COLUMBIA BANK

BUILDING A

PREMIER

REGIONAL

COMMUNITY BANK

NASDAQ:COLB

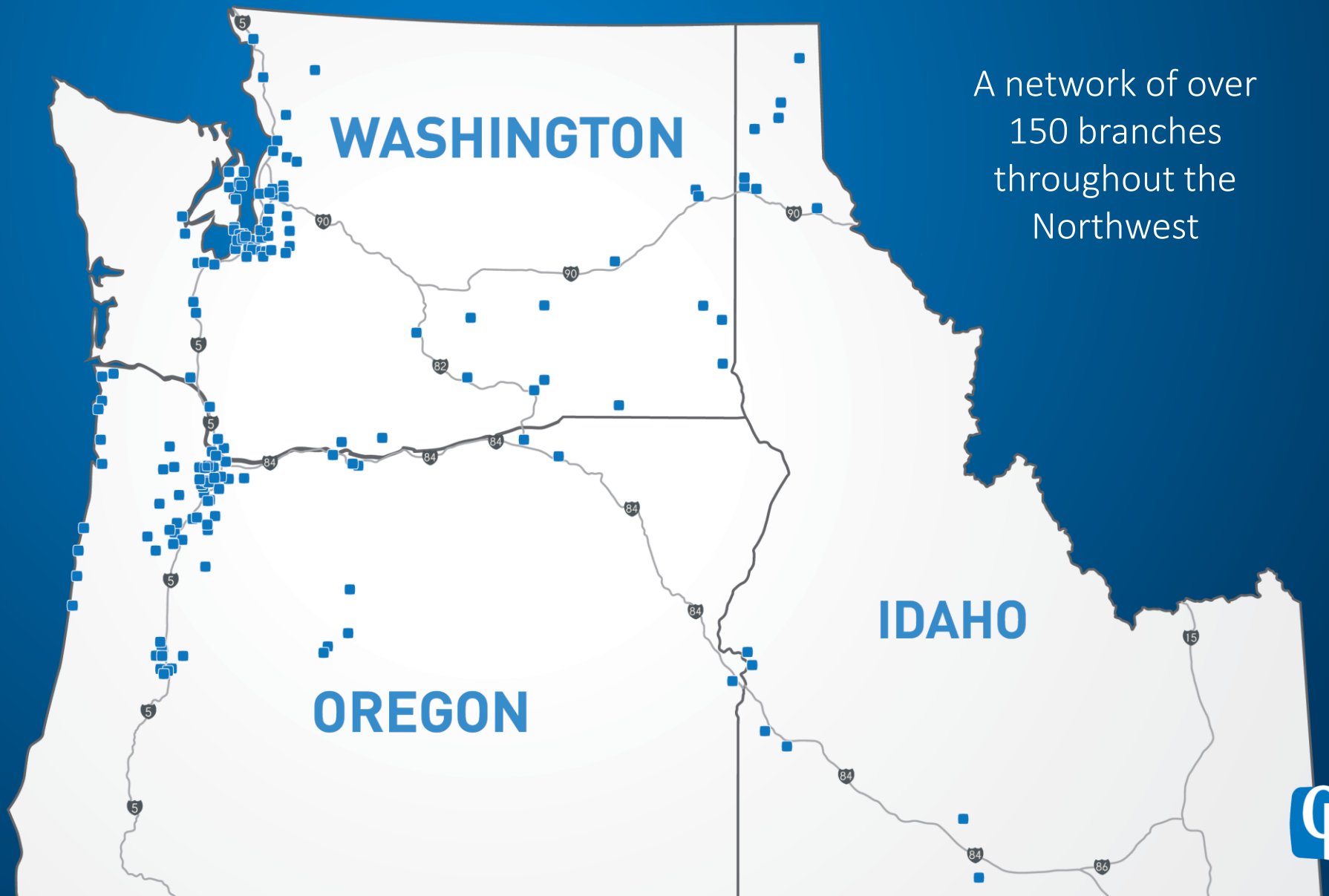
Columbia Banking System Inc.

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 most recently filed form 10-K, 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.
- **Successfully crossed the $10 Billion Asset threshold** with the acquisition of Pacific Continental Corporation on 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

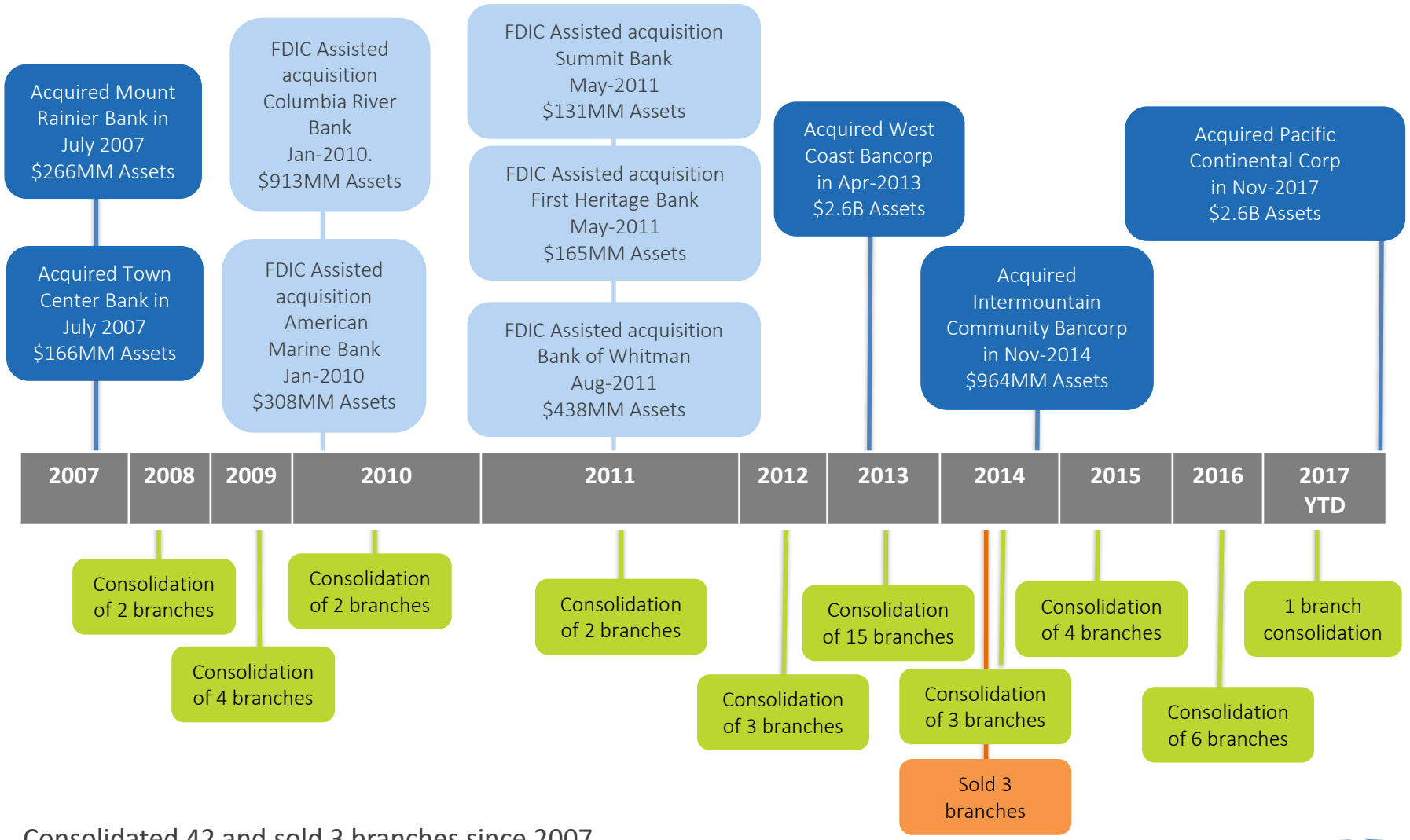
✓ *Better Than or Equal to U.S. Average*		Seattle-Tacoma-Bellevue	Portland-Vancouver	Boise	Washington	Oregon	Idaho	United States
Demographics	Population Increase *(2010 – 2018)*	12.96%✓	11.34%✓	15.44%✓	10.73%✓	8.95%✓	9.58%✓	5.76%
	Projected Population Change *(2018-2023)*	6.74✓	6.59%✓	7.31%✓	6.04%✓	5.84%✓	5.57%✓	3.50%
	Projected HH Income Change *(2018-2023)*	11.99%✓	13.76%✓	7.48%	9.79%✓	12.46%✓	7.86%	8.86%
Economics	Unemployment Rate [(1)] *(Jan 2018, State & MSA's Dec 2017)*	4.1%✓	3.9%✓	2.8%✓	4.9%	3.8%✓	3.0%✓	4.1%
	Home Price Index Change *12 months ending Dec 2017* *24 months ending Dec 2017* *Low in 1Q12 – Dec 2017*	 12.7%✓ 24.8%✓ 80.2%✓	 6.8%✓ 17.5%✓ 73.1%✓	n/a	n/a	n/a	n/a	 6.3% 12.0% 46.4%

(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.
- Seattle has **more construction cranes than any other US city** with the bulk supporting multifamily projects. Portland ranks 4th in the nation.
- **Of the 20 major US metropolitan cities and, the Seattle home index continued with the highest increase** over the past 12 months rising by 12.7%. Portland's increase was 6.8% which is above the national increase of 6.3%. Exceptional growth in Seattle and Portland has resulted in above average increases in Tacoma, Spokane, Salem and Eugene.
- **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. The Seattle-Tacoma International Airport is expanding its International Arrivals Facility more than doubling its passenger capacity by 2019.
- **Military is a major driver of the Northwest economy**. Nearly 120,000 Active and Civilian personnel across Washington, Oregon and Idaho.

Seasoned Acquirer with Proven Integration Track Record

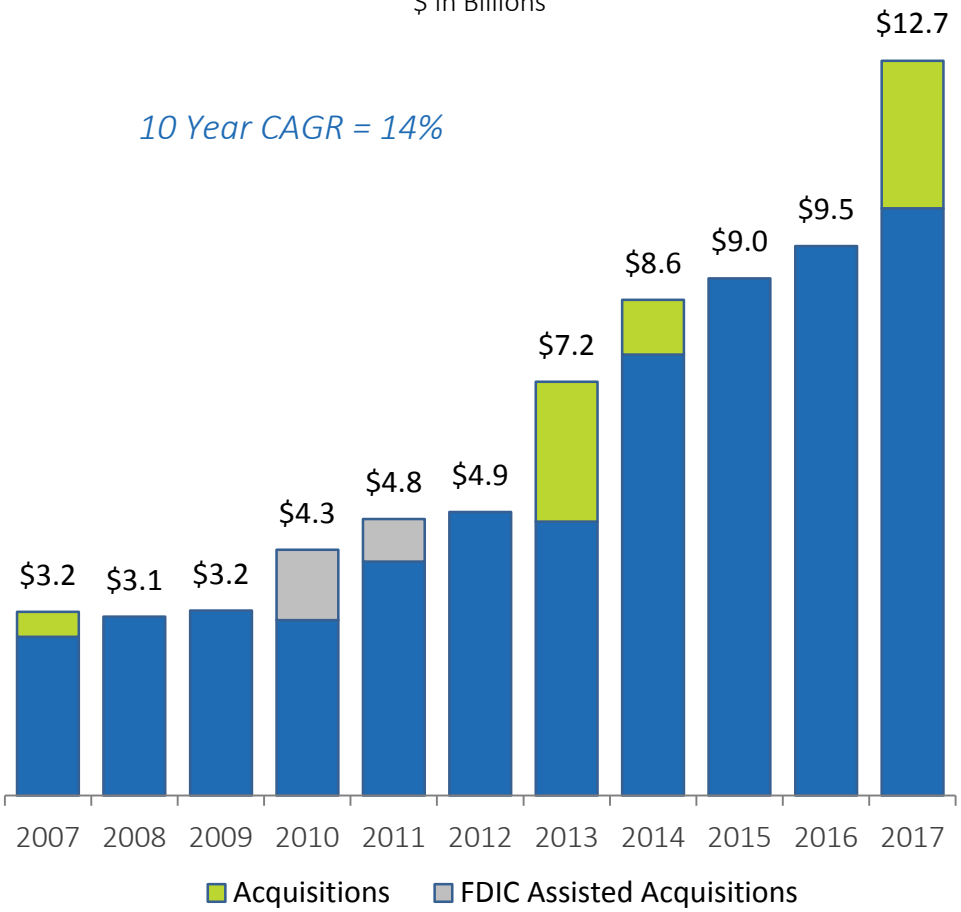


Consolidated 42 and sold 3 branches since 2007.
Expect 6 branch consolidations from Pacific Continental acquisition in 2018.

Continuous Growth in Earnings and Assets

Total Assets

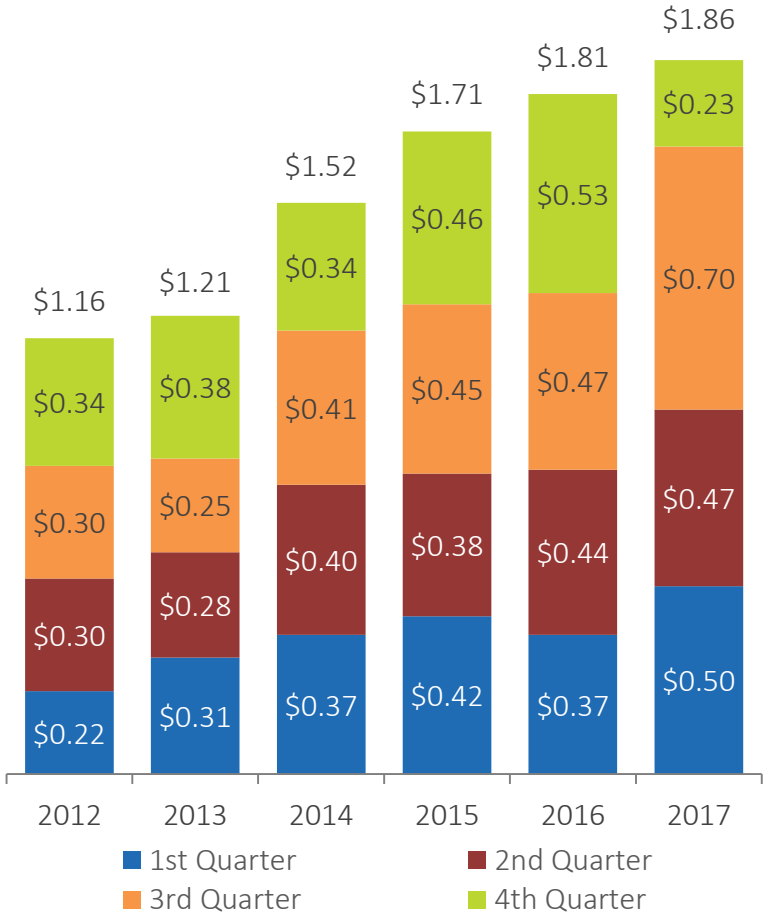
$ in Billions



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
2017 Pacific Continental

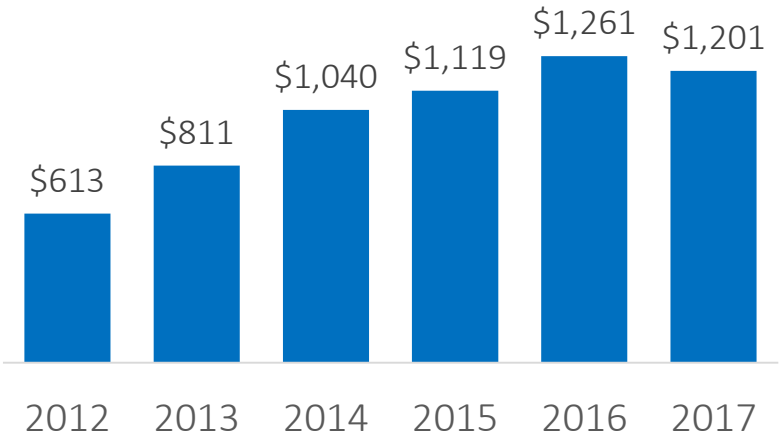
Earnings per Share



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

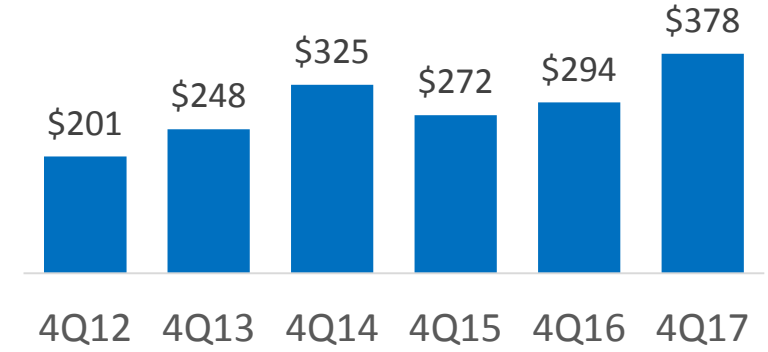
Record Loan Originations & Portfolio Diversity

Annual Loan Originations



$ in Millions

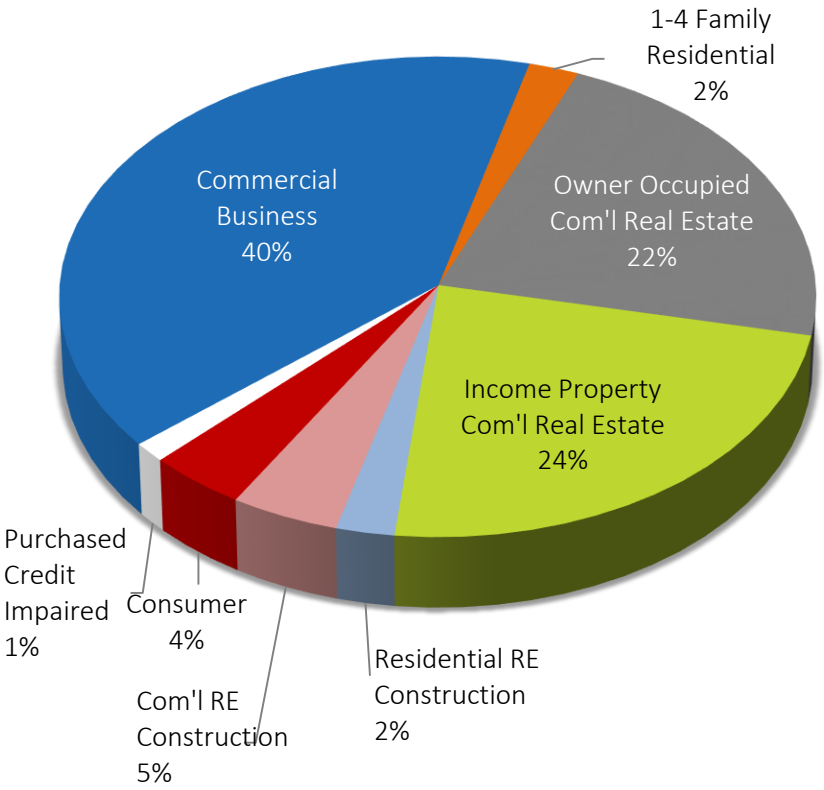
4th Quarter Loan Originations



$ in Millions

Total Loan Portfolio = $8.4 Billion

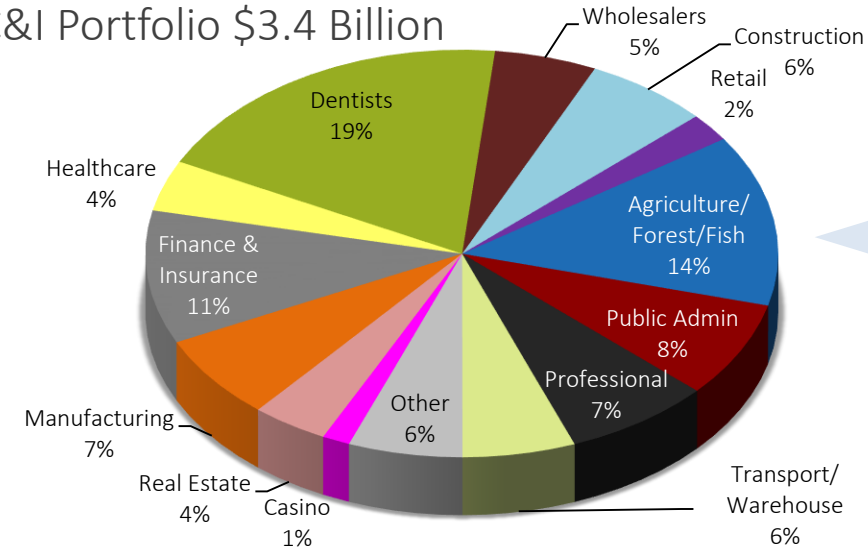
Organic over the past 12 months = 5%
Growth from PCBK Acquisition = 30%



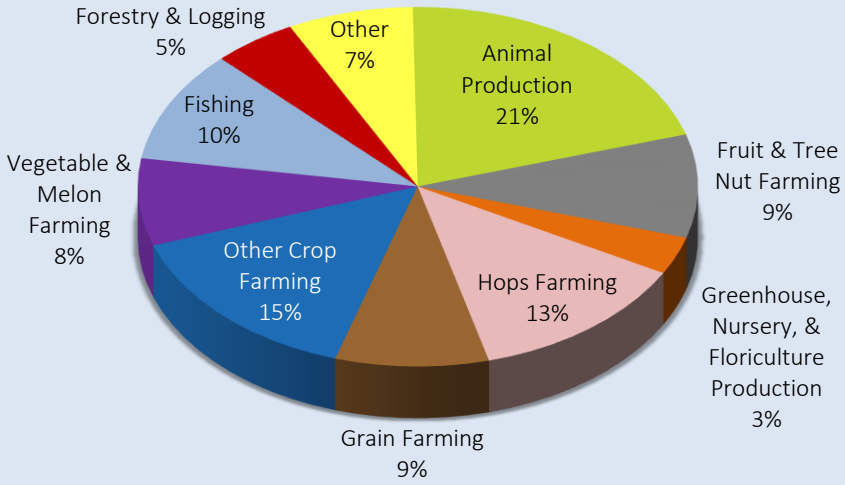
As of December 31, 2017

Well Diversified C&I and CRE Loan Portfolios

C&I Portfolio $3.4 Billion

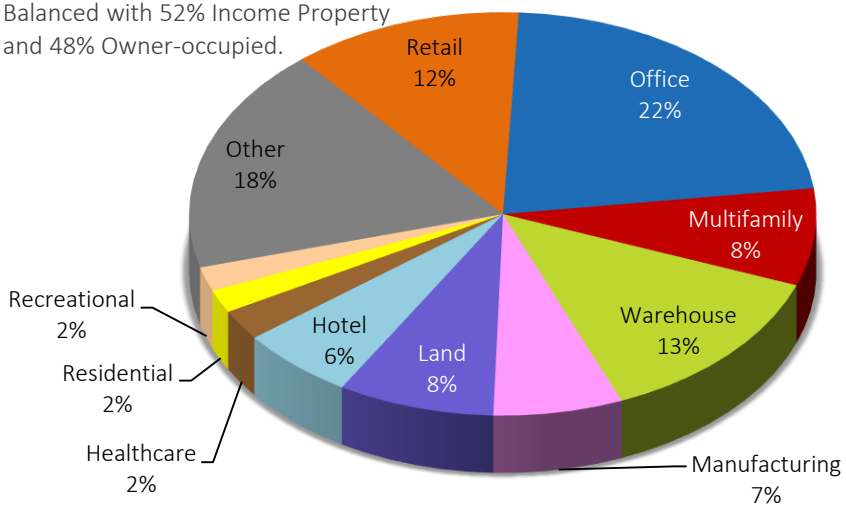


Agriculture Portfolio $459 Million

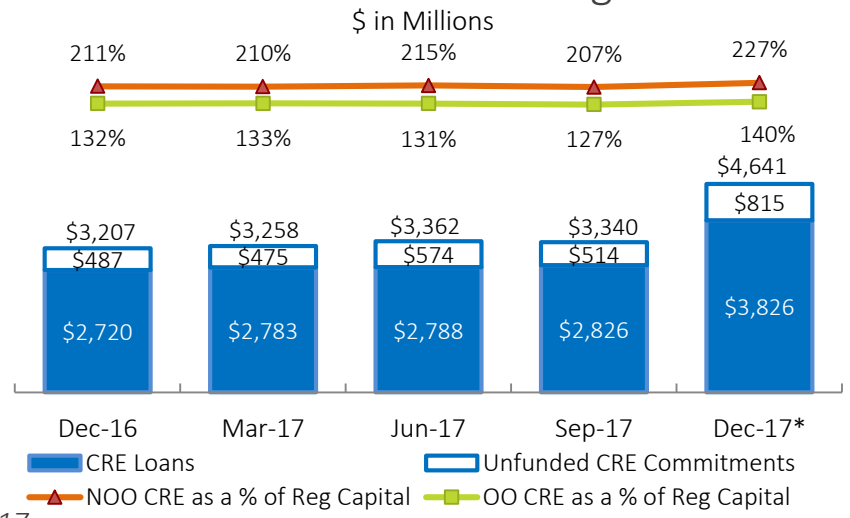


CRE Portfolio = $3.8 Billion

Balanced with 52% Income Property and 48% Owner-occupied.

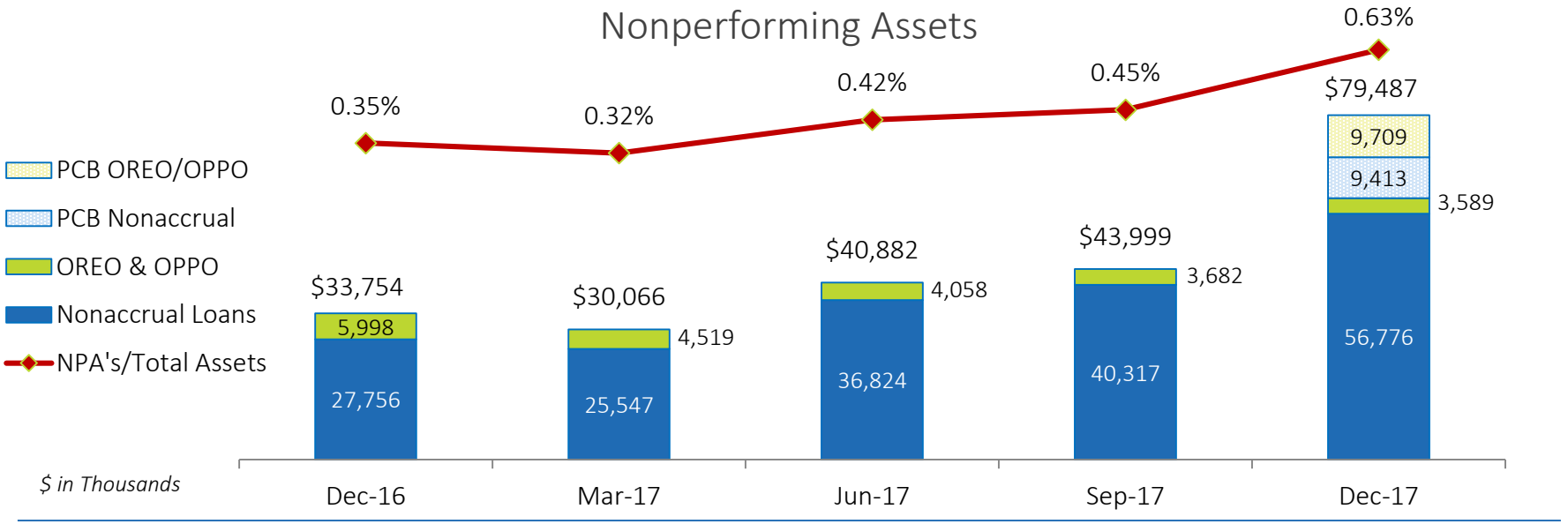


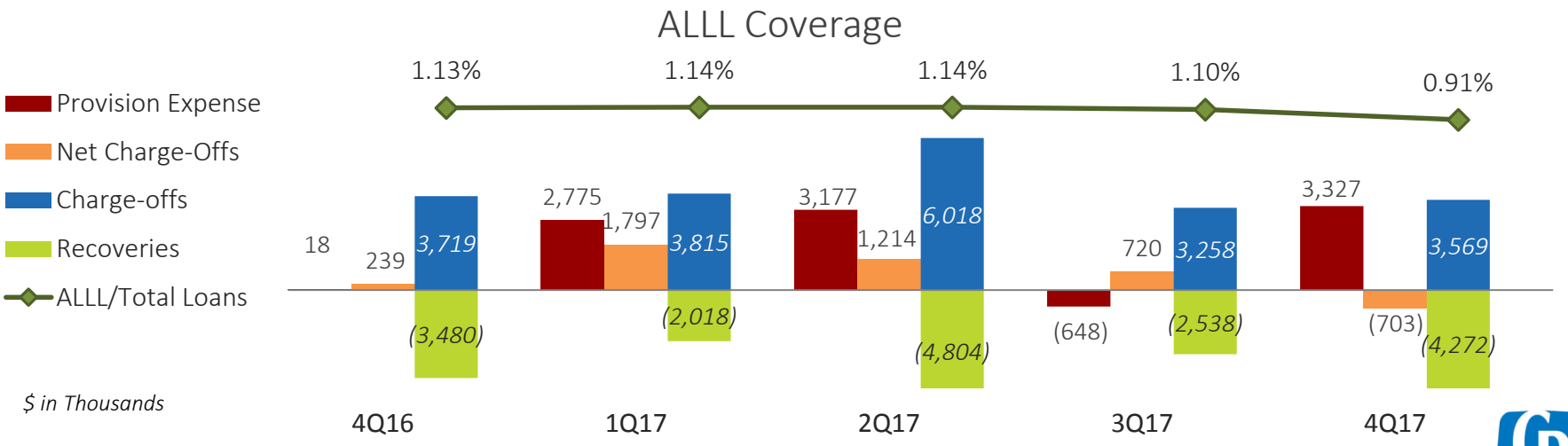
Consistent CRE Coverage



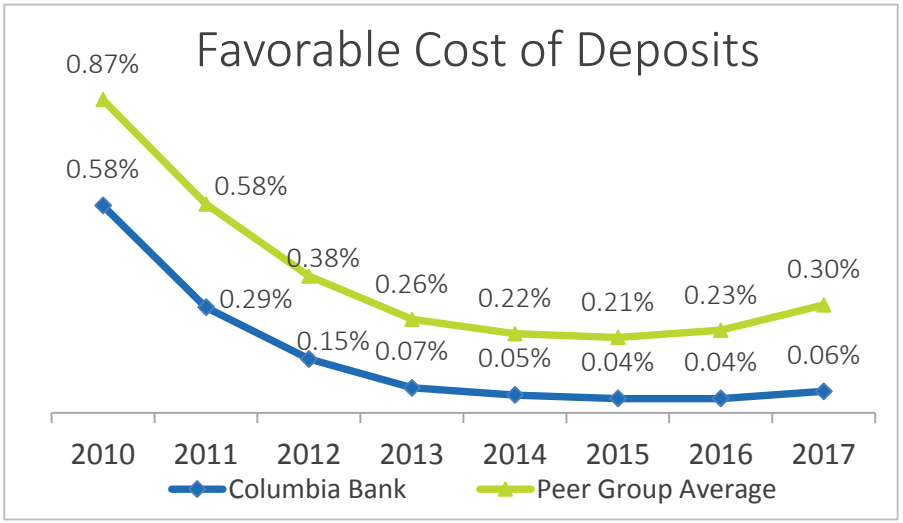
As of December 31, 2017

Credit Metrics Remain Healthy



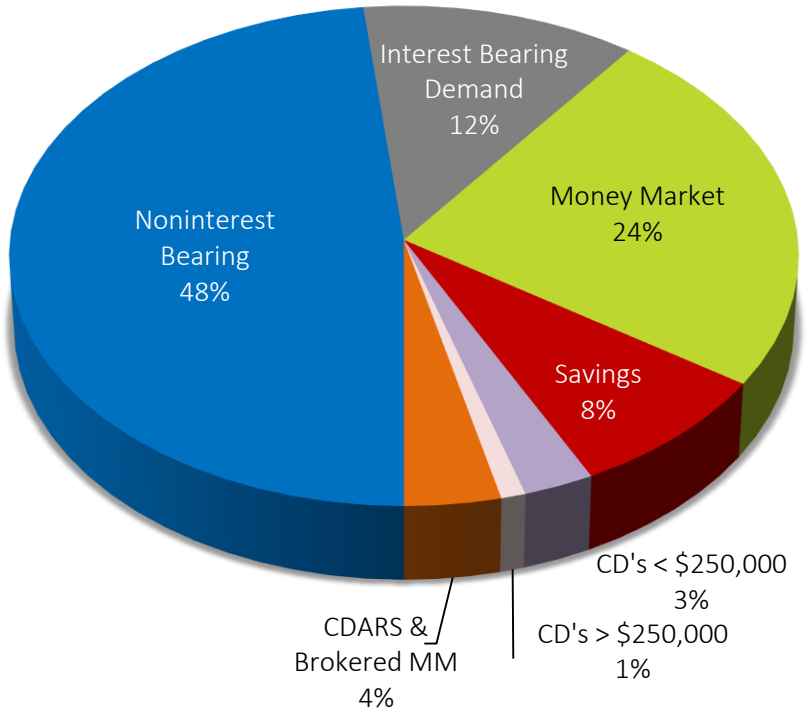


Diversified, Relationship Centered Deposit Base



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%

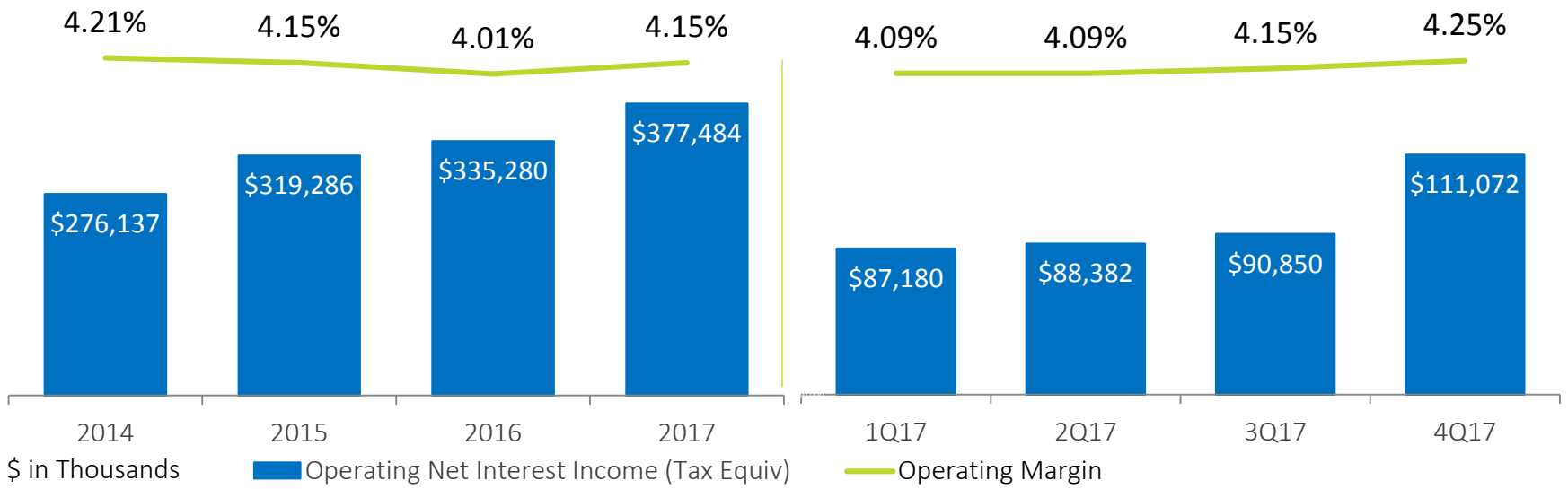
* *Based on June 30, 2017 FDIC deposit market share data*

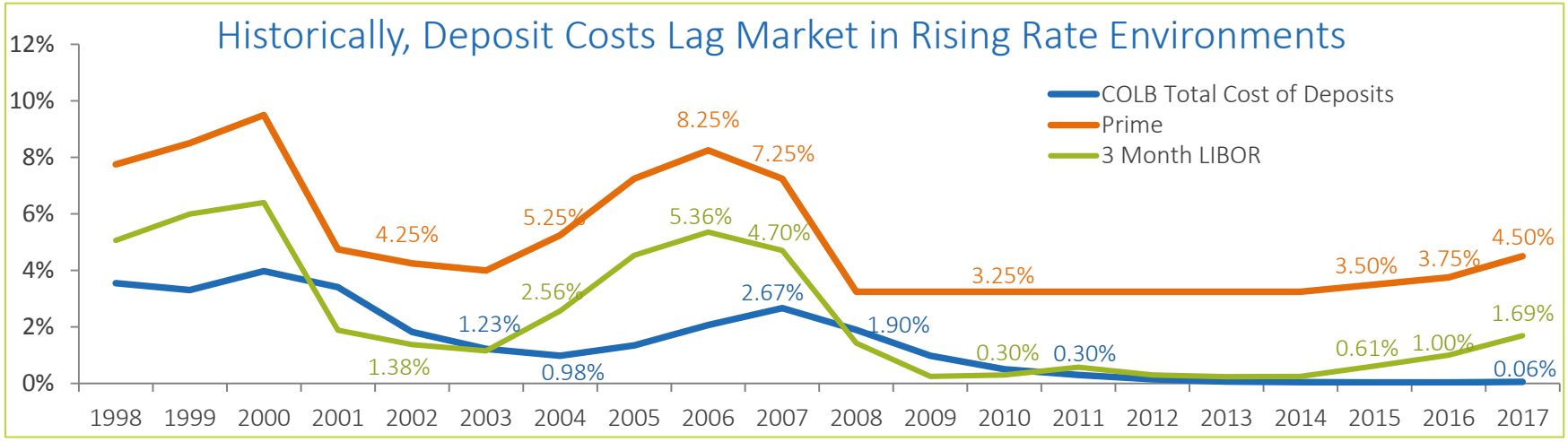


As of December 31, 2017

2017 growth excluding PCBK = 5%
Growth from PCBK Acquisition = 26%
Core deposit ratio = 95%
52% Business and 48% Consumer

Stable Operating Net Interest Margin*

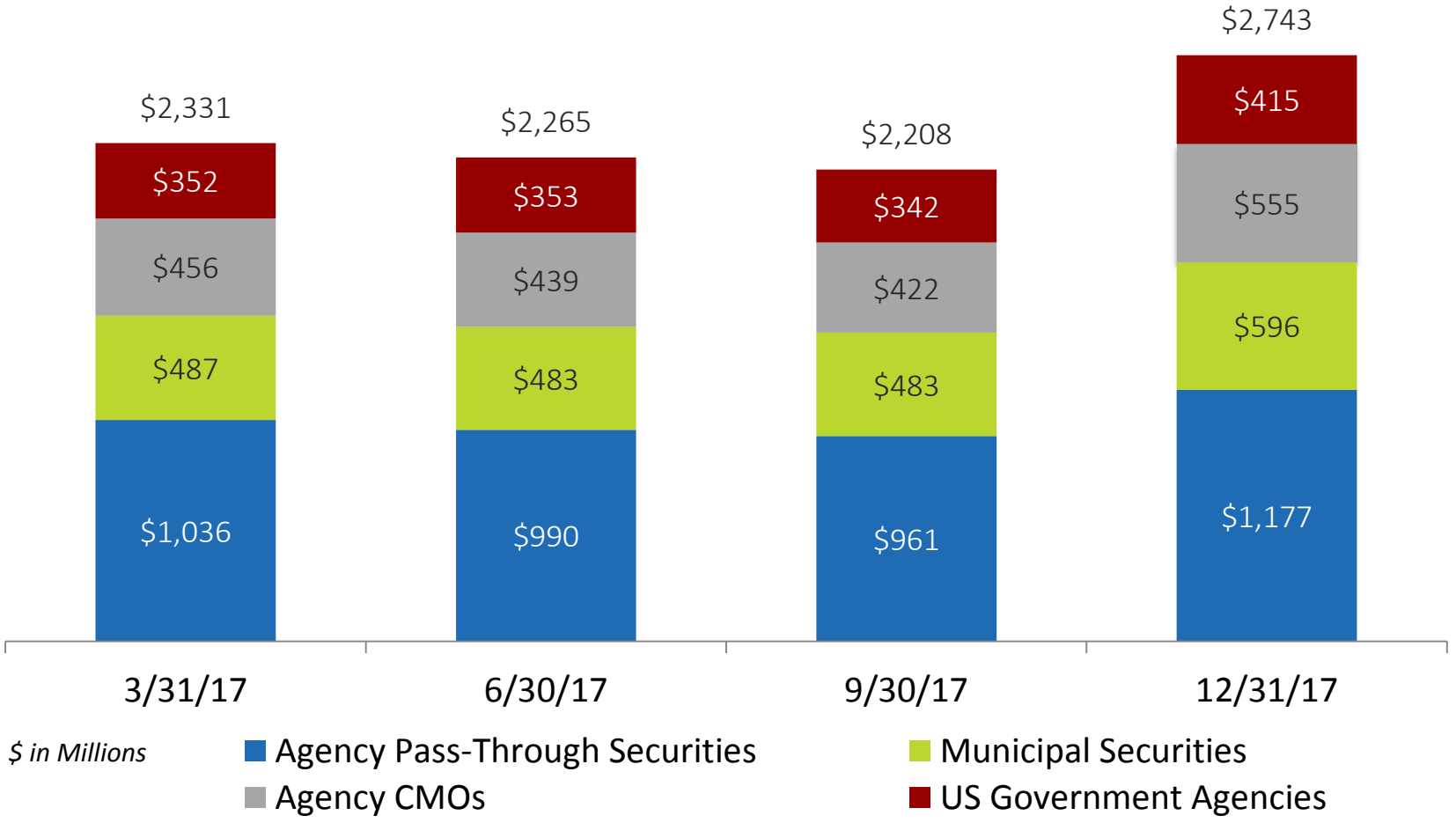




*Operating Net Interest Margin is a non-GAAP financial measure. Refer to slide 18 for additional information.

Conservative Investment Portfolio

Annual Yield and Portfolio Duration at 12/31/17 = 2.34% & 3.7 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:

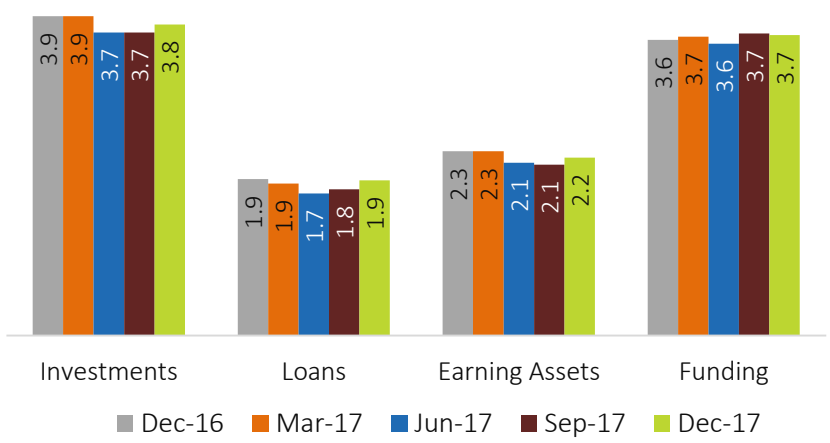
-100 bp	+100 bp	+200 bp
-8.7%	+4.0%	+7.9%

- 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 $2.8 billion with 32% or $897 million in the money.

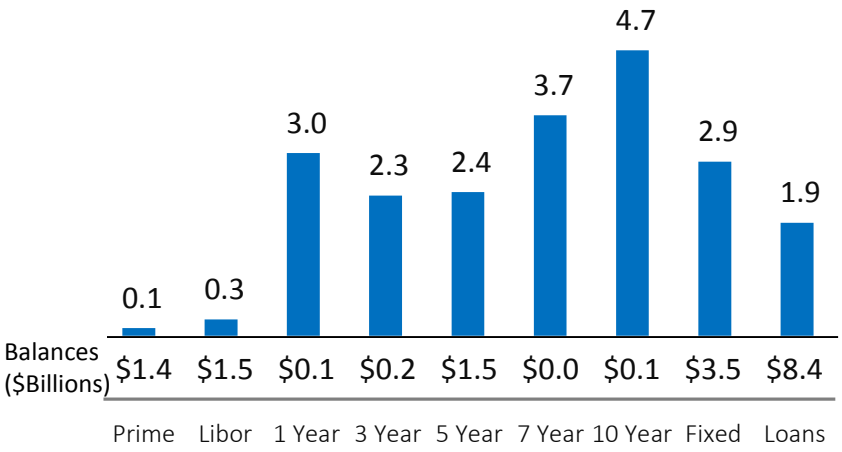
Floor Exceeds Fully Indexed Rate by (basis points):

<=25	26-50	51-100	101-150	>150
$458MM	$127MM	$209MM	$71MM	$32MM

Duration in Years



Loan Durations in Years



- 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

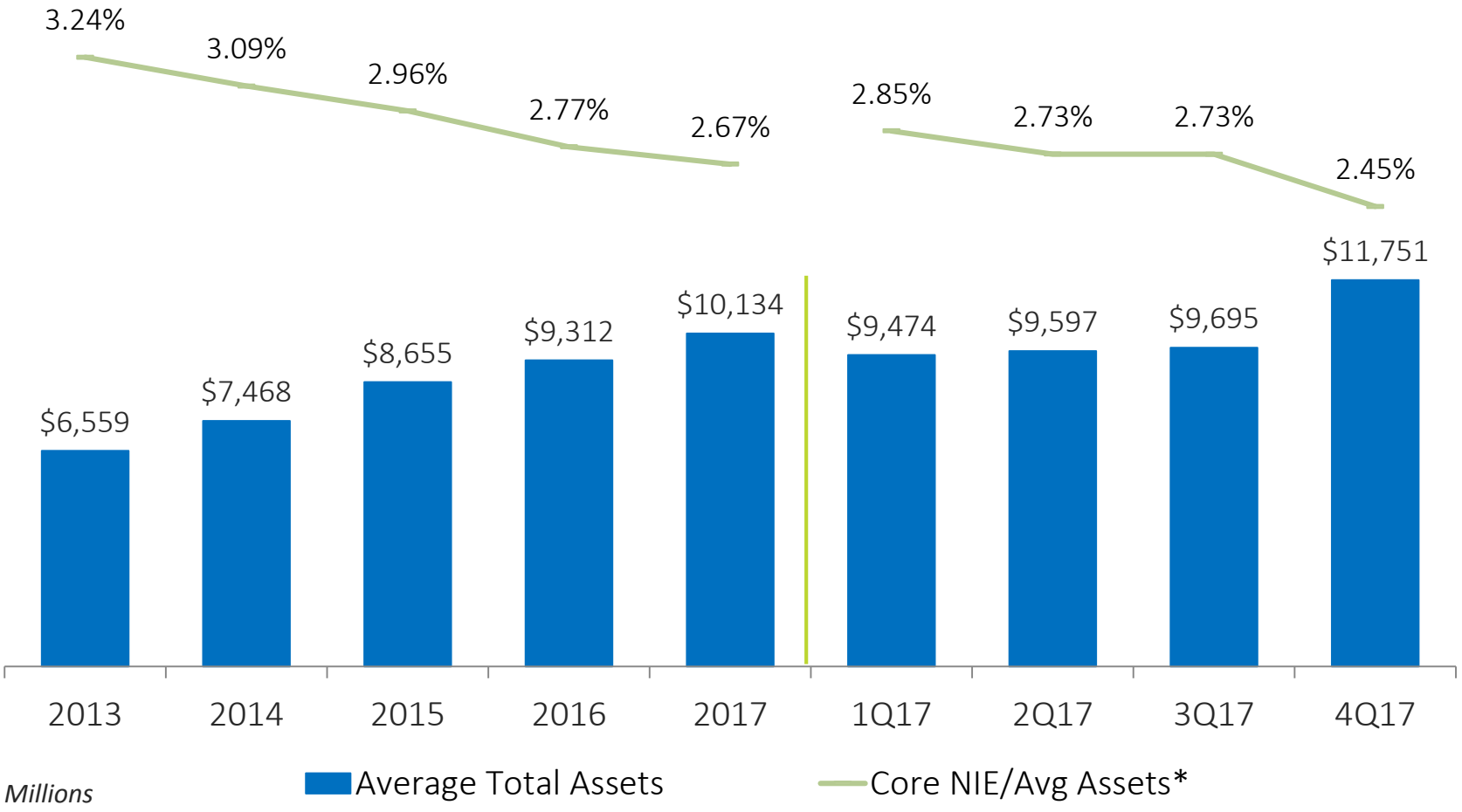
Loan Repricing Detail	Dec-16	Dec-17	Dec-16	Dec-17
Fixed	$2,589,615	$3,526,003	41%	42%
Prime	1,179,316	1,381,637	19%	16%
1 Month LIBOR	1,094,971	1,393,168	18%	17%
3 Month LIBOR	126,973	148,186	2%	2%
1 Year	102,000	108,480	2%	1%
Variable-1 Year or Less	2,503,260	3,031,471	41%	36%
3 Year	144,817	201,922	2%	2%
5 Year	914,149	1,478,244	15%	18%
7 Year	19,230	23,193	0%	0%
10 Year	72,655	140,729	1%	2%
Variable-Greater than 1 Yr	1,150,851	1,844,088	18%	22%
Total	**$6,243,726**	**$8,401,562**	**100%**	**100%**

Financial Highlights with Superior ROAA and ROATCE

$ in Millions	2017	2016	2015	2014	2013
Total Assets	$12,717	$9,510	$8,952	$8,579	$7,162
Total Loans [1]	$8,359	$6,213	$5,815	$5,445	$4,517
Investment Securities [2]	$2,753	$2,289	$2,170	$2,132	$1,697
Core Deposits [3]	$10,040	$7,750	$7,239	$6,753	$5,830
Total Deposits	$10,532	$8,059	$7,439	$6,925	$5,959
NPA's/Assets	0.63%	0.35%	0.39%	0.62%	0.98%
ROAA	1.11%	1.13%	1.14%	1.09%	0.92%
ROAE	8.00%	8.26%	7.93%	7.36%	6.14%
ROATCE[4]	12.38%	12.56%	12.35%	11.64%	9.42%
$ in Thousands	2017	2016	2015	2014	2013
Net Interest Income	$367,989	$333,619	$324,887	$304,048	$291,095
Provision for Loan Losses	8,631	10,778	8,591	6,727	(101)
Net Int Inc after Prov	**359,358**	**322,841**	**316,296**	**297,321**	**291,196**
Noninterest Income	109,642	88,082	91,473	59,750	26,700
Noninterest Expense[5]	291,017	261,142	266,149	239,286	230,886
Pre-tax Net Income	**177,983**	**149,781**	**141,620**	**117,785**	**87,010**
Prov for Income Taxes	65,155	44,915	42,793	36,211	26,994
Net Income	**$112,828**	**$104,866**	**$98,827**	**$81,574**	**$60,016**
EPS (Diluted)	$1.86	$1.81	$1.71	$1.52	$1.21
Acquisition Related Costs	*$17,196*	*$2,727*	*$10,917*	*$9,432*	*$25,488*

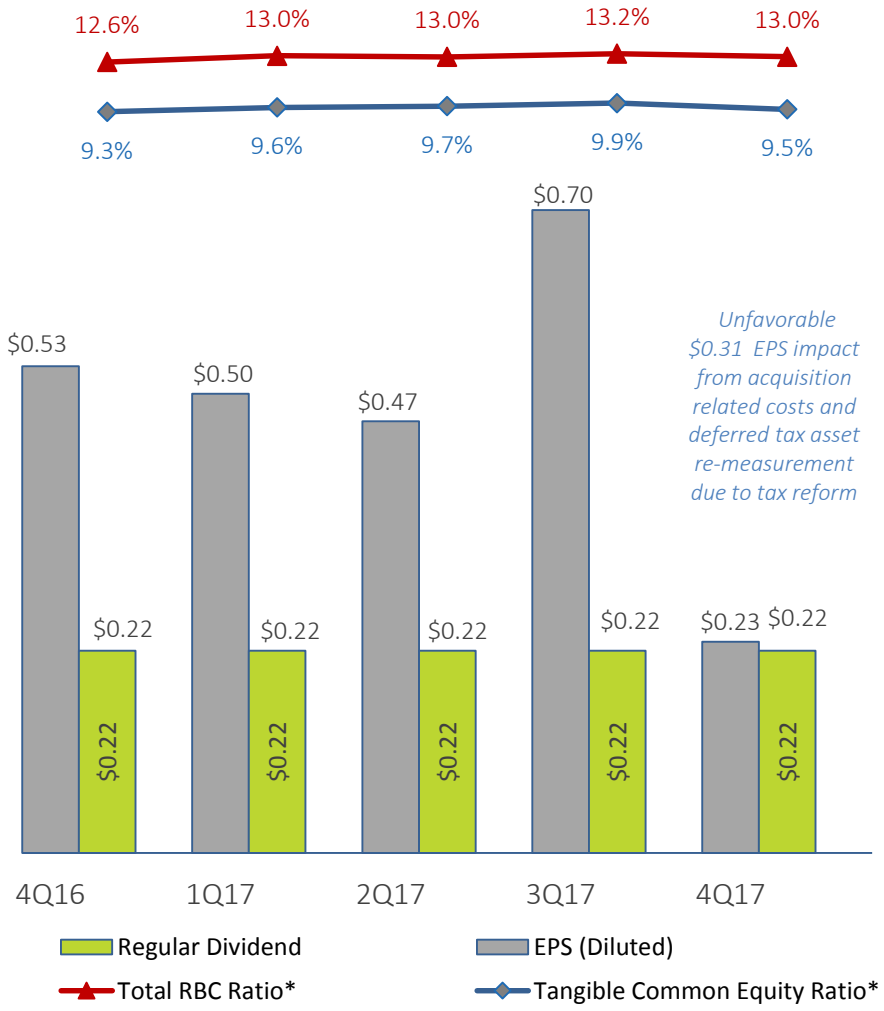
[1] Total Loans include Purchased Credit Impaired Loans and are presented net of unearned income and gross of ALLL.
[2] Includes Federal Home Loan Bank Stock
[3] Core deposits include Certificates of Deposit less than $250,000.
[4] Return on Average Tangible Equity is a non-GAAP measure. Refer to slide 18 for additional information.
[5] Noninterest expense includes one-time costs related to current and prior acquisitions.

Continued Improvement in Expense Management

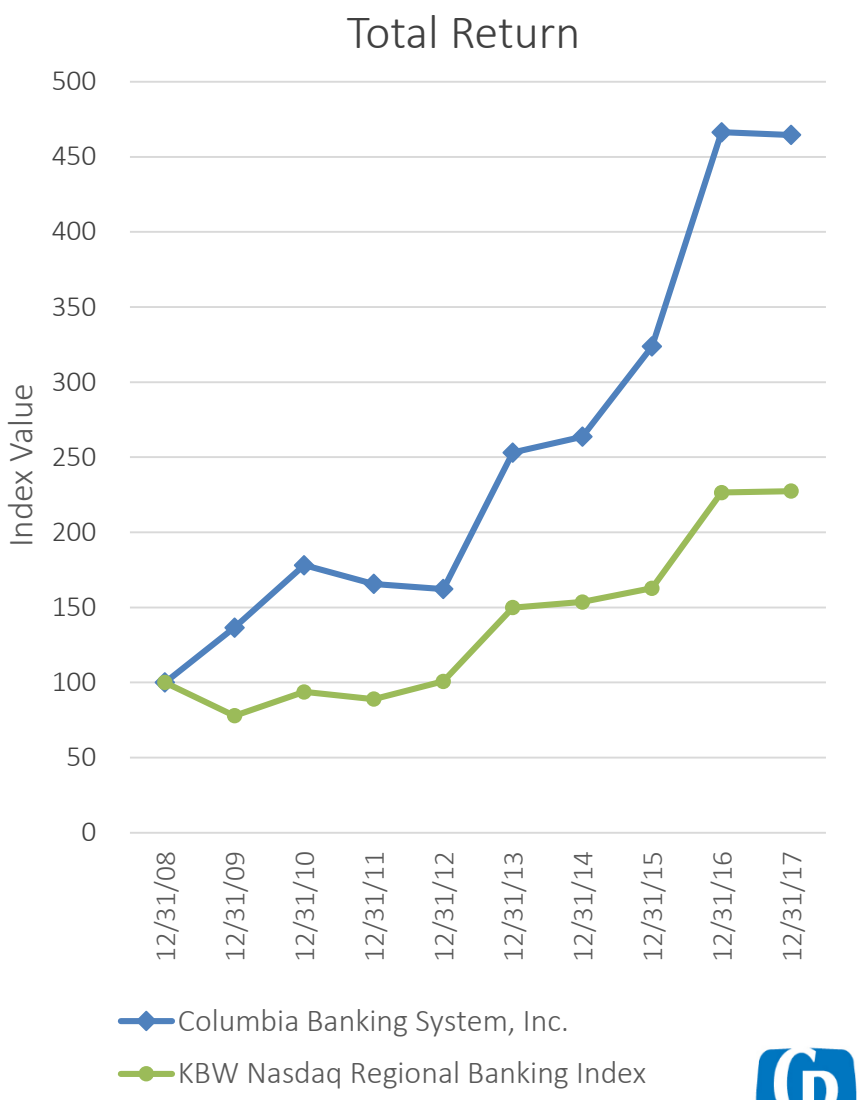


*Core NIE/Average Total Assets is a non-GAAP measure. Refer to page 18 for more information.

Strong Capital, Dividend Payouts & Total Return



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



Columbia – An Award-Winning Company

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2017 WASHINGTON'S BEST WORKPLACES

BEST OF THE SOUTH SOUND 2017

PORTLAND BUSINESS JOURNAL

OREGON'S 2016 MOST ADMIRED COMPANIES

STATESMANJOURNAL.COM

2016 best of the MID-VALLEY

Silver Winner

COMMUNITY IMPACT AWARDS 2016

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CORPORATE CITIZENSHIP

Non-GAAP Financial Measures

Net Interest Margin $ in Thousands	2014	2015	2016	2017	1Q17	2Q17	3Q17	4Q17
Net interest margin (tax equiv)	**$312,146**	**$334,548**	**$344,425**	**$380,107**	**$89,518**	**$89,075**	**$91,887**	**$109,627**
Incremental accretion income: FDIC PCI loans	(20,224)	(9,096)	(5,972)	(4,107)	(2,117)	(753)	(972)	(265)
Incr accretion income: Other FDIC acq'd loans [1]	(484)	(234)	-	-	-	-	-	-
Incremental accretion income: Other acq'd loans	(21,093)	(17,862)	(11,983)	(8,689)	(1,948)	(2,356)	(1,903)	(2,482)
Premium amortization on acquired securities	7,123	10,217	7,738	6,636	1,462	1,669	1,527	1,978
Investment portfolio premium amort adj	(2,622)	-	-	1,771	-	-	-	1,771
Interest reversals on nonaccrual loans	1,291	1,713	1,072	1,766	265	747	311	443
Operating net interest margin *(tax equivalent)*	**$276,137**	**$319,286**	**$335,280**	**$377,484**	**$87,180**	**$88,382**	**$90,850**	**$111,072**
Average Earning Assets	6,561,047	7,685,734	8,363,309	9,098,276	8,520,291	8,651,735	8,750,561	10,453,097
Net Interest Margin *(tax equivalent)*	**4.76%**	**4.35%**	**4.12%**	**4.18%**	**4.20%**	**4.12%**	**4.20%**	**4.20%**
Operating Net Interest Margin *(tax equivalent)*	**4.21%**	**4.15%**	**4.01%**	**4.15%**	**4.09%**	**4.09%**	**4.15%**	**4.25%**
Net interest margin *(tax equivalent)*	**4.76%**	**4.35%**	**4.12%**	**4.18%**	**4.20%**	**4.12%**	**4.20%**	**4.20%**
Incr accretion income: FDIC PCI loans	(0.31%)	(0.12%)	(0.07%)	(0.04%)	(0.10%)	(0.03%)	(0.04%)	(0.01%)
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%)	(0.09%)
Premium amortization on acquired securities	0.11%	0.13%	0.09%	0.07%	0.07%	0.08%	0.07%	0.07%
Investment portfolio premium amort adj	(0.04%)	-	-	0.02%	-	-	-	0.07%
Interest reversals on nonaccrual loans	0.02%	0.02%	0.01%	0.02%	0.01%	0.03%	0.01%	0.01%
Operating net interest margin *(tax equivalent)*	**4.21%**	**4.15%**	**4.01%**	**4.15%**	**4.09%**	**4.09%**	**4.15%**	**4.25%**

[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.

NIE/Average Assets *$ in Thousands*	2013	2014	2015	2016	2017	1Q17	2Q17	3Q17	4Q17
Reported Noninterest Expense	**$230,886**	**$239,286**	**$266,149**	**$261,142**	**$291,017**	**$68,986**	**$68,867**	**$67,537**	**$85,627**
- FDIC Clawback (Expense)/Recap	(278)	(294)	(979)	(280)	54	54	-	-	-
- Acquisition Related Costs	(25,488)	(9,432)	(10,917)	(2,727)	(17,196)	(1,364)	(1,023)	(1,171)	(13,638)
- OREO/OPPO Expense, Net	7,539	1,182	1,724	(544)	(466)	(150)	1	(271)	(46)
- Term of FDIC Loss Sharing Agreement	-	-	-	-	(2,409)	-	(2,409)	-	-
Core Noninterest Expense	**$212,659**	**$230,742**	**$255,977**	**$257,591**	**$271,000**	**$67,526**	**$65,436**	**$66,095**	**$71,943**
Average Assets	**$6,558,517**	**$7,468,091**	**$8,655,243**	**$9,311,621**	**$10,134,306**	**$9,473,698**	**$9,597,274**	**$9,695,005**	**$11,751,049**
Noninterest Expense/Average Assets	3.52%	3.20%	3.08%	2.80%	2.87%	2.91%	2.87%	2.79%	2.91%
Core NIE/Average Assets	3.24%	3.09%	2.96%	2.77%	2.67%	2.85%	2.73%	2.73%	2.45%

Tangible Common Equity $ in Thousands	4Q16	1Q17	2Q17	3Q17	4Q17
Total Shareholders' Equity	$1,251,012	$1,275,343	$1,297,314	$1,328,428	$1,949,922
- Preferred Stock	(2,217)	-	-	-	-
- Goodwill	(382,762)	(382,762)	(382,762)	(382,762)	(765,842)
- Other Intangible Assets, net	(17,631)	(16,282)	(15,033)	(13,845)	(58,173)
Tangible Common Equity	**$848,402**	**$876,299**	**$899,519**	**$931,821**	**$1,125,907**
Total Assets	$9,509,607	$9,527,272	$9,685,110	$9,814,578	$12,716,886
Goodwill	(382,762)	(382,762)	(382,762)	(382,762)	(765,842)
- Other Intangible Assets, net	(17,631)	(16,282)	(15,033)	(13,845)	(58,173)
Tangible Assets	**$9,109,214**	**$9,128,228**	**$9,287,315**	**$9,417,971**	**$11,892,871**
Tangible Common Equity Ratio	**9.31%**	**9.60%**	**9.69%**	**9.89%**	**9.47%**

ROATCE *$ in Thousands*	2017	2016	2015	2014	2013
Net Income	**$112,828**	**$104,866**	**$98,827**	**$81,574**	**$60,016**
- Preferred Dividends	-	(157)	(138)	(96)	(32)
Net Inc Applicable to Common Shareholders	**112,828**	**104,709**	**98,689**	**81,478**	**59,984**
+ Amortization of Intangibles	6,333	5,946	6,882	6,293	6,045
- Tax Effect on Intangible Amort	(2,217)	(2,081)	(2,409)	(2,283)	(2,149)
Adjusted Net Inc	**$116,944**	**$108,574**	**$103,162**	**$85,488**	**$63,880**
Avg Shareholders' Equity	**1,410,056**	**$1,269,801**	**$1,246,952**	**$1,109,581**	**$979,099**
- Average Preferred Equity	(67)	(2,217)	(2,217)	(2,217)	(1,670)
- Average Intangibles	(465,044)	(403,253)	(409,436)	(372,803)	(299,335)
Adjusted Avg Common Shareholders' Equity	**$944,945**	**$864,331**	**$835,299**	**$734,561**	**$678,094**
Return on Average Tangible Common Shareholders' Equity	**12.38%**	**12.56%**	**12.35%**	**11.64%**	**9.42%**

Hadley S. Robbins

President & Chief Executive Officer

Clint E. Stein

Executive Vice President & Chief Operating Officer

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