

FOR IMMEDIATE RELEASE

April 26, 2018

Columbia Banking System Announces First Quarter 2018 Results and Increased Quarterly Cash Dividend

Highlights

- First quarter net income of \$40.0 million; diluted earnings per share of \$0.55, which included \$0.04 per share negative impact from acquisition-related expenses
- Net interest margin of 4.22%, up 2 basis points from linked quarter
- Loan production for the quarter of \$264.3 million
- Pacific Continental core system conversion completed

TACOMA, Washington, April 26, 2018 -- Hadley Robbins, President and Chief Executive Officer of Columbia Banking System and Columbia Bank (NASDAQ: COLB) ("Columbia"), said today upon the release of Columbia's first quarter 2018 earnings, "Our first quarter 2018 loan production and line utilization reflected the seasonal pattern of being a low point in the year. In addition, earnings were impacted by \$4.3 million of acquisition-related expense and an elevated provision for loan losses of \$5.9 million." Mr. Robbins continued, "However, during the period, we crossed a significant milestone by completing the Pacific Continental core systems conversion and achieved a majority of the related cost saving initiatives. With the systems conversion behind us, we are well positioned to continue our focus on high quality earnings growth."

Balance Sheet

Total assets at March 31, 2018 were \$12.53 billion, a decrease of \$186.3 million from December 31, 2017. Loans were \$8.34 billion, down \$19.0 million from December 31, 2017 as loan originations of \$264.3 million were offset by payments. Debt securities available for sale were \$2.62 billion at March 31, 2018, a decrease of \$113.7 million, or 4% from \$2.74 billion at December 31, 2017. Total deposits at March 31, 2018 were \$10.40 billion, a decrease of \$136.6 million from December 31, 2017. Core deposits comprised 95% of total deposits and were \$9.90 billion at March 31, 2018, a decrease of \$142.4 million from December 31, 2017. The average cost of total deposits for the quarter was 0.10%, an increase of 2 basis points from the fourth quarter of 2017.

Income Statement

Net Interest Income

Net interest income for the first quarter of 2018 was \$115.5 million, an increase of \$9.3 million from the linked quarter and an increase of \$28.8 million from the prior year period. The increase from both the linked quarter and prior year period was primarily due to income from earning assets acquired in the Pacific Continental transaction, which closed on November 1, 2017. For additional information regarding net interest income, see the "Net Interest Margin" section and the "Average Balances and Rates" table.

Noninterest Income

Noninterest income was \$23.1 million for the first quarter of 2018, a decrease of \$438 thousand from the fourth quarter of 2018. The linked quarter decrease was principally due to lower card revenue partially offset by higher deposit account and treasury management fees. The lower card revenue reflects our change to net presentation of interchange revenue pursuant to the adoption of new revenue recognition accounting guidance on January 1, 2018. Specifically, \$1.3 million of payment card network expenses that would have historically been presented in other noninterest expense are now presented in card revenue. Compared to the first quarter of 2017, noninterest income decreased by \$1.7 million principally due to a prior year BOLI benefit of \$1.5 million recognized in other noninterest income.

Noninterest Expense

Total noninterest expense for the first quarter of 2018 was \$86.0 million, an increase of \$360 thousand from the fourth quarter of 2017. After removing the effect of acquisition-related expenses, noninterest expense for the current quarter increased \$9.7 million from the linked quarter on the same basis. This increase was due to higher compensation and benefits as well as higher other noninterest expense. Compared to the first quarter of 2017, noninterest expense increased \$17.0 million. This increase was driven by \$2.9 million higher acquisition-related expenses in the current quarter as well as additional, ongoing expenses resulting from our November 1, 2017 acquisition of Pacific Continental.

Provision for Income Taxes

Our effective tax rate for the current quarter was 14.6%, compared to 61.5% and 26.6% for the linked and prior year periods, respectively. The decrease from both periods was principally attributable to the enactment of the Tax Cuts and Jobs Act on December 22, 2017. Specifically, the linked period's effective tax rate included a \$12.2 million re-measurement charge so that our deferred tax assets at year-end 2017 reflected the new 21% corporate tax rate. The prior year period's effective tax rate reflected the then-enacted 35% corporate tax rate reduced by favorable tax attributes of certain earning assets and discrete tax benefits from share-based compensation.

Our effective tax rate remains below the statutory tax rate due to tax-exempt income from municipal securities, bank owned life insurance and certain loan receivables. In addition, the current period's rate reflects the tax benefit of discrete items such as share-based compensation. For 2018, we expect our effective tax rate to be approximately 19%.

Net Interest Margin

Columbia's net interest margin (tax equivalent) for the first quarter of 2018 was 4.22%, an increase of 2 basis points from the linked quarter and prior year period. The increases were due to higher loan accretion income during the current quarter. Columbia's operating net interest margin (tax equivalent)⁽¹⁾ was 4.18% for the first quarter of 2018, a decline of 7 basis points from the linked quarter and an increase of 9 basis points from the prior year period. The decrease from the linked quarter was primarily due to a lower tax rate utilized for the tax equivalent components of our net interest income, which lowered the margin by 7 basis points. The increase from the prior year period was due to higher loan yields and volumes which more than offset the lower tax rates used in the current quarter.

The following table shows the impact to interest income resulting from income accretion on acquired loan portfolios as well as the net interest margin and operating net interest margin:

Three Months Ended										
	March 31, 2018		De	December 31, Sep 2017		September 30,		June 30,		March 31,
						2017		2017		2017
				(dollar	s in thousan	ds)			
Incremental accretion income due to:										
FDIC purchased credit impaired loans	\$	329	\$	265	\$	972	\$	753	\$	2,117
Other acquired loans		3,370		2,482		1,903		2,356		1,948
Incremental accretion income	\$	3,699	\$	2,747	\$	2,875	\$	3,109	\$	4,065
Net interest margin (tax equivalent)		4.22%	ó	4.20%)	4.20%	ó	4.12%	ó	4.20%
Operating net interest margin (tax equivalent) (1)		4.18%	ó	4.25%)	4.15%	Ó	4.09%	ó	4.09%

⁽¹⁾ Operating net interest margin (tax equivalent) is a non-GAAP financial measure. See the section titled "Non-GAAP Financial Measures" in this earnings release for the reconciliation of operating net interest margin (tax equivalent) to net interest margin.

Asset Quality

At March 31, 2018, nonperforming assets to total assets were 0.72% compared to 0.63% at December 31, 2017. Total nonperforming assets increased \$10.5 million from the linked quarter due to a \$12.3 million increase in nonaccrual loans, partially offset by a decrease in other real estate owned.

Andy McDonald, Columbia's Executive Vice President and Chief Credit Officer, commented, "The agricultural portfolio continues to impact our credit metrics and again was one of the drivers behind the increase in our provision and nonperforming loans for the first quarter. However, the weakness within this portfolio is centered in cattle and potatoes which collectively account for about \$127 million of loan balances at quarter end. The rest of our agricultural portfolio is performing consistent with our expectations with only 4% adversely classified."

The following table sets forth information regarding nonaccrual loans and total nonperforming assets:

	Ma	rch 31, 2018	Decen	nber 31, 2017				
	(in thousands)							
Nonaccrual loans:								
Commercial business	\$	57,619	\$	45,460				
Real estate:								
One-to-four family residential		1,054		785				
Commercial and multifamily residential			13,941					
Total real estate		15,593		14,726				
Real estate construction:								
One-to-four family residential		1,210		1,854				
Total real estate construction		1,210		1,854				
Consumer		4,042		4,149				
Total nonaccrual loans		78,464		66,189				
Other real estate owned and other personal property owned		11,507		13,298				
Total nonperforming assets	\$ 89,971 \$			79,487				

The following table provides an analysis of the Company's allowance for loan and lease losses:

	Three Months Ended					
	N	larch 31, 2018	December 31, 2017	March 31, 2017		
			(in thousands)			
Beginning balance	\$	75,646	\$ 71,616	\$ 70,043		
Charge-offs:						
Commercial business		(2,477)	(1,524)	(1,127)		
One-to-four family residential real estate		_	_	(307)		
Commercial and multifamily residential real estate		(223)	(287)	_		
One-to-four family residential real estate construction		_	_	(14)		
Consumer		(264)	(318)	(428)		
Purchased credit impaired		(1,343)	(1,440)	(1,939)		
Total charge-offs		(4,307)	(3,569)	(3,815)		
Recoveries:						
Commercial business		802	839	365		
One-to-four family residential real estate		172	188	117		
Commercial and multifamily residential real estate		159	412	78		
One-to-four family residential real estate construction		19	71	29		
Commercial and multifamily residential real estate construction		_	1	_		
Consumer		260	311	285		
Purchased credit impaired		1,224	2,450	1,144		
Total recoveries		2,636	4,272	2,018		
Net recoveries (charge-offs)		(1,671)	703	(1,797)		
Provision for loan and lease losses		5,852	3,327	2,775		
Ending balance	\$	79,827	\$ 75,646	\$ 71,021		

The allowance for loan losses to period end loans was 0.96% at March 31, 2018 compared to 0.91% at December 31, 2017. For the first quarter of 2018, Columbia recorded a net provision for loan and lease losses of \$5.9 million compared to a net provision of \$3.3 million for the linked quarter and a

net provision of \$2.8 million for the comparable quarter last year. The net provision for loan and lease losses recorded during the current quarter consisted of \$7.0 million of provision for loan losses for loans, excluding PCI loans and a provision recapture of \$1.1 million for PCI loans.

Cash Dividend Announcement

Columbia will pay a regular cash dividend of \$0.26 per common share on May 23, 2018 to shareholders of record as of the close of business on May 9, 2018. Clint Stein, Columbia's Executive Vice President, Chief Operating Officer and Chief Financial Officer, commented, "With the passage of tax reform at the end of 2017, we made a commitment to allocate the benefits of a reduced tax burden amongst our employees, communities and shareholders so that all of our stakeholders benefit directly. Our 18% increase in the dividend this quarter reflects a market level payout of the additional capital generated by the reduced tax burden."

Conference Call Information

Columbia's management will discuss the first quarter 2018 financial results on a conference call scheduled for Thursday, April 26, 2018 at 1:00 p.m. Pacific Time (4:00 p.m. ET). Interested parties may join the live-streamed event by using the site:

https://engage.vevent.com/rt/columbiabankingsysteminc~042618

The conference call can also be accessed on Thursday, April 26, 2018 at 1:00 p.m. Pacific Time (4:00 p.m. ET) by calling 888-286-8956; Conference ID code #8285707.

A replay of the call can be accessed beginning Friday, April 27, 2018 using the site: https://engage.vevent.com/rt/columbiabankingsysteminc 042618

About Columbia

Headquartered in Tacoma, Washington, Columbia Banking System, Inc. is the holding company of Columbia Bank, a Washington state-chartered full-service commercial bank with locations throughout Washington, Oregon and Idaho. For the eleventh consecutive year, the bank was named in 2017 as one of *Puget Sound Business Journal's* "Washington's Best Workplaces." Columbia ranked eleventh on the 2018 *Forbes* list of best banks.

More information about Columbia can be found on its website at www.columbiabank.com.

Note Regarding Forward-Looking Statements

This news release includes forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward looking statements include, but are not limited to, descriptions of Columbia's management's expectations regarding future events and developments such as future operating results, growth in loans and deposits, continued success of Columbia's style of banking and the strength of the local economy. The words "will," "believe," "expect," "intend," "should," and "anticipate" or the negative of these words or words of similar construction are intended in part to help identify forward looking statements. Future events are difficult to predict, and the expectations described above are necessarily subject to risks and uncertainties, many of which are outside our control, that may cause actual results to differ materially and adversely. In addition to discussions about risks and uncertainties set forth from time to time in Columbia's filings with the Securities and Exchange Commission, available at the SEC's website at www.sec.gov and the Company's website at www.columbiabank.com, including the "Risk Factors," "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of our annual reports on Form 10-K and quarterly reports on Form 10-O, (as applicable), factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, among others, the following: (1) local, national and international economic conditions may be less favorable than expected or have a more direct and pronounced effect on Columbia than expected and adversely affect Columbia's ability to continue its internal growth at historical rates and maintain the quality of its earning assets; (2) changes in interest rates could significantly reduce net interest income and negatively affect funding sources; (3) projected business increases following strategic expansion or opening or acquiring new branches may be lower than expected; (4) costs or difficulties related to the integration of acquisitions, including the acquisition of Pacific Continental, may be greater than expected: (5) competitive pressure among financial institutions may increase significantly; and (6) legislation or regulatory requirements or changes may adversely affect the businesses in which Columbia is engaged. We believe the expectations reflected in our forward-looking statements are reasonable, based on information available to us on the date hereof. However, given the described uncertainties and risks, we cannot guarantee our future performance or results of operations and you should not place undue reliance on these forward-looking statements which speak only as of the date hereof. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the federal securities laws. The factors noted above and the risks and uncertainties described in our SEC filings should be considered when reading any forward-looking statements in this release.

Contacts: Hadley S. Robbins,

President and

Chief Executive Officer

Clint E. Stein,

Executive Vice President, Chief Operating Officer and Chief Financial Officer

Investor Relations

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CONSOLIDATED BALANCE SHEETS

Columbia Banking System, Inc.

Unaudited			March 201		December 31, 2017 (1)
				o (in thou	
ASSET	S			(111 111011	
Cash and due from banks	~		\$ 20	6,532	\$ 244,615
Interest-earning deposits with banks				7,124	97,918
Total cash and cash equivalents				3,656	342,533
Debt securities available for sale at fair value (1)				4,045	2,737,751
Equity securities at fair value (1)				5,000	5,080
Federal Home Loan Bank ("FHLB") stock at cost				1,640	10,440
Loans held for sale				4,312	5,766
Loans, net of unearned income				9,631	8,358,657
Less: allowance for loan and lease losses				9,827	75,646
Loans, net				9,804	8,283,011
Interest receivable				1,795	40,881
Premises and equipment, net			16	8,366	169,490
Other real estate owned			1	1,507	13,298
Goodwill			76	5,842	765,842
Other intangible assets, net			5	4,985	58,173
Other assets			28	9,684	284,621
Total assets			\$ 12,53	0,636	\$ 12,716,886
LIABILITIES AND SHARE	HOLDERS' EQUI	TY			
Deposits:					
Noninterest-bearing			\$ 4,92	7,226	\$ 5,081,901
Interest-bearing			5,46	8,297	5,450,184
Total deposits			· · · · · · · · · · · · · · · · · · ·	5,523	10,532,085
FHLB advances				1,564	11,579
Securities sold under agreements to repurchase				4,247	79,059
Subordinated debentures			3	5,601	35,647
Junior subordinated debentures				_	8,248
Other liabilities				5,778	100,346
Total liabilities			10,58	2,713	10,766,964
Commitments and contingent liabilities					
	March 31, 2018	December 31, 2017			
		(in thousands)			
Common stock (no par value)					
Authorized shares	115,000	115,000			
Issued and outstanding	73,240	73,020		4,916	1,634,705
Retained earnings				1,140	337,442
Accumulated other comprehensive loss				8,133)	(22,225)
Total shareholders' equity				7,923	1,949,922
Total liabilities and shareholders' equity			\$ 12,53	0,636	\$ 12,716,886

⁽¹⁾ Reclassified to conform to current period presentation. The reclassification was limited to adding a separate line item for equity securities at fair value, which were previously included in securities available for sale at fair value.

CONSOLIDATED STATEMENTS OF INCOME Columbia Banking System, Inc.

Manifold March (april 1982) Neumber (april 1982) March (april 1982) Section (april 1982) Application (april 1982) A	CONSOLIDATED STATEMENTS OF INCOME	Three Months Ended								
Image: Property of the part of	Columbia Banking System, Inc.	March 3				March 31.				
Interest Informe \$ 103,007 \$ 9,5,88 \$ 7,400 Taxcable securities 12,008 9,487 10,008 Taxcaph securities 3,064 2,920 2,691 Deposits in Indus 119,144 108,81 87,816 Total interest income 119,144 108,81 87,816 Interest Expense 2,509 2,022 7,87 FIHLB advances 5,70 9 2,225 Subordinated debentures 116 102 12,10 Other Dorrowings 116 102 12,10 Total interest expense 3,363 2,027 1,214 New Interest income after provision for loan and lease losses 115,481 100,224 86,675 Provisia continual dreasury management fees 8,749 8,013 3,277 2,775 Recit interest income after provision for loan and lease losses 8,749 8,019 3,232 2,272 Post interest income after provision for loan and lease losses 8,749 8,019 3,232 2,275 Recit interest income after provision for loan an	Ondidited		,	<i>'</i>						
Loans \$ 10,000 \$ 9,888 \$ 14,100 Taxable scurities 12,008 12,008 12,008 12,008 12,009 12,008 12,009 12,009 12,009 12,009 2,009			in the	ousands except pe	r sha	re)				
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Back exempt securities 3,045 2,920 2,691 Deposits insurfact income 119,144 108,341 7,878 Interest Expense 2 2 2 7,878 EPH Bad wances 5,700 2,022 8,782 7,872 7,972 <td>Loans</td> <td>\$ 103,</td> <td>027</td> <td>\$ 95,889</td> <td>\$</td> <td>74,120</td>	Loans	\$ 103,	027	\$ 95,889	\$	74,120				
beposits in banks 345 545 19 Interest Expense 19,000 2,002 78,78 Beposits 2,500 2,002 78,70 Bill Badvances 3,500 3,004 2,02 Subordinated debentures 3,603 3,611 1,104 Other borrowings 11,61 10,22 86,75 Total interest procession of local and lease losses 3,603 2,617 1,114 Net interest income after provision for loan and lease losses 109,629 102,897 8,300 Provision for loan and lease losses 109,629 102,897 8,300 Net interest income after provision for loan and lease losses 109,629 102,897 8,300 Net interest income after provision for loan and lease losses 109,629 102,897 8,300 Net interest income after provision for loan and lease losses 109,629 102,897 8,703 Poposit accurate and fresury management fees 8,749 8,013 7,872 Poposit accurate and fresury management fees 8,749 8,013 2,872 Card reemie <td>Taxable securities</td> <td>12,</td> <td>708</td> <td>9,487</td> <td></td> <td>10,986</td>	Taxable securities	12,	708	9,487		10,986				
Total interest income 19,144 108,841 87,816 106,200 106,200 78,7	Tax-exempt securities	3,	064	2,920		2,691				
Interest Expense 2,509 2,0202 78 Deposits 5,70 99 225 Subordinated debentures 6468 3,049 2,202 Other borrowing 116 102 1,212 Total interest expense 3,663 2,617 1,214 Net Interest Income 115,481 106,224 86,757 Provision for loan and lease losses 3,852 3,327 2,775 Net interest income after provision for loan and lease losses 109,629 102,879 8,700 Nonitrest Income 8,749 8,013 7,875 Provision for loan and lease losses 8,749 8,013 7,875 Not interest income after provision for loan and lease losses 8,749 8,013 7,875 Possid account and treasury management fees 8,874 8,013 7,875 Card revenue 3,185 2,605 3,535 2,839 Lopical services and trust revenue 1,126 1,217 2,219 2,219 2,219 2,219 2,219 2,219 2,219 2	Deposits in banks		345	545		19				
Deposits 2,509 2,022 787 FIHLB advances 576 929 225 Subordinated debentures 468 304 ————————————————————————————————————	Total interest income	119,	144	108,841		87,816				
FHLB abances 500 99 225 Subordinated debatures 360 300 -10 Otto the formowings 161 92 12 Total interest expense 15,863 3,261 1,214 Net hitterest income after provision for loan and lease losses 15,812 3,322 2,375 Net net extrincome after provision for loan and lease losses 8,702 3,025 3,207 Net net extrincome after provision for loan and lease losses 8,703 3,025 3,207 Net net extrincome after provision for loan and lease losses 8,703 3,032 3,208 Provision for loan and lease losses 8,703 3,032 3,208 3,208 Sincer services 2,733 2,058 3,203 3,208 3,208 Financial services and frust revenue 2,233 2,059 3,203 3,209 3,209 3,209 3,209 3,209 3,209 3,209 3,209 3,209 3,209 3,209 3,209 3,209 3,209 3,209 3,209 3,209 3,209 3,209 <td>Interest Expense</td> <td></td> <td></td> <td></td> <td></td> <td></td>	Interest Expense									
Subordinated debentures 468 304 — Other borrowings 3166 3,603 2,617 1,141 Total interest expense 3,663 2,617 1,141 Net Interest Income 115,481 106,224 86,675 Provision for loan and lease losses 109,629 102,877 38,905 Net interest income after provision for loan and lease losses 109,629 102,877 38,905 Net interest income after provision for loan and lease losses 8,740 3,003 7,278 Net interest income after provision for loan and lease losses 8,740 3,003 7,278 Card revenue 5,813 6,967 5,278 Card revenue 3,186 6,967 2,839 Loan revenue 3,186 1,279 2,019 Berchant processing revenue 2,279 1,210 1,270 Berchant processing revenue 2,21 1,277 1,280 Investment securities gains (losses), net 2,21 1,261 1,242 Other 2,32 1,51 1,242	Deposits	2,	509	2,022		787				
Other borrowings 116 192 121 Total interest expense 115,481 106,247 8,675 Provision for loan and lease losses 5,852 3,327 2,775 Net interest income 100,629 3,327 2,775 Net interest income after provision for loan and lease losses 8,740 8,013 7,287 Deposit account and treasury management fees 8,740 8,013 7,287 Card revenue 5,813 0,967 5,733 Financial services and trust revenue 3,186 2,603 3,938 Incarevenue 3,186 2,603 3,939 Merchant processing revenue 1,426 1,577 1,286 Bark owned life insurance 1,22 (11) -2 Other Characteristic gains (losses), net 2,2 (1) -2 Other Characteristic gains (losses), net 2,2 (1) -2 Other Characteristic gains (losses), net 2,3 2,3 2,3 2,8 Other Statistic in Grand (losses) 2,1 2,0 1,2 2			570	99		225				
Total interest expense 3,663 2,617 1,141 Net Interest Income 115,481 106,224 86,675 Provision for loan and lease losses 5,852 3,375 2,755 Net interest income after provision for loan and lease losses 109,629 102,897 83,900 Noninterest Income 8,744 8,013 7,287 Epopsit account and treasury management fees 8,740 8,013 7,287 Card revenue 5,813 6,967 5,723 Financial services and trust revenue 3,186 2,663 3,593 Merchant processing revenue 1,266 1,377 1,280 Bank owned life insurance 1,266 1,377 1,280 Unsure curtilies gains (losses), net 2,27 1,266 1,47 2,209 Bank owned life insurance 2,23 1,17 2,209 Unsure processing expense 1,26 1,614 2,392 Other 2,23 1,614 2,392 Othing in FDIC loss-sharing asset 5,57 5,075 4,082 <	Subordinated debentures		468			_				
Net Interest Income 115,481 106,224 86,675 Provision for loan and lease losses 5,852 3,327 2,775 Not interest income after provision for loan and lease losses 109,629 102,897 8,300 Nominterest Income 8,704 8,013 7,287 Deposit account and treasury management fees 8,740 8,013 7,287 Card revenue 5,813 6,967 5,723 Financial services and trust revenue 2,730 2,958 2,839 Mercham processing revenue 1,426 1,377 2,019 Mercham processing revenue 1,426 1,377 2,019 Mercham processing revenue 2 (11) - Change in FDIC loss-sharing asset 2 (11) - Other 1,226 1,614 2,329 Total noninterest income 23,143 23,581 24,859 Tompersation and employee benefits 50,570 5,043 4,825 Occupancy 10,121 9,554 7,191 Mercham processing expense <td>Other borrowings</td> <td></td> <td>116</td> <td>192</td> <td></td> <td>129</td>	Other borrowings		116	192		129				
Provision for loan and lease losses 5,852 3,375 2,75 Net interest income after provision for loan and lease losses 100,609 102,807 83,000 Noninterest Income 8,740 8,013 7,287 Card revenue 5,813 6,967 5,733 Financial services and trust revenue 3,186 2,603 3,939 Merchant processing revenue 1,266 1,377 1,280 Bank owned life insurance 1,262 1,01 2,00 Investment securities gains (losses), net 2 1,01 2,00 Other 1,226 1,614 2,33 Other 2,126 1,614 2,33 Other 2,126 1,614 2,30 Other 2,126 1,614 2,30 Other 2,126 1,614 2,30 Other 2,127 1,614 2,30 Other 2,127 1,614 2,30 Other 2,127 1,614 2,40 Other 2,127 <t< td=""><td>Total interest expense</td><td>3,</td><td>663</td><td>2,617</td><td></td><td>1,141</td></t<>	Total interest expense	3,	663	2,617		1,141				
Not interest income after provision for loan and lease losses 109,629 102,877 83,900 Noninterest Income 8,740 8,013 7,287 Card revenue 5,813 6,967 5,723 Financial services and trust revenue 3,186 2,653 2,839 Loan revenue 3,186 2,663 3,593 Merchant processing revenue - - 2,019 Bank owned life insurance 1,426 1,377 1,280 Investment securities gains (losses), net 22 (11) - Change in FDIC loss-sharing asset 2,313 23,581 24,859 Total noninterest income 23,143 23,581 24,859 Tompensation and employee benefits 50,570 50,473 40,825 Occupancy 10,121 9,554 7,191 Merchant processing expense 50,570 50,473 40,825 Occupancy 10,121 9,554 7,191 Merchant processing expense 50,570 51,344 4,08 Eagal and professional fees	Net Interest Income	115,	481	106,224		86,675				
Nominterest Income 8,740 8,013 7,287 Deposit account and treasury management fees 8,741 6,067 7,233 Card revenue 5,813 6,067 3,233 Ioan revenue 3,186 2,633 3,593 Merchant processing revenue	Provision for loan and lease losses	5,	852	3,327		2,775				
Deposit account and treasury management fees 8,740 8,013 7,287 Card revenue 5,813 6,967 5,723 Financial services and trust revenue 2,730 2,958 2,838 Loan revenue 3,186 2,663 3,593 Merchant processing revenue 1,426 1,377 1,280 Bank owned life insurance 1,22 1,317 1,280 Investment securities gains (losses), net 2 1,614 2,392 Other 1,226 1,614 2,392 Other 1,226 1,614 2,392 Total noninterest income 2,314 23,581 24,859 Moritarest Expense 1,226 1,614 2,932 Cocupancy 10,121 9,554 7,191 Merchant processing expense 5,973 50,473 848 Advertising and promotion 1,429 1,543 817 Advertising and promotion 1,429 1,543 81,76 Regulatory premiums 3,237 5,955 3,369	<u>.</u>	109,	629	102,897		83,900				
Card revenue 5,813 6,967 5,723 Financial services and trust revenue 2,730 2,958 2,839 Loan revenue 3,186 2,663 3,593 Merchant processing revenue ————————————————————————————————————	Deposit account and treasury management fees	8.	740	8.013		7.287				
Financial services and trust revenue 2,730 2,958 2,839 Loan revenue 3,186 2,663 3,593 Merchant processing revenue 1,426 1,377 1,280 Bank owned life insurance 1,426 1,377 1,280 Investment securities gains (losses), net 22 (11) — Change in FDIC loss-sharing asset 23,143 23,581 24,899 Other 23,143 23,581 24,899 Noninterest Expense 31,226 1,614 2,392 Companyation and employee benefits 50,570 50,473 40,825 Occupancy 10,121 9,554 7,191 Merchant processing expense — — 1,049 Advertising and promotion 1,429 1,543 817 Data processing 5,270 5,134 4,208 Legal and professional fees 3,245 1,224 Regulatory premiums 937 884 7,76 Net cost of operation of other real estate owned 3,18 2,547 1,3				-						
Loan revenue 3,186 2,663 3,593 Merchant processing revenue - - 2,019 Bank owned life insurance 1,426 1,377 1,280 Investment securities gains (losses), net 22 (11) - Change in FDIC loss-sharing asset - - (274) Other 1,226 1,614 2,392 Total noninterest income 1,226 1,614 2,392 Total noninterest income 2,525 5,570 5,6473 40,825 Occupancy 10,121 9,554 7,191 Merchant processing expense - - 1,049 Advertising and promotion 1,429 1,543 817 Data processing 5,270 5,134 4,208 Legal and professional fees 3,237 5,955 3,369 Laxes, licenses and fees 3,237 5,955 3,369 Legulatory premiums 937 884 776 Net cost of operation of other real estate owned 3,18 2,547 <td< td=""><td></td><td></td><td></td><td>-</td><td></td><td></td></td<>				-						
Merchant processing revenue ————————————————————————————————————										
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Investment securities gains (losses), net 22 (11) — Change in FDIC loss-sharing asset 1,226 1,614 2,392 Other 23,143 23,581 24,889 Total noninterest income 23,143 23,581 24,889 Noninterest Expense 8 50,570 50,473 40,825 Compensation and employee benefits 50,570 50,473 40,825 Occupancy 10,121 9,554 7,191 Merchant processing expense - - 1,049 Advertising and promotion 1,429 1,543 817 Data processing 5,270 5,134 4,208 Legal and professional fees 3,237 5,955 3,369 Taxes, licenses and fees 1,425 1,279 1,241 Regulatory premiums 937 884 776 Net cost of operation of other real estate owned 3,188 2,547 1,349 Other 9,809 8,212 8,009 Total noninterest expense 85,957 85,	•	1.	426	1.377						
Change in FDIC loss-sharing asset — — (274) Other 1,26 1,614 2,302 Total coninterest income 23,13 23,581 24,859 Noninterest Expense 8 50,570 50,473 40,825 Occupancy 10,121 9,554 7,191 Merchant processing expense — — 1,049 Advertising and promotion 1,429 1,543 817 Data processing 5,270 5,134 4,208 Legal and professional fees 3,237 5,955 3,369 Legal and professional fees 3,237 5,955 3,369 Taxes, licenses and fees 1,425 1,279 1,241 Regulatory premiums 937 884 776 Net cost of operation of other real estate owned 3,188 2,547 1,349 Other 9,809 82,12 8,009 Total noninterest expense 8,987 85,627 68,986 Income before income taxes 40,815 39,731 9,732 </td <td></td> <td>, and the second se</td> <td></td> <td>-</td> <td></td> <td>´ —</td>		, and the second se		-		´ —				
Other 1,226 1,614 2,392 Total noninterest income 23,143 23,581 24,859 Noninterest Expense 80,500 50,570 50,473 40,825 Occupancy 10,121 9,554 7,191 Merchant processing expense - - - 1,409 Advertising and promotion 1,429 1,543 817 Data processing 5,270 5,134 4,208 Legal and professional fees 3,237 5,955 3,369 Taxes, licenses and fees 3,237 5,955 3,369 Regulatory premiums 937 884 776 Net cost of operation of other real estate owned 1 46 152 Amortization of intangibles 3,188 2,547 1,349 Other 9,809 8,212 8,009 Total noninterest expense 88,987 85,627 88,986 Income before income taxes 46,785 40,815 39,713 Provision for income taxes 5,055 3,023			_	_		(274)				
Total noninterest income 23,143 23,581 24,859 Noninterest Expense Compensation and employee benefits 50,570 50,473 40,825 Occupancy 10,121 9,554 7,191 Merchant processing expense - - 1,049 Advertising and promotion 1,429 1,543 817 Data processing 5,270 5,134 4,208 Legal and professional fees 3,237 5,955 3,369 Taxes, licenses and fees 1,425 1,279 1,241 Regulatory premiums 937 884 776 Net cost of operation of other real estate owned 1 46 152 Amortization of intangibles 3,188 2,547 1,349 Other 9,809 8,212 8,009 Total noninterest expense 85,987 85,627 68,986 Income before income taxes 40,785 40,851 39,773 Provision for income taxes 5,957 5,123 10,574 Met Income 39,970	-	1,	226	1,614						
Noninterest Expense Compensation and employee benefits 50,570 50,473 40,825 Occupancy 10,121 9,554 7,191 Merchant processing expense — — 1,049 Advertising and promotion 1,429 1,543 817 Data processing 5,270 5,134 4,208 Legal and professional fees 3,237 5,955 3,369 Taxes, licenses and fees 1,425 1,279 1,241 Regulatory premiums 937 884 776 Net cost of operation of other real estate owned 1 46 152 Amortization of intangibles 3,188 2,547 1,349 Other 9,809 8,212 8,009 Total noninterest expense 85,987 85,627 68,986 Income before income taxes 6,815 25,123 10,574 Pvet Income 3,970 51,728 29,199 Earnings per common share 80,55 0,23 0,55 Basic 5,05	Total noninterest income									
Compensation and employee benefits 50,570 50,473 40,825 Occupancy 10,121 9,554 7,191 Merchant processing expense ————————————————————————————————————		- 7				,				
Occupancy 10,121 9,554 7,191 Merchant processing expense — — 1,049 Advertising and promotion 1,429 1,543 817 Data processing 5,270 5,134 4,208 Legal and professional fees 3,237 5,955 3,369 Taxes, licenses and fees 1,425 1,279 1,241 Regulatory premiums 937 884 776 Net cost of operation of other real estate owned 1 46 152 Amortization of intangibles 3,188 2,547 1,349 Other 9,809 8,212 8,009 Total noninterest expense 85,987 85,627 68,986 Income before income taxes 46,785 40,851 39,773 Provision for income taxes 83,970 \$15,728 29,199 Earnings per common share \$0,505 \$0,23 \$0,50 Basic \$0,505 \$0,23 \$0,50 Diluted \$0,505 \$0,23 \$0,50 <t< td=""><td></td><td>50,</td><td>570</td><td>50,473</td><td></td><td>40,825</td></t<>		50,	570	50,473		40,825				
Merchant processing expense — — — 1,049 Advertising and promotion 1,429 1,543 817 Data processing 5,270 5,134 4,208 Legal and professional fees 3,237 5,955 3,369 Taxes, licenses and fees 1,425 1,279 1,241 Regulatory premiums 937 884 776 Net cost of operation of other real estate owned 1 46 152 Amortization of intangibles 3,188 2,547 1,349 Other 9,809 8,212 8,099 Total noninterest expense 85,987 85,627 68,986 Income before income taxes 46,785 40,851 39,773 Provision for income taxes 6,815 25,123 10,574 Net Income 339,970 15,728 29,199 Earnings per common share 8 39,970 15,728 29,199 Earnings per common share 8 0,55 0,23 0,50 Diluted 9	2 2					7,191				
Advertising and promotion 1,429 1,543 817 Data processing 5,270 5,134 4,208 Legal and professional fees 3,237 5,955 3,369 Taxes, licenses and fees 1,425 1,279 1,241 Regulatory premiums 937 884 776 Net cost of operation of other real estate owned 1 46 152 Amortization of intangibles 3,188 2,547 1,349 Other 9,809 8,212 8,009 Total noninterest expense 85,987 85,627 68,986 Income before income taxes 46,785 40,851 39,773 Provision for income taxes 6,815 25,123 10,574 Net Income 39,970 \$ 15,728 \$ 29,199 Earnings per common share \$ 0,55 0,23 0,50 Dividends paid per common share \$ 0,55 0,23 0,50 Dividends paid per common shares \$ 0,22 0,22 0,22 Weighted average number of common shares outstanding 72,	Merchant processing expense		_	_						
Legal and professional fees 3,237 5,955 3,369 Taxes, licenses and fees 1,425 1,279 1,241 Regulatory premiums 937 884 776 Net cost of operation of other real estate owned 1 46 152 Amortization of intangibles 3,188 2,547 1,349 Other 9,809 8,212 8,009 Total noninterest expense 85,987 85,627 68,986 Income before income taxes 46,785 40,851 39,773 Provision for income taxes 6,815 25,123 10,574 Net Income \$ 39,970 \$ 15,728 29,199 Earnings per common share \$ 0,55 \$ 0,23 \$ 0,50 Diluted \$ 0,55 \$ 0,23 \$ 0,50 Dividends paid per common share \$ 0,25 \$ 0,22 \$ 0,22 Weighted average number of common shares outstanding 72,300 67,120 57,388		1,	429	1,543		817				
Legal and professional fees 3,237 5,955 3,369 Taxes, licenses and fees 1,425 1,279 1,241 Regulatory premiums 937 884 776 Net cost of operation of other real estate owned 1 46 152 Amortization of intangibles 3,188 2,547 1,349 Other 9,809 8,212 8,009 Total noninterest expense 85,987 85,627 68,986 Income before income taxes 46,785 40,851 39,773 Provision for income taxes 6,815 25,123 10,574 Net Income \$ 39,970 \$ 15,728 29,199 Earnings per common share \$ 0,55 \$ 0,23 \$ 0,50 Diluted \$ 0,55 \$ 0,23 \$ 0,50 Dividends paid per common share \$ 0,25 \$ 0,22 \$ 0,22 Weighted average number of common shares outstanding 72,300 67,120 57,388				5,134		4,208				
Taxes, licenses and fees 1,425 1,279 1,241 Regulatory premiums 937 884 776 Net cost of operation of other real estate owned 1 46 152 Amortization of intangibles 3,188 2,547 1,349 Other 9,809 8,212 8,009 Total noninterest expense 85,987 85,627 68,986 Income before income taxes 46,785 40,851 39,773 Provision for income taxes 6,815 25,123 10,574 Net Income 39,970 \$ 15,728 \$ 29,199 Earnings per common share \$ 0,55 0,23 \$ 0,50 Diluted \$ 0,55 0,23 0,50 Dividends paid per common share \$ 0,25 0,22 0,22 Weighted average number of common shares outstanding 72,300 67,120 57,388										
Net cost of operation of other real estate owned 1 46 152 Amortization of intangibles 3,188 2,547 1,349 Other 9,809 8,212 8,009 Total noninterest expense 85,987 85,627 68,986 Income before income taxes 46,785 40,851 39,773 Provision for income taxes 6,815 25,123 10,574 Net Income \$ 39,970 \$ 15,728 29,199 Earnings per common share \$ 0.55 0.23 0.50 Diluted \$ 0.55 0.23 0.50 Dividends paid per common share \$ 0.22 0.22 0.22 Weighted average number of common shares outstanding 72,300 67,120 57,388	Taxes, licenses and fees	1,	425	1,279		1,241				
Amortization of intangibles 3,188 2,547 1,349 Other 9,809 8,212 8,009 Total noninterest expense 85,987 85,627 68,986 Income before income taxes 46,785 40,851 39,773 Provision for income taxes 6,815 25,123 10,574 Net Income \$ 39,970 \$ 15,728 29,199 Earnings per common share \$ 0.55 \$ 0.23 \$ 0.50 Diluted \$ 0.55 0.23 \$ 0.50 Dividends paid per common share \$ 0.22 0.22 0.22 Weighted average number of common shares outstanding 72,300 67,120 57,388	Regulatory premiums		937	884		776				
Amortization of intangibles 3,188 2,547 1,349 Other 9,809 8,212 8,009 Total noninterest expense 85,987 85,627 68,986 Income before income taxes 46,785 40,851 39,773 Provision for income taxes 6,815 25,123 10,574 Net Income \$ 39,970 \$ 15,728 29,199 Earnings per common share \$ 0.55 \$ 0.23 \$ 0.50 Diluted \$ 0.55 0.23 \$ 0.50 Dividends paid per common share \$ 0.22 0.22 0.22 Weighted average number of common shares outstanding 72,300 67,120 57,388	Net cost of operation of other real estate owned		1	46		152				
Other 9,809 8,212 8,009 Total noninterest expense 85,987 85,627 68,986 Income before income taxes 46,785 40,851 39,773 Provision for income taxes 6,815 25,123 10,574 Net Income \$ 39,970 \$ 15,728 29,199 Earnings per common share \$ 0.55 0.23 0.50 Diluted \$ 0.55 0.23 0.50 Dividends paid per common share \$ 0.22 0.22 0.22 Weighted average number of common shares outstanding 72,300 67,120 57,388		3,	188	2,547		1,349				
Income before income taxes 46,785 40,851 39,773 Provision for income taxes 6,815 25,123 10,574 Net Income \$ 39,970 \$ 15,728 29,199 Earnings per common share \$ 0.55 \$ 0.23 0.50 Diluted \$ 0.55 0.23 0.50 Dividends paid per common share \$ 0.22 0.22 0.22 Weighted average number of common shares outstanding 72,300 67,120 57,388	Other	9,	809	8,212		8,009				
Income before income taxes 46,785 40,851 39,773 Provision for income taxes 6,815 25,123 10,574 Net Income \$ 39,970 \$ 15,728 29,199 Earnings per common share \$ 0.55 \$ 0.23 0.50 Diluted \$ 0.55 0.23 0.50 Dividends paid per common share \$ 0.22 0.22 0.22 Weighted average number of common shares outstanding 72,300 67,120 57,388	Total noninterest expense	85,	987	85,627		68,986				
Provision for income taxes 6,815 25,123 10,574 Net Income 39,970 15,728 29,199 Earnings per common share 8 0.55 0.23 0.50 Basic \$ 0.55 0.23 0.50 Dividends paid per common share \$ 0.25 0.23 0.50 Dividends paid per common shares \$ 0.22 0.22 0.22 Weighted average number of common shares outstanding 72,300 67,120 57,388										
Earnings per common share Searnings per common share										
Earnings per common share Searnings per common share	Net Income	\$ 39,	970	\$ 15,728	\$	29,199				
Basic \$ 0.55 \$ 0.23 \$ 0.50 Diluted \$ 0.55 \$ 0.23 \$ 0.50 Dividends paid per common share \$ 0.22 \$ 0.22 \$ 0.22 Weighted average number of common shares outstanding 72,300 67,120 57,388		<u> </u>			-					
Diluted \$ 0.55 \$ 0.23 \$ 0.50 Dividends paid per common share \$ 0.22 \$ 0.22 \$ 0.22 Weighted average number of common shares outstanding 72,300 67,120 57,388		\$	0.55	\$ 0.23	\$	0.50				
Dividends paid per common share \$ 0.22 \$ 0.22 \$ 0.22 Weighted average number of common shares outstanding 72,300 67,120 57,388	Diluted	\$	0.55		\$					
Weighted average number of common shares outstanding 72,300 67,120 57,388	Dividends paid per common share	\$	0.22		\$					
		72,	300	67,120		57,388				
	Weighted average number of diluted common shares outstanding	72,	305	67,125		57,394				

FINANCIAL STATISTICS

Columbia Banking System, Inc.

Columbia Banking System, Inc.			THIE	e Months Ende	u			
Unaudited	N	March 31,	I	December 31,		March 31,		
		2018		2017		2017		
<u>Earnings</u>		(dollars in	thouse	ands except per sh	are a	mounts)		
Net interest income	\$	115,481	\$	106,224	\$	86,675		
Provision for loan and lease losses	\$	5,852	\$	3,327	\$	2,775		
Noninterest income	\$	23,143	\$	23,581	\$	24,859		
Noninterest expense	\$	85,987	\$	85,627	\$	68,986		
Acquisition-related expense (included in noninterest expense)	\$	4,265	\$	13,638	\$	1,364		
Net income	\$	39,970	\$	15,728	\$	29,199		
Per Common Share		,		,		,		
Earnings (basic)	\$	0.55	\$	0.23	\$	0.50		
Earnings (diluted)	\$	0.55	\$	0.23	\$	0.50		
Book value	\$	26.60	\$	26.70	\$	21.86		
Averages								
Total assets	\$ 1	2,603,144	\$	11,751,049	\$	9,473,698		
Interest-earning assets		1,122,753	\$	10,453,097		8,520,291		
Loans		8,348,740	\$	7,749,420		6,198,215		
Securities, including equity securities and FHLB stock		2,682,250	\$	2,539,321		2,310,490		
Deposits		0,334,480	\$	9,804,456		7,954,653		
Interest-bearing deposits		5,405,730	\$	5,033,980				
Interest-bearing liabilities		5,627,853	\$	5,127,100		4,263,660		
Noninterest-bearing deposits		4,928,750	\$	4,770,476		3,836,049		
Shareholders' equity		1,949,275	\$	1,754,745		1,261,652		
Financial Ratios	•	-,,	-	-,,,,,,,,	•	-,,		
Return on average assets		1.27%		0.54%		1.23 %		
Return on average common equity		8.20%		3.59%		9.26 %		
Average equity to average assets		15.47%		14.93%		13.32 %		
Net interest margin (tax equivalent)		4.22%		4.20%		4.20 %		
Efficiency ratio (tax equivalent) (1)		61.04%		63.93%		59.95 %		
Operating efficiency ratio (tax equivalent) (2)		57.59%		52.24%		59.07 %		
Noninterest expense ratio		2.73%		2.91%		2.91 %		
Core noninterest expense ratio (2)		2.59%		2.45%		2.85 %		
(4)								
Desired and	N	March 31,	1	December 31,				
Period end	0.1	2018	Φ.	2017				
Total assets		2,530,636	\$	12,716,886				
Loans, net of unearned income		8,339,631	\$	8,358,657				
Allowance for loan and lease losses	\$	79,827	\$	75,646				
Securities, including equity securities and FHLB stock		2,640,685	\$	2,753,271				
Deposits		0,395,523	\$	10,532,085				
Core deposits		9,897,185	\$	10,039,557				
Shareholders' equity	\$	1,947,923	\$	1,949,922				
Nonperforming assets	¢.	70.464	¢.	((100				
Nonaccrual loans	\$	78,464	\$	66,189				
Other real estate owned ("OREO") and other personal property owned ("OPPO")	•	11,507	Φ.	13,298				
Total nonperforming assets	\$	89,971	\$	79,487				
Nonperforming loans to period-end loans		0.94%		0.79%				
Nonperforming assets to period-end assets		0.72%		0.63%				
Allowance for loan and lease losses to period-end loans	•	0.96%		0.91%				
Net loan charge-offs (recoveries)	\$	1,671	(3) \$	(703)	4)			

Three Months Ended

⁽¹⁾ Noninterest expense divided by the sum of net interest income on a tax equivalent basis and noninterest income on a tax equivalent basis.

⁽²⁾ The operating efficiency ratio (tax equivalent) and core noninterest expense ratio are non-GAAP financial measures. See section titled "Non-GAAP Financial Measures" on the last two pages of this earnings release for the reconciliations of the operating efficiency ratio (tax equivalent) to the efficiency ratio (tax equivalent) and the reconciliation of the noninterest expense ratio to the core noninterest expense ratio.

⁽³⁾ For the three months ended March 31, 2018.

⁽⁴⁾ For the three months ended December 31, 2017.

Columbia Banking System, Inc.				TI	hree	Months End	ed			
Unaudited		March 31,		December 31,	S	September 30,		June 30,		March 31,
	_	2018		2017	tho	2017 usands except	nau	2017		2017
Earnings				(aouars in	ino	usanas excepi	per	snare)		
Net interest income	\$	115,481	\$	106,224	\$	88,929	\$	86,161	\$	86,675
Provision (recapture) for loan and lease losses	\$	5,852	\$	3,327	\$	(648)	\$	3,177	\$	2,775
Noninterest income	\$	23,143	\$	23,581	\$	37,067	\$	24,135	\$	24,859
Noninterest expense	\$	85,987	\$	85,627	\$	67,537	\$	68,867	\$	68,986
Acquisition-related expense (included in noninterest expense)	\$	4,265	\$	13,638	\$	1,171	\$	1,023	\$	1,364
Net income	\$	39,970	\$	15,728	\$	40,769	\$	27,132	\$	29,199
Per Common Share										
Earnings (basic)	\$	0.55	\$	0.23	\$	0.70	\$	0.47	\$	0.50
Earnings (diluted)	\$	0.55	\$	0.23	\$	0.70	\$	0.47	\$	0.50
Book value	\$	26.60	\$	26.70	\$	22.76	\$	22.23	\$	21.86
Averages										
Total assets	\$	12,603,144	\$	11,751,049	\$	9,695,005	\$	9,597,274	\$	9,473,698
Interest-earning assets	\$	11,122,753	\$	10,453,097	\$	8,750,561	\$	8,651,735	\$	8,520,291
Loans	\$	8,348,740	\$	7,749,420	\$	6,441,537	\$	6,325,462	\$	6,198,215
Securities, including equity securities and FHLB stock	\$	2,682,250	\$	2,539,321	\$	2,236,235	\$	2,316,077	\$	2,310,490
Deposits	\$	10,334,480	\$	9,804,456	\$	8,187,337	\$	7,965,868	\$	7,954,653
Interest-bearing deposits	\$	5,405,730	\$	5,033,980	\$	4,200,580	\$	4,123,135	\$	4,118,604
Interest-bearing liabilities	\$	5,627,853	\$	5,127,100	\$	4,285,936	\$	4,367,216	\$	4,263,660
Noninterest-bearing deposits	\$	4,928,750	\$	4,770,476	\$	3,986,757	\$	3,842,733	\$	3,836,049
Shareholders' equity	\$	1,949,275	\$	1,754,745	\$	1,323,794	\$	1,295,564	\$	1,261,652
Financial Ratios										
Return on average assets		1.27%	ó	0.54%	0	1.68%	0	1.13%	6	1.23%
Return on average common equity		8.20%	ó	3.59%	0	12.32%	0	8.38%	6	9.26%
Average equity to average assets		15.47%	ó	14.93%	0	13.65%	0	13.50%	o	13.32%
Net interest margin (tax equivalent)		4.22%	ó	4.20%	0	4.20%	0	4.12%	o	4.20%
Period end										
Total assets	\$	12,530,636		12,716,886		9,814,578		9,685,110		9,527,272
Loans, net of unearned income	\$	8,339,631	\$	8,358,657	\$	6,512,006	\$	6,423,074	\$	6,228,136
Allowance for loan and lease losses	\$	79,827	\$	75,646	\$	71,616	\$	72,984	\$	71,021
Securities, including equity securities and FHLB stock	\$	2,640,685		2,753,271	\$, -, -		2,280,996	\$	9 - 9
Deposits	\$	10,395,523	\$	10,532,085	\$	8,341,717	\$	8,072,464	\$	8,088,827
	4	0.00=46=	-		-		4		-	

9,897,185

1,947,923

78,464

11,507

89,971

0.94%

0.72%

0.96%

1,671 \$

\$10,039,557

\$ 1,949,922

66,189

13,298

79,487

0.79%

0.63%

0.91%

(703) \$

\$

\$ 7,999,499

\$ 1,328,428

40,317

3,682

43,999

0.62%

0.45%

1.10%

720 \$

\$

\$ 7,721,766

\$ 1,297,314

36,824

4,058

40,882

0.57%

0.42%

1.14%

1,214 \$

\$

\$

\$ 7,794,590

\$ 1,275,343

25,547

4,519

30,066

0.41%

0.32%

1.14%

1,797

\$

\$

\$

\$

Core deposits

Shareholders' equity

Nonperforming assets

Nonaccrual loans

OREO and OPPO

Total nonperforming assets

Net loan charge-offs (recoveries)

Nonperforming loans to period-end loans

Nonperforming assets to period-end assets

Allowance for loan and lease losses to period-end

LOAN PORTFOLIO COMPOSITION Columbia Banking System, Inc.

Unaudited	March 31,	December 31,	September 30,	June 30,	March 31,
	2018	2017	2017	2017	2017
Loan Portfolio Composition - Dollars		(dollars in thousands	9)	
Commercial business	\$ 3,402,162	\$ 3,377,324	\$ 2,735,206	\$ 2,704,468	\$ 2,559,247
Real estate:					
One-to-four family residential	182,302	188,396	176,487	173,150	172,581
Commercial and multifamily residential	3,776,709	3,825,739	2,825,794	2,787,560	2,783,433
Total real estate	3,959,011	4,014,135	3,002,281	2,960,710	2,956,014
Real estate construction:					
One-to-four family residential	208,441	200,518	145,419	139,956	115,219
Commercial and multifamily residential	385,339	371,931	213,939	195,565	172,896
Total real estate construction	593,780	572,449	359,358	335,521	288,115
Consumer	323,631	334,190	323,913	323,187	318,069
Purchased credit impaired	109,299	112,670	120,477	129,853	138,903
Subtotal loans	8,387,883	8,410,768	6,541,235	6,453,739	6,260,348
Less: Net unearned income	(48,252)	(52,111)	(29,229)	(30,665)	(32,212)
Loans, net of unearned income	8,339,631	8,358,657	6,512,006	6,423,074	6,228,136
Less: Allowance for loan and lease losses	(79,827)	(75,646)	(71,616)	(72,984)	(71,021)
Total loans, net	8,259,804	8,283,011	6,440,390	6,350,090	6,157,115
Loans held for sale	\$ 4,312	\$ 5,766	\$ 7,802	\$ 6,918	\$ 3,245
Loans held for sale	\$ 4,312	\$ 5,766	\$ 7,802	\$ 6,918	\$ 3,245
Loans held for sale	\$ 4,312 March 31,	\$ 5,766 December 31,	\$ 7,802 September 30,	\$ 6,918 June 30,	\$ 3,245 March 31,
Loans held for sale Loan Portfolio Composition - Percentages					
	March 31,	December 31,	September 30,	June 30,	March 31,
Loan Portfolio Composition - Percentages	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
<u>Loan Portfolio Composition - Percentages</u> Commercial business	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017 41.1 %
Loan Portfolio Composition - Percentages Commercial business Real estate:	March 31, 2018 40.8 %	December 31, 2017 40.4 %	September 30, 2017 42.0 %	June 30, 2017 42.1 %	March 31, 2017 41.1 % 2.8 %
Loan Portfolio Composition - Percentages Commercial business Real estate: One-to-four family residential	March 31, 2018 40.8 % 2.2 %	December 31, 2017 40.4 % 2.3 %	September 30, 2017 42.0 % 2.7 %	June 30, 2017 42.1 %	March 31, 2017 41.1 % 2.8 % 44.7 %
Loan Portfolio Composition - Percentages Commercial business Real estate: One-to-four family residential Commercial and multifamily residential	March 31, 2018 40.8 % 2.2 % 45.3 %	December 31, 2017 40.4 % 2.3 % 45.8 %	September 30, 2017 42.0 % 2.7 % 43.3 %	June 30, 2017 42.1 % 2.7 % 43.5 %	March 31, 2017 41.1 % 2.8 % 44.7 %
Loan Portfolio Composition - Percentages Commercial business Real estate: One-to-four family residential Commercial and multifamily residential Total real estate	March 31, 2018 40.8 % 2.2 % 45.3 %	December 31, 2017 40.4 % 2.3 % 45.8 %	September 30, 2017 42.0 % 2.7 % 43.3 %	June 30, 2017 42.1 % 2.7 % 43.5 %	March 31, 2017 41.1 % 2.8 % 44.7 % 47.5 %
Loan Portfolio Composition - Percentages Commercial business Real estate: One-to-four family residential Commercial and multifamily residential Total real estate Real estate construction:	March 31, 2018 40.8 % 2.2 % 45.3 % 47.5 %	December 31, 2017 40.4 % 2.3 % 45.8 % 48.1 %	September 30, 2017 42.0 % 2.7 % 43.3 % 46.0 %	June 30, 2017 42.1 % 2.7 % 43.5 % 46.2 %	March 31, 2017 41.1 % 2.8 % 44.7 % 47.5 %
Loan Portfolio Composition - Percentages Commercial business Real estate: One-to-four family residential Commercial and multifamily residential Total real estate Real estate construction: One-to-four family residential	March 31, 2018 40.8 % 2.2 % 45.3 % 47.5 % 2.5 %	December 31, 2017 40.4 % 2.3 % 45.8 % 48.1 % 2.4 %	September 30, 2017 42.0 % 2.7 % 43.3 % 46.0 % 2.2 %	June 30, 2017 42.1 % 2.7 % 43.5 % 46.2 %	March 31, 2017 41.1 % 2.8 % 44.7 % 47.5 % 1.8 % 2.8 %
Loan Portfolio Composition - Percentages Commercial business Real estate: One-to-four family residential Commercial and multifamily residential Total real estate Real estate construction: One-to-four family residential Commercial and multifamily residential	March 31, 2018 40.8 % 2.2 % 45.3 % 47.5 % 2.5 % 4.6 %	December 31, 2017 40.4 % 2.3 % 45.8 % 48.1 % 2.4 % 4.4 %	September 30, 2017 42.0 % 2.7 % 43.3 % 46.0 % 2.2 % 3.3 %	June 30, 2017 42.1 % 2.7 % 43.5 % 46.2 % 2.2 % 3.0 %	March 31, 2017 41.1 % 2.8 % 44.7 % 47.5 % 1.8 % 2.8 % 4.6 %
Loan Portfolio Composition - Percentages Commercial business Real estate: One-to-four family residential Commercial and multifamily residential Total real estate Real estate construction: One-to-four family residential Commercial and multifamily residential Total real estate construction	March 31, 2018 40.8 % 2.2 % 45.3 % 47.5 % 2.5 % 4.6 % 7.1 %	December 31, 2017 40.4 % 2.3 % 45.8 % 48.1 % 2.4 % 4.4 % 6.8 %	September 30, 2017 42.0 % 2.7 % 43.3 % 46.0 % 2.2 % 3.3 % 5.5 %	June 30, 2017 42.1 % 2.7 % 43.5 % 46.2 % 2.2 % 3.0 % 5.2 %	March 31, 2017 41.1 % 2.8 % 44.7 % 47.5 % 1.8 % 2.8 % 4.6 % 5.1 %
Loan Portfolio Composition - Percentages Commercial business Real estate: One-to-four family residential Commercial and multifamily residential Total real estate Real estate construction: One-to-four family residential Commercial and multifamily residential Total real estate construction Consumer	March 31, 2018 40.8 % 2.2 % 45.3 % 47.5 % 2.5 % 4.6 % 7.1 % 3.9 %	December 31, 2017 40.4 % 2.3 % 45.8 % 48.1 % 2.4 % 4.4 % 6.8 % 4.0 %	September 30, 2017 42.0 % 2.7 % 43.3 % 46.0 % 2.2 % 3.3 % 5.5 % 5.0 %	June 30, 2017 42.1 % 2.7 % 43.5 % 46.2 % 2.2 % 3.0 % 5.2 % 5.0 %	March 31, 2017 41.1 % 2.8 % 44.7 % 47.5 % 1.8 % 2.8 % 4.6 % 5.1 % 2.2 %
Loan Portfolio Composition - Percentages Commercial business Real estate: One-to-four family residential Commercial and multifamily residential Total real estate Real estate construction: One-to-four family residential Commercial and multifamily residential Total real estate construction Consumer Purchased credit impaired	March 31, 2018 40.8 % 2.2 % 45.3 % 47.5 % 2.5 % 4.6 % 7.1 % 3.9 % 1.3 %	December 31, 2017 40.4 % 2.3 % 45.8 % 48.1 % 2.4 % 4.4 % 6.8 % 4.0 % 1.3 %	September 30, 2017 42.0 % 43.3 % 46.0 % 2.2 % 3.3 % 5.5 % 5.0 % 1.9 %	June 30, 2017 42.1 % 2.7 % 43.5 % 46.2 % 2.2 % 3.0 % 5.2 % 5.0 % 2.0 %	March 31, 2017

DEPOSIT COMPOSITION Columbia Banking System, Inc.

Unaudited

	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Deposit Composition - Dollars			dollars in thousands,		
Core deposits:					
Demand and other non-interest bearing	\$ 4,927,226	\$ 5,081,901	\$ 4,119,950	\$ 3,905,652	\$ 3,958,106
Interest bearing demand	1,328,756	1,265,212	1,009,378	988,532	985,954
Money market	2,477,487	2,543,712	1,821,262	1,787,101	1,798,034
Savings	886,171	861,941	772,858	756,825	759,002
Certificates of deposit, less than \$250,000	277,545	286,791	276,051	283,656	293,494
Total core deposits	9,897,185	10,039,557	7,999,499	7,721,766	7,794,590
Certificates of deposit, \$250,000 or more	96,333	100,399	84,105	81,861	74,460
Certificates of deposit insured by CDARS®	23,191	25,374	20,690	19,276	20,994
Other brokered certificates of deposit	76,931	78,481			
Brokered money market accounts	302,544	289,031	237,421	249,554	198,768
Subtotal	10,396,184	10,532,842	8,341,715	8,072,457	8,088,812
Premium (discount) resulting from acquisition date fair value adjustment	(661)	(757)	2	7	15
Total deposits	\$ 10,395,523	\$ 10,532,085	\$ 8,341,717	\$ 8,072,464	\$ 8,088,827
	March 31,	December 31,	September 30,	June 30,	March 31,
Deposit Composition - Percentages	2018	2017	2017	2017	2017
Core deposits:					
Demand and other non-interest bearing	47.4%	48.2%	49.4%	48.4%	48.9%
Interest bearing demand	12.8%	12.0%	12.1%	12.2%	12.2%
Money market	23.8%	24.2%	21.8%	22.1%	22.2%
Savings	8.5%	8.2%	9.3%	9.4%	9.4%
Certificates of deposit, less than \$250,000	2.7%	2.7%	3.3%	3.5%	3.6%
Total core deposits	95.2%	95.3%	95.9%	95.6%	96.3%
Certificates of deposit, \$250,000 or more	0.9%	1.0%	1.0%	1.0%	0.9%
Certificates of deposit insured by CDARS®	0.2%	0.2%	0.2%	0.2%	0.3%
Other brokered certificates of deposit	0.7%	0.7%	%	%	%
Brokered money market accounts	3.0%	2.8%	2.9%	3.2%	2.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

AVERAGE BALANCES AND RATES

Columbia Banking System, Inc.

Unaudited

	_	Three Months Ended					Three Months Ended						
		1	Marcl	h 31, 2018		March 31, 2017							
		Average Balances	E	Interest arned / Paid	Average Rate		Average Balances	Ea	Interest arned / Paid	Average Rate			
					(dollars in t	thoi	usands)						
ASSETS													
Loans, $net(1)(2)$	\$	8,348,740	\$	104,091	4.99%	\$	6,198,215	\$	75,514	4.87%			
Taxable securities		2,158,039		12,708	2.36%		1,861,627		10,986	2.36%			
Tax exempt securities (2)		524,211		3,878	2.96%		448,863		4,140	3.69%			
Interest-earning deposits with banks		91,763		345	1.50%		11,586		19	0.66%			
Total interest-earning assets		11,122,753	\$	121,022	4.35%		8,520,291	\$	90,659	4.26%			
Other earning assets		218,126					178,091						
Noninterest-earning assets		1,262,265					775,316						
Total assets	\$	12,603,144				\$	9,473,698						
LIABILITIES AND SHAREHOLDER	RS'	EQUITY											
Certificates of deposit	\$	479,729	\$	526	0.44%	\$	399,306	\$	95	0.10%			
Savings accounts		878,170		41	0.02%		738,631		19	0.01%			
Interest-bearing demand		1,252,823		535	0.17%		972,560		159	0.07%			
Money market accounts		2,795,008		1,407	0.20%		2,008,107		514	0.10%			
Total interest-bearing deposits		5,405,730		2,509	0.19%		4,118,604		787	0.08%			
FHLB advances		125,660		570	1.81%		81,577		225	1.10%			
Subordinated debentures		35,623		468	5.26%		_		_	<u>%</u>			
Other borrowings		60,840		116	0.76%		63,479		129	0.81%			
Total interest-bearing liabilities		5,627,853	\$	3,663	0.26%		4,263,660	\$	1,141	0.11%			
Noninterest-bearing deposits		4,928,750					3,836,049						
Other noninterest-bearing liabilities		97,266					112,337						
Shareholders' equity		1,949,275					1,261,652						
Total liabilities & shareholders' equity	\$	12,603,144				\$	9,473,698						
Net interest income (tax equivalent)			\$	117,359				\$	89,518				
Net interest margin (tax equivalent)					4.22%					4.20%			

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Th.... M....4b., F., J. J.

- (1) Nonaccrual loans have been included in the tables as loans carrying a zero yield. Amortized net deferred loan fees and net unearned discounts on acquired loans were included in the interest income calculations. The amortization of net deferred loan fees was \$2.2 million and \$1.6 million for the three month periods ended March 31, 2018 and March 31, 2017, respectively. The incremental accretion on acquired loans was \$3.7 million and \$4.1 million for the three months ended March 31, 2018 and 2017, respectively.
- (2) Tax-exempt income is calculated on a tax equivalent basis. The tax equivalent yield adjustment to interest earned on loans was \$1.1 million and \$1.4 million for the three months ended March 31, 2018 and 2017, respectively. The tax equivalent yield adjustment to interest earned on tax exempt securities was \$814 thousand and \$1.4 million for the three month periods ended March 31, 2018 and 2017, respectively.

AVERAGE BALANCES AND RATES

Columbia Banking System, Inc.

Unaudited

		Three Months Ended					Three Months Ended						
		N	Marc	ch 31, 2018		December 31, 2017							
		Average Balances	F	Interest Earned / Paid	Average Rate		Average Balances	E	Interest arned / Paid	Average Rate			
					(dollars in	tho	usands)						
ASSETS													
Loans, $net(1)(2)$	\$	8,348,740	\$	104,091	4.99%	\$	7,749,420	\$	97,720	5.04%			
Taxable securities		2,158,039		12,708	2.36%		2,035,788		9,487	1.86%			
Tax exempt securities (2)		524,211		3,878	2.96%		503,533		4,492	3.57%			
Interest-earning deposits with banks		91,763		345	1.50%		164,356		545	1.33%			
Total interest-earning assets		11,122,753	\$	121,022	4.35%		10,453,097	\$	112,244	4.30%			
Other earning assets		218,126					202,246						
Noninterest-earning assets		1,262,265					1,095,706						
Total assets	\$	12,603,144				\$	11,751,049	•					
LIABILITIES AND SHAREHOLDERS	s' E	EQUITY											
Certificates of deposit	\$	479,729	\$	526	0.44%	\$	457,285	\$	374	0.33%			
Savings accounts		878,170		41	0.02%		835,952		39	0.02%			
Interest-bearing demand		1,252,823		535	0.17%		1,168,496		376	0.13%			
Money market accounts		2,795,008		1,407	0.20%		2,572,247		1,233	0.19%			
Total interest-bearing deposits		5,405,730		2,509	0.19%		5,033,980		2,022	0.16%			
FHLB advances		125,660		570	1.81%		9,817		99	4.03%			
Subordinated debentures		35,623		468	5.26%		23,427		304	5.19%			
Other borrowings		60,840		116	0.76%		59,876		192	1.28%			
Total interest-bearing liabilities		5,627,853	\$	3,663	0.26%		5,127,100	\$	2,617	0.20%			
Noninterest-bearing deposits		4,928,750					4,770,476						
Other noninterest-bearing liabilities		97,266					98,728						
Shareholders' equity		1,949,275					1,754,745						
Total liabilities & shareholders' equity	\$	12,603,144	•			\$	11,751,049	•					
Net interest income (tax equivalent)	_		\$	117,359		_		\$	109,627				
Net interest margin (tax equivalent)					4.22%					4.20%			

- (1) Nonaccrual loans have been included in the tables as loans carrying a zero yield. Amortized net deferred loan fees and net unearned discounts on acquired loans were included in the interest income calculations. The amortization of net deferred loan fees was \$2.2 million and \$1.9 million for the three month periods ended March 31, 2018 and December 31, 2017, respectively. The incremental accretion on acquired loans was \$3.7 million and \$2.7 million for the three months ended March 31, 2018 and December 31, 2017, respectively.
- (2) Tax-exempt income is calculated on a tax equivalent basis. The tax equivalent yield adjustment to interest earned on loans was \$1.1 million and \$1.8 million for the three months ended March 31, 2018 and December 31, 2017, respectively. The tax equivalent yield adjustment to interest earned on tax exempt securities was \$814 thousand and \$1.6 million for the three month periods ended March 31, 2018 and December 31, 2017, respectively.

Non-GAAP Financial Measures

The Company considers its operating net interest margin and operating efficiency ratios to be useful measurements as they more closely reflect the ongoing operating performance of the Company. Despite the usefulness of the operating net interest margin and operating efficiency ratio to the Company, there are no standardized definitions for them and, as a result, the Company's calculations may not be comparable with other organizations. The Company encourages readers to consider its consolidated financial statements in their entirety and not to rely on any single financial measure.

The following tables reconcile the Company's calculation of the operating net interest margin and operating efficiency ratio:

	Three Months Ended							
	March 31,			December 31,		March 31,		
		2018		2017		2017		
Operating net interest margin non-GAAP reconciliation:			(doll	ars in thousand	s)			
Net interest income (tax equivalent) (1)	\$	117,359	\$	109,627	\$	89,518		
Adjustments to arrive at operating net interest income (tax equivalent):								
Incremental accretion income on FDIC purchased credit impaired loans		(329)		(265)		(2,117)		
Incremental accretion income on other acquired loans		(3,370)		(2,482)		(1,948)		
Premium amortization on acquired securities		2,075		1,978		1,462		
Correction of immaterial error - securities premium amortization		_		1,771		_		
Interest reversals on nonaccrual loans		417		443		265		
Operating net interest income (tax equivalent) (1)	\$	116,152	\$	111,072	\$	87,180		
Average interest earning assets	\$	11,122,753	\$	10,453,097	\$	8,520,291		
Net interest margin (tax equivalent) (1)		4.22%	,	4.20%)	4.20%		
Operating net interest margin (tax equivalent) (1)		4.18%	•	4.25%)	4.09%		
	Three Months Ended							
		March 31,]	December 31,		March 31,		
	_	2018		2017		2017		
Operating efficiency ratio non-GAAP reconciliation:				ars in thousand	٠.			
Noninterest expense (numerator A)	\$	85,987	\$	85,627	\$	68,986		
Adjustments to arrive at operating noninterest expense:								
Acquisition-related expenses		(4,265)		(13,638)		(1,364)		
Net benefit (cost) of operation of OREO and OPPO		4		(46)		(150)		
FDIC clawback liability recovery		_		_		54		
Loss on asset disposals		_		(56)		(6)		
State of Washington Business and Occupation ("B&O") taxes		(1,317)		(1,167)		(1,123)		
Operating noninterest expense (numerator B)	\$	80,409	\$	70,720	\$	66,397		
Net interest income (tax equivalent) (1)	\$	117,359	\$	109,627	\$	89,518		
Noninterest income		23,143		23,581		24,859		
Bank owned life insurance tax equivalent adjustment		379		741		689		
Total revenue (tax equivalent) (denominator A)	\$	140,881	\$	133,949	\$	115,066		
Operating net interest income (tax equivalent) (1)	\$	116,152	\$	111,072	\$	87,180		
Adjustments to arrive at operating noninterest income (tax equivalent):	Ψ	110,132	Ψ	111,072	Ψ	07,100		
Investment securities gains (loss), net		(22)		11		_		
Gain on asset disposals		(35)		(34)		(29)		
Mortgage loan repurchase liability adjustment		(55)		(54)		(573)		
Change in FDIC loss-sharing asset		_		_		274		
Operating noninterest income (tax equivalent)	_	23,465	_	24,299	-	25,220		
Total operating revenue (tax equivalent) (denominator B)	\$	139,617	\$	135,371	\$	112,400		
Efficiency ratio (tax equivalent) (numerator A/denominator A)	Ф	61.04%		63.93%		59.95%		
Operating efficiency ratio (tax equivalent) (numerator B/denominator B)		57.59%		52.24%		59.07%		
operating emotionery ratio (and equivalency (numeration D/denomination D)		31.37/0	,	32.24/0	,	57.01/0		

⁽¹⁾ Tax-exempt interest income has been adjusted to a tax equivalent basis. The amount of such adjustment was an addition to net interest income of \$1.9 million, \$3.4 million and \$2.8 million for the three month periods ended March 31, 2018, December 31, 2017 and March 31, 2017, respectively.

Non-GAAP Financial Measures - Continued

The Company also considers its core net interest expense ratio to be a useful measurement as it more closely reflects the ongoing operating performance of the Company. Despite the usefulness of the core net interest expense ratio to the Company, there is not a standardized definition for it, as a result, the Company's calculations may not be comparable with other organizations. The Company encourages readers to consider its consolidated financial statements in their entirety and not to rely on any single financial measure.

The following table reconciles the Company's calculation of the core net interest expense ratio:

	Three Months Ended							
	March 31, 2018		December 31, 2017		March 31,			
						2017		
Core noninterest expense ratio non-GAAP reconciliation:	(dollars in thousands)							
Noninterest expense (numerator A)	\$	85,987	\$	85,627	\$	68,986		
Adjustments to arrive at core noninterest expense:						_		
FDIC clawback liability recovery		_		_		54		
Acquisition-related expenses		(4,265)		(13,638)		(1,364)		
Net benefit (cost) of operation of OREO and OPPO		4		(46)		(150)		
Core noninterest expense (numerator B)	\$	81,726	\$	71,943	\$	67,526		
Average assets (denominator)	\$	12,603,144	\$	11,751,049	\$	9,473,698		
Noninterest expense ratio (numerator A/denominator)		2.73%	,	2.91%	,	2.91%		
Core noninterest expense ratio (numerator B/denominator)		2.59%	,	2.45%)	2.85%		