NASDAQ - COLB

# 3Q 2021



*Boise, Idaho*

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.*

# Strategic Updates

Columbia Bank



*Lake Coeur d'Alene, Idaho*

# WELCOME

MERCHANTS BANK OF COMMERCE

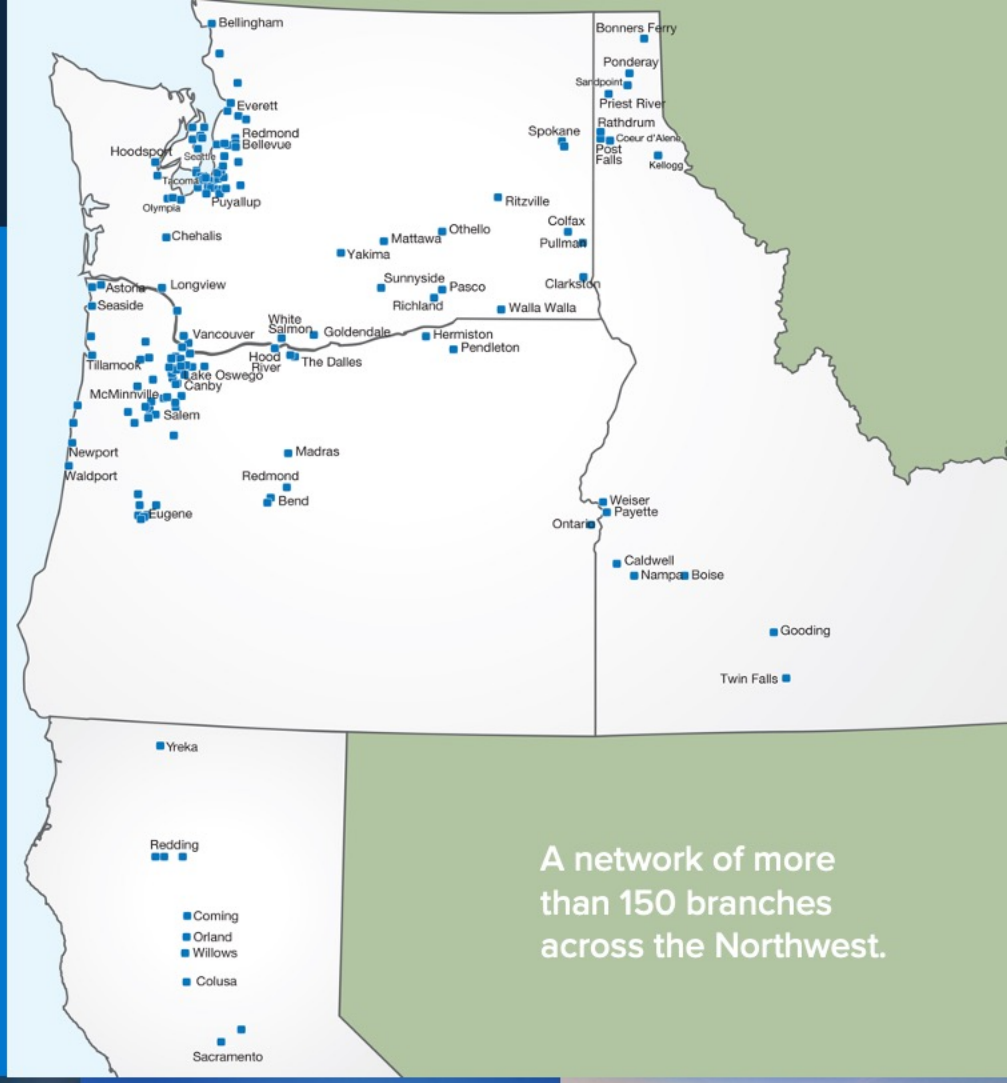
A division of Columbia Bank

We are delighted to welcome Merchants Bank of Commerce clients, employees and shareholders to the Columbia Bank family.

The merger was completed on October 1, 2021 and it extends our footprint beyond the Northwest and into California. This expansion strengthens Columbia's position as a leading regional bank.

As a combined company, our teams will continue their commitment to successfully servicing our clients and communities.

ColumbiaBank




A network of more than 150 branches across the Northwest.









# Creating a West Coast Franchise Unlike Any Other

## Combined company deepens its foothold in the Northwest and California...

**$50bn**
assets

**15%**
2023E ROATCE

**44%**
non-interest bearing deposits

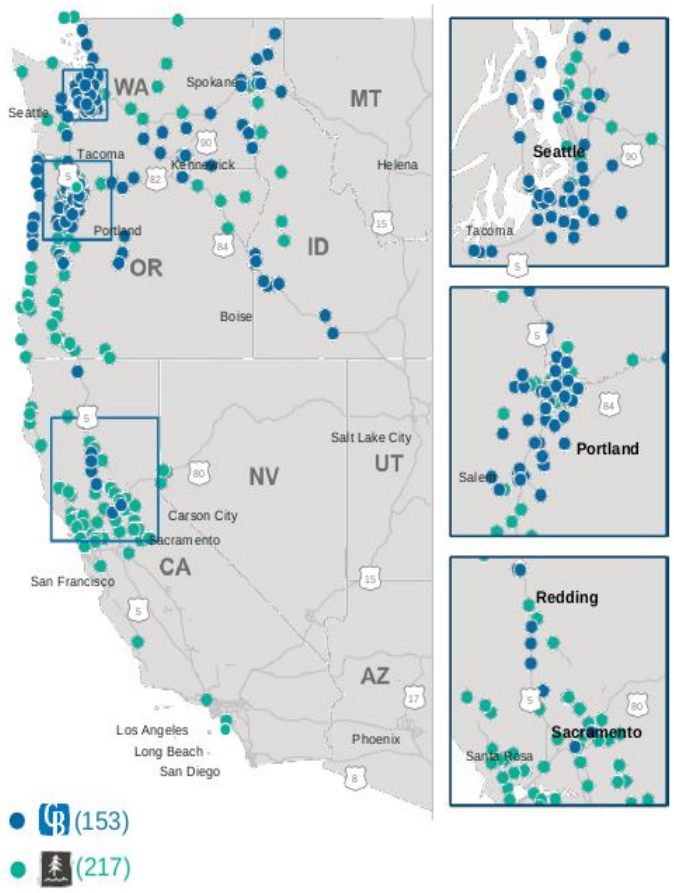
**23% / 25%**
GAAP / core cash[1] EPS accretion to Columbia[2]

**80%**
commercial loans

**8% / 11%**
GAAP / core cash[1] EPS accretion to Umpqua[2]

| Washington | Oregon | California |
|---|---|---|
| **$15.3bn** deposits | **$16.4bn** deposit | **$9.5bn** deposits |
| **$82K** median household income | **$70K** median household income | **$83K** median household income |
| **~7.8mm** population | **~4.3mm** population | **~39.7mm** population |

## ...creating a West Coast regional powerhouse




## Synergies anticipated to drive growth in loans, deposits, and fee-based products and services*

- ✓ Dramatically increases delivery channel for small business lending as Umpqua locations bring upwards of 120 new communities within 19 new MSA's to Columbia, whos small business lending expertise is executed through its branch network
- ✓ The combination increases market density within thriving Idaho markets, moving the pro forma bank to No. 10 deposit market share position
- ✓ The natural compatibility between specific lending verticals, like leasing from Umpqua and healthcare from Columbia, is expected to provide enhanced opportunity for relationship development and growth
- ✓ Synergies in free-generating businesses, like Wealth Management and Home Lending, are anticipated to provide additional avenues to grow revenue above expectations
- ✓ Scale and associated cost synergies are expected to increase the potential to execute net-revenue generating opportunities, like the organic expansion into new Western markets from a lending perspective and in existing markets, like Southern California, from a deposit-gathering perspective

Source: S&P Global Market Intelligence; FactSet; Company filings.
*Revenue synergies are anticipated but not modeled in EPS accretion guidance.
Note: Market data as of October 9, 2021; Financial data as of quarter ended June 30, 2021; Pro forma financial data shown for 2023 with fully phased-in cost savings for illustrative purposes; Pro forma for Columbia's completed acquisition of Bank of Commerce.
[1] Core cash EPS excludes standalone intangible amortization, pro forma CDI amortization, amortization of non-PCD fair value mark and amortization of other fair value marks.
[2] EPS accretion does not assume pro forma excess capital is used for pro forma share repurchases.

# Current Priorities: Integration and Growth

- The top priorities at Columbia and Umpqua are to prepare and execute the seamless integration of our two banks following the closing without disrupting the growth momentum that began in 2H 2020 and that continues to build through the current quarter and into 2023.
- The establishment of the Integration Management Office (IMO) enables our respective front lines to remain focused on what they do best: generating balanced growth in loans, deposits, and fee-based products and services.

## Integration Update

- We established the IMO to lead our integration, track against key milestones, and ultimately ensure a seamless experience for our teams and clients.
  - The IMO leadership team includes senior executive leadership from both banks representing operations, technology, finance, legal & regulatory, communications, and project management.
  - The separation of integration responsibilities from our growth initiatives is expected to enable Columbia's and Umpqua's bankers to continue to operate separately and seamlessly ahead of the transaction's anticipated close.

## Growth Update

- Following the pandemic-driven slow-down in non-PPP loan generation, **each of Columbia and Umpqua re-established growth momentum in 2H 2020.**
- Non-PPP loan growth at each bank accelerated in 2021 and held strong in Q3 2021 at an upper-single-digit level. Each of the companies' pipelines and quarter-to-date activity **support our expectations for strong finishes to the year and a favorable outlook into 2023 at each of our respective banks.**
- We expect product synergies and our larger pro forma balance sheet, alongside the proven success of relationship-driven operation models at Columbia and Umpqua, **to support a favorable growth profile at our combined organization following our anticipated mid-2022 deal close.**
- ***See Appendix for a numerical example of the power we expect our larger pro forma balance sheet to support following closing.***

# Revenue: Scale Expected to Enhances Opportunities

***O*ur combination enables us to:**

- ✓ Lend with a bigger balance sheet
  - + Magnifies the opportunity to grow the loan book as it reduces the need to participate out larger deals, favorably impacting new business and enabling the expansion of existing client relationships.
  - + Increases customer retention as small business customers can travel with us from inception through their corporate lending needs, which limits the number of customers who "grow-up" out of the bank.
  - + Enhances loan portfolio granularity and diversification, which supports the pro forma bank's risk profile and presents additional opportunities to expand existing verticals (e.g., healthcare and leasing).
- ✓ Invest in net-revenue generating business opportunities given expected enhanced profitability
  - + Increases ability to explore new risk-appropriate verticals that provide attractive returns and further balance sheet diversification (e.g., the addition of a new national vertical without shifting away from our local strategy).
  - + Opens opportunities to organically expand into other Western markets as the larger bank is expected to be attractive to sophisticated customers and the talent needed to serve them.
- ✓ Grow non-interest, non-mortgage fee income by expanding relationships with combined customer base
  - + Broadens overall Wealth Management reach by extending Columbia Trust and Columbia Bank Financial Services across the combined client base.
  - + Generates additional opportunities to deepen relationships as data science capabilities from Umpqua that provide customer behavior analysis are applied across a broader customer base. For example, analytics uncover a customer who makes routine, large deposits and does not use treasury management services: this provides a "Smart Lead" to a banker to improve customer satisfaction while generating additional income for the bank.

# Third Quarter 2021 Performance

Columbia Bank



*Cedar Street Bridge, Sandpoint, Idaho*

# Lasting Strength

**Sustained track record** of driving long-term shareholder value

**Maintained a strong capital position** with **ample liquidity**

**Seasoned acquirer** with proven integration success

**Low-cost deposit** funding base

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

**Embedded** in a strong US economic region

Received a Community Reinvestment Act rating of "**Outstanding"**


*Train Depot, Boise, Idaho*

# By the Numbers

**$18.6 Billion** in Total Assets
**$9.5 Billion** in Total Loans
**$16.0 Billion** in Total Deposits
**143 Branches**

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**50 Branch Consolidations**
**4 Acquisitions**
**3 Branch Sales**
Over past 10 years

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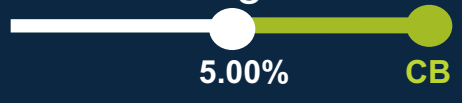
**13.9%** Total Risk-Based Capital (1)




**8.4%** Leverage Ratio (1)



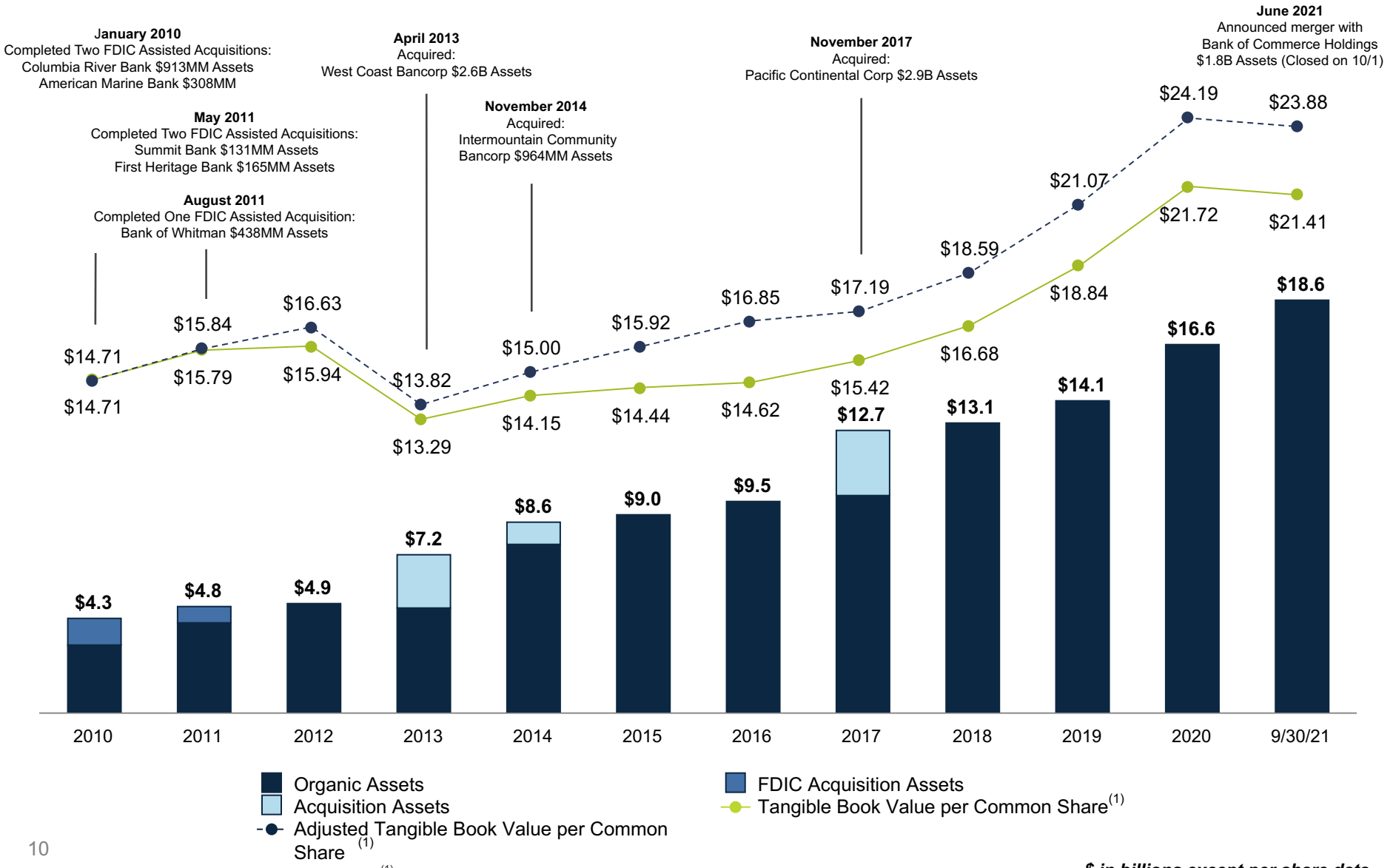



● Represents Well-Capitalized Regulatory Minimum
(1) Preliminary Bank Only Ratio



*Hot Air Balloons over Idaho*

# Continually Building Value




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

***$ in billions except per share data***

# 3Q 2021 Recap

Third quarter net income of **$53.0 million**; diluted earnings per share of **$0.74**

Pre-tax, pre-provision income[(1)] of **$68.6 million** for the quarter

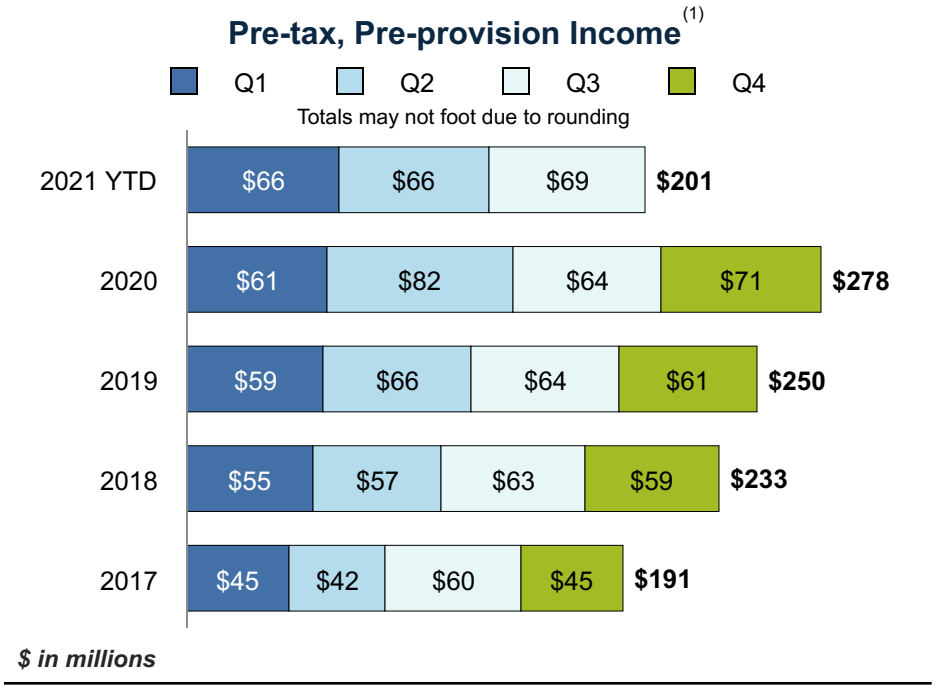
Strong third quarter loan production of **$366.2 million**

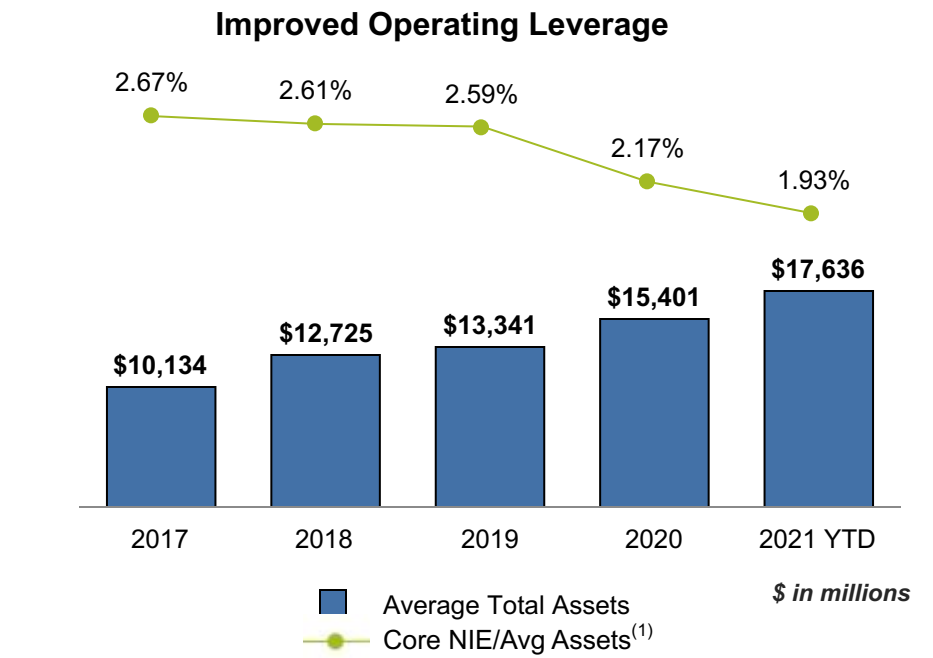
Operating efficiency ratio [(1)] decreased to **54.4%**

Nonperforming assets to period-end assets ratio decreased to **0.13%**

The allowance for credit losses to total loans decreased to **1.55%** (excluding PPP loans [(1)]) reflecting the anticipated improved economic and financial trends

Declared a regular quarterly cash dividend of **$0.30**




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

# Summary Income Statement

| *$ in thousands (except EPS)* | 3Q21 | 2Q21 | 1Q21 | 4Q20 | 3Q20 |
|---|---|---|---|---|---|
| Net Interest Income | $132,540 | $125,462 | $123,994 | $131,112 | $124,726 |
| Provision/(Recapture) for Credit Losses | — | (5,500) | (800) | (4,700) | 7,400 |
| **Net Interest Income after Provision/(Recapture) for Credit Losses** | **132,540** | **130,962** | **124,794** | **135,812** | **117,326** |
| Noninterest Income | 23,958 | 22,730 | 23,166 | 23,562 | 22,472 |
| Noninterest Expense | 90,007 | 84,116 | 83,559 | 84,300 | 85,115 |
| **Pre-tax Net Income** | **66,491** | **69,576** | **64,401** | **75,074** | **54,683** |
| Provision for Income Taxes | 13,474 | 14,537 | 12,548 | 16,774 | 9,949 |
| **Net Income** | **$53,017** | **$55,039** | **$51,853** | **$58,300** | **$44,734** |
| Pre-tax, Pre-Provision Income [1] | $68,574 | $65,766 | $66,360 | $70,617 | $64,442 |
| EPS (Diluted) | $0.74 | $0.77 | $0.73 | $0.82 | $0.63 |
| Weighted Avg # of Diluted Shares Outstanding | 71,186 | 71,164 | 71,109 | 70,838 | 70,762 |
| Acquisition Related Costs [2] | $2,192 | $510 | $0 | $0 | $0 |



[1] Non-GAAP financial measure. Refer to end of presentation for more information. [2] Acquisition Related Costs are included in Noninterest Expense, above.

# Selected Balance Sheet & Ratios

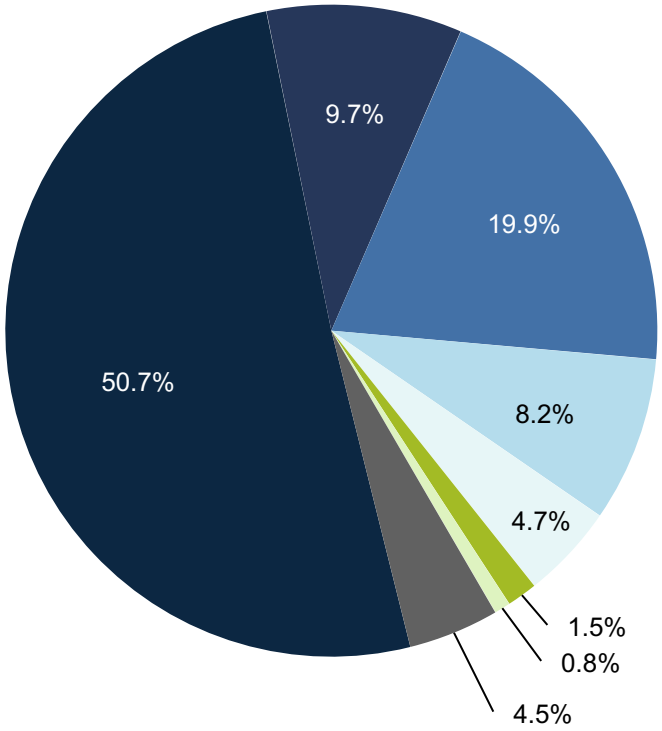
| *$ in millions* | Sep 30, 2021 | Jun 30, 2021 | Mar 31, 2021 | Dec 31, 2020 | Sep 30, 2020 |
|---|---|---|---|---|---|
| Total Assets | $18,602 | $18,013 | $17,335 | $16,585 | $16,233 |
| Securities, Including Debt Securities, Equity Securities & FHLB Stock | 6,931 | 6,238 | 5,520 | 5,234 | 4,305 |
| Loans, Net of unearned Income | 9,521 | 9,693 | 9,676 | 9,428 | 9,689 |
| Allowance for Credit Losses | 143 | 143 | 148 | 149 | 157 |
| Goodwill & Other Intangibles | 787 | 789 | 791 | 793 | 795 |
| Deposits | 15,953 | 15,345 | 14,767 | 13,870 | 13,600 |
| Total Shareholders' Equity | 2,323 | 2,333 | 2,275 | 2,348 | 2,302 |
| Ratios: | | | | | |
| Return on Average Assets | 1.16% | 1.25% | 1.23% | 1.42% | 1.12% |
| Return on Average Equity | 8.97% | 9.52% | 8.84% | 10.09% | 7.80% |
| Return on Average Tangible Common Equity [1] | 13.82% | 14.84% | 13.73% | 15.79% | 12.41% |
| Loans/Deposits | 60% | 63% | 66% | 68% | 71% |
| Tangible Common Equity[1] | 8.62% | 8.97% | 8.97% | 9.85% | 9.76% |

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

# Diversified, Relationship-Centered Deposit Base

Columbia Bank

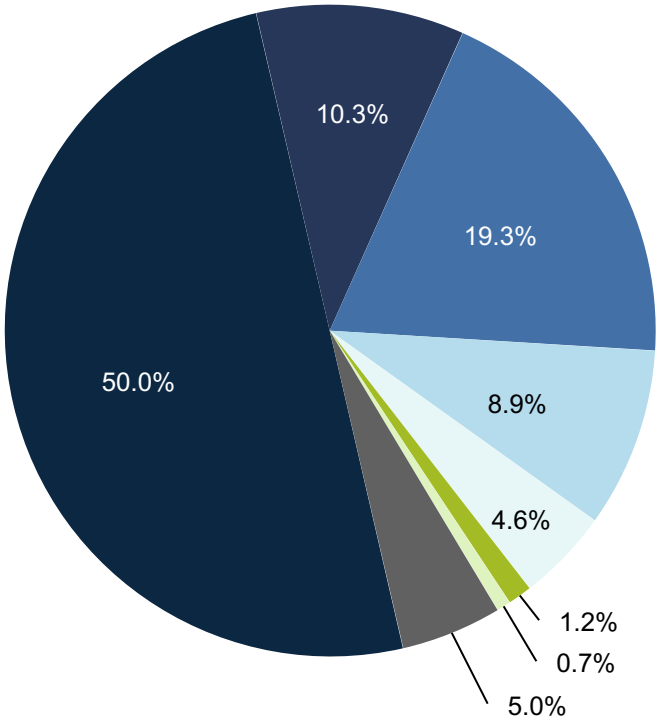
**3Q20**
**$13.6 billion**
*62% Business & 38% Consumer*
*Cost of Deposits = 6 bps*




*As of Sep 30, 2020*

- Demand and other noninterest-bearing
- Money market
- Interest-bearing public deposits, other than CDs
- Certificates of deposit, $250,000 or more

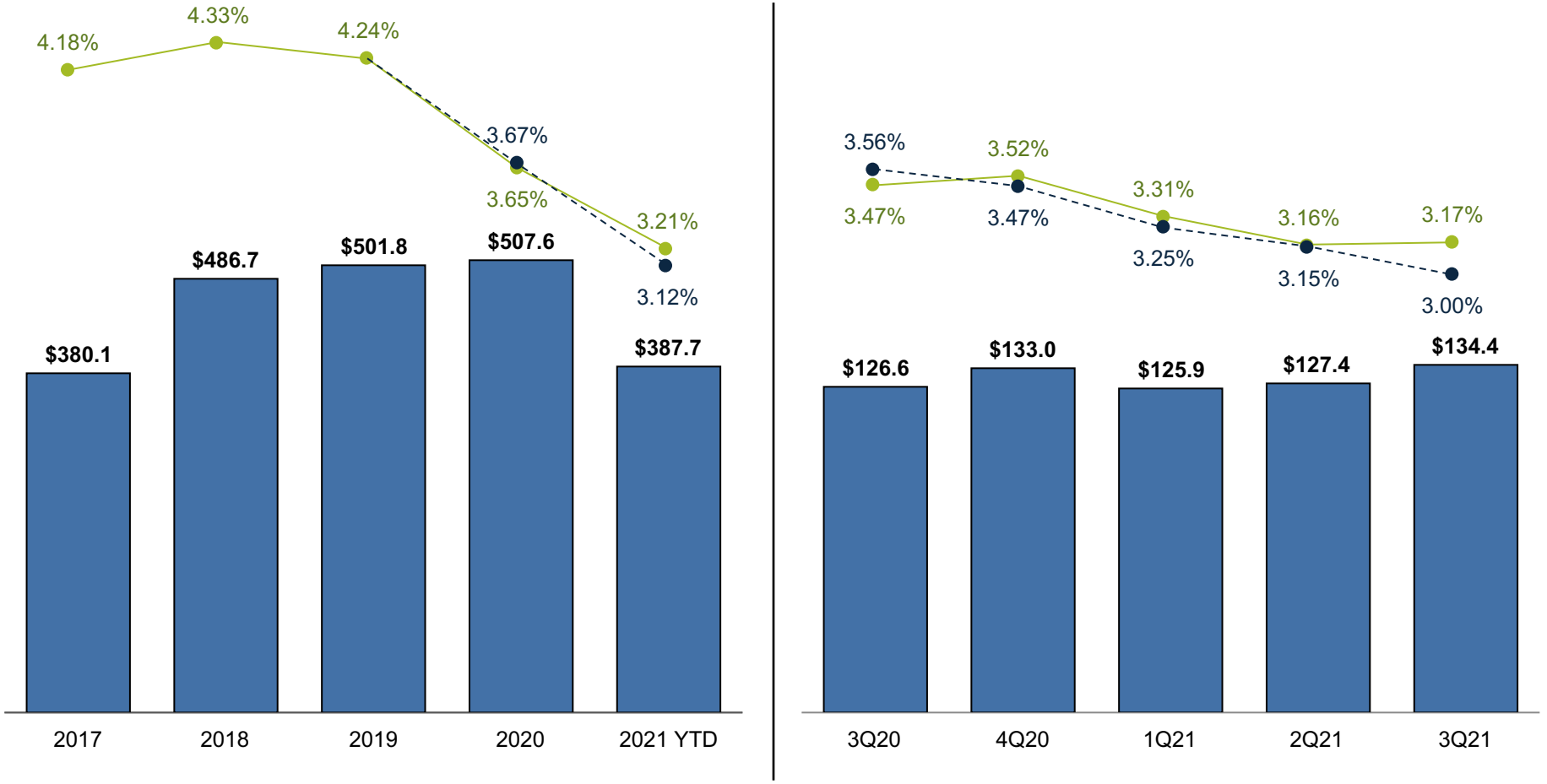
**3Q21**
**$16.0 billion**
*61% Business & 39% Consumer*
*Cost of Deposits = 4 bps*




*As of Sep 30, 2021*

- Interest-bearing demand
- Savings
- Certificates of deposit, less than $250,000
- CD Option of IntraFi Network Deposits, brokered CDs, & reciprocal money markets

# Net Interest Margin




***$ in millions***



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

# Interest Rate Sensitivity

Columbia Bank

## Loan Repricing Detail (in millions)

| (in millions) | Jun-21 | Sep-21 | Jun-21 | Sep-21 |
|---|---|---|---|---|
| Fixed | $4,781 | $4,953 | 49 % | 52 % |
| PPP | $710 | $345 | 7 % | 4 % |
| Prime | 884 | 914 | 10 % | 10 % |
| 1 Month | 2,091 | 2,132 | 21 % | 22 % |
| 3 Month | 112 | 123 | 1 % | 1 % |
| **Floaters** | **$3,087** | **$3,169** | **32 %** | **33 %** |
| 1 Year | 119 | 110 | 1 % | 1 % |
| 3 Year | 109 | 103 | 1 % | 1 % |
| 5 Year | 742 | 681 | 8 % | 7 % |
| 10 Year | 180 | 177 | 2 % | 2 % |
| **Variable** | **$1,150** | **$1,071** | **12 %** | **11 %** |
| **Total** | **$9,728** | **$9,538** | **100 %** | **100 %** |

## Loan Maturities (in millions)

| | <=6 Mos | 7 to 12 Mos | 13 to 24 Mos | 25 to 36 Mos | 37 to 59 Mos | 60+ Mos | Total |
|---|---|---|---|---|---|---|---|
| Fixed | $70 | $106 | $163 | $241 | $357 | $4,361 | **$5,298** |
| Floaters | $3,073 | $12 | $11 | $17 | $13 | $44 | **$3,169** |
| Variable | $109 | $123 | $136 | $144 | $168 | $390 | **$1,071** |
| Adjustable | $3,182 | $135 | $147 | $161 | $181 | $434 | **$4,240** |
| Total | $3,252 | $241 | $310 | $402 | $538 | $4,795 | **$9,538** |

## Floors: Floating and Variable Rate Loans (in millions)

| | No Floor | At Floor | Above Floor | Total |
|---|---|---|---|---|
| Floaters | $1,854 | $1,141 | $174 | **$3,169** |
| Variable | $288 | $516 | $267 | **$1,071** |
| Total | $2,142 | $1,657 | $441 | **$4,240** |

## Upward Rate Change to Move from Floor (in millions)

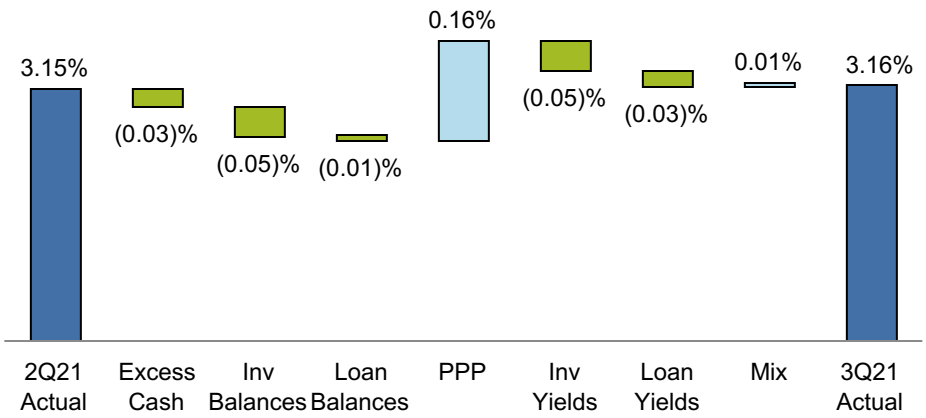
| Loans At Floor | <25 bps | 26-50 bps | 51-75 bps | 76-100 bps | 101-125 bps | >150 bps | Total |
|---|---|---|---|---|---|---|---|
| **Balances *(in millions)*** | | | | | | | |
| Floaters | $331 | $101 | $174 | $324 | $82 | $129 | **$1,141** |
| Variable | 121 | 104 | 71 | 112 | 44 | 64 | **516** |
| Total | $452 | $205 | $245 | $436 | $126 | $193 | **$1,657** |
| **Weighted Average Rate Change to Move Above Floor** | | | | | | | |
| Floaters | 0.05 % | 0.42 % | 0.69 % | 0.94 % | 1.17 % | 1.56 % | **0.68 %** |
| Variable [1] | — % | 0.37 % | 0.63 % | 0.88 % | 1.14 % | 1.73 % | **0.61 %** |

[1] Majority of the variable loans in the <25 bps category were originated with start rate = floor rate. The rate on these loans will exceed the floor at their next reset date.

**Loans were grouped into three buckets:**
No Floor = non contractual floor on the loan
At Floor = current rate = floor
Above Floor = current rate exceeds floor

The amount above the floor was based on the current margin plus the current index assuming the loan repriced on 9/30/2021. The variable loans may not have a repricing day until well into the future.

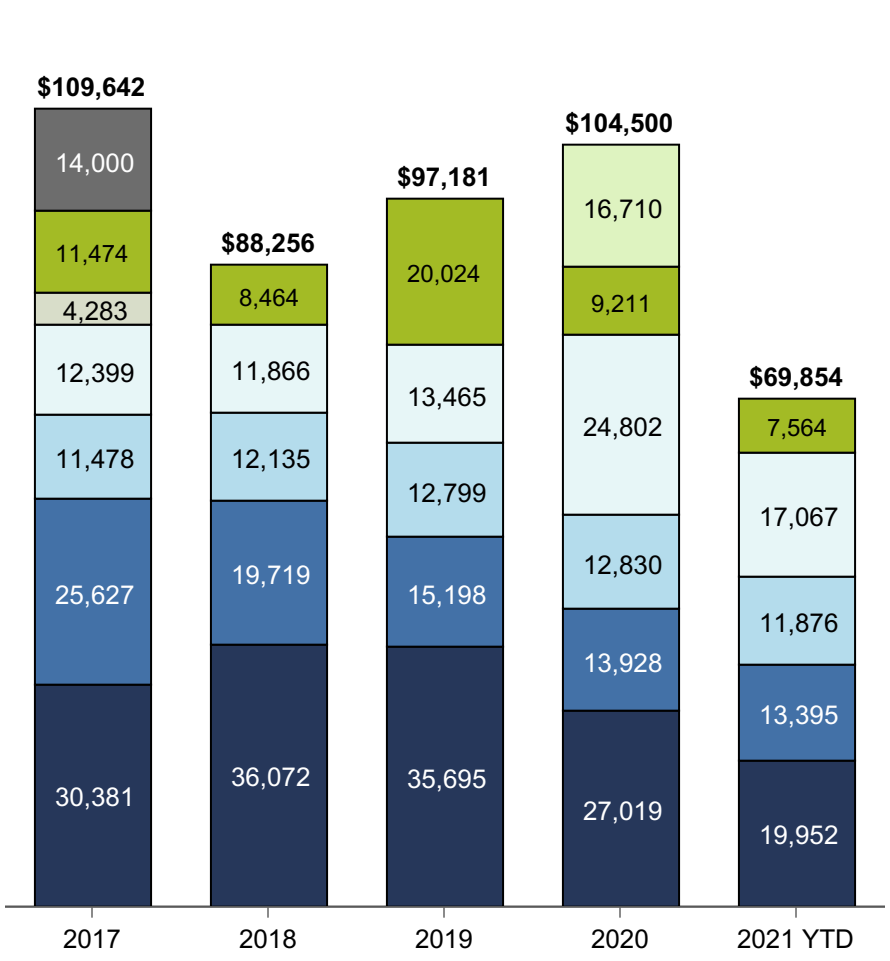
**Operating Net Interest Margin [2]**
**2Q21 vs 3Q21**

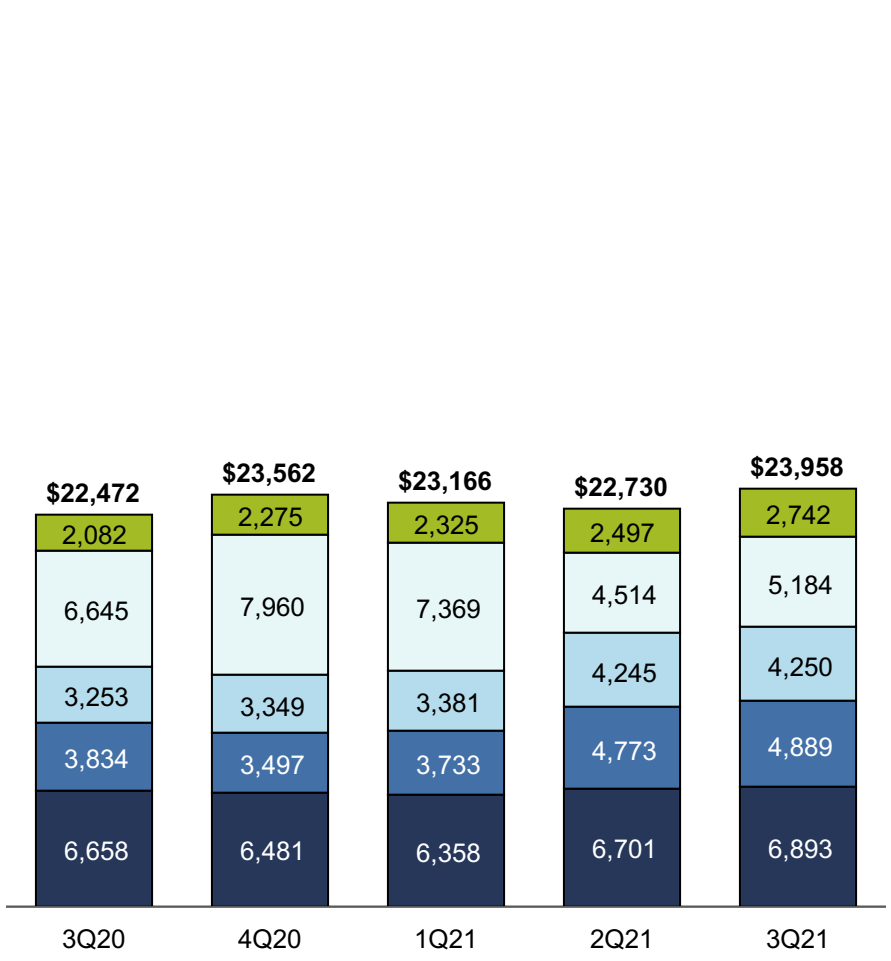



[2] Non-GAAP financial measure. Refer to end of presentation for more information.

Totals may not foot due to rounding

# Noninterest Income

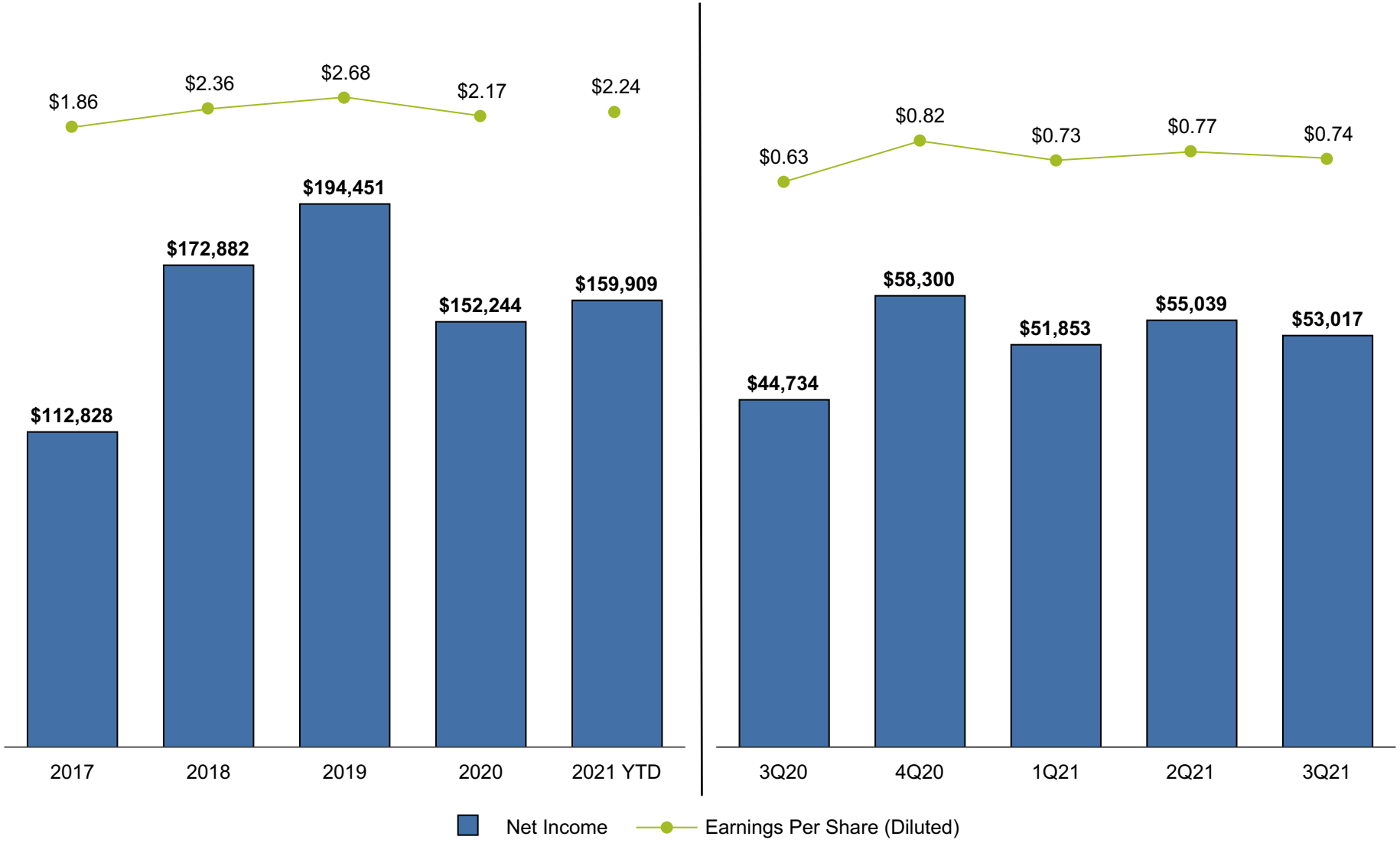



- Deposit Account & Treasury Management Fees
- Financial Services & Trust Revenue
- Merchant Processing Revenue
- Gain Investment Securities, Net
- Card Revenue
- Loan Revenue
- Other Noninterest Income
- Gain on Sale of Merchant Card Services Portfolio, Net

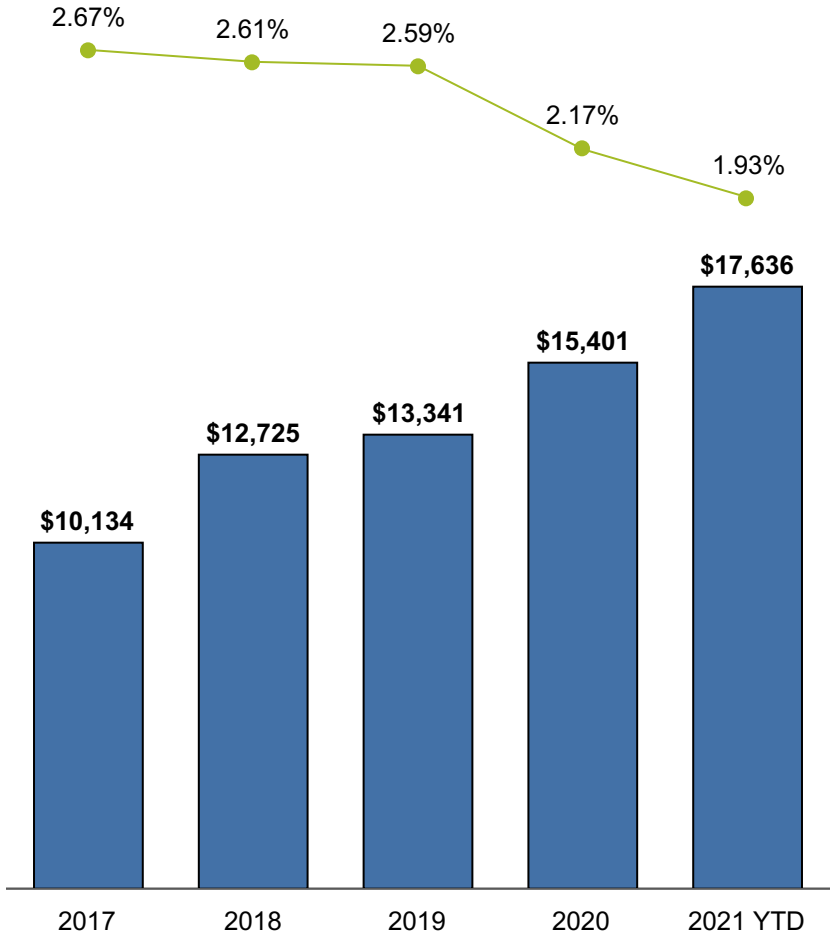
*$ in thousands*

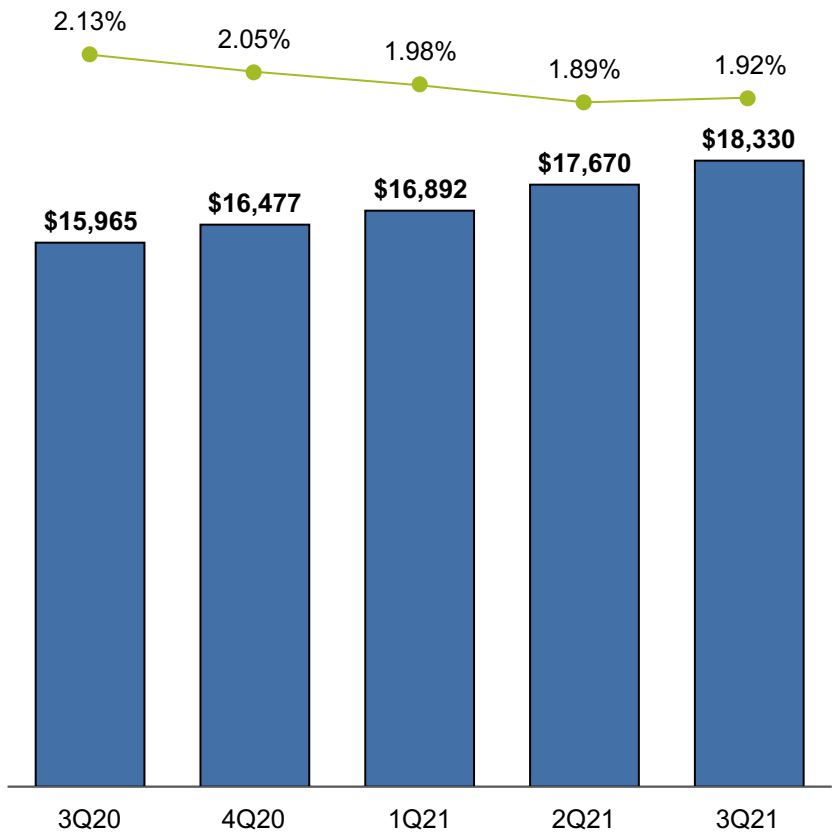
# Strong Earnings Performance




*$ in thousands*

# Improved Operating Leverage




Average Total Assets

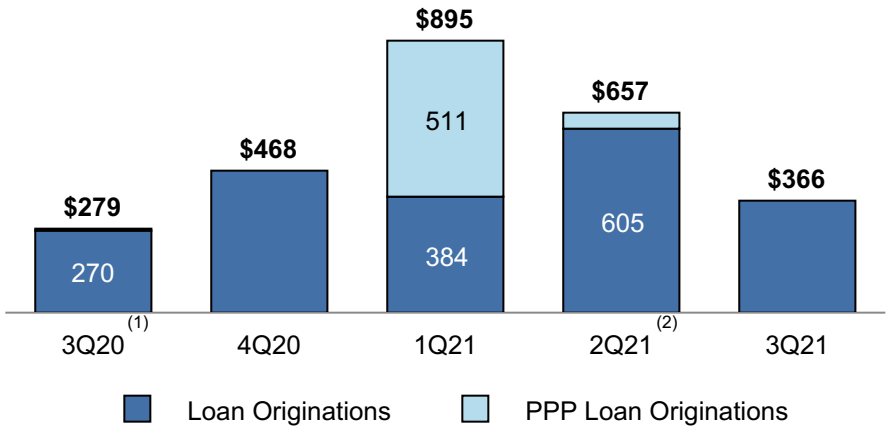
Core NIE/Avg Assets [1]

***$ in millions***

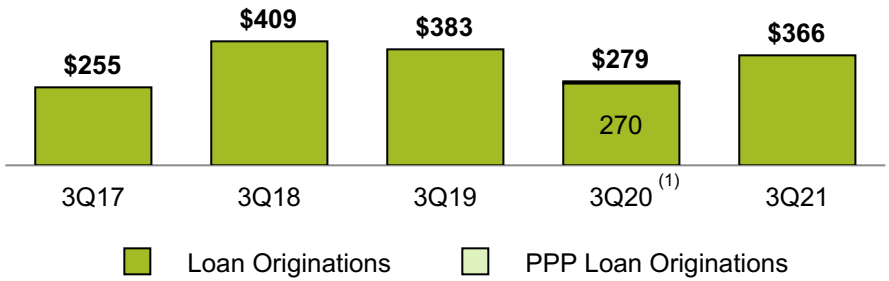
[1] Non-GAAP financial measure. Refer to end of presentation for more information.

# Total Loans

## Rolling 5 Quarters Loan Production



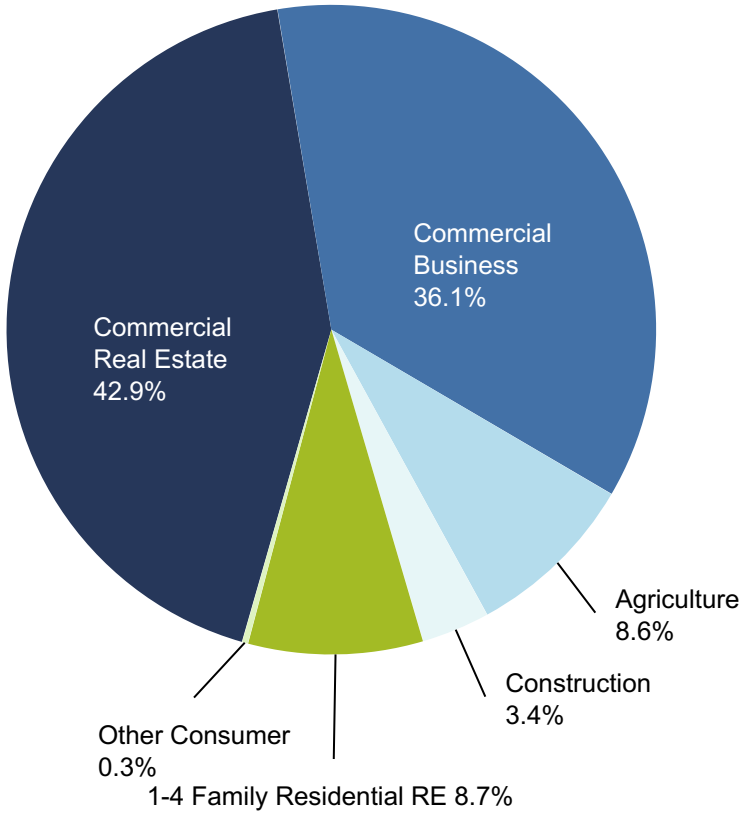

## 3rd Quarter Loan Production




***$ in millions***

## Total Loans, Net of Unearned Income
## $9.5 billion

*Annualized Quarterly Growth = 8%*
*(excluding PPP Loans [3])*




*As of Sep 30, 2021*

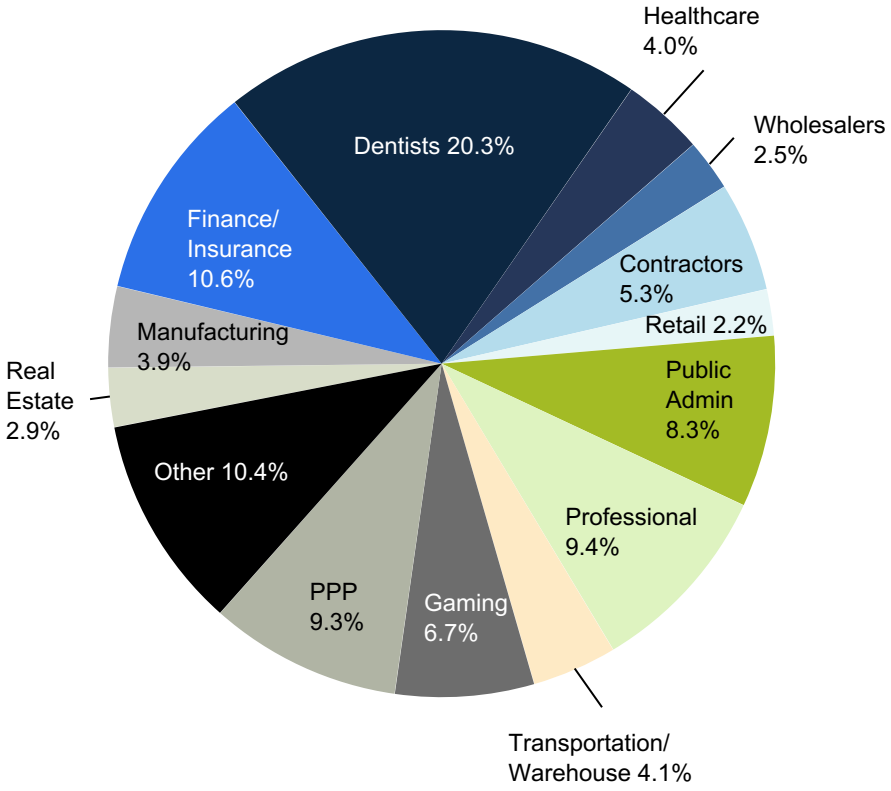
(1) 3Q20 includes $9.4 million of PPP Loan Originations
(2) 2Q21 includes $52 million of PPP Loan Originations

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

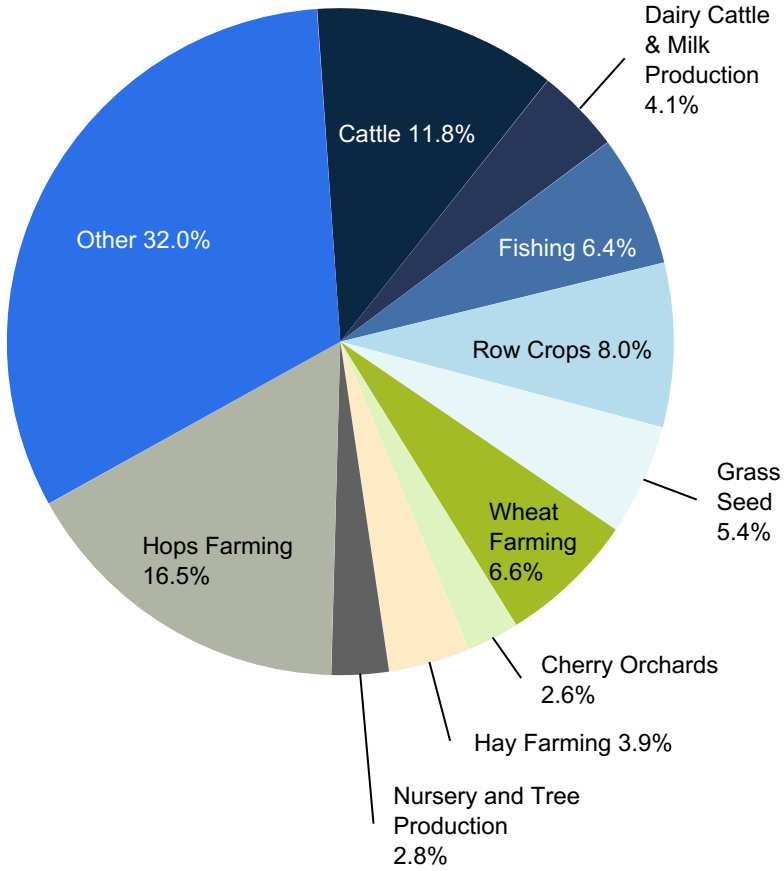
# Well Diversified C&I and Agriculture Loan Portfolios

Columbia Bank

**C&I Portfolio**
**$3.4 billion**




**Agriculture Portfolio**
**$816 million**



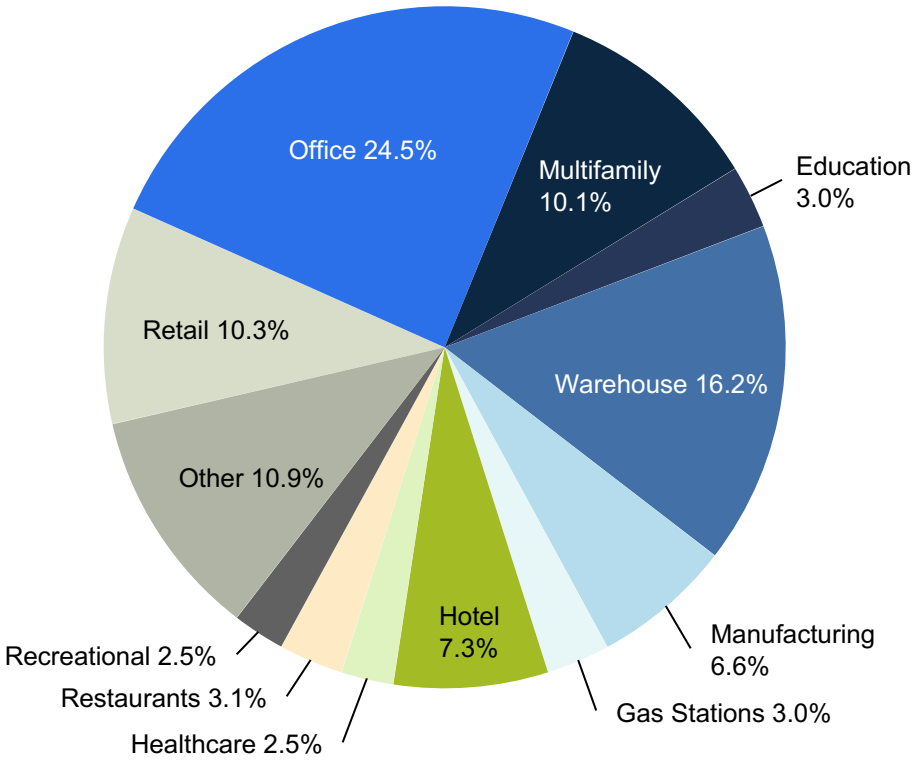

*As of Sep 30, 2021*

# Balanced CRE Loan Portfolio

Columbia Bank

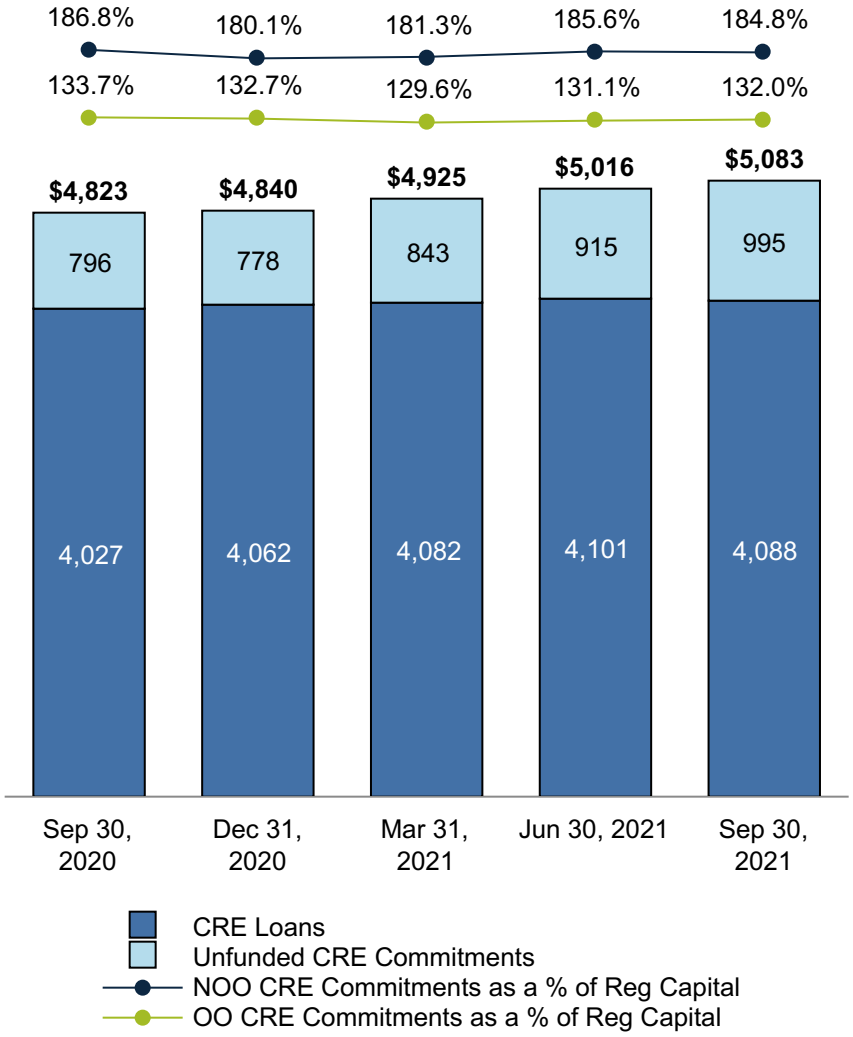
## CRE Portfolio $4.1 billion

Balanced with 50% Income Property and 50% Owner-occupied




*As of Sep 30, 2021*

## Consistent CRE Coverage



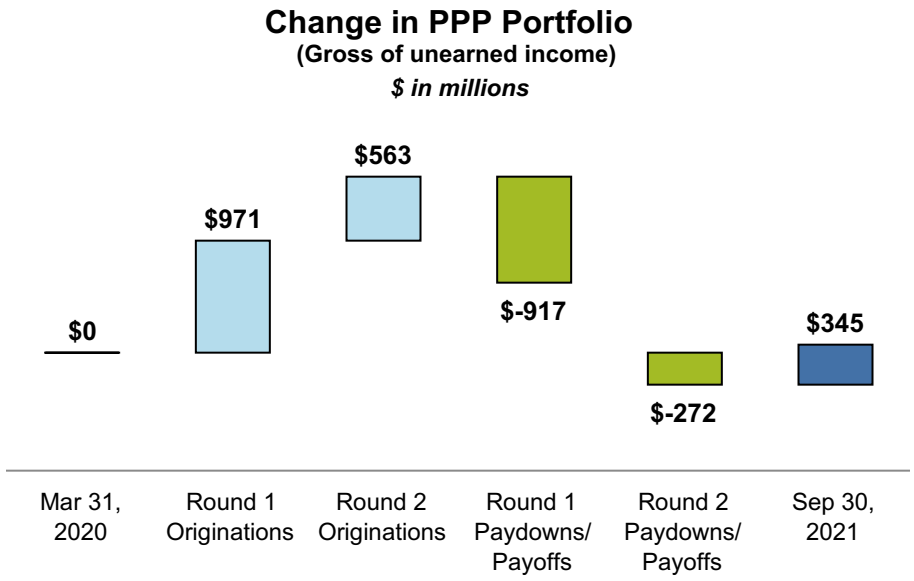

***$ in millions***

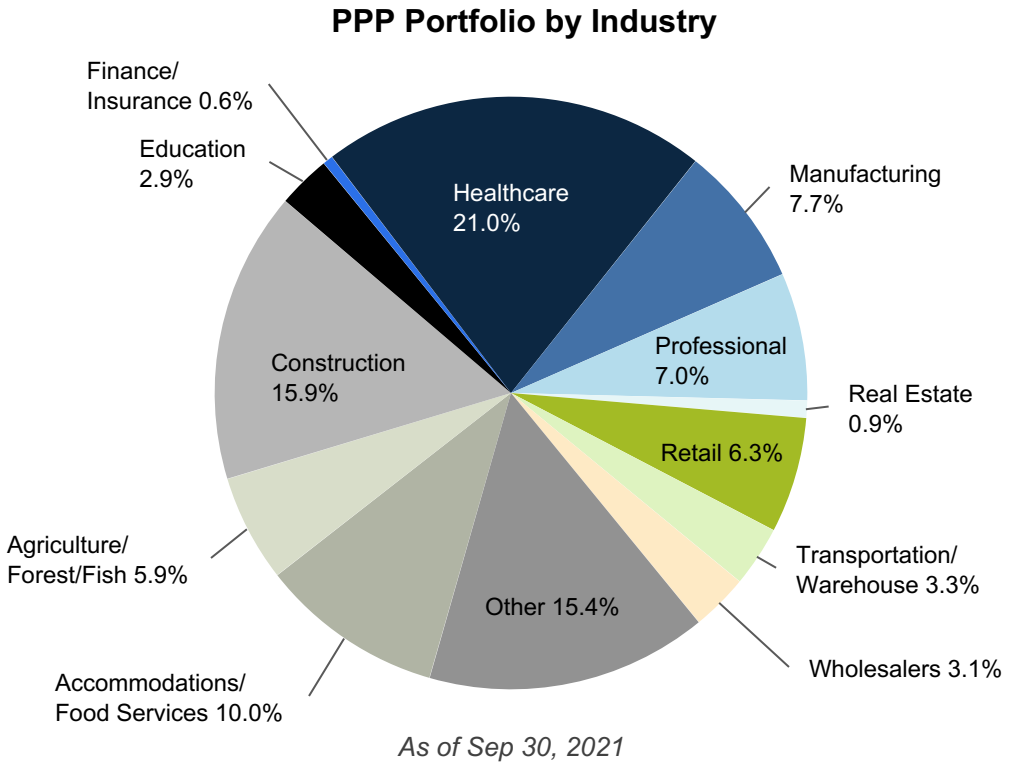
# Paycheck Protection Program

During 2021, Columbia Bank originated more than **4,800** loans through **Round 2** of the Paycheck Protection Program, for a **total of $563 million**.

Overall, we originated approximately **9,300** loans and infused over **$1.5 billion** into the Pacific Northwest economy through PPP. We were pleased to provide much needed aid for businesses and the families they support in our communities.

Our lending teams continue to guide borrowers through the SBA forgiveness process. As of **September 30, 2021**, our PPP portfolio balance is **$345 million** [(1)].



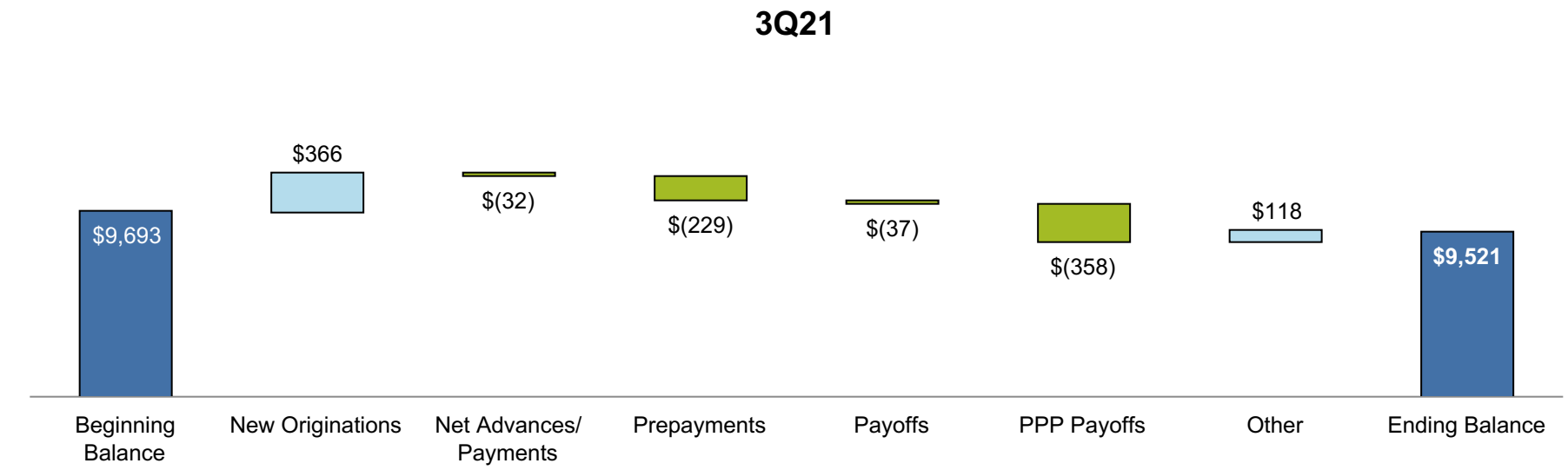



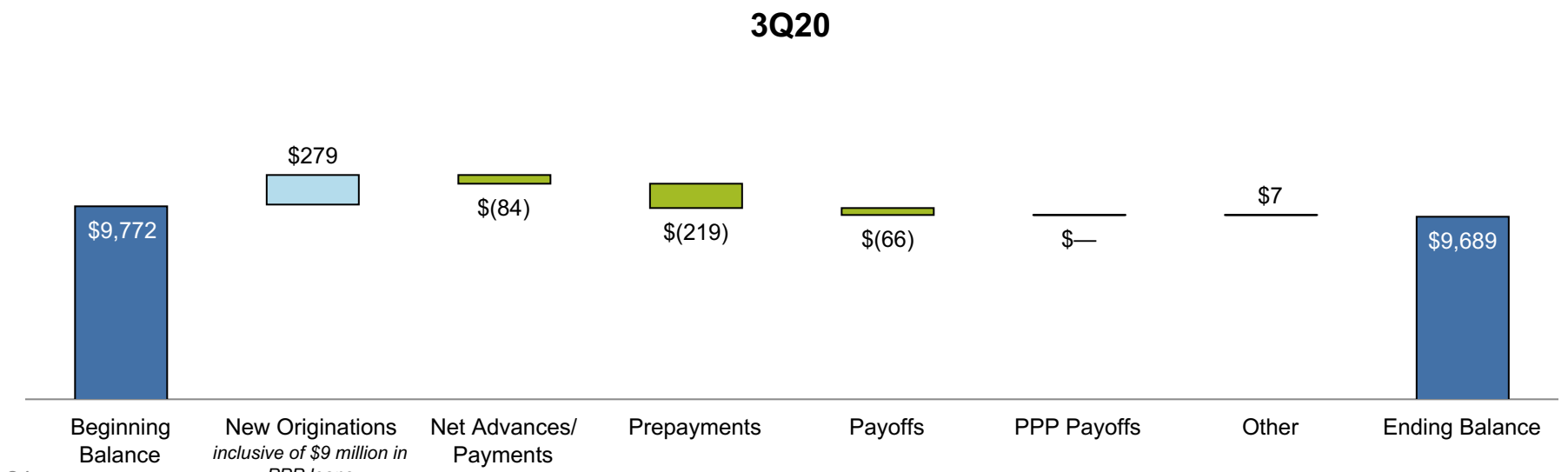



(1) Gross of unearned income

# Components of 3Q Change in Loans

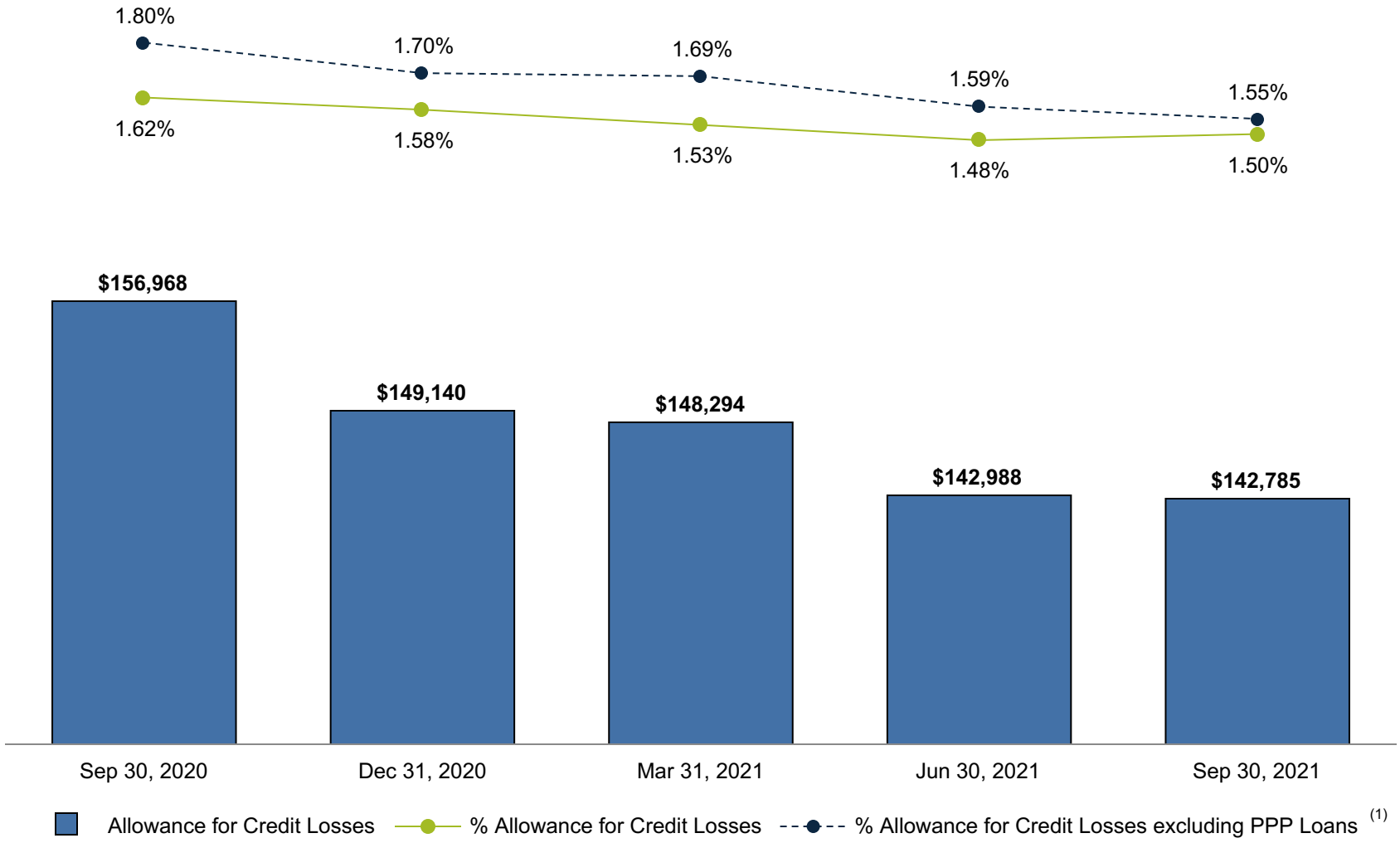
Columbia Bank




***$ in millions***

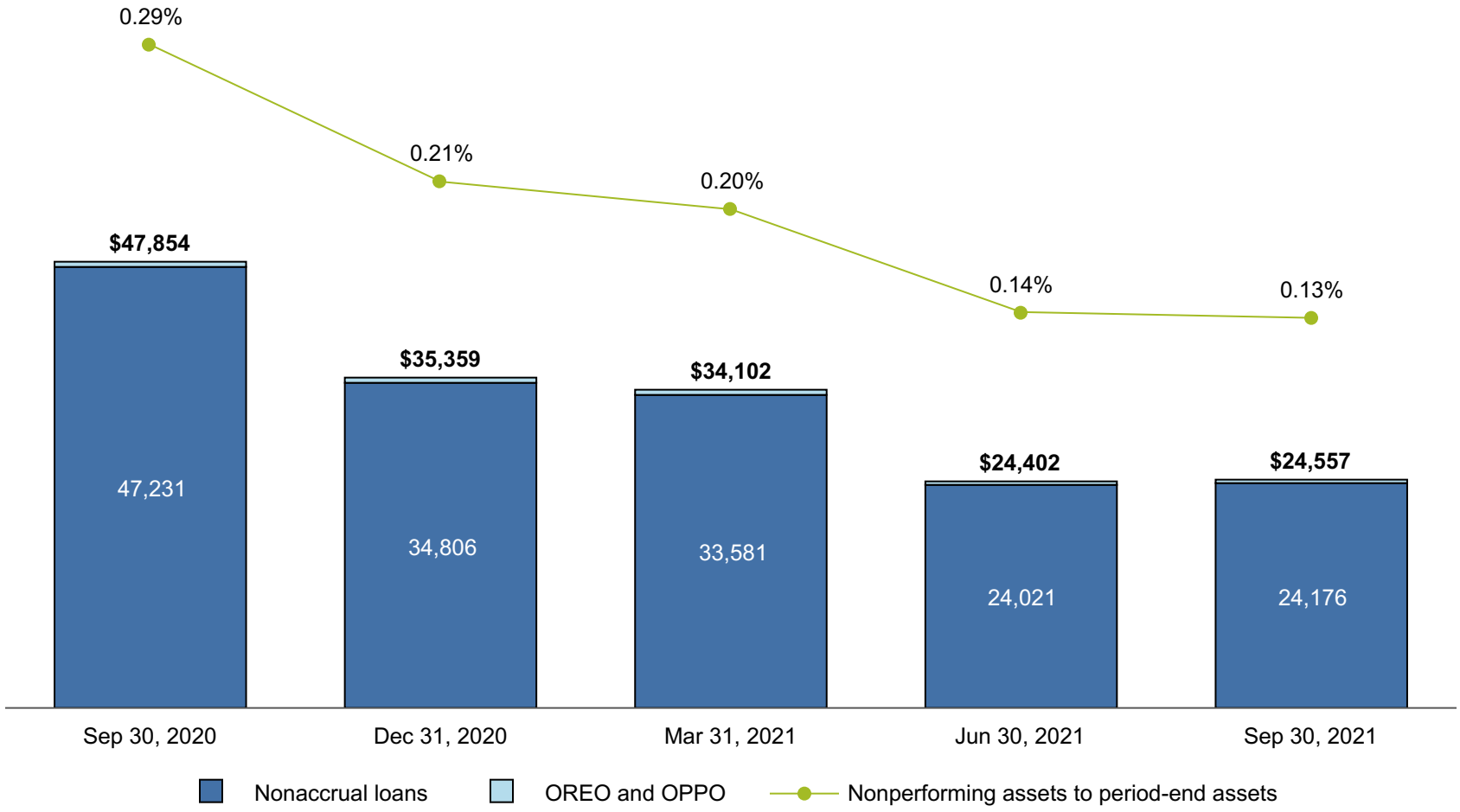
# Allowance for Credit Losses (ACL)




***$ in thousands***

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

# Nonperforming Assets



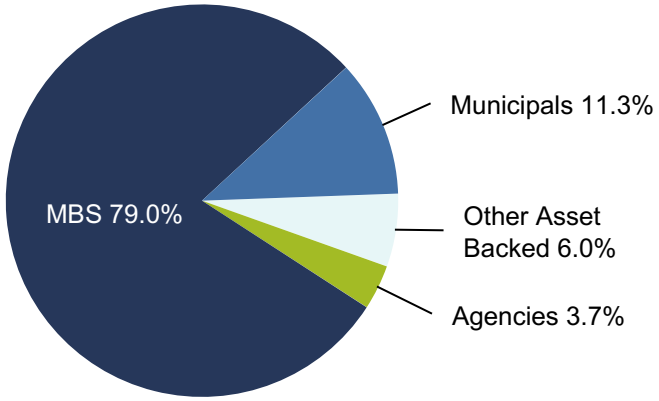



***$ in thousands***

# Highly Quality Securities Portfolio [1]

Columbia Bank

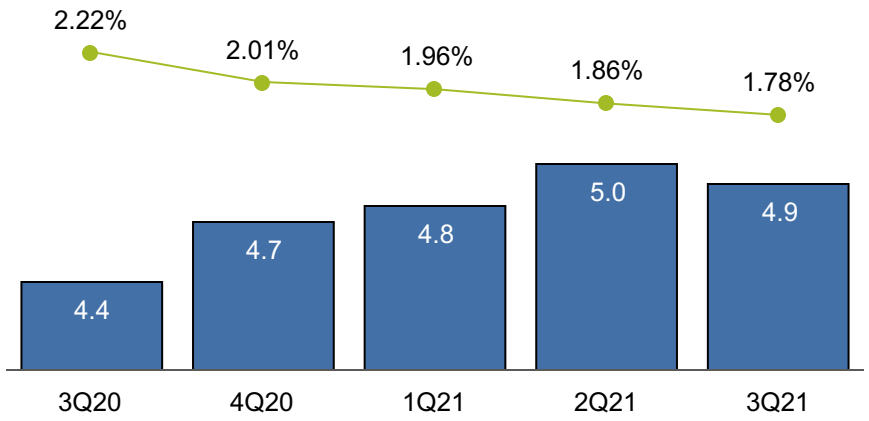
## Portfolio Mix
## $6.9 billion




Portfolio is conservatively positioned:

- Strong credit quality with focus on agencies and high-quality municipal securities
- Over half of the MBS portfolio is Agency Commercial Mortgage Backed Securities (ACMBS), which mitigates prepayment risk
- 81% of municipal securities are from the following states: WA, TX, OR, ID, MN, MD

## Portfolio Duration[2] & Expected Yield to Maturity




## Summary of Credit Ratings *(in millions)*

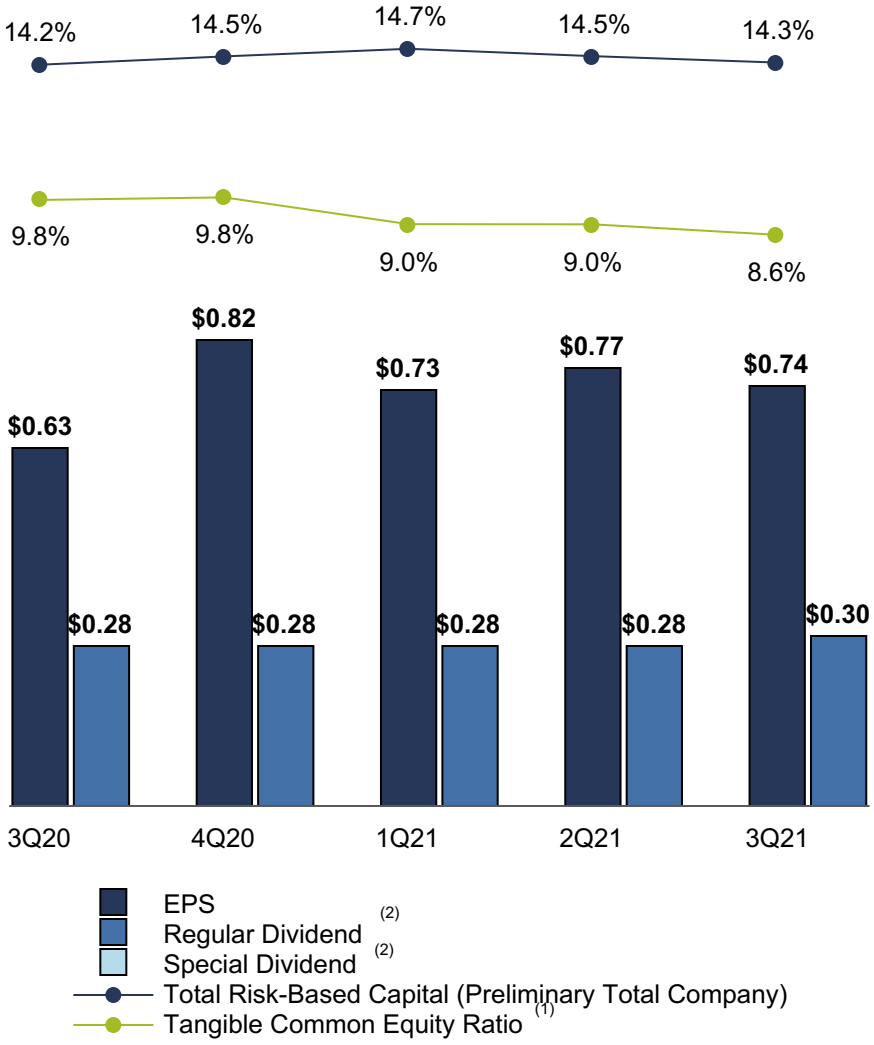
*September 30, 2021*

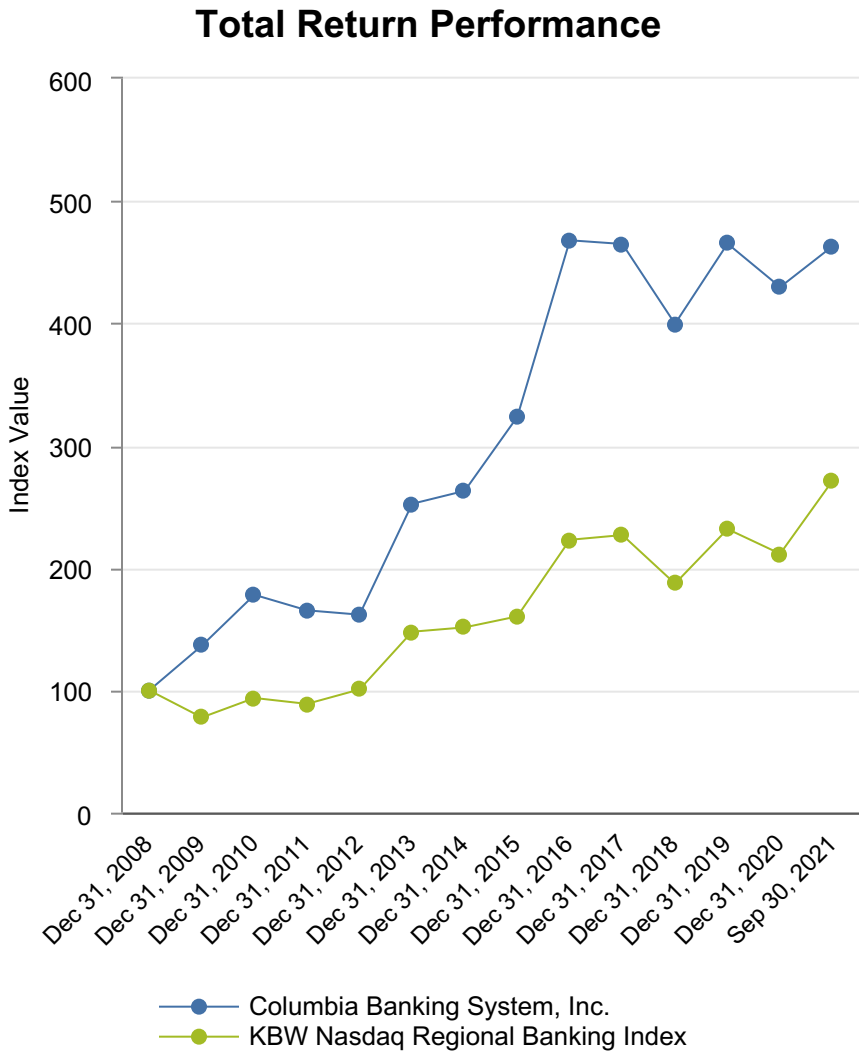
| | MBS | Munis | Other Asset Backed | Agencies | Total | % of Total |
|---|---|---|---|---|---|---|
| AAA | $5,450 | $432 | $416 | $256 | $6,553 | 95 % |
| AA | — | 335 | — | — | 335 | 5 % |
| A | — | 12 | — | — | 12 | — % |
| Nonrated | — | 3 | — | — | 3 | — % |
| **Total** | $5,450 | $781 | $416 | $256 | $6,903 | 100 % |
| Avg YTM | 1.72 % | 2.30 % | 1.86 % | 1.24 % | 1.78 % | |
| Duration [2] | 4.8 | 5.8 | 6.2 | 2.8 | 4.9 | |

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

Totals may 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 earned.

# Diversity, Equity and Inclusion

Columbia Bank

Columbia's Diversity, Equity and Inclusivity program continues to make a positive impact on clients and the broader Northwest Community.

**Over $120,000**

Awarded through the Bank's Equity and Inclusivity Grant Program

Distributed to organizations serving women & girls, BIPOC, people with disabilities, and the LBGTQIA+ community.

**More than $360,000**

Provided to BIPOC and Women-Owned businesses through the Pass It On Project

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

**$100,000**

Scholarship Fund for NW Students of Color

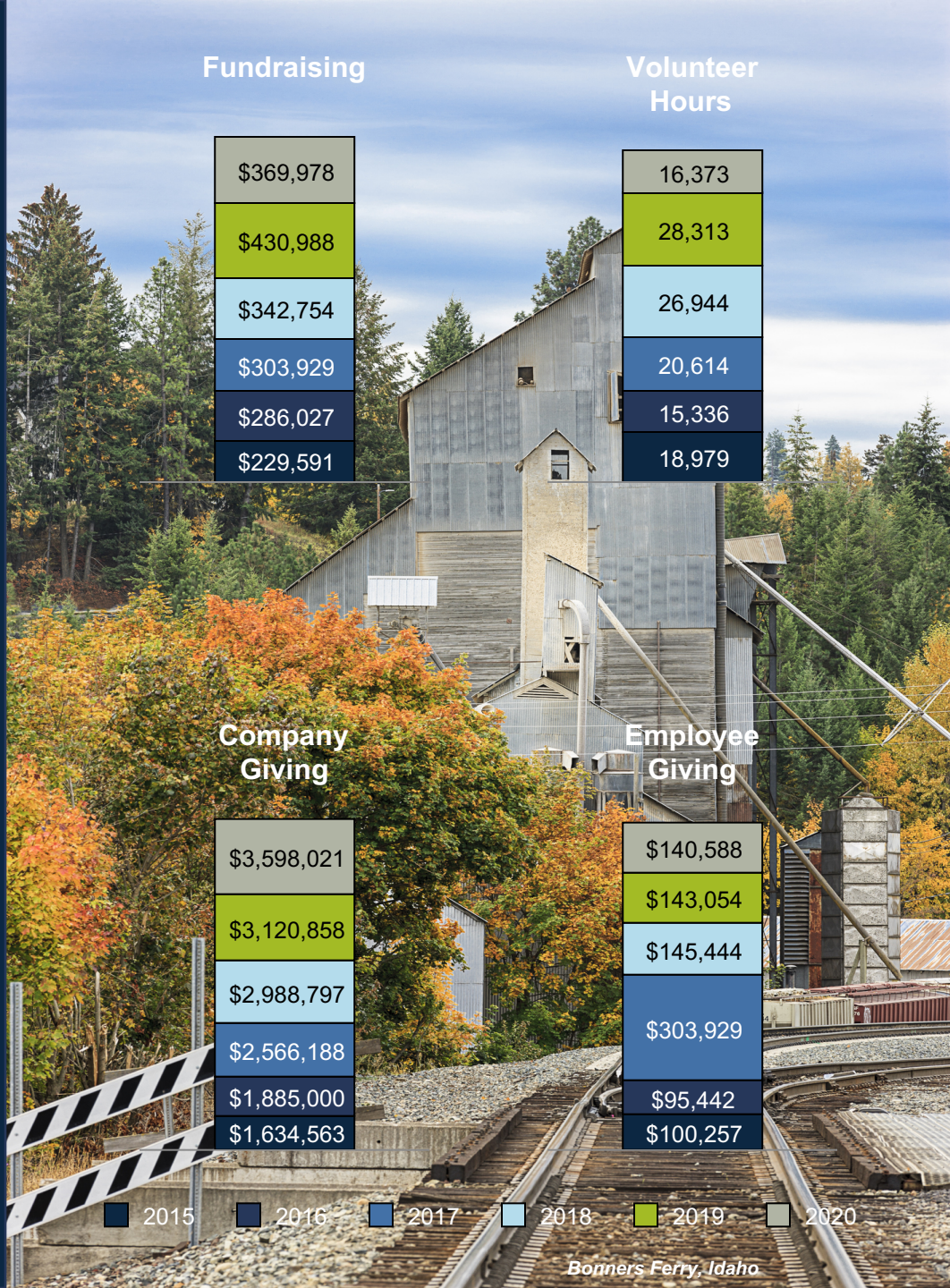
In partnership with Tacoma Urban League, Urban League of Portland, Urban League of Metropolitan Seattle and the Spokane NAACP.

# 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% committed** to keeping every dollar raised within the community from which it originated.



# Columbia – An Award-Winning Company

Columbia Bank




**Forbes**
Best Banks in America




**Seattle Business Magazine**
2019 Executive Excellence Award




**Portland Business Journal**
2020 Corporate Philanthropy Award




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




**Puget Sound Business Journal**
**Corporate Champion**
2021 Environment Honoree




**2021 Silver Stevie Award**
The American Business Awards;
Most Valuable Corporate Response




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




**Puget Sound Business Journal**
2019 Corporate Citizenship Award




**South Sound Magazine**
2020 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**
2020 Oregon's Most Admired Companies



















**2020 Women on Boards**
2019 Winning 'W' Company

# ESG Encompasses Columbia's Do RIGHT Values

Columbia Bank

***When we Do RIGHT by our people and our clients, shareholders invest and communities prosper.***

## Environment

### Climate Change

- Green bond investments **increased to $664 million** in 3Q 2021
- Placed **12th of 467 teams** in The People's Ecochallenge in 2020 to make Earth "a healthier, more equitable, more sustainable place"
- Donated computers and other devices to Interconnection in 2020, providing underserved communities with affordable technology
- Core Sustainability Team developed best practices for branches and standards of conservation
- Completed a bank-wide Environmental Sustainability baseline report including a Greenhouse Gas Inventory Assessment in 2019
- 2021 Puget Sound Business Journal **Environmental Award** - The recognition was based on the Bank's response to the 2020 wildfires that devastated forests across the Pacific Northwest
- Surveyed employees to recruit for the Sustainability Champion Network and collect their sustainability-related ideas for improvement.

### Stewardship

### Investment

## Social

### Valuing our People

- Market-competitive compensation with a starting wage in all markets of **at least $18 per hour**
- Comprehensive employee benefits include up to **40 hours** of paid volunteer time for employees working at least half time

### Charitable Activities

- **Donated over $3.5 million** to more than 1,100 charitable partners in 2020
- **Over $600,000** paid to 350 small businesses in 2020 to perform services for the community during COVID-19 through our "Pass It On Project." Businesses owned by women and people of color received 44% and 17% of those funds, respectively.
- CRA investments of **$407 million** as of year-end 2020
- **$971 million** of loans extended through Round 1 of the SBA Payroll Protection Program in 2020; **$563 million** in Round 2 during 2021
- **#16 SBA Lender Nationally in 2020** - only bank in the top 20 based in Washington, Oregon or Idaho; **#1** SBA Lender - Portland and **#2** SBA Lender - Seattle
- Launched our **Equity and Inclusivity Grant Program** which awarded grants totaling $120,000 to business across the Pacific Northwest that support Women and Girls, people of color, people with disabilities, and the LBGTQIA+ community
- The Bank's Foundation Account is nationally certified by Bank On. The account has been successful throughout our geography, meeting the needs of consumers and promoting financial inclusion in our communities.

### Investing in our Community

## Governance

### Board Independence & Diversity

- **12 of 13** Board members are **independent**, including Board Chair and all committee chairs
- **46%** of Board members are women and **23%** are people of color
- Women and people of color comprise **69%** and **16%** of management roles, respectively

### Structure

- Developing reporting in compliance with SASB / VRF and TCFD frameworks
- Comprehensive information security and cybersecurity oversight by the Board's Enterprise Risk Management Committee

### Oversight

- ESG Oversight is a responsibility of the Board Governance and Nominating Committee

For more information, please refer to the ESG page at investors.columbiabank.com



*Updated December 2021*

# Executive Leadership Team

Columbia Bank



**Clint Stein**
President
Chief Executive Officer



**Kumi Yamamoto Baruffi**
Executive Vice President
General Counsel



**Aaron James Deer**
Executive Vice President
Chief Financial Officer



**David Moore Devine**
Executive Vice President
Chief Marketing & Experience Officer



**Lisa Dow**
Executive Vice President
Chief Risk Officer



**Eric Eid**
Executive Vice President
Chief Digital & Technology Officer



**Dave Lawson**
Executive Vice President
Human Resources Director



**Andy McDonald**
Executive Vice President
Chief Credit Officer



**Chris Merrywell**
Executive Vice President
Chief Operating Officer

**Investor Relations**
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investorrelations@columbiabank.com

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P.O. Box 2156
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twitter.com/columbiabanknw
instagram.com/columbiabank
youtube.com/user/columbiabanktv



*Lake Coeur d'Alene, Idaho*

# Appendix



*Perrine Memorial Bridge, Twin Falls, Idaho*

# Non-GAAP Financial Measures

Columbia Bank

## Tangible Book Value per Common Share

| *$ in thousands* | 12/31/10 | 12/31/11 | 12/31/12 | 12/31/13 | 12/31/14 | 12/31/15 | 12/31/16 | 12/31/17 | 12/31/18 | 12/31/19 | 12/31/20 | 9/30/21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total Shareholders' Equity | $706,878 | $759,338 | $764,008 | $1,053,249 | $1,228,175 | $1,242,128 | $1,251,012 | $1,949,922 | $2,033,649 | $2,159,962 | $2,347,607 | $2,323,267 |
| -Preferred Equity | — | — | — | (2,217) | (2,217) | (2,217) | (2,217) | — | — | — | — | — |
| Total Common Shareholders' Equity (numerator A) | 706,878 | 759,338 | 764,008 | 1,051,032 | 1,225,958 | 1,239,911 | 1,248,795 | 1,949,922 | 2,033,649 | 2,159,962 | 2,347,607 | 2,323,267 |
| -Goodwill | (109,639) | (115,554) | (115,554) | (343,952) | (382,537) | (382,762) | (382,762) | (765,842) | (765,842) | (765,842) | (765,842) | (765,842) |
| -Other Intangible Assets, net- | (18,696) | (20,166) | (15,721) | (25,852) | (30,459) | (23,577) | (17,631) | (58,173) | (45,937) | (35,458) | (26,734) | (21,123) |
| Tangible Common Equity (numerator B) | $578,543 | $623,618 | $632,733 | $681,228 | $812,962 | $833,572 | $848,402 | $1,125,907 | $1,221,870 | $1,358,662 | $1,555,031 | $1,536,302 |
| Annual Special Dividend | 0 | 1,975 | 25,346 | 0 | 21,179 | 36,969 | 44,124 | 0 | 10,256 | 21,347 | 15,872 | 0 |
| Cumulative Special Dividend | 0 | 1,975 | 27,321 | 27,321 | 48,500 | 85,469 | 129,593 | 129,593 | 139,849 | 161,196 | 177,068 | 177,068 |
| Adjusted Tangible Common Equity for Special Dividend (numerator C) | 578,543 | 625,593 | 660,054 | 708,549 | 861,462 | 919,041 | 977,995 | 1,255,500 | 1,361,719 | 1,519,858 | 1,732,099 | 1,713,370 |
| Common Shares Outstanding (denominator D) | 39,338 | 39,506 | 39,686 | 51,265 | 57,437 | 57,724 | 58,042 | 73,020 | 73,249 | 72,124 | 71,598 | 71,760 |
| Book Value per Common Share (numerator A/denominator D) | $ 17.97 | $ 19.22 | $ 19.25 | $ 20.50 | $ 21.34 | $ 21.48 | $ 21.52 | $ 26.70 | $ 27.76 | $ 29.95 | $ 32.79 | $ 32.38 |
| Tangible Book Value per Common Share (numerator B/ denominator D) | $ 14.71 | $ 15.79 | $ 15.94 | $ 13.29 | $ 14.15 | $ 14.44 | $ 14.62 | $ 15.42 | $ 16.68 | $ 18.84 | $ 21.72 | $ 21.41 |
| Adjusted Tangible Book Value per Common Share (numerator C/denominator D) | $ 14.71 | $ 15.84 | $ 16.63 | $ 13.82 | $ 15.00 | $ 15.92 | $ 16.85 | $ 17.19 | $ 18.59 | $ 21.07 | $ 24.19 | $ 23.88 |

## Pre-Tax, Pre-Provision Income

| *$ in thousands* | 3Q17 | 4Q17 | 1Q18 | 2Q18 | 3Q18 | 4Q18 | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Income before income taxes | $ 59,107 | $ 40,851 | $ 46,785 | $ 51,748 | $ 57,821 | $ 55,482 | $ 56,656 | $ 63,818 | $ 63,105 | $ 58,032 | $ 17,858 | $ 44,777 | $ 54,683 | $ 75,074 | $ 64,401 | $ 69,576 | $ 66,491 |
| Provision (recapture) for credit losses | (648) | 3,327 | 5,852 | 3,975 | 3,153 | 1,789 | 1,362 | 218 | 299 | 1,614 | 41,500 | 33,500 | 7,400 | (4,700) | (800) | (5,500) | — |
| Provision (recapture) for unfunded commitments [1] | (75) | (350) | 1,200 | (650) | 275 | 375 | (550) | 200 | (400) | (150) | 1,000 | 2,800 | 800 | (1,300) | 1,500 | 200 | 500 |
| B&O taxes [1] | 1,394 | 1,167 | 1,317 | 1,459 | 1,478 | 1,410 | 1,876 | 1,411 | 1,325 | 1,234 | 624 | 1,244 | 1,559 | 1,543 | 1,259 | 1,490 | 1,583 |
| Pre-tax, pre-provision income | $ 59,778 | $ 44,995 | $ 55,154 | $ 56,532 | $ 62,727 | $ 59,056 | $ 59,344 | $ 65,647 | $ 64,329 | $ 60,730 | $ 60,982 | $ 82,321 | $ 64,442 | $ 70,617 | $ 66,360 | $ 65,766 | $ 68,574 |



[1] Beginning the second quarter of 2021, provision for unfunded commitments and B&O taxes are components of this non-GAAP measure. Prior periods have been recalculated to conform to the current presentation.

# Non-GAAP Financial Measures

Columbia Bank

| NIE/Average Assets<br>*$ in thousands* | 2017 | 2018 | 2019 | 2020 | 2021 | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|---|---|---|---|---|---|---|---|---|---|---|
| Reported Noninterest Expense (numerator A) | $ 291,017 | $ 340,490 | $ 345,482 | $ 334,519 | $ 257,682 | $ 85,115 | $ 84,300 | $ 83,559 | $ 84,116 | $ 90,007 |
| - FDIC Clawback (Expense)/Recap [2] | 54 | — | — | — | — | — | — | — | — | — |
| - Acquisition Related Costs | (17,196) | (8,661) | — | — | (2,702) | — | — | — | (510) | (2,192) |
| - Net OREO/OPPO Exp [2] | (466) | — | — | — | — | — | — | — | — | — |
| - Term of FDIC Loss Sharing Agreement | (2,409) | — | — | — | — | — | — | — | — | — |
| Core Noninterest Exp (numerator B) [1] | $ 271,000 | $ 331,829 | $ 345,482 | $ 334,519 | $ 254,980 | $ 85,115 | $ 84,300 | $ 83,559 | $ 83,606 | $ 87,815 |
| Average Assets (denominator) | 10,134,306 | 12,725,086 | 13,341,024 | 15,401,219 | 17,636,026 | 15,965,485 | 16,477,246 | 16,891,682 | 17,670,480 | 18,330,109 |
| Noninterest Expense/Average Assets (numerator A/denominator) [3] | 2.87 % | 2.68 % | 2.59 % | 2.17 % | 1.95 % | 2.13 % | 2.05 % | 1.98 % | 1.90 % | 1.96 % |
| **Core** NIE/Average Assets (numerator B/denominator) [3] | 2.67 % | 2.61 % | 2.59 % | 2.17 % | 1.93 % | 2.13 % | 2.05 % | 1.98 % | 1.89 % | 1.92 % |

[1] Core NIE excludes acquisition expenses and other one-time non-recurring items.
[2] Prior to January 1, 2018, core NIE excluded FDIC Clawback liability and net benefit (cost) of operation or OREO and OPPO.
[3] For the purposes of this ratio, interim core noninterest expense and core noninterest expense has been annualized.

| Allowance Coverage Ratio<br>*$ in thousands* | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|---|---|---|---|---|---|
| Allowance for credit losses ("ACL") (numerator) | $ 156,968 | $ 149,140 | $ 148,294 | $ 142,988 | $ 142,785 |
| Total loans (denominator A) | 9,688,947 | 9,427,660 | 9,676,318 | 9,693,116 | 9,521,385 |
| Less: PPP loans (0% Allowance) | 953,244 | 651,585 | 894,080 | 691,949 | 337,025 |
| Total loans, net of PPP loans (denominator B) | $8,735,703 | $8,776,075 | $8,782,238 | $9,001,167 | $9,184,360 |
| ACL to period end loans (numerator / denominator A) | 1.62 % | 1.58 % | 1.53 % | 1.48 % | 1.50 % |
| ACL to period end loans, excluding PPP loans (numerator / denominator B) | 1.80 % | 1.70 % | 1.69 % | 1.59 % | 1.55 % |

# Non-GAAP Financial Measures

Columbia Bank

| Net Interest Margin<br>*$ in Thousands* | 2017 | 2018 | 2019 | 2020 | 2021 YTD | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|---|---|---|---|---|---|---|---|---|---|---|
| Net Interest Income (tax equivalent) (numerator A) | $380,107 | $486,667 | $ 501,770 | $ 507,574 | $ 387,737 | $ 126,554 | $ 132,995 | $ 125,889 | $ 127,409 | $ 134,439 |
| Adjustments to arrive at operating net interest income (tax equivalent): | | | | | | | | | | |
| Incremental accretion income on acquired loans [1] | (12,796) | (12,556) | (9,086) | (6,154) | (2,795) | (1,665) | (1,323) | (1,055) | (856) | (884) |
| Premium amortization on acquired securities | 6,636 | 7,736 | 6,020 | 3,409 | 1,474 | 701 | 606 | 520 | 532 | 422 |
| Correction of immaterial error - securities premium amortization | 1,771 | — | — | — | — | — | — | — | — | — |
| Interest reversals on nonaccrual loans [2] | 1,766 | 1,564 | 1,671 | 2,000 | — | 393 | 146 | — | — | — |
| Operating net interest income (tax equivalent) (numerator B) | $377,484 | $483,411 | $500,375 | $506,829 | $386,416 | $125,983 | $132,424 | $125,354 | $127,085 | $133,977 |
| Average Earning Assets (denominator A) | 9,098,276 | 11,241,321 | 11,837,633 | 13,916,611 | 16,143,956 | 14,492,435 | 15,010,392 | 15,419,371 | 16,176,328 | 16,820,771 |
| Net Interest Margin (tax equivalent) (numerator A/denominator A) | 4.18 % | 4.33 % | 4.24 % | 3.65 % | 3.21 % | 3.47 % | 3.52 % | 3.31 % | 3.16 % | 3.17 % |
| Operating Net Interest Margin (tax equivalent) (numerator B/denominator A) | 4.15 % | 4.30 % | 4.23 % | 3.64 % | 3.20 % | 3.46 % | 3.51 % | 3.30 % | 3.15 % | 3.16 % |
| Adjustments to arrive at PPP Impact on Net Interest Margin (tax equivalent): | | | | | | | | | | |
| PPP Interest Income | — | — | — | 19,071 | 27,327 | 5,263 | 9,218 | 9,097 | 7,075 | 11,155 |
| Net Interest Income (tax equivalent) excluding PPP Loans (numerator C) | $380,107 | $486,667 | $ 501,770 | $ 488,503 | $ 360,410 | $ 121,291 | $ 123,777 | $ 116,792 | $ 120,334 | $ 123,284 |
| PPP Average Balance | — | — | — | 601,602 | 719,071 | 948,034 | 822,970 | 828,051 | 831,660 | 495,879 |
| Interest Earning Assets excluding PPP Loans (denominator C) | 9,098,276 | 11,241,321 | 11,837,633 | 13,315,009 | 15,424,885 | 13,544,401 | 14,187,422 | 14,591,320 | 15,344,668 | 16,324,892 |
| Net Interest Margin (tax equivalent) excluding PPP Loans (numerator C/ denominator C) | 4.18 % | 4.33 % | 4.24 % | 3.67 % | 3.12 % | 3.56 % | 3.47 % | 3.25 % | 3.15 % | 3.00 % |
| PPP Impact on Net Interest Margin (tax equivalent) | — % | — % | — % | (0.02)% | 0.09 % | (0.09)% | 0.05 % | 0.06 % | 0.01 % | 0.17 % |

[1] Beginning January 2020, incremental accretion income on purchased credit impaired loans was no longer presented separate from incremental accretion income on other acquired loans. Prior period amounts have been reclassified to conform to current period presentation,

[2] Beginning January 2021, interest reversals on nonaccrual loans is no longer a component of this non-GAAP financial measure.

# Non-GAAP Financial Measures

Columbia Bank

## Operating Efficiency Ratio

| *$ in thousand* | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|---|---|---|---|---|---|
| Noninterest expense (numerator A) | $ 85,115 | $ 84,300 | $ 83,559 | $ 84,116 | $ 90,007 |
| Adjustments to arrive at operating noninterest expense: | | | | | |
| Acquisition-related expenses | — | — | — | (510) | (2,192) |
| Net benefit (cost) of operation of OREO and OPPO | 160 | (32) | 73 | (111) | (4) |
| Loss on asset disposals | — | — | (6) | (2) | (11) |
| B&O taxes | (1,559) | (1,543) | (1,259) | (1,490) | (1,583) |
| Operating noninterest expense (numerator B) | $ 83,716 | $ 82,725 | $ 82,367 | $ 82,003 | $ 86,217 |
| Net interest income (tax equivalent) [1] | $ 126,554 | $ 132,995 | $ 125,889 | $ 127,409 | $ 134,439 |
| Noninterest income | 22,472 | 23,562 | 23,166 | 22,730 | 23,958 |
| Bank owned life insurance tax equivalent adjustment | 422 | 430 | 415 | 434 | 422 |
| Total revenue (tax equivalent) (denominator A) | $ 149,448 | $ 156,987 | $ 149,470 | $ 150,573 | $ 158,819 |
| Operating net interest income (tax equivalent) [1] | $ 125,983 | $ 132,424 | $ 125,354 | $ 127,085 | $ 133,977 |
| Adjustments to arrive at operating noninterest income (tax equivalent): | | | | | |
| Investment securities gain, net | — | (36) | — | (314) | — |
| Gain on asset disposals | (247) | (381) | — | (287) | — |
| Operating noninterest income (tax equivalent) | $ 22,647 | $ 23,575 | $ 23,581 | $ 22,563 | $ 24,380 |
| Total operating revenue (tax equivalent) (denominator B) | $ 148,630 | $ 155,999 | $ 148,935 | $ 149,648 | $ 158,357 |
| Efficiency ratio (tax equivalent) (numerator A/denominator A) | 56.95 % | 53.70 % | 55.90 % | 55.86 % | 56.67 % |
| Operating efficiency ratio (tax equivalent) (numerator B/denominator B) | 56.33 % | 53.03 % | 55.30 % | 54.80 % | 54.44 % |

[1] Tax-exempt interest income has been adjusted to a tax equivalent basis.
[2] For purposes of this ratio, interim net income has been annualized.
[3] For purposes of this ratio, interim tangible income applicable to common shareholders has been annualized.

## Tangible Common Equity

| *$ in thousands* | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|---|---|---|---|---|---|
| Total Shareholders' Equity (numerator A) | $2,301,981 | $2,347,607 | $2,275,063 | $2,333,246 | $2,323,267 |
| -Goodwill | (765,842) | (765,842) | (765,842) | (765,842) | (765,842) |
| - Other Intangible Assets, net | (28,745) | (26,734) | (24,810) | (22,958) | (21,123) |
| Tangible Common Equity (numerator B) | $1,507,394 | $1,555,031 | $1,484,411 | $1,544,446 | $1,536,302 |
| Total Assets (denominator A) | 16,233,424 | 16,584,779 | 17,335,116 | 18,013,477 | 18,602,462 |
| -Goodwill | (765,842) | (765,842) | (765,842) | (765,842) | (765,842) |
| - Other Intangible Assets, net | (28,745) | (26,734) | (24,810) | (22,958) | (21,123) |
| Tangible Assets (denominator B) | $15,438,837 | $15,792,203 | $16,544,464 | $17,224,677 | $17,815,497 |
| Shareholders' Equity to Total Assets (numerator A/denominator A) | 14.18 % | 14.16 % | 13.12 % | 12.95 % | 12.49 % |
| Tangible Common Shareholders' Equity to Tangible Assets (numerator B/denominator B) | 9.76 % | 9.85 % | 8.97 % | 8.97 % | 8.62 % |
| Common Shares Outstanding (denominator C) | 71,613 | 71,598 | 71,739 | 71,742 | 71,760 |
| Book Value per Common Share (numerator A/denominator C) | $ 32.14 | $ 32.79 | $ 31.71 | $ 32.52 | $ 32.38 |
| Tangible Book Value per Common Share (numerator B/denominator C) | $ 21.05 | $ 21.72 | $ 20.69 | $ 21.53 | $ 21.41 |

## ROATCE

| *$ in thousands* | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|---|---|---|---|---|---|
| Net Inc Applicable to Common Shareholders (numerator A) | $ 44,734 | $ 58,300 | $ 51,853 | $ 55,039 | $ 53,017 |
| + Amortization of Intangibles | 2,193 | 2,011 | 1,924 | 1,852 | 1,835 |
| - Tax Effect on Intangible Amort | (461) | (422) | (404) | (389) | (385) |
| Tangible Income Applicable to Common Shareholders (numerator B) | $ 46,466 | $ 59,889 | $ 53,373 | $ 56,502 | $ 54,467 |
| Avg Shareholders' Equity (denominator A) | $2,293,771 | $2,311,070 | $2,346,593 | $2,312,779 | $2,364,149 |
| - Average Intangibles | (795,650) | (793,510) | (791,714) | (790,015) | (788,173) |
| Adjusted Avg Common Shareholders' Equity (denominator B) | $1,498,121 | $1,517,560 | $1,554,879 | $1,522,764 | $1,575,976 |
| Return on Avg Common Equity (numerator A/denominator A) [2] | 7.80 % | 10.09 % | 8.84 % | 9.52 % | 8.97 % |
| Return on Average Tangible Common Shareholders' Equity (numerator B/ denominator B) [3] | 12.41 % | 15.79 % | 13.73 % | 14.84 % | 13.82 % |

# The Power of a Larger Balance Sheet: A Hypothetical Example

- Non-PPP loans grew $183 million at Columbia (8% LQA) and $480 million at Umpqua (9% LQA) in 3Q21.
- The opportunities to grow the loan book by expanding business with our *existing* customer base are dramatic, and they are potentially multiplicative as we continue to win business in our markets.

| | | | Opportunities | | |
|---|---|---|---|---|---|
| | | | Many | Some | A Few |
| | **Columbia Prespective** | | | | |
| (a) | Columbia 9/30/21 Tangible Common Equity * | $1,536 | | | |
| (b) | Umpqua 9/30/21 Tangible Common Equity * | $2,712 | | | |
| (c) | Pro Forma Company Tangible Common Equity * | $4,412 | | | |
| (d) | Loan Amount Hypothetical ** | | $20 | $35 | $60 |
| (e) = (a) / (d) | % of Columbia 9/30/21 TCE | | 1.30 % | 2.28 % | 3.91 % |
| | **Umpqua Prespective** | | | | |
| (f) | Loan Amount Hypothetical ** | | $35 | $60 | $100 |
| (g) = (f) / (b) | % of Umpqua 9/30/21 TCE | | 1.29 % | 2.21 % | 3.69 % |
| | **Pro Forma Company** | | | | |
| (h) = avg of (e) & (g) | Avg of Columbia & Umpqua 9/30/21 TCE Percentages | | **1.30 %** | **2.25 %** | **3.80 %** |
| (i) = (c) x (h) | Pro Forma Loan Amount ** | | **$57** | **$99** | **$167** |

| A High Quality Prospect... | | Adds to Loan Growth | Lost Opportunity ^ | Net Benefit to the Pro Forma Bank: Columbia Perspective | Net Benefit to the Pro Forma Bank: Umpqua Perspective |
|---|---|---|---|---|---|
| ...applies for a $50 million loan | Columbia Perspective:Today | $20 | $30 | | |
| | Umpqua Perspective: Today | $35 | $15 | | |
| | Pro Forma | **$50** | **$0** | **$30** | **$15** |
| ...applies for a $75 million loan | Columbia Perspective:Today | $35 | $40 | | |
| | Umpqua Perspective: Today | $60 | $15 | | |
| | Pro Forma | **$75** | **$0** | **$40** | **$15** |
| ...applies for a $150 million loan | Columbia Perspective:Today | $60 | $90 | | |
| | Umpqua Perspective: Today | $100 | $50 | | |
| | Pro Forma | **$150** | **$0** | **$90** | **$50** |

| **9/30/21 Tangible Common Equity** | **Columbia Bank** | **Umpqua Bank** |
|---|---|---|
| Total Shareholders' Equity | $2,323 | $2,722 |
| - Preferred Equity | $0 | $0 |
| -Goodwill | $-766 | $0 |
| - Other Intangible Assets, net | $-21 | $-10 |
| Tangible Common Equity | $1,536 | $2,712 |

Note: $ in millions. LQA = linked-quarter annualized.
* TCE used (instead of risk-based capital) given prior disclosure for pro forma TCE. See slide 41 for the calculation of pro forma TCE, which is based on financial data for the quarter ended June 30, 2021, and market data as of October 11, 2021.
** The loan amounts and opportunities displayed on this slide are hypothetical and should only be viewed as illustrative examples. The internal hold limit of the pro forma company following closing is expected to be determined by the pro forma company's board.
^ Amount of loan application above hypothetical loan amount is presented in the left-side table. For example, based on the hypothetical loan amounts in the left-most column in the right table, a loan application at Columbia for $50 million would result in a $20 million loan for Columbia's balance sheet and the participation out of $30 million, and a loan application at Umpqua for $50 million would result in a $35 million loan for Umpqua's balance sheet and the participation out of $15 million. The pro forma company's larger balance sheet (and correspondingly larger capital position) would enable the pro forma company to hold the entire $50 million loan while maintaining the same (or better) level of diversity and granularity.

# Non-GAAP Reconciliation: GAAP and Core Case Earnings per Share Accretion

| | GAAP ($mm) | Core cash ($mm) | Millions of diluted shares |
|---|---|---|---|
| Columbia 2023E standalone net income | $215 | $215 | 78.7 |
| Umpqua 2023E standalone net income | 407 | 407 | 218.1 |
| **Combined net income** | **$623** | **$623** | |
| **After-tax cash adjustments** | | | |
| Cost savings - fully phased in for illustrative purposes [1] | $102 | $102 | |
| Cost of financing | (1) | (1) | |
| Reversal of Columbia standalone intangible amortization | 5 | 5 | |
| Add-back of Umpqua standalone intangible amortization | — | 3 | |
| **After-tax GAAP adjustments** | | | |
| Core deposit intangible amortization [2] | (14) | — | |
| Loan rate mark amortization [3] | (15) | — | |
| HTM securities rate mark amortization [4] | 1 | — | |
| Amortization of AOCI related AFS securities and other adjustments [5] | (14) | — | |
| Removal of rate collar accretion [6] | (8) | — | |
| Real estate mark amortization [7] | (1) | — | |
| Non-PCD fair value mark accretion [8] | 27 | — | |
| **Pro forma Columbia net income** | **$705** | **$731** | 208.6 [9] |
| **Columbia 2023E standalone EPS** | **$2.74** [10] | **$2.80** [10] | |
| **Umpqua 2023E standalone EPS** | **$1.87** [10] | **$1.87** [10] | |
| **Pro forma 2023 Columbia EPS** | **$3.38** | **$3.50** | |
| **$ EPS accretion to Columbia** | **$0.64** | **$0.70** | |
| **% EPS accretion to Columbia** | **23.4 %** | **25.0 %** | |
| **Pro forma 2023 Columbia EPS** | **$3.38** | **$3.50** | |
| (x) Fixed exchange ratio | 0.5958x | 0.5958x | |
| **Pro forma 2023 EPS attributable to Umpqua** | **$2.01** | **$2.09** | |
| **$ EPS accretion to Umpqua** | **$0.14** | **$0.21** | |
| **% EPS accretion to Umpqua** | **7.8 %** | **11.4 %** | |

Source: S&P Global Market Intelligence, FactSet, Company filings; Note: Financial data as of quarter ended June 30, 2021; Market data as of October 11, 2021; Pro forma adjustments assume 26% marginal tax rate; Assumes fully phased-in cost savings for illustrative purposes

[1] $135mm fully phased-in reduction in combined company's total noninterest expense base for illustrative purposes, quarterly synergies grown at 3.0% on an annual basis starting in 2023; Anticipated 66% phase-in during 2023 results in 17.5% GAAP and 19.2% cash EPS accretion for Columbia, and 2.6% GAAP and 6.2% cash EPS accretion for Umpqua

[2] Core deposit intangible estimate of 65bps ($108mm pre-tax) on non-time deposits, amortized through earnings over 10 years (sum-of-the-years-digits)

[3] Loan rate mark of $76mm (pre-tax), amortized through earnings over 6 years (sum-of-the-years-digits)

[4] HTM security rate mark of -$4mm (pre-tax), accreted through earnings over 6 years (sum-of-the-years-digits)

[5] AOCI mark of $54mm (after-tax), amortized through earnings over 6 years (sum-of-the-years-digits)

[6] Assumes ~$2mm (after-tax) per quarter run-down of rate collar accretion

[7] Real estate mark of $20mm (pre-tax), amortized through earnings over 20 years (straight line)

[8] Based on $104mm pre-tax reserve allocated to non-PCD loans (65%), accreted through earnings over 4 years (sum-of-the-years-digits)

[9] Pro forma diluted shares outstanding include Columbia shares and shares issued to Umpqua based on 0.5958x exchange ratio

[10] Assumes no standalone and pro forma repurchases

# Non-GAAP Reconciliation: Purchase Accounting Summary

## Tangible Book Value Per Share Dilution

| | $ millions | Millions of basic shares | $ per share |
|---|---|---|---|
| **Columbia** | | | |
| Columbia tangible book value as of June 30, 2021 | $1,692 | 78.5 | |
| (-) Reduction in unrealized gains on AFS securities from Q2 to Q3 (after-tax) | (22) | | |
| (+) Four quarters of consensus earnings to close | 185 | | |
| (-) Four quarters of consensus earnings pre share common dividends | (94) | | |
| (+) Amortization of existing tangibles | 5 | | |
| **Standalone Columbia tangible book value at close** | **$1,766** | **78.5** | **$22.50** |
| **Pro Forma** | | | |
| Standalone Columbia tangible book value at close | $1,766 | 78.5 | |
| (+) Standalone Umpqua tangible book value at close [1] | 2,866 | | |
| (-) Reversal of Columbia equity capital and intangibles | (1,766) | | |
| (-) Reversal of Columbia existing DTL on intangibles | 8 | | |
| (+) Merger consideration for accounting purposes | 2,761 | 129.9 [2] | |
| (-) Goodwill and other intangibles created [3] | (955) | | |
| (-) After-tax restructuring expenses | (191) | | |
| (-) CECL double count on non-PCD loans [4] | (77) | | |
| **Pro Forma Columbia tangible book value at close** | **$4,412** | **208.4** | **$21.17** |
| **$ dilution to Columbia** | | | **($1.33)** |
| **% dilution to Columbia** | | | **(5.9)%** |
| **Tangible book value per share earnback [5]** | | | **2.6 years** |

## Calculation of Intangibles Created

| | $ millons |
|---|---|
| Fixed exchange ratio | 0.5989x |
| Reciprocal exchange ratio | 1.6784x |
| (x) Current Umpqua stock price | $21 |
| (x) Cascade fully diluted shares outstanding | 78.7 |
| **Merger consideration for accounting purposes** | **$2,761** |
| Standalone Columbia tangible book value at close | $1,766 |
| (+) Net after-tax credit mark | 0 |
| (+) After-tax loan rate mark | 56 |
| (+) After-tax HTM securities rate mark | (3) |
| (+) After-tax real estate rate mark | 15 |
| **Adjusted tangible book value** | **$1,834** |
| Excess over adjusted tangible book value | $927 |
| (-) Core deposit intangible created | (108) |
| (-) DTL on CDI | 28 |
| **Goodwill created** | **$847** |
| **Goodwill and other intangibles created [3]** | **$955** |

Source: S&P Global Market Intelligence, FactSet, Company filings; See slide 14 in the deal-related slide deck published October 12, 2021, for "Key financial assumptions" for 2023 underlying forecasts
Note: Financial data as of quarter ended June 30, 2021; Market data as of October 11, 2021; Pro forma adjustments assume 26% marginal tax rate; Pro forma for Columbia's completed acquisition of Bank of Commerce Holdings; Assumes neither company repurchases shares between deal announcement and deal close
[1] Estimated Umpqua tangible common equity at close based on Q3 2021 – Q2 2022 consensus earnings and dividend estimates, and $78mm share repurchases completed in Q3 2021 (4mm shares). Communicated Umpqua NextGen cost savings targets are separate from deal-related cost savings as they are expected to be largely realized ahead of the transaction's anticipated close
[2] Based on 0.5958 shares of Columbia stock for each Umpqua common share outstanding
[3] Based on expectations and assumptions as of announcement date; subject to change at transaction closing (estimated at June 30, 2022 for illustrative purposes)
[4] Based on $104mm pre-tax reserve allocated to non-PCD loans (65%)
[5] Based on when pro forma tangible book value per share crosses over and begins to exceed projected standalone Columbia tangible book value per share