

COLUMBIA BANK BUILDING A
PREMIER
REGIONAL COMMUNITY BANK

First Quarter 2017 NASDAQ:COLB

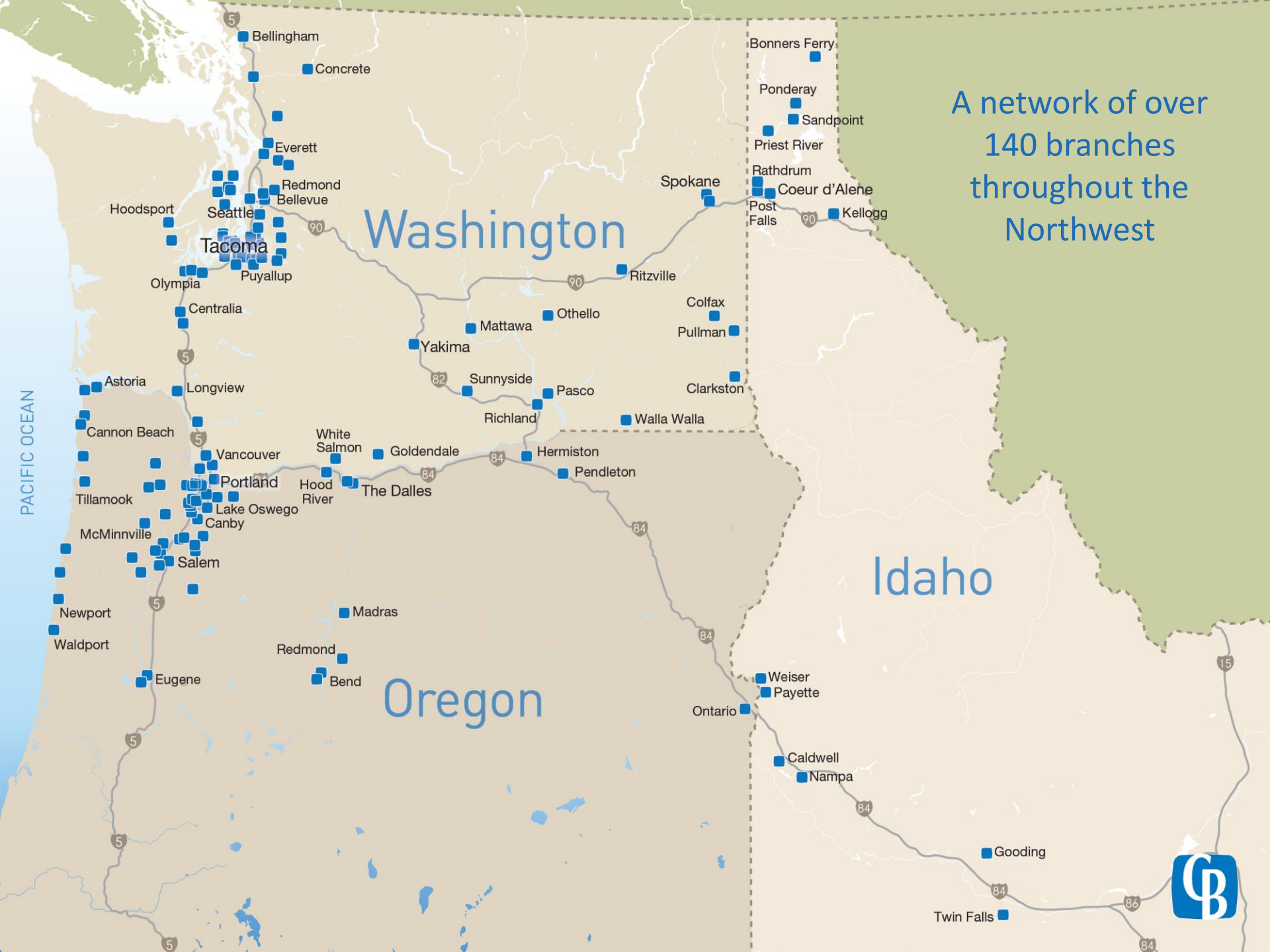


Table of Contents

Columbia Bank Footprint	3
Business Climate & Economic Outlook	4
Northwest Markets Data	5
Acquisition & Integration History	6
Assets & Earnings Growth	7
Loan Originations & Portfolio Diversity	8
C&I and CRE Loan Portfolios	9
Credit Metrics	10
Deposit Base	11
Deposit Market Share	12
Net Interest Margin	13
Investment Portfolio	14
Interest Rate Sensitivity	15
Financial Highlights	16
Net Income	17
Core Noninterest Expense	18
Capital Ratios & Dividend Payout	19
Total Return Performance	20
Awards	21
Pending Acquisition of Pacific Continental Corporation	22-25
Appendix	26-29
Contact Information	30

Cautionary Note: Forward Looking Statements

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which can be identified by words such as “may,” “expected,” “anticipate”, “continue,” or other comparable words. In addition, all statements other than statements of historical facts that address activities that Columbia expects or anticipates will or may occur in the future are forward-looking statements. Readers are encouraged to read the SEC reports of Columbia, particularly its form 10-K for the Fiscal Year ended December 31, 2016, for meaningful cautionary language discussing why actual results may vary materially from those anticipated by management.


A network of over 140 branches throughout the Northwest
Washington
Oregon
Idaho
PACIFIC OCEAN
Bellingham
Concrete
Everett
Redmond
Bellevue
Seattle
Hoodsport
Tacoma
Puyallup
Olympia
Centralia
Longview
Astoria
Cannon Beach
Tillamook
Vancouver
Portland
Lake Oswego
Canby
McMinnville
Salem
Newport
Waldport
Eugene
Madras
Redmond
Bend
White Salmon
Hood River
The Dalles
Goldendale
Yakima
Mattawa
Othello
Ritzville
Spokane
Sunnyside
Pasco
Richland
Walla Walla
Hermiston
Pendleton
Colfax
Pullman
Clarkston
Bonners Ferry
Ponderay
Sandpoint
Priest River
Rathdrum
Coeur d'Alene
Post Falls
Kellogg
Weiser
Payette
Ontario
Caldwell
Nampa
Gooding
Twin Falls
5
82
84
86
90
15

Positive Business Climate & Economic Outlook

- **Leading economic indicators** such as employment trends, housing, consumer confidence and spending point to increasing forward momentum in the Northwest's export-driven, diversified economy, particularly in the Seattle, Portland, Eugene and Boise metro areas.
- **Of the 20 major US metropolitan cities, the Seattle and Portland home indexes had the highest increases** over the past 12 months rising by 12.2% and 9.7%, respectively. The median home price is $423M in Seattle-Tacoma-Bellevue, $255M in Portland-Vancouver and $183M in Boise.
- **The Northwest has an established presence** in growing aerospace, technology, agriculture and consumer product sectors. Local world-class companies, including Boeing, Starbucks, Microsoft, Amazon, Costco, Nordstrom and Nike are anchors of these sectors.
- **Employment trends continue to improve** in the Northwest, with net gain in jobs and workers entering the job market

National Rate (March 2017):	4.5%		**Jobs added year over year**
WA:	4.7% unemployment rate	(5.6% Mar-16)	73,200
OR:	3.8% unemployment rate	(4.9% Mar-16)	35,400
ID:	3.5% unemployment rate	(3.9% Mar-16)	16,000

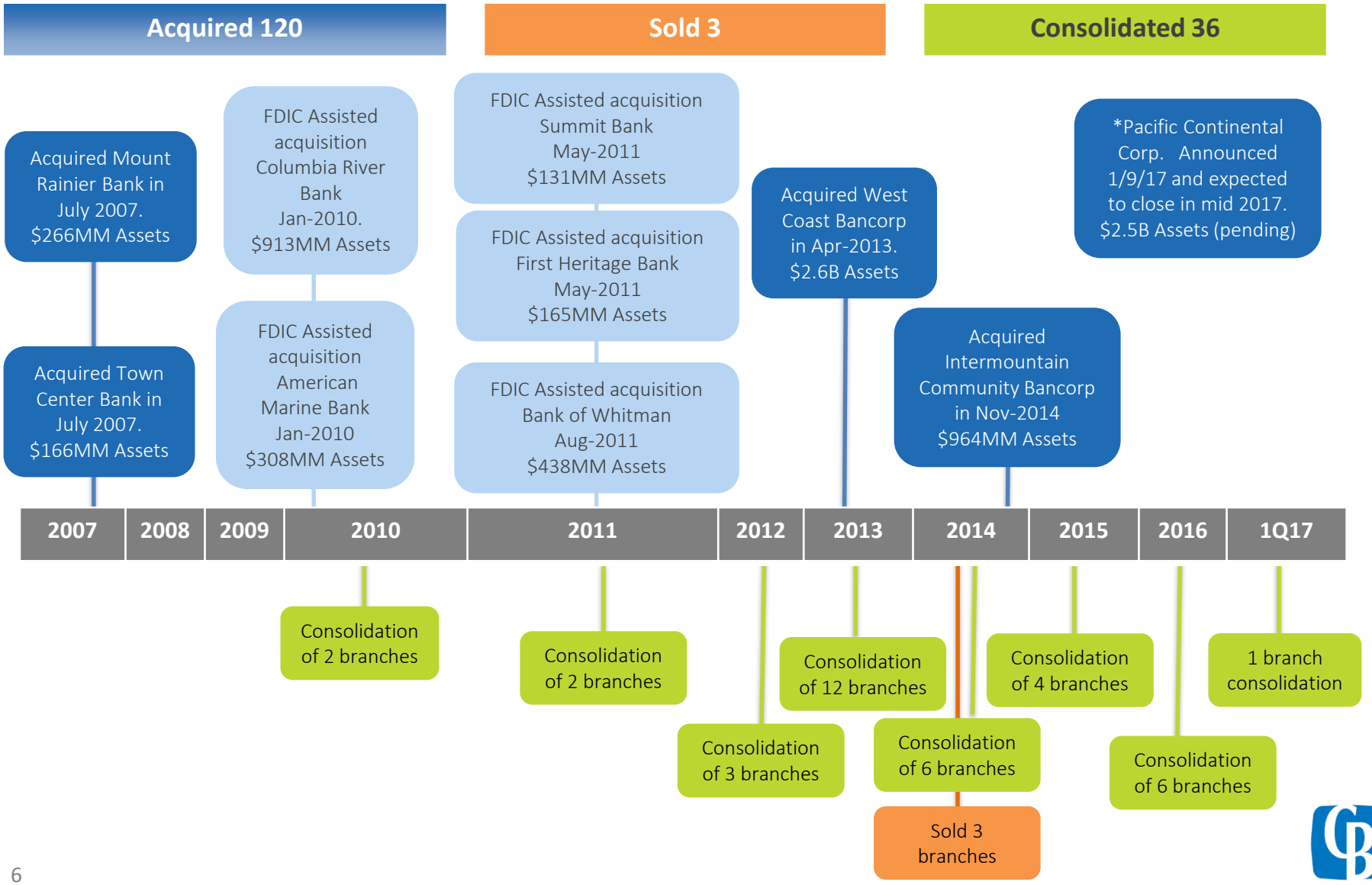
- **Agriculture is a key component of Northwest's success**, adding over $80 billion to the region's GDP. In the U.S., Washington is the #1 producer of apples and hops; Oregon #1 for Christmas trees, hazelnuts and blackberries; Idaho is #1 for potatoes and trout.
- **Tacoma, Seattle and Portland ports are big economic drivers in the region.** The Northwest Seaport Alliance (Seattle and Tacoma ports) is the 4th largest container gateway in North America, and Portland is the number one port on the west coast for automobile exports. Annualized first quarter 2017 international container volumes were 3.6 million which is up 10% over first quarter 2016. First quarter 2017 international full container volumes were the highest since 2005, which was a record year, with imports growing by 13% and exports by 6%.
- **Military a major driver of the Northwest economy**. All four branches of the military have a large presence in the Pacific Northwest. Over 115,000 Active and Civilian personnel across Washington, Oregon and Idaho; provide 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 Northwest Markets

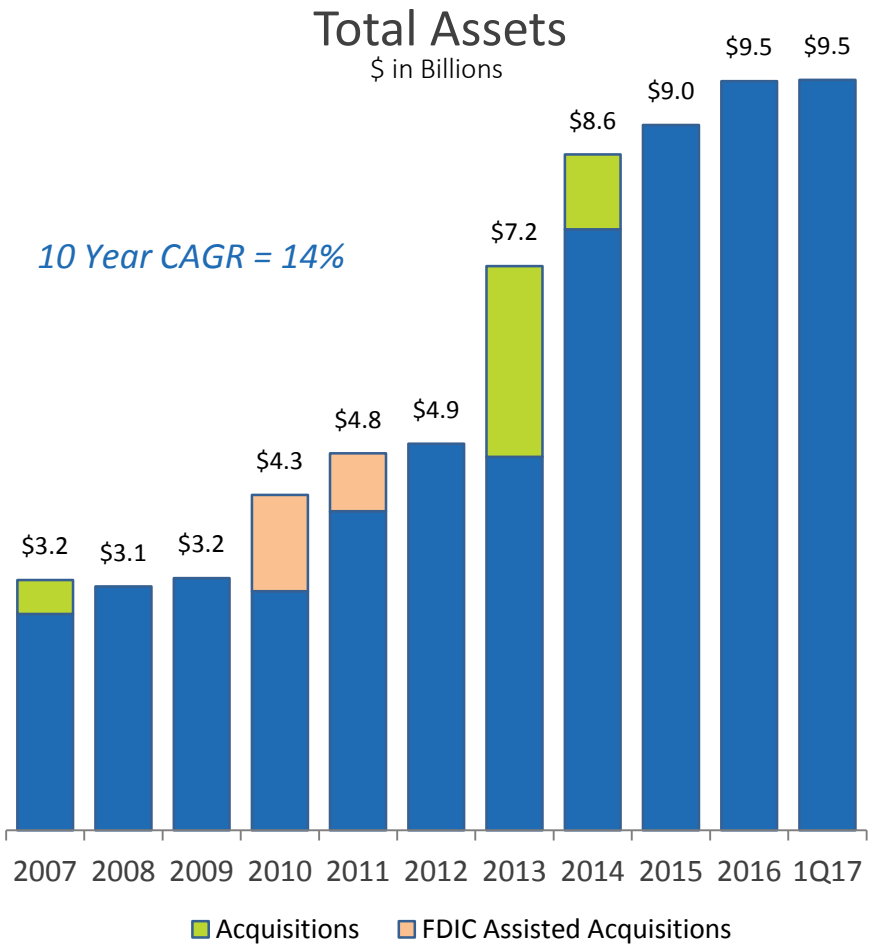
✓ *Better Than or Equal to U.S. Average*		Seattle-Tacoma-Bellevue	Portland-Vancouver	Boise	Washington	Oregon	Idaho	United States
Demographics	Population in Millions (Apr-17)	3.81	2.44	0.70	7.31	4.10	1.68	325.1
	Population Increase *(2010 – 2017)*	10.70%✓	9.46%✓	12.85%✓	8.73%✓	6.98%✓	7.41%✓	5.31%
	Projected Population Change *(2017-2022)*	7.09%✓	6.39%✓	7.62%✓	6.31%✓	5.29%✓	5.49%✓	3.77%
	Median Household Income (Apr-17)	$75,263✓	$64,250✓	$54,535	$65,558✓	$54,885	$50,228	$57,462
	Projected HH Income Change *(2017-2022)*	11.72%✓	8.53%✓	9.66%✓	8.90%✓	9.83%✓	8.89%✓	7.27%
Economics	Unemployment Rate [1] *(metro: Feb 2017; state: Mar 2017)*	3.9%✓	2.9%✓	3.9%✓	4.7%	3.8%✓	3.5%✓	4.5%
	Home Price Index Change *12 months ending Feb 2017* *24 months ending Feb 2017* *Low in 1Q12 – Feb 2017*	 12.2%✓ 24.2%✓ 64.0%✓	 9.7%✓ 22.7%✓ 63.5%✓	n/a	n/a	n/a	n/a	 5.8% 11.3% 38.5%
	Annual Housing Starts/Permits [2] *(Apr 2016– Mar-2017)*	9,103	7,109	5,364	21,832	10,593	9,035	9.2MM
	Compound Average Growth Rate of Annual Housing Starts/Permits over past 3 Years [2]	2%	10%✓	15%✓	7%✓	7%✓	9%✓	7%

(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

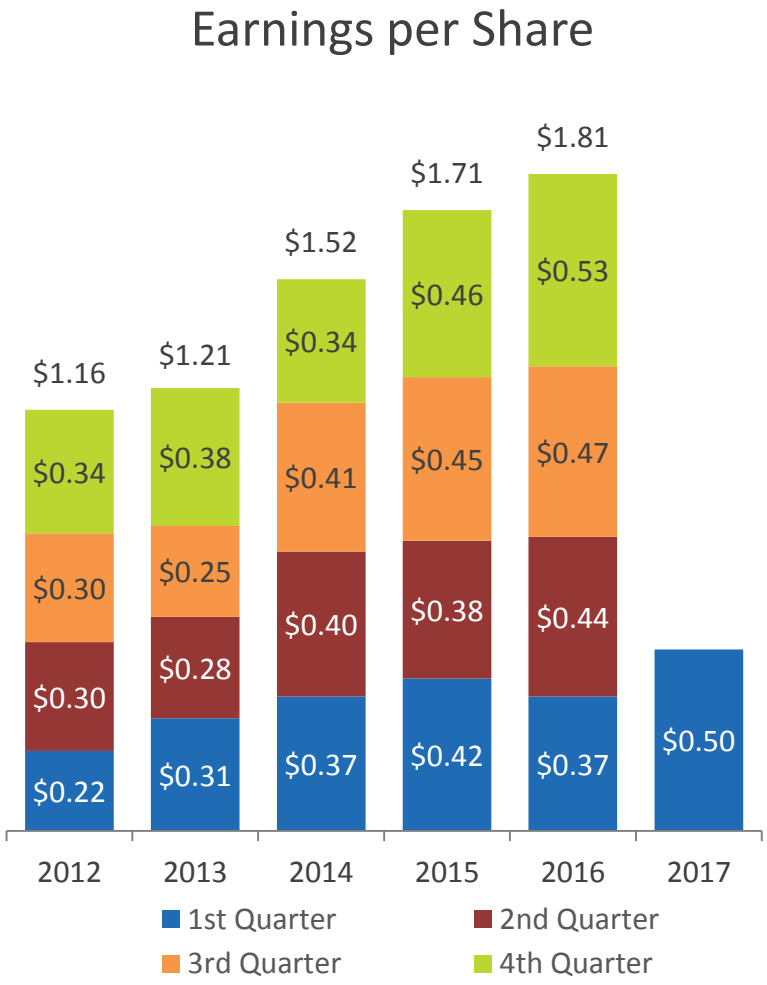


Continuous Growth in Earnings and Assets



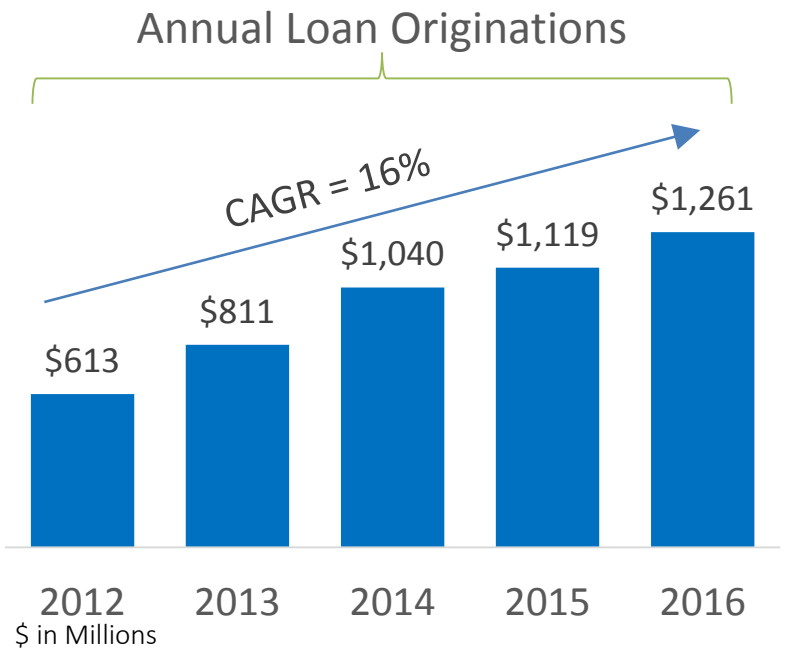
Acquisitions:

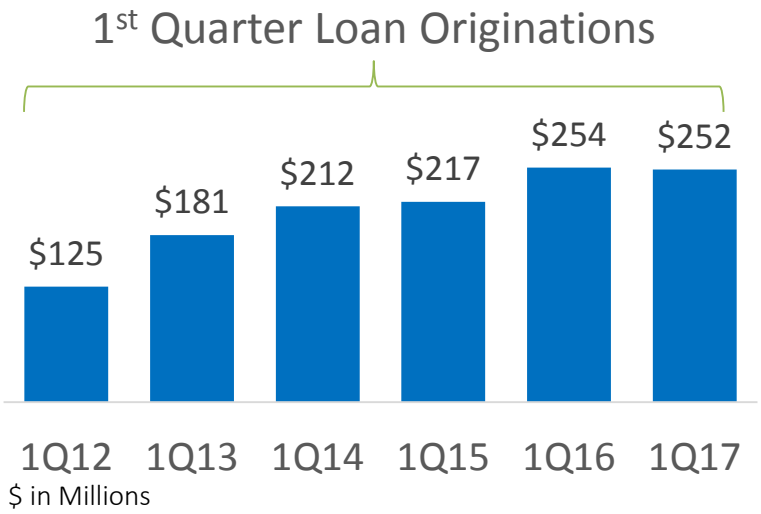
2007 Town Center, Mount Rainier
2009 Columbia River Bank, American Marine
2010 First Heritage, Summit
2011 Bank of Whitman
2013 West Coast Bank
2014 Intermountain Community

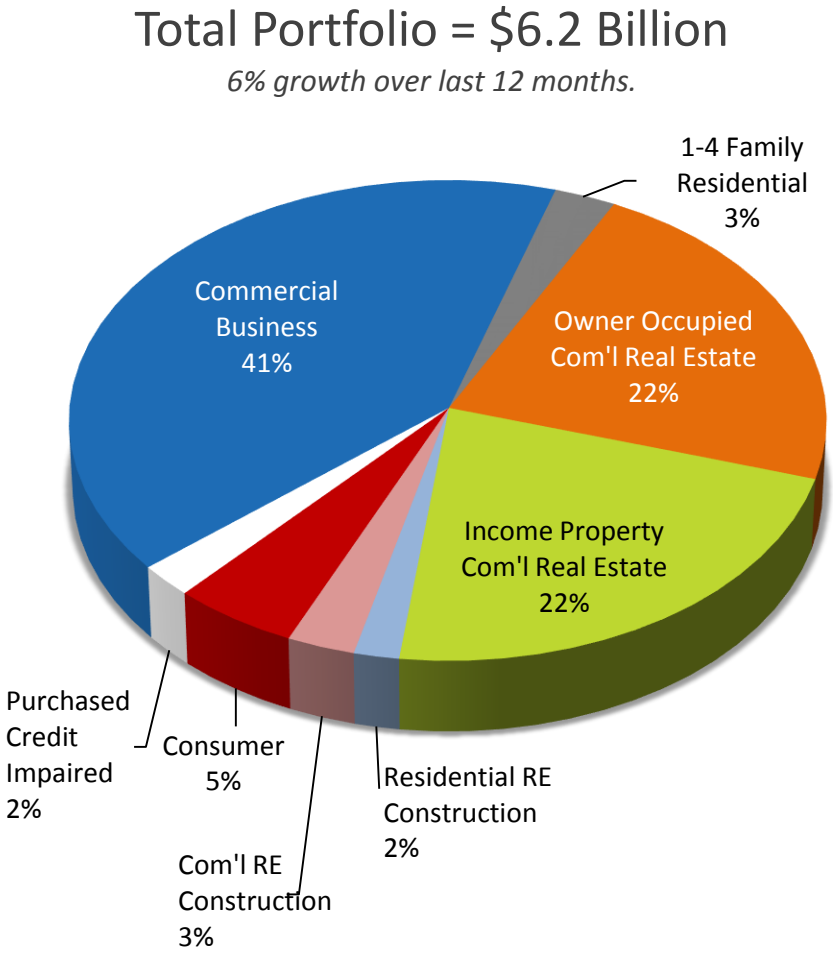


Due to averaging of shares, quarterly earnings per share may not add up to the totals reported for the full year.

Record Loan Originations & Portfolio Diversity



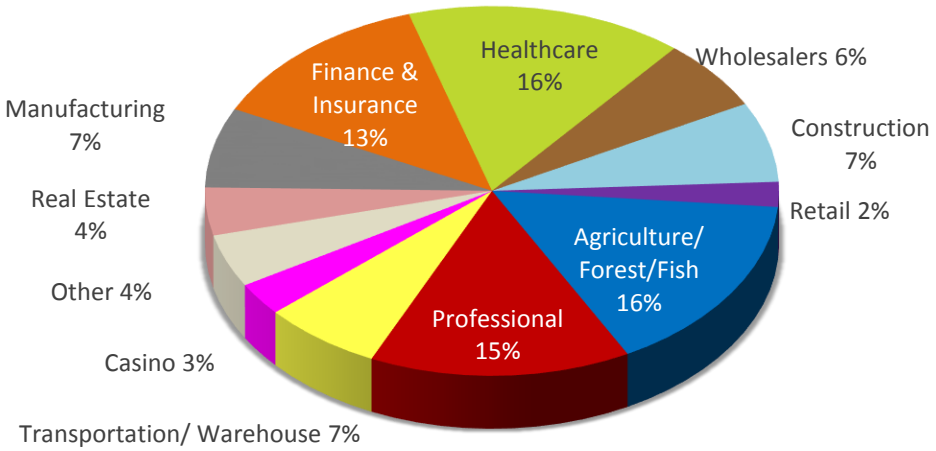




Well Diversified C&I and CRE Loan Portfolios

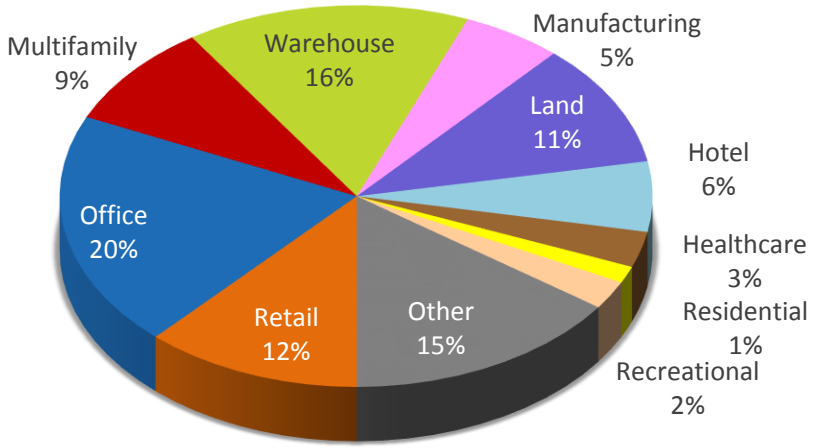
C&I Portfolio $2.6 Billion

7% growth over last 12 months

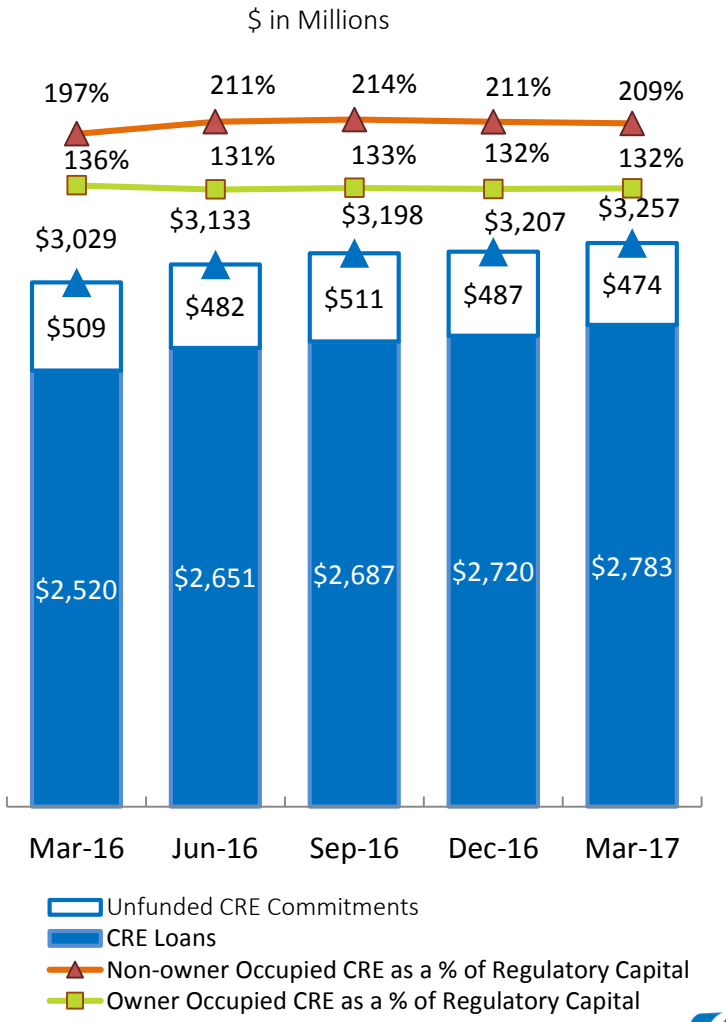


CRE Portfolio = $2.8 Billion

Evenly balanced portfolio. Income Property and Owner Occupied each comprise 50% of the total. 10% growth over last 12 months.

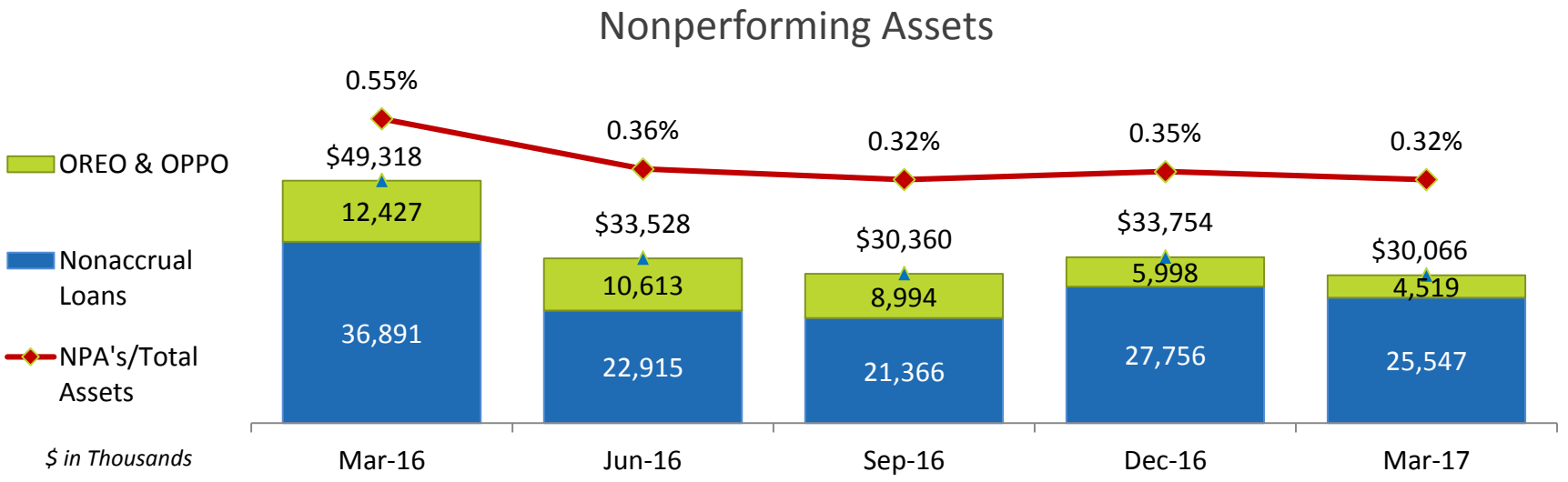


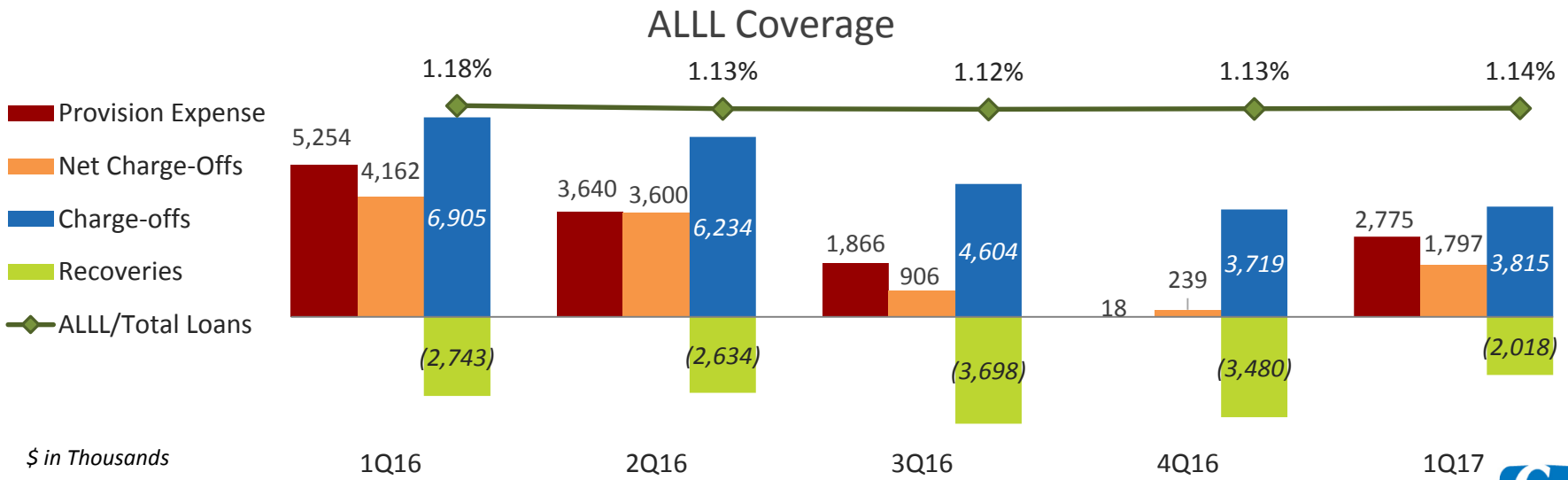
Consistent CRE Coverage



As of March 31, 2017

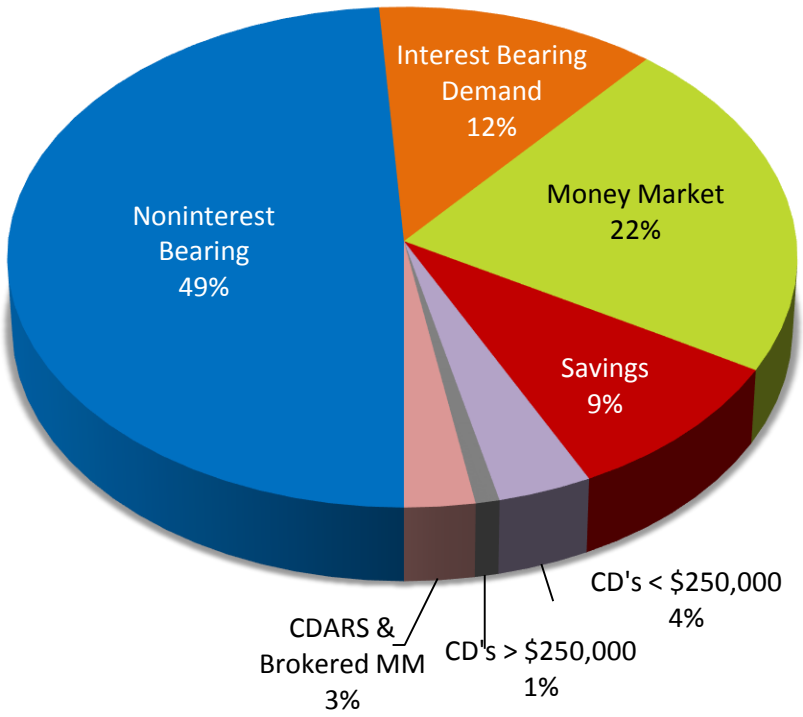
Credit Metrics Remain Healthy





Diversified, Relationship Centered Deposit Base

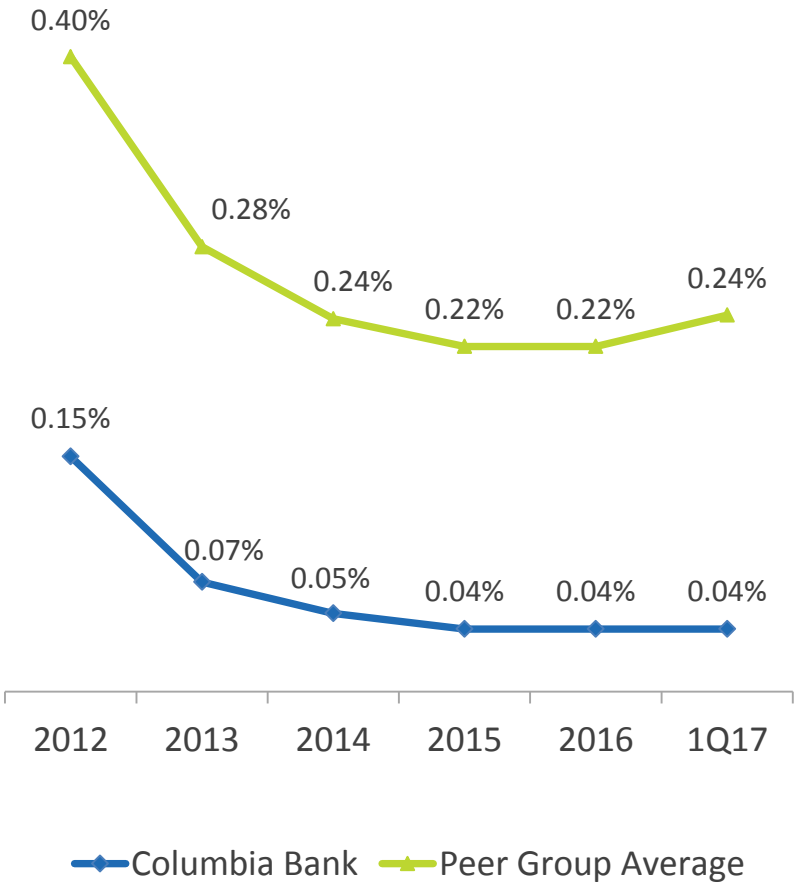
Total Deposits = $8.1 Billion



- *Twelve month growth rate of 6%.*
- *Core deposit ratio = 96%*
- *Balanced 51% Business and 49% Consumer mix.*

As of March 31, 2017

Favorable Cost of Deposits



Opportunity for Deposit Market Share Growth

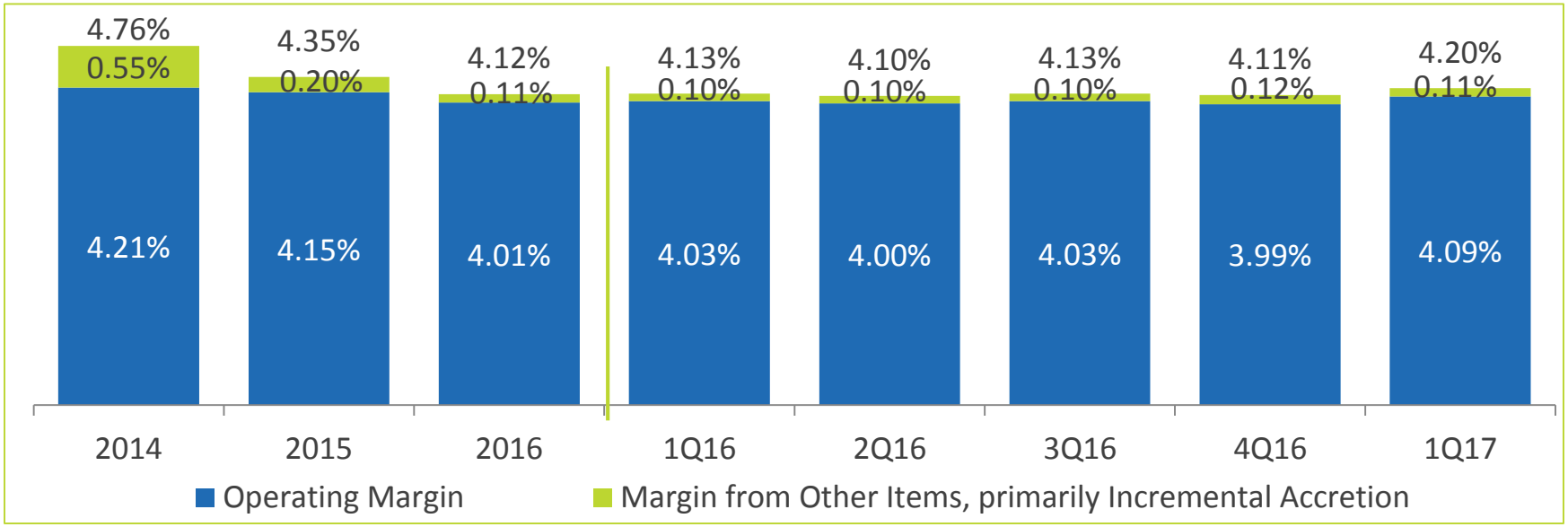
Northwest (Washington, Oregon and Idaho)

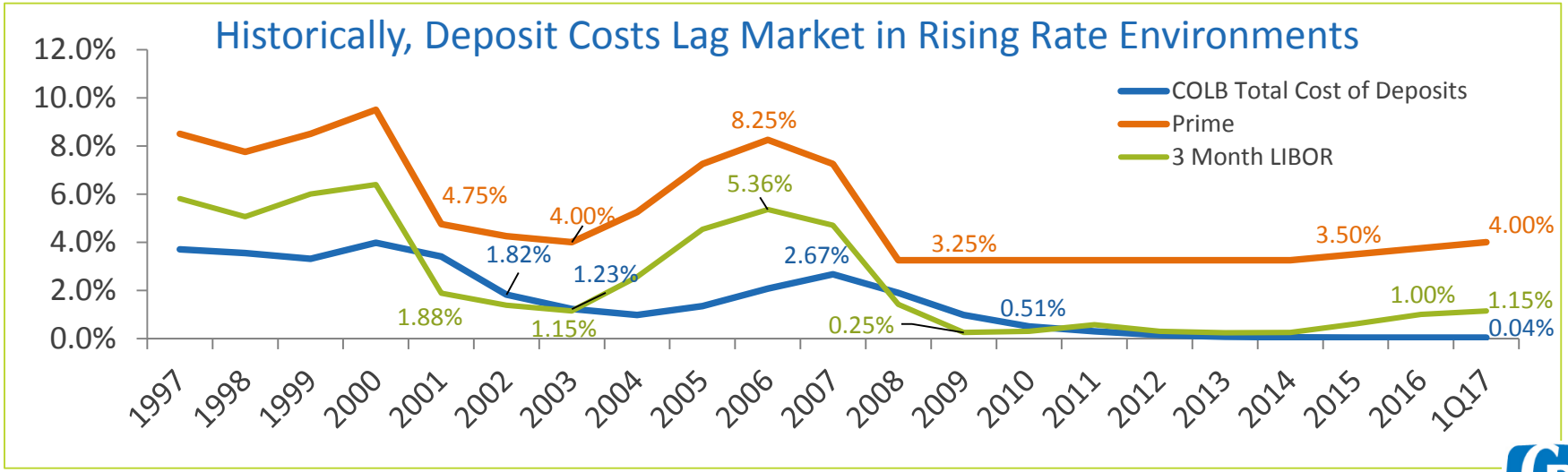
2016 Rank	Institution (ST)	2016 Deposits ($000s)	2016 Market Share*
1	Bank of America (NC)	40,727,912	17.15%
2	Wells Fargo (CA)	34,978,419	14.73%
3	U.S. Bank (MN)	33,999,427	14.31%
4	JP Morgan Chase (NY)	21,965,076	9.25%
5	Key Bank (OH)	15,465,780	6.51%
6	Umpqua Bank (OR)	12,829,082	5.40%
7	Washington Federal (WA)	7,844,037	3.30%
8	**Columbia Bank** (WA)	**7,682,683**	**3.23%**
9	Banner Bank (WA)	6,092,525	2.56%
10	Washington Trust (WA)	4,494,113	1.89%

Top 10 Institutions In Market	$186,079,054	78.33%
Other Institutions in Market	$51,454,124	21.67%
Total for Institutions in Market (122)	$237,533,178	100.00%

* *Based on June 30, 2016 FDIC deposit market share data*

Stable Operating Net Interest Margin*

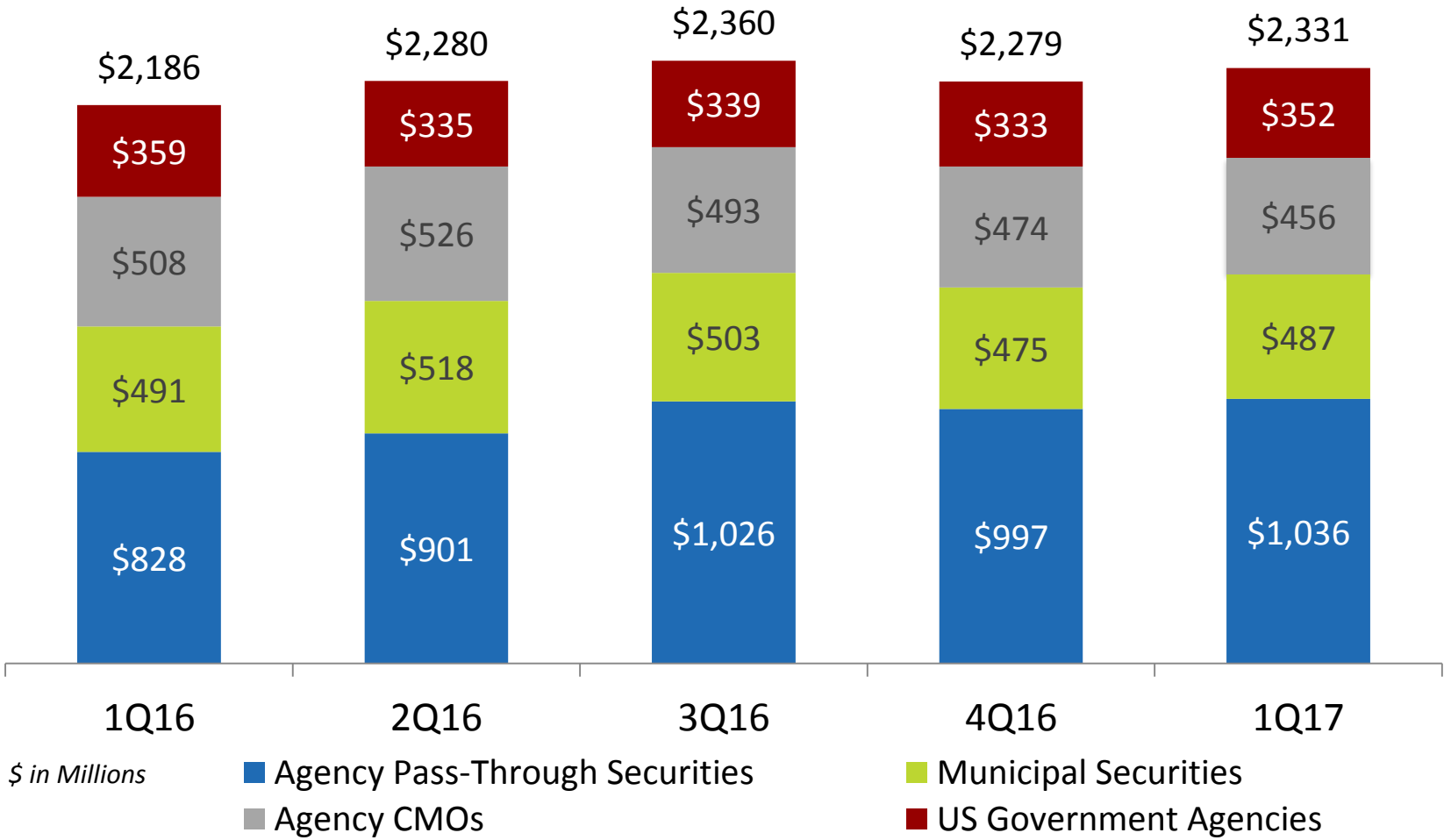




*Operating Net Interest Margin is a non-GAAP financial measure. Refer to appendix for additional information.

Conservative Investment Portfolio

Annual Yield and Portfolio Duration at 3/31/17 = 2.62% & 3.9 Years, respectively.



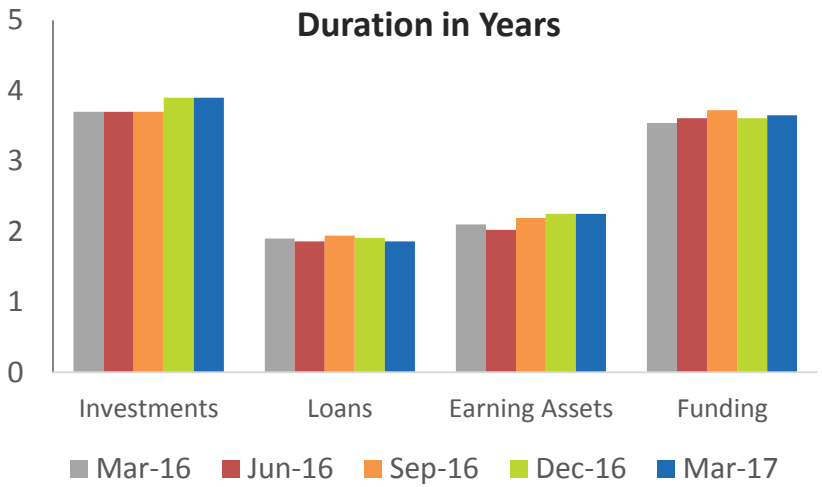
Interest Rate Sensitivity

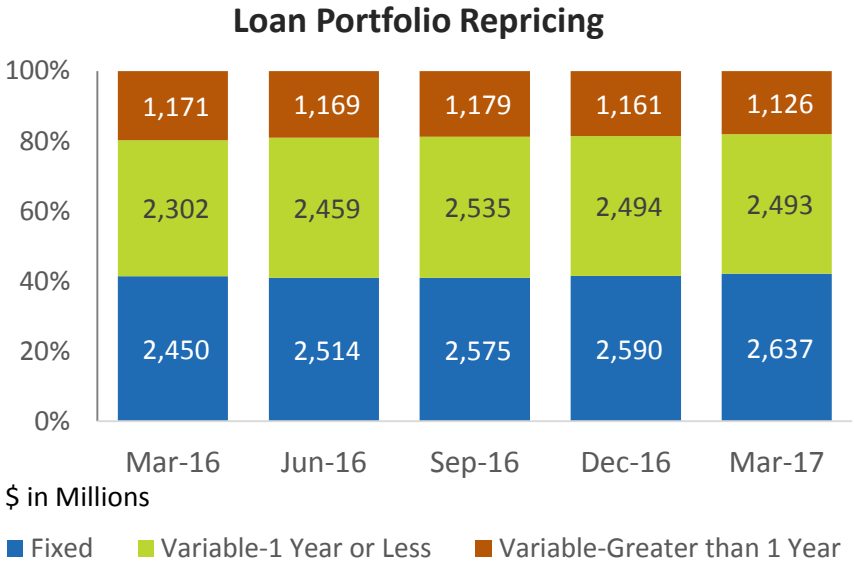
- Slight mix shift in loan portfolio as production includes more fixed and short-term variable
- Weighted average remaining maturity of the fixed rate loan portfolio is approximately 7 years
- Interest rate floors within the loan portfolio total $1.9 billion with 52% or $910 million in the money.

  Floor Exceeds Fully Indexed Rate by (basis points):

<=50	51-100	101-150	151-200	>200
$647MM	$177MM	$50MM	$18MM	$20MM

- 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.





Loan Repricing Detail (1)	Mar-16	Mar-17	Mar-16	Mar-17
Fixed	$2,450,158	$2,636,645	41%	42%
Prime	1,202,475	1,144,737	20%	18%
Libor	1,032,303	1,247,919	17%	20%
1Y FHLB/UST/Libor	67,541	100,396	1%	2%
Variable-1 Year or Less	2,302,319	2,493,052	39%	40%
3Y FHLB/SWAP/UST	164,163	137,251	3%	2%
5Y FHLB/SWAP/UST	909,395	888,662	15%	14%
OVER 5Y FHLB/SWAP	97,726	100,524	2%	2%
Variable-Greater than 1 Yr	1,171,284	1,126,436	20%	18%
Total	**$5,923,761**	**$6,256,133**	**100%**	**100%**

(1) Loan balances exclude deferred fees/costs and premiums/discounts.

Financial Highlights

$ in Millions	1Q17	4Q16	3Q16	2Q16	1Q16
Total Assets	$9,527	$9,510	$9,587	$9,354	$9,036
Total Loans [1]	$6,228	$6,213	$6,260	$6,107	$5,877
Purchased Credit Impaired Loans [1]	$139	$146	$153	$161	$173
Investment Securities [3]	$2,342	$2,289	$2,373	$2,298	$2,196
Core Deposits [4]	$7,795	$7,750	$7,809	$7,448	$7,385
Total Deposits	$8,089	$8,059	$8,058	$7,673	$7,597
Nonperforming Assets/Total Assets	0.32%	0.35%	0.32%	0.36%	0.55%
Return on Average Assets	1.23%	1.28%	1.16%	1.10%	0.95%
Return on Average Common Equity	9.26%	9.65%	8.60%	8.02%	6.76%
Return on Average Tangible Equity [2]	13.96%	14.51%	13.00%	12.23%	10.46%

[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 include Certificates of Deposit less than $250,000.

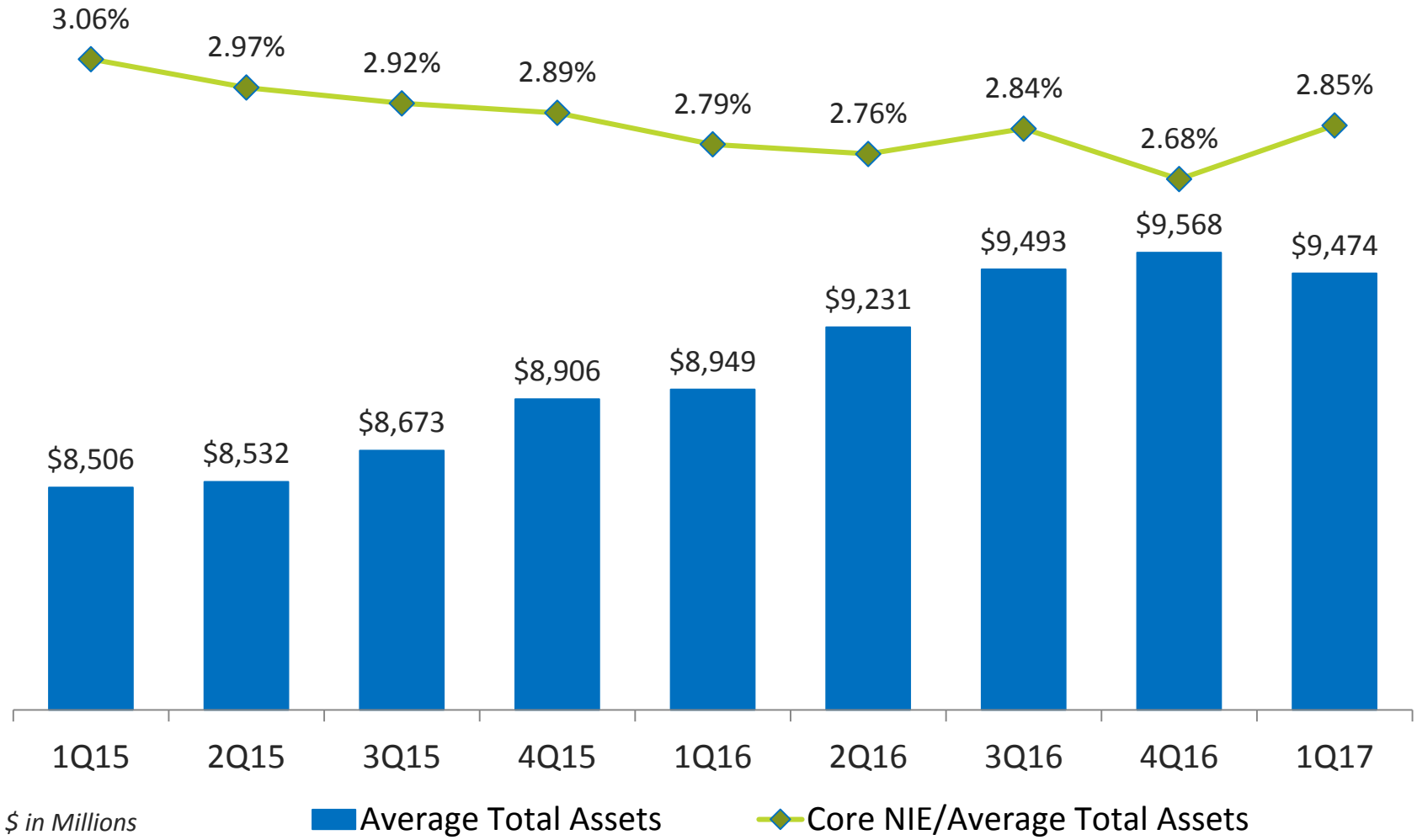
Net Income

$ in Thousands	1Q17	4Q16	3Q16	2Q16	1Q16
Net Interest Income	$86,675	$85,737	$85,572	$82,140	$80,170
Provision for Loan Losses	2,775	18	1,866	3,640	5,254
Net Interest Inc after Provision	**83,900**	**85,719**	**83,706**	**78,500**	**74,916**
Noninterest Income	24,859	22,330	23,166	21,940	20,646
Noninterest Expense*	68,986	65,014	67,264	63,790	65,074
Pre-tax Net Income	**39,773**	**43,035**	**39,608**	**36,650**	**30,488**
Provision for Income Taxes	10,574	12,317	12,124	11,245	9,229
Net Income	**$29,199**	**$30,718**	**$27,484**	**$25,405**	**$21,259**
Earnings per Share (Diluted)**	$0.50	$0.53	$0.47	$0.44	$0.37
*Acquisition Related Costs**	*$1,364*	*$291*	*$ -*	*$ -*	*$2,436*

* Noninterest expense includes one-time costs related to current and prior acquisitions.

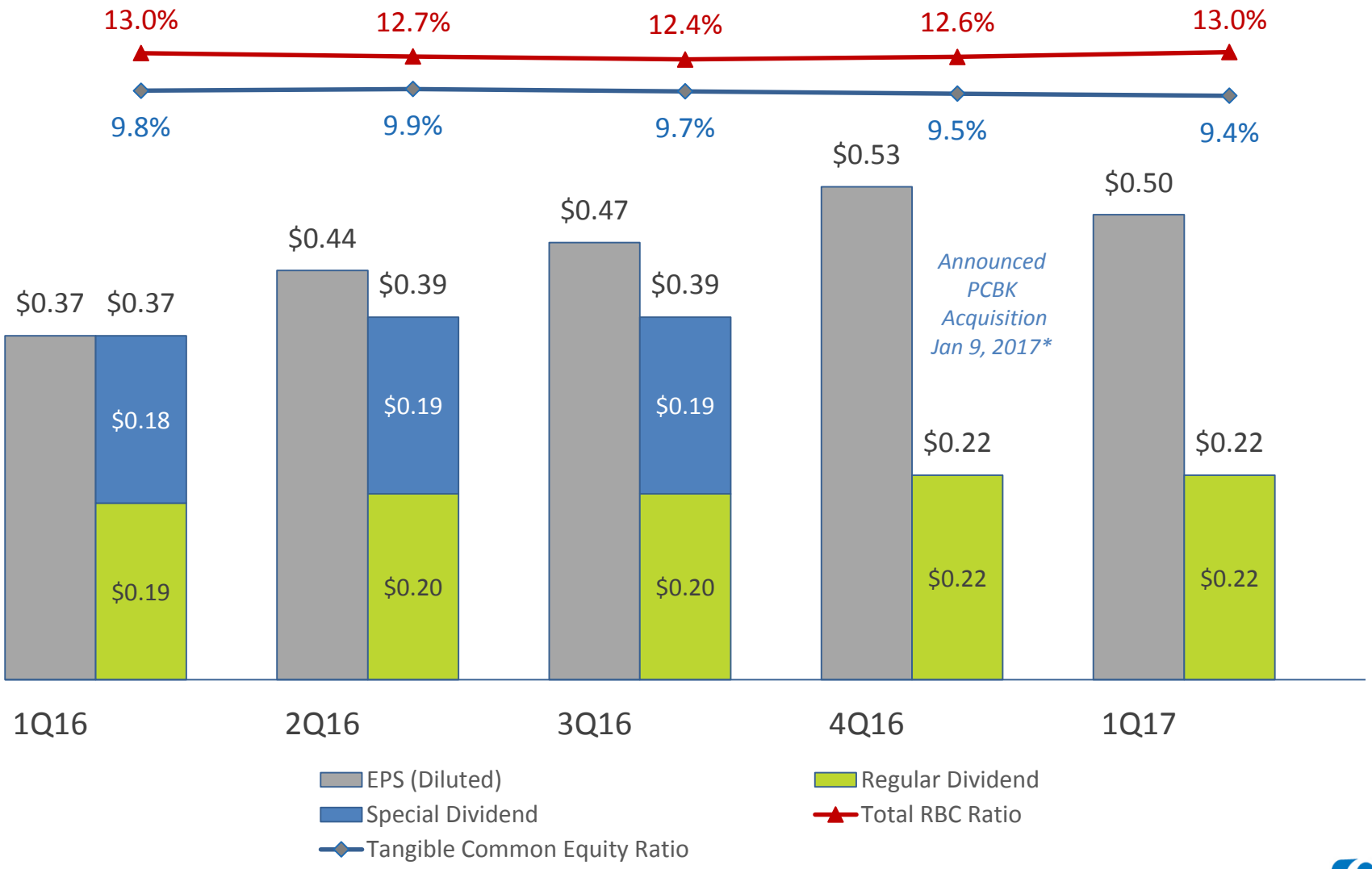
** Due to averaging of shares, quarterly earnings per share may not add up to the totals reported for the full year.

Scaling Core Noninterest Expense



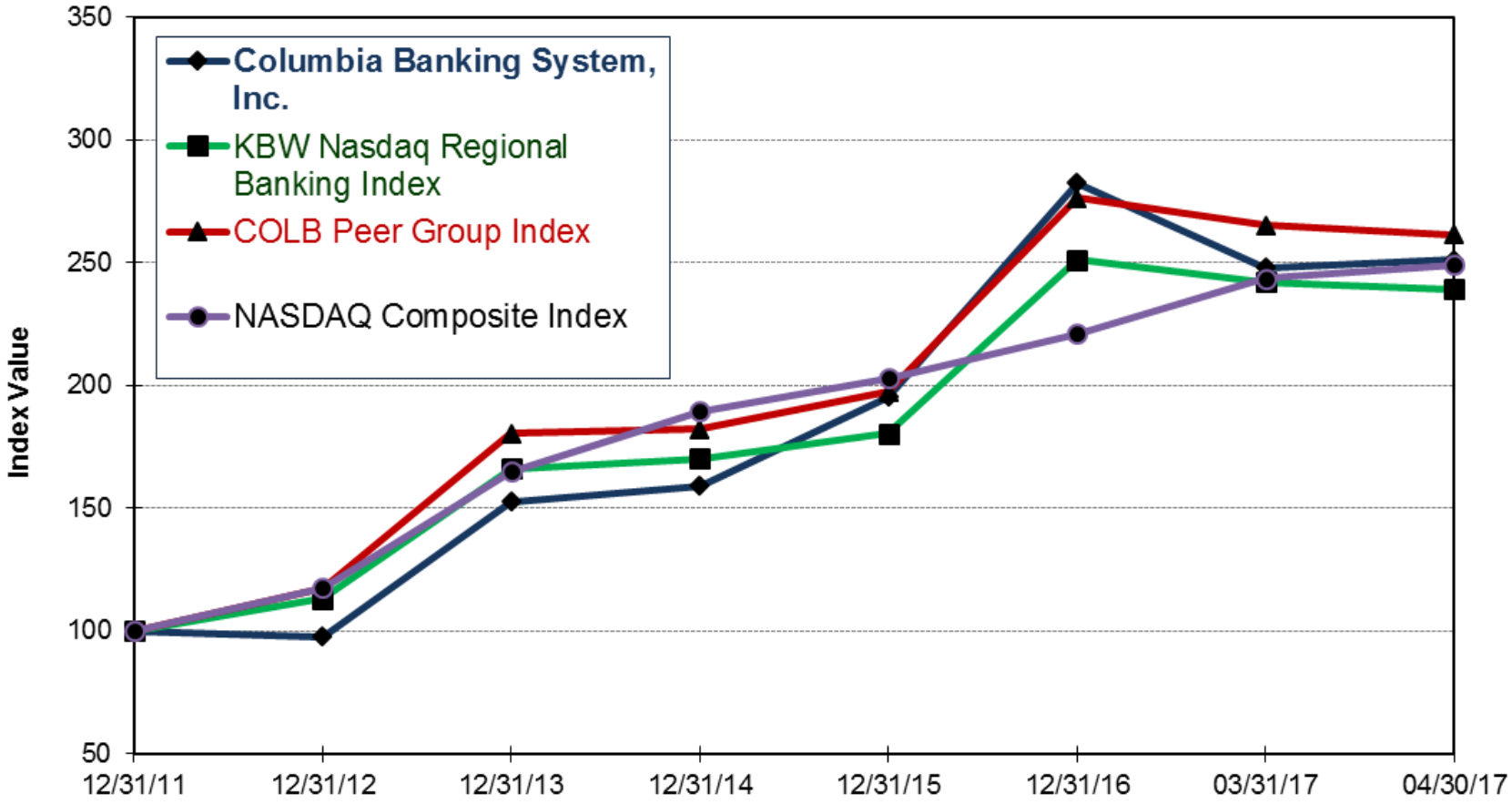
*Core NIE/Average Total Assets is a non-GAAP measure. Refer to appendix for additional information.

Maintaining Strong Capital with High Dividend Payout



* *Pending regulatory approval.*

Total Return Performance



COLB Peer Group: BANR, BXS, CVBF, FFBC, FIBK, FMBI, GBCI, GWB, HTLF, MBFI, NBTB, ONB, PNFP, STL, TRMK, WAL

Columbia – An Award-Winning Company

- *Forbes* "America's Best Banks, 2017" list ranked Columbia Bank 30th 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
- For 10th consecutive year, named one of Washington's Best Workplaces by *Puget Sound Business Journal* in 2016, and selected as finalist for *Pierce County Business Examiner's* Top Place to Work, 2016, in the large employer category
- Voted "Best Bank" and "Best Large Business" in 2017 by readers of *South Sound Magazine* during annual poll for the 2nd consecutive year
- Named among the Top 75 Corporate Philanthropists in 2017 by Puget Sound Business Journal
- Honored as one of Oregon's Most Admired Companies by the *Portland Business Journal* in 2016
- Readers of the *Statesman Journal* voted Columbia Bank silver for "Best Bank" in 2016 for its Best of Mid-Valley awards during annual poll
- Winner of the 2016 Corporate Citizenship Award for medium companies in Washington state by *Puget Sound Business Journal*
- Winner of the 2016 Silver Award for Community Impact by *Seattle Business Magazine* in the "Business of the Year: Large Companies" category
- Recognized by MSR Group as a 2016 Best in Retail Banking Award Winner in the category of Trust

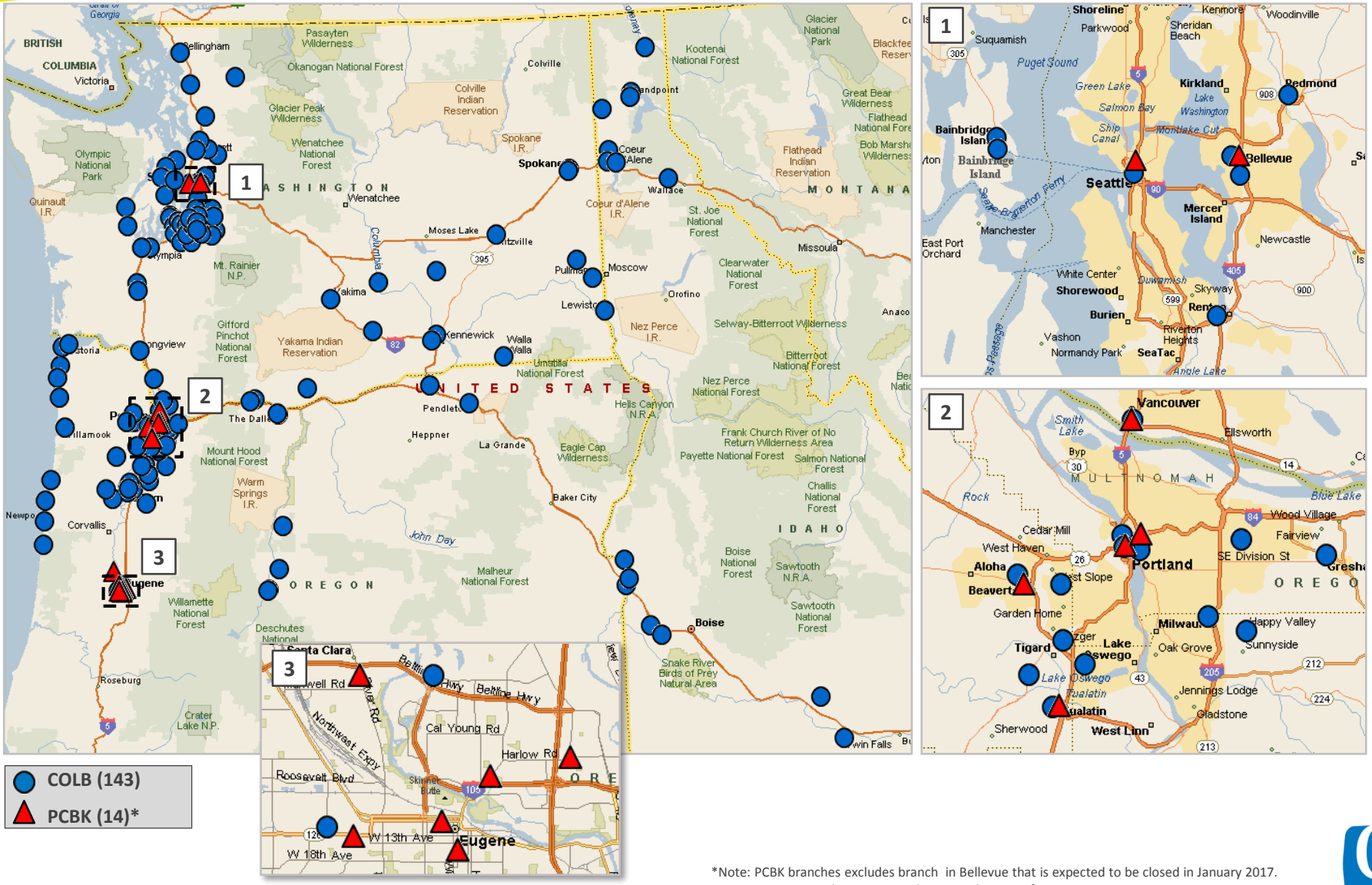
Columbia Banking System Inc.

Acquisition of Pacific Continental Corporation

PACIFIC CONTINENTAL®
THE RIGHT BANK™

Definitive agreement signed January 9, 2017;
acquisition is expected to close mid-2017

Compelling Northwest Footprint



*Note: PCBK branches excludes branch in Bellevue that is expected to be closed in January 2017.
Source: SNL Financial, company websites, and Microsoft MapPoint.

Transaction Highlights

Transaction Rationale

- Strengthens COLB's presence in key metropolitan markets in the Northwest
  - Significantly increases COLB's market share in the Eugene MSA and provides opportunities to enhance efficiency in the Seattle and Portland markets
- PCBK is the 2nd largest community bank headquartered in Oregon with $2.5 billion in assets
- Solidifies Columbia as the largest bank solely focused on the NW with ~$12 billion in assets
- Complementary community-focused banking models built around strong core deposit cultures
  - Noninterest bearing deposits of 49% and 42% for COLB and PCBK, respectively
- Expands healthcare lending platform
- Delivers COLB's expanded product suite and higher lending capacity to PCBK's customer base

Risk Management

- Pro forma assumptions driven by significant due diligence
- COLB is well-positioned to cross the $10 billion asset threshold
- Track record of 9 successfully integrated acquisitions over the last 9 years

Attractive Financial Returns

- ~8% earnings accretion in 2018 and ~10% earnings accretion in 2019
- > 15% IRR
- Tangible Book Value Earnback of ~3.7 years
- ~6% TBV Dilution at Close

Transaction Assumptions and Pro Forma Adjustments

Transaction Value[1]	~$644.1 million
Cost Savings	Estimated at approximately $19.4 million or 34% of PCBK's 2017e NIE Expected to be phased 50% in 2017, 85% in 2018 and 100% thereafter
Revenue Enhancements	Not included
Deal Related Expenses	Approximately $30.4 million, pre-tax
Loan Mark[4]	Estimated gross loan mark of $33.1 million or 1.70% of loans[2]
Estimated Fair Value and Pro Forma Adjustments[4]	Estimated Core Deposit Intangible equaling 1.75% of PCBK's core deposits[3] Estimated Fixed Asset markup of $2.8 million; estimated OREO markdown of $2.3 million Estimated Subordinated debt markup of $1.1 million Trust Preferred Redemption of $14.0 million; reversal of the $2.6 million Foundation Trust Preferred Mark

(1) Based on COLB's closing stock price as of 1/9/17. Merger consideration value and price per share will change, and partial cash consideration may be included, based on the fluctuation in COLB's stock price. Please see Appendix.
(2) Per 3rd party loan review.
(3) Core deposits equal to all non-time deposits.
(4) Adjustments based on projected balances at close.

Appendix

Non-GAAP Financial Measures – Net Interest Margin

$ in Thousands	2014	2015	2016	1Q16	2Q16	3Q16	4Q16	1Q17
Net interest margin (tax equiv)	$312,146	$334,549	$344,425	$82,661	$84,946	$88,318	$88,500	$89,518
Incremental accretion income: FDIC PCI loans	(20,224)	(9,096)	(5,972)	(1,657)	(1,300)	(1,816)	(1,199)	(2,117)
Incr accretion income: Other FDIC acq'd loans [1]	(484)	(234)	-	-	-	-	-	-
Incremental accretion income: Other acq'd loans	(21,093)	(17,862)	(11,983)	(3,073)	(3,074)	(2,749)	(3,087)	(1,948)
Premium amortization on acquired securities	7,123	10,216	7,738	2,324	2,075	1,991	1,348	1,462
Investment portfolio premium amort adj	(2,622)	-	-	-	-	-	-	-
Interest reversals on nonaccrual loans	1,291	1,713	1,072	453	107	266	246	265
Operating net interest margin *(tax equivalent)*	$276,137	$319,286	$335,280	$80,708	$82,754	$86,010	$85,808	$87,180
Average Earning Assets	6,561,047	7,685,734	8,363,308	8,005,945	8,285,183	8,544,876	8,612,498	8,520,291
Net Interest Margin *(tax equivalent)*	4.76%	4.35%	4.12%	4.13%	4.10%	4.13%	4.11%	4.20%
Operating Net Interest Margin *(tax equivalent)*	4.21%	4.15%	4.01%	4.03%	4.00%	4.03%	3.99%	4.09%
Net interest margin *(tax equivalent)*	4.76%	4.35%	4.12%	4.13%	4.10%	4.13%	4.11%	4.20%
Incr accretion income: FDIC PCI loans	(0.31%)	(0.12%)	(0.07%)	(0.09%)	(0.06%)	(0.08%)	(0.06%)	(0.10%)
Incr accretion income: Other FDIC acq'd loans [1]	(0.01%)	-	-	-	-	-	-	-
Incremental accretion income: Other acq'd loans	(0.32%)	(0.23%)	(0.14%)	(0.15%)	(0.15%)	(0.13%)	(0.14%)	(0.09%)
Premium amortization on acquired securities	0.11%	0.13%	0.09%	0.12%	0.10%	0.10%	0.06%	0.07%
Investment portfolio premium amort adj	(0.04%)	-	-	-	-	-	-	-
Interest reversals on nonaccrual loans	0.02%	0.02%	0.01%	0.02%	0.01%	0.01%	0.01%	0.01%
Operating net interest margin *(tax equivalent)*	4.21%	4.15%	4.01%	4.03%	4.00%	4.03%	3.99%	4.09%

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

Non-GAAP Financial Measures

ROATCE *$ in Thousands*	1Q17	4Q16	3Q16	2Q16	1Q16
Net Income	$29,199	$30,718	$27,484	$25,405	$21,259
- Preferred Dividends	-	(40)	(40)	(38)	(39)
Net Income Applicable to Common Shareholders	29,199	30,678	27,444	25,367	21,220
+ Amortization of Intangibles	1,349	1,420	1,460	1,483	1,583
- Tax Effect on Intangible Amort	(472)	(497)	(511)	(519)	(554)
Adjusted Net Income	$30,076	$31,601	$28,393	$26,331	$22,249
Average Shareholders' Equity	$1,261,652	$1,274,388	$1,278,588	$1,267,670	$1,258,411
- Average Preferred Equity	(271)	(2,217)	(2,217)	(2,217)	(2,217)
- Average Intangibles	(399,672)	(401.055)	(402,505)	(403,976)	(405,508)
Adjusted Average Common Shareholders' Equity	$861,709	$871,116	$873,866	$861,477	$850,686
Return on Average Tangible Common Shareholders' Equity	13.96%	14.51%	13.00%	12.23%	10.46%

NIE/Average Assets *$ in Thousands*	1Q17	4Q16	3Q16	2Q16	1Q16
Reported Noninterest Expense	$68,986	$65,014	$67,264	$63,790	$65,074
- FDIC Clawback (Expense)/Recap	54	28	(29)	(70)	(209)
- Acquisition Related Costs	(1,364)	(291)	-	-	(2,436)
- OREO/OPPO Expense, Net	(150)	(612)	254	(84)	(102)
Core Noninterest Expense	$67,526	$64,139	$67,489	$63,636	$62,327
Average Assets	$9,473,698	$9,568,214	$9,493,451	$9,230,791	$8,949,212
Noninterest Expense/Average Assets	2.91%	2.72%	2.83%	2.76%	2.91%
Core NIE/Average Assets	2.85%	2.68%	2.84%	2.76%	2.79%

Non-GAAP Financial Measures – Capital Ratios

$ in Thousands	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Total Shareholders' Equity	$1,260,788	$1,274,479	$1,276,735	$1,251,012	1,275,343
- Preferred Stock	(2,217)	(2,217)	(2,217)	(2,217)	-
- Goodwill	(382,762)	(382,762)	(382,762)	(382,762)	(382,762)
- Other Intangible Assets, net	(21,994)	(20,511)	(19,051)	(17,631)	(16,282)
Tangible Common Equity	**$853,815**	**$868,989**	**$872,705**	**$848,402**	**$876,299**
Total Assets	$9,035,932	$9,353,651	$9,586,754	$9,509,607	$9,527,272
- Goodwill	(382,762)	(382,762)	(382,762)	(382,762)	(382,762)
- Other Intangible Assets, net	(21,994)	(20,511)	(19,051)	(17,631)	(16,282)
Tangible Assets	**$8,631,176**	**$8,950,378**	**$9,184,941**	**$9,109,214**	**$9,128,228**
Tangible Common Equity Ratio	**9.89%**	**9.71%**	**9.50%**	**9.31%**	**9.60%**

Hadley S. Robbins

Interim Chief Executive Officer/Chief Operating Officer
253-396-6985; robbinsh@columbiabank.com

Clint E. Stein

Chief Financial Officer
253-593-8304; cstein@columbiabank.com

Columbia Bank Center

1301 A Street, Suite 900
P.O. Box 2156
Tacoma, WA 98401-2156