COLUMBIA BANK

BUILDING A

PREMIER

REGIONAL

COMMUNITY BANK

NASDAQ:COLB

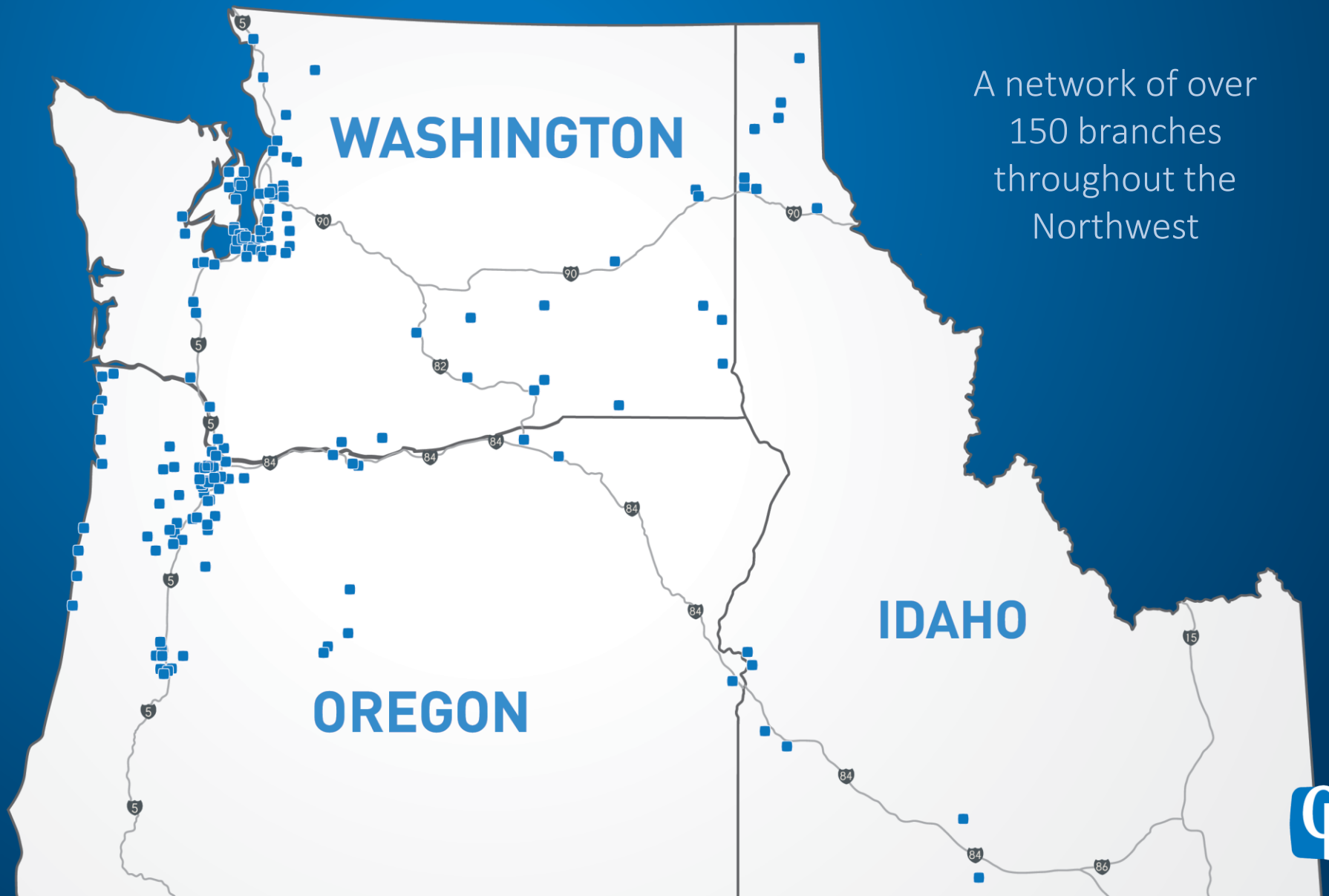
Columbia Banking System Inc.

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.

Why Columbia Bank?

- **Fortress balance sheet**
  - Very low cost, stable funding base
  - Relationship centric C&I focused loan portfolio
  - Diversified loan portfolio with top tier credit quality
- **Seasoned acquirer** with proven integration results and superior acquisition currency. Most recent acquisition was Pacific Continental Corporation, which closed November 1, 2017.
- **Located in one of the top regional economies** in the U.S.
- **Sustained track record** of delivering above market return to shareholders.

Broad Branch Network Delivering Superior Funding



A network of over 150 branches throughout the Northwest

Attractive Northwest Markets

✓ *Better Than or Equal to U.S. Average*

		Seattle-Tacoma-Bellevue	Portland-Vancouver	Boise	Washington	Oregon	Idaho	United States
Demographics	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%
	Projected HH Income Change *(2017-2022)*	11.72%✓	8.53%✓	9.66%✓	8.90%✓	9.83%✓	8.89%✓	7.27%
Economics	Unemployment Rate [(1)] *(Sep 2017, MSA's Aug 2017)*	4.2%✓	4.2%✓	2.6%✓	4.6%	4.2%✓	2.8%✓	4.2%
	Home Price Index Change *12 months ending Jul 2017* *24 months ending Jul 2017* *Low in 1Q12 – Jul 2017*	 13.5%✓ 26.2%✓ 79.2%✓	 7.6%✓ 20.8%✓ 72.9%✓	n/a	n/a	n/a	n/a	 5.9% 11.2% 44.9%

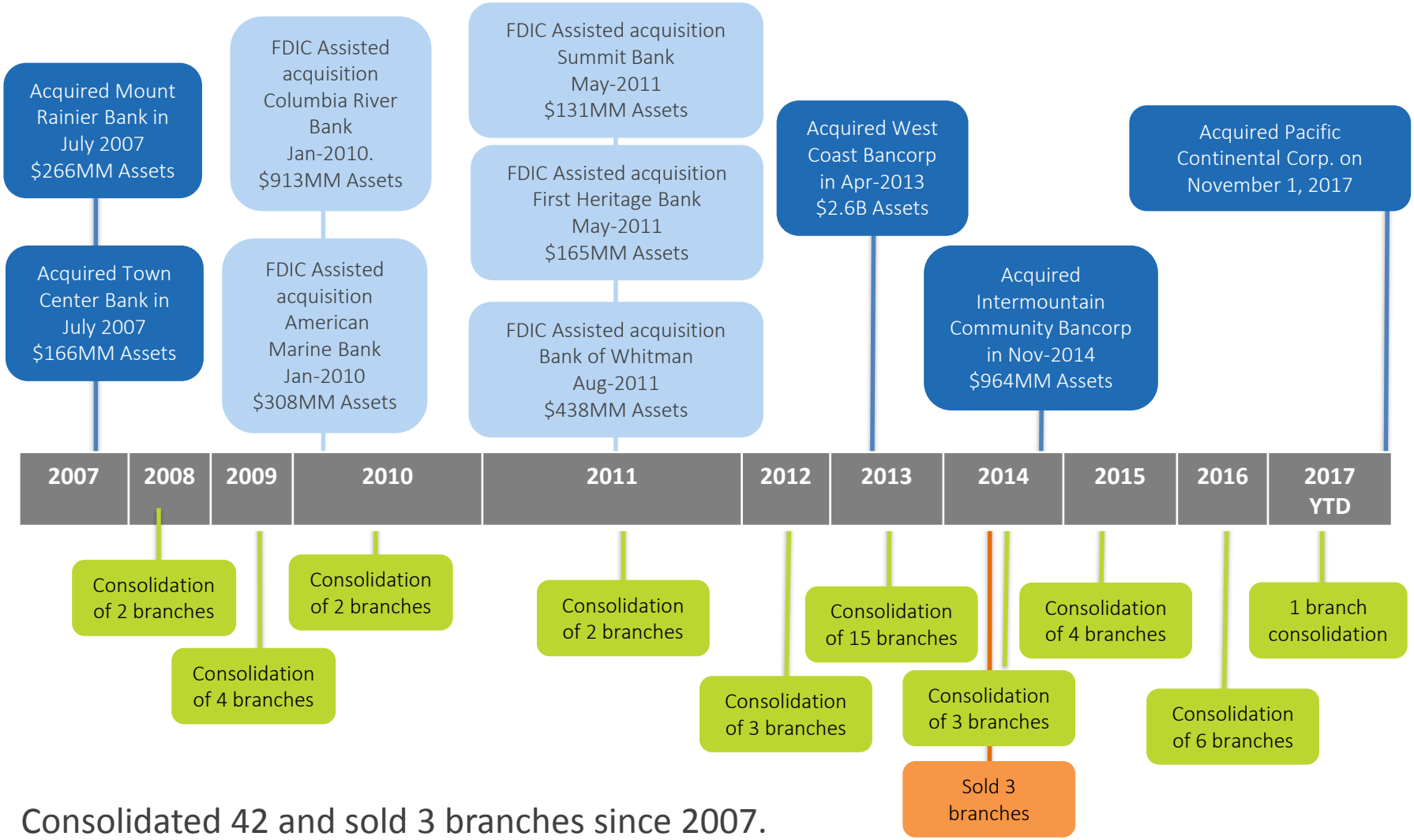
(1) MSA unemployment rates are not seasonally adjusted. State and US rates are seasonally adjusted.

Sources: Bureau of Labor Statistics, S&P-Case Schiller, SNL FInancial

The Strongest Economic Region in the US

- **The competition for commercial office space is high in the Puget Sound and Portland markets** driven by the expansion of technology companies such as Amazon, Google and F5 Networks.
- **Of the 20 major US metropolitan cities, the Seattle and Portland home indexes continued with the highest increases** over the past 12 months rising by 13.5% and 7.6%, respectively.
- **Washington's GDP growth rate of 3.7% was the best in the nation in 2016 with Oregon second at 3.3%.** Both were more than double the national rate of 1.5%. Idaho also outpaced the nation with growth of 1.8%.
- **The Northwest has an established presence** in 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.
- **Diversified agriculture is a key component of Northwest's success.** 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 is the 4th largest container gateway in North America, and Portland is the number one port on the west coast for automobile exports.
- **Military a major driver of the Northwest economy**. Over 115,000 Active and Civilian personnel across Washington, Oregon and Idaho.

Seasoned Acquirer with Proven Integration Track Record

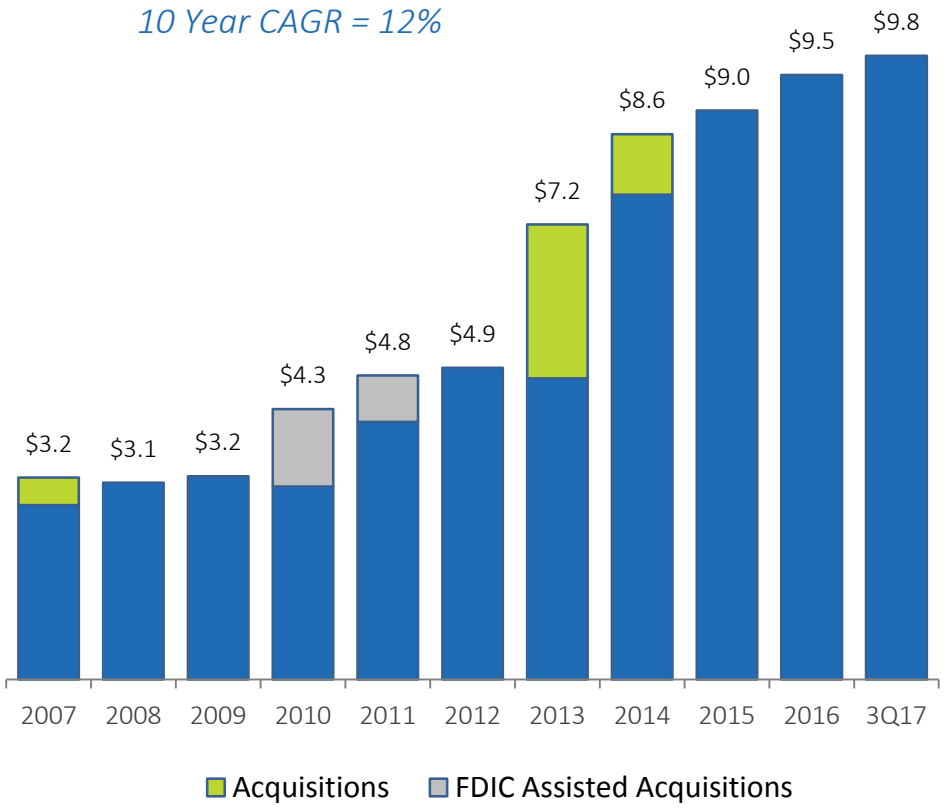


Consolidated 42 and sold 3 branches since 2007.

Continuous Growth in Earnings and Assets

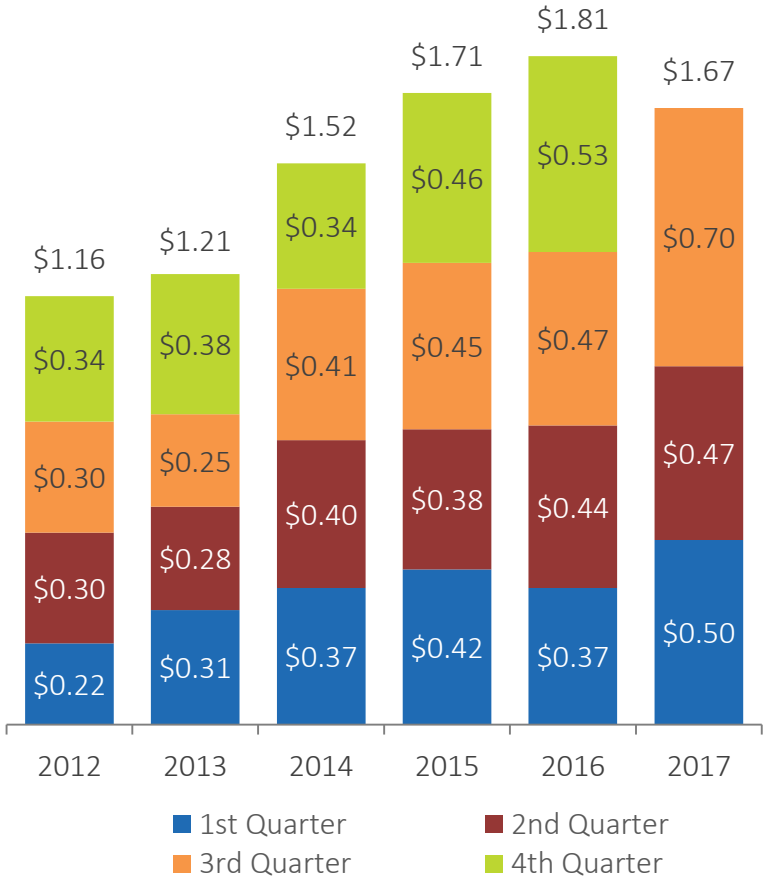
Total Assets

$ in Billions



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

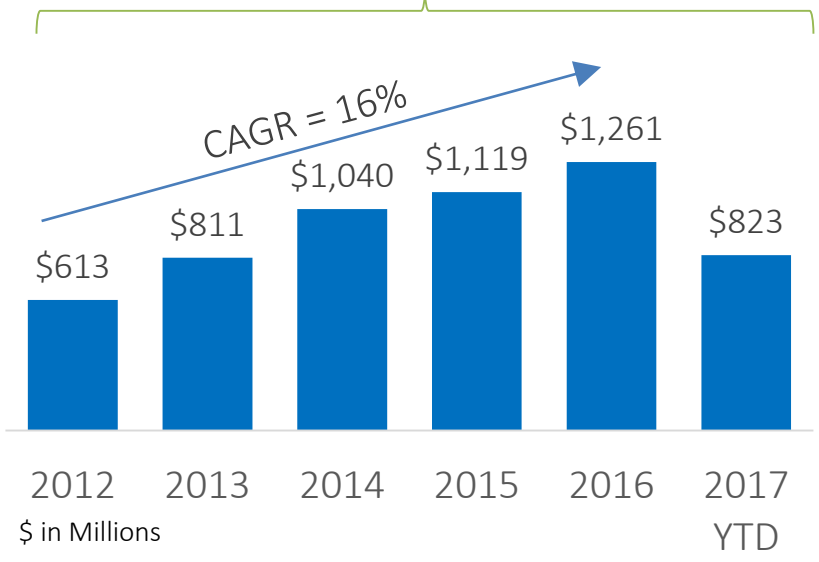
Earnings per Share



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

Annual Loan Originations

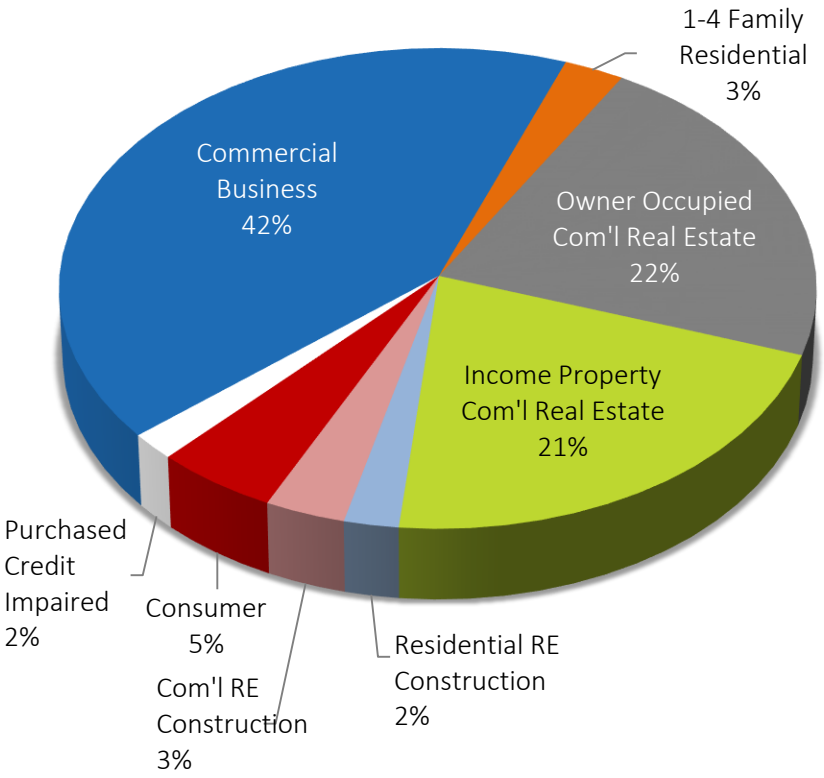


3rd Quarter Loan Originations



Total Portfolio = $6.5 Billion

Growth over the past 12 months = 4%

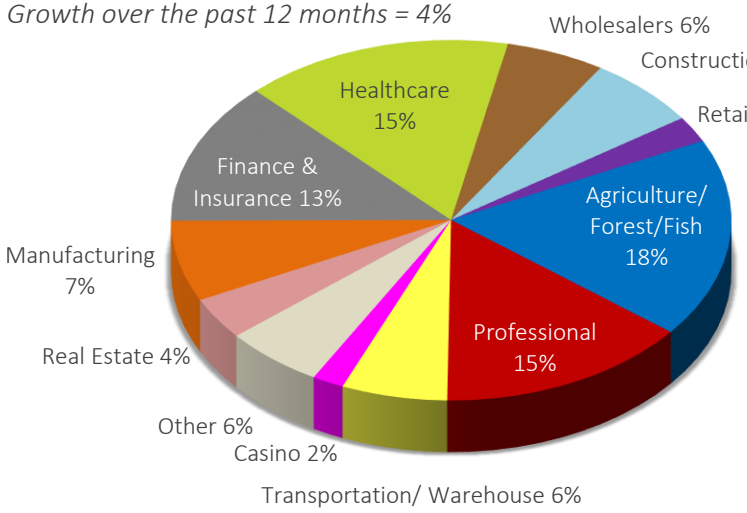


As of September 30, 2017

Well Diversified C&I and CRE Loan Portfolios

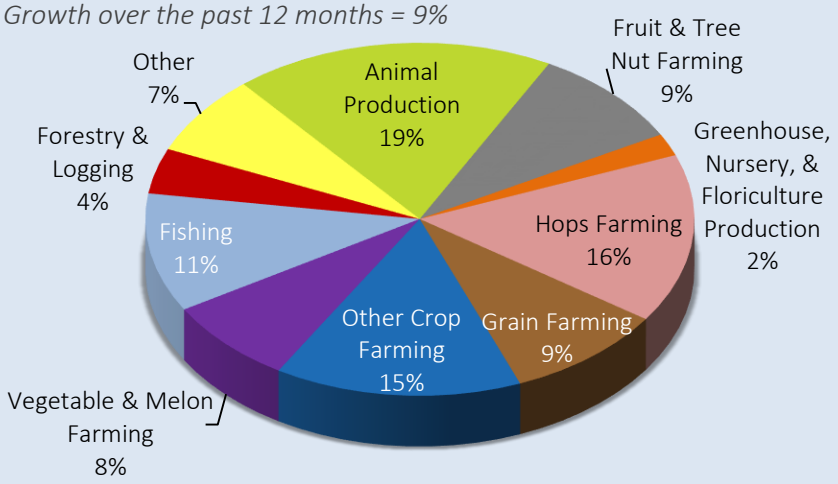
C&I Portfolio $2.7 Billion

Growth over the past 12 months = 4%



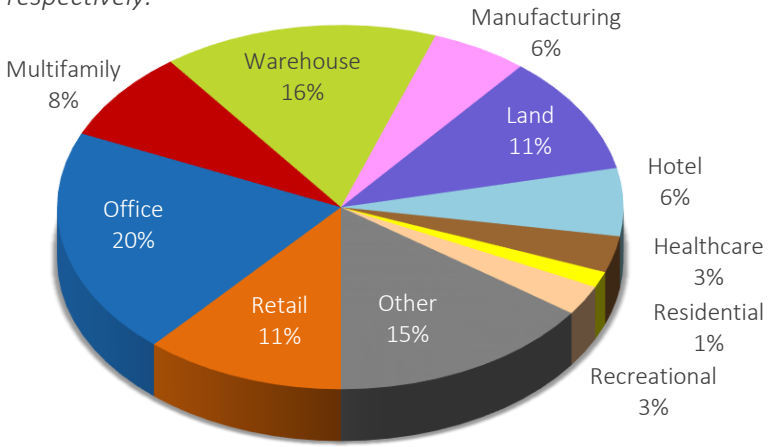
Agriculture Portfolio $490 Million

Growth over the past 12 months = 9%



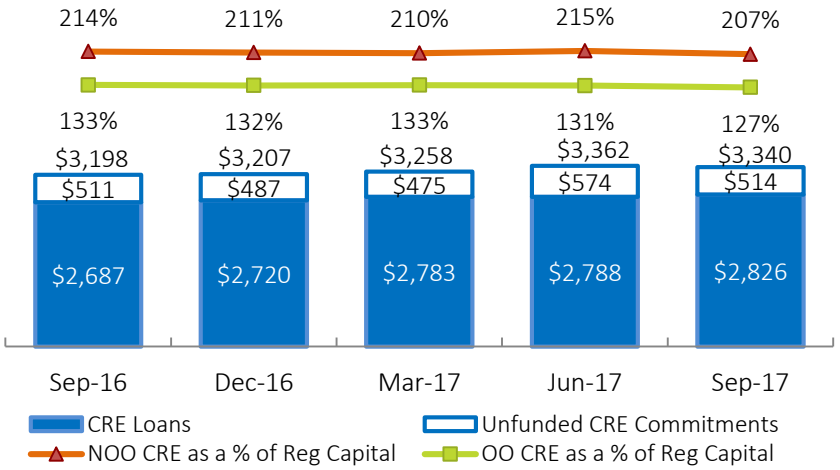
CRE Portfolio = $2.8 Billion

Owner Occupied and Income Property comprise 51% and 49% of the total, respectively.



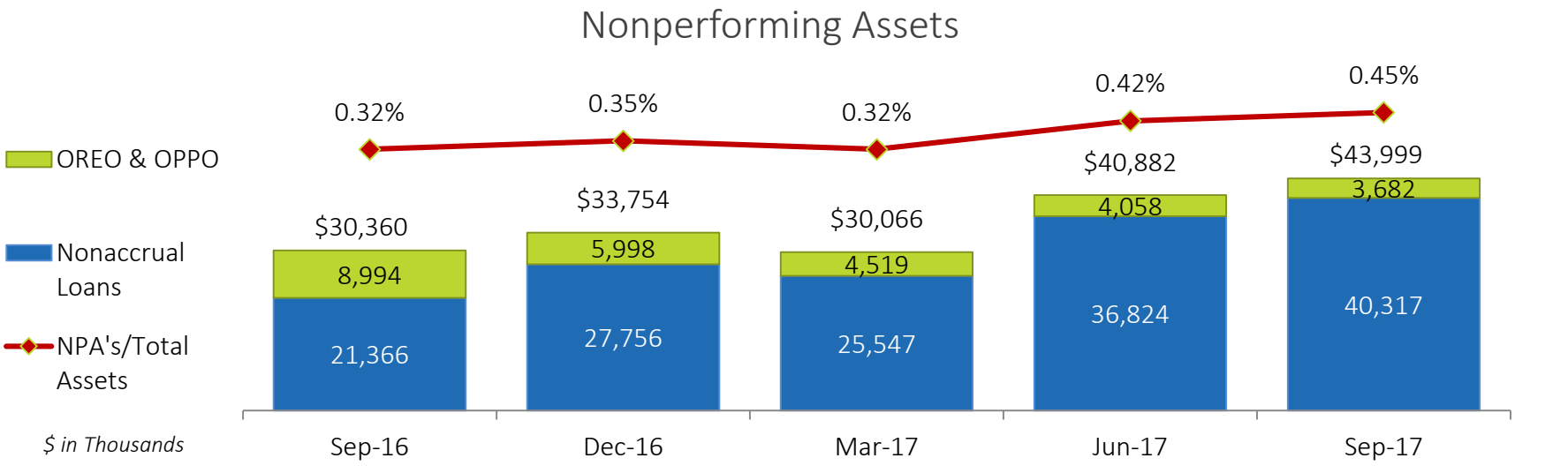
Consistent CRE Coverage

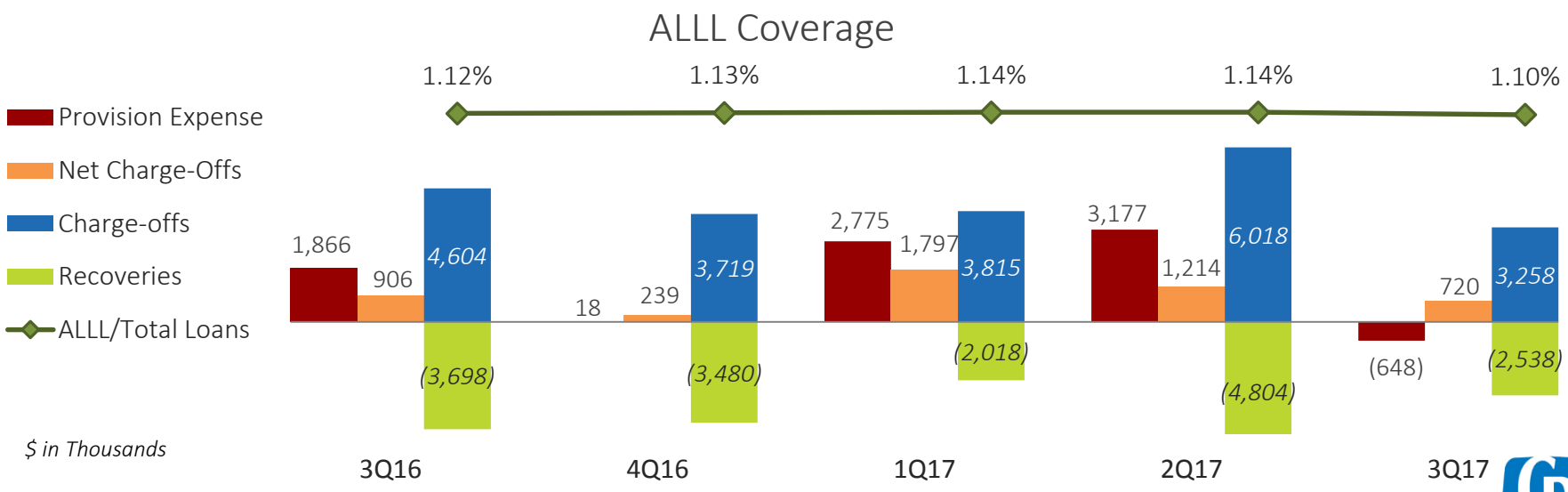
$ in Millions



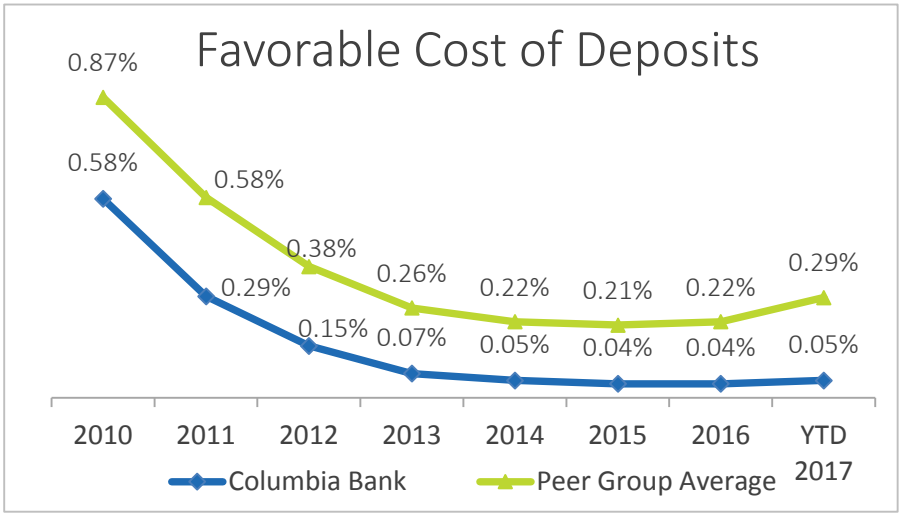
As of September 30, 2017

Credit Metrics Remain Healthy

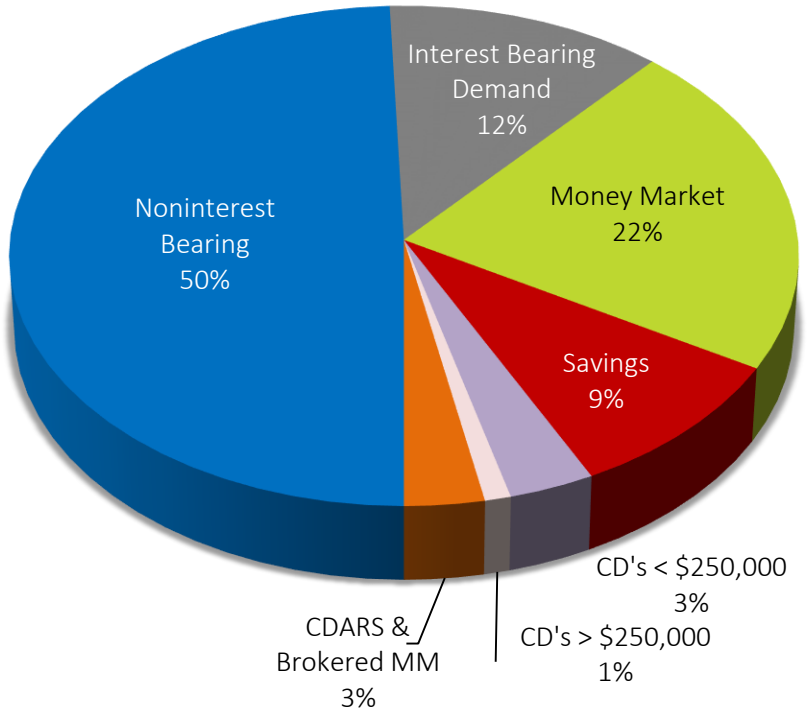




Diversified, Relationship Centered Deposit Base



Deposit Market Share Growth Northwest (Washington, Oregon & Idaho)				
2017 Rank	Institution (HQ State)	2017 Deposits ($ Millions)	2017 Market Share*	Growth since 2016
1	Bank of America (NC)	$44,031	17.28%	+0.13%
2	Wells Fargo (CA)	36,457	14.31%	-0.42%
3	U.S. Bank (MN)	36,306	14.25%	-0.07%
4	JP Morgan Chase (NY)	25,191	9.88%	+0.63%
5	Key Bank (OH)	16,913	6.64%	+0.13%
6	Umpqua Bank (OR)	13,283	5.21%	-0.19%
7	**Columbia Bank + Pacific Continental**	**10,191**	**4.00%**	**+0.76%**
8	Washington Federal (WA)	7,941	3.12%	-0.17%
9	Banner Bank (WA)	6,700	2.63%	+0.06%
10	Washington Trust (WA)	4,867	1.91%	+0.02%

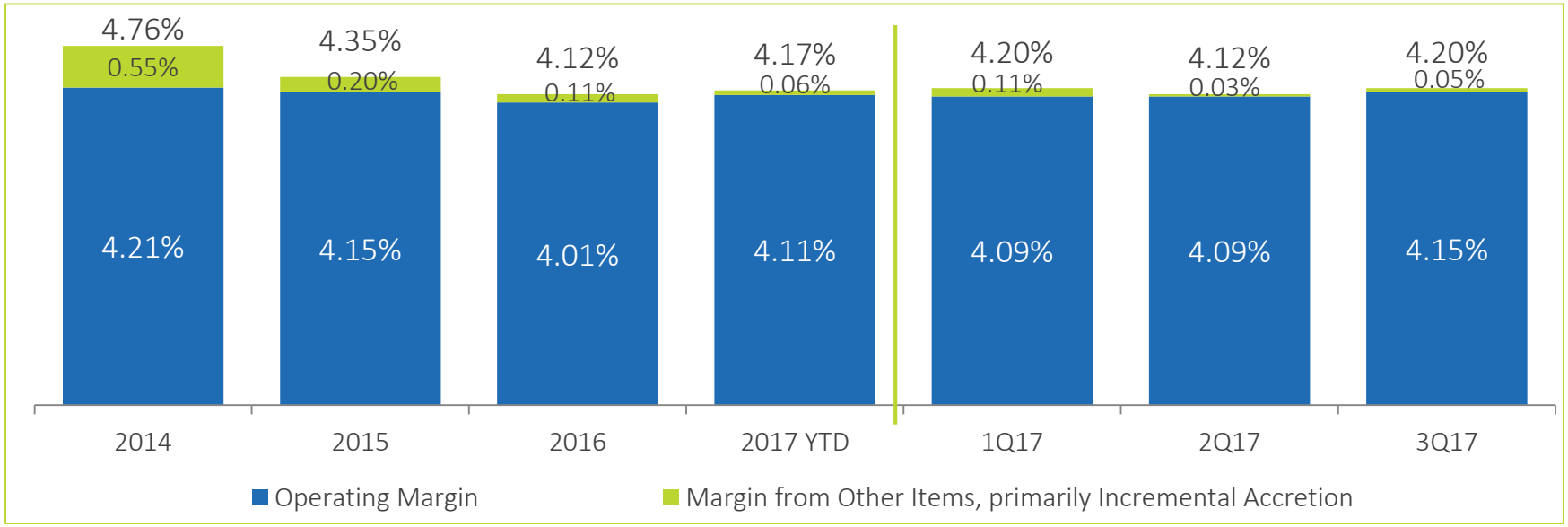


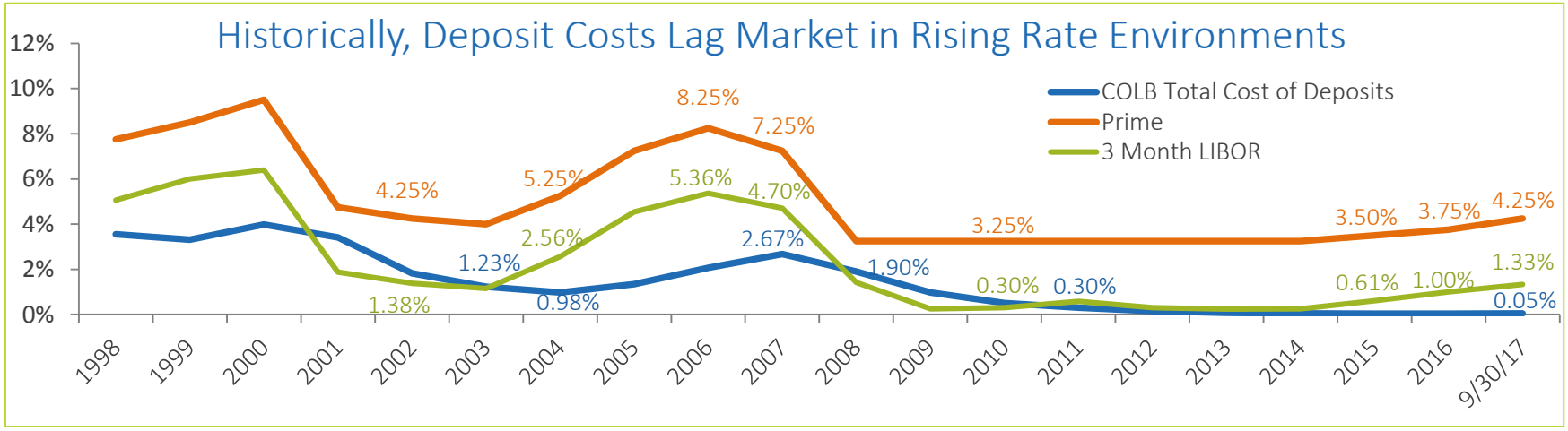
- *Annualized linked quarter growth of 13%.*
- *Core deposit ratio = 96%*
- *Balanced 51% Business and 49% Consumer mix.*

As of September 30, 2017

* *Based on June 30, 2017 FDIC deposit market share data*

Stable Operating Net Interest Margin*

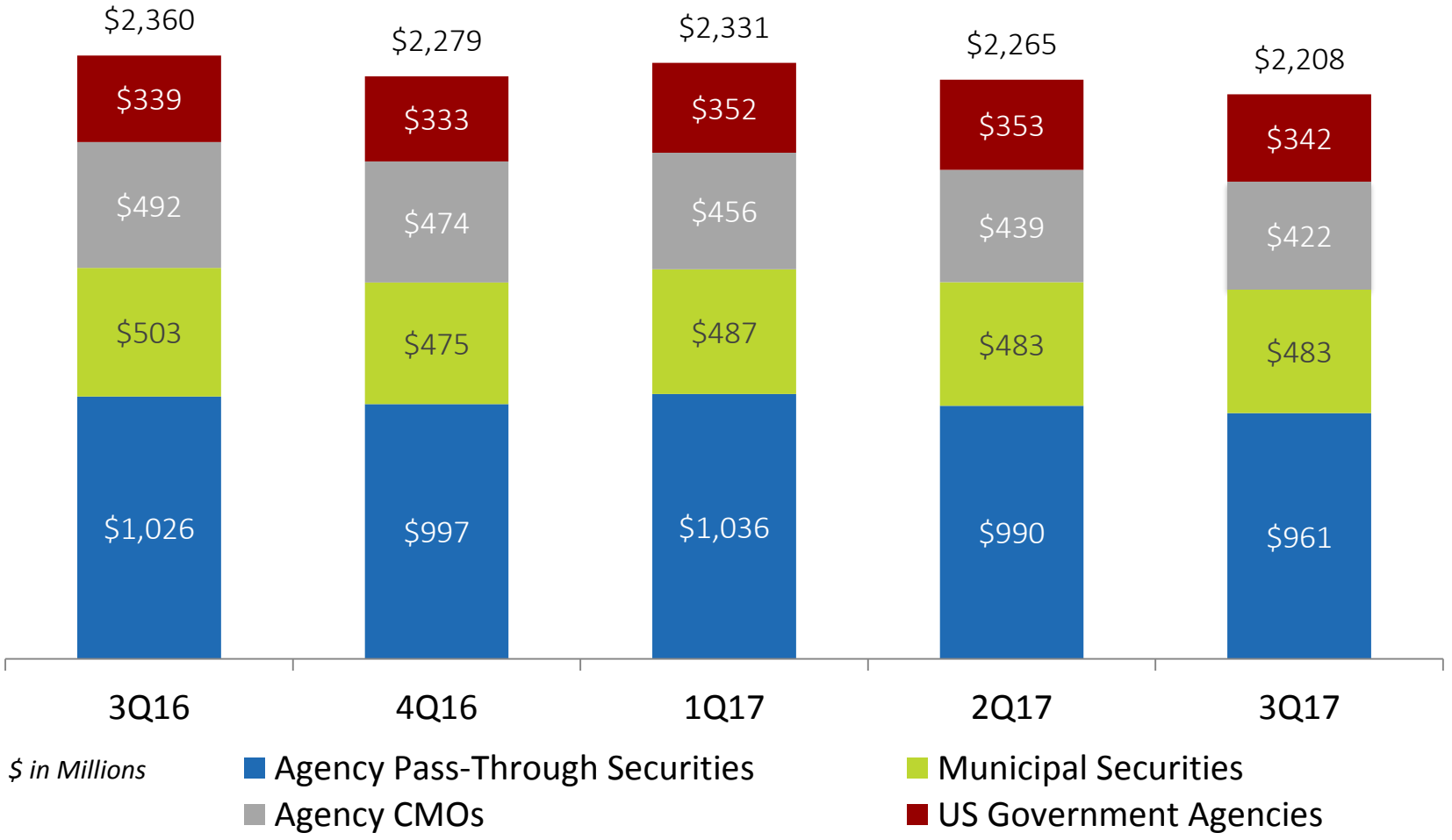




*Operating Net Interest Margin is a non-GAAP financial measure. Refer to slide 18 for additional information.

Conservative Investment Portfolio

YTD Yield and Portfolio Duration at 9/30/17 = 2.43% & 3.6 Years, respectively.



Interest Rate Sensitivity

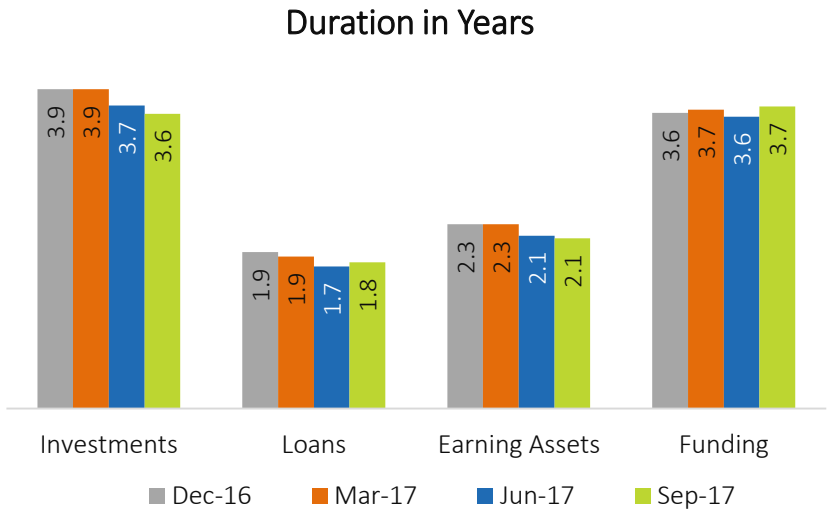
- Net interest income sensitivity is estimated based on a stable balance sheet, internal prepayment and loan pricing assumptions, decay rates and deposit betas. The percentage change from base scenario for the next 12 months are shown below::

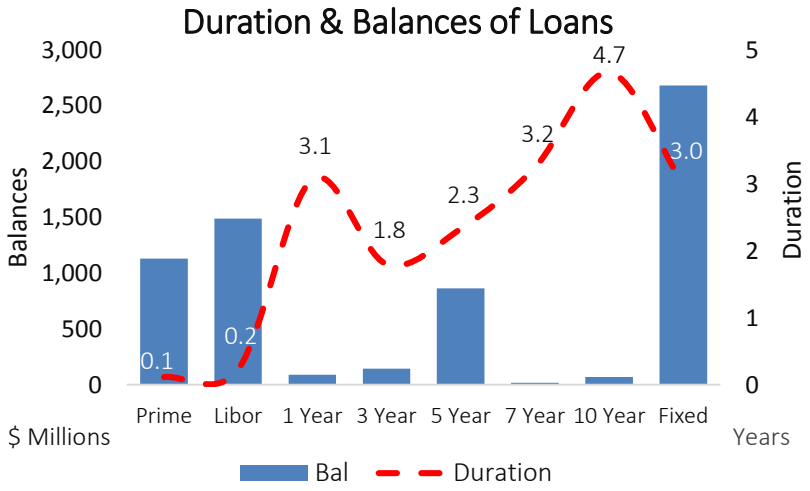
-100 bp	+100 bp	+200 bp
-9.7%	+5.1%	+10.1%

- Deposit durations are effective durations and are based on estimated decay rates and deposit rate betas. The decay rate approximates 17%. Betas approximate 5% for savings, 50% to 75% for money market and interest checking and 55% for time deposits.
- Interest rate floors within the loan portfolio total $2.0 billion with 39% or $774 million in the money.

Floor Exceeds Fully Indexed Rate by (basis points):

<=25	26-50	51-100	101-150	>150
$426MM	$144MM	$138MM	$38MM	$28MM





Loan Repricing Detail	Sep-16	Sep-17	Sep-16	Sep-17
Fixed	$2,575,497	$2,703,778	41%	41%
Prime	1,268,500	1,147,250	20%	18%
1 Month	1,079,623	1,379,386	17%	21%
3 Month	140,108	110,581	2%	2%
1 Year	57,554	91,622	1%	1%
Variable-1 Year or Less	2,545,786	2,728,839	40%	42%
3 Year	156,524	143,881	2%	2%
5 Year	922,116	865,241	15%	13%
10 Year	89,454	89,372	1%	1%
Variable-Greater than 1 Yr	1,168,095	1,098,494	19%	17%
Total	**$6,289,378**	**$6,531,111**	**100%**	**100%**

- Asset and liability durations are estimates
- Variable rate of 1, 3 5, 7 and 10 represent FHLB, swap or US Treasury rate indexes
- Loan balances exclude allowances, premiums/discounts

Financial Highlights with Superior ROAA and ROATCE

$ in Millions	3Q17	2Q17	1Q17	4Q16	3Q16	2017 YTD	2016 YTD
Total Assets	$9,815	$9,685	$9,527	$9,510	$9,587		
Total Loans	$6,512	$6,423	$6,228	$6,213	$6,260		
Investment Securities [1]	$2,218	$2,281	$2,342	$2,289	$2,373		
Core Deposits [2]	$7,999	$7,722	$7,795	$7,750	$7,809		
Total Deposits	$8,342	$8,072	$8,089	$8,059	$8,058		
NPAs/Total Assets	0.45%	0.42%	0.32%	0.35%	0.32%		
ROAA	1.68%	1.13%	1.23%	1.28%	1.16%	1.35%	1.07%
ROACE	12.32%	8.38%	9.26%	9.65%	8.60%	10.01%	7.80%
ROATCE [3]	17.93%	12.46%	13.96%	14.51%	13.00%	14.83%	11.91%
$ in Thousands	**3Q17**	**2Q17**	**1Q17**	**4Q16**	**3Q16**	**2017 YTD**	**2016 YTD**
Net Interest Income	$88,929	$86,161	$86,675	$85,737	$85,572	$261,765	$247,882
Provision for Loan Losses	(648)	3,177	2,775	18	1,866	5,304	10,760
Net Int Inc after Prov	**89,577**	**82,984**	**83,900**	**85,719**	**83,706**	**256,461**	**237,122**
Noninterest Income	37,067	24,135	24,859	22,330	23,166	86,061	65,752
Noninterest Expense[4]	67,537	68,867	68,986	65,014	67,264	205,390	196,128
Pre-tax Net Income	**59,107**	**38,252**	**39,773**	**43,035**	**39,608**	**137,132**	**106,746**
Prov for Income Taxes	18,338	11,120	10,574	12,317	12,124	40,032	32,598
Net Income	**$40,769**	**$27,132**	**$29,199**	**$30,718**	**$27,484**	**$97,100**	**$74,148**
EPS (Diluted) [5]	$0.70	$0.47	$0.50	$0.53	$0.47	$1.67	$1.28
Acquisition Related Costs	*$1,171*	*$1,023*	*$1,364*	*$291*	*$ -*	*$3,558*	*$2,436*

[1] Includes Federal Home Loan Bank Stock

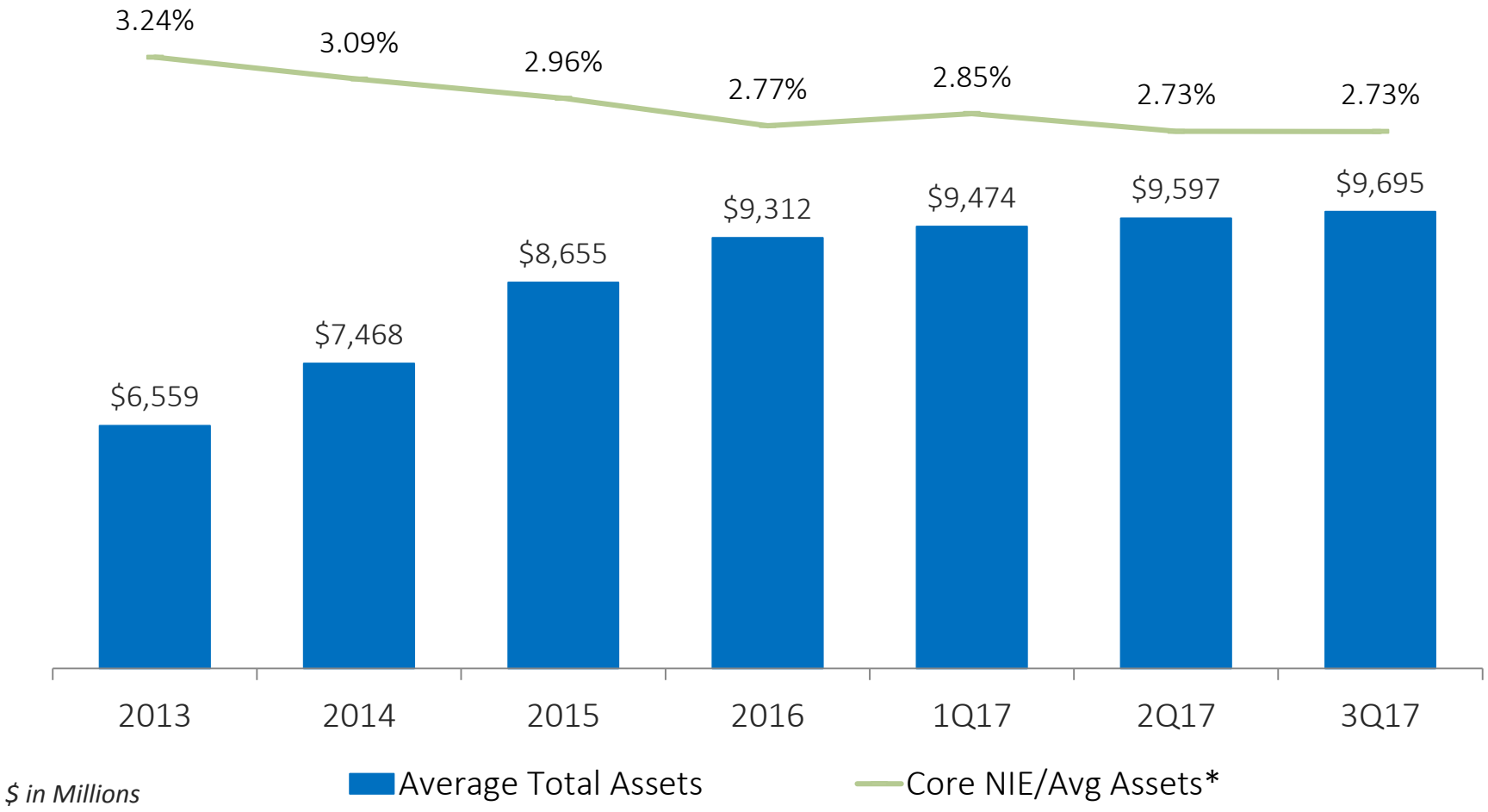
[2] Core deposits include Certificates of Deposit less than $250,000.

[3] Return on Average Tangible Equity is a non-GAAP measure. Refer to slide 18 for additional information.

[4] Noninterest expense includes one-time costs related to current and prior acquisitions.

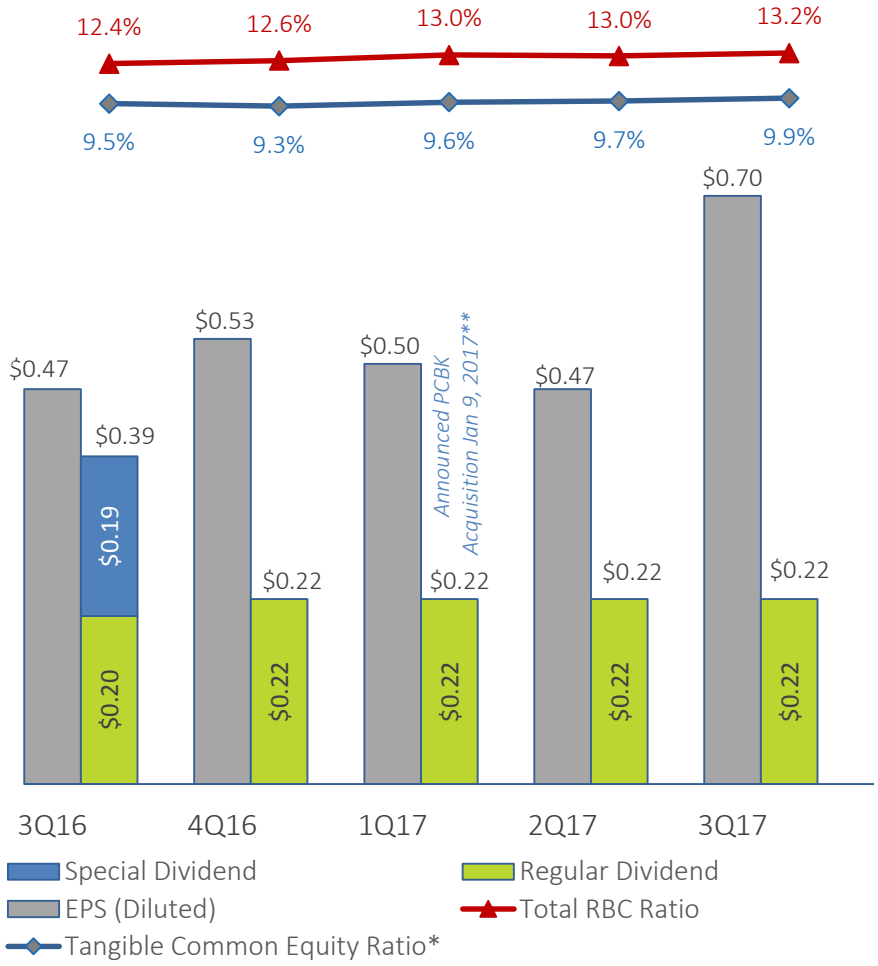
[5] Due to averaging of shares, quarterly earnings per share may not add up to the totals reported for the full year.

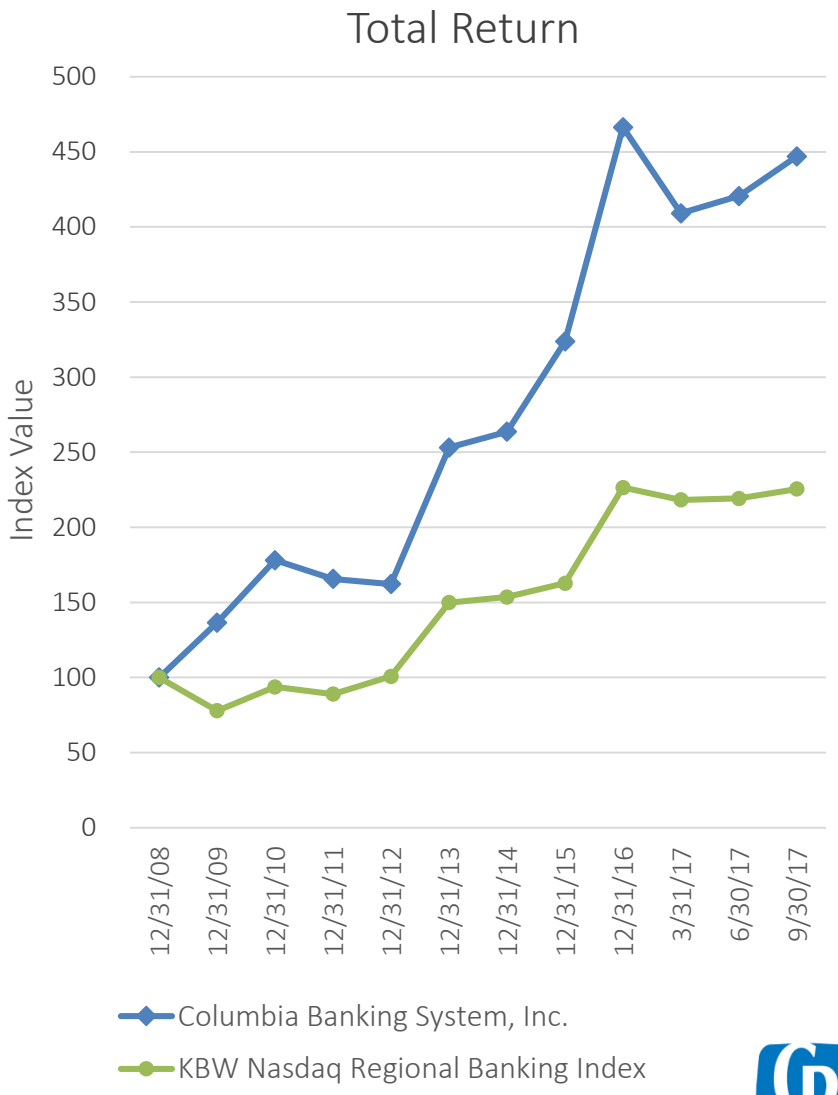
Continued Improvement in Expense Management



*Core NIE/Average Total Assets is a non-GAAP measure. Refer to slide 18 for additional information.

Strong Capital, Dividend Payouts & Total Return





* Tangible Common Equity Ratio is a non-GAAP measure. Refer to slide 18 for additional information.

** The PCBK acquisition is closing on November 1, 2017.

Columbia – An Award-Winning Company















Non-GAAP Financial Measures

Net Interest Margin $ in Thousands	2014	2015	2016	2017 YTD	1Q17	2Q17	3Q17
Net interest margin (tax equiv)	**$312,146**	**$334,549**	**$344,425**	**$270,480**	**$89,518**	**$89,075**	**$91,887**
Incremental accretion income: FDIC PCI loans	(20,224)	(9,096)	(5,972)	(3,842)	(2,117)	(753)	(972)
Incr accretion income: Other FDIC acq'd loans [1]	(484)	(234)	-	-	-	-	-
Incremental accretion income: Other acq'd loans	(21,093)	(17,862)	(11,983)	(6,207)	(1,948)	(2,356)	(1,903)
Premium amortization on acquired securities	7,123	10,216	7,738	4,658	1,462	1,669	1,527
Investment portfolio premium amort adj	(2,622)	-	-	-	-	-	-
Interest reversals on nonaccrual loans	1,291	1,713	1,072	1,323	265	747	311
Operating net interest margin *(tax equivalent)*	**$276,137**	**$319,286**	**$335,280**	**$266,412**	**$87,180**	**$88,382**	**$90,850**
Average Earning Assets	6,561,047	7,685,734	8,363,308	8,641,706	8,520,291	8,651,735	8,750,561
Net Interest Margin *(tax equivalent)*	**4.76%**	**4.35%**	**4.12%**	**4.17%**	**4.20%**	**4.12%**	**4.20%**
Operating Net Interest Margin *(tax equivalent)*	**4.21%**	**4.15%**	**4.01%**	**4.11%**	**4.09%**	**4.09%**	**4.15%**
Net interest margin *(tax equivalent)*	**4.76%**	**4.35%**	**4.12%**	**4.17%**	**4.20%**	**4.12%**	**4.20%**
Incr accretion income: FDIC PCI loans	(0.31%)	(0.12%)	(0.07%)	(0.06%)	(0.10%)	(0.03%)	(0.04%)
Incr accretion income: Other FDIC acq'd loans [1]	(0.01%)	-	-	-	-	-	-
Incremental accretion income: Other acq'd loans	(0.32%)	(0.23%)	(0.14%)	(0.10%)	(0.09%)	(0.11%)	(0.09%)
Premium amortization on acquired securities	0.11%	0.13%	0.09%	0.07%	0.07%	0.03%	0.07%
Investment portfolio premium amort adj	(0.04%)	-	-	-	-	-	-
Interest reversals on nonaccrual loans	0.02%	0.02%	0.01%	0.02%	0.01%	0.08%	0.01%
Operating net interest margin *(tax equivalent)*	**4.21%**	**4.15%**	**4.01%**	**4.11%**	**4.09%**	**4.09%**	**4.15%**

NIE/Average Assets *$ in Thousands*	2013	2014	2015	2016	1Q17	2Q17	3Q17
Reported Noninterest Expense	**$230,883**	**$239,286**	**$266,149**	**$261,142**	**$68,986**	**$68,867**	**$67,537**
- FDIC Clawback (Expense)/Recap	(278)	(294)	(979)	(280)	54	-	-
- Acquisition Related Costs	(25,488)	(9,432)	(10,917)	(2,727)	(1,364)	(1,023)	(1,170)
- OREO/OPPO Expense, Net	7,539	1,182	1,724	(544)	(150)	1	(271)
- Term of FDIC Loss Sharing Agreement	-	-	-	-	-	(2,409)	-
Core Noninterest Expense	$212,656	$230,742	$255,977	$257,591	$67,526	$65,436	$66,096
Average Assets	**6,558,517**	**7,468,091**	**8,655,243**	**9,311,621**	**9,473,698**	**9,597,274**	**9,695,005**
Noninterest Expense/Average Assets	3.52%	3.20%	3.08%	2.80%	2.91%	2.87%	2.79%
Core NIE/Average Assets	3.24%	3.09%	2.96%	2.77%	2.85%	2.73%	2.73%

Tangible Common Equity $ in Thousands	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17
Total Shareholders' Equity	$1,276,735	$1,251,012	$1,275,343	$1,297,314	$1,328,428
- Preferred Stock	(2,217)	(2,217)	-	-	-
- Goodwill	(382,762)	(382,762)	(382,762)	(382,762)	(382,762)
- Other Intangible Assets, net	(19,051)	(17,631)	(16,282)	(15,033)	(13,845)
Tangible Common Equity	**$872,705**	**$848,402**	**$876,299**	**$899,519**	**$931,821**
Total Assets	$9,586,754	$9,509,607	$9,527,272	$9,685,110	$9,814,578
Goodwill	(382,762)	(382,762)	(382,762)	(382,762)	(382,762)
- Other Intangible Assets, net	(19,051)	(17,631)	(16,282)	(15,033)	(13,845)
Tangible Assets	**$9,184,941**	**$9,109,214**	**$9,128,228**	**$9,287,315**	**$9,417,971**
Tangible Common Equity Ratio	**9.50%**	**9.31%**	**9.60%**	**9.69%**	**9.89%**

ROATCE *$ in Thousands*	3Q17	2Q17	1Q17	4Q16	3Q16	2017 YTD	2016 YTD
Net Income	**$40,769**	**$27,132**	**$29,199**	**$30,718**	**$27,484**	**$97,100**	**$74,148**
- Preferred Dividends	-	-	-	(40)	(40)	-	(117)
Net Inc Applicable to Common Shareholders	**40,769**	**27,132**	**29,199**	**30,678**	**27,444**	**97,100**	**74,031**
+ Amortization of Intangibles	1,188	1,249	1,349	1,420	1,460	3,786	4,526
- Tax Effect on Intangible Amort	(416)	(437)	(472)	(497)	(511)	(1,325)	(1,584)
Adjusted Net Inc	**$41,541**	**$27,944**	**$30,076**	**$31,601**	**$28,393**	**$99,561**	**$76,973**
Avg Shareholders' Equity	**1,323,794**	**1,295,564**	**1,261,652**	**1,274,388**	**1,278,588**	**$1,293,898**	**$1,268,261**
- Average Preferred Equity	-	-	(271)	(2,217)	(2,217)	(89)	(2,217)
- Average Intangibles	(397,160)	(398,385)	(399,672)	(401,055)	(402,505)	(398,397)	(403,991)
Adjusted Avg Common Shareholders' Equity	**$926,634**	**$897,179**	**$861,709**	**$871,116**	**$873,866**	**$895,412**	**$862,053**
Return on Average Tangible Common Shareholders' Equity	**17.93%**	**12.46%**	**13.96%**	**14.51%**	**13.00%**	**14.83%**	**11.91%**

[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.

Hadley S. Robbins

President & Chief Executive Officer

Clint E. Stein

Executive Vice President & Chief Operating Officer

Investor Relations:

253-305-1921

Columbia Bank Center

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