NASDAQ - COLB

2Q 2020



Mount Hood, Oregon

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 with **ample liquidity**

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

$15.9 Billion in Total Assets
$9.8 Billion in Total Loans
$13.1 Billion in Total Deposits

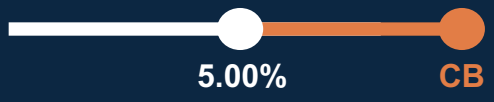
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146 Branches
48 Branch Consolidations
8 Acquisitions
3 Branch Sales
Over past 10 years

14.00% Total Risk-Based Capital



9.17% 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.



Employees:

- Continuing remote-working, split locations and staggered schedules
- Implemented social distancing best practices
- Enhanced employee pay and sick time
- Required daily wellness attestation

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 with local closures of lobbies as needed
- Face masks are required bank wide
- Launched our application portal for the Paycheck Protection Program to support Small Business owners

Communities:

- Pledged $1 million through our "Pass It On" and "COVID-19 Community Relief" campaigns
- Increased the Bank's employee giving match
- Created a specific Community Support portal that links employees to community needs
- Providing virtual volunteer opportunities

Paycheck Protection Program

During 2Q 2020, Columbia Bank originated more than **4,400 loans** to existing clients through the Paycheck Protection Program, **totaling nearly $1 billion**.

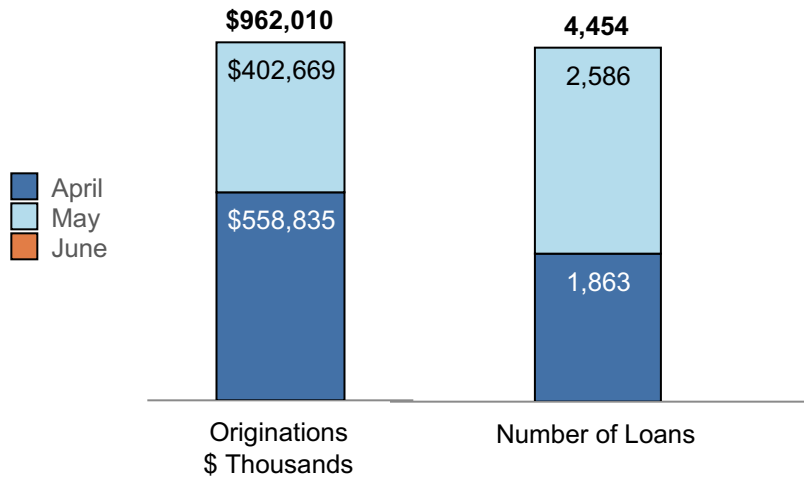
Average loan size was **$217,000**.

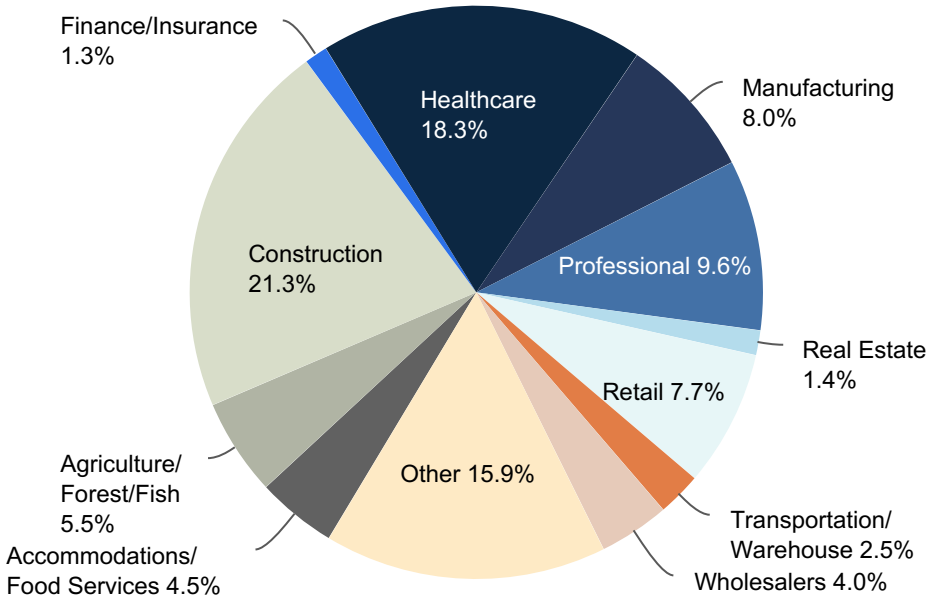
Every client who applied and met the requirements received an E-Tran number.

Several hundred employees across all divisions and regions of the Bank assisted in a a variety of ways to make this program a success.

We were pleased to provide much needed aid for businesses and the families they support across the Pacific Northwest.

Paycheck Protection Program Loan Originations





2Q 2020 Recap

Second quarter net income of **$36.6 million**; diluted earnings per share of **$0.52**

Pre-tax, pre-provision income[(1)] of **$78.3 million**

Deposits increased **$2.3 billion**

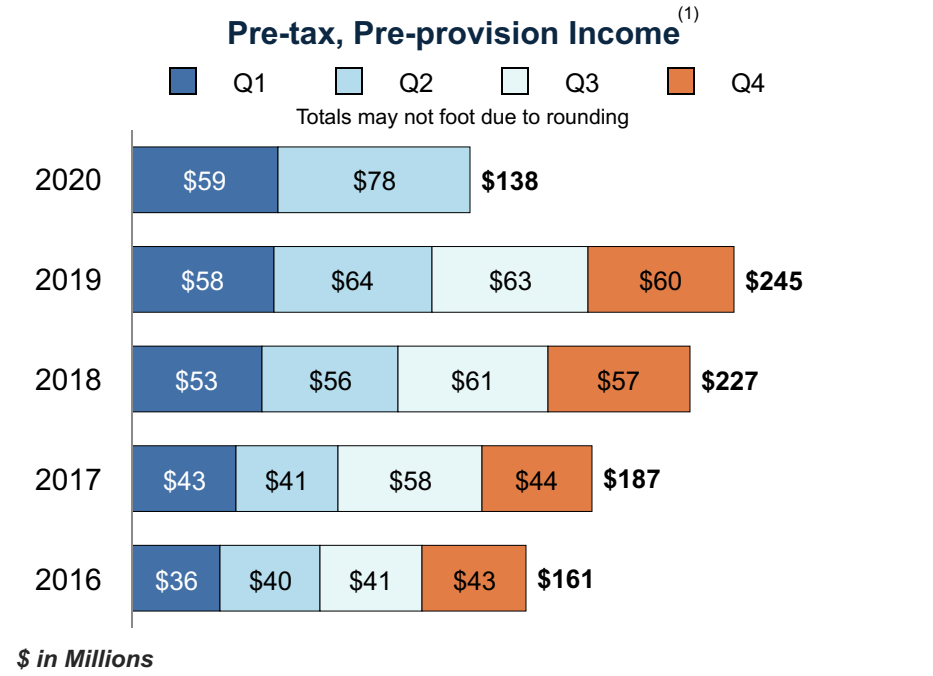
Strong second quarter loan production of **$1.26 billion** including PPP loans of $962 million

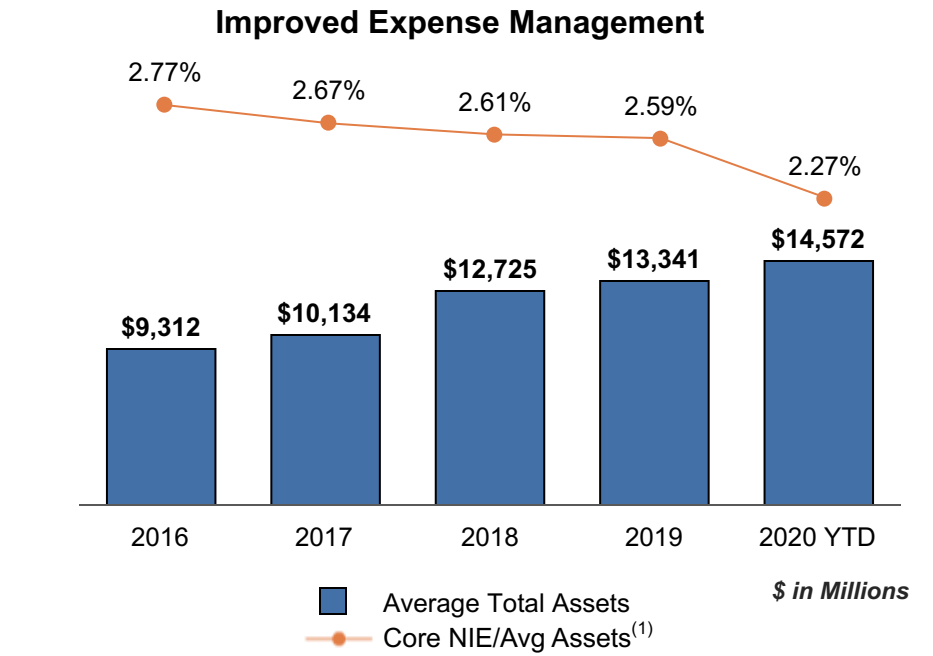
Operating efficiency ratio[(1)] declined to **54.91%**

Nonperforming assets to period end assets ratio remained stable at **0.34%**

The allowance for credit losses to total loans increased to **1.72%** (excluding PPP loans[(1)]) 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)	2Q20	1Q20	4Q19	3Q19	2Q19	YTD 2020	YTD 2019
Net Interest Income	$121,851	$122,422	$124,817	$122,450	$125,116	$244,273	$246,138
Provision for Credit Losses	33,500	41,500	1,614	299	218	75,000	1,580
Net Interest Income after Provision for Credit Losses	**88,351**	**80,922**	**123,203**	**122,151**	**124,898**	**169,273**	**244,558**
Noninterest Income	37,259	21,207	21,807	28,030	25,648	58,466	47,344
Noninterest Expense	80,833	84,271	86,978	87,076	86,728	165,104	171,428
Pre-tax Net Income	**44,777**	**17,858**	**58,032**	**63,105**	**63,818**	**62,635**	**120,474**
Provision for Income Taxes	8,195	3,230	11,903	12,378	12,094	11,425	22,879
Net Income	**$36,582**	**$14,628**	**$46,129**	**$50,727**	**$51,724**	**$51,210**	**$97,595**
Pre-tax, Pre-Provision Income[(1)]	**$78,277**	**$59,358**	**$59,646**	**$63,404**	**$64,036**	**$137,635**	**$122,054**
EPS (Diluted)	$0.52	$0.20	$0.64	$0.70	$0.71	$0.72	$1.33
Weighted Avg # of Diluted Shares Outstanding	70,711	71,264	71,310	71,803	72,451	70,981	72,487

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

Selected Balance Sheet & Ratios

$ in Millions	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
Total Assets	$15,921	$14,039	$14,080	$13,758	$13,091
Securities, Including Equity Securities & FHLB Stock	3,723	3,591	3,794	3,397	2,894
Loans, Net of unearned Income	9,772	8,933	8,743	8,756	8,647
Allowance for Credit Losses	152	122	84	83	81
Goodwill & Other Intangibles	797	799	801	804	806
Deposits	13,131	10,813	10,685	10,856	10,212
Total Shareholders' Equity	2,277	2,214	2,160	2,162	2,134
Ratios:					
Return on Average Assets	0.97%	0.42%	1.34%	1.51%	1.58%
Return on Average Equity	6.49%	2.67%	8.5%	9.42%	9.87%
Return on Average Tangible Common Equity[(1)]	10.53%	4.72%	14.05%	15.67%	16.71%
Loans/Deposits	74%	83%	82%	81%	85%
Tangible Common Equity[(1)]	9.79%	10.68%	10.23%	10.48%	10.80%

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

Diversified, Relationship-Centered Deposit Base

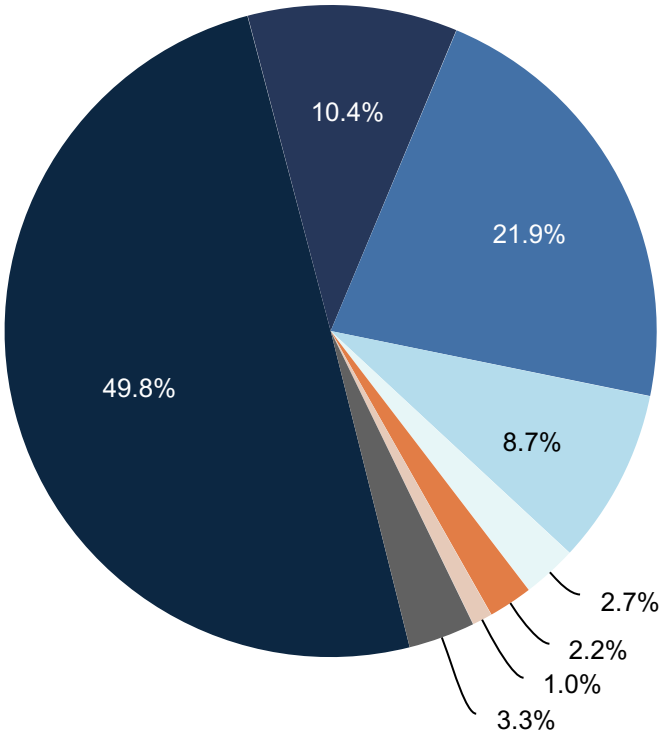
Columbia Bank

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

Jun 30, 2019

$10.2 billion

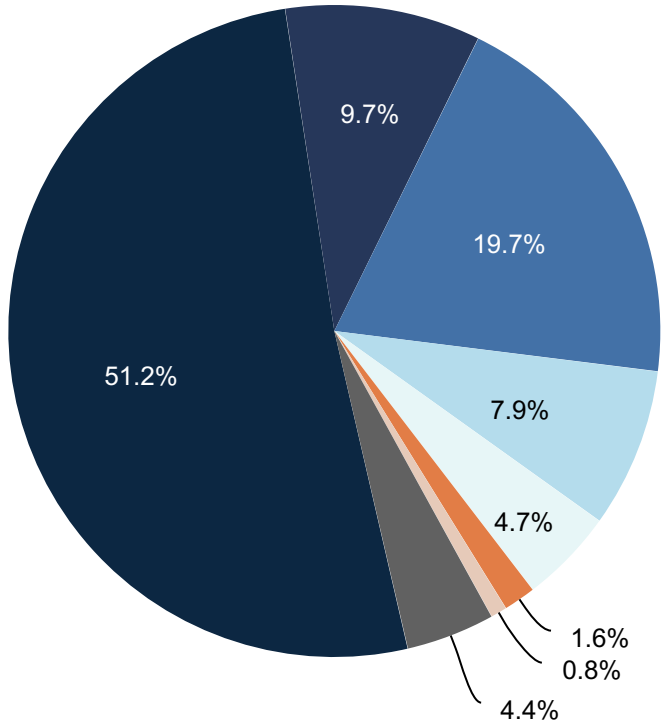
58% Business & 42% Consumer



Jun 30, 2020

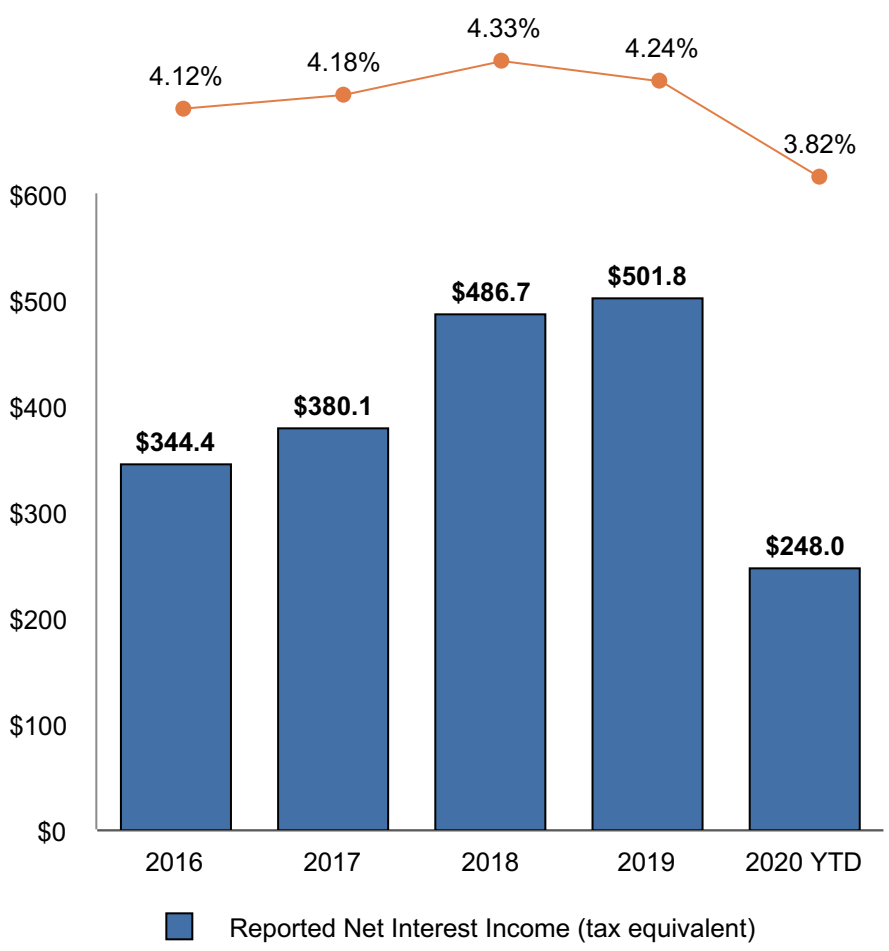
$13.1 billion

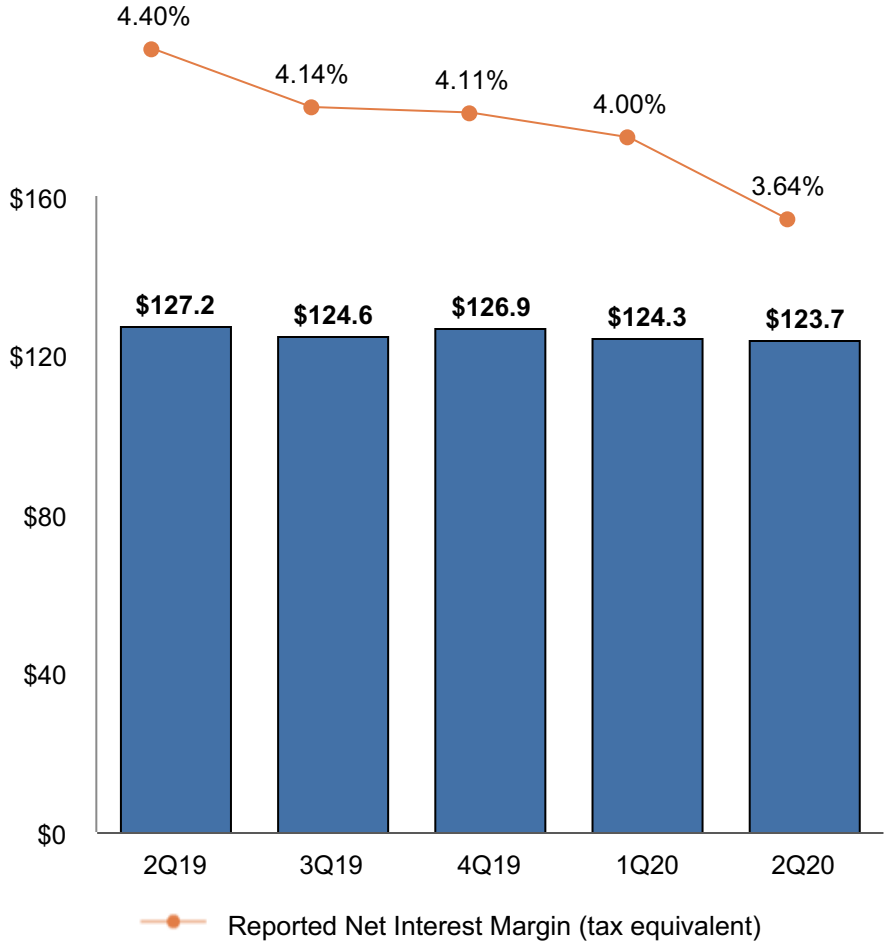
59% Business & 41% Consumer



- 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



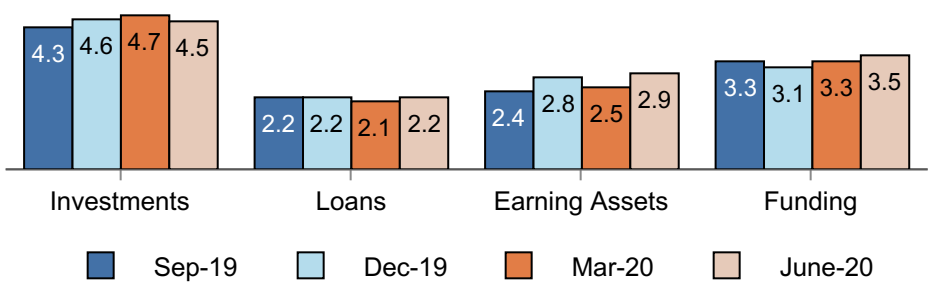


$ in Millions

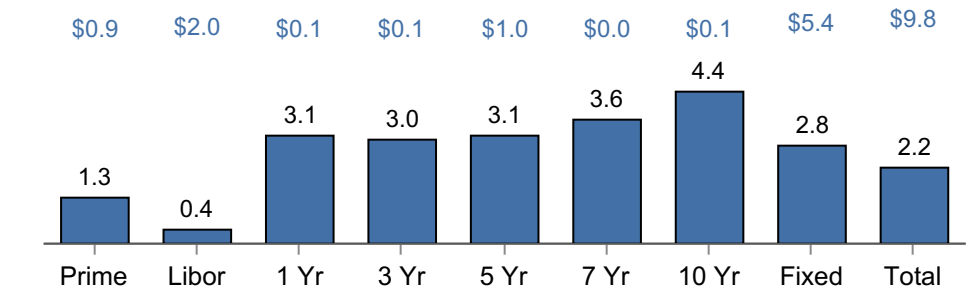
Interest Rate Sensitivity

Columbia Bank

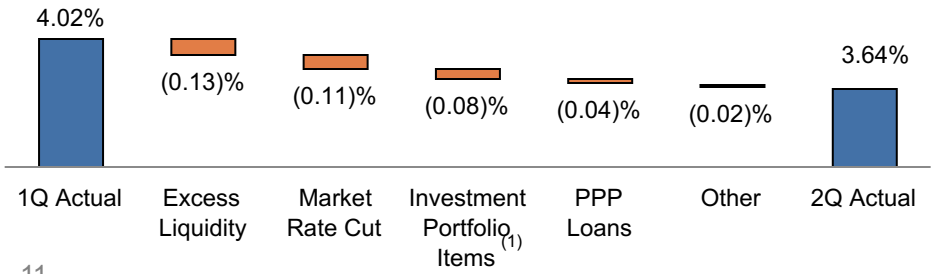
Duration in Years



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



2Q Operating Net Interest Margin



All Variable or Floating Rate Loans (in millions)

Balances	No Floor	At Floor	0-100 bps	100-200 bps	>200 bps	Total
PRIME	$349	$530	$57	$7	$13	**$955**
1 MO	1,551	315	16	—	—	**1,883**
3 MO	112	23	2	—	—	**137**
1 YR	3	23	68	39	10	**144**
3 YR	38	65	30	12	1	**145**
5 YR	204	522	236	47	5	**1,013**
10 YR	97	62	7	1	—	**167**
	$2,354	**$1,540**	**$417**	**$105**	**$28**	**$4,444**

Floating and Variable Rate Loans (in millions)

	<=6 Mos	>6 to 12 Mos	>12 to 24 Mos	>24 to 36 Mos	>36 to 60 Mos	> 60 Mos	Total
PRIME	$912	$4	$9	$19	$9	$1	**$955**
1 MO	1,859	—	3	7	4	10	**1,883**
3 MO	133	—	4	—	—	—	**137**
1 YR	24	19	3	13	12	73	**144**
3 YR	20	11	29	41	19	26	**145**
5 YR	65	93	277	340	201	38	**1,013**
10 YR	1	5	2	8	21	129	**167**
	$3,014	**$132**	**$327**	**$428**	**$266**	**$277**	**$4,444**

Fixed Rate Loan Maturities (in millions)

	<=6 Mos	>6 to 12 Mos	>12 to 24 Mos	>24 to 36 Mos	>36 to 60 Mos	> 60 Mos	Total
Fixed	$74	$52	$149	$606	$411	$3,123	**$4,414**
PPP	$0	$0	$961	$0	$0	$0	**$961**

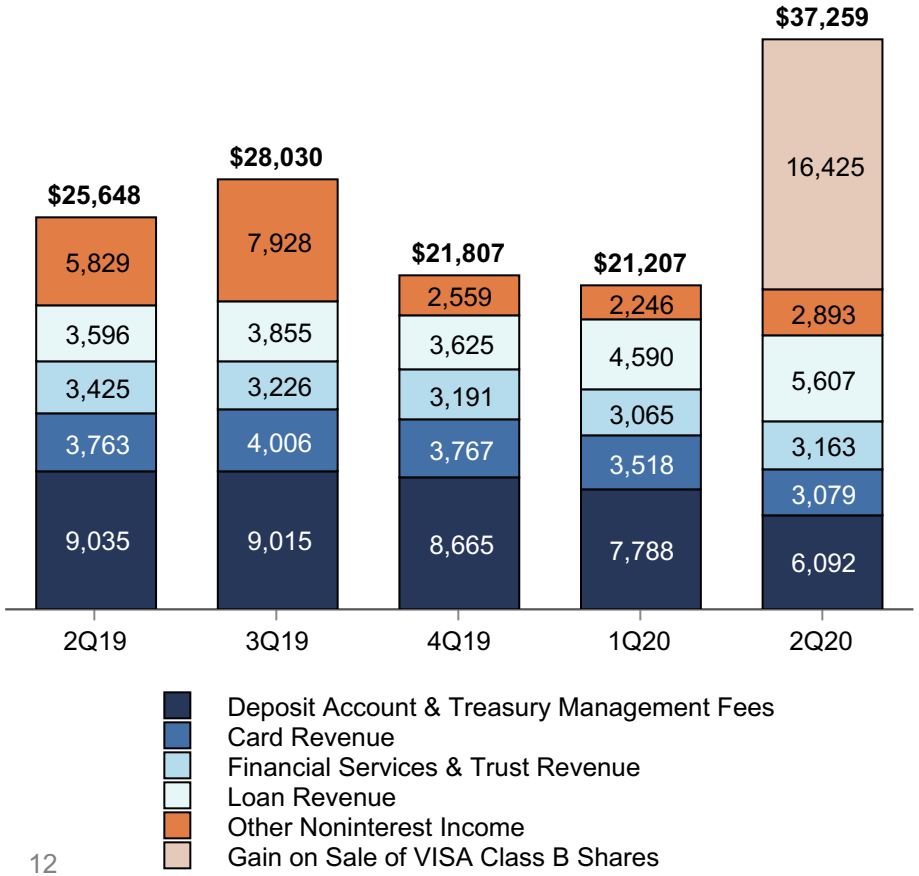
Totals may not foot due to rounding

(1) Prepayment fees and premium amortization on investment securities

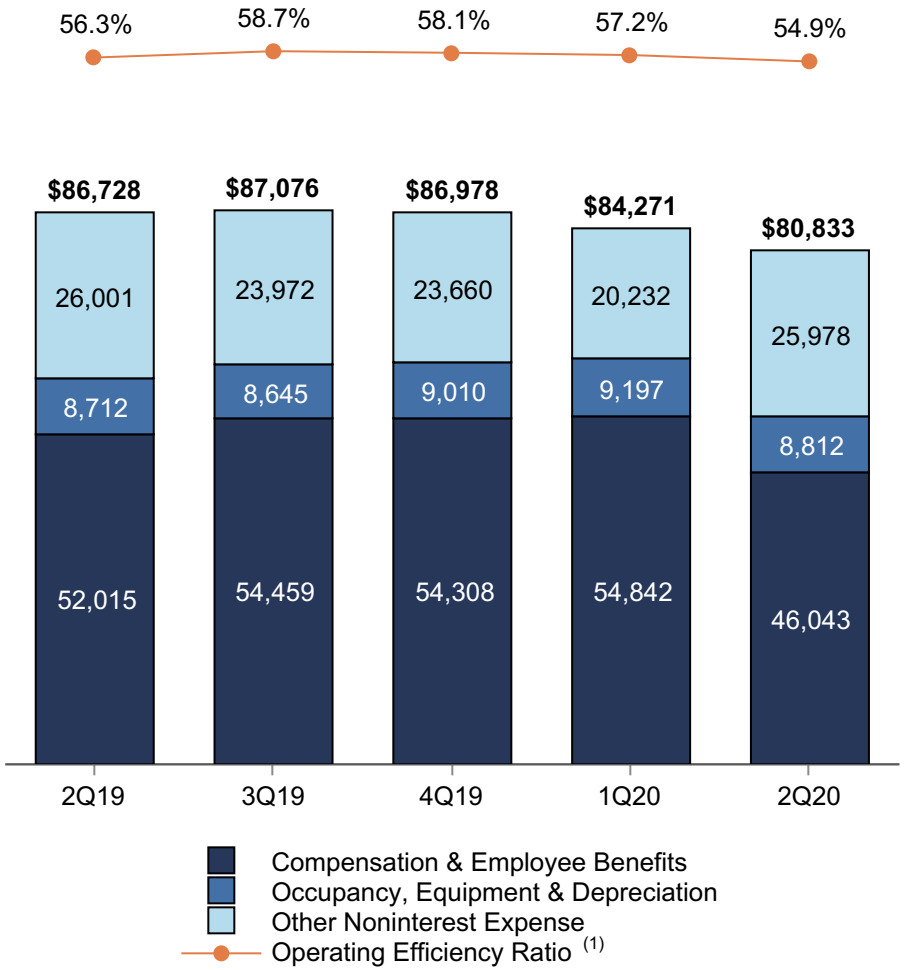
Noninterest Income & Noninterest Expense

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Noninterest Income



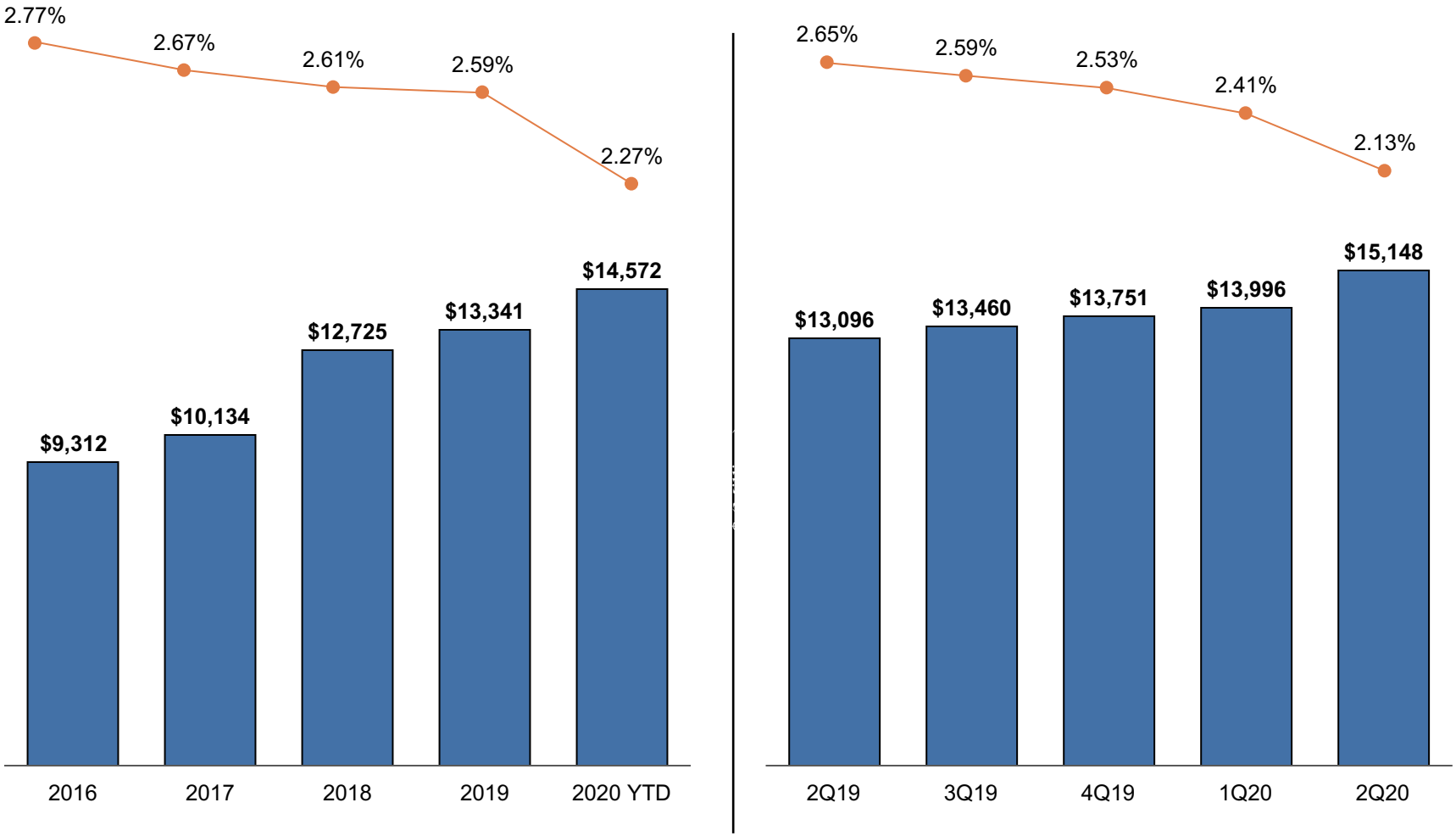
Noninterest Expense



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

$ in Thousands

Improved Expense Management



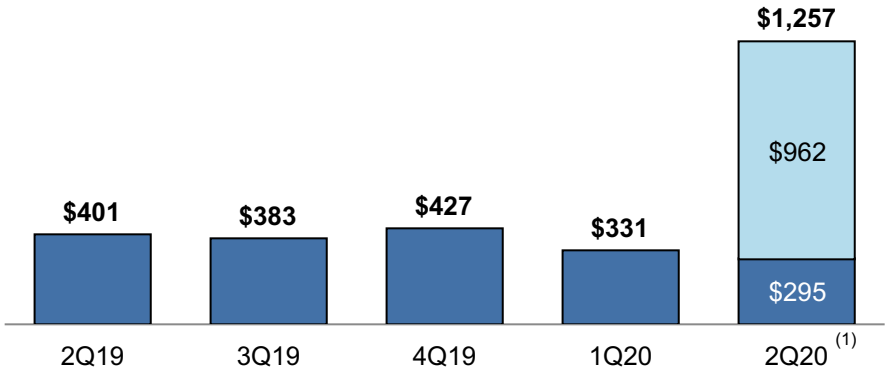
$ in Millions

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

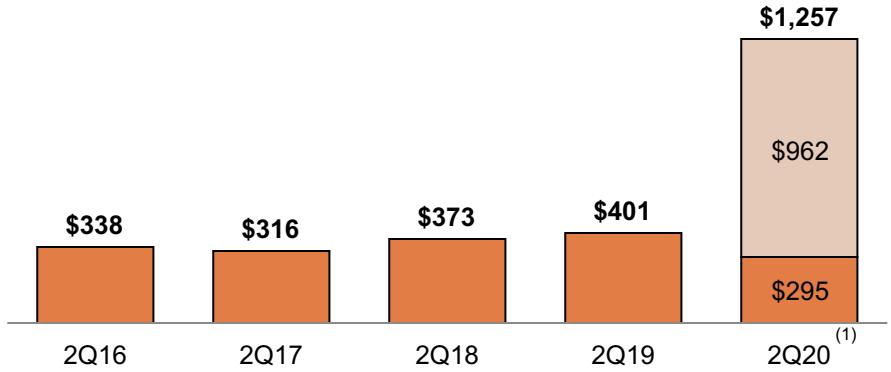
Total Loans, Net of Unearned Income

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Rolling 5 Quarter Loan Production



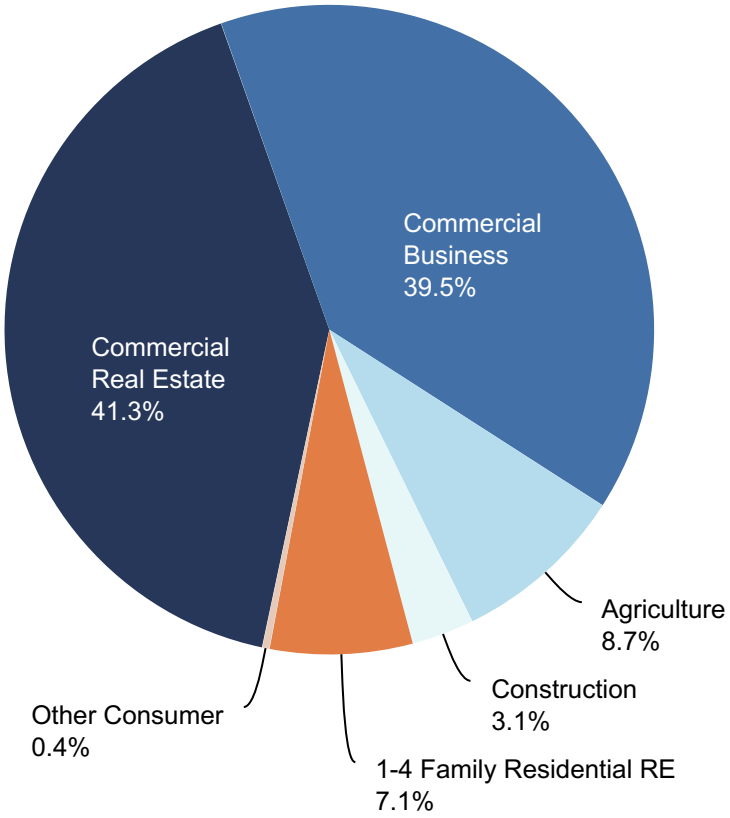
2nd Quarter Loan Production



$ in Millions

Total Loans = $9.8 billion

LTM growth = 13.0%



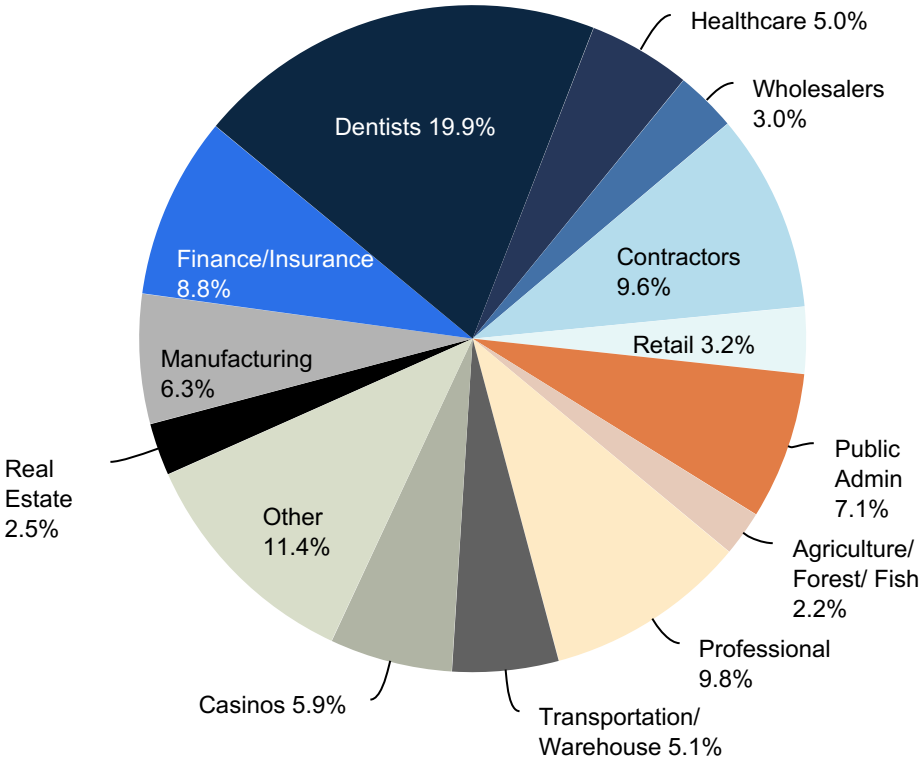
As of Jun 30, 2020

(1) 2Q20 includes $962 million of PPP Loan Originations

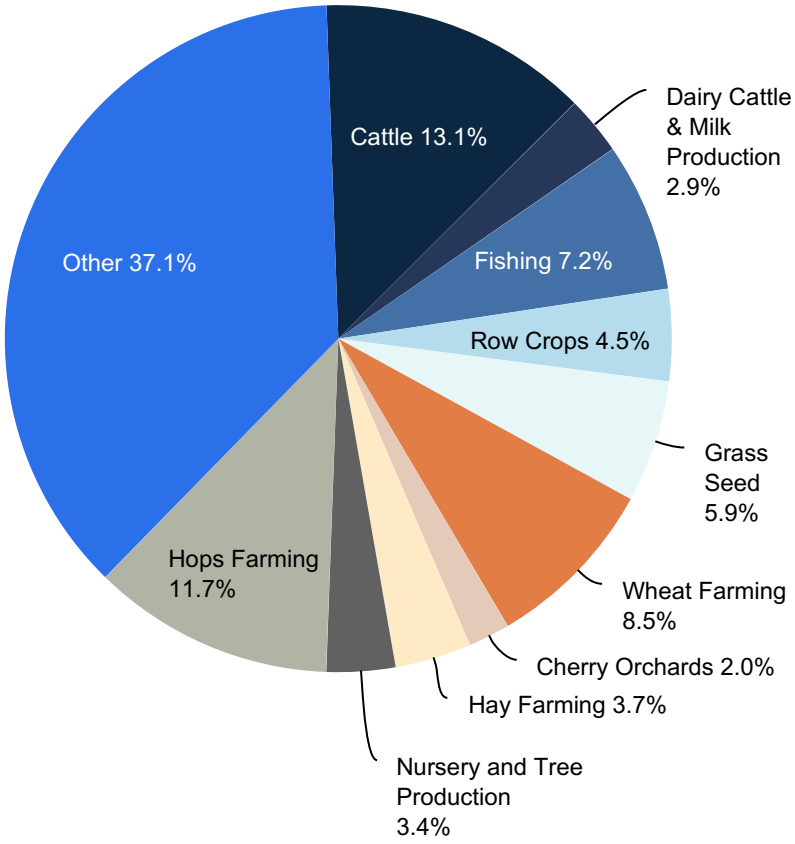
Well Diversified C&I and Agriculture Loans Portfolios

Columbia Bank

C&I Portfolio
$3.9 billion



Agriculture Portfolio
$846 million



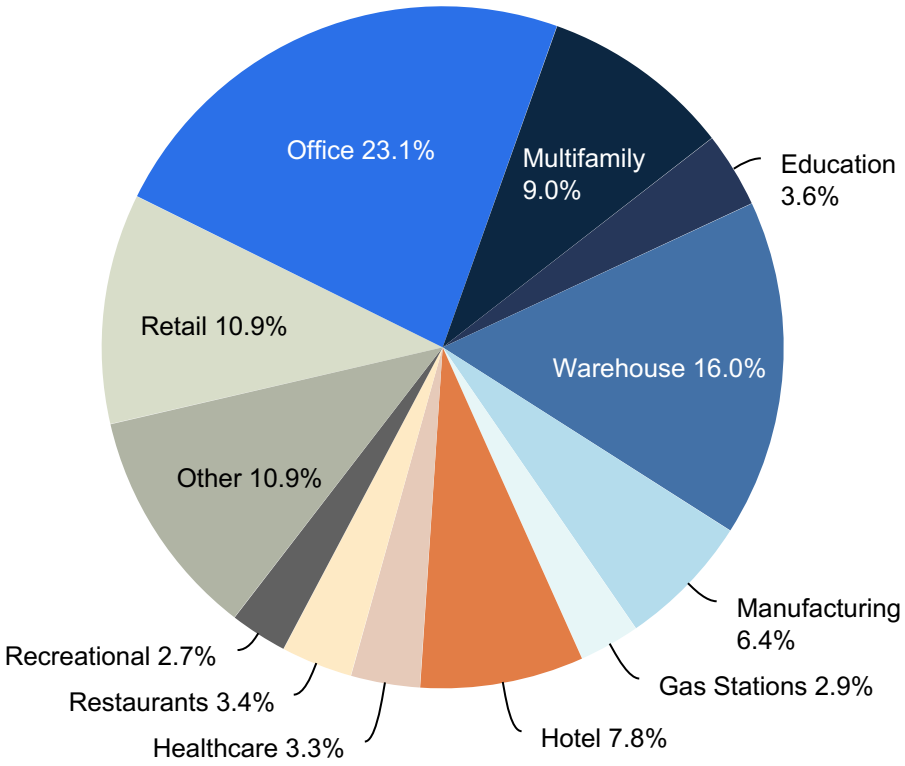
As of Jun 30, 2020

Balanced CRE Loan Portfolio

Columbia Bank

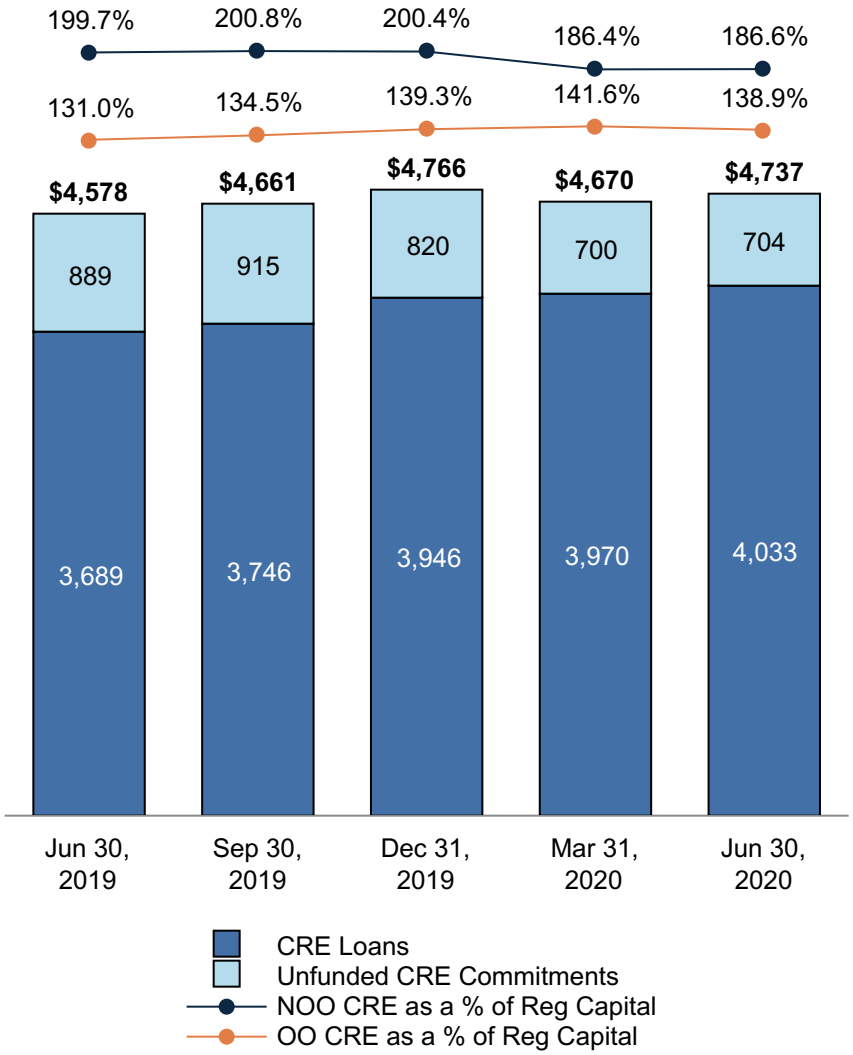
CRE Portfolio $4.0 billion

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



As of Jun 30, 2020

Consistent CRE Coverage

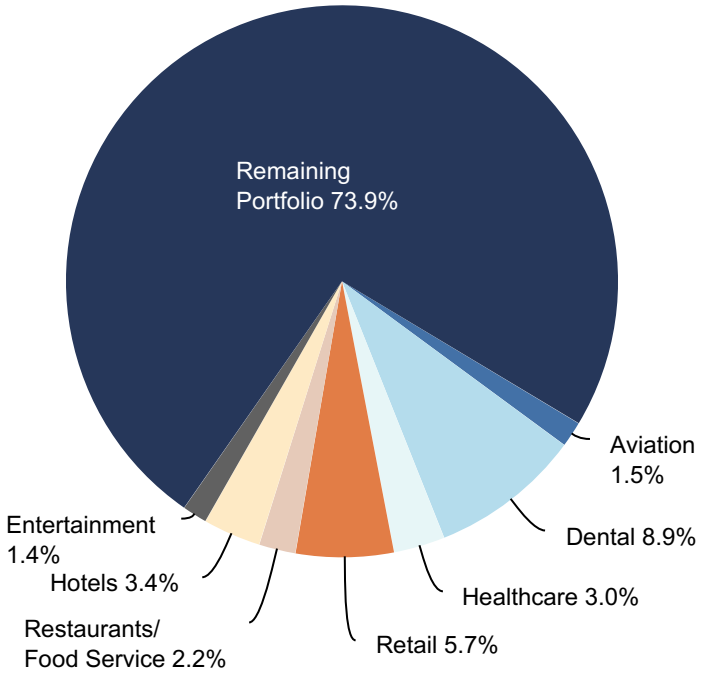


$ in Millions

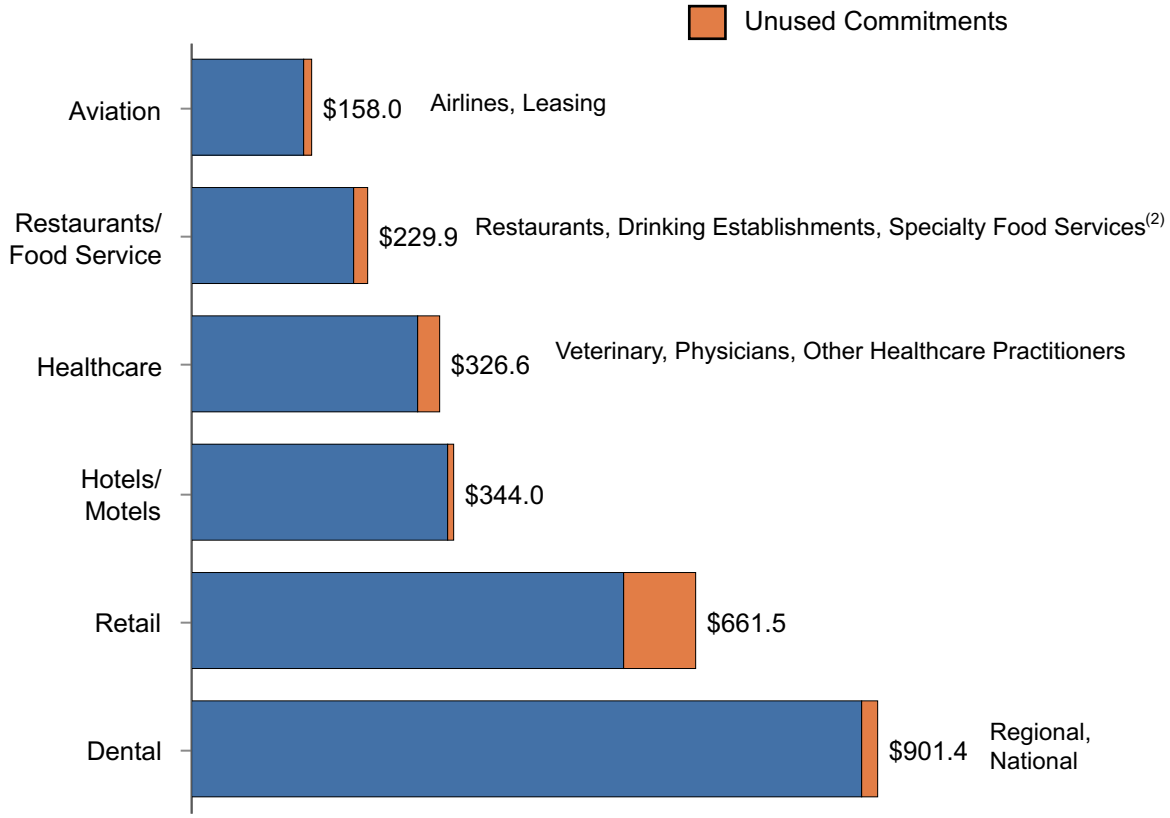
Exposure in Stressed Sectors[1]

Columbia Bank

Total Outstanding Loans
$9.8 billion



Total Stressed Sector Commitments
$2.8 billion



As of Jun 30, 2020

$ in Millions

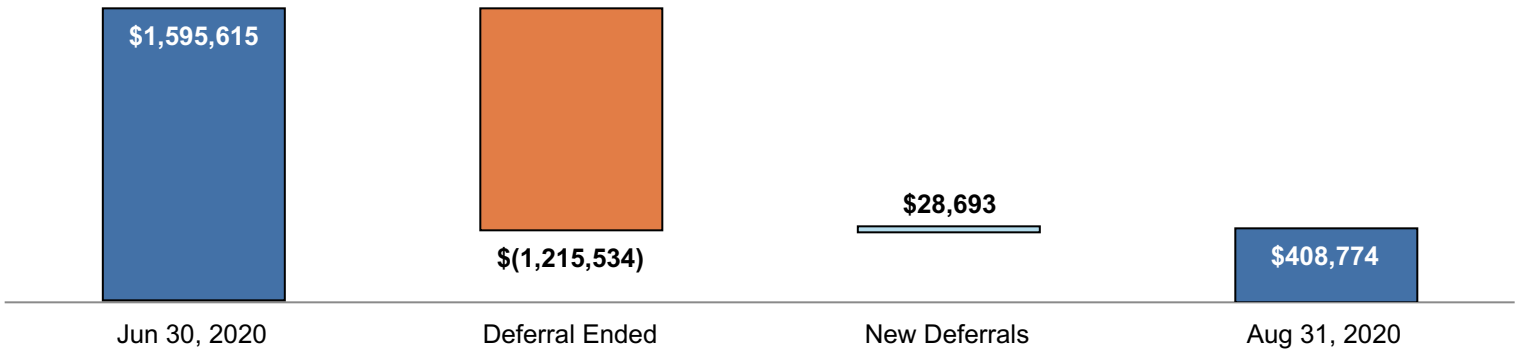
[1] Before deferred fees and costs
[2] Specialty Food Services includes mobile food services, caterers, and food service contractors

Loan Deferral Update

	Number of Loan Deferrals				% Change	Loan Deferrals ($ in Thousands)				% Change
	6/30/20	Ended	New	8/31/20		06/30/20	Ended	New	8/31/20	
Dental	1,569	(1,347)	1	223	(85.8)%	$ 683,729	$ (597,143)	$ 283	$ 86,869	(87.3)%
Hotel/Motel	73	(40)	4	37	(49.3)%	$ 178,648	$ (75,214)	$ 13,686	$ 117,120	(34.4)%
Office	158	(110)	1	49	(69.0)%	$ 116,377	$ (86,921)	$ 1,644	$ 31,100	(73.3)%
Healthcare (non-Dental)	231	(170)	2	63	(72.7)%	$ 106,906	$ (72,046)	$ 838	$ 35,698	(66.6)%
Retail	126	(83)	1	44	(65.1)%	$ 90,115	$ (64,540)	$ 345	$ 25,920	(71.2)%
Restaurants/Food Service	124	(95)	—	29	(76.6)%	$ 61,459	$ (42,487)	$ —	$ 18,972	(69.1)%
Other	769	(463)	10	316	(58.9)%	$ 358,381	$ (277,183)	$ 11,897	$ 93,095	(74.0)%
Total	**3,050**	**(2,308)**	**19**	**761**	**(75.0)%**	**$1,595,615**	**$(1,215,534)**	**$28,693**	**$408,774**	**(74.4)%**

Total Loan Payment Deferrals Migration

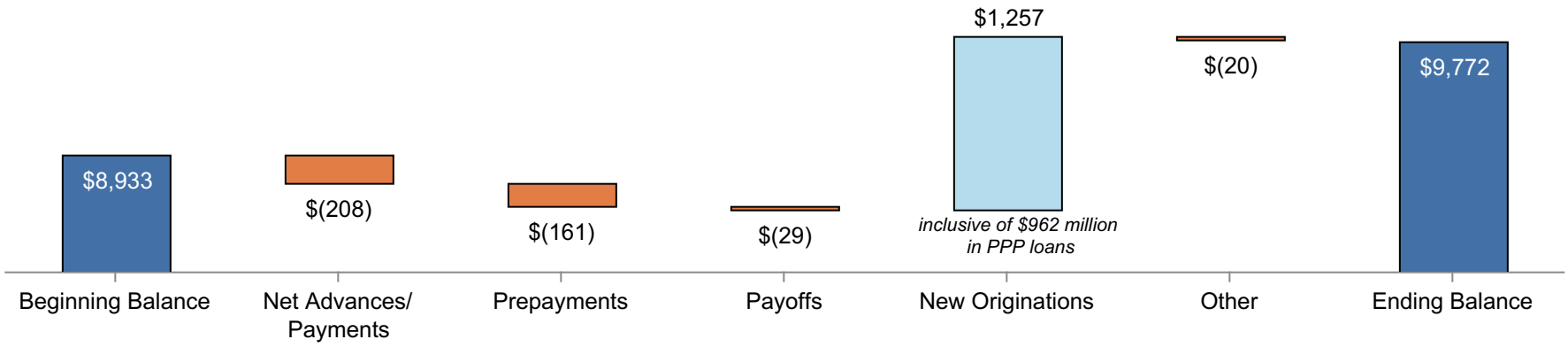
$ in Thousands



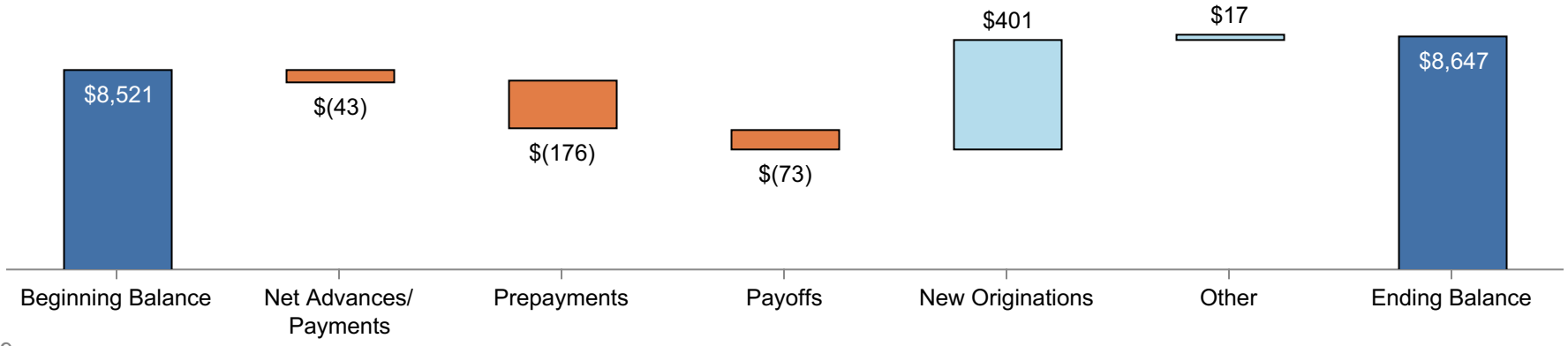
Components of 2Q Change in Loans

Columbia Bank

2Q 2020



2Q 2019



$ in Millions

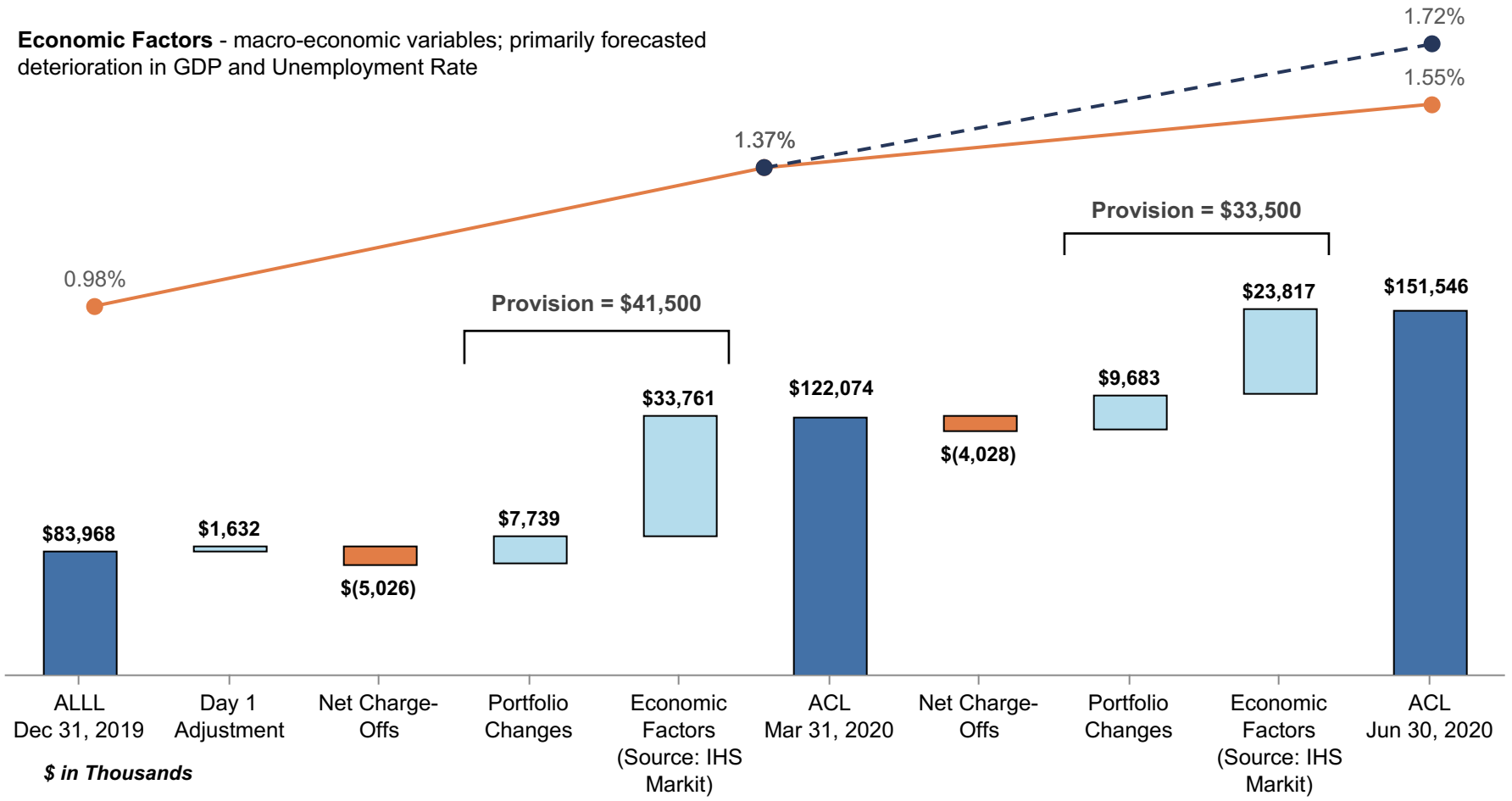
Drivers of Allowance for Credit Losses (ACL) Change

Columbia Bank

Day 1 Adjustment - CECL Day 1 transition adjustment

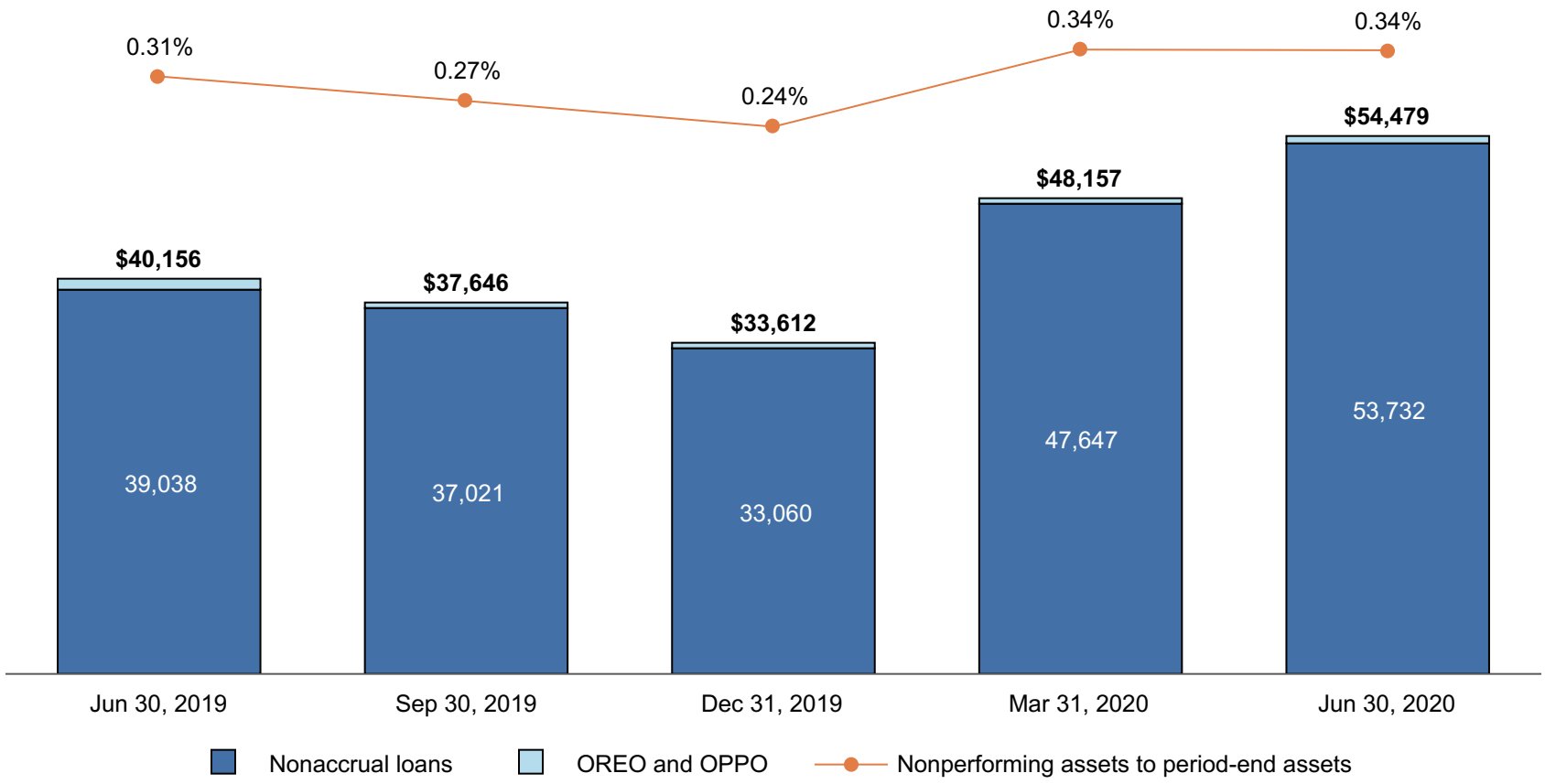
Portfolio Changes - new loans, line utilization change, other balance changes

Economic Factors - macro-economic variables; primarily forecasted deterioration in GDP and Unemployment Rate



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

Nonperforming Assets

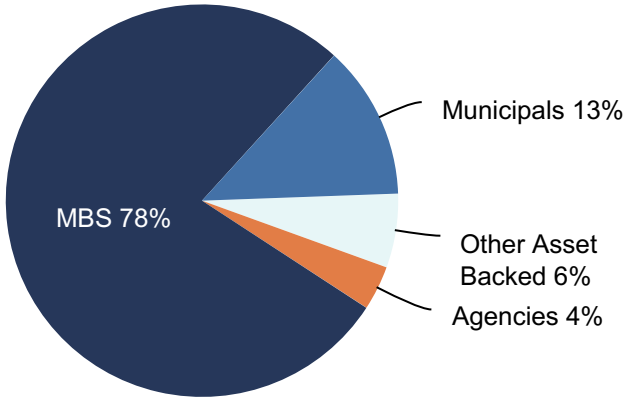


$ in Thousands

Highly Liquid, Risk Averse Securities Portfolio[1]

Columbia Bank

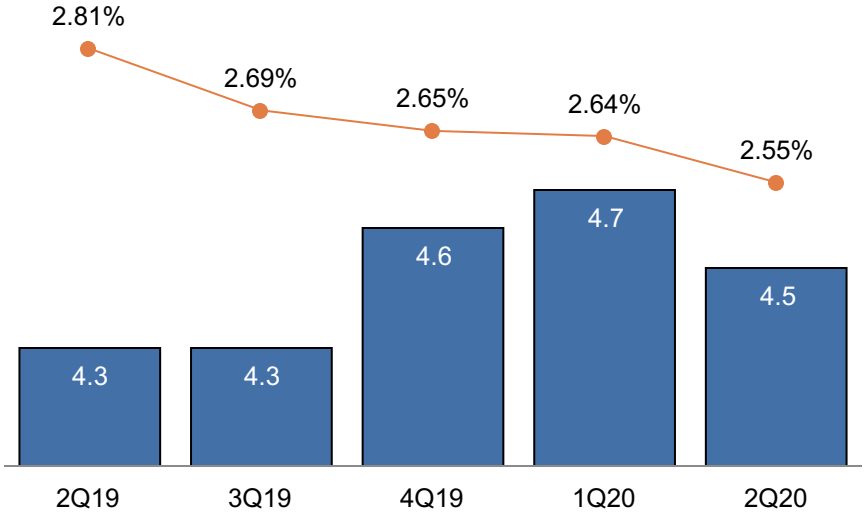
Portfolio Mix
$3.7 billion



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

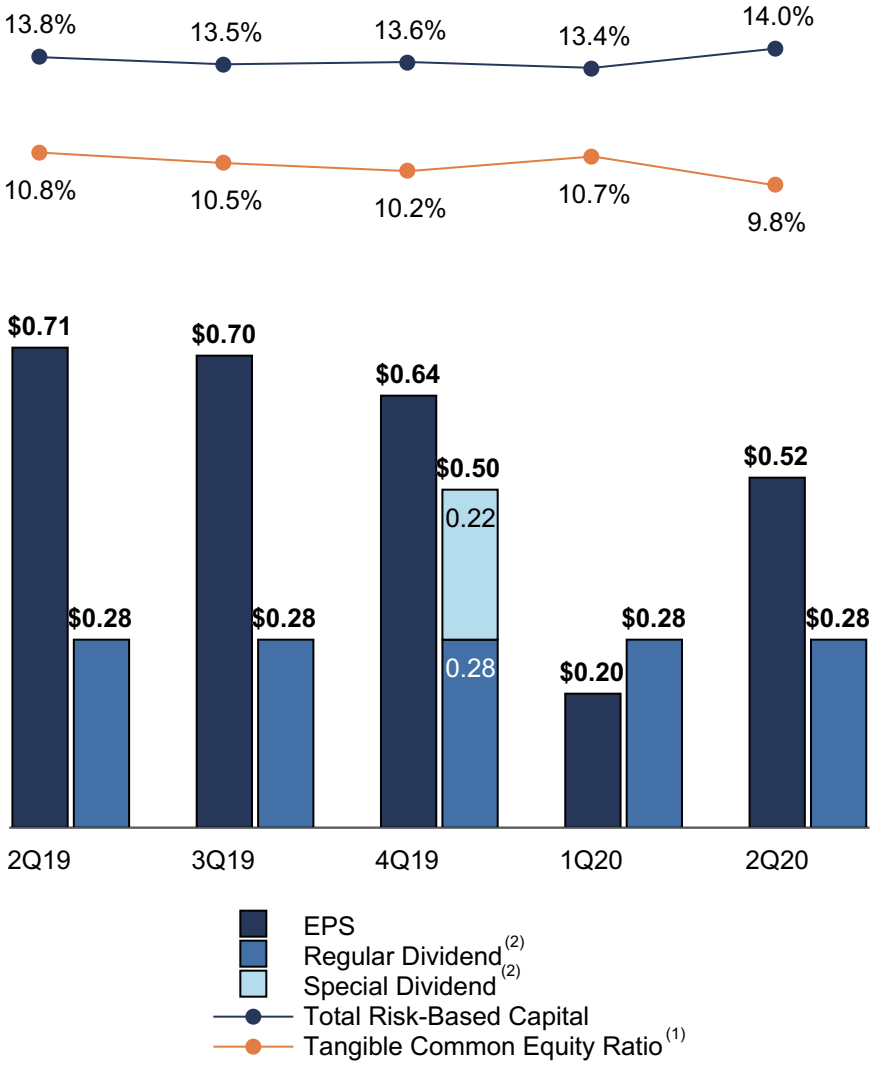
June 30, 2020

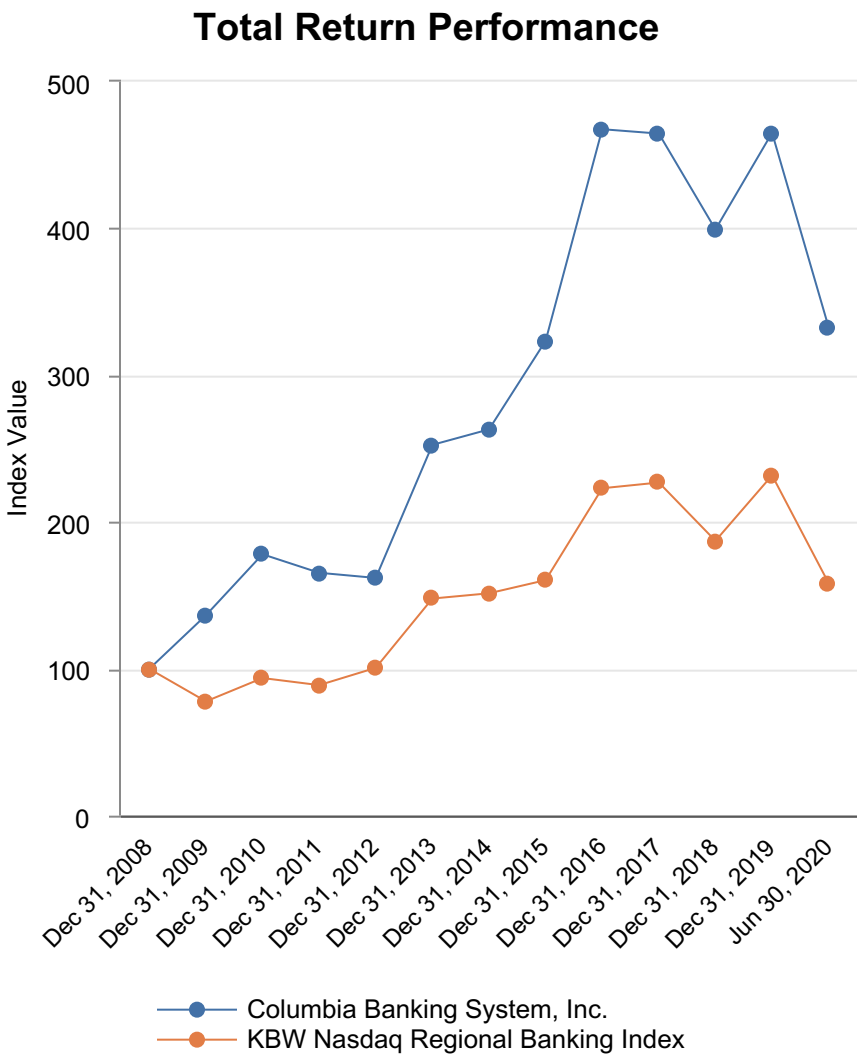
	MBS	Munis	Other Asset Backed	Agencies	Total	% of Total
AAA	$2,865	$243	$224	$136	$3,468	94 %
AA	—	207	—	—	207	6 %
A	—	13	—	—	13	— %
Nonrated	—	6	—	—	6	— %
Total	**$2,865**	**$469**	**$224**	**$136**	**$3,694**	**100 %**
Avg Yield	2.49 %	2.92 %	2.58 %	2.42 %	2.55 %	
Duration[2]	4.7	4.0	6.7	2.6	4.5	

[1] Excludes FHLB Stock and Equity Securities
[2] Duration shown in Years

Totals my not foot due to rounding

Strong Capital, Dividend Payouts & Total Return





(1) Non-GAAP financial measure. Refer to end of presentation for more information.
(2) Dividends are associated with the period in which declared

On the Road to Recovery

Columbia Bank

At Columbia Bank, we are helping our communities navigate the road to recovery from the COVID-19 pandemic and other social issues. We feel it is important to support our regions during this challenging time through various initiatives.

1

$100,000 Scholarship Fund for NW Students of Color

In partnership with the Tacoma Urban League, Urban League of Portland, Urban League of Metropolitan Seattle and the Spokane NAACP.

2

$500,000 COVID-19 Community Relief Campaign

Distributed to 25 organizations across the Pacific Northwest that are working to provide relief to those affected by COVID-19.

3

$500,000 Pass it On Project for Small Business Recovery

Columbia is paying small businesses to provide services for people whose lives have been adversely impacted by COVID-19 or the economic downturn it caused.

4

$3 million Provided to NW Nonprofit Organizations

Columbia has released restrictions that will allow organizations to redirect funds towards other COVID-19 response programs.

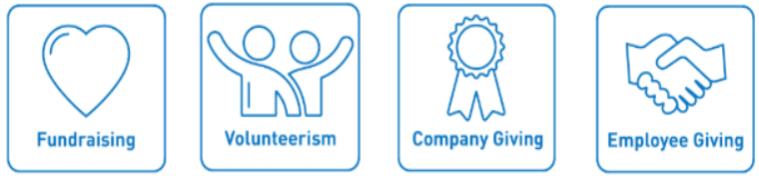
Dedicated to Our Communities

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.

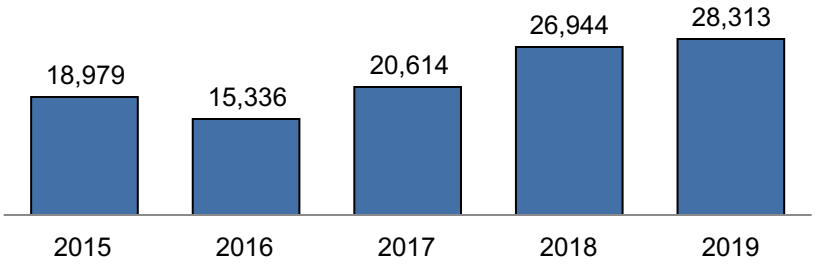
Our employees are encouraged to use paid volunteer time each year to actively engage with the nonprofits they care about most.

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

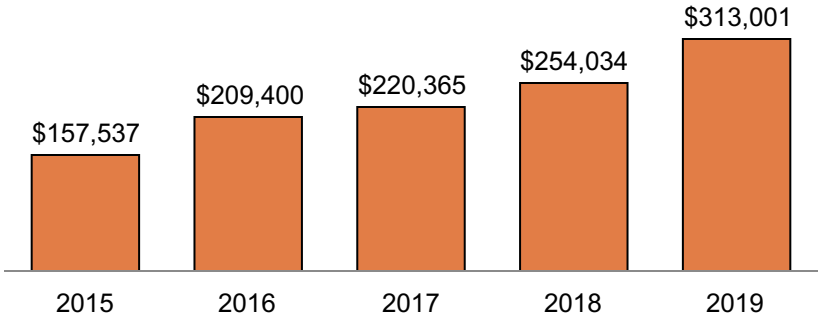
Four Pillars of Community Engagement



Annual Employee Volunteer Hours



Annual Warm Hearts Drive



Columbia – An Award-Winning Company

Columbia Bank



J.D. Power Award
Highest in Customer Satisfaction with Retail Banking in the Northwest
For J.D. Power 2020 award information, visit jdpower.com/awards



Forbes
Ranked 1st in Northwest Banks



Seattle Business Magazine
2019 Executive Excellence Award



Portland Business Journal
2019 Corporate Philanthropy Award



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



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



Puget Sound Business Journal
2019 Corporate Citizenship Award



South Sound Magazine
2019 Best Bank &
Best Large Business



Power 100
Puget Sound Business Journal



Oregon Association of Minority Entrepreneurs
2019 Corporate Award of the Year



Portland Business Journal
2018 Oregon's Most Admired Companies



Salem Statesman Journal
2019 Best Bank











2020 Women on Boards
2019 Winning 'W' Company

Executive Leadership Team

Columbia Bank



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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Tacoma, WA 98401-2156

Non-GAAP Financial Measures

Columbia Bank

Operating Efficiency Ratio					
$ in Thousands	2Q19	3Q19	4Q19	1Q20	2Q20
Noninterest expense (numerator A)	$ 86,728	$ 87,076	$ 86,978	$ 84,271	$ 80,833
Adjustments to arrive at operating noninterest expense:					
Net benefit (cost) of operation of OREO and OPPO	705	113	10	(4)	200
Loss on asset disposals	—	(5)	—	(4)	(220)
Business and Occupation ("B&O") taxes	(1,411)	(1,325)	(1,234)	(624)	(1,244)
Operating noninterest expense (numerator B)	$ 86,022	$ 85,859	$ 85,754	$ 83,639	$ 79,569
Net interest income (tax equivalent)	$ 127,236	$ 124,572	$ 126,852	$ 124,333	$ 123,692
Noninterest income	25,648	28,030	21,807	21,207	37,259
Bank owned life insurance tax equivalent adjustment	424	406	439	424	430
Total revenue (tax equivalent) (denominator A)	$ 153,308	$ 153,008	$ 149,098	$ 145,964	$ 161,381
Operating net interest income (tax equivalent)	$ 126,886	$ 124,060	$ 125,949	$ 124,757	$ 123,665
Adjustments to arrive at operating noninterest income (tax equivalent):					
Investment securities loss (gain), net	(285)	—	—	(249)	(16,425)
Gain on asset disposals	—	(6,104)	(530)	(21)	(26)
Operating noninterest income (tax equivalent)	$ 25,787	$ 22,332	$ 21,716	$ 21,361	$ 21,238
Total operating revenue (tax equivalent) (denominator B)	$ 152,673	$ 146,392	$ 147,665	$ 146,118	$ 144,903
Efficiency ratio (tax equivalent) (numerator A/denominator A)	56.57 %	56.91 %	58.34 %	57.73 %	50.09 %
Operating efficiency ratio (tax equivalent) (numerator B/denominator B)	56.34 %	58.65 %	58.07 %	57.24 %	54.91 %

Tangible Common Equity					
$ in Thousands	2Q19	3Q19	4Q19	1Q20	2Q20
Total Shareholders' Equity	$ 2,133,638	$ 2,161,577	$2,159,962	$ 2,213,602	$2,276,755
- Goodwill	(765,842)	(765,842)	(765,842)	(765,842)	(765,842)
- Other Intangible Assets, net	(40,540)	(37,908)	(35,458)	(33,148)	(30,938)
Tangible Common Equity	**$ 1,327,256**	**$ 1,357,827**	**$1,358,662**	**$ 1,414,612**	**$1,479,975**
Total Assets	13,090,808	13,757,760	14,079,524	14,038,503	15,920,944
Goodwill	(765,842)	(765,842)	(765,842)	(765,842)	(765,842)
- Other Intangible Assets, net	(40,540)	(37,908)	(35,458)	(33,148)	(30,938)
Tangible Assets	**$12,284,426**	**$12,954,010**	**$13,278,224**	**$13,239,513**	**$15,124,164**
Tangible Common Equity Ratio	**10.80%**	**10.48%**	**10.23%**	**10.68%**	**9.79%**

ROATCE					
$ in Thousands	2Q19	3Q19	4Q19	1Q20	2Q20
Net Inc Applicable to Common Shareholders	**$ 51,724**	**$ 50,727**	**$ 46,129**	**$ 14,628**	**$ 36,582**
+ Amortization of Intangibles	2,649	2,632	2,450	2,310	2,210
- Tax Effect on Intangible Amort	(556)	(553)	(515)	(485)	(464)
Adjusted Net Inc	**$ 53,817**	**$ 52,806**	**$ 48,064**	**$ 16,453**	**$ 38,328**
Avg Shareholders' Equity	**$2,096,157**	**$2,152,916**	**$2,170,879**	**$2,193,051**	**$2,254,349**
- Average Intangibles	(807,678)	(805,033)	(802,446)	(800,079)	(797,855)
Adjusted Avg Common Shareholders' Equity	**$1,288,479**	**$1,347,883**	**$1,368,433**	**$1,392,972**	**$1,456,494**
Return on Average Tangible Common Shareholders' Equity	**16.71%**	**15.67%**	**14.05%**	**4.72%**	**10.53%**

Non-GAAP Financial Measures

Columbia Bank

NIE/Average Assets *$ in Thousands*	2016	2017	2018	2019	2020	2Q19	3Q19	4Q19	1Q20	2Q20
Reported Noninterest Expense	**$ 261,142**	**$ 291,017**	**$ 340,490**	**$ 345,482**	**$ 165,104**	**$ 86,728**	**$ 87,076**	**$ 86,978**	**$ 84,271**	**$ 80,833**
- 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**	**$ 165,104**	**$ 86,728**	**$ 87,076**	**$ 86,978**	**$ 84,271**	**$ 80,833**
Average Assets	**9,311,621**	**10,134,306**	**12,725,086**	**13,341,024**	**14,572,060**	**13,096,413**	**13,459,774**	**13,750,840**	**13,995,632**	**15,148,488**
Noninterest Expense/Average Assets	2.80%	2.87%	2.68%	2.59%	2.27%	2.65%	2.59%	2.53%	2.41%	2.13%
Core NIE/Average Assets	2.77%	2.67%	2.61%	2.59%	2.27%	2.65%	2.59%	2.53%	2.41%	2.13%

[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*	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Income before income taxes	$ 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	$ 44,777
Provision for credit losses	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	33,500
Pre-tax, pre-provision income	$ 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	$ 78,277

Non-GAAP Financial Measures

Allowance Coverage Ratio			
$ in Thousands	1Q19	1Q20	2Q20
Allowance for credit losses ("ACL") (numerator)	$ 80,517	$ 122,074	$ 151,546
Total loans (denominator A)	8,646,990	8,933,321	9,771,898
Less: PPP loans (0% Allowance)	—	—	941,373
Total loans, net of PPP loans (denominator B)	**$8,646,990**	**$8,933,321**	**$8,830,525**
ACL to period end loans (numerator / denominator A)	0.93 %	1.37 %	1.55 %
ACL to period end loans, excluding PPP loans (numerator / denominator B)	0.93 %	1.37 %	1.72 %