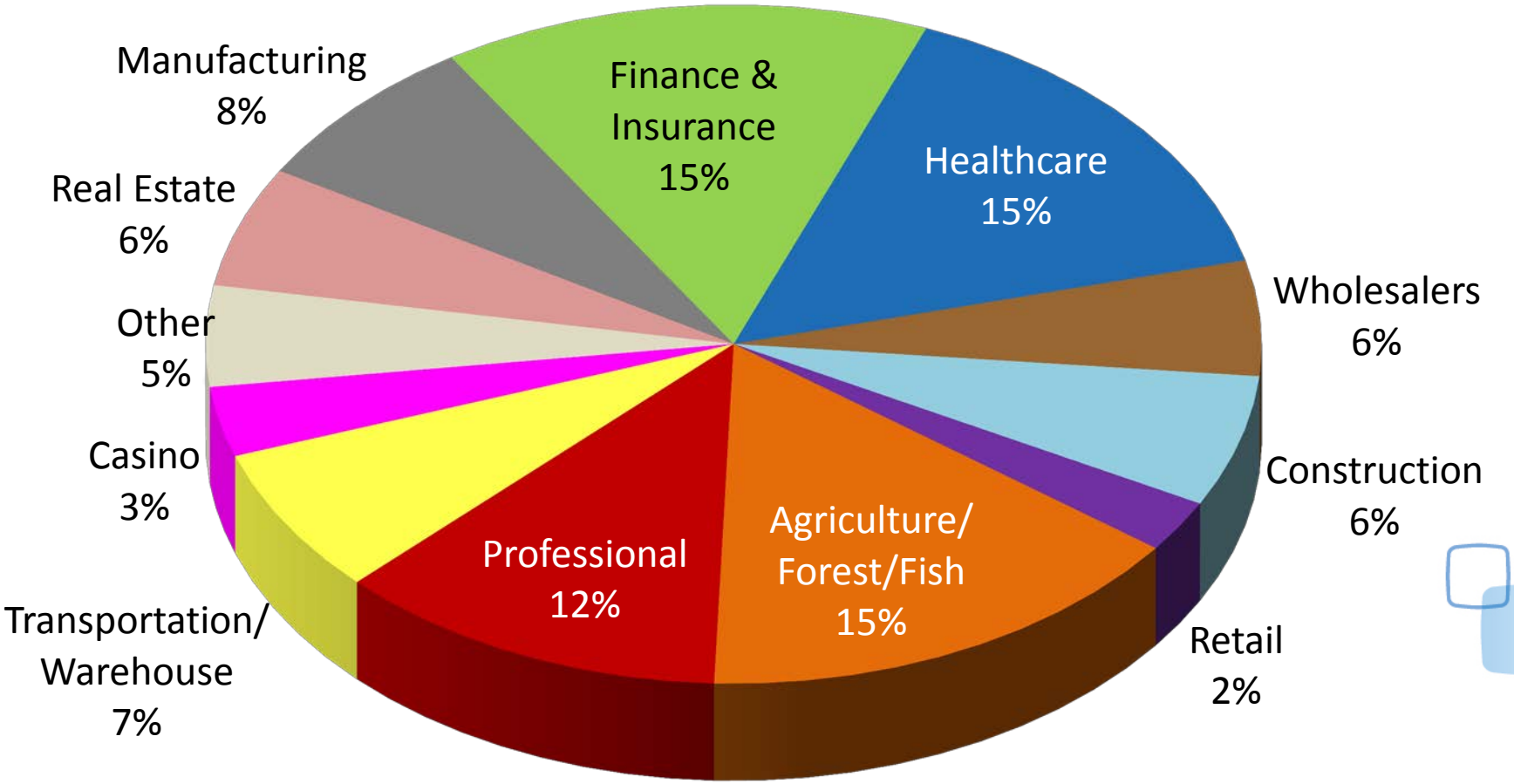


As of March 31, 2016

Diversified Commercial Business Portfolio

Total Portfolio = $2.4 Billion

An increase of 12% over the past 12 months

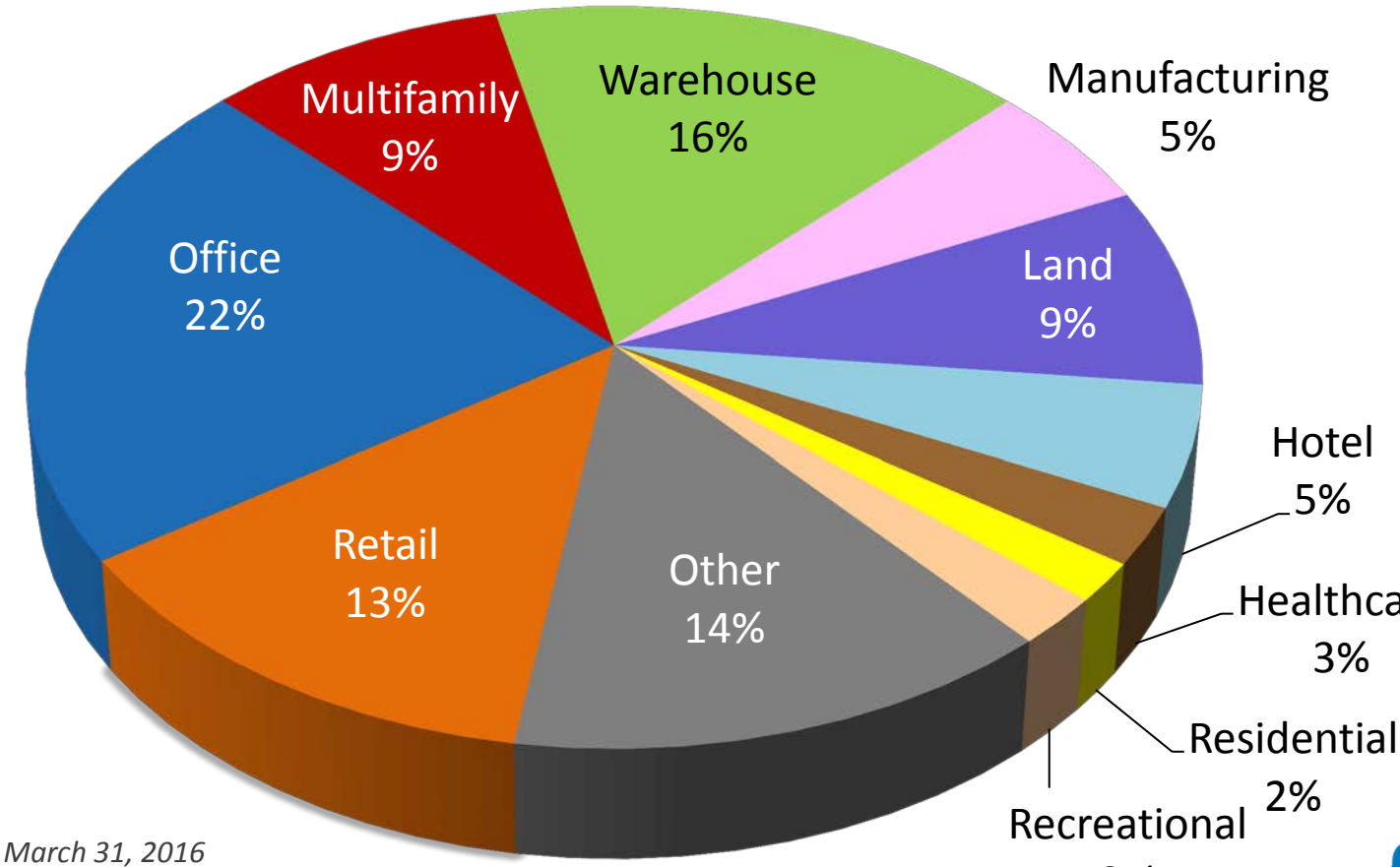


As of March 31, 2016

Commercial Real Estate Portfolio

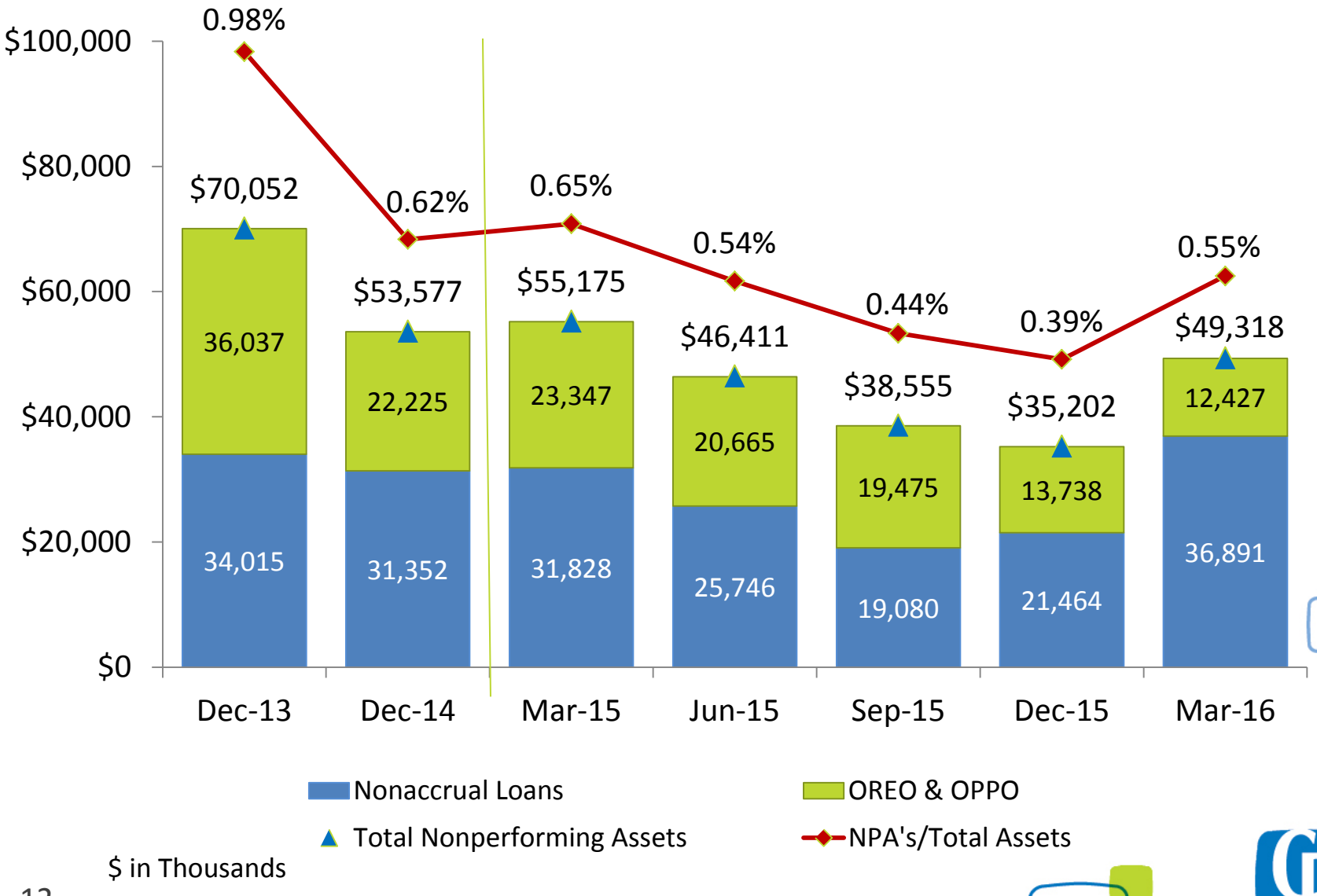
Total Portfolio = $2.5 Billion

Balanced portfolio with Income Property comprising 54% and Owner Occupied 46% of the total. *Overall, an increase of 6% over the past 12 months*



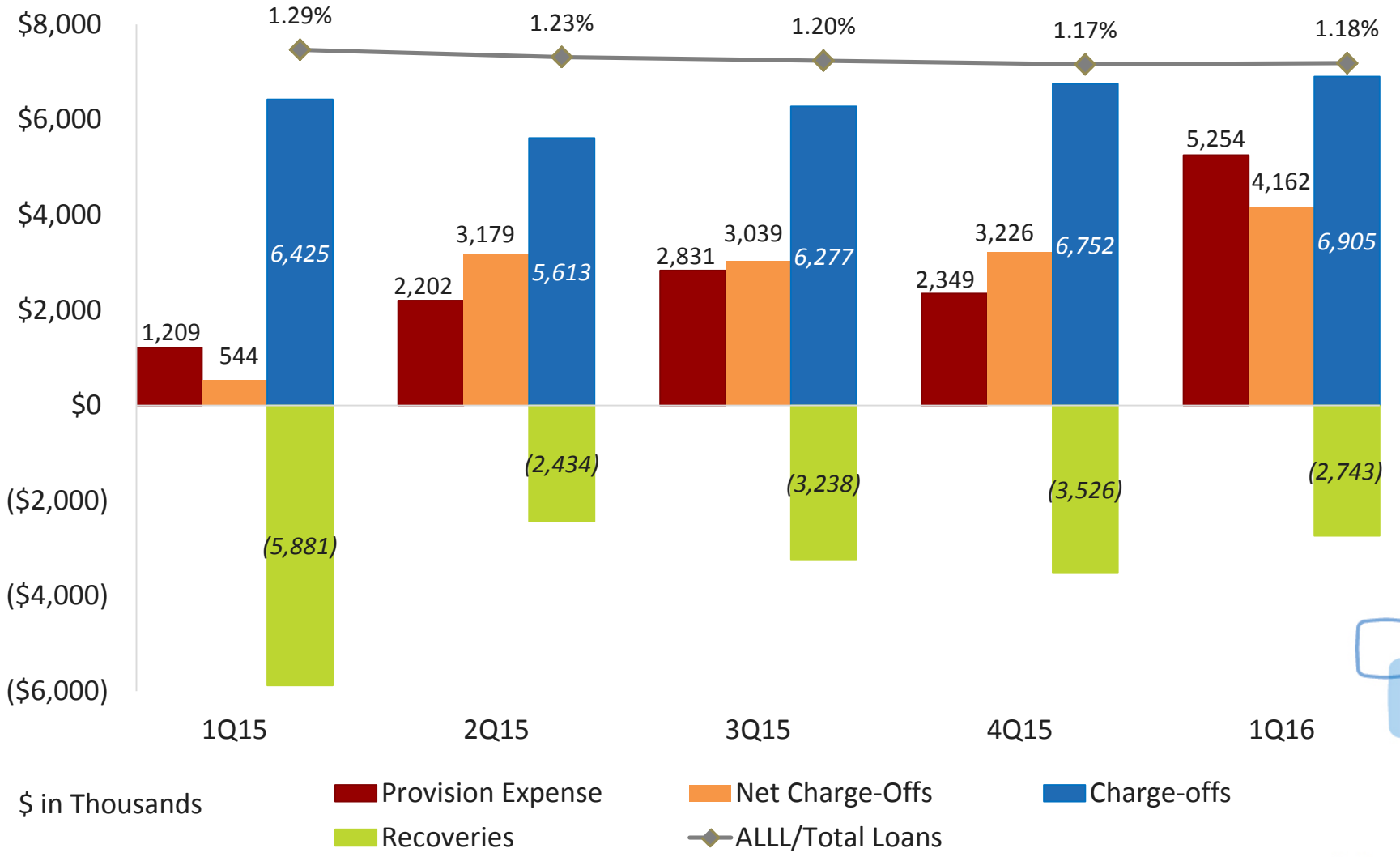
As of March 31, 2016

Effective Management of Nonperforming Assets



$ in Thousands

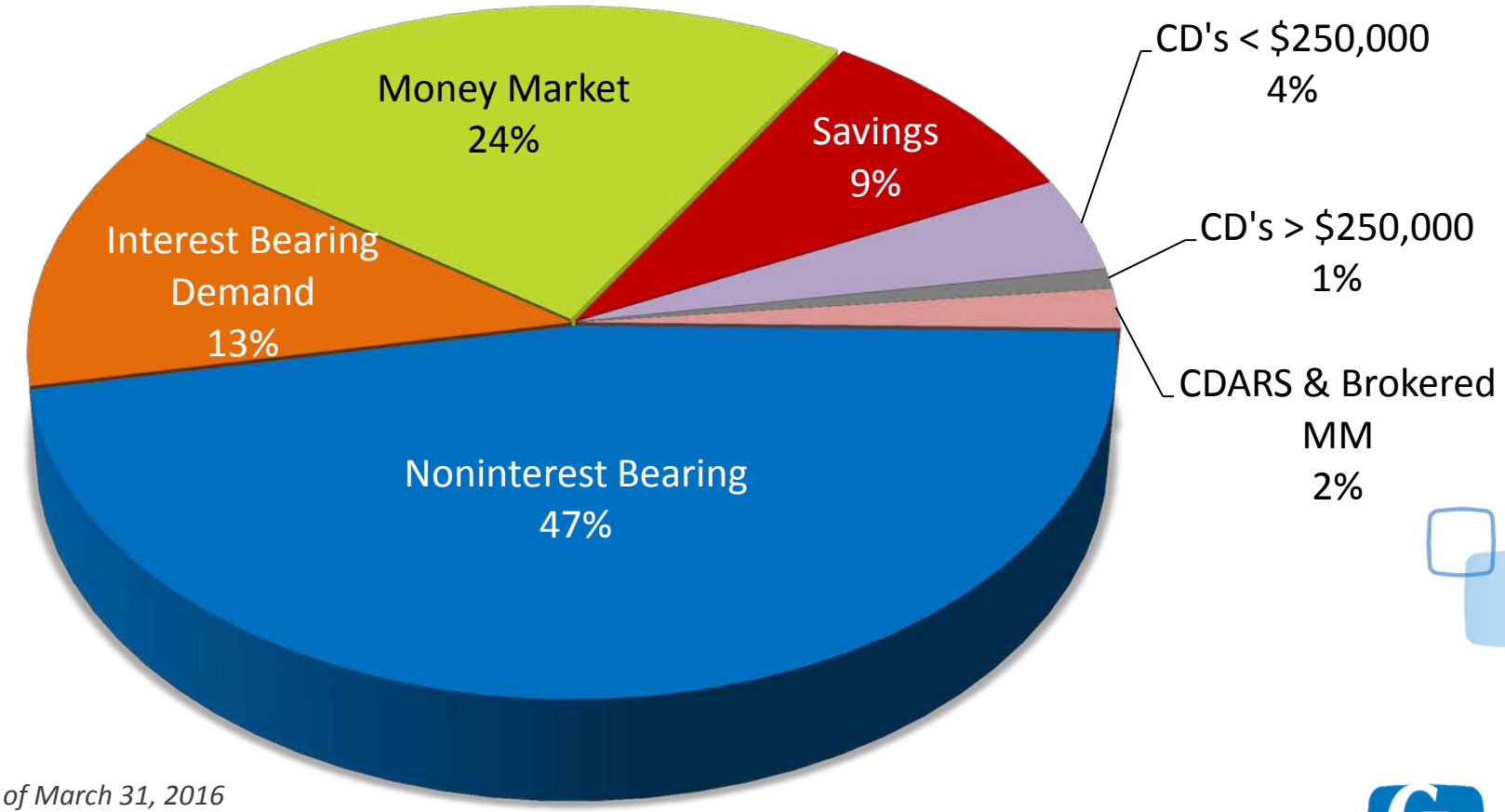
Consistent ALLL Coverage



Diversified, Relationship-Centered Deposit Base

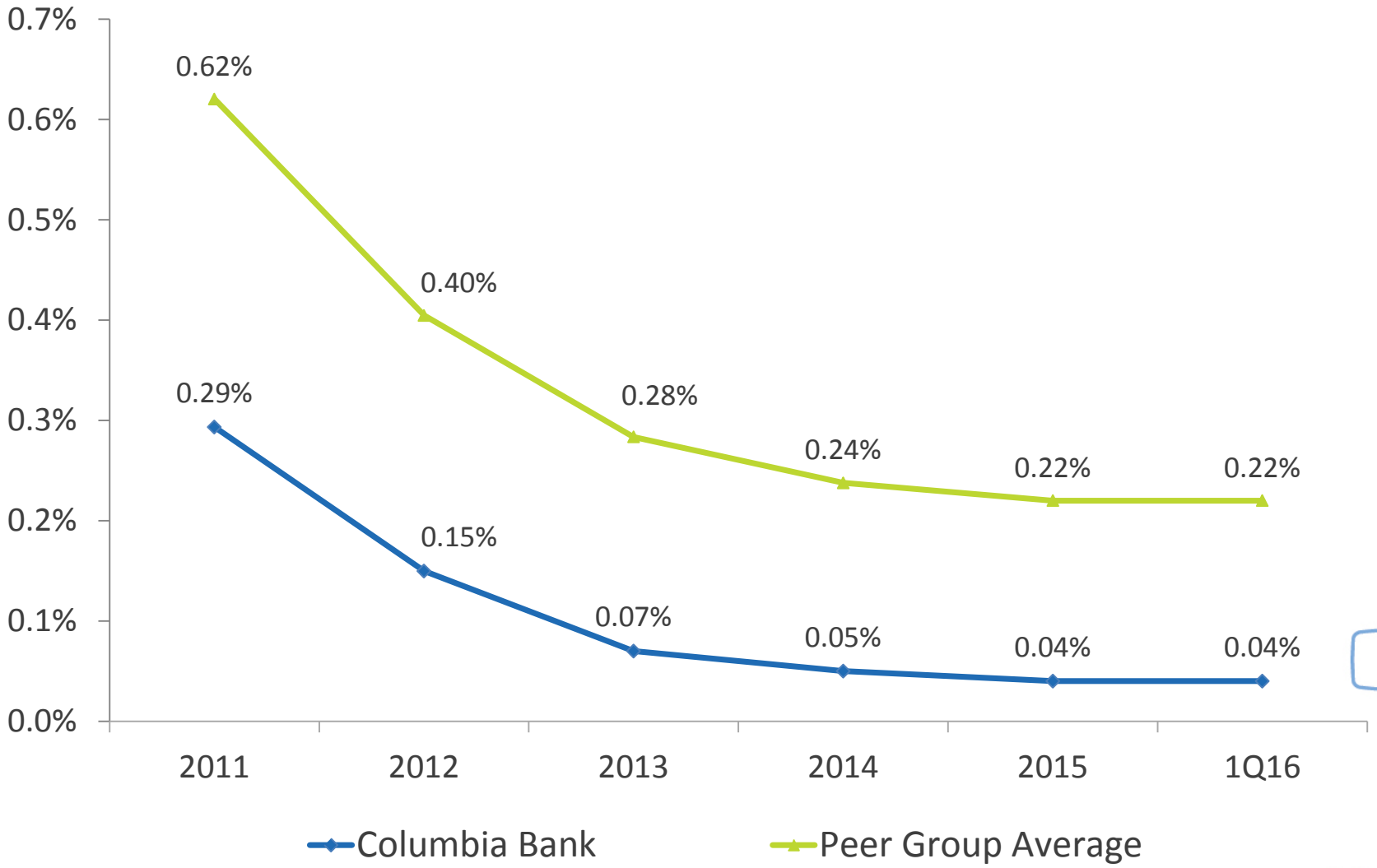
Total Deposits = $7.6 Billion

An increase of 7% over the past 12 months. Core deposits comprise 97% of the total, and the mix is balanced with 51% Business and 49% Consumer based.

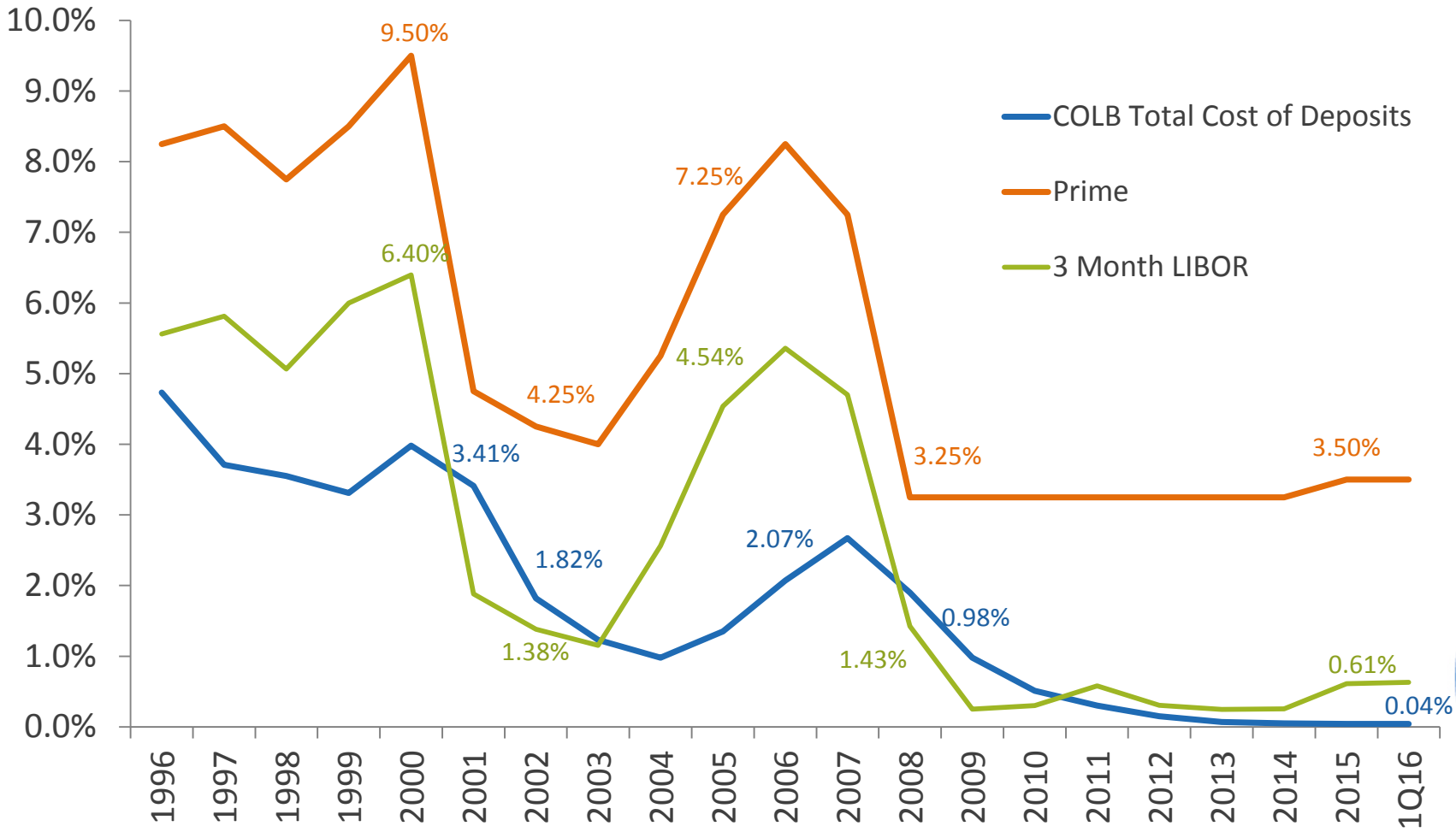


As of March 31, 2016

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



Historically, Deposit Costs Lag Market in Rising Rate Environments



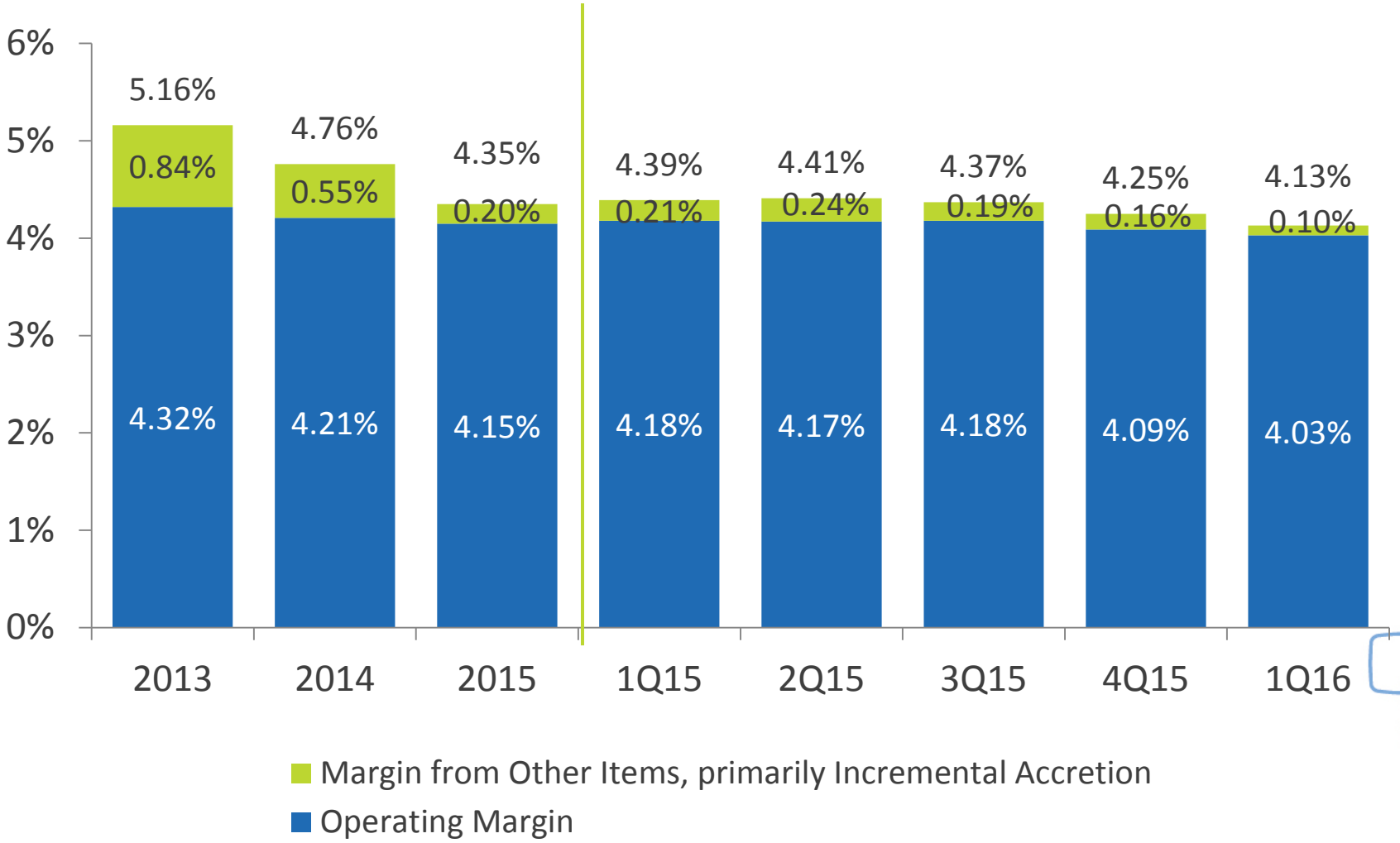
Opportunity for Deposit Market Share Growth

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**

Stable Operating Net Interest Margin*



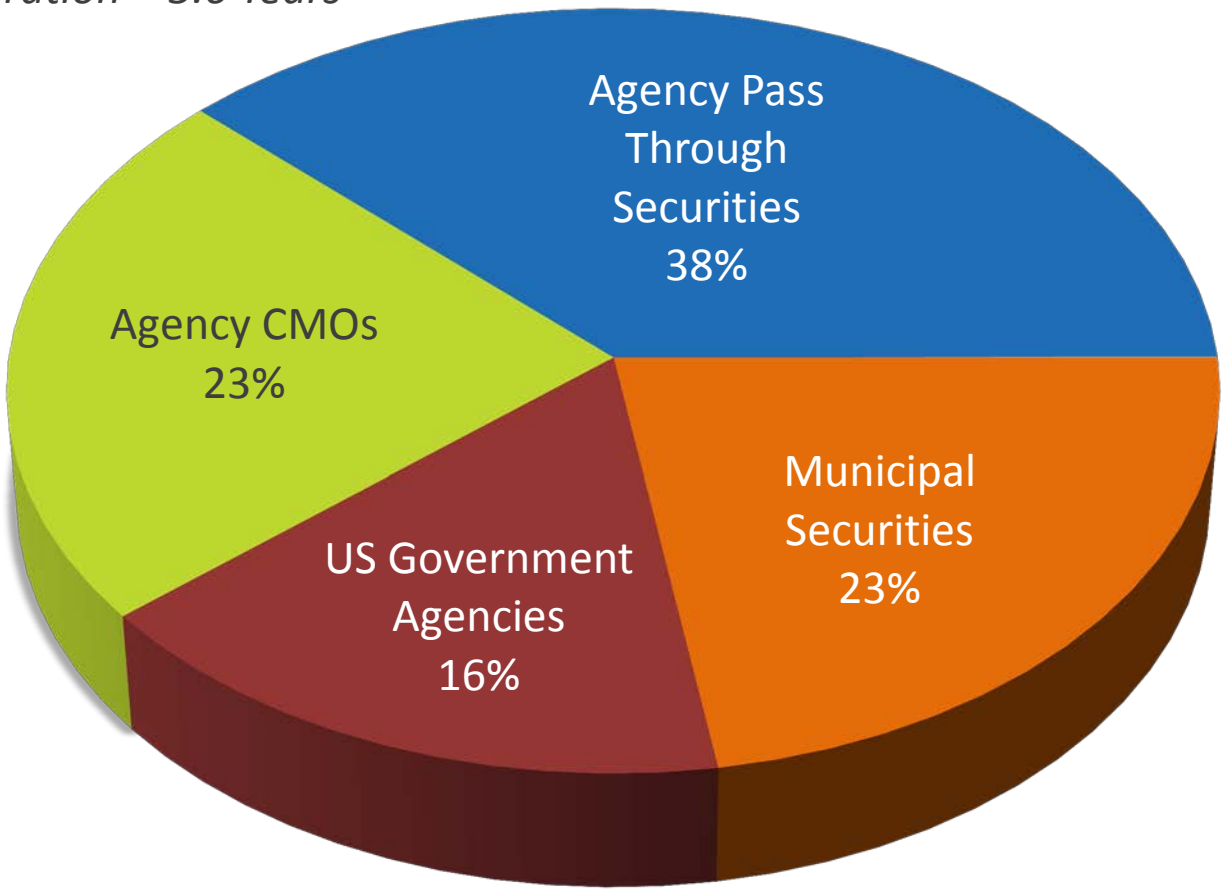
* Operating Net Interest Margin is a non-GAAP financial measure. Refer to appendix for additional information.

Conservative Investment Portfolio

Total Fair Value = $2.2 Billion

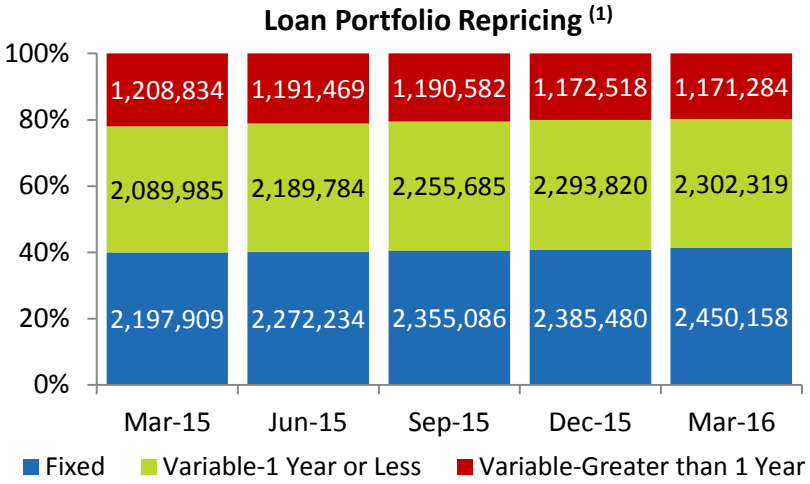
1Q16 Annualized Yield = 2.30%

Portfolio Duration = 3.6 Years



As of March 31, 2016

Interest Rate Sensitivity



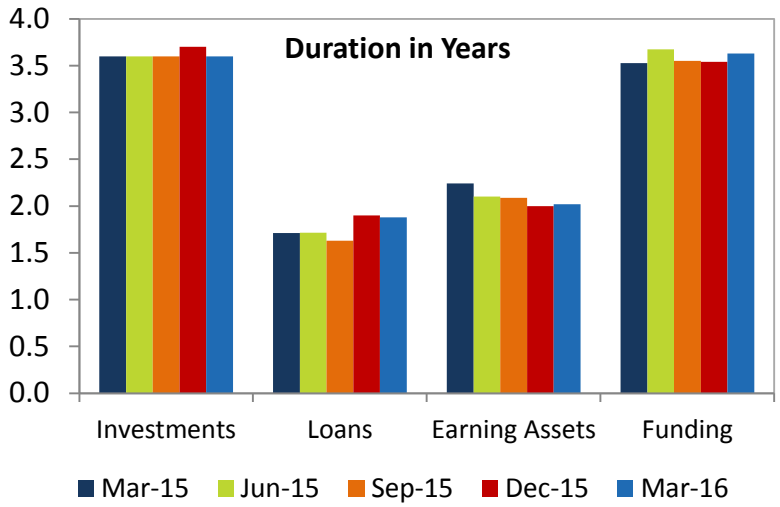
Loan Repricing Detail (1)	Mar-15	Mar-16	Mar-15	Mar-16
Fixed	$2,197,909	$2,450,158	40%	41%
Prime	1,196,742	1,202,475	22%	21%
Libor	808,686	1,032,303	15%	17%
1Y FHLB/UST/Libor	84,557	67,541	1%	1%
Variable-1 Year or Less	2,089,985	2,302,319	38%	39%
3Y FHLB/SWAP/UST	189,118	164,163	3%	3%
5Y FHLB/SWAP/UST	954,065	909,395	18%	16%
OVER 5Y FHLB/SWAP	65,651	97,726	1%	1%
Variable-Greater than 1Y	1,208,834	1,171,284	22%	20%
Total	**$5,496,728**	**$5,923,761**	**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 $1.85 billion with 51% or approximately $950 million in the money.

  Floor Exceeds Fully Indexed Rate by (basis points):

<=50	51-100	101-150	151-200	>200
$489MM	$297MM	$100MM	$31MM	$35MM

- 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	1Q16	4Q15	3Q15	2Q15	1Q15
Total Assets	$9,036	$8,952	$8,756	$8,518	$8,553
Total Loans [1]	$5,877	$5,815	$5,747	$5,612	$5,451
Purchased Credit Impaired Loans [1]	$173	$181	$191	$202	$220
Investment Securities [3]	$2,196	$2,170	$2,038	$1,926	$2,040
Core Deposits	$7,385	$7,239	$7,105	$6,863	$6,901
Total Deposits	$7,597	$7,439	$7,315	$7,044	$7,075
Nonperforming Assets/Total Assets	0.55%	0.39%	0.44%	0.54%	0.65%
Return on Average Assets	0.95%	1.20%	1.19%	1.03%	1.15%
Return on Average Common Equity	6.76%	8.50%	8.32%	7.04%	7.86%
Return on Average Tangible Equity [2]	10.46%	13.07%	12.95%	11.03%	12.35%

[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

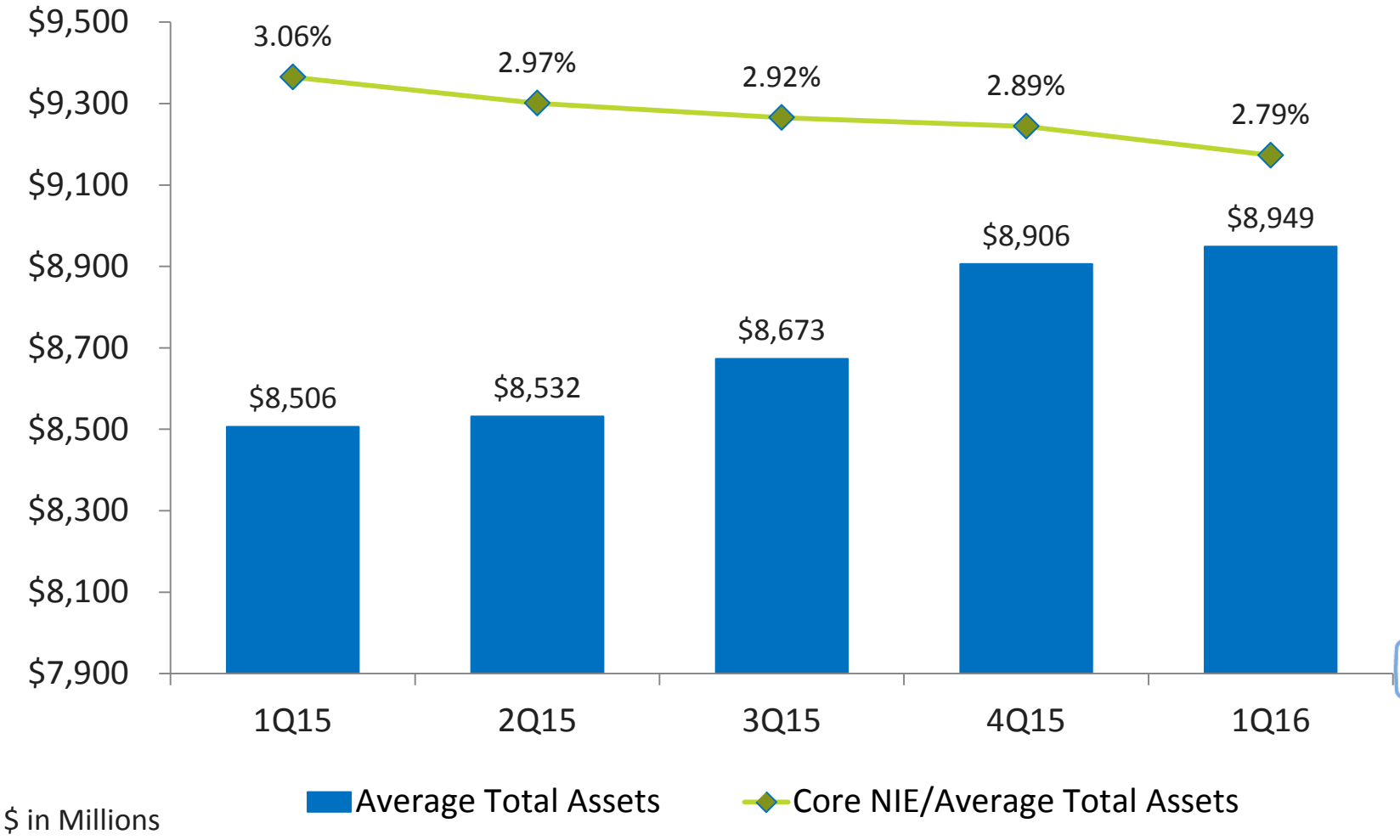
[4] Core deposits now include Certificates of Deposit less than $250,000. Prior periods have been adjusted to conform to current period presentation.

Net Income

$ in Thousands	1Q16	4Q15	3Q15	2Q15	1Q15
Reported Net Income					
Net Interest Income	$80,170	$81,819	$81,694	$81,010	$80,364
Provision for Loan Losses	5,254	2,349	2,831	2,202	1,209
Net Interest Inc after Provision	**74,916**	**79,470**	**78,863**	**78,808**	**79,155**
Noninterest Income	20,646	24,745	22,499	21,462	22,767
Noninterest Expense	65,074	66,877	64,067	68,471	66,734
Pre-tax Net Income	**30,488**	**37,338**	**37,295**	**31,799**	**35,188**
Provision for Income Taxes	9,229	10,598	11,515	9,853	10,827
Net Income	**$21,259**	**$26,740**	**$25,780**	**$21,946**	**$24,361**
Earnings per Share (Diluted)	$.37	$0.46	$0.45	$0.38	$0.42
Core Pre-tax Net Income*					
Net Interest Income*	$78,513	$79,551	$79,578	$78,628	$77,800
Provision/(Recapture) for Loan Losses*	4,600	1,000	3,350	1,726	(1,400)
Net Interest Inc after Provision*	**73,913**	**78,551**	**76,228**	**76,902**	**79,200**
Noninterest Income*	21,749	22,629	24,134	22,956	22,617
Noninterest Expense*	62,327	64,343	63,237	63,419	64,978
Pre-tax Net Income*	**$33,335**	**$36,837**	**$37,125**	**$36,439**	**$36,839**
Pre-tax Income (before LL Prov)*	**$37,935**	**$37,837**	**$40,475**	**$38,165**	**$35,439**

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

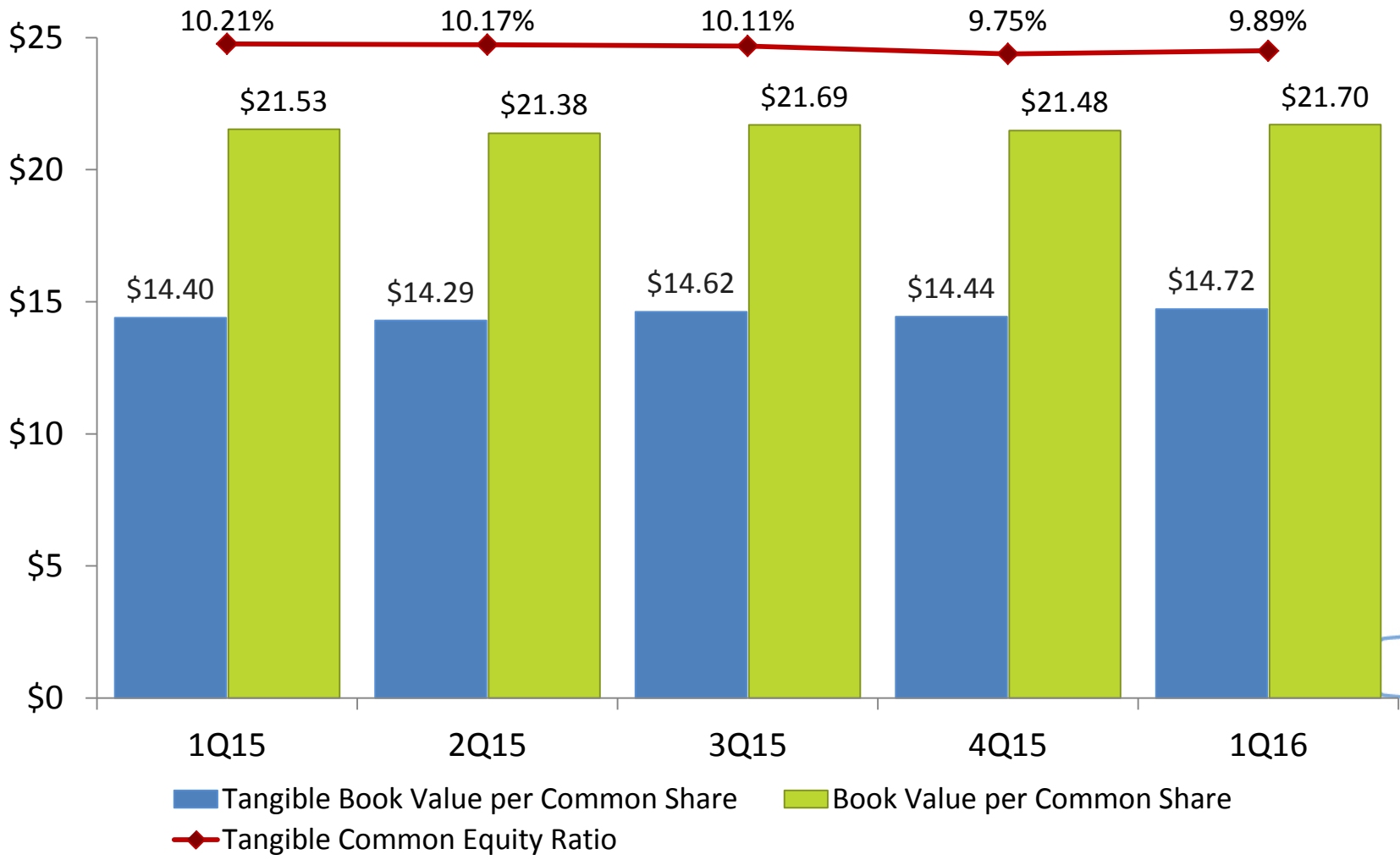
Scaling Core Noninterest Expense



$ in Millions

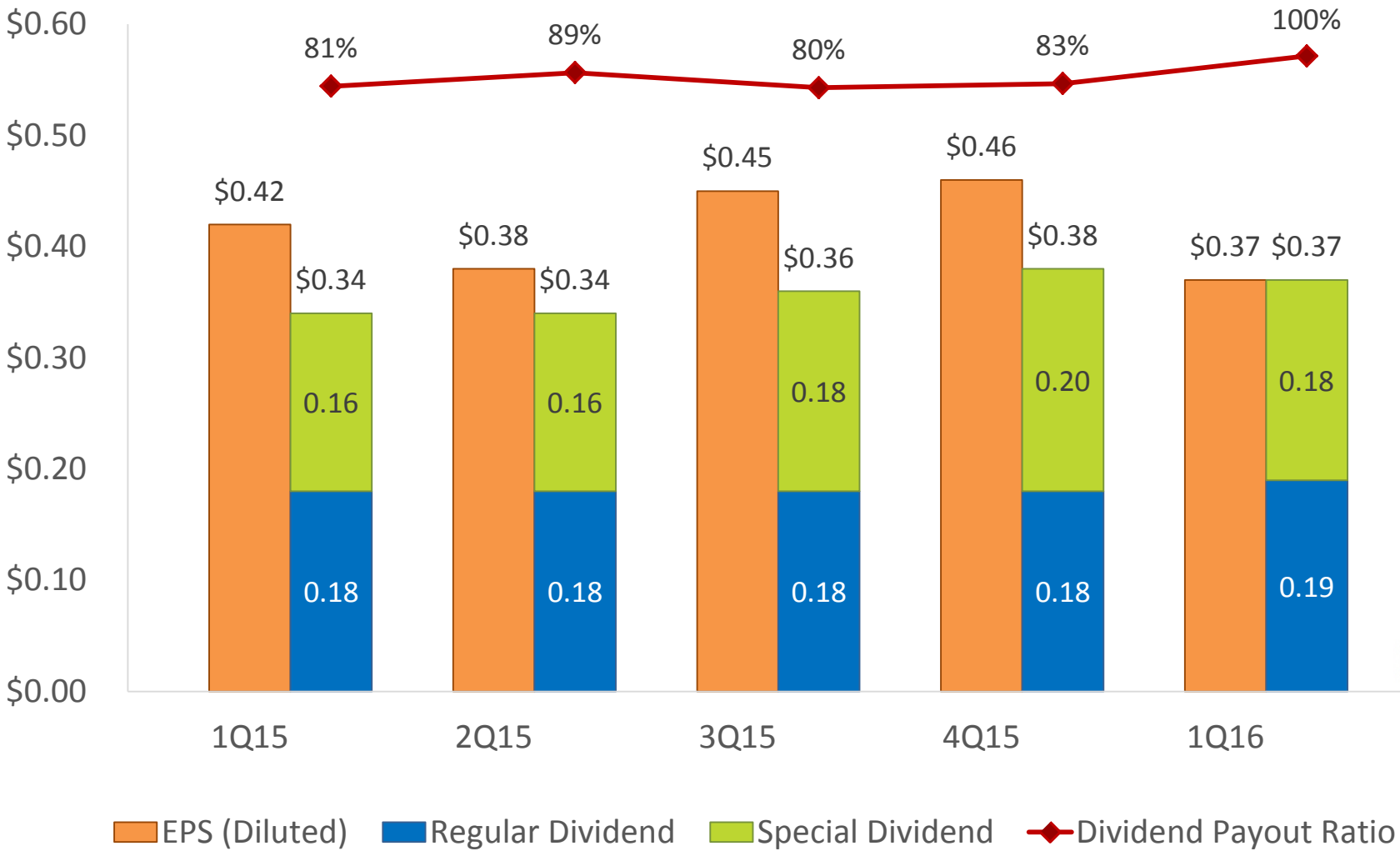
*Core NIE/Average Total Assets is a non-GAAP measure. Refer to appendix for additional information.

Consistently Well Capitalized



*Tangible common book value and the tangible common equity ratio are non-GAAP measures. Refer to appendix for additional information.

High Dividend Payout Ratio



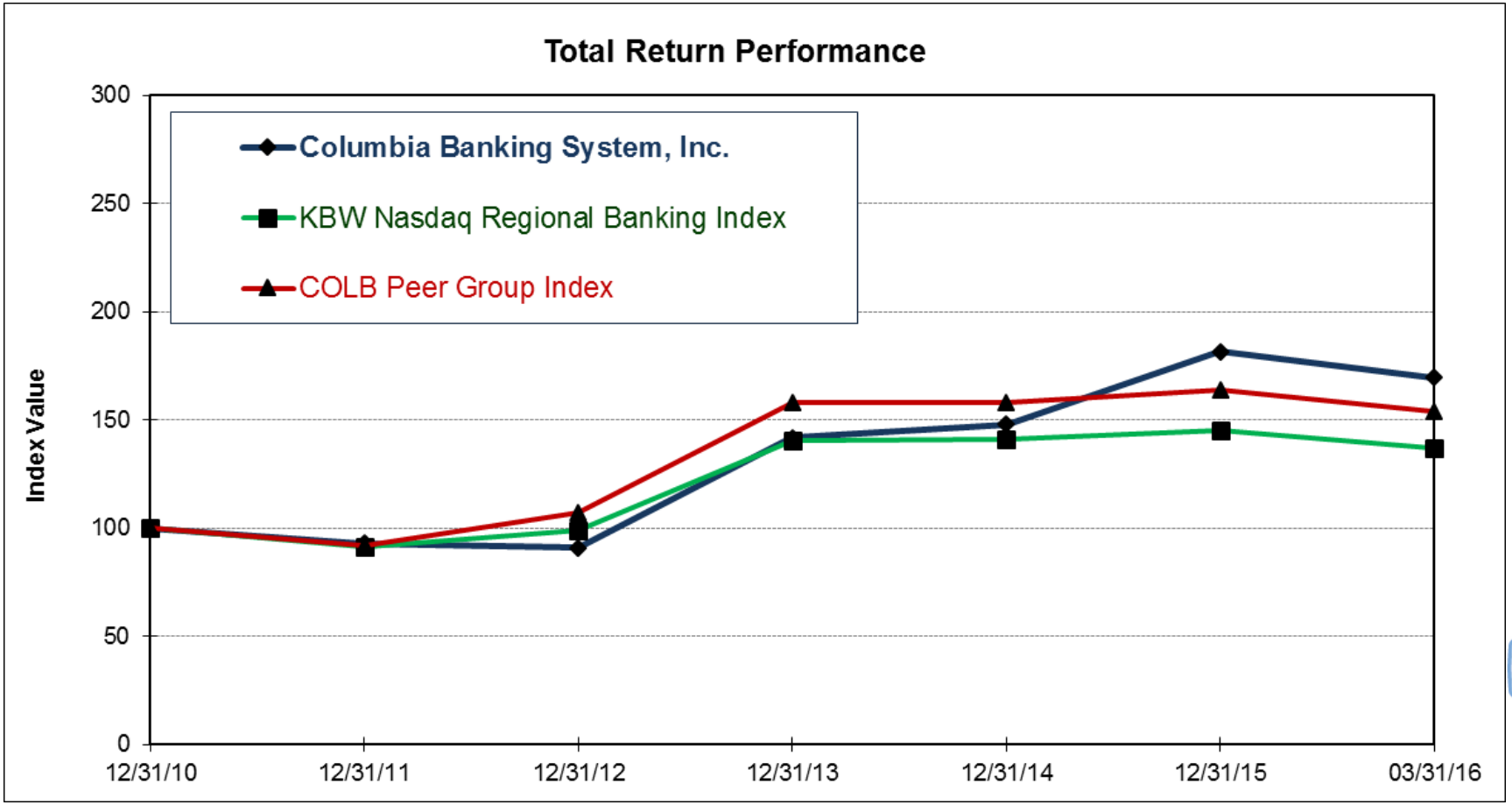
IMCB Transaction Summary

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 **Final realized savings were $10.7 million or 32% of IMCB's 2015e NIE**
Deal Related Expenses	Original estimate was $18 million. **Final expenses were $18.2 million with $2.4 million in 1Q16.**
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

- For 9th consecutive year, named in 2015 as one of *Puget Sound Business Journal*'s "**Washington's Best Workplaces,** and named *Pierce County Business Examiner's* "Top Place to Work 2015" in the Large Employer category
- *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 2015 Raymond James Community Banking Cup based on profitability, operational efficiency and balance sheet metrics
- Voted "Best Large Business" 2015 by readers of *South Sound Magazine* during annual poll
- Ranked 23rd Best Performing Regional Bank in the U.S. for 2015 by SNL Financial based on profitability, asset quality and growth

COLB: Total Return Performance



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

Appendix

Non-GAAP Financial Measures – Net Interest Margin

$ in Thousands	2013	2014	2015	1Q15	2Q15	3Q15	4Q15	1Q16
Net interest margin (tax equivalent)	**5.16%**	**4.76%**	**4.35%**	**4.39%**	**4.41%**	**4.37%**	**4.25%**	**4.13%**
Incremental accretion income on FDIC purchased credit impaired loans	(0.52%)	(0.31%)	(0.12%)	(0.14%)	(0.13%)	(0.11%)	(0.11%)	(0.09%)
Incremental accretion income on other FDIC acquired loans [1]	(0.04%)	(0.01%)	-	-	-	-	-	-
Incremental accretion income on other acquired loans	(0.46%)	(0.32%)	(0.23%)	(0.26%)	(0.26%)	(0.22%)	(0.19%)	(0.15%)
Premium amortization on acquired securities	0.13%	0.11%	0.13%	0.15%	0.14%	0.12%	0.11%	0.12%
Investment portfolio premium amortization adjustment	-	(0.04%)	-	-	-	-	-	-
Interest reversals on nonaccrual loans	0.02%	0.02%	0.02%	0.04%	0.01%	0.02%	0.03%	0.02%
Prepayment charges on FHLB advances	0.03%	-	-	-	-	-	-	-
Operating net interest margin (tax equivalent)	**4.32%**	**4.21%**	**4.15%**	**4.18%**	**4.17%**	**4.18%**	**4.09%**	**4.03%**

[1] For 2016, incremental accretion income on other FDIC acquired loans is no longer considered significant and will no longer be tracked for non-GAAP financial measures.

Non-GAAP Financial Measures – Net Interest Margin

$ in Thousands	2013	2014	2015	1Q15	2Q15	3Q15	4Q15	1Q16
Net Interest Margin (tax equivalent)	**$297,139**	**$312,146**	**$334,549**	**$82,667**	**$83,298**	**$84,254**	**$84,330**	**$82,661**
Incremental accretion income on FDIC purchased credit impaired loans	(29,815)	(20,224)	(9,096)	(2,447)	(2,367)	(2,082)	(2,200)	(1,657)
Incremental accretion income on other FDIC acquired loans [1]	(2,211)	(484)	(234)	(117)	(15)	(34)	(68)	-
Incremental accretion income on other acquired loans	(26,200)	(21,093)	(17,862)	(4,934)	(4,889)	(4,293)	(3,746)	(3,073)
Premium amortization on acquired securities	7,309	7,123	10,216	2,861	2,706	2,396	2,253	2,324
Investment portfolio premium amortization adjustment	-	(2,622)	-	-	-	-	-	-
Interest reversals on nonaccrual loans	882	1,291	1,713	650	156	325	582	453
Prepayment charges on FHLB advances	1,548	-	-	-	-	-	-	-
Operating Net Interest Margin *(tax equivalent)*	**$248,652**	**$276,137**	**$319,286**	**$78,680**	**$78,889**	**$80,566**	**$81,151**	**$80,708**
Average Earning Assets	$5,754,543	$6,561,047	$7,685,734	$7,529,040	$7,560,288	$7,711,531	$7,937,308	$8,005,945
Net Interest Margin *(tax equivalent)*	**5.16%**	**4.76%**	**4.35%**	**4.39%**	**4.41%**	**4.37%**	**4.25%**	**4.13%**
Operating Net Interest Margin *(tax equivalent)*	**4.32%**	**4.21%**	**4.15%**	**4.18%**	**4.17%**	**4.18%**	**4.09%**	**4.03%**

(1) For 2016, incremental accretion income on other FDIC acquired loans is no longer considered significant and will no longer be tracked for non-GAAP financial measures.

Non-GAAP Financial Measures – Core Results

$ in Thousands	1Q16	4Q15	3Q15	2Q15	1Q15
Reported Net Interest Income	**$80,170**	**$81,819**	**$81,694**	**$81,010**	**$80,364**
- FDIC Loan Accretion	(1,657)	(2,268)	(2,116)	(2,382)	(2,564)
Core Net Interest Income	**$78,513**	**$79,551**	**$79,578**	**$78,628**	**$77,800**
Reported Provision/(Recapture)for Loan Losses	**$5,254**	**$2,349**	**$2,831**	**$2,202**	**$1,209**
- Purchased Credit Impaired (Provision)/ Recapture	(654)	(1,349)	519	(476)	(2,609)
Core Provision/(Recapture)	**$4,600**	**$1,000**	**$3,350**	**$1,726**	**($1,400)**

Non-GAAP Financial Measures – Core Results

$ in Thousands	1Q16	4Q15	3Q15	2Q15	1Q15
Reported Noninterest Income	**$20,646**	**$24,745**	**$22,499**	**$21,462**	**$22,767**
- Decrease/(Increase) in FDIC Loss Sharing Asset	1,103	1,031	1,635	1,494	(150)
- WCB Mortgage Purchase Reserve Recapture	-	(3,147)	-	-	-
Core Noninterest Income	**$21,749**	**$22,629**	**$24,134**	**$22,956**	**$22,617**
Reported Noninterest Expense	**$65,074**	**$66,877**	**$64,067**	**$68,471**	**$66,734**
- FDIC Clawback Expense/(Recap)	(209)	(812)	(174)	30	(23)
- Acquisition Related Costs	(2,436)	(1,872)	(428)	(5,643)	(2,974)
- OREO/OPPO Expense, Net	(102)	150	(228)	561	1,241
Core Noninterest Expense	**$62,327**	**$64,343**	**$63,237**	**$63,419**	**$64,978**
Average Assets	**$8,949,212**	**$8,905,743**	**$8,672,692**	**$8,532,173**	**$8,505,776**
Noninterest Expense/Average Assets	2.91%	3.00%	2.95%	3.21%	3.14%
Core NIE/Average Assets	2.79%	2.89%	2.92%	2.97%	3.06%

Non-GAAP Financial Measures - ROATCE

$ in Thousands	1Q16	4Q15	3Q15	2Q15	1Q15
Net Income	**$21,259**	**$26,740**	**$25,780**	**$21,946**	**$24,361**
- Preferred Dividends	(39)	(37)	(35)	(35)	(31)
Net Income Applicable to Common Shareholders	**21,220**	**26,703**	**25,745**	**21,911**	**24,330**
+ Amortization of Intangibles	1,583	1,652	1,695	1,718	1,817
- Tax Effect on Intangible Amort	(554)	(578)	(593)	(601)	(636)
Adjusted Net Income	**$22,249**	**$27,777**	**$26,847**	**$23,028**	**$25,511**
Average Shareholders' Equity	**$1,258,411**	**$1,259,117**	**$1,239,830**	**$1,247,887**	**$1,240,853**
- Average Preferred Equity	(2,217)	(2,217)	(2,217)	(2,217)	(2,217)
- Average Intangibles	(405,508)	(407,063)	(408,515)	(410,200)	(412,026)
Adjusted Average Common Shareholders' Equity	**$850,686**	**$849,837**	**$829,098**	**$835,470**	**$826,610**
Return on Average Tangible Common Shareholders' Equity	**10.46%**	**13.07%**	**12.95%**	**11.03%**	**12.35%**

Non-GAAP Financial Measures – Capital Ratios

$ in Thousands	1Q15	2Q15	3Q15	4Q15	1Q16
Total Shareholders' Equity	$1,244,443	$1,236,214	$1,254,136	$1,242,128	$1,260,788
- Preferred Stock	(2,217)	(2,217)	(2,217)	(2,217)	(2,217)
- Goodwill	(382,537)	(382,537)	(382,762)	(382,762)	(382,762)
- Other Intangible Assets, net	(28,642)	(26,924)	(25,229)	(23,577)	(21,994)
Tangible Common Equity	**$831,047**	**$824,536**	**$843,928**	**$833,572**	**$853,815**
Total Assets	$8,552,902	$8,518,019	$8,755,984	$8,951,697	$9,035,932
- Goodwill	(382,537)	(382,537)	(382,762)	(382,762)	(382,762)
- Other Intangible Assets, net	(28,642)	(26,924)	(25,229)	(23,577)	(21,994)
Tangible Assets	**$8,141,723**	**$8,108,558**	**$8,347,993**	**$8,545,358**	**$8,631,176**
Tangible Common Equity Ratio	**10.21%**	**10.17%**	**10.11%**	**9.75%**	**9.89%**
Common Shares Outstanding	**57,699**	**57,709**	**57,729**	**57,724**	**58,008**
Tangible Book Value per Common Share	**$14.40**	**$14.29**	**$14.62**	**$14.44**	**$14.72**
Book Value per Common Share	**$21.53**	**$21.38**	**$21.69**	**$21.48**	**$21.70**