

Columbia Banking System Inc.

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.

Lasting Strength

Sustained track record of driving long-term shareholder value

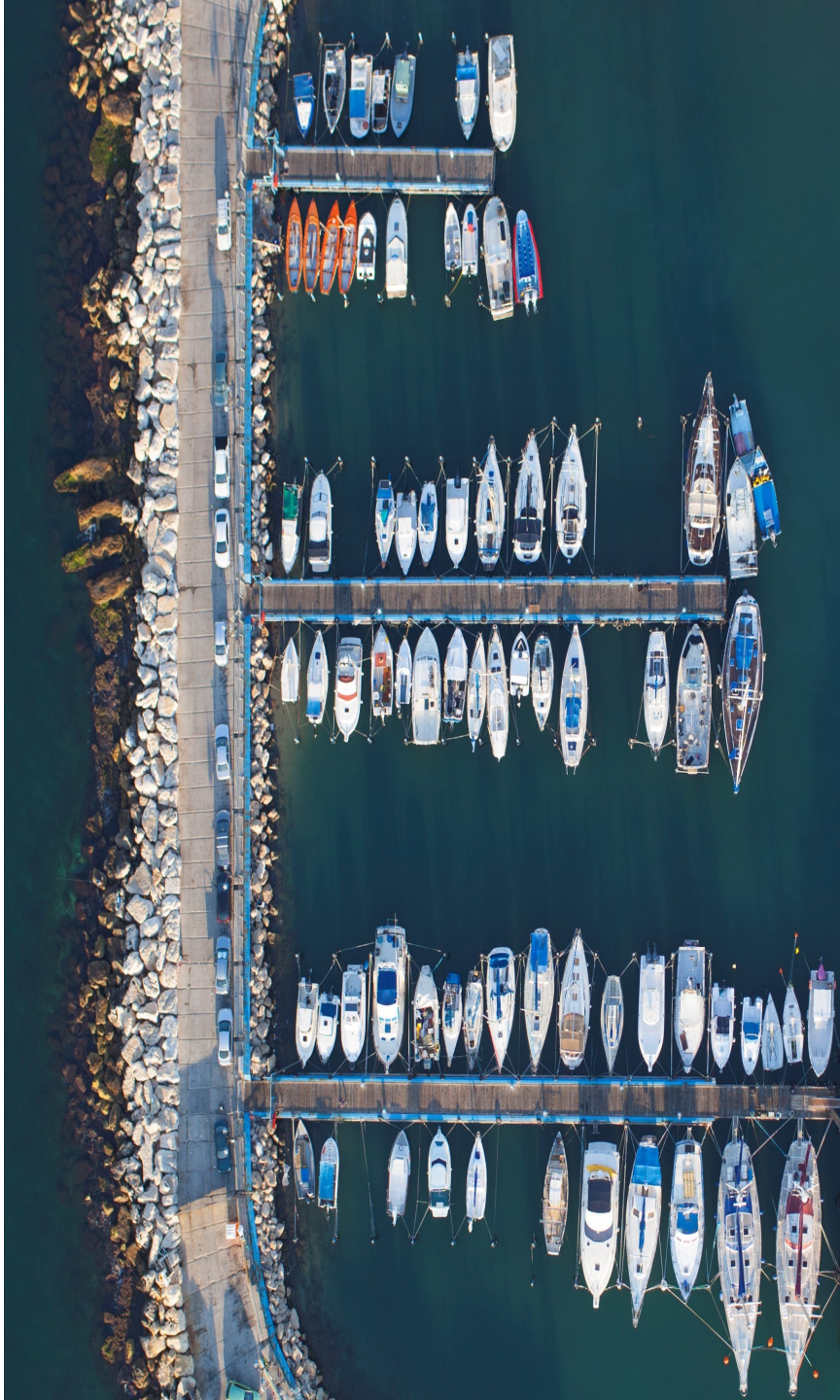
Maintained a strong capital position

Seasoned acquirer with proven integration results

Low-cost deposit funding base

Award-winning company that is committed to the communities it serves

Embedded in a strong US economic region



By the Numbers

$14.0 Billion in Total Assets
$8.9 Billion in Total Loans
$10.8 Billion in Total Deposits

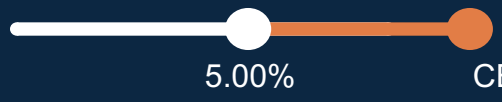
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146 Branches
48 Branch Consolidations
8 Acquisitions
3 Branch Sales
Over past 10 years

13.42% Total Risk Based Capital



9.85% Leverage Ratio



Represents Well-Capitalized Regulatory Minimum



Providing Support During COVID-19

Columbia Bank responded to the pandemic with an established, comprehensive and well-organized pandemic response plan that was fully tested in December 2018. We began executing the plan in early January escalating through pre-determined trigger points aligned with CDC and government guidelines. We have successfully ensured the safety and uninterrupted business operations for our employees, clients and communities.

Columbia Bank has originated **more than 4,400** Payment Protection Program loans, **totaling nearly $1 billion**.



Employees:

- Immediately deployed remote-working, split locations and staggered schedules
- Implemented social distancing best practices
- Enhanced employee pay and sick time

Clients:

- Increased communications with our clients as the pandemic evolved
- Continuing to provide relief options for clients facing financial hardships
- Opened a COVID-19 Business Recovery Resource Center on our company website to centralize client support
- All branches have remained open
- Launched our application portal for the Paycheck Protection Program to support Small Business owners

Communities:

- Increased our 2020 community giving efforts and sponsorship funds giving community partners more flexibility to respond to COVID-19
- Increased the Bank's employee giving match
- Created a specific Community Support portal that links employees to community needs
- Providing virtual volunteer opportunities

1Q 2020 Recap

First quarter net income of $14.6 million; diluted earnings per share of $0.20

Pre-tax, pre-provision income[(1)] of $59.4 million

Operating efficiency ratio[(1)] declined to 57.24%

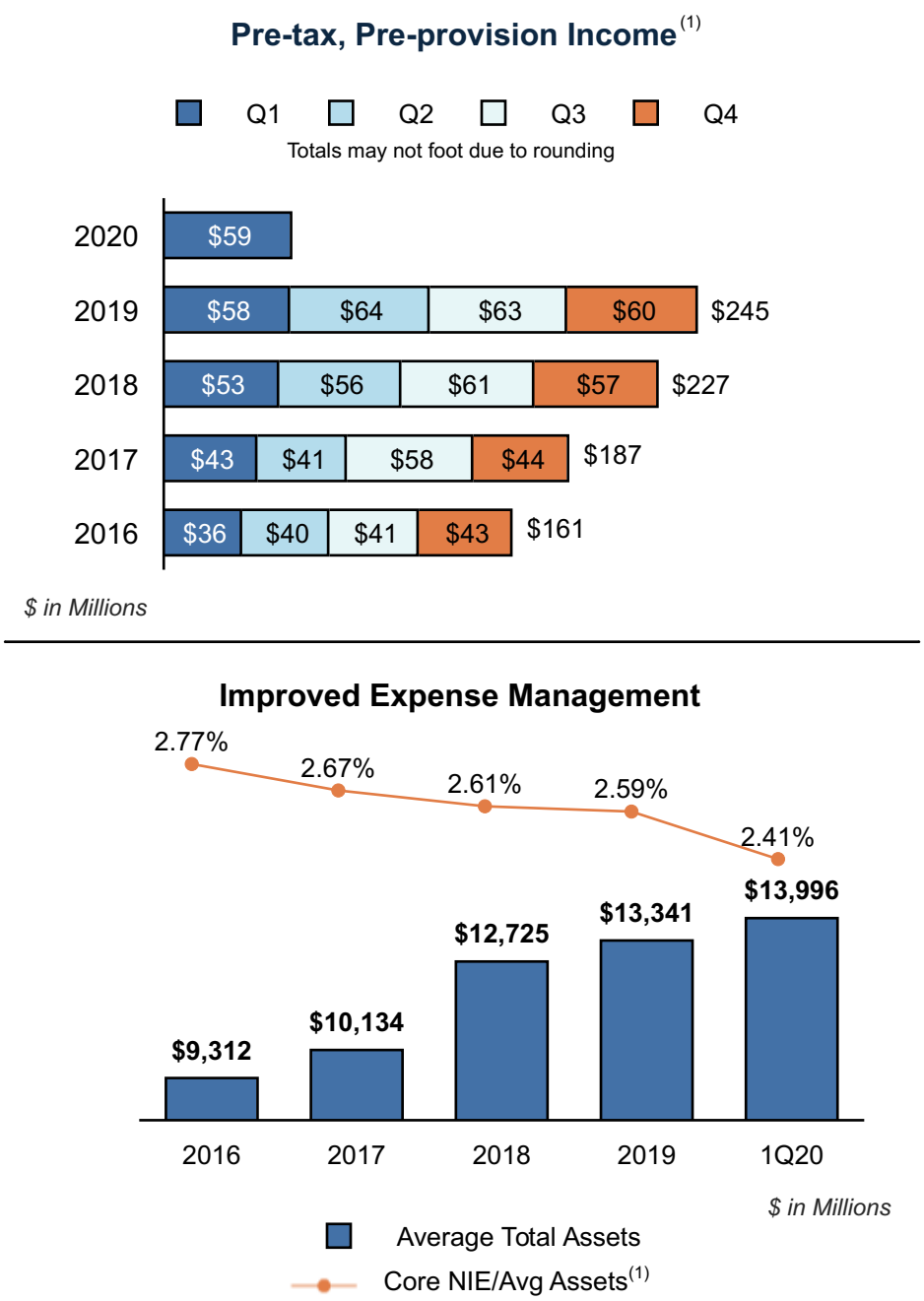
Stable net interest margin of 4.00%

Strong first quarter loan production of $331 million

Nonperforming assets to period end assets ratio increased to 0.34%

The allowance for credit losses to total loans increased to 1.37% reflecting the anticipated negative economic and financial trends caused by the COVID-19 pandemic

Declared a regular quarterly cash dividend of $0.28



(1) Non-GAAP financial measure. Refer to end of presentation for more information.

Summary Income Statement

$ in Thousands (except EPS)	1Q20	4Q19	3Q19	2Q19	1Q19
Net Interest Income	$122,422	$124,817	$122,450	$125,116	$121,022
Provision for Credit Losses	41,500	1,614	299	218	1,362
Net Interest Income after Provision for Credit Losses	**80,922**	**123,203**	**122,151**	**124,898**	**119,660**
Noninterest Income	21,207	21,807	28,030	25,648	21,696
Noninterest Expense	84,271	86,978	87,076	86,728	84,700
Pre-tax Net Income	**17,858**	**58,032**	**63,105**	**63,818**	**56,656**
Provision for Income Taxes	3,230	11,903	12,378	12,094	10,785
Net Income	**$14,628**	**$46,129**	**$50,727**	**$51,724**	**$45,871**
Pre-tax, Pre-Provision Income[(1)]	**$59,358**	**$59,646**	**$63,404**	**$64,036**	**$58,018**
EPS (Diluted)	$0.20	$0.64	$0.70	$0.71	$0.63
Weighted Avg # of Diluted Shares Outstanding	71,264	71,310	71,803	72,451	72,524

[(1)] Non-GAAP financial measure. Refer to end of presentation for more information.

Selected Balance Sheet & Ratios

$ in Millions	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
Total Assets	$14,039	$14,080	$13,758	$13,091	$13,064
Securities, Including Equity Securities & FHLB Stock	3,591	3,794	3,397	2,894	3,053
Loans, Net of unearned Income	8,933	8,743	8,756	8,647	8,521
Allowance for Credit Losses	122	84	83	81	83
Goodwill & Other Intangibles	799	801	804	806	809
Deposits	10,813	10,685	10,856	10,212	10,369
Total Shareholders' Equity	2,214	2,160	2,162	2,134	2,089
Ratios:					
Return on Average Assets	0.42%	1.34%	1.51%	1.58%	1.41%
Return on Average Equity	2.67%	8.50%	9.42%	9.87%	8.97%
Return on Average Tangible Common Equity[(1)]	4.72%	14.05%	15.67%	16.71%	15.57%
Loans/Deposits	83%	82%	81%	85%	82%
Tangible Common Equity[(1)]	10.68%	10.23%	10.48%	10.80%	10.44%

[(1)] Non-GAAP financial measure. Refer to end of presentation for more information.

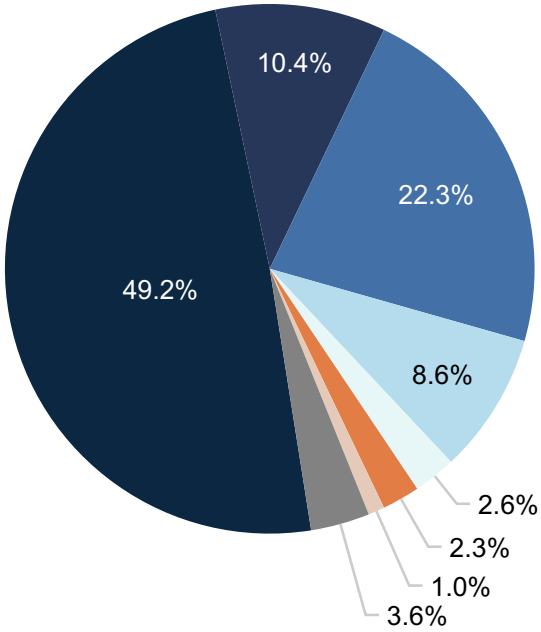
Diversified, Relationship-Centered Deposit Base

Solid deposit base that is well diversified across business & consumer.

Mar 31, 2019

$10.4 billion

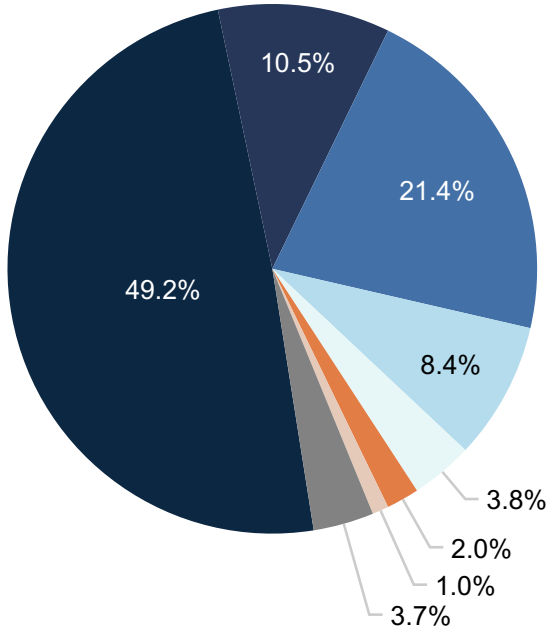
58% Business & 42% Consumer



Mar 31, 2020

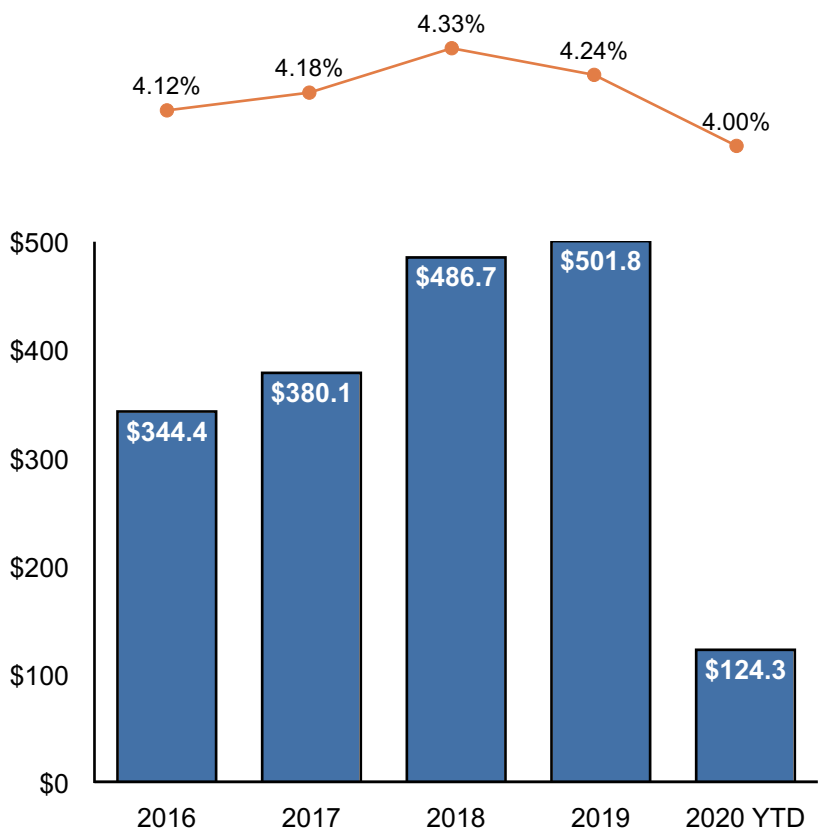
$10.8 billion

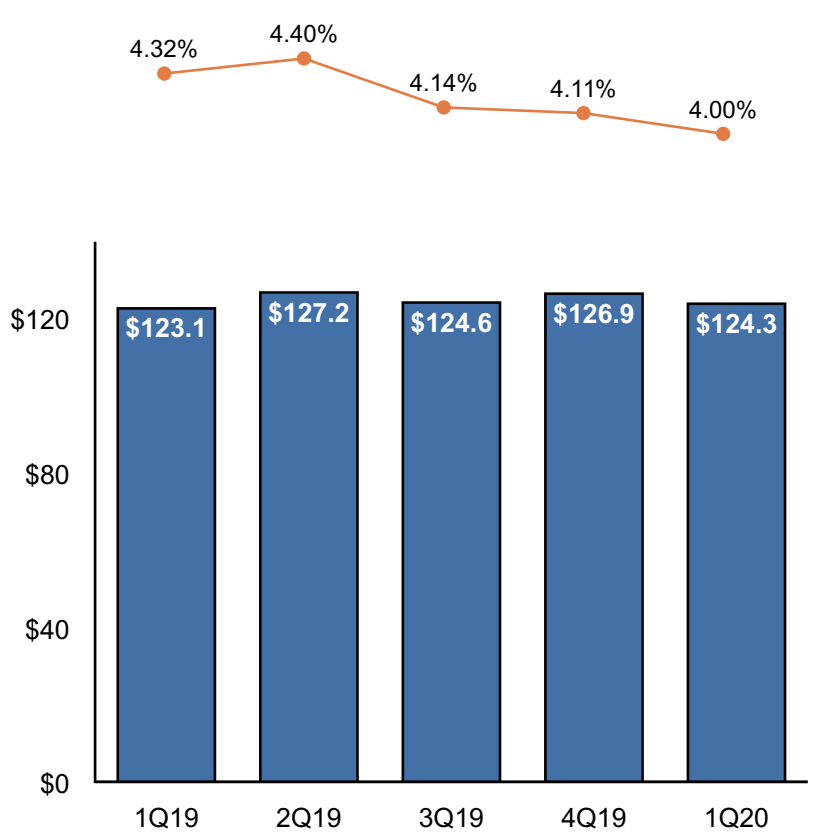
59% Business & 41% Consumer



- Demand and other noninterest-bearing
- Money market
- Interest-bearing public deposits, other than CDs
- Certificates of deposit, $250,000 or more
- Interest-bearing demand
- Savings
- Certificates of deposit, less than $250,000
- CDARS®, brokered CDs, & reciprocal money markets

Reported Net Interest Margin



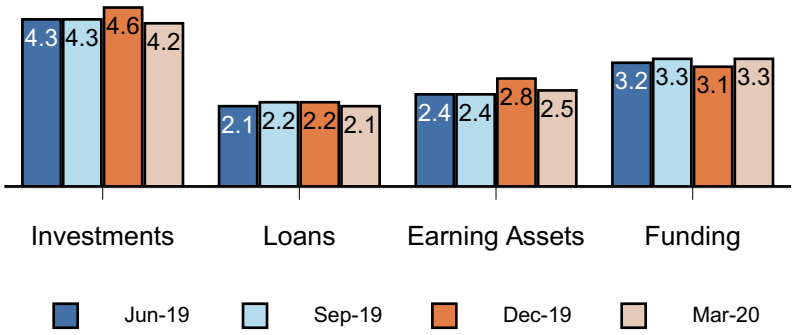


$ in Millions

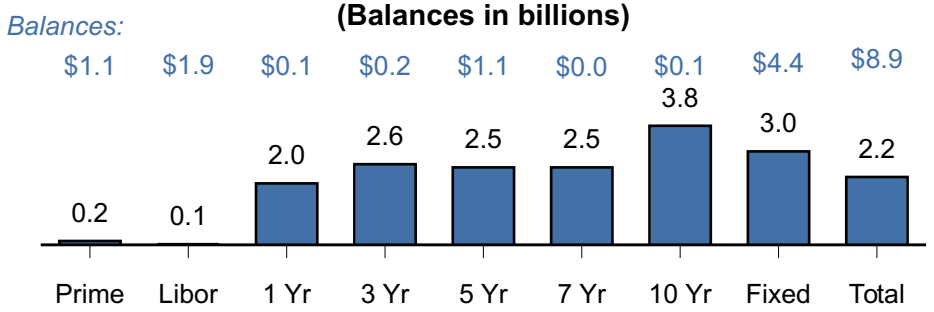
Interest Rate Sensitivity

Columbia Bank

Duration in Years



Loan Duration in Years by Repricing Period (Balances in billions)



Loan Repricing Detail

(in millions)	Dec-19	Mar-20	Dec-19	Mar-20
Fixed	$4,236	$4,364	48%	49%
Prime	1,101	1,125	13%	13%
1 Month	1,700	1,804	19%	20%
3 Month	132	130	1%	1%
Floating Rate	**$2,933**	**$3,059**	**33%**	**34%**
1 Year	$132	$131	1%	1%
3 Year	165	178	2%	2%
5 Year	1,137	1,088	13%	12%
7 Year	20	20	0%	0%
10 Year	147	124	3%	2%
Variable Rate	**$1,603**	**$1,540**	**19%**	**17%**
Total	**$8,772**	**$8,963**	**100%**	**100%**

Floating and Variable Rate Loans (in millions)

	<=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	$1,084	$3	$5	$9	$5	$9	$9	$1	**$1,125**
1 MO	1,776	8	—	3	1	—	1	14	**1,803**
3 MO	126	—	—	—	4	—	—	—	**130**
1 YR	10	7	30	4	3	7	14	55	**131**
3 YR	9	1	24	21	31	17	25	50	**178**
5 YR	45	20	97	272	253	157	186	58	**1,088**
10 YR	—	—	—	6	2	5	24	106	**143**
	$3,051	**$38**	**$157**	**$316**	**$300**	**$195**	**$259**	**$283**	**$4,599**

Fixed Loan Rate Maturities (in millions)

	<=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
Fixed	**$36**	**$32**	**$53**	**$150**	**$280**	**$337**	**$377**	**$3,100**	**$4,364**

Floating or Variable Loan Repricing (in millions)

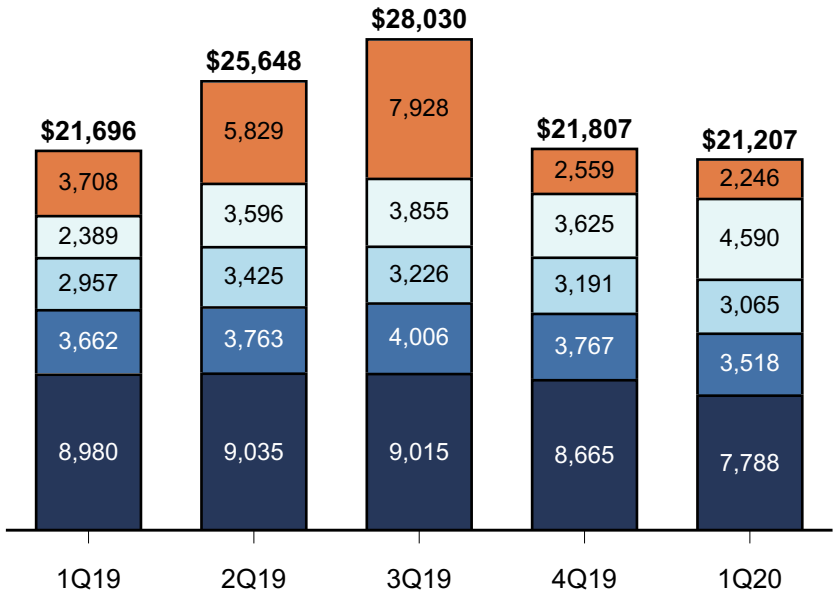
	No Floor	At Floor	0-100 bp	101-200	>200 bp	Total
Balances	**$2,508**	**$1,470**	**$463**	**$123**	**$35**	**$4,599**

Totals may not foot due to rounding

Noninterest Income & Noninterest Expense

Columbia Bank

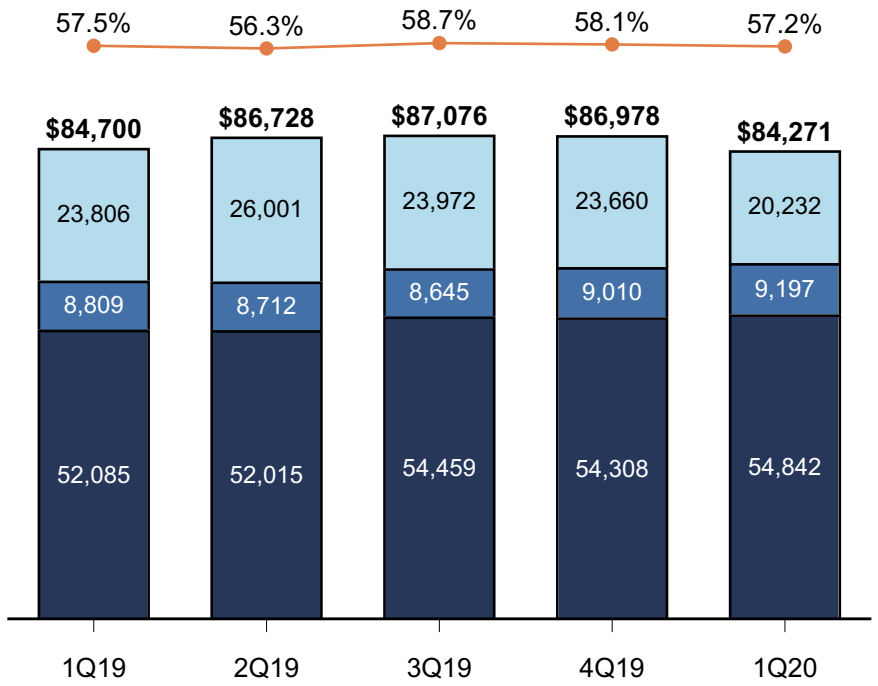
Noninterest Income



$ in Thousands

- Deposit Account & Treasury Management Fees
- Card Revenue
- Financial Services & Trust Revenue
- Loan Revenue
- Other Noninterest Income

Noninterest Expense

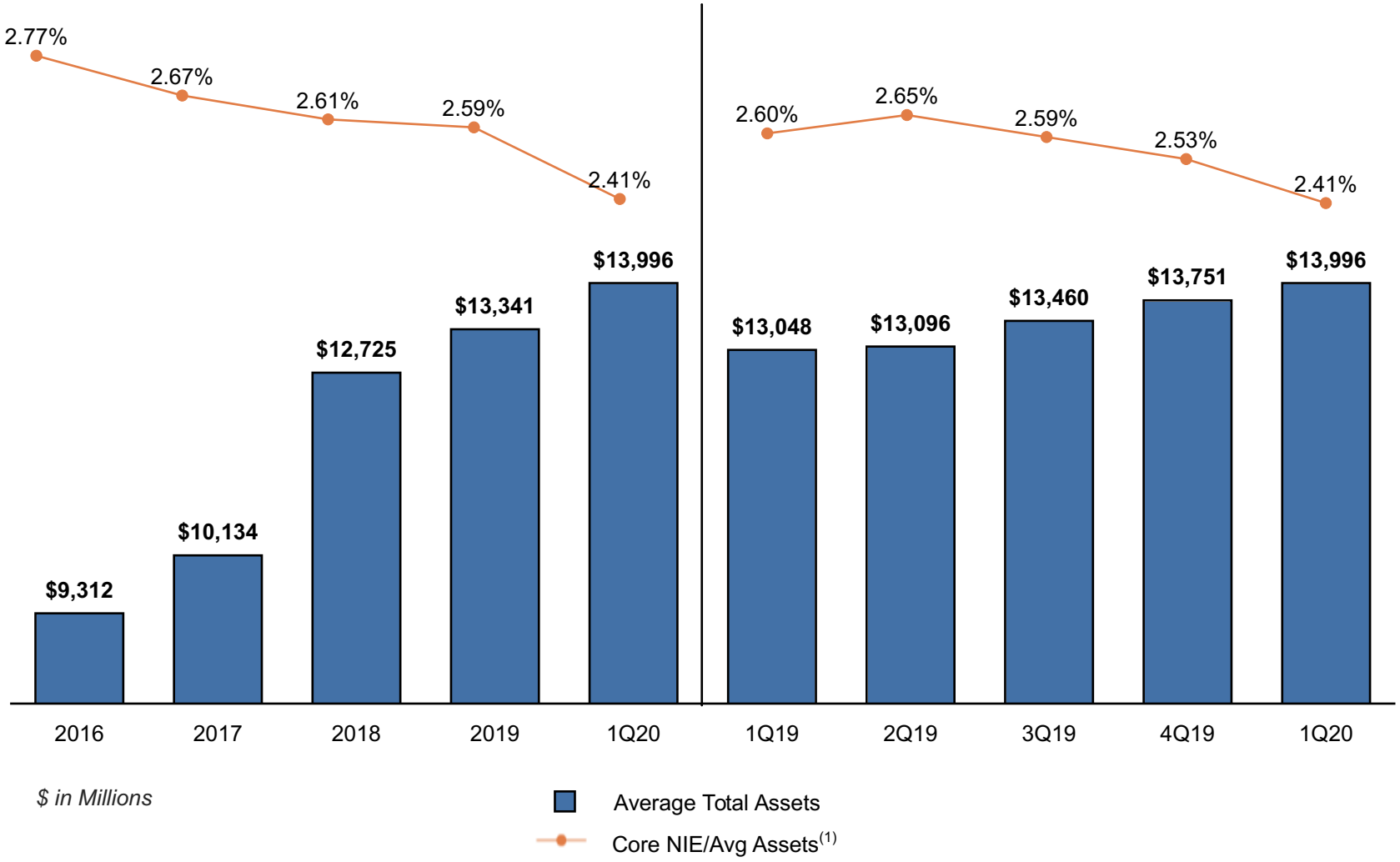


$ in Thousands

- Compensation & Employee Benefits
- Occupancy, Equipment & Depreciation
- Other Noninterest Expense
- Operating Efficiency Ratio [1]

[1] Non-GAAP financial measure. Refer to end of presentation for more information.

Improved Expense Management

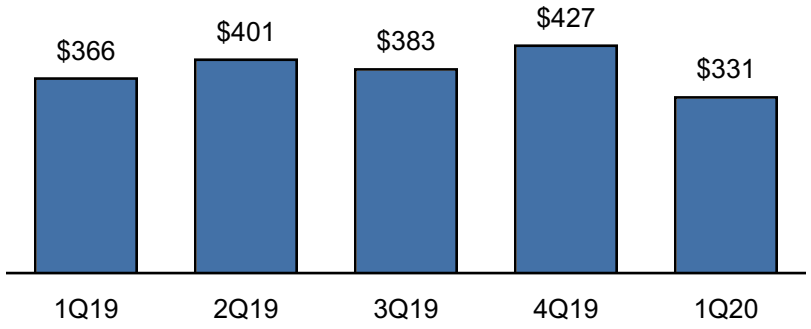


(1) Non-GAAP financial measure. Refer to end of presentation for more information.

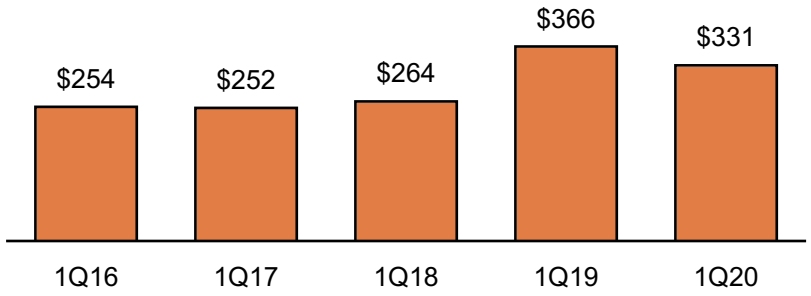
Total Loans, Net of Unearned Income

Columbia Bank

Rolling 5 Quarter Loan Production



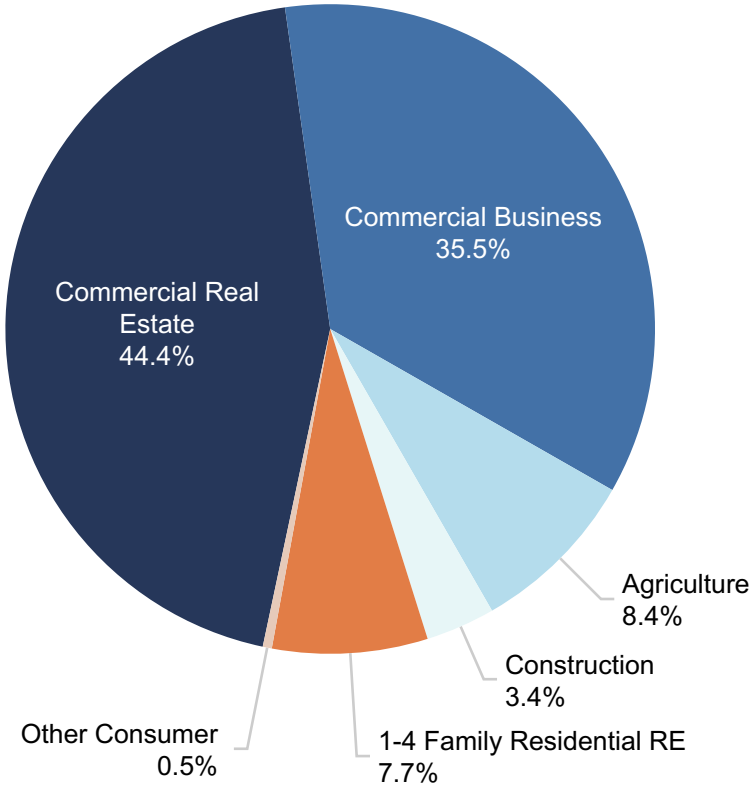
1st Quarter Loan Production



$ in Millions

Total Loans = $8.9 billion

Annual growth = 4.8%

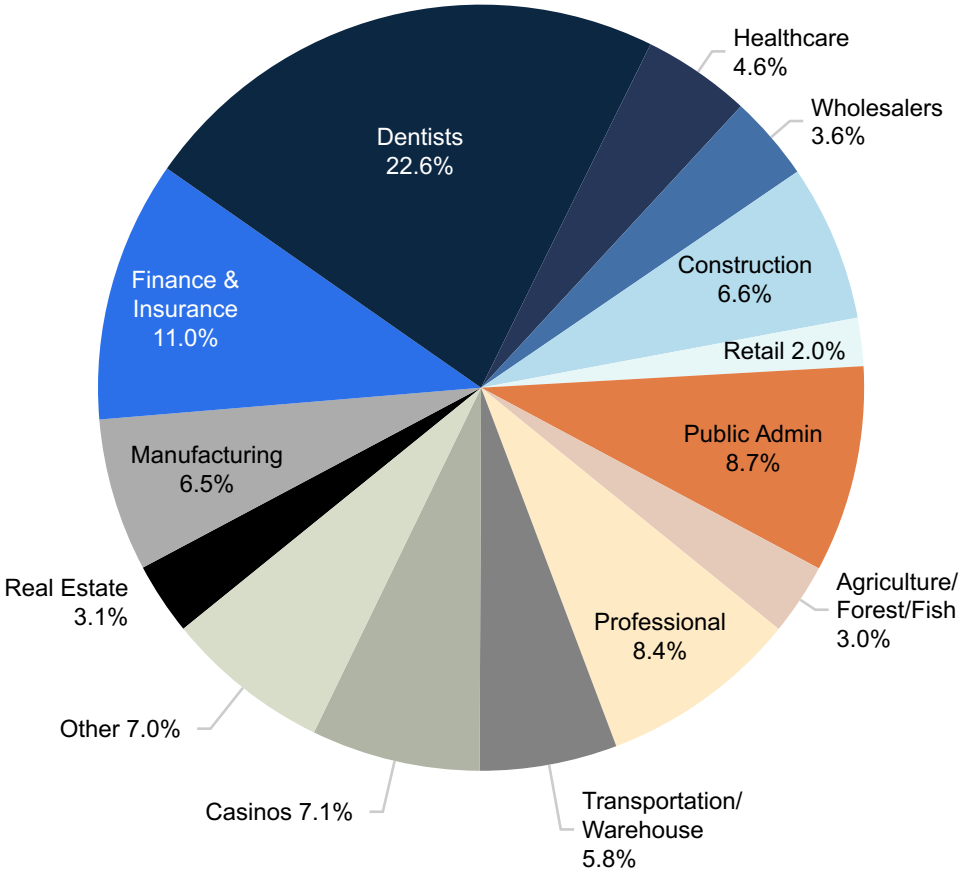


As of Mar 31, 2020

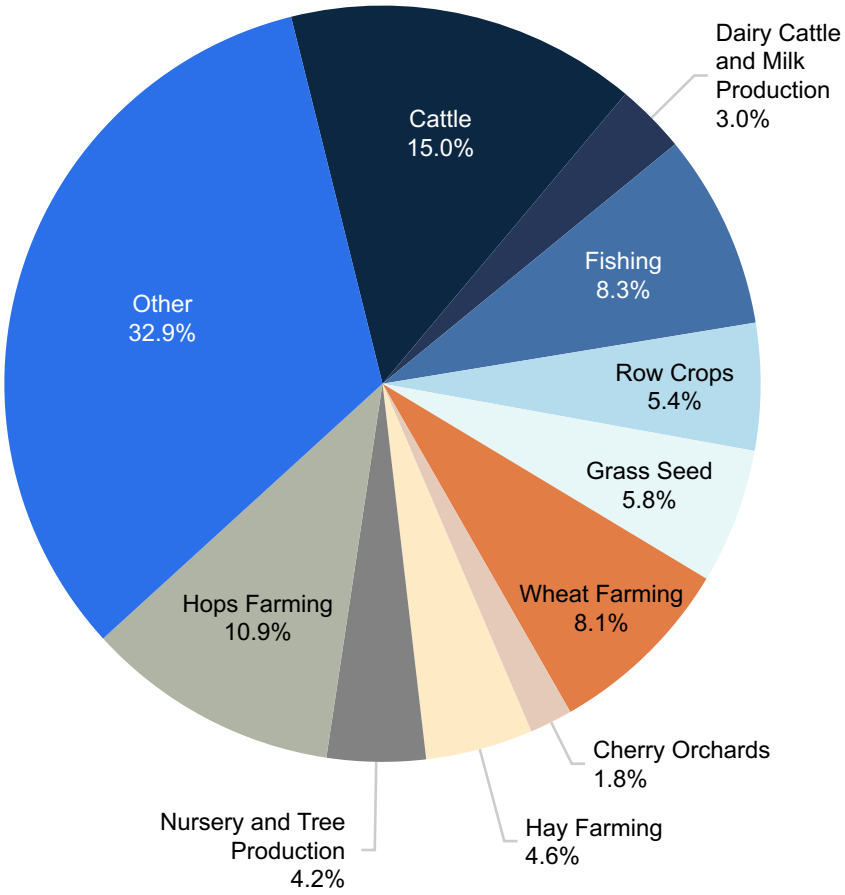
Well Diversified C&I and Agriculture Loan Portfolios

Columbia Bank

C&I Portfolio
$3.2 billion



Agriculture Portfolio
$757 million



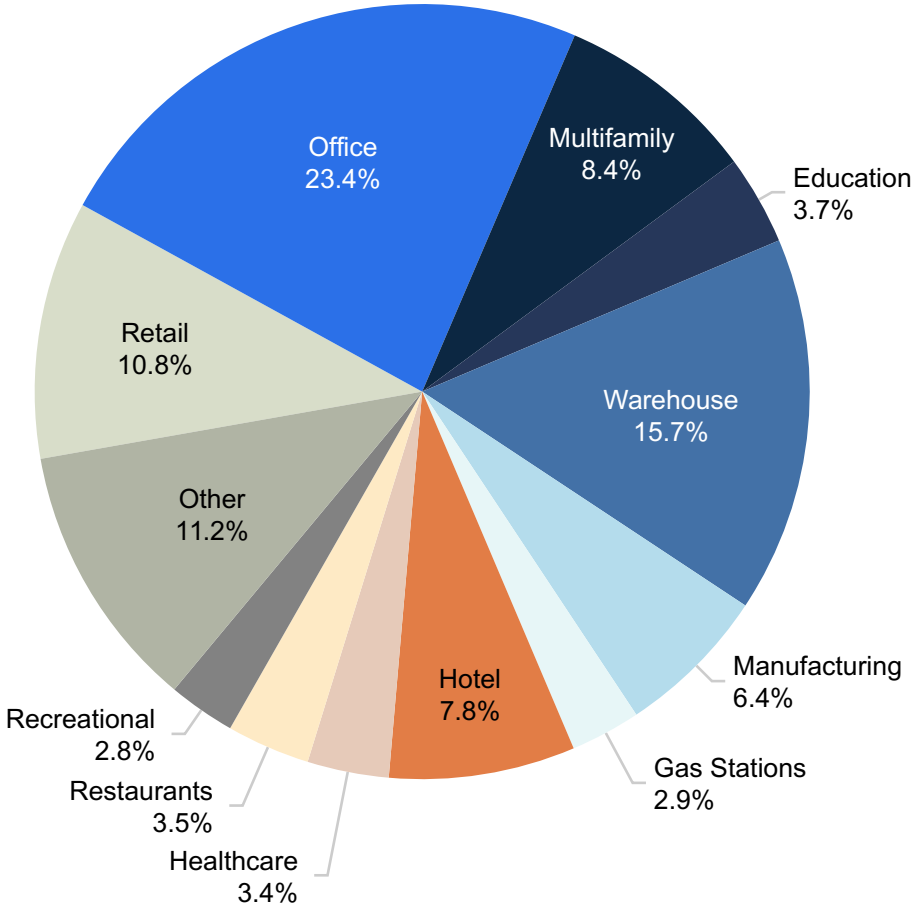
As of Mar 31, 2020

Balanced CRE Loan Portfolio

Columbia Bank

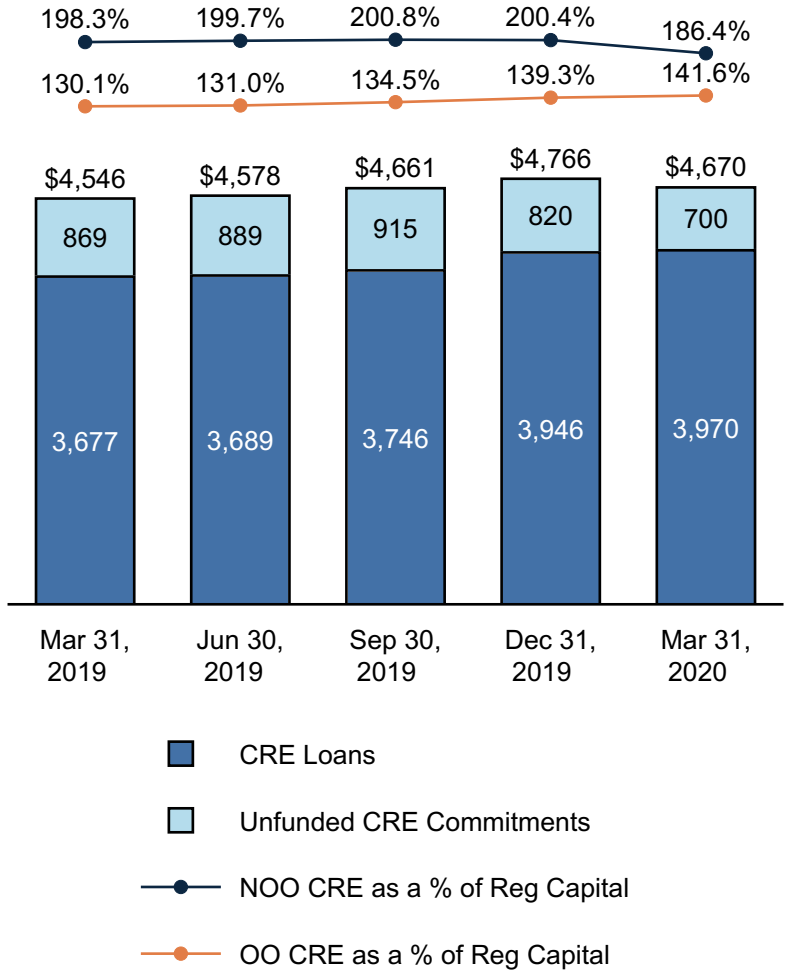
CRE Portfolio $4.0 billion

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



As of Mar 31, 2020

Consistent CRE Coverage

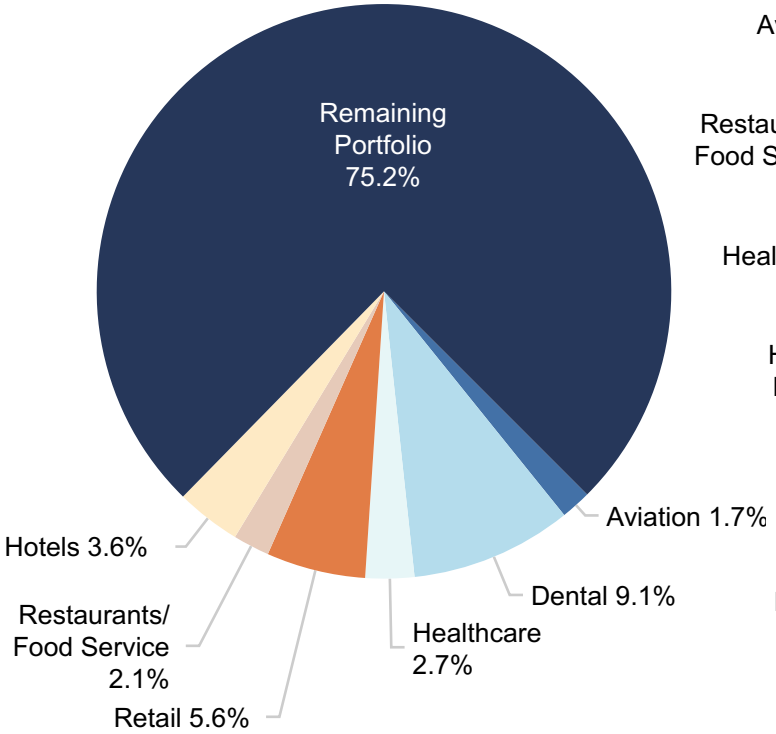


$ in Millions

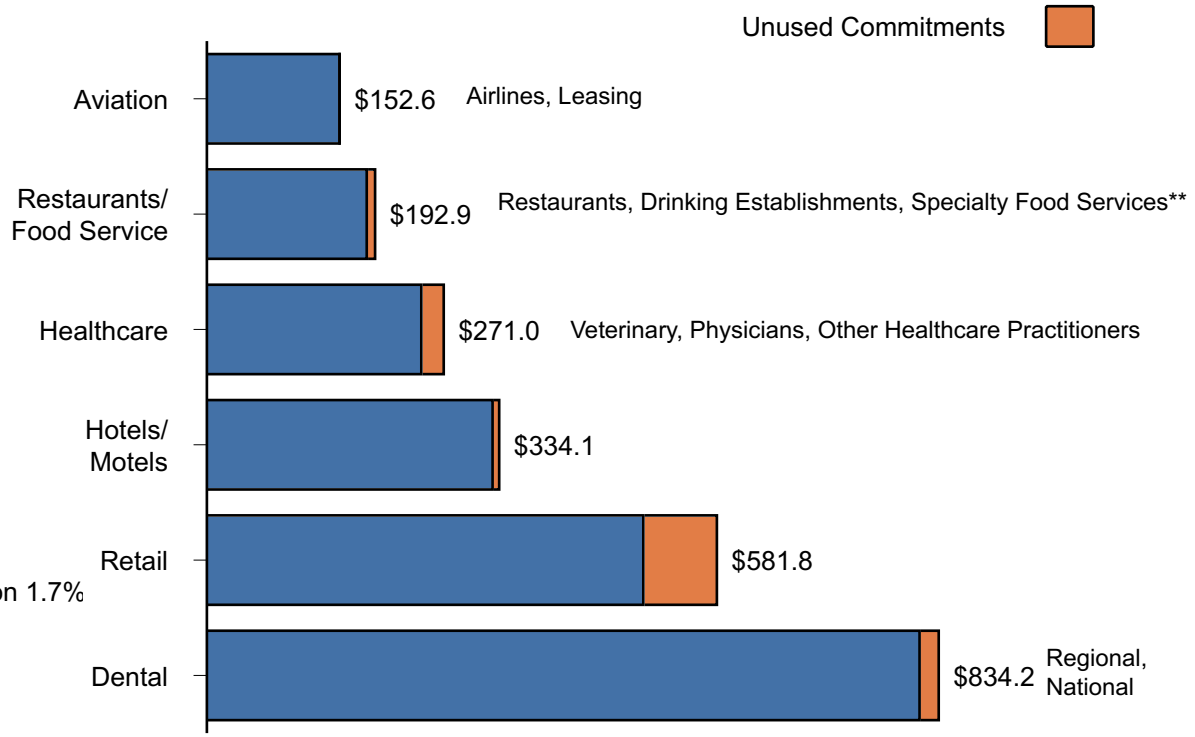
Exposure in Stressed Sectors*

Columbia Bank

Total Outstanding Loans
$8.9 billion



Total Stressed Sector Commitments
$2.4 billion

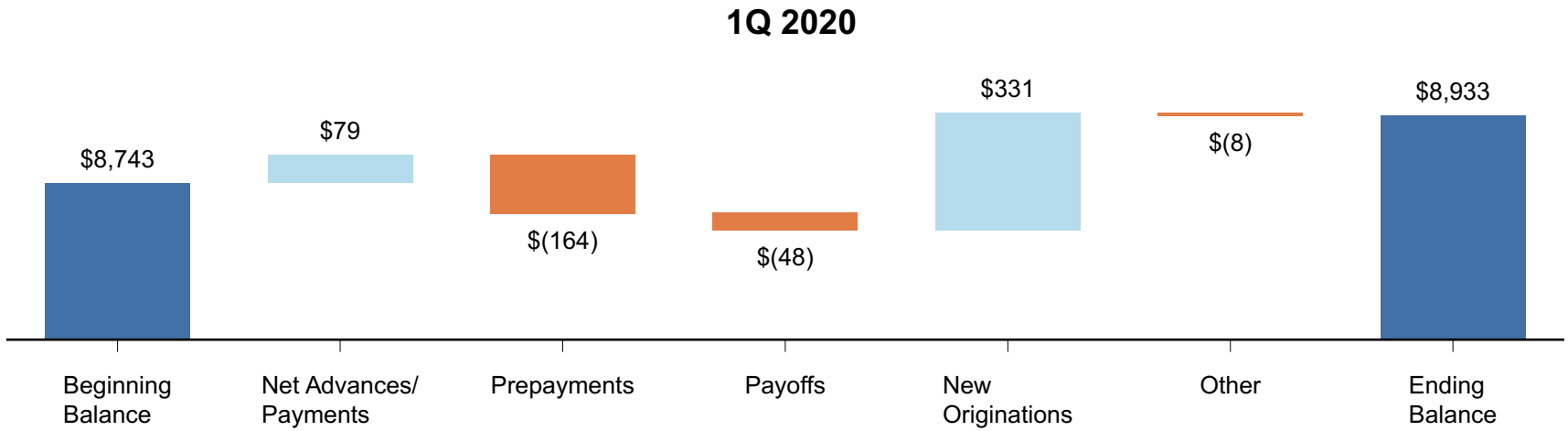


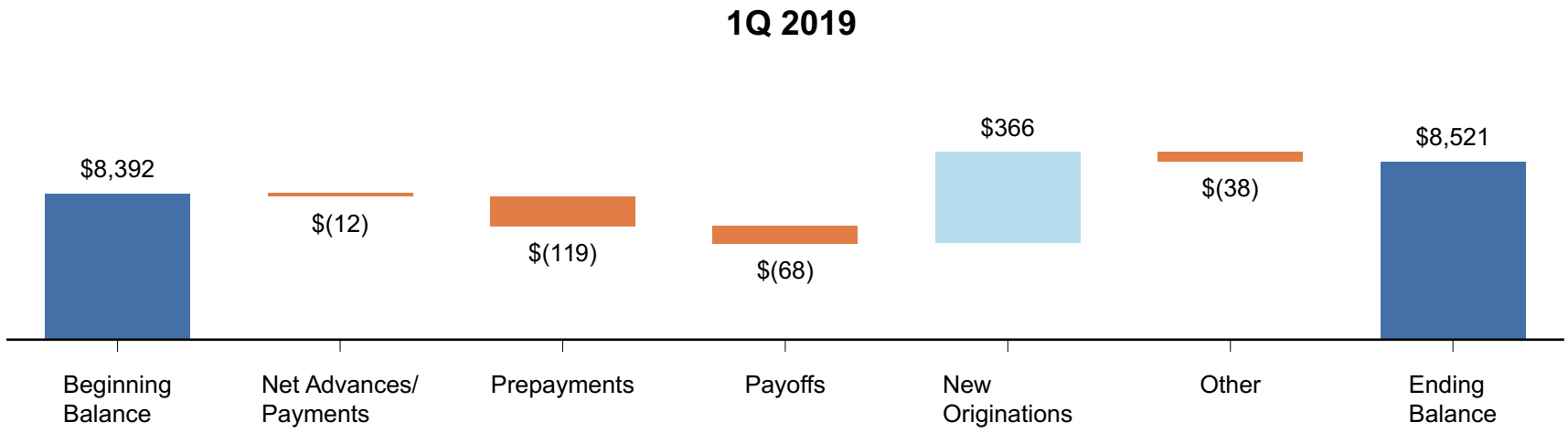
$ in Millions

As of Mar 31, 2020

*Before deferred fees and discounts
**Specialty Food Services includes mobile food services, caterers, and food service contractors

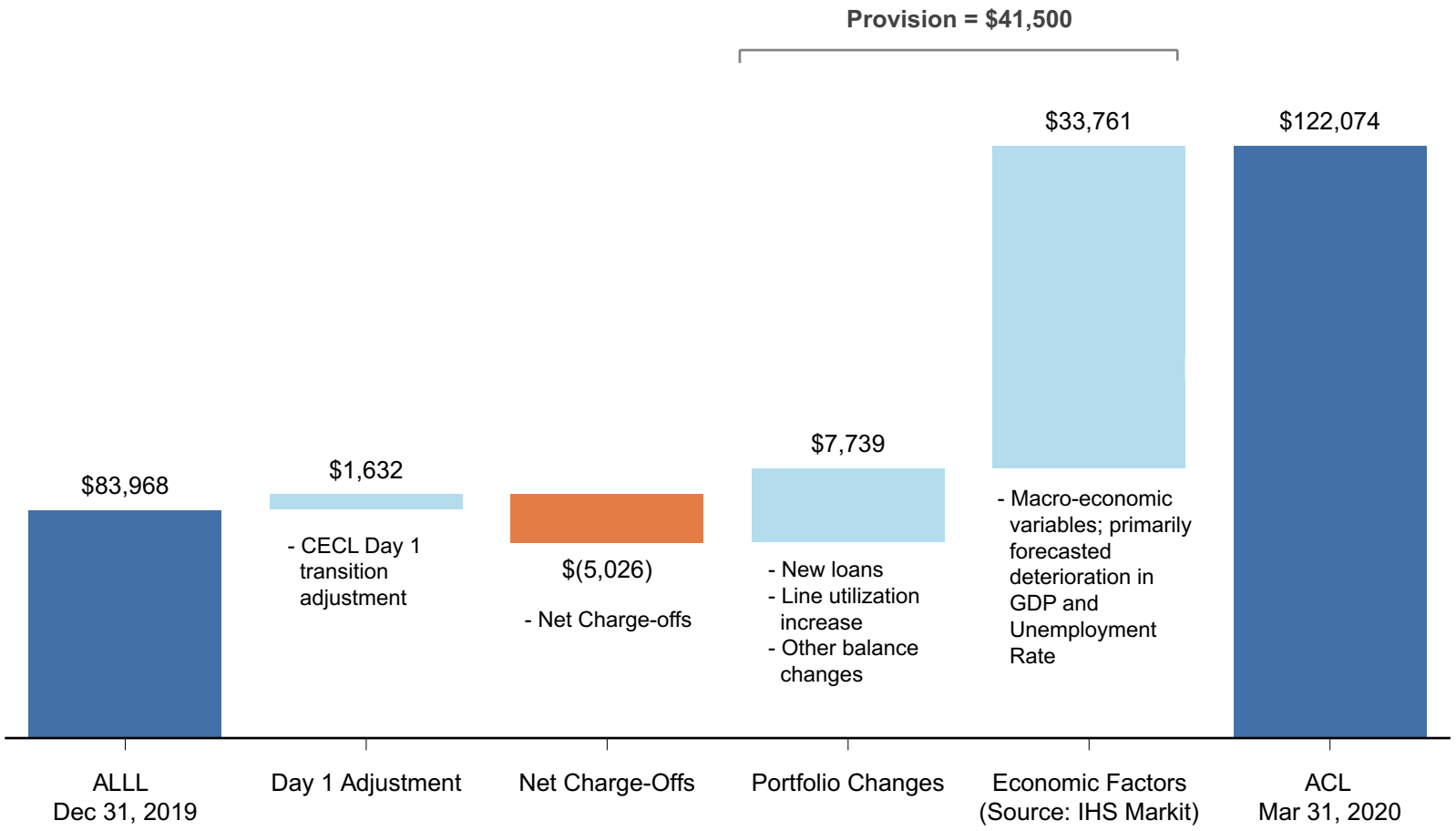
Components of 1Q Change in Loans





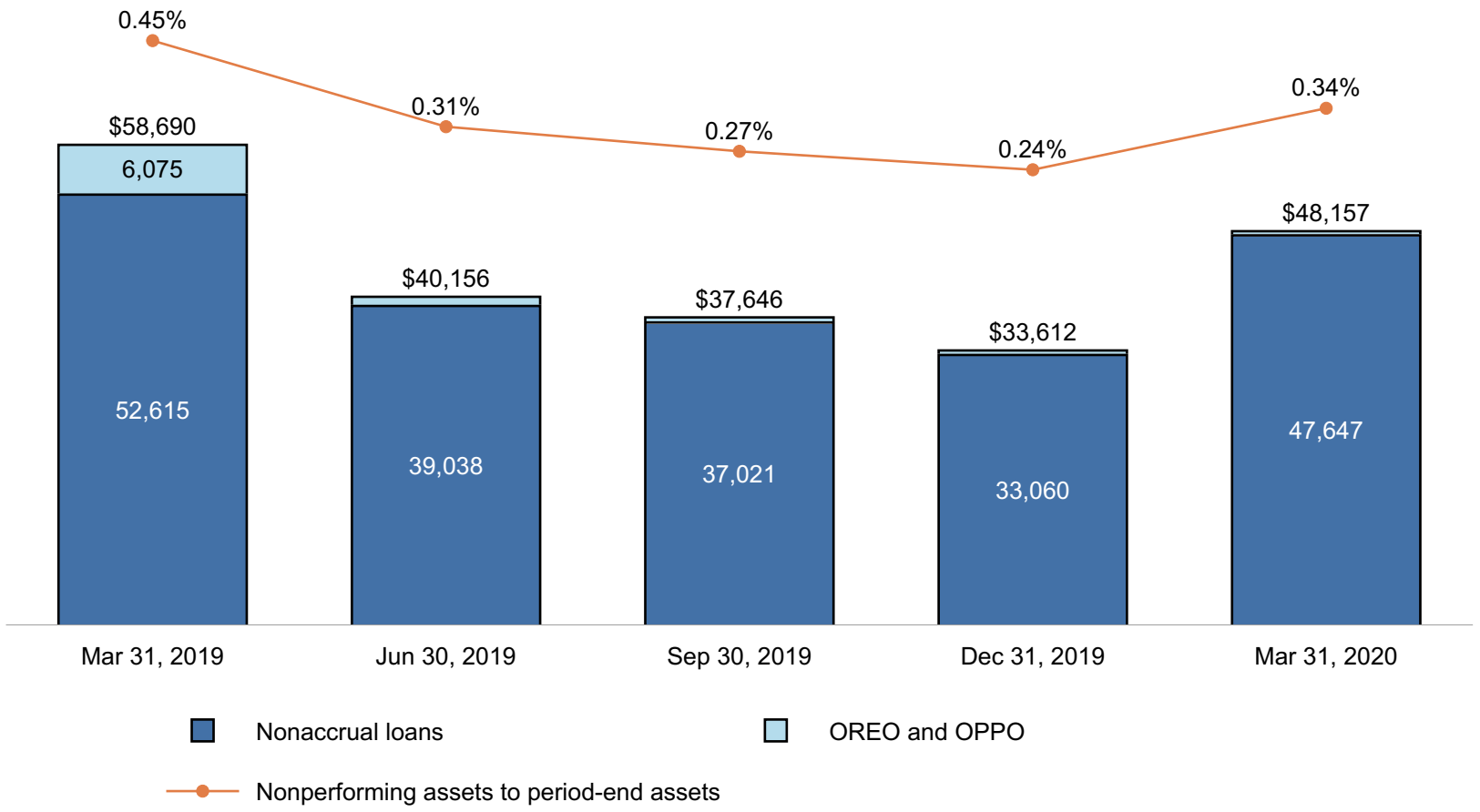
$ in Millions

Drivers of 1Q Allowance for Credit Losses (ACL) Change



$ in Thousands

Nonperforming Assets

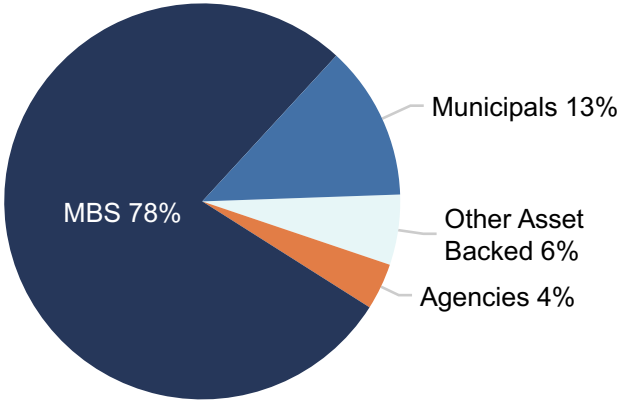


$ in Thousands

Highly Liquid, Risk Averse Securities Portfolio[1]

Columbia Bank

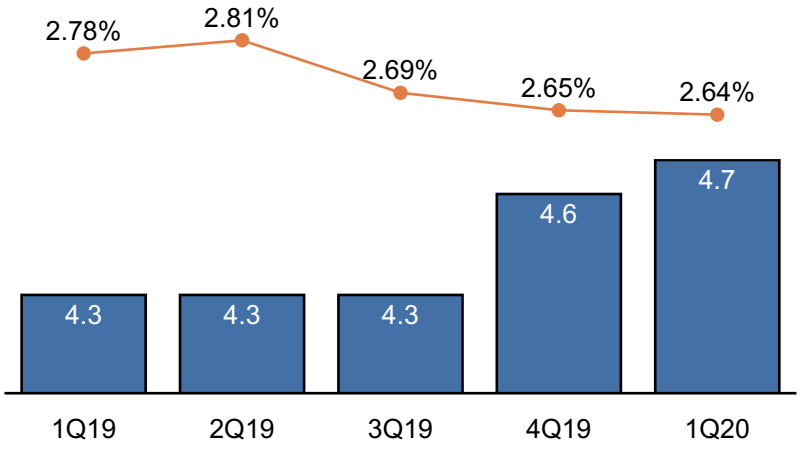
Portfolio Mix
$3.6 billion



Portfolio is well positioned for a challenging economic environment:

- Strong credit quality with focus on agencies and high-quality municipal securities; no private-label MBS
- Partially funded with short-term borrowings as part of our interest rate risk strategy
- Over half of the MBS portfolio is Agency Commercial Mortgage Backed Securities (ACMBS), which mitigates prepayment risk

Portfolio Duration[2] & Yield



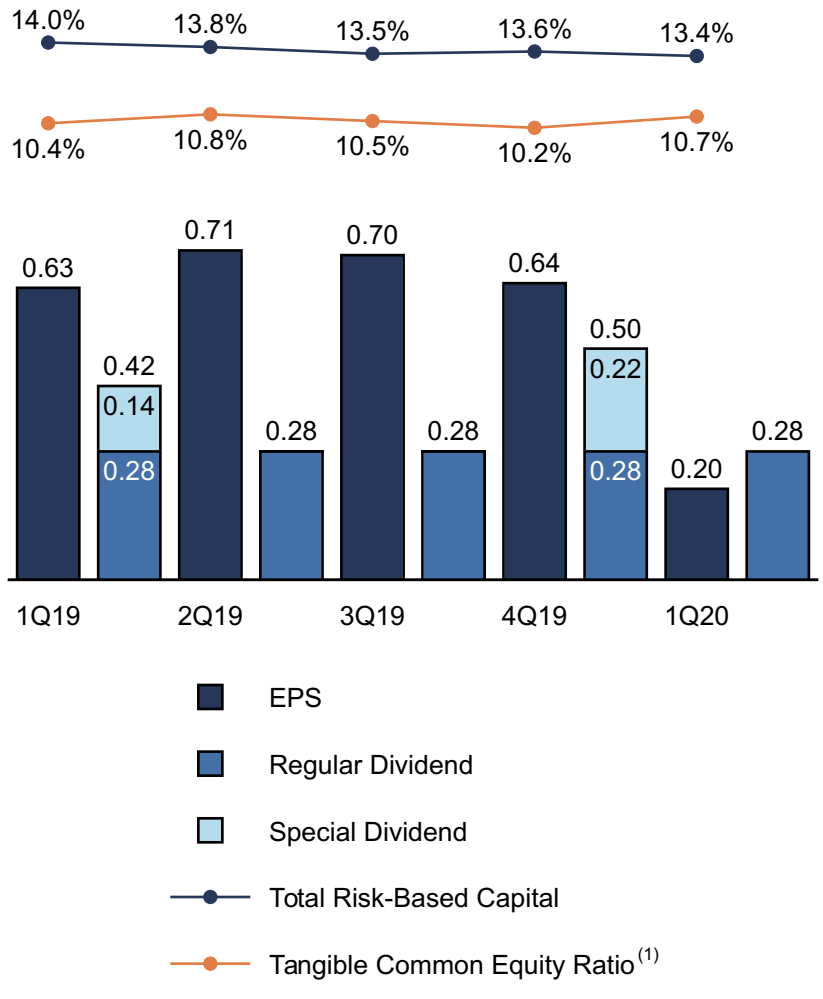
Summary of Credit Ratings

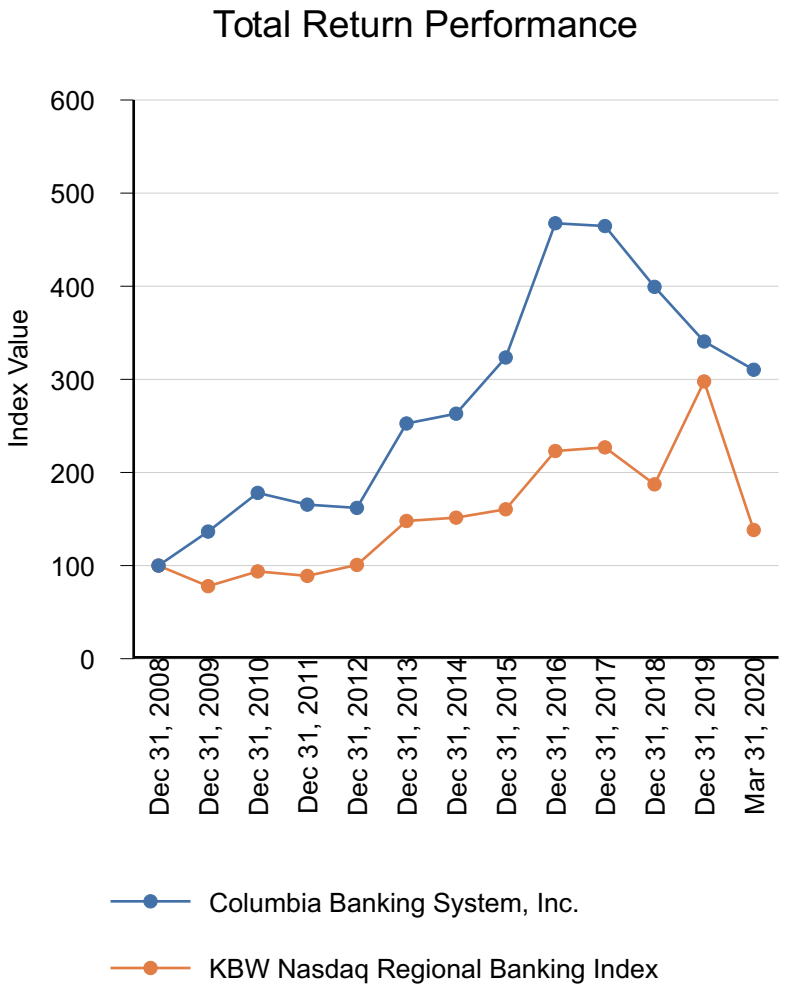
March 31, 2020

	MBS	Munis	Other Asset Backed	Agencies	Total	% of Total
AAA	$2,766	$228	$204	$135	$3,333	94%
AA	-	197	-	-	197	6%
A	-	13	-	-	13	—%
Nonrated	-	10	-	-	10	—%
Total	**$2,766**	**$448**	**$204**	**$135**	**$3,553**	**100%**
Avg Yield	2.30%	2.96%	2.30%	2.42%	2.64%	
Duration*	4.9	4.0	6.9	2.9	4.7	

[1] Excludes FHLB Stock
[2] Duration shown in Years

Strong Capital, Dividend Payouts & Total Return





(1) Non-GAAP financial measure. Refer to end of presentation for more information.

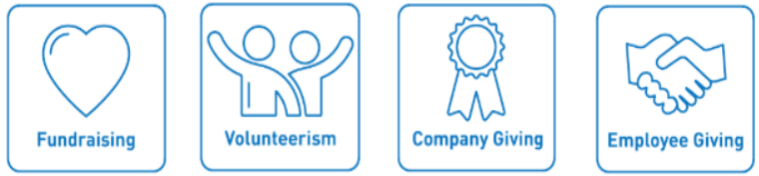
Dedicated to Our Communities

At Columbia Bank, we empower employees to address the unique needs of their communities and offer support in the manner that makes the biggest difference.

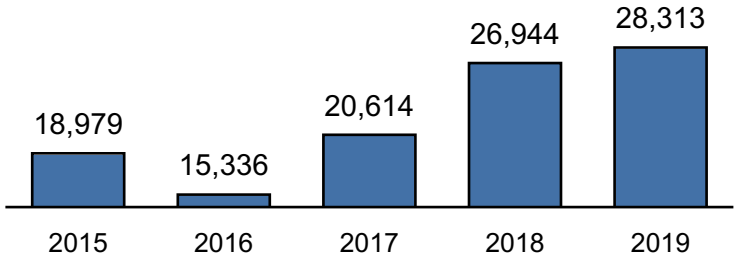
Our employees are encouraged to use paid volunteer time each year to actively engage with the nonprofits they care about most.

With every fundraising initiative, Columbia Bank is 100 percent committed to keeping every dollar raised within the community from which it originated.

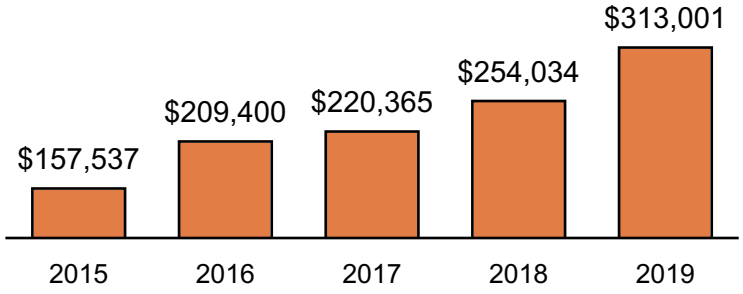
Four Pillars of Community Engagement



Annual Employee Volunteer Hours



Annual Warm Hearts Drive



Columbia – An Award-Winning Company

Columbia Bank

Forbes 2020 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

PORTLAND BUSINESS JOURNAL 2019 CORPORATE PHILANTHROPY Columbia Bank

Portland Business Journal
2019 Corporate Philanthropy Award

PUGET SOUND BUSINESS JOURNAL BEST

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

EXTRAORDINARY BANKING AWARDS 2019 WINNER

Institute of Extraordinary Banking
2019 Banky™ Award
& Money Smarts Banky™ Award

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

PUGET SOUND BUSINESS JOURNAL PRESENTS 100 POWER 100

Power 100
Puget Sound Business Journal

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

Best of the MID-VALLEY SILVER

Salem Statesman Journal
2019 Best Bank

#1 SBA LENDER PORTLAND DISTRICT SBA

MOST INNOVATIVE PROJECT ENERGY TRUST OF OREGON

HIGHEST PERCENT ELECTRICITY SAVINGS ENERGY TRUST OF OREGON

MOST INFLUENTIAL CORPORATE DIRECTORS WomenInc.

20% BY 2020 2020 WOMEN ON BOARDS

2020 Women on Boards
2019 Winning 'W' Company

Executive Leadership Team



Clint Stein
President
Chief Executive Officer



Kumi Yamamoto Baruffi
Executive Vice President
General Counsel



Lisa Dow
Executive Vice President
Chief Risk Officer



Aaron James Deer
Executive Vice President
Chief Financial Officer



Eric Eid
Executive Vice President
Chief Digital & Technology Officer



Chris Merrywell
Executive Vice President
Chief Operating Officer



Dave Lawson
Executive Vice President
Human Resources Director



Andy McDonald
Executive Vice President
Chief Credit Officer



David Moore Devine
Executive Vice President
Chief Marketing & Experience Officer

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Non-GAAP Financial Measures

Columbia Bank

Operating Efficiency Ratio *$ in Thousands*	1Q19	2Q19	3Q19	4Q19	1Q20
Noninterest expense (numerator A)	$84,700	$86,728	$87,076	$86,978	$84,271
Adjustments to arrive at operating noninterest expense:					
Net benefit (cost) of operation of OREO and OPPO	(114)	705	113	10	(4)
Loss on asset disposals	—	—	(5)	—	(4)
Business and Occupation ("B&O") taxes	(1,876)	(1,411)	(1,325)	(1,234)	(624)
Operating noninterest expense (numerator B)	$82,710	$86,022	$85,859	$85,754	$83,639
Net interest income (tax equivalent) (1)	$123,110	$127,236	$124,572	$126,852	$124,333
Noninterest income	21,696	25,648	28,030	21,807	21,207
Bank owned life insurance tax equivalent adjustment	404	424	406	439	424
Total revenue (tax equivalent) (denominator A)	$145,210	$153,308	$153,008	$149,098	$145,964
Operating net interest income (tax equivalent) (1)	$ 123,480	$ 126,886	$ 124,060	$ 125,949	$ 124,757
Adjustments to arrive at operating noninterest income (tax equivalent):					
Investment securities loss (gain), net	(1,847)	(285)	—	—	(249)
Gain on asset disposals	—	—	(6,104)	(530)	(21)
Operating noninterest income (tax equivalent)	$20,253	$25,787	$22,332	$21,716	$21,361
Total operating revenue (tax equivalent) (denominator B)	$143,733	$152,673	$146,392	$147,665	$146,118
Efficiency ratio (tax equivalent) (numerator A/denominator A)	58.33%	56.57%	56.91%	58.34%	57.73%
Operating efficiency ratio (tax equivalent) (numerator B/denominator B)	57.54%	56.34%	58.65%	58.07%	57.24%

Tangible Common Equity *$ in Thousands*	1Q19	2Q19	3Q19	4Q19	1Q20
Total Shareholders' Equity	2,088,620	2,133,638	2,161,577	2,159,962	2,213,602
- Goodwill	(765,842)	(765,842)	(765,842)	(765,842)	(765,842)
- Other Intangible Assets, net	(43,189)	(40,540)	(37,908)	(35,458)	(33,148)
Tangible Common Equity	**$1,279,589**	**$1,327,256**	**$1,357,827**	**$1,358,662**	**$1,414,612**
Total Assets	13,064,436	13,090,808	13,757,760	14,079,524	14,038,503
Goodwill	(765,842)	(765,842)	(765,842)	(765,842)	(765,842)
- Other Intangible Assets, net	(43,189)	(40,540)	(37,908)	(35,458)	(33,148)
Tangible Assets	**$12,255,405**	**$12,284,426**	**$12,954,010**	**$13,278,224**	**$13,239,513**
Tangible Common Equity Ratio	**10.44%**	**10.80%**	**10.48%**	**10.23%**	**10.68%**

ROATCE *$ in Thousands*	1Q19	2Q19	3Q19	4Q19	1Q20
Net Inc Applicable to Common Shareholders	**$45,871**	**$51,724**	**$50,727**	**$46,129**	**$14,628**
+ Amortization of Intangibles	2,748	2,649	2,632	2,450	2,310
- Tax Effect on Intangible Amort	(577)	(556)	(553)	(515)	(485)
Adjusted Net Inc	**$48,042**	**$53,817**	**$52,806**	**$48,064**	**$16,453**
Avg Shareholders' Equity	**$ 2,044,832**	**$ 2,096,157**	**$ 2,152,916**	**$ 2,170,879**	**$ 2,193,051**
- Average Intangibles	(810,376)	(807,678)	(805,033)	(802,446)	(800,079)
Adjusted Avg Common Shareholders' Equity	**$ 1,234,456**	**$ 1,288,479**	**$ 1,347,883**	**$ 1,368,433**	**$ 1,392,972**
Return on Average Tangible Common Shareholders' Equity	**15.57%**	**16.71%**	**15.67%**	**14.05%**	**4.72%**

Non-GAAP Financial Measures

Columbia Bank

NIE/Average Assets *$ in Thousands*	2016	2017	2018	2019	2020	1Q19	2Q19	3Q19	4Q19	1Q20
Reported Noninterest Expense	**$261,142**	**$291,017**	**$340,490**	**$345,482**	**$84,271**	**$84,700**	**$86,728**	**$87,076**	**$86,978**	**$84,271**
- FDIC Clawback (Expense)/Recap[3]	(280)	54	—	—	—	—	—	—	—	—
- Acquisition Related Costs	(2,727)	(17,196)	(8,661)	—	—	—	—	—	—	—
- Net OREO/OPPO Exp[1]	(544)	(466)	—	—	—	—	—	—	—	—
- Term of FDIC Loss Sharing Agreement	—	(2,409)	—	—	—	—	—	—	—	—
Core Noninterest Exp	**$257,591**	**$271,000**	**$331,829**	**$345,482**	**$84,271**	**$84,700**	**$86,728**	**$87,076**	**$86,978**	**$84,271**
Average Assets	**9,311,621**	**10,134,306**	**12,725,086**	**13,341,024**	**13,995,632**	**13,048,041**	**13,096,413**	**13,459,774**	**13,750,840**	**13,995,632**
Noninterest Expense/ Average Assets	2.80%	2.87%	2.68%	2.59%	2.41%	2.60%	2.65%	2.59%	2.53%	2.41%
Core NIE/Average Assets	2.77%	2.67%	2.61%	2.59%	2.41%	2.60%	2.65%	2.59%	2.53%	2.41%

(1) 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.

Pre-Tax, Pre-Provision Income *$ in Thousands*	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20
Income before income taxes	$30,488	$36,650	$39,608	$43,035	$39,773	$38,252	$59,107	$40,851	$46,785	$51,748	$57,821	$55,482	$56,656	$63,818	$63,105	$58,032	$17,858
Provision for credit losses	5,254	3,640	1,866	18	2,775	3,177	(648)	3,327	5,852	3,975	3,153	1,789	1,362	218	299	1,614	41,500
Pre-tax, pre-provision income	$35,742	$40,290	$41,474	$43,053	$42,548	$41,429	$58,459	$44,178	$52,637	$55,723	$60,974	$57,271	$58,018	$64,036	$63,404	$59,646	$59,358