## orm **8937**

(December 2011)
Department of the Treasury

## Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-2224

Part Reporting I  1 Issuer's name		2 Issuer's employer identification number (EIN)	
w-11/211			
NTERMOUNTAIN COMMU  3 Name of contact for add		82-0499463 5 Email address of contact	
3 Name of contact for add	itional information	4 Telephone No. of contact	5 Email address of contact
OANNE COY		jcoy@columbiabank.com	
Number and street (or P	.O. box if mail is not o	7 City, town, or post office, state, and Zip code of contact	
OLUMBIA BANKING SYS	TEM. INC., PO BOX	TACOMA, WA 98401	
B Date of action		9 Classification and description	•
1/1/2014		COMMON STOCK	
	dd Carial arrabayla	13 Account number(s)	
0 CUSIP number	11 Serial number(s	12 Ticker symbol	Account number(s)
45881M308		IMCB	
Part II Organization	nal Action Attacl	additional statements if needed.	See back of form for additional questions.
			date against which shareholders' ownership is measured for
			Y BANCORP ("INTERMOUNTAIN") MERGED WITH AND
			AINING AS THE SURVIVING ENTITY. IMMEDIATELY
			, A WHOLLY OWNED SUBSIDIARY OF INTERMOUNTAIN,
IERGED WITH AND INTO	COLUMBIA STATE	BANK, A WHOLLY OWNED SUBSIDI	ARY OF COLUMBIA, WITH COLUMBIA STATE BANK
			THE RIGHT, WITH RESPECT TO EACH OF THEIR
SHARES OF INTERMOUN	TAIN COMMON STO	CK, TO ELECT TO RECEIVE EITHER	CASH, STOCK, OR A UNIT CONSISTING OF BOTH
COLUMBIA COMMON STO	OCK AND CASH.		
15 Describe the quantitat	ive effect of the orga	nizational action on the basis of the sec	curity in the hands of a U.S. taxpayer as an adjustment per
share or as a percent			in the market of a creation payor as an anjacon pro-
Share or as a percent	ige of old basis P	LE ATTACHIMENTA	
			culation, such as the market values of securities and the
			<u>ECEIVED IN EXCHANGE FOR MORE THAN ONE SHARE C</u>
			DCATED TO THE COLUMBIA COMMON SHARES RECEIVE
N A MANNER THAT REFL	ECTS, TO THE GRE	ATEST EXTENT POSSIBLE, THE BAS	SIS IN INTERMOUNTAIN COMMON SHARES THAT WERE
ACQUIRED ON THE SAME	DATE AND AT THE	SAME PRICE. TO THE EXTENT THA	AT IT IS NOT POSSIBLE TO ALLOCATE THE AGGREGATE
			N COMMON SHARES SURRENDERED MUST BE
			ES THE DISPARITY IN THE HOLDING PERIODS OF THE
			RTICULAR COLUMBIA COMMON SHARE RECEIVED.

Form 893	7 (Rev.	.12-2011)		Page 2
Part II		Organizational Action (continued)		
		· · · · · · · · · · · · · · · · · · ·		
<b>17</b> Lis	t the a	applicable Internal Revenue Code section(s) and subsection(s) upon which the	tax treatment is based ▶	COLUMBIA AND
INTERM	OUNT	TAIN HAVE STRUCTURED THE MERGERS, TAKEN TOGETHER, TO QUAL!	FY AS A REORGANIZA	TION WITHIN THE MEANING
OF SEC	TION	368(a) OF THE INTERNAL REVENUE CODE, AS AMENDED. RELEVANT IN	TERNAL REVENUE CO	ODE PROVISIONS INCLUDE
<del></del>		02, 356, 358, AND 368.		
SECTIO	110 00	in one and the age.		
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				<del></del>
	_			
18 Ca	an any	resulting loss be recognized? ► SEE ATTACHMENT B		
-				
	_			
_				
40 D	oulda	any other information necessary to implement the adjustment, such as the rep	ortable tax vear > THE I	HOLDING PERIOD OF
19 Pr	COL	LUMBIA COMMON STOCK RECEIVED AS A RESULT OF THE EXCHANGE V	WILL INCLUDE THE HO	I DING PERIOD OF THE
INTERN	MOLIN	NTAIN COMMON STOCK THE HOLDER SURRENDERED IN THE MERGER. I	E THE HOLDER RECEL	VED CASH IN THE MERGER
		F A FRACTIONAL SHARE INTEREST IN COLUMBIA COMMON STOCK, THE		
		TIONAL SHARE IN THE MERGER, AND THEN AS HAVING RECEIVED CAS		
SUCHI	FRAC	TIONAL SHARE IN THE MERGER, AND THEN AS HAVING RECEIVED CAS	OF DETWEEN THE AM	DUNT OF CASH DECEIVED
GAIN	OR LO	SS WOULD BE RECOGNIZED IN AN AMOUNT EQUAL TO THE DIFFERENCE	TIONAL CHARE THE	CAIN OR LOSS WILL
RECEI	VED A	AND THE HOLDER'S ADJUSTED TAX BASIS ALLOCABLE TO SUCH FRAC	TIONAL SHARE, THIS	GAIN OR LOSS WILL
GENE	RALL'	Y BE A CAPITAL GAIN OR LOSS, AND WILL BE LONG-TERM CAPITAL GA	IN OR LOSS IF, AS OF	THE EFFECTIVE DATE OF THE
MERG	ER, Th	HE HOLDER HELD HIS OR HER SHARES OF INTERMOUNTAIN COMMON S	STOCK FOR MORE THA	AN ONE YEAR.
,			*	
-	Unde	er penalties of perjury, I declare that I have examined this return, including accompanying	schedules and statements	, and to the best of my knowledge and
	belief	f, it is true, correct, and complete. Declaration of preparer (other than officer) is based on a	all information of which prep	arer has any knowledge.
Sign				
Here Signature Date 12-9-14				
	Signa	alure		•
		CLINIT STEIN	Title ► EVP. CF0	0
	Print	your name ► CLINT STEIN  Print/Type preparer's name  Preparer's signature ()	Date	PTIN
Paid		K VK	12/9/14	Check [ Ir ]
Prepa	arer	RACHEL ROSS		
Use (		Firm's name ► DELOITTE TAX LLP	4400	Firm's EIN ▶ 86-1065772
		Firm's address ▶ 925 FOURTH AVENUE, SUITE 3300 SEATTLE, WA 98104	-1126	Phone no. 206-716-7000
Send Fo	orm 89	937 (including accompanying statements) to: Department of the Treasury, Inter	nai Revenue Service, Og	gaen, UT 84201-0054

FORM 8937
INTERMOUNTAIN COMMUNITY BANCORP
82-0499463
DATE OF ACTION: 11/01/2014

**ATTACHMENT A** 

## **QUESTION 15:**

THE MERGER OF INTERMOUNTAIN INTO COLUMBIA QUALIFIES AS A TAX FREE REORGANIZATION WITHIN THE MEANING OF SECTION 368(a) OF THE INTERNAL REVENUE CODE, AS AMENDED. THE AGGREGATE TAX BASIS OF THE COLUMBIA COMMON STOCK RECEIVED AS A RESULT OF THE MERGER (INCLUDING ANY FRACTIONAL SHARES OF COLUMBIA COMMON STOCK DEEMED RECEIVED) WILL BE THE SAME AS THE HOLDER'S AGGREGATE TAX BASIS IN INTERMOUNTAIN COMMON STOCK SURRENDERED IN THE MERGER, DECREASED BY THE AMOUNT OF CASH THE HOLDER RECEIVED THAT WAS TREATED AS RECEIVED IN EXCHANGE FOR INTERMOUNTAIN COMMON STOCK (EXCLUDING ANY CASH RECEIVED IN LIEU OF A FRACTIONAL SHARE OF COLUMBIA COMMON STOCK) AND INCREASED BY THE AMOUNT OF GAIN, IF ANY, THE HOLDER RECOGNIZED IN THE EXCHANGE (EXCLUDING ANY GAIN RESULTING FROM CASH RECEIVED IN LIEU OF A FRACTIONAL SHARE OF COLUMBIA COMMON STOCK).

IF A HOLDER ACQUIRED DIFFERENT BLOCKS OF INTERMOUNTAIN COMMON STOCK AT DIFFERENT TIMES OR AT DIFFERENT PRICES, HE OR SHE SHOULD CONSULT HIS OR HER INDIVIDUAL TAX ADVISOR REGARDING THE MANNER IN WHICH GAIN OR LOSS SHOULD BE DETERMINED.

FORM 8937
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**ATTACHMENT B** 

## **QUESTION 18:**

PURSUANT TO THE MERGER AGREEMENT, HOLDERS EXCHANGING SHARES OF INTERMOUNTAIN COMMON STOCK FOR SOLELY COLUMBIA COMMON STOCK (AND CASH INSTEAD OF FRACTIONAL SHARES OF COLUMBIA COMMON STOCK) WILL GENERALLY NOT RECOGNIZE GAIN OR LOSS, EXCEPT WITH RESPECT TO CASH RECEIVED INSTEAD OF FRACTIONAL SHARES OF COLUMBIA COMMON STOCK.

PURSUANT TO THE MERGER AGREEMENT, HOLDERS EXCHANGING SHARES OF INTERMOUNTAIN COMMON STOCK FOR SOLELY CASH WILL GENERALLY RECOGNIZE GAIN OR LOSS EQUAL TO THE DIFFERENCE BETWEEN THE AMOUNT OF CASH RECEIVED BY A HOLDER OF INTERMOUNTAIN COMMON STOCK AND SUCH HOLDER'S COST BASIS IN HIS OR HER INTERMOUNTAIN COMMON STOCK.

PURSUANT TO THE MERGER AGREEMENT, HOLDERS EXCHANGING SHARES OF INTERMOUNTAIN COMMON STOCK FOR A COMBINATION OF COLUMBIA COMMON STOCK AND CASH WILL GENERALLY RECOGNIZE GAIN (BUT NOT LOSS) IN AN AMOUNT EQUAL TO THE LESSER OF: (1) THE AMOUNT OF CASH TREATED AS RECEIVED IN EXCHANGE FOR INTERMOUNTAIN COMMON STOCK IN THE MERGER (EXCLUDING ANY CASH RECEIVED IN LIEU OF FRACTIONAL SHARES OF COLUMBIA COMMON STOCK) AND (2) THE EXCESS, IF ANY, OF (A) THE SUM OF THE AMOUNT OF CASH TREATED AS RECEIVED IN EXCHANGE FOR INTERMOUNTAIN COMMON STOCK IN THE MERGER (EXCLUDING ANY CASH RECEIVED IN LIEU OF FRACTIONAL SHARES OF COLUMBIA COMMON STOCK) PLUS THE FAIR MARKET VALUE OF COLUMBIA COMMON STOCK (INCLUDING THE FAIR MARKET VALUE OF ANY FRACTIONAL SHARE) RECEIVED IN THE MERGER, OVER (B) SUCH HOLDER'S BASIS IN THE INTERMOUNTAIN COMMON STOCK EXCHANGED.