COLUMBIA BANK

BUILDING A

PREMIER

REGIONAL

COMMUNITY BANK

NASDAQ:COLB

Columbia Banking System Inc.

Q2 2019

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 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
- **Sustained track record** of driving long-term shareholder value
- **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
- **Award-winning company** that is committed to the communities it serves
- **Located in one of the top regional economies** in the U.S.
- Well on our way to achieving our goal of being **the premier regional community bank** in the **country**


WASHINGTON
OREGON
IDAHO
Bellingham
Concrete
Everett
Redmond
Bellevue
Seattle
Hoodsport
Tacoma
Puyallup
Olympia
Centralia
Longview
Astoria
Cannon Beach
Vancouver
Tillamook
Lake Oswego
Canby
McMinnville
Salem
Newport
Waldport
Eugene
Madras
Redmond
Bend
White Salmon
Goldendale
Hood River
The Dalles
Ritzville
Spokane
Othello
Mattawa
Yakima
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
A network of 150 branches throughout the Northwest

The Strongest Economic Region in the US

- **Washington's annual GDP growth rate of 5.7% was the best in the nation in 2018. Idaho was third growing by 4.1% and Oregon by 3.4%**. Information services and retail trade were the leading contributors to the increase in Washington and durable goods manufacturing the leading contributor in Idaho.
- In April 2019, US News & World report ranked **Portland #8, Seattle #9 and Boise #17 in the 125 Best Places to Live in the USA** considering Job Market, Value, Quality of Life, Desirability and Net Migration. Spokane #65 and Salem #77 also made the list.
- In May 2018, CNBC's **"Top 25 Cities for Small Business"** ranked **Seattle #14** and **Portland #23**
- **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, Microsoft, Google and F5 Networks. **Apple just announced a new Seattle campus adding another 2000 high tech jobs.**
- **Diversified agriculture is a key component of the Northwest region's success**. Washington, Oregon, and Idaho together are the #1 producer of 22 key agricultural commodities. In 2018, 98% of the US Hops crop was produced in the northwest with 73% from Washington, 15% from Idaho and 12% from Oregon. Washington is the #1 producer of apples with 70% of the total US crop; Oregon #1 for Christmas trees, hazelnuts and blackberries; Idaho is #1 for potatoes and trout.
- **The Northwest has an established presence** in aerospace, technology, agriculture and consumer product sectors. Local world-class companies including Boeing, Starbucks, Microsoft, Amazon, Google, Costco, Nordstrom and Nike are anchors of these sectors.
- **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 in 2020.
- **Military is a major driver of the Northwest economy**. Nearly 135,000 Active, Reserve, and Civilian personnel across Washington, Oregon and Idaho *(Sept 2018).*

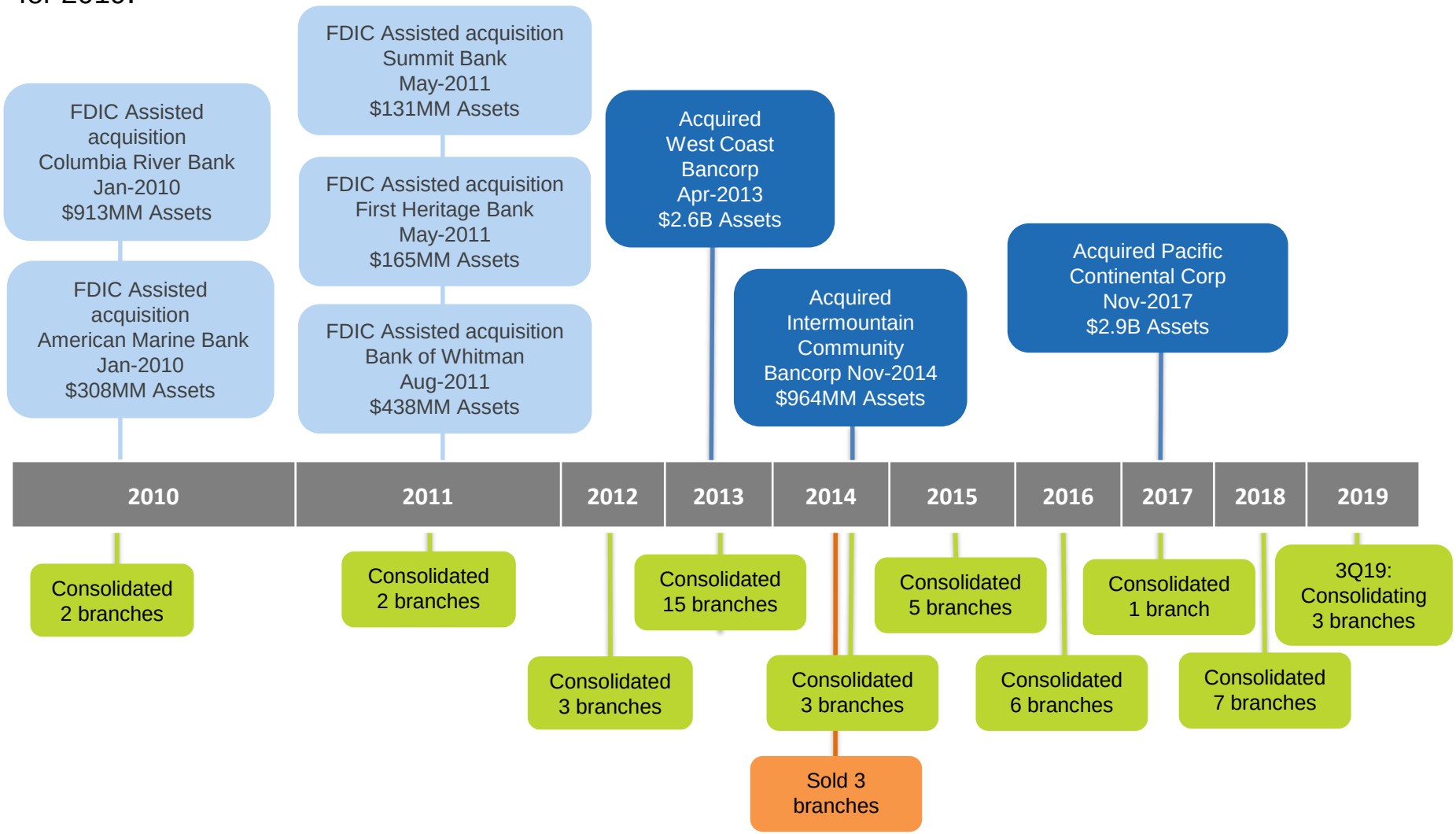
Attractive Northwest Markets

	✓ *Better Than or Equal to U.S. Average*	Seattle-Tacoma-Bellevue	Portland-Vancouver	Boise	Washington	Oregon	Idaho	United States
Demographics	Population Increase *(2010 – 2019)*	15.08%✓	12.64%✓	18.91%✓	12.60%✓	10.24%✓	12.18%✓	6.64%
Demographics	Projected Population Change *(2019-2024)*	6.85%✓	6.48%✓	7.81%✓	6.21%✓	5.83%✓	6.25%✓	3.56%
Demographics	Projected Median HH Income Change *(2019-2024)*	13.31%✓	15.70%✓	9.94%✓	13.64%✓	12.24%✓	9.93%✓	8.82%
Economics	Unemployment Rate [1] *(June 2019, MSA's May 2019)*	3.4%✓	3.3%✓	2.3%✓	4.7%	4.2%	2.8%✓	3.7%
Economics	Home Price Index Change *12 months ending Apr 2019* *24 months ending Apr 2019* *Low in 1Q12 – Apr 2019*	0.0% 13.1%✓ 95.1%✓	2.6% 8.6% 82.7%✓	n/a	n/a	n/a	n/a	3.5% 10.2% 55.2%

[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

Seasoned Acquirer with Proven Integration Track Record

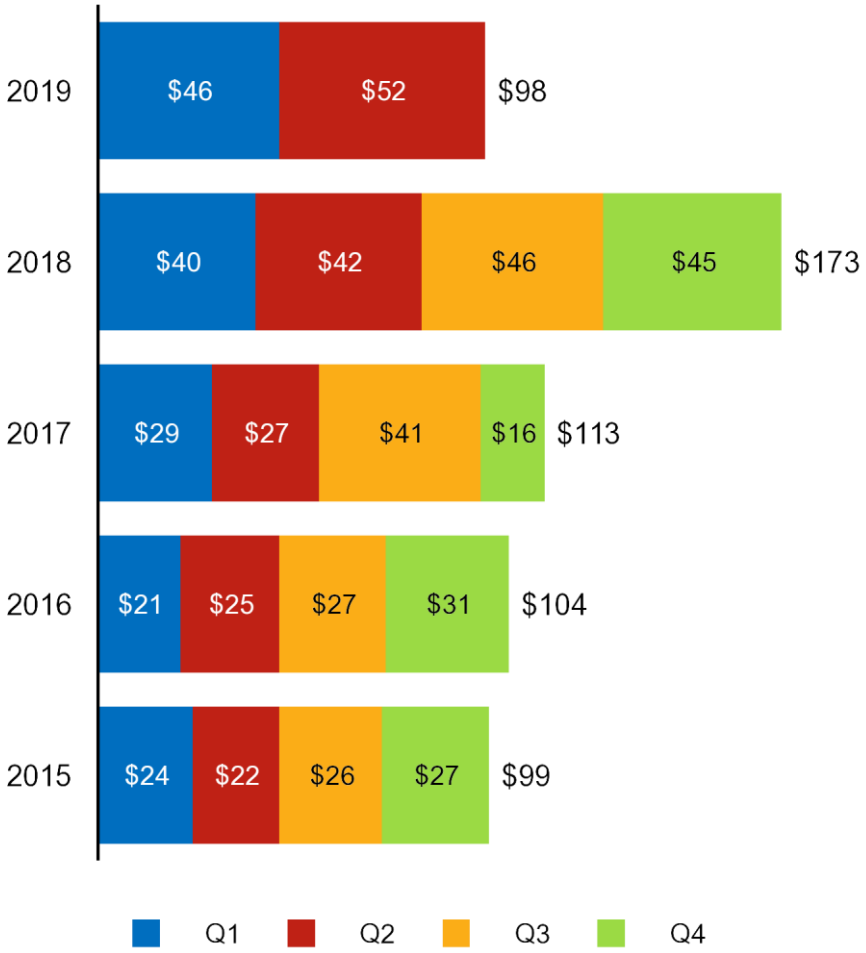
Over the past 10 years, 8 acquisitions, 3 branch sales and 44 branch consolidations with another 3 slated for 2019.

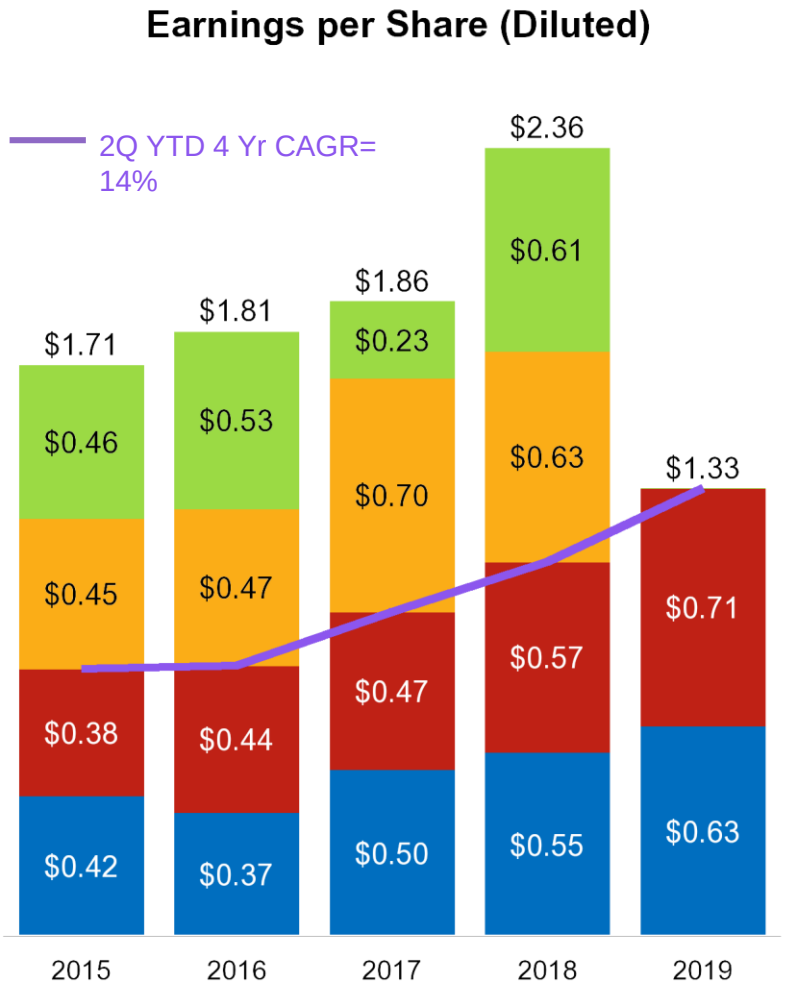


Second Quarter 2019 Highlights

- Record quarterly net income of $51.7 million; diluted earnings per share of $0.71.
- New second quarter record loan production of $401 million, which surpassed the prior second quarter record set in 2018 of $373 million.
- Nonperforming assets to period end assets ratio decreased to 0.31%
- Return on Average Tangible Equity[(1)] for the quarter of 16.71%
- Honored as the Best Bank & Large Business by the South Sound Magazine in 2019
- Declared a regular quarterly dividend of $0.28

Favorable Trend of Earnings

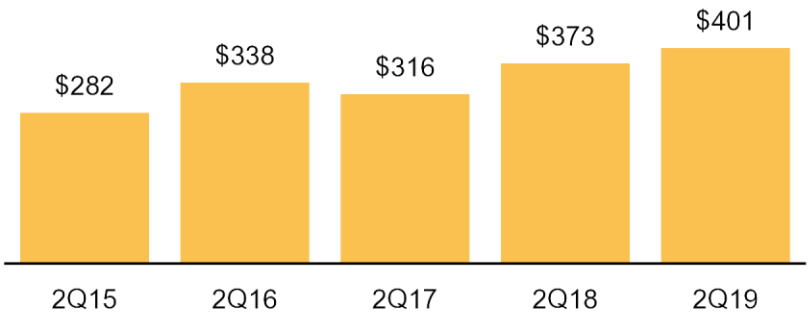




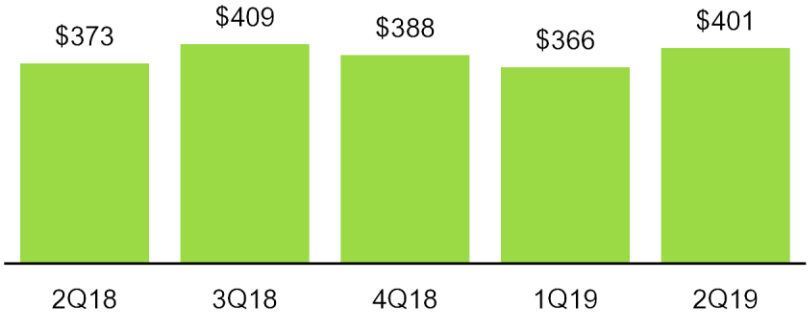
Due to averaging of shares, quarterly earnings per share does not add up to the total reported for the full year.

Total Loans, Net of Unearned Income

2nd Quarter Loan Production



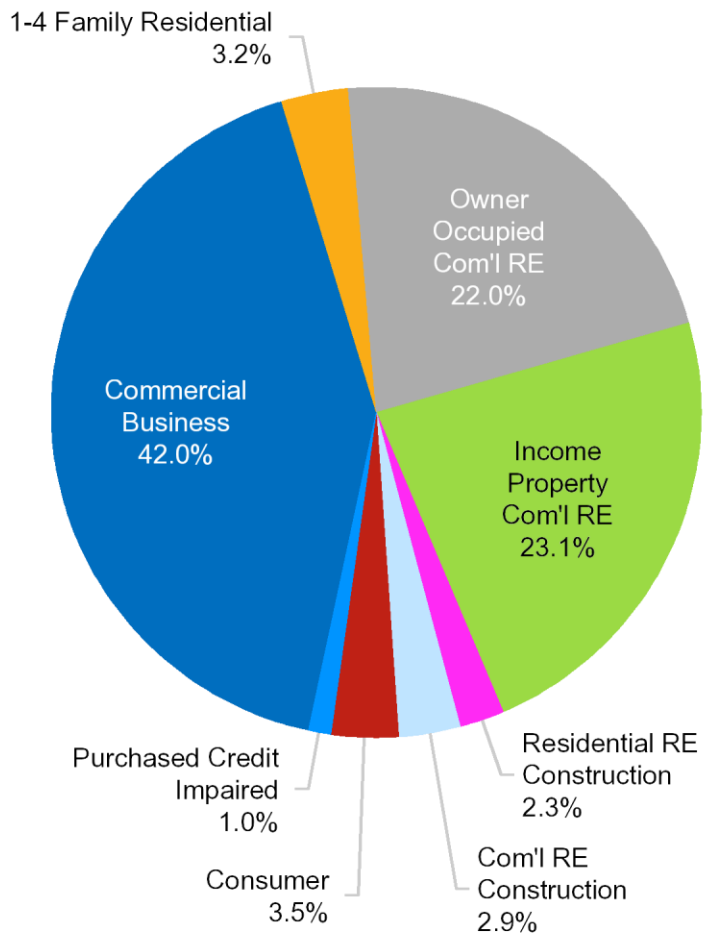
Rolling 5 Quarter Loan Production



$ in Millions

Total Loans = $8.6 billion

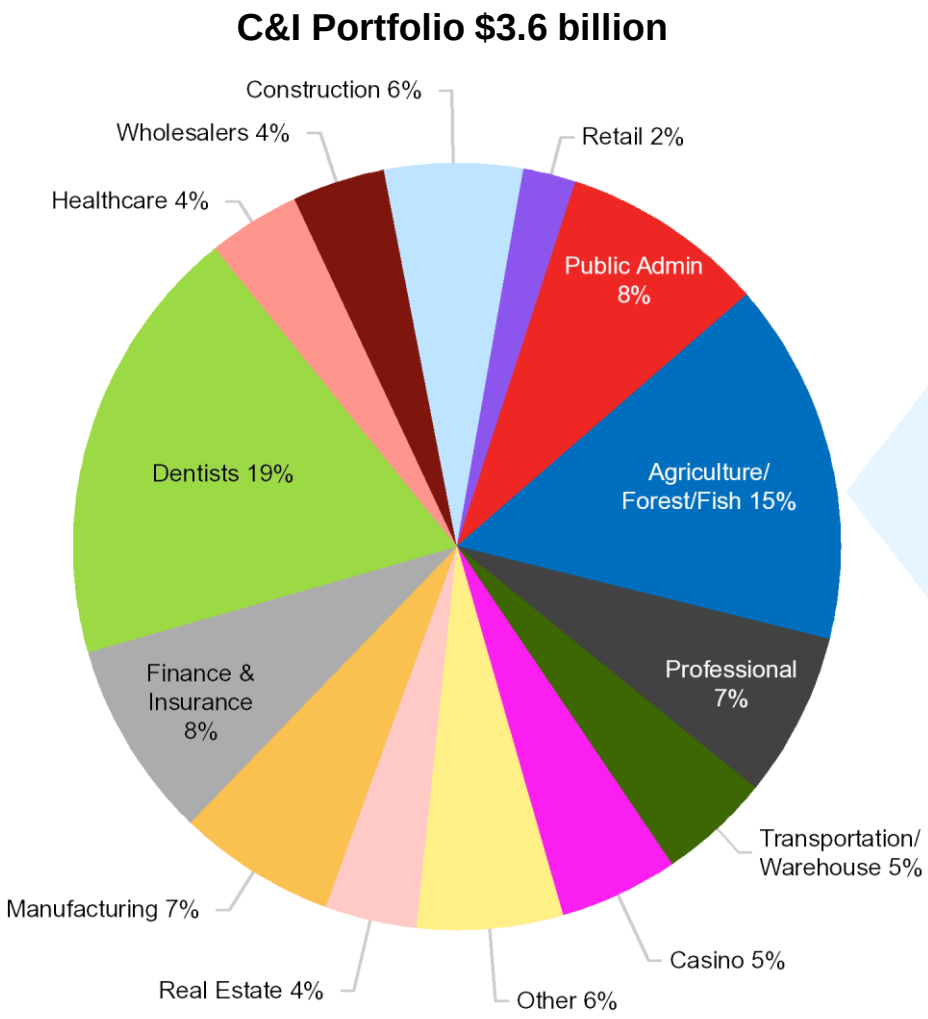
Annualized quarterly growth = 6%

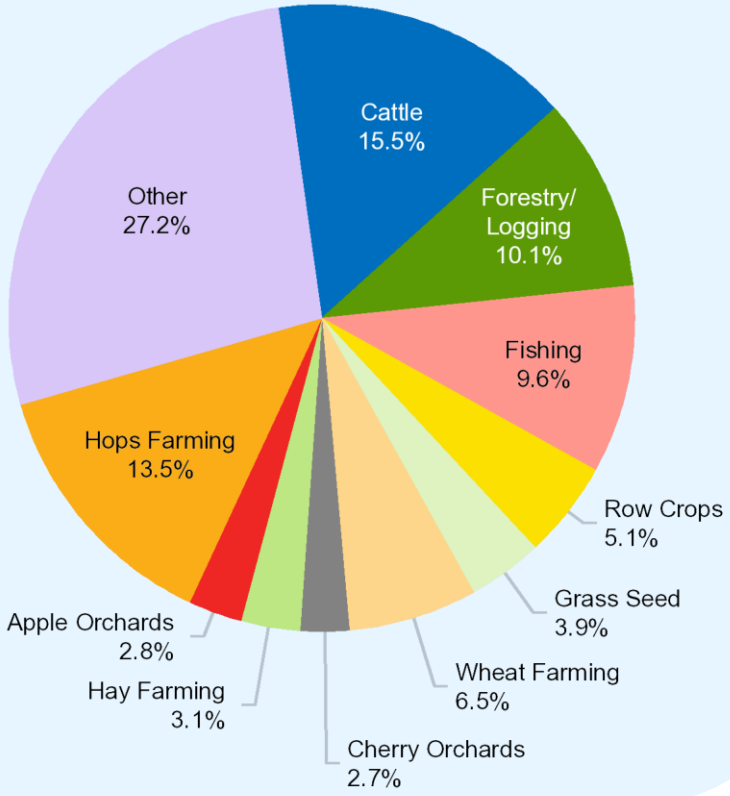


As of Jun 30, 2019

Loan categories in above chart are presented gross of unearned income.

Well Diversified C&I and Agriculture Loan Portfolios



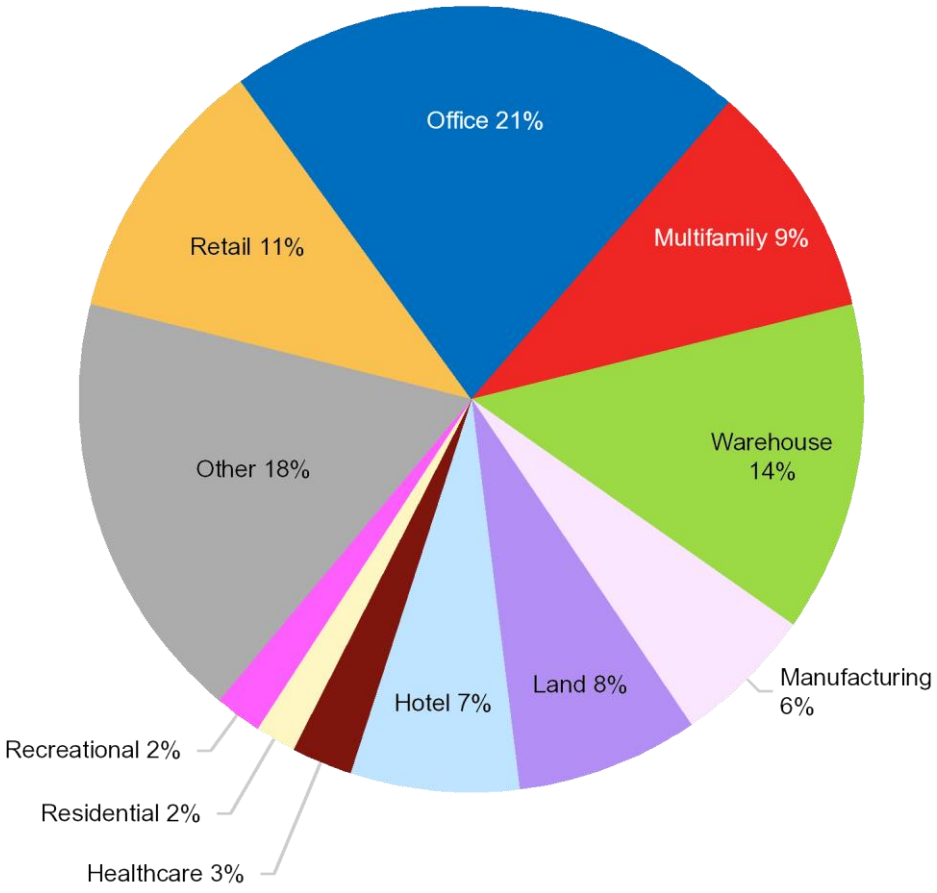


As of Jun 30, 2019

Balanced CRE Loan Portfolio

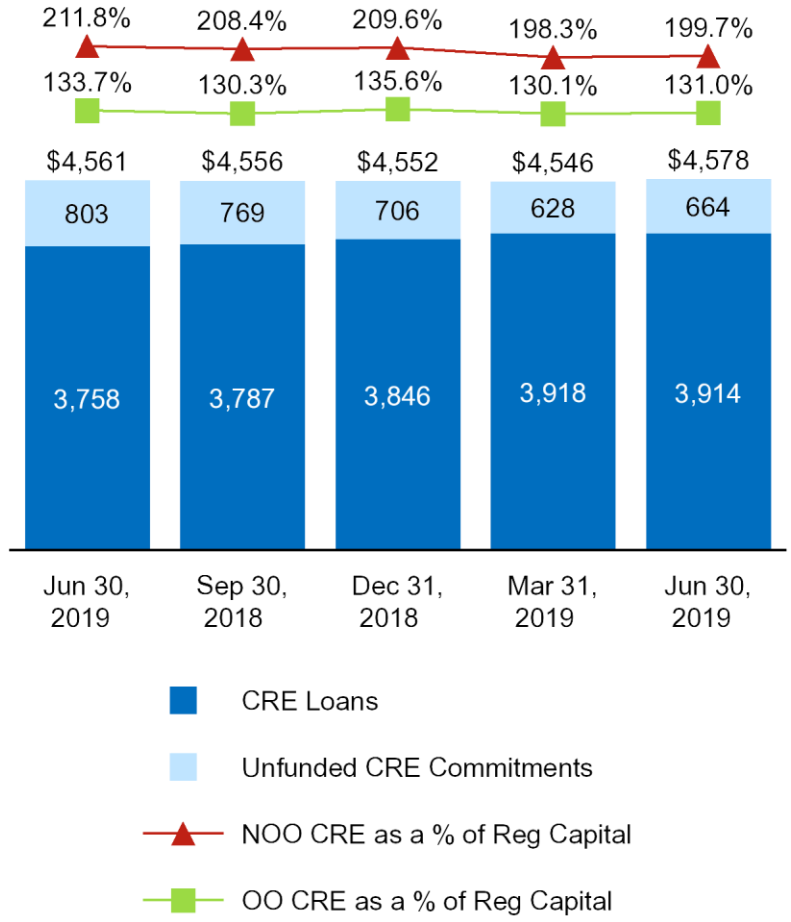
CRE Portfolio $3.9 billion

Balanced with 51% Income Property and 49% Owner-occupied



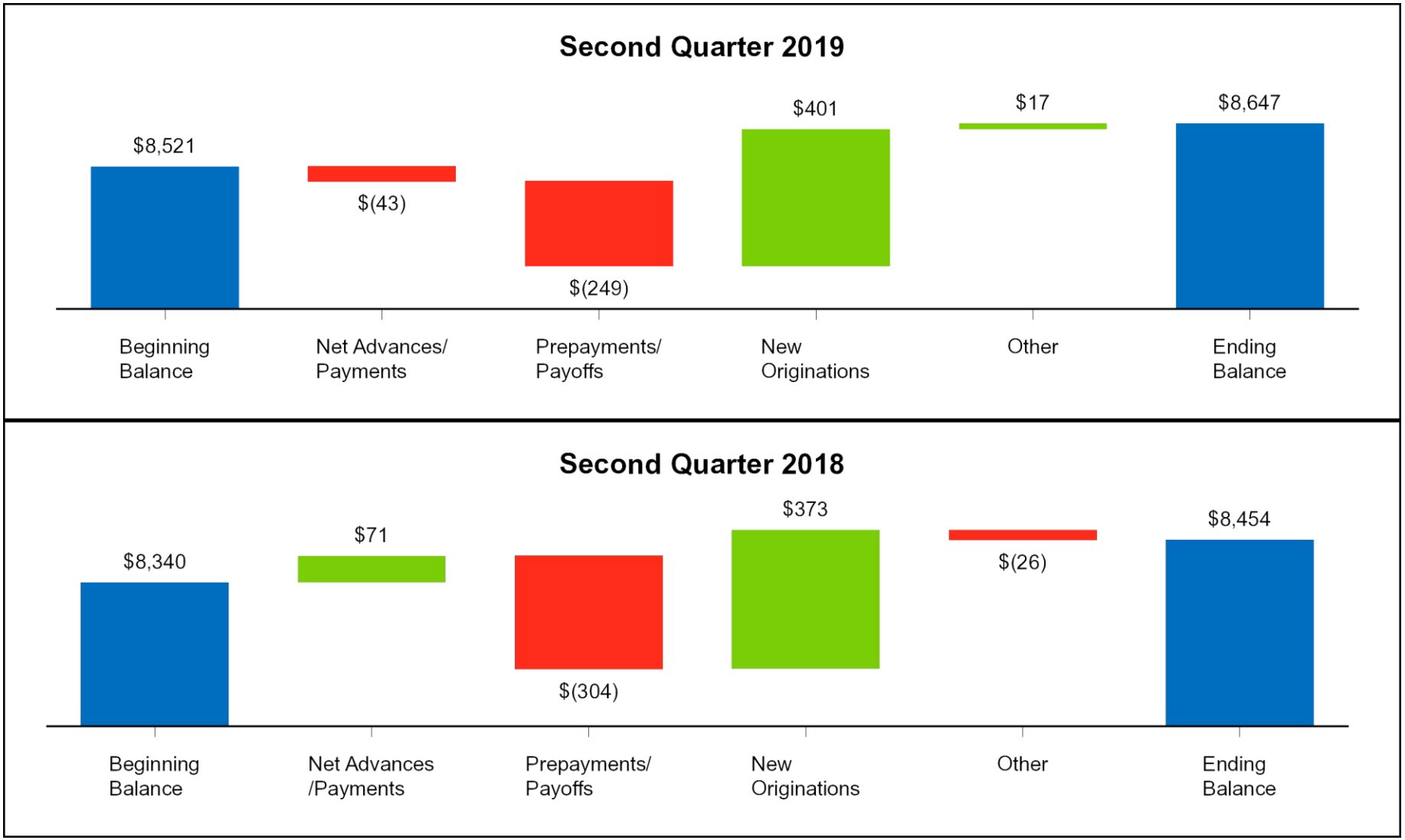
As of Jun 30, 2019

Consistent CRE Coverage



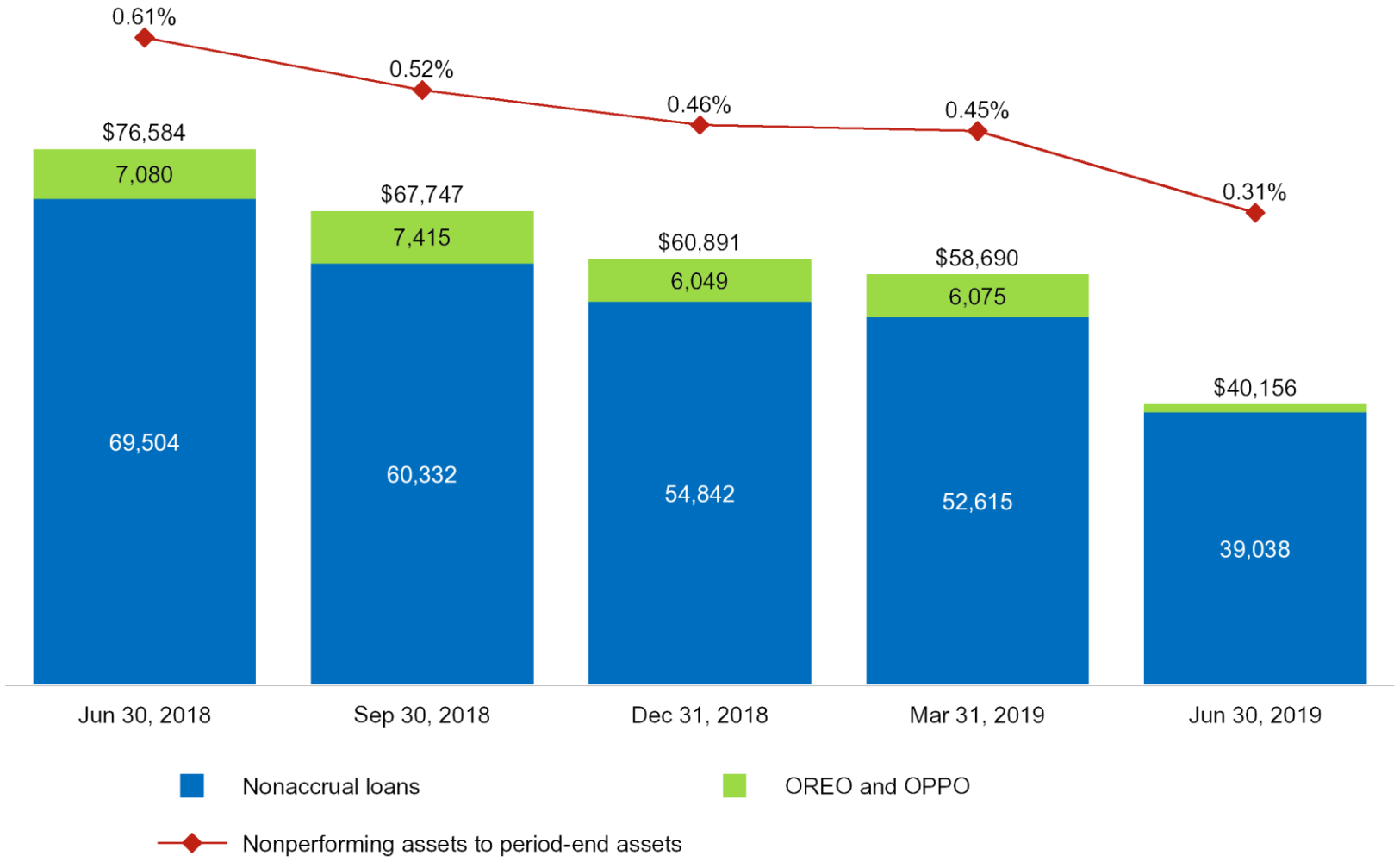
$ in Millions

Components of Second Quarter Change in Loans



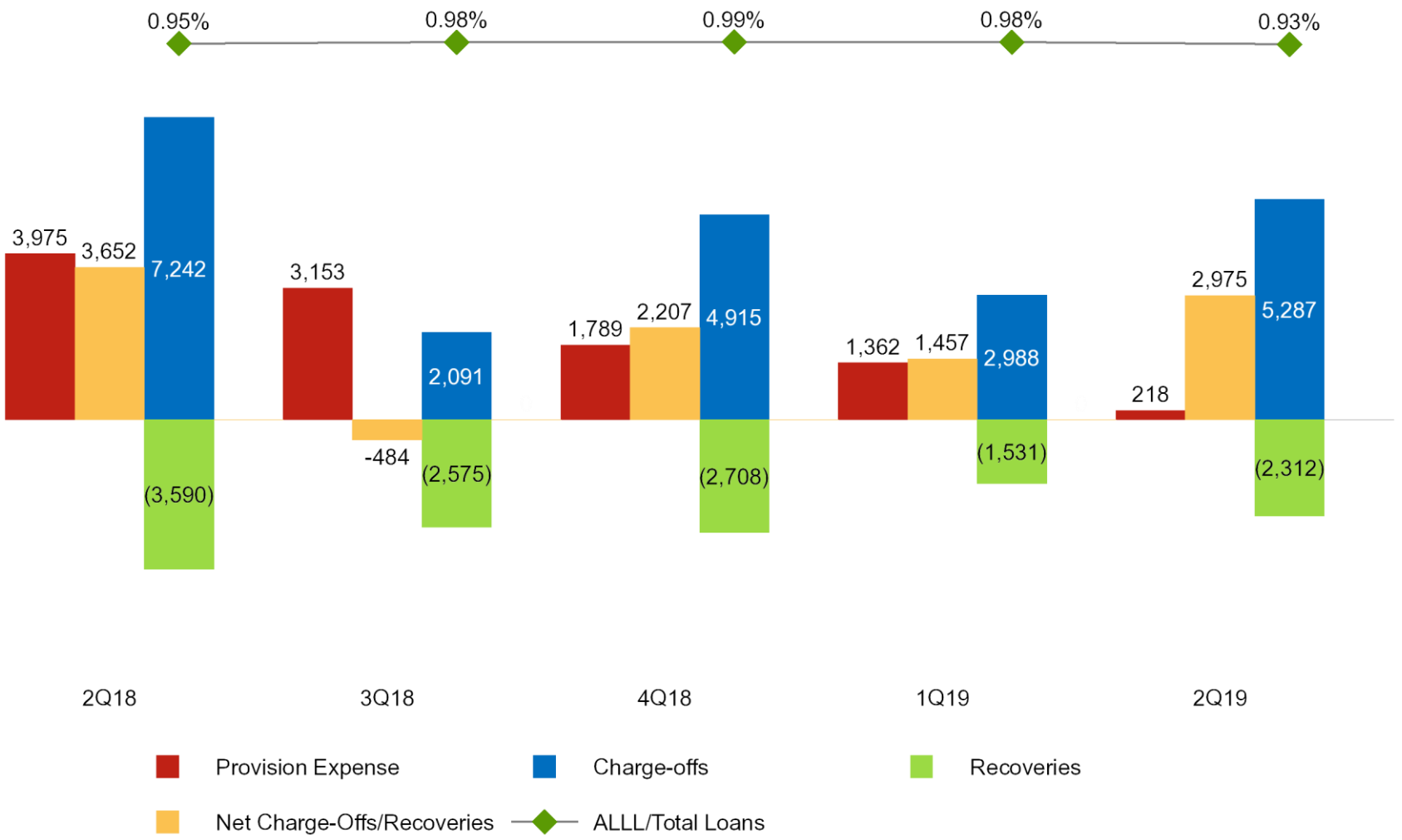
$ in Millions

Favorable Trend in Nonperforming Assets



$ in Thousands

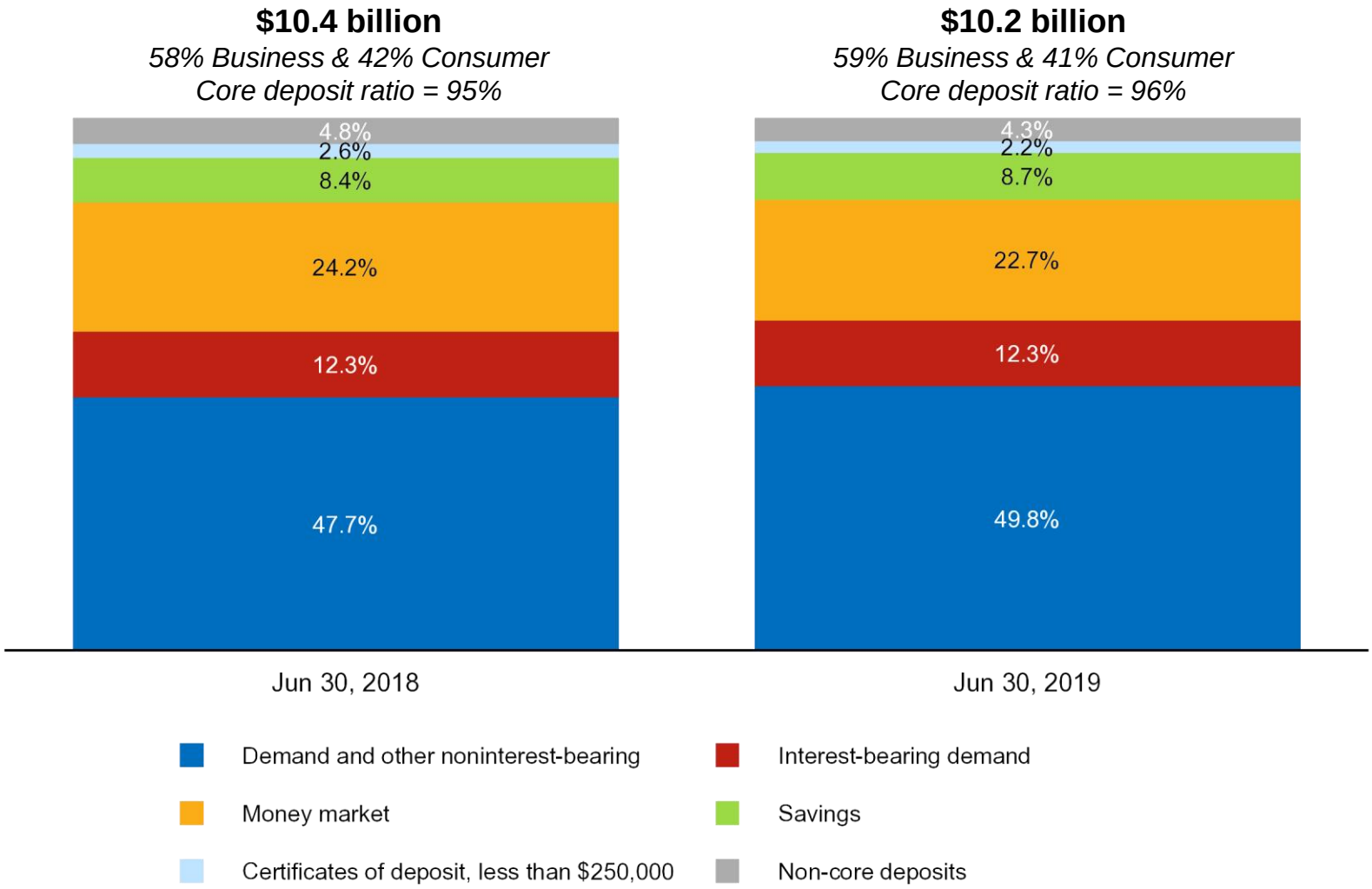
ALLL Components



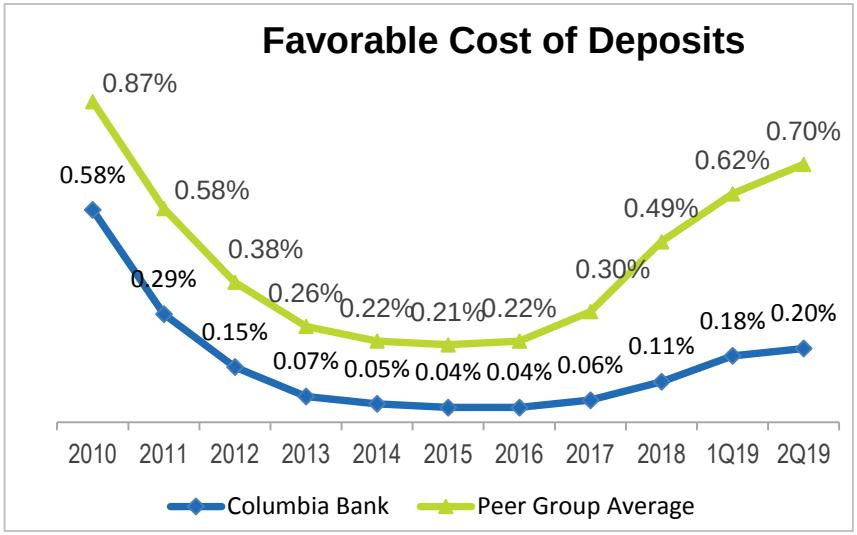
$ in Thousands

Diversified, Relationship Centered Deposit Base

Solid core base that is well diversified across business & consumer with a migration toward noninterest bearing.

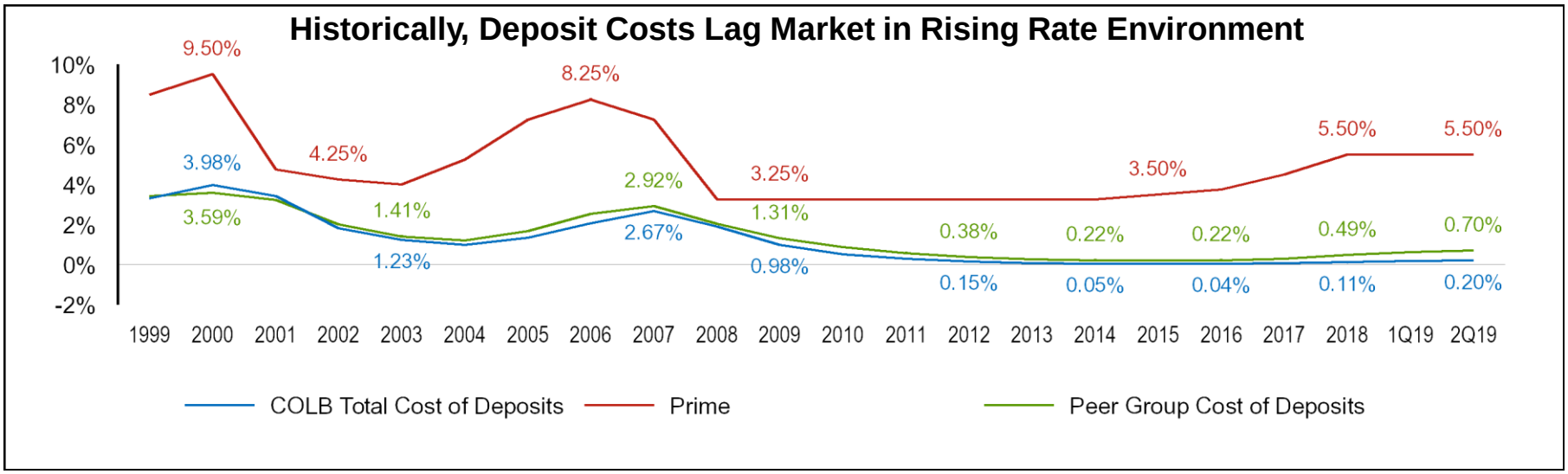


Industry Leading Cost of Deposits



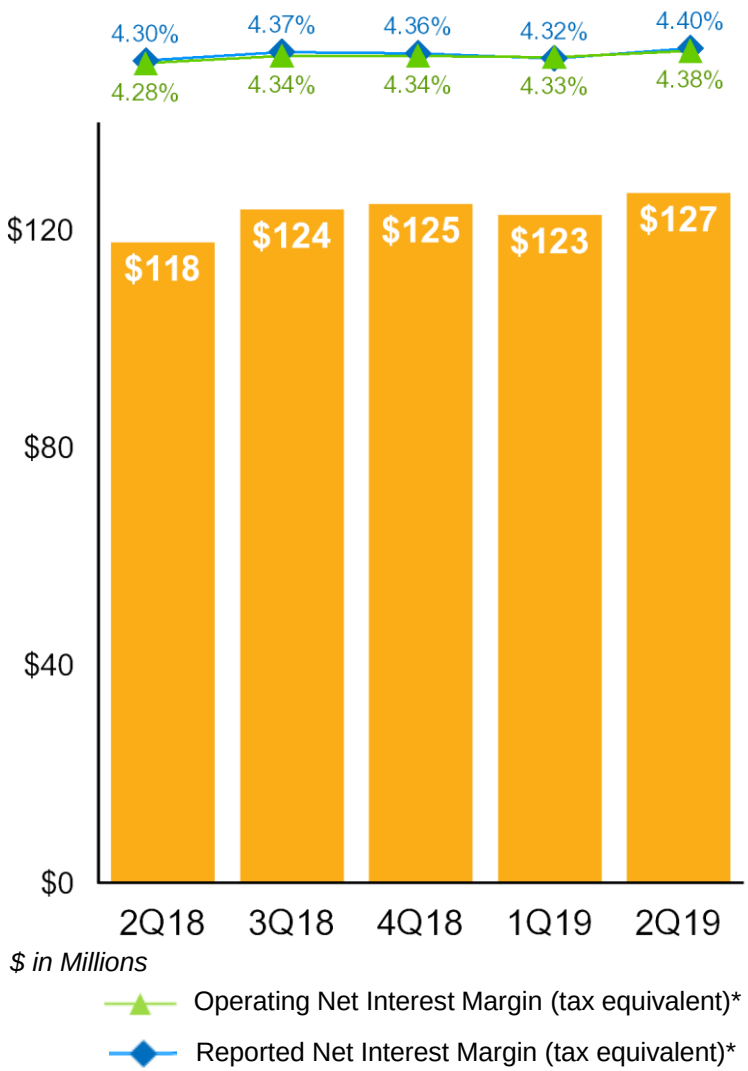
Deposit Market Share
Northwest (Washington, Oregon, Idaho)

Rank	Institution (HQ State)	2018 Deposits ($ Millions)	2018 Market Share	Growth since 2017
1	Bank of America (NC)	$45,296	17.11%	-0.17%
2	U.S. Bank (MN)	37,191	14.05%	-0.20%
3	Wells Fargo (CA)	36,797	13.90%	-0.41%
4	JPMorgan Chase (NY)	26,851	10.14%	+0.26%
5	KeyBank (OH)	17,924	6.77%	+0.13%
6	Umpqua Bank (OR)	14,352	5.42%	+0.21%
7	Columbia State Bank (WA)	10,397	3.93%	+0.76%
8	Washington Federal (WA)	8,591	3.25%	+0.13%
9	Banner Bank (WA)	6,870	2.59%	-0.04%
10	Washington Trust (WA)	5,386	2.03%	+0.12%



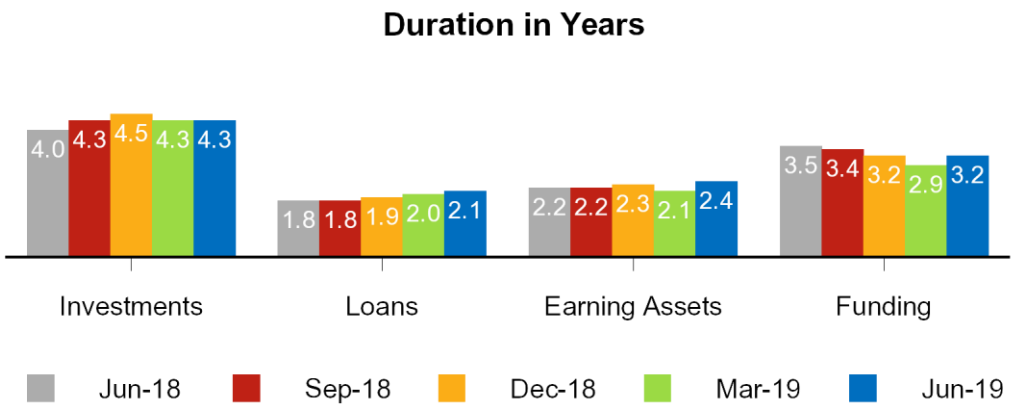
Operating Net Interest Margin *

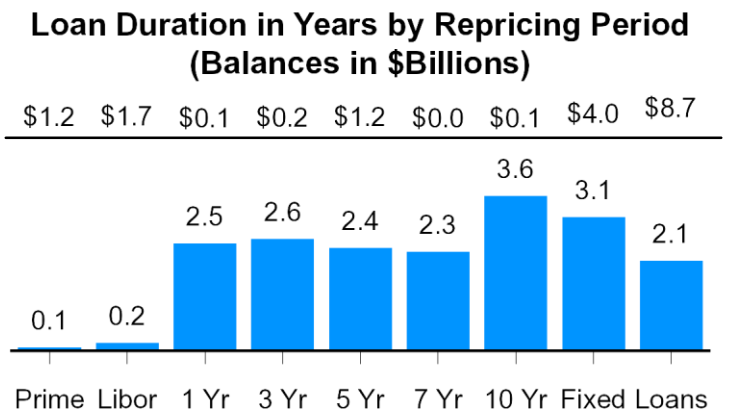




* Beginning January 2019, reported net interest margin (tax equivalent) and operating net interest margin (tax equivalent) were calculated using the actual number of days and on an Actual/ Actual basis. This change was done to provide more meaningful trend information, on a quarterly basis, for our net interest margin regardless of the number of days in the quarter. Prior periods, which were previously reported on a 30/360 basis, have been restated to conform to the current basis. Operating net interest margin is a non-GAAP measure. Refer to end of presentation for additional information.

Interest Rate Sensitivity





Loan Repricing Detail

	Mar-19	Jun-19	Mar-19	Jun-19
Fixed	$3,938,123	$4,033,711	46%	46%
Prime	1,222,753	1,207,186	14%	14%
1 Month	1,488,809	1,592,371	17%	18%
3 Month	143,761	131,692	2%	2%
1 Year	146,853	140,325	2%	2%
Variable <=1Y	3,002,176	3,071,574	35%	36%
3 Year	189,725	188,238	2%	2%
5 Year	1,257,337	1,212,334	15%	14%
7 Year	22,070	22,452	0%	0%
10 Year	144,354	146,786	2%	2%
Variable >1Y	1,613,486	1,569,810	19%	18%
Total	**$ 8,553,785**	**$ 8,675,095**	**100%**	**100%**

Floating and Variable Rate Loans

	<=3 Mos	>3 to 6 Mos	>6 to 12 Mos	>12 to 24 Mos	>24 to 36 Mos	>36 to 48 Mos	>48 to 60 Mos	> 60 Mos	Total
PRIME	1,176,225	3,137	4,515	2,518	7,026	4,625	8,300	840	1,207,186
1 MO	1,552,173	268	1,896	8,179	4,495	14,713	723	9,924	1,592,371
3 MO	127,861	—	—	—	3,831	—	—	—	131,692
1 YR	3,329	9,109	14,893	32,529	3,601	12,132	12,296	52,437	140,325
3 YR	13,256	6,897	11,529	32,408	42,841	13,137	23,740	44,429	188,238
5 YR	34,474	34,409	98,262	214,886	337,942	262,450	178,844	51,067	1,212,334
10 YR	1,514	114	348	5,573	1,763	6,388	7,586	145,953	169,238
	2,908,832	53,934	131,443	296,093	401,499	313,445	231,489	304,649	4,641,385

Variable Loan Repricing

	No Floor	At Floor	0-100 bp	101-200 bp	>200 bp	Total
Balances	$2,351,302	$846,426	$319,843	$930,092	$193,722	$4,641,385

Selected Balance Sheet & Ratios

$ in Millions	2Q19	1Q19	4Q18	3Q18	2Q18
Total Assets	$13,091	$13,064	$13,095	$12,957	$12,629
Securities, Including Equity Securities & FHLB Stock	2,894	3,053	3,193	2,943	2,665
Loans, Net of unearned Income	8,647	8,521	8,392	8,514	8,454
Allowance for Loan & Leases Losses	81	83	83	84	80
Goodwill & Other Intangibles	806	809	812	815	818
Core Deposits	9,768	9,899	9,974	10,085	9,889
Deposits	10,212	10,369	10,458	10,604	10,384
Total Shareholders' Equity	2,134	2,089	2,034	1,981	1,965
Ratios:					
ROAA	1.58%	1.41%	1.38%	1.45%	1.33%
ROAE	9.87%	8.97%	9%	9.36%	8.54%
ROATCE*	16.71%	15.57%	16.00%	16.74%	15.57%
Loans/Deposits	85%	82%	80%	80%	81%
Core Deposit Ratio	96%	95%	95%	95%	95%
Tangible Common Equity*	10.80%	10.44%	9.95%	9.61%	9.71%

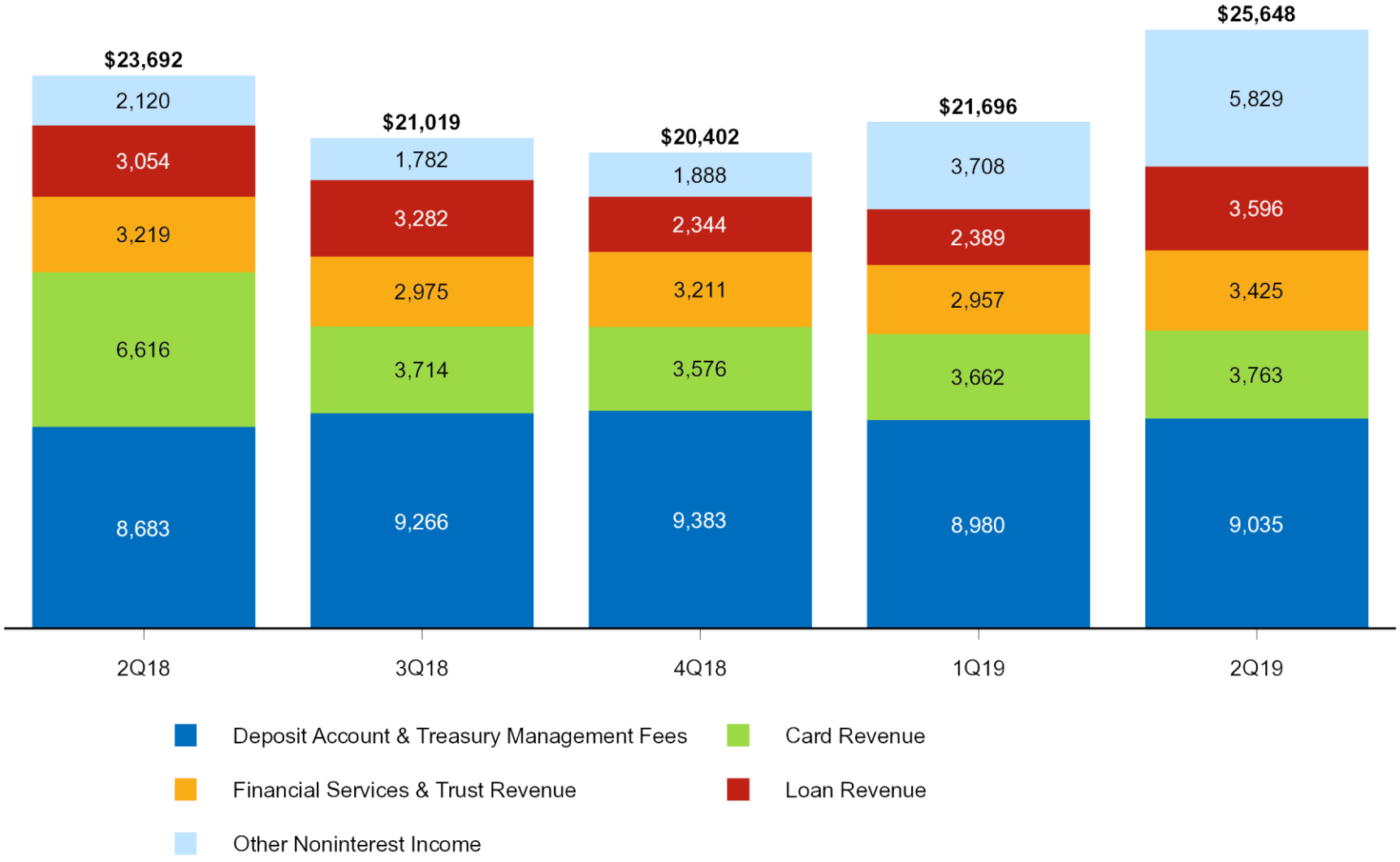
*ROATCE and Tangible Common Equity ratios are non-GAAP measures. Refer to end of presentation for additional information.

Summary Income Statement

$ in Thousands (except EPS)	2Q19	1Q19	4Q18	3Q18	2Q18	2019 YTD	2018 YTD
Net Interest Income	$125,116	$121,022	$123,888	$122,796	$116,674	$246,138	$232,155
Provision for Loan Losses	218	1,362	1,789	3,153	3,975	1,580	9,827
Net Interest Income after Provision	**124,898**	**119,660**	**122,099**	**119,643**	**112,699**	**244,558**	**222,328**
Noninterest Income	25,648	21,696	20,402	21,019	23,692	47,344	46,835
Noninterest Expense	86,728	84,700	87,019	82,841	84,643	171,428	170,630
Pre-tax Net Income	**63,818**	**56,656**	**55,482**	**57,821**	**51,748**	**120,474**	**98,533**
Provision for Income Taxes	12,094	10,785	10,734	11,406	9,999	22,879	16,814
Net Income	**$51,724**	**$45,871**	**$44,748**	**$46,415**	**$41,749**	**$97,595**	**$81,719**
EPS (Diluted)	$0.71	$0.63	$0.61	$0.63	$0.57	$1.33	$1.12
Weighted Avg # of Diluted Shares Outstanding	72,451	72,524	72,438	72,432	72,390	72,487	72,347
Acquisition Related Costs[(1)]	*$0*	*$0*	*$493*	*$1,081*	*$2,822*	*$0*	*$7,087*

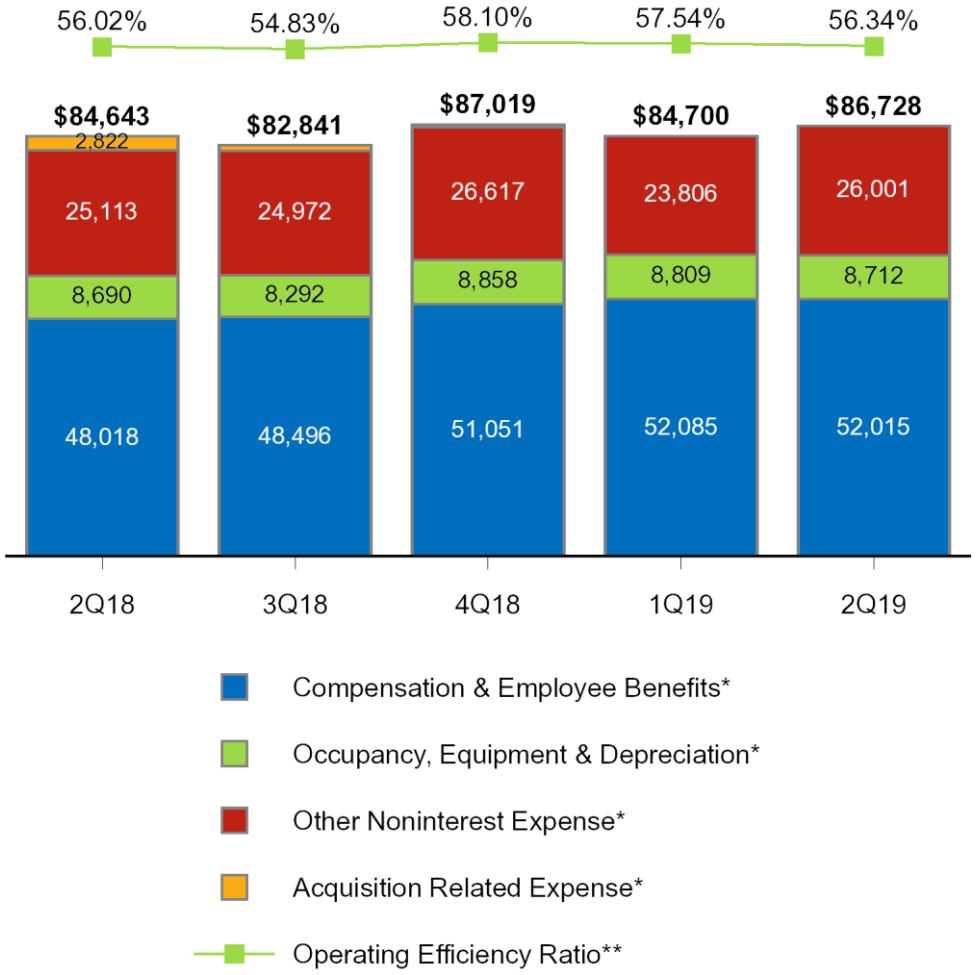
[(1)] Acquisition Related Costs are included in Noninterest Expense, above.

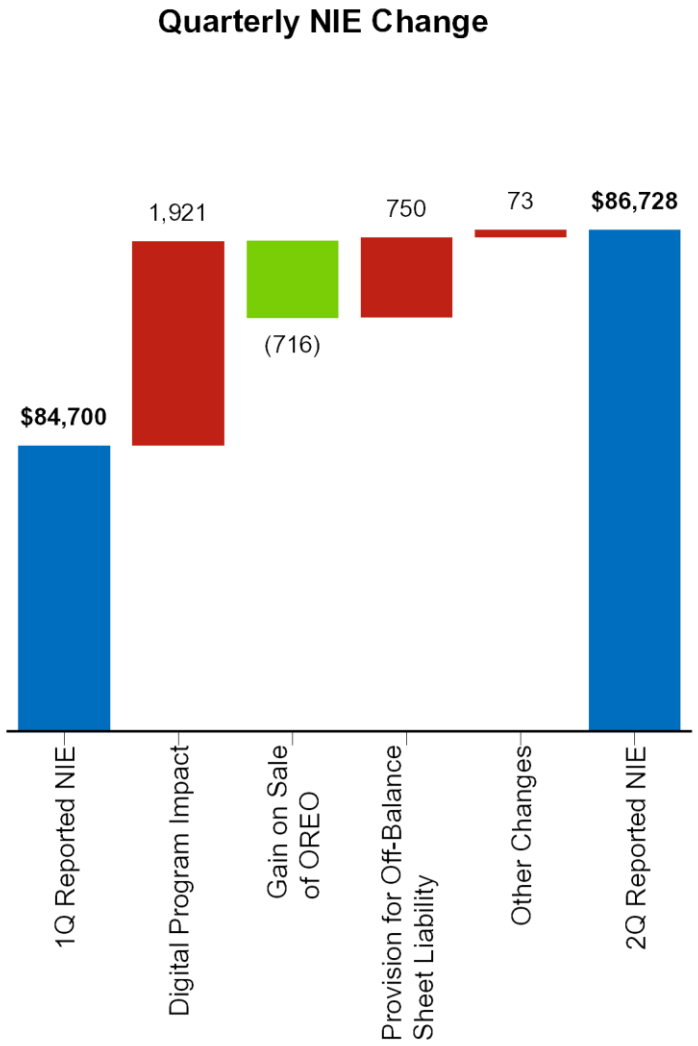
Noninterest Income



$ in Thousands

Noninterest Expense and Operating Efficiency Ratio**



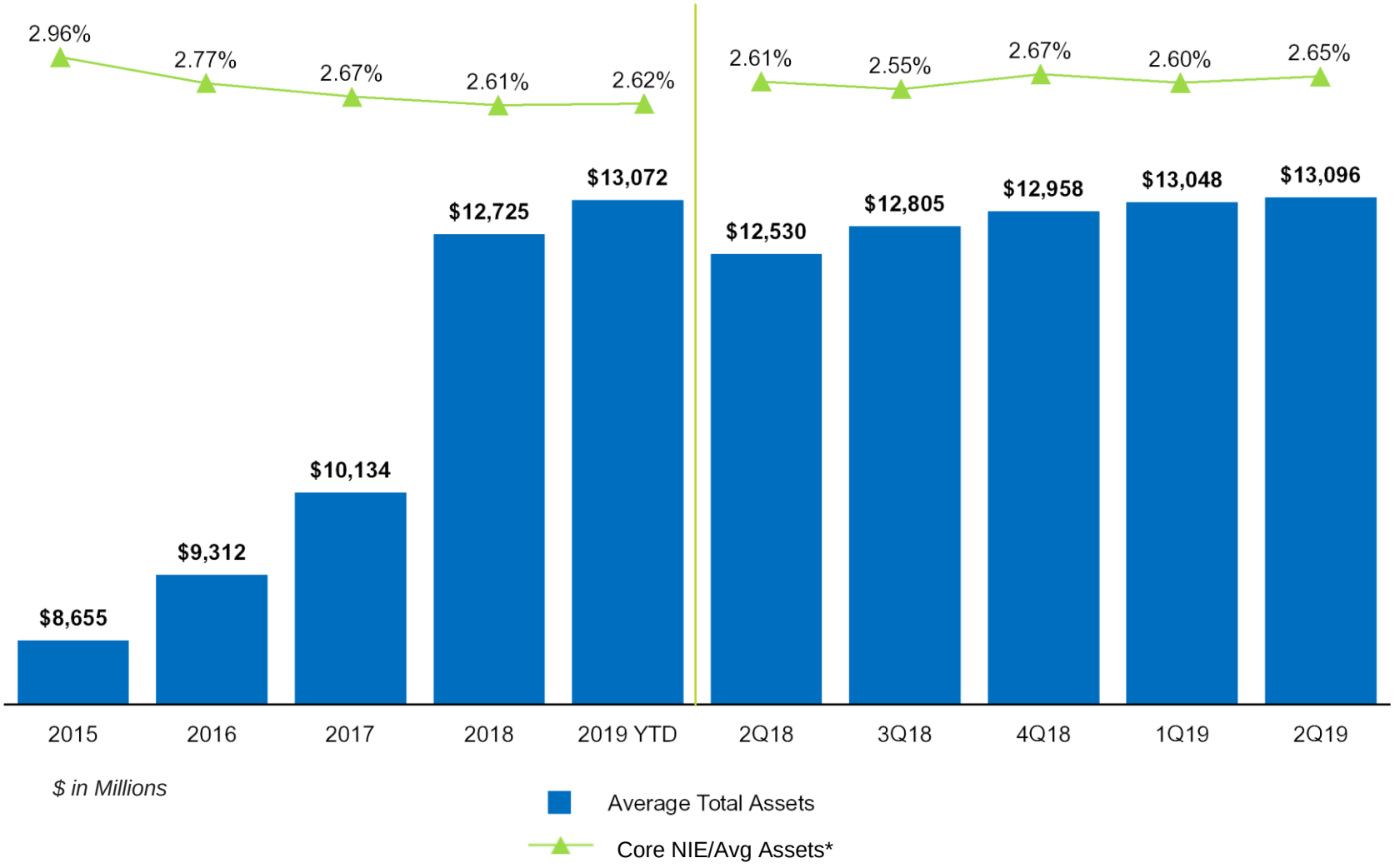


$ in Thousands

*Acquisition Related Expense is excluded from individual expense groups and shown in aggregate. Individual expense groups excluding acquisition expenses are non-GAAP measures. Refer to end of presentation for more information.

**Operating Efficiency Ratio is a non-GAAP measure. Refer to end of presentation for more information.

Stable Expense Management



*Core NIE/Average Total Assets is a non-GAAP measure. Refer to end of presentation for more information.

2019 Digital Program Summary

Vision

A future where clients can choose to interact with us in-person or through digital channels while seamlessly changing between them. This includes delivering a modern banking experience through digital channels and digitally-enabled bankers allowing us to attract and grow profitable relationships while ensuring our ability to continue serving our communities as the nation's premier regional bank.

Six Programs

Digitally Enabled Commercial, Business, & Healthcare Banking
Solidify the Digital Foundation of the Commercial Experience

Competitive Consumer Digital Experience
Engage Digital Consumer Clients Where They Are

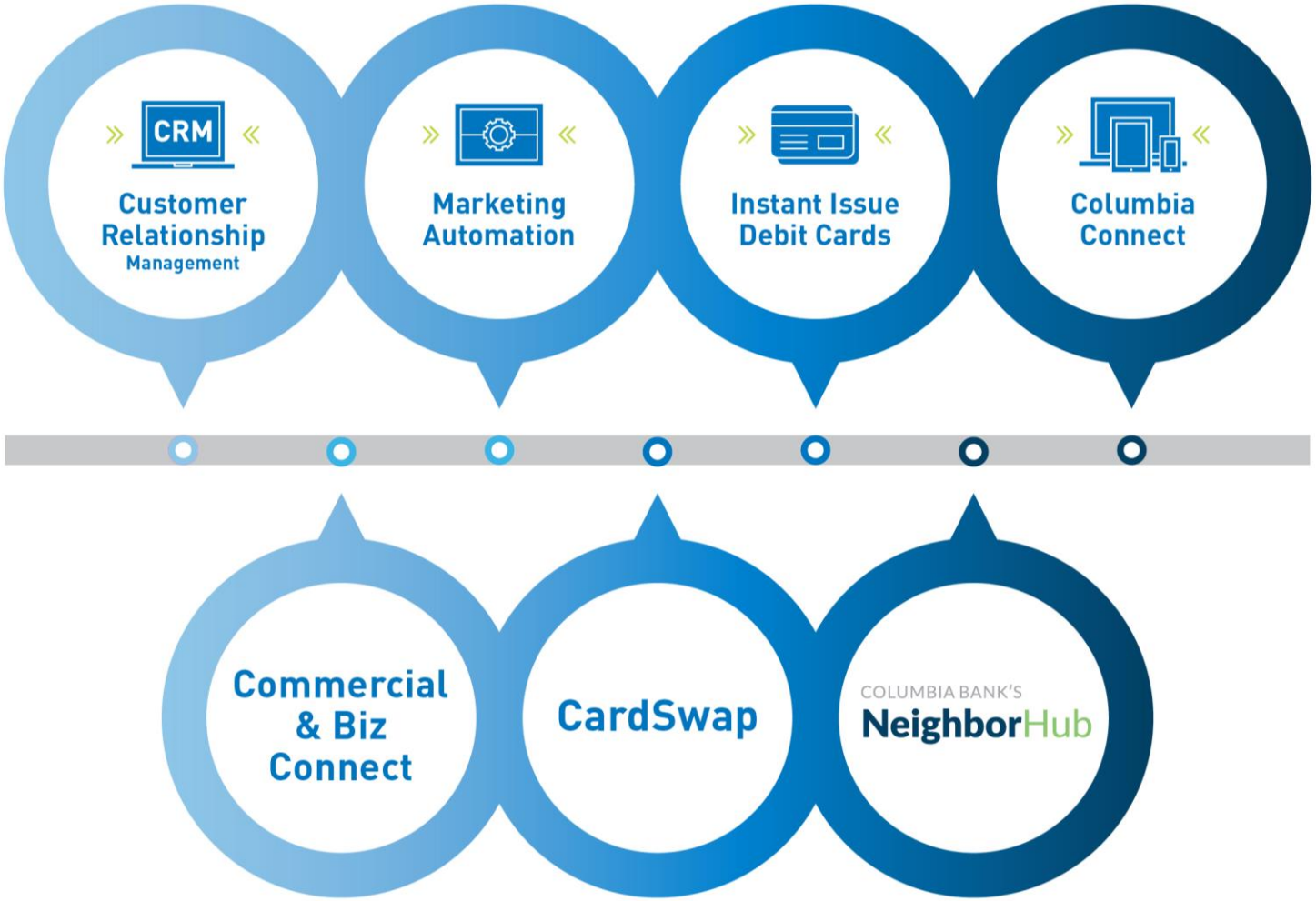
Data Driven Workforce
Sparks Actions and Interactions with Data

Branch & Back-Office Synergy
Create Capacity in the Branches by way of the Back Office

Digital Enterprise Workflow
Standardize and upgrade the core tools supporting the operations

Digital Talent
Leverage the Strategic Function of HR to Develop our Talent in a Digital Environment

Current & Completed Technology Initiatives



New Technology Initiatives

Zelle®



Zelle: Allows you to send and receive money with peace of mind. Safely and easily send money to people you know through online and mobile banking.

Small Business Lending



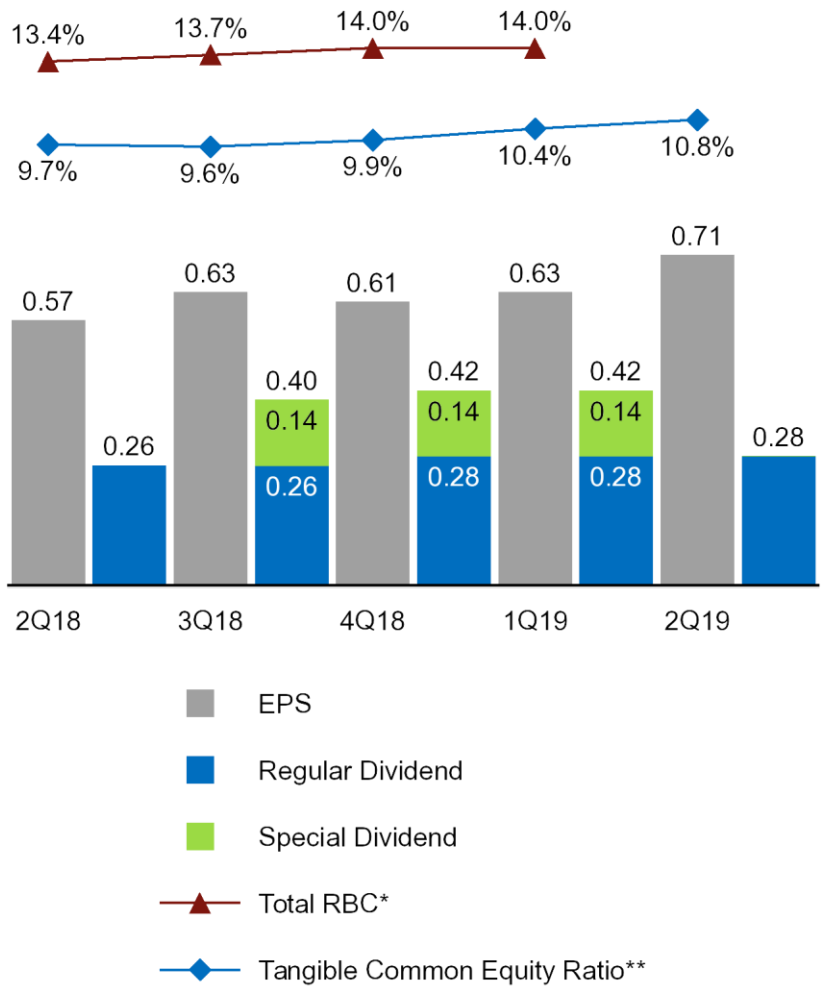
Small Business Lending: A platform to support the online application process and streamline the approval workflow.

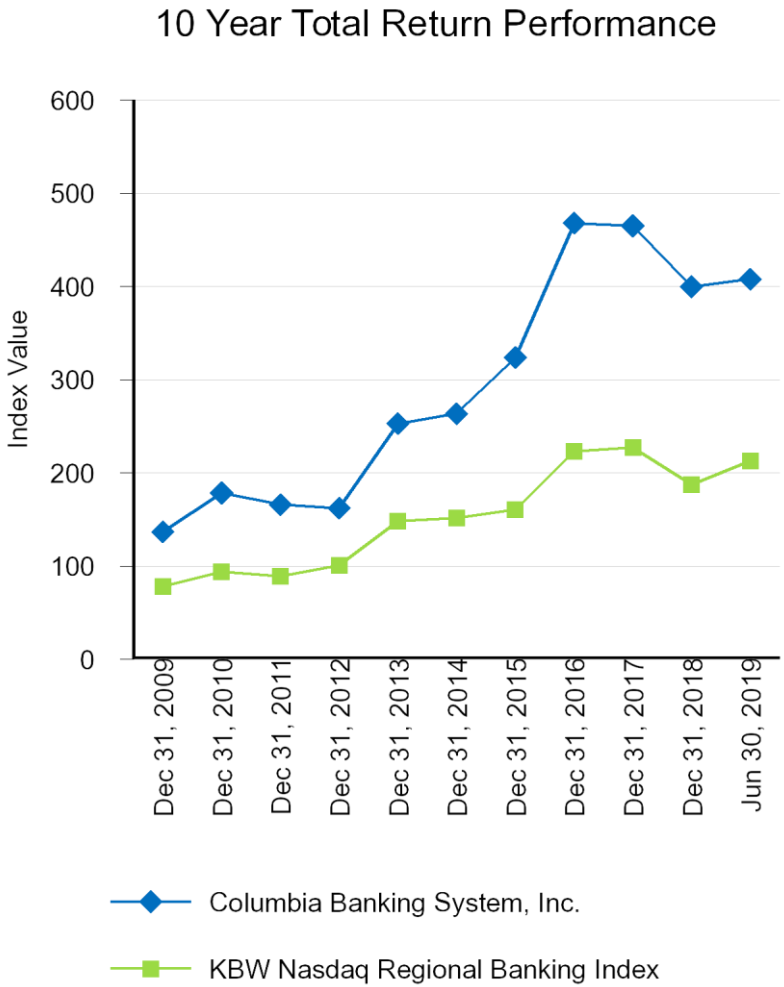
Online Account Opening



Online Account Opening: End-to-end account opening strategy accessible from the web or a mobile device.

Strong Capital, Dividend Payouts & Total Return





*The RBC ratio as of June 30, 2019 has not yet been filed.
**Tangible Common Equity Ratio is a non-GAAP measure. Refer to end of presentation for additional information.

Columbia – An Award-Winning Company

Forbes 2019 BEST BANKS IN AMERICA

8th consecutive year

PUGET SOUND BUSINESS JOURNAL CORPORATE CITIZENSHIP

Puget Sound Business Journal
2019 Corporate Citizenship Award

2019 EXECUTIVE EXCELLENCE AWARDS WINNER

Seattle Business Magazine
2019 Executive Excellence Award

Corporate Philanthropy 2018 PORTLAND BUSINESS JOURNAL Awards

Portland Business Journal
2018 Corporate Philanthropy Award

PUGET SOUND BUSINESS JOURNAL BEST

Puget Sound Business Journal
2019 Washington's Best Workplaces
13th consecutive year

20% BY 2020 20/20 WOMEN ON BOARDS

2020 Women on Boards
2019 Winning 'W' Company

SOS Office of the Secretary of State Corporations & Charities Division

The State of Washington Secretary of State's office
2018 National Association of Secretaries of State Medallion

BEST OF THE SOUTH SOUND 2019

South Sound Magazine
2019 Best Bank &
Best Large Business

TOP WORK PLACES 2018 The Oregonian OREGONLIVE

The Oregonian
2018 Oregon's Top Workplaces

OAME Oregon Association of Minority Entrepreneurs

Oregon Association of Minority Entrepreneurs
2019 Corporate Award of the Year

PORTLAND BUSINESS JOURNAL OREGON'S 2018 MOST ADMIRED COMPANIES

Portland Business Journal
2018 Oregon's Most Admired Companies

2019 BEST OF THE MID-VALLEY - SILVER - STATESMAN JOURNAL

#1 SBA LENDER PORTLAND DISTRICT SBA

MOST INNOVATIVE PROJECT ENERGY TRUST OF OREGON

HIGHEST PERCENT ELECTRICITY SAVINGS ENERGY TRUST OF OREGON

Hadley Robbins
President & Chief Executive Officer

Andy McDonald
Chief Credit Officer

Greg Sigrist
Chief Financial Officer

Clint Stein
Chief Operating Officer

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Non-GAAP Financial Measures

Net Interest Margin *$ in Thousands*	2015	2016	2017	2018	2019 YTD	2Q18	3Q18	4Q18	1Q19	2Q19
Net interest income (tax equivalent) (1)	$334,548	$344,425	$380,107	$486,667	$250,346	$118,602	$124,789	$125,917	$123,110	$127,236
Adjustments to arrive at operating net interest income (tax equivalent):										
Incremental accretion income on FDIC purchased credit impaired	(9,096)	(5,972)	(4,107)	(1,635)	(867)	(326)	(585)	(395)	(288)	(579)
Incremental accretion income: Other FDIC acquired loans (2)	(234)	—	—	—	—	—	—	—	—	—
Incremental accretion income on other acquired loans	(17,862)	(11,983)	(8,689)	(10,921)	(3,831)	(2,690)	(2,643)	(2,218)	(1,747)	(2,084)
Premium amortization on acquired securities	10,217	7,738	6,636	7,736	3,430	2,131	1,859	1,671	1,779	1,651
Correction of immaterial error - securities premium amortization	—	—	1,771	—	—	—	—	—	—	—
Interest reversals on nonaccrual loans	1,713	1,072	1,766	1,564	1,288	253	477	417	626	662
Operating net interest income (tax equivalent) (1)	$319,286	$335,280	$377,484	$483,411	$250,366	$117,970	$123,897	$125,392	$123,480	$126,886
Average Earning Assets	7,685,734	8,363,309	9,098,276	11,241,321	11,584,301	11,052,807	11,326,629	11,458,470	11,561,627	11,606,727
Net Interest Margin *(tax equivalent) (3)*	4.35%	4.12%	4.18%	4.33%	4.36%	4.30%	4.37%	4.36%	4.32%	4.40%
Operating Net Interest Margin *(tax equivalent) (3)*	4.15%	4.01%	4.15%	4.30%	4.36%	4.28%	4.34%	4.34%	4.33%	4.38%

Tangible Common Equity *$ in Thousands*	2Q18	3Q18	4Q18	1Q19	2Q19
Total Shareholders' Equity	1,964,881	1,981,395	2,033,649	2,088,620	2,133,638
- Goodwill	(765,842)	(765,842)	(765,842)	(765,842)	(765,842)
- Other Intangible Assets, net	(51,897)	(48,827)	(45,937)	(43,189)	(40,540)
Tangible Common Equity	$1,147,142	$1,166,726	$1,221,870	$1,279,589	$1,327,256
Total Assets	12,628,586	12,956,596	13,095,145	13,064,436	13,090,808
Goodwill	(765,842)	(765,842)	(765,842)	(765,842)	(765,842)
- Other Intangible Assets, net	(51,897)	(48,827)	(45,937)	(43,189)	(40,540)
Tangible Assets	$11,810,847	$12,141,927	$12,283,366	$12,255,405	$12,284,426
Tangible Common Equity Ratio	9.71%	9.61%	9.95%	10.44%	10.80%

(1) Tax-exempt interest income has been adjusted to a tax equivalent basis.
(2) 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
(3) Beginning January 2019, reported net interest margin (tax equivalent) and operating net interest margin (tax equivalent) were calculated using the actual number of days and on an Actual/Actual basis. This change was done to provide more meaningful trend information, on a quarterly basis, for our net interest margin regardless of the number of days in the quarter. Prior periods, which were previously reported on a 30/360 basis, have been restated to conform to the current basis.

NIE/Average Assets *$ in Thousands*	2015	2016	2017	2018	2019 YTD	2Q18	3Q18	4Q18	1Q19	2Q19
Reported Noninterest Expense	$266,149	$261,142	$291,017	$340,490	$171,428	$84,643	$82,841	$87,019	$84,700	$86,728
- FDIC Clawback (Expense)/Recap (4)	(979)	(280)	54	—	—	—	—	—	—	—
- Acquisition Related Costs	(10,917)	(2,727)	(17,196)	(8,661)	—	(2,822)	(1,081)	(493)	—	—
- Net OREO/OPPO Exp (4)	1,724	(544)	(466)	—	—	—	—	—	—	—
- Term of FDIC Loss Sharing Agreement	—	—	(2,409)	—	—	—	—	—	—	—
Core Noninterest Exp	$255,977	$257,591	$271,000	$331,829	$171,428	$81,821	$81,760	$86,526	$84,700	$86,728
Average Assets	8,655,243	9,311,621	10,134,306	12,725,086	13,072,360	12,529,540	12,805,131	12,957,754	13,048,041	13,096,413
Noninterest Expense/ Average Assets	3.08%	2.80%	2.87%	2.68%	2.62%	2.70%	2.59%	2.69%	2.60%	2.65%
Core NIE/Average Assets	2.96%	2.77%	2.67%	2.61%	2.62%	2.61%	2.55%	2.67%	2.60%	2.65%

ROATCE *$ in Thousands*	2Q18	3Q18	4Q18	1Q19	2Q19
Net Income	$ 41,749	$ 46,415	$ 44,748	$ 45,871	$ 51,724
- Preferred Dividends	—	—	—	—	—
Net Inc Applicable to Common Shareholders	41,749	46,415	44,748	45,871	51,724
+ Amortization of Intangibles	3,088	3,070	2,890	2,748	2,649
- Tax Effect on Intangible Amort	(649)	(645)	(607)	(577)	(556)
Adjusted Net Inc	44,188	48,840	47,031	48,042	53,817
Avg Shareholders' Equity	1,954,552	1,983,317	1,988,981	2,044,832	2,096,157
- Avg Preferred Equity	—	—	—	—	—
- Average Intangibles	(819,211)	(816,128)	(813,145)	(810,376)	(807,678)
Adjusted Avg Common Shareholders' Equity	1,135,341	1,167,189	1,175,836	1,234,456	1,288,479
Return on Average Tangible Common Shareholders' Equity	15.57%	16.74%	16.00%	15.57%	16.71%

(4) Effective January 1, 2018 Core NIE excludes acquisition expenses and other one-time non-recurring items. Prior to that, Core NIE also excluded the change in the FDIC Clawback liability and net OREO/OPPO expense.

Non-GAAP Financial Measures

Operating Efficiency Ratio $ in Thousands	2Q18	3Q18	4Q18	1Q19	2Q19
Noninterest expense (numerator A)	$ 84,643	$ 82,841	$ 87,019	$ 84,700	$ 86,728
Adjustments to arrive at operating noninterest expense:					
Acquisition-related expenses	(2,822)	(1,081)	(493)	—	—
Net benefit (cost) of operation of OREO and OPPO	(758)	(485)	(23)	(114)	705
Loss on asset disposals	(1)	(110)	(166)	—	—
Business and Occupation ("B&O") taxes	(1,459)	(1,478)	(1,410)	(1,876)	(1,411)
Operating noninterest expense (numerator B)	$ 79,603	$ 79,687	$ 84,927	$ 82,710	$ 86,022
Net interest income (tax equivalent) (1)	$ 118,602	$ 124,789	$ 125,917	$ 123,110	$ 127,236
Noninterest income	23,692	21,019	20,402	21,696	25,648
Bank owned life insurance tax equivalent adjustment	455	373	390	404	424
Total revenue (tax equivalent) (denominator A)	142,749	146,181	146,709	145,210	153,308
Operating net interest income (tax equivalent) (1)	117,970	123,897	125,392	123,480	126,886
Adjustments to arrive at operating noninterest income (tax equivalent):					
Investment securities loss (gain), net	$ 33	$ 62	$ 16	$ (1,847)	$ (285)
Gain on asset disposals	(47)	(29)	(30)	—	—
Operating noninterest income (tax equivalent)	24,133	21,425	20,778	20,253	25,787
Total operating revenue (tax equivalent) (denominator B)	$ 142,103	$ 145,322	$ 146,170	$ 143,733	$ 152,673
Efficiency ratio (tax equivalent) (numerator A/denominator A)	59.29%	56.67%	59.31%	58.33%	56.57%
Operating efficiency ratio (tax equivalent) (numerator B/denominator B)	56.02%	54.83%	58.10%	57.54%	56.34%

Non-interest Expense net of Acquisition Related Expense $ in Thousands	2Q18	3Q18	4Q18	1Q19	2Q19
Compensation & Employee Benefits	$ 48,949	$ 49,419	$ 51,261	$ 52,085	$ 52,015
less: Related Acquisition Costs	(931)	(923)	(210)	—	—
Compensation & Employee Benefits net of ARC's	$ 48,018	$ 48,496	$ 51,051	$ 52,085	$ 52,015
Occupancy, Equipment & Depreciation	$ 9,276	$ 8,321	$ 8,858	$ 8,809	$ 8,712
less: Related Acquisition Costs	(586)	(29)	—	—	—
Occupancy, Equipment & Depreciation net of ARC's	$ 8,690	$ 8,292	$ 8,858	$ 8,809	$ 8,712
Total Noninterest Expense	$ 84,643	$ 82,841	$ 87,019	$ 84,700	$ 86,728
-Compensation and employee benefits	(48,949)	(49,419)	(51,261)	(52,085)	(52,015)
-Occupancy, Equipment & Depreciation	(9,276)	(8,321)	(8,858)	(8,809)	(8,712)
Other Noninterest Expense	$ 26,418	$ 25,101	$ 26,900	$ 23,806	$ 26,001
less: Related Acquisition Costs	(1,305)	(129)	(283)	—	—
Other Noninterest Expense net of ARC's	$ 25,113	$ 24,972	$ 26,617	$ 23,806	$ 26,001
Total Acquisition Related Costs	$ 2,822	$ 1,081	$ 493	$ —	$ —