COLUMBIA BANKING SYSTEM INC
Form S-4/A
January 30, 2013
Table of Contents

As filed with the Securities and Exchange Commission on January 29, 2013

Registration No. 333-184742

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 3

to

FORM S-4

REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

COLUMBIA BANKING SYSTEM, INC.

(Exact name of registrant as specified in its charter)

WASHINGTON	6712	91-1422237
(State or other jurisdiction of incorporation or organization)	(Primary standard industrial classification code number)	(I.R.S. employer identification no.)

1301 A Street, Tacoma, Washington 98402-4200 (253) 305-1900

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

MELANIE J. DRESSEL

President and Chief Executive Officer

1301 A Street

Tacoma, Washington 98402-4200

(253)305-1900

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of communications to:

Stephen M. Klein	Robert D. Sznewajs	Matthew M. Guest
William E. Bartholdt	President and Chief Executive Officer	Wachtell, Lipton, Rosen & Katz
Graham & Dunn PC	West Coast Bancorp	51 West 52nd Street
Pier 70	5335 Meadows Road Suite 201	New York, New York 10019
2801 Alaskan Way,	Lake Oswego, Oregon 97035	Telephone: (212) 403-1000
Suite 300	Telephone: (503) 684-0884	
Seattle, Washington 98121-1128		
Telephone: (206) 340-9648		

Approximate date of commencement of proposed sale of securities to the public:

As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed document.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x	Accelerated filer ¨
Non-accelerated filer ¨	Smaller reporting company ¨

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell nor shall there be any sale of these securities in any jurisdiction in which such offer or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED JANUARY 29, 2013

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Columbia Banking System, Inc. which we refer to as Columbia, and West Coast Bancorp, which we refer to as West Coast, have entered into a definitive merger agreement that provides for the combination of the two companies. Under the merger agreement, a wholly owned subsidiary of Columbia will merge with and into West Coast, with West Coast remaining as the surviving entity and a wholly owned subsidiary of Columbia (which transaction we refer to as the merger). Such surviving entity will, as soon as reasonably practicable following the merger and as part of a single integrated transaction, merge with and into Columbia (we refer to the two mergers together as the mergers). Before we complete the merger, the shareholders of West Coast must approve the merger agreement pursuant to Oregon law. West Coast shareholders will vote to approve the merger agreement at a special meeting of shareholders to be held on [ ], 2013. Columbia shareholders must approve the issuance of the shares of Columbia common stock in connection with the merger pursuant to the requirements of the Nasdaq Stock Exchange. Columbia shareholders will vote to approve the issuance of the shares of Columbia common stock in connection with the merger at a special meeting of shareholders to be held on [ ], 2013.

Under the terms of the merger agreement, the aggregate merger consideration payable by Columbia will consist of 12,809,525 shares of Columbia common stock and $264,468,650 in cash (subject to increase under certain circumstances). West Coast shareholders may elect to receive either cash, stock, or a unit consisting of a mix of cash and stock, in an amount equal to such holder s pro rata share (subject to certain adjustments) of the total merger consideration. However, because the total amount of cash and stock to be issued by Columbia is fixed, a West Coast shareholder may receive a combination of cash and stock that differs from such holder s election if too many West Coast shareholders elect one form of consideration over the other. We expect the mergers, taken together, to be a tax-free transaction for West Coast shareholders, to the extent they receive Columbia common stock for their shares of West Coast common stock. Based on the 12,809,525 fixed shares issued by Columbia to West Coast shareholders, after completion of the merger, West Coast shareholders would own approximately 24% of Columbia s common stock (including shares of Columbia common stock issuable upon conversion of Series B Preferred Stock and the exercise of Class C Warrants, and ignoring any shares of Columbia common stock they may already own).

The value of the consideration to be received by West Coast shareholders in the merger will vary with the trading price of Columbia common stock between now and the completion of the merger. The per share consideration is determined by the quotient obtained by dividing (1) the sum of: (A) the product of: (i) the Purchaser Average Closing Price (as defined in the Merger Agreement) and (ii) the total Columbia shares to be issued; and (B) the total cash Columbia will pay; and (C) $24 million plus proceeds from in-the-money option exercises; by (2) the sum of common share equivalents from common shares, preferred stock, warrants and in-the-money options. The table below shows the approximate hypothetical value of the merger consideration per share if it had been calculated based on the closing price for Columbia common stock on the Nasdaq Global Select Market on each of September 25, 2012, the trading day immediately prior to the announcement of the merger, and [ ], the last practicable trading day prior to the date of this document.

Date	Columbia closing price	Per share consideration
September 25, 2012	$18.85	$23.08
[ ]	[ ]	[ ]

The market prices of both Columbia common stock and West Coast common stock will fluctuate before the merger. You should obtain current stock price quotations for Columbia common stock and West Coast common stock. Columbia common stock is traded on the Nasdaq Global Select Market under the symbol COLB, and West Coast common stock is traded on the Nasdaq Global Select Market under the symbol WCBO.

The West Coast board of directors has unanimously determined that the combination of West Coast and Columbia is in the best interests of West Coast shareholders based upon its analysis, investigation and deliberation, and the West Coast board of directors unanimously recommends that the West Coast shareholders vote FOR the approval of the merger agreement and FOR the approval of the other proposals described in this joint proxy statement/prospectus.

The Columbia board of directors has also unanimously determined that the combination of Columbia and West Coast is in the best interests of Columbia shareholders based upon its analysis, investigation and deliberation, and the Columbia board of directors unanimously recommends that the Columbia shareholders vote FOR the issuance of shares of Columbia common stock in connection with the merger and FOR the approval of the other proposals described in this joint proxy statement/prospectus.

You should read this entire joint proxy statement/prospectus, including the appendices and the documents incorporated by reference into the document, carefully because it contains important information about the merger and the related transactions. **In particular, you should read carefully the information under the section entitled Risk Factors beginning on page 18.**

The shares of Columbia common stock to be issued to West Coast shareholders in the merger are not deposits or savings accounts or other obligations of any bank or savings association, and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger described in this joint proxy statement/prospectus or the Columbia common stock to be issued in the merger, or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated [ ], 2013 and is first being mailed to the shareholders of West Coast and the shareholders of Columbia on or about [ ], 2013.

Table of Contents

COLUMBIA BANKING SYSTEM, INC.

1301 A Street

Tacoma, Washington 98402

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held [ ], 2013

Notice is hereby given that a Special Meeting of Shareholders of Columbia Banking System, Inc., or Columbia, will be held at its corporate headquarters, located at 1301 A Street, Suite 800, Tacoma, Washington, on [ ], 2013, at [ ], local time. The following proposals will be considered and conducted at the Columbia special meeting:

1. To approve the issuance of shares of Columbia common stock in the merger of a to-be-formed wholly owned subsidiary of Columbia with and into West Coast Bancorp, an Oregon corporation, which will result in West Coast Bancorp becoming a wholly owned subsidiary of Columbia.

2. To approve one or more adjournments of the Columbia special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the issuance of Columbia common stock in the merger.

Columbia will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement of such meeting.

The approval by Columbia s shareholders of the share issuance proposal is required for the completion of the merger described in this joint proxy statement/prospectus.

All shareholders are invited to attend the meeting. Only those shareholders of record at the close of business on January 22, 2013 will be entitled to notice of the meeting and to vote at the meeting.

Please refer to the attached joint proxy statement/prospectus with respect to the business to be transacted at the special meeting of Columbia shareholders.

Your vote is very important. To ensure your representation at the Columbia special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet. Please vote promptly whether or not you expect to attend the Columbia special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the Columbia special meeting.

The Columbia board of directors unanimously recommends that you vote FOR each of the Columbia proposals.

By Order of the Board of Directors

Melanie J. Dressel

President and Chief Executive Officer

[ ], 2013

Table of Contents

WEST COAST BANCORP

5335 MEADOWS ROAD, SUITE 201

LAKE OSWEGO, OR 97035

NOTICE OF THE SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON [ ], 2013

NOTICE IS HEREBY GIVEN that a special meeting of the shareholders of West Coast Bancorp (West Coast) will be held at [ ] at [ ], Pacific time, on [ ], 2013, for the following purposes:

1. To approve the Agreement and Plan of Merger, dated as of September 25, 2012, by and among Columbia Banking System, Inc., West Coast, and Sub (as defined therein) (the Merger proposal);

2. To approve, on a non-binding, advisory basis, the compensation to be paid to West Coast s named executive officers that is based on or otherwise relates to the merger, discussed under the section entitled The Merger Interests of West Coast Directors and Executive Officers in the Merger beginning on page 85 (the Merger-Related Named Executive Officer Compensation proposal); and

3. To approve one or more adjournments of the West Coast special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the Merger proposal (the West Coast Adjournment proposal).

West Coast will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.

The Merger proposal and the Merger-Related Named Executive Officer Compensation proposal are described in more detail in this document, which you should read carefully in its entirety before you vote. A copy of the merger agreement is attached as Appendix A to this document.

The West Coast board of directors has set January 22, 2013 as the record date for the West Coast special meeting. All holders of record of West Coast common stock or preferred stock at the close of business on the record date will be notified of the meeting. Only holders of record of West Coast common stock at the close of business on January 22, 2013 will be entitled to vote at the West Coast special meeting and any adjournments or postponements thereof. Any shareholder entitled to attend and vote at the West Coast special meeting is entitled to appoint a proxy to attend and vote on such shareholder s behalf. Such proxy need not be a holder of West Coast common stock.

Your vote is very important. To ensure your representation at the West Coast special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet. Please vote promptly whether or not you expect to attend the West Coast special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the West Coast special meeting.

The West Coast board of directors has unanimously adopted and approved the merger agreement and the transactions contemplated thereby and recommends that you vote FOR the Merger proposal, FOR the Merger-Related Named Executive Officer Compensation proposal and FOR the West Coast Adjournment proposal.

BY ORDER OF THE BOARD OF DIRECTORS

Robert D. Sznewajs

President and Chief Executive Officer

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

Both Columbia and West Coast file annual, quarterly and special reports, proxy statements and other business and financial information with the Securities and Exchange Commission (the SEC). You may read and copy any materials that either Columbia or West Coast files with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 ((800) 732-0330) for further information on the public reference room. In addition, Columbia and West Coast file reports and other business and financial information with the SEC electronically, and the SEC maintains a website located at http://www.sec.gov containing this information. You will also be able to obtain these documents, free of charge, from West Coast by accessing West Coast s website at www.wcb.com under the heading Investor Relations or from Columbia at www.columbiabank.com under the tab About Us and then under the heading Investor Relations. Copies can also be obtained, free of charge, by directing a written request to Columbia Banking System, Inc., Attention: Corporate Secretary, 1301 A Street, Suite 800, Tacoma, Washington 98401-2156 or to West Coast Bancorp, 5335 Meadows Road, Suite 201, Lake Oswego, Oregon 97035.

Columbia has filed a registration statement on Form S-4 to register with the SEC up to 12,859,525 shares of Columbia common stock and certain other securities as specified therein. This joint proxy statement/prospectus is a part of that registration statement. As permitted by SEC rules, this document does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy the registration statement, including any amendments, schedules and exhibits at the addresses set forth below. Statements contained in this document as to the contents of any contract or other documents referred to in this document are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the registration statement. This document incorporates important business and financial information about Columbia and West Coast that is not included in or delivered with this document, including incorporating by reference documents that Columbia and West Coast have previously filed with the SEC. These documents contain important information about the companies and their financial condition. See Documents Incorporated by Reference on page 137. These documents are available without charge to you upon written or oral request to the applicable company s principal executive offices. The respective addresses and telephone numbers of such principal executive offices are listed below

Columbia Banking System, Inc. 1301 A Street, Suite 800 Tacoma, Washington 98401 Attention: Melanie J. Dressel (253) 305-1900	West Coast Bancorp 5335 Meadows Road, Suite 201 Lake Oswego, Oregon 97035 Attention: Robert D. Sznewajs (503) 684-0884

To obtain timely delivery of these documents, you must request the information no later than [ ], 2013 in order to receive them before Columbia s special meeting of shareholders and no later than [ ], 2013 in order to receive them before West Coast s special meeting of shareholders.

Columbia common stock is traded on the Nasdaq Global Select Market under the symbol COLB, and West Coast common stock is traded on the Nasdaq Global Select Market under the symbol WCBO.

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

Table of Contents

QUESTIONS AND ANSWERS

The following questions and answers briefly address some commonly asked questions about the merger (as defined below) and the shareholders meetings. They may not include all the information that is important to the shareholders of West Coast and of Columbia. Shareholders of West Coast and shareholders of Columbia should each read carefully this entire joint proxy statement/prospectus, including the appendices and other documents referred to in this document.

Q: Why am I receiving these materials?

A: Columbia is sending these materials to its shareholders to help them decide how to vote their shares of Columbia common stock with respect to the issuance of Columbia common stock in the merger and the other matters to be considered at the Columbia special meeting described below. Because Columbia will issue shares of common stock in the merger in an amount in excess of 20% of Columbia s total outstanding shares, shareholder approval of the issuance of such shares is required under applicable Nasdaq Listing Rules.

West Coast is sending these materials to its shareholders to help them decide how to vote their shares of West Coast common stock with respect to the proposed merger and the other matters to be considered at the West Coast special meeting, described below.

The merger cannot be completed unless West Coast shareholders approve the merger agreement and Columbia shareholders approve the issuance of Columbia common stock in the merger. West Coast is holding a special meeting of shareholders to vote on the merger agreement in addition to the other proposals described in West Coast Special Meeting of Shareholders. Columbia is holding a special meeting of shareholders to vote on the issuance of Columbia common stock in the merger in addition to the other proposals described in Columbia Special Meeting of Shareholders. Information about these meetings and the merger is contained in this joint proxy statement/prospectus.

This document constitutes both a joint proxy statement of Columbia and West Coast and a prospectus of Columbia. It is a joint proxy statement because the boards of directors of both companies are soliciting proxies from their respective shareholders. It is a prospectus because Columbia will issue shares of its common stock in exchange for shares of West Coast common stock in the merger.

Q: What will West Coast shareholders receive in the merger?

A: Under the terms of the merger agreement, West Coast shareholders will receive their pro rata share (taking into account Class C Warrants and in-the-money stock options on an as-exercised basis and shares of common stock issuable upon conversion of Series B Preferred Stock (including shares of Series B Preferred Stock issuable upon exercise of Class C Warrants)) of the total consideration, which consists of 12,809,525 shares of Columbia common stock and $264,468,650 in cash (subject to adjustment in certain circumstances).

Q. How will the merger consideration received by West Coast shareholders affect Columbia shareholders?

A. As a result of Columbia s issuance of new shares to West Coast shareholders in combination with the cash being paid by Columbia, current Columbia shareholders will experience dilution in terms of both ownership and book value per share. Following the closing of the merger, current West Coast shareholders will own approximately 24% of the outstanding common stock of Columbia, and current Columbia shareholders will own approximately 76% of outstanding common stock. If the merger had closed on September 30, 2012, then the pro forma book value per share would have been $19.11 versus reported book value of $19.20.

Table of Contents

Q: What will each West Coast shareholder receive in the merger?

A: A West Coast shareholder may elect to receive:

- all cash;
- all Columbia common stock; or
- a unit consisting of a mix of cash and Columbia common stock (with the percentage of cash comprising such unit equal to the percentage of the total consideration represented by cash).

All elections are subject to the election, proration and allocation procedures described in this joint proxy statement/prospectus if too many shareholders elect one form of consideration over the other. Due to these limitations, West Coast shareholders may not receive the form of merger consideration that they elected, unless they elect to receive a unit consisting of a mix of cash and Columbia common stock. See The Merger beginning on page 43 for a more detailed discussion of allocation procedures under the merger agreement.

Q: What is the amount of cash and/or the number of shares of Columbia common stock that each West Coast shareholder will receive for his or her shares of West Coast common stock?

A: The actual amount of cash and/or number of shares of Columbia common stock to be received will not be determined until the end of the twenty trading day period beginning on the twenty fifth day before the effective time of the merger. Those amounts will be determined based on a formula set forth in the merger agreement and described in this joint proxy statement/prospectus. See The Merger Terms of the Merger beginning on page 43 for a more detailed discussion of the per share merger consideration.

Q: Is the value of the per share consideration that a West Coast shareholder receives expected to be substantially equivalent regardless of which election he or she makes?

A: The formula that will be used to calculate the per share consideration is intended to substantially equalize the value of the consideration to be received for each share of West Coast common stock that is exchanged in the merger, as measured during the twenty trading day period beginning on the twenty fifth day before the effective time of the merger, regardless of whether a West Coast shareholder elects to receive cash, stock or a unit consisting of a mix of cash and stock. As the value of Columbia common stock fluctuates with its trading price, however, the value of the stock that a West Coast shareholder receives for a West Coast share will likely not be the same as the cash paid per share on any given day before or after the merger.

Q: How and when does a West Coast shareholder elect the form of consideration he or she prefers to receive?

A: An election statement with instructions for making the election as to the form of consideration preferred is being mailed to West Coast shareholders simultaneously with this joint proxy statement/prospectus. To make an election, a West Coast shareholder must submit an election statement, to Columbia s exchange agent before 5:00 p.m., Pacific Time, on the day prior to the fifth business day prior to the completion of the merger. This date is referred to as the election deadline. Election choices and election procedures are described under The Merger.

NOTE: The actual election deadline is not currently known. Columbia and West Coast will issue a press release announcing the date of the election deadline at least five business days before that deadline. Additionally, Columbia and West Coast will post the date of the election deadline on their respective web sites, also at least five business days before that deadline.

Table of Contents

Q: May a West Coast shareholder change his or her election once it has been submitted?

A: Yes. An election may be changed so long as the new election is received by the exchange agent prior to the election deadline. To change an election, a West Coast shareholder must send the exchange agent a written notice revoking any election previously submitted.

Q: How are shares of West Coast Series B Preferred Stock addressed in the merger agreement?

A: As described under The Merger Series B Preferred Stock, Stock Options, Class C Warrants and Restricted Shares, as provided in the terms of the Series B Preferred Stock, holders of West Coast Series B Preferred Stock will have the option to convert any of such holders shares of Series B Preferred Stock into the merger consideration on a common-equivalent basis, subject to the same election, proration and allocation procedures applicable to West Coast common stock. Accordingly, holders of Series B Preferred Stock that wish to receive the merger consideration must submit an election statement prior to the election deadline. See The Merger Election Statement. At the effective time of the merger, each share of Series B Preferred Stock as to which an election has not been made will remain outstanding and will convert into preference securities of Columbia having rights (including, but not limited to, the right of conversion), preferences, privileges and voting powers that, taken as a whole, are not materially less favorable to the holders of the shares of Series B Preferred Stock than the rights, preferences, privileges and voting powers that they had prior to the merger. The terms of such securities are described under Description of Columbia s Capital Stock beginning on page 112.

Q: How are West Coast Class C Warrants addressed in the merger agreement?

A: As described under The Merger Series B Preferred Stock, Stock Options, Class C Warrants and Restricted Shares, each Class C Warrant outstanding will become exercisable for the merger consideration based on the merger consideration that would have been received if such Class C Warrant had been exercised for Series B Preferred Stock and converted into West Coast common stock prior to the closing of the merger, subject to the same election, proration and allocation procedures applicable to West Coast common stock. Accordingly, holders of Class C Warrants must submit an election statement prior to the election deadline. See The Merger Election Statement.

Q: How are West Coast Restricted Shares addressed in the merger agreement?

A: As described under The Merger Series B Preferred Stock, Stock Options, Class C Warrants and Restricted Shares, at the closing of the merger, each share of West Coast common stock subject to vesting, repurchase or other lapse restrictions granted under West Coast s incentive stock plans will vest in full, and the holder will be entitled to receive the merger consideration with respect to such shares, less applicable taxes and withholding, and subject to the same election, proration and allocation procedures applicable to West Coast common stock. Accordingly, holders of West Coast restricted shares must submit an election statement prior to the election deadline. See The Merger Election Statement.

Q: How are outstanding West Coast stock options addressed in the merger agreement?

A: At the closing of the merger, each outstanding and unexercised West Coast stock option will be converted into a vested option to purchase Columbia common stock. The manner of such conversion is described under The Merger Series B Preferred Stock, Stock Options, Class C Warrants and Restricted Shares.

Q: What happens if an election is not made prior to the election deadline?

A: If a West Coast shareholder fails to submit an election statement to the exchange agent prior to the election deadline, then that holder will be deemed to have made no election and will be issued shares of Columbia common stock, cash, or a mixture of stock and cash, depending on the aggregate cash and stock elections made.

As described above, the merger consideration that will be received by holders of shares of West Coast Series B Preferred Stock, by holders of outstanding Class C Warrants, and by holders of West Coast Restricted Shares is subject to the same election, proration and allocation procedures applicable to West Coast common stock. Accordingly, if holders of Class C Warrants on Restricted Shares do not submit an election form prior to the election deadline, they will be deemed to have made no election and will be issued (or, in the case of Class C Warrants, they will become exercisable for) shares of Columbia common stock, cash, or a mixture of stock and cash, depending on the aggregate cash and stock elections made. Each share of a West Coast Series B Preferred Stock as to which an election form is not received prior to the election deadline will remain outstanding and will convert into preference securities of Columbia.

Q: When do Columbia and West Coast expect to complete the merger?

A: Columbia and West Coast expect to complete the merger after all conditions to the merger in the merger agreement are satisfied or waived, including after shareholder approvals are received at the respective shareholder meetings of Columbia and West Coast and all required regulatory approvals are received. Columbia and West Coast currently expect to complete the merger in the [first quarter of 2013]. It is possible, however, that as a result of factors outside of either company s control, the merger may be completed at a later time, or may not be completed at all.

Q: What am I being asked to vote on?

A: Columbia shareholders are being asked to vote on the following proposals:

1. *Issuance of Common Stock in the Merger*. To approve the issuance of Columbia common stock in the merger contemplated by the merger agreement (referred to as the Share Issuance proposal); and

2. *Adjournment of Meeting*. To approve one or more adjournments of the Columbia special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the Share Issuance proposal (referred to as the Columbia Adjournment proposal).

West Coast shareholders are being asked to vote on the following proposals:

1. *Approval of the Merger Agreement*. To approve the merger agreement (referred to as the Merger proposal);

2. *Non-Binding Approval of Certain Compensation.* To approve, on a non-binding, advisory basis, the compensation to be paid to West Coast s named executive officers that is based on or otherwise relates to the merger (referred to as the Merger-Related Named Executive Officer Compensation proposal); and

3. *Adjournment of Meeting*. To approve one or more adjournments of the West Coast special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the Merger proposal (referred to as the West Coast Adjournment proposal).

Q: What will happen if West Coast s shareholders do not approve, on an advisory (non-binding) basis, the Merger-Related Named Executive Officer Compensation proposal?

A: The vote on the Merger-Related Named Executive Officer Compensation proposal is a vote separate and apart from the vote to approve the merger agreement. You may vote for this proposal and against the Merger proposal, or vice versa. Because the vote on this proposal is advisory only, it will not be binding on West Coast or Columbia. The merger-related named executive officer compensation to be paid in connection with the merger is based on contractual arrangements with the named executive officers and accordingly the outcome of this advisory vote will not affect the obligation to make these payments.

Table of Contents

Q: How do the boards of directors of Columbia and West Coast recommend that I vote?

A: The Columbia board of directors unanimously recommends that holders of Columbia common stock vote FOR the Columbia proposals described in this joint proxy statement/prospectus.

The West Coast board of directors unanimously recommends that West Coast shareholders vote FOR the West Coast proposals described in this joint proxy statement/prospectus.

For a discussion of interests in West Coast s directors and executive officers in the merger that may be different from, or in addition to, the interests of West Coast shareholders generally, see The Merger Interests of West Coast Directors and Executive Officers in the Merger, beginning on page 85.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, **please vote by telephone or on the Internet, or complete, sign and date the enclosed proxy card and return it in the enclosed envelope as soon as possible** so that your shares will be represented at your respective company s meeting.

Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker or other nominee.

Additionally, **West Coast shareholders, holders of Series B Preferred Stock that wish to receive merger consideration in respect of their shares, and holders of Class C Warrants should complete, sign and date the election statement**. The election statement should be sent in the envelope that accompanies it to Columbia s exchange agent in order to arrive before the election deadline.

Q: How do I vote?

A: If you are a shareholder of record of Columbia as of the record date for the Columbia special meeting or a shareholder of record of West Coast as of the record date for the West Coast special meeting, you may vote by:

- accessing the internet website specified on your proxy card (www.proxyvote.com);
- calling the toll-free number specified on your proxy card (1-800-690-6903); or
- signing the enclosed proxy card and returning it in the postage-paid envelope provided.

You may also cast your vote in person at your company s special meeting.

If your shares are held in street name through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. Holders in street name who wish to vote in person at the applicable shareholders meeting will need to obtain a proxy form from the institution that holds their shares.

Q: When and where are the Columbia special meeting and the West Coast special meeting?

A: The special meeting of Columbia shareholders will be held at Columbia s corporate headquarters, located at 1301 A Street, Suite 800, Tacoma, Washington, at [ ], local time, on [ ], 2013. All shareholders of Columbia as of the Columbia record date, or their duly appointed proxies, may attend the Columbia special meeting.

The special meeting of West Coast shareholders will be held at [ ], at [ ] local time, on [ ], 2013. All shareholders of West Coast as of the West Coast record date, or their duly appointed proxies, may attend the West Coast special meeting.

Table of Contents

Q: If my shares are held in street name by a broker or other nominee, will my broker or nominee vote my shares for me?

A: If your shares are held in street name in a stock brokerage account or by a bank or other nominee, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your bank or broker. Please note that you may not vote shares held in street name by returning a proxy card directly to Columbia or West Coast or by voting in person at your meeting unless you provide a legal proxy, which you must obtain from your bank or broker.

Brokers or other nominees who hold shares in street name for a beneficial owner typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, brokers or other nominees are not allowed to exercise their voting discretion on matters that are determined to be non-routine without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker or other nominee that are represented at the applicable shareholders meeting but with respect to which the broker or other nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker or other nominee does not have discretionary voting power on such proposal.

If you are a Columbia shareholder and you do not instruct your broker or other nominee on how to vote your shares, your broker or other nominee may not vote your shares on the Share Issuance proposal , which broker non-votes will have no effect on the vote on this proposal. Your broker or other nominee may not vote your shares on the Columbia Adjournment proposal, which broker non-votes will have the same effect as a vote AGAINST this proposal.

If you are a West Coast shareholder and you do not instruct your broker or other nominee on how to vote your shares, your broker or other nominee may not vote your shares on the Merger proposal or the West Coast Adjournment Proposal, which broker non-votes will have the same effect as a vote AGAINST these proposals. Your broker or other nominee may not vote your shares on the Merger-Related Named Executive Officer Compensation proposal, which broker non-votes will have no effect on the vote on this proposal.

Q: What vote is required to approve each proposal to be considered at the Columbia special meeting?

A: Approval of the Share Issuance proposal requires the affirmative vote of at least a majority of the shares of Columbia voting on the proposal, provided that a quorum is present at the Columbia special meeting.

The Columbia Adjournment proposal will be approved if a majority of the shares represented at the Columbia special meeting, even if less than a quorum, are voted in favor of the proposal.

As of the last practicable date before the printing of this document, Columbia s directors, executive officers and their affiliates collectively had the right to vote approximately [ ]% of the Columbia common stock outstanding and entitled to vote at the Columbia special meeting. Columbia s directors have entered into a Voting Agreement with respect to the Columbia shares they own, pursuant to which they have agreed to vote such shares in favor of the proposals to be considered at the Columbia special meeting.

Q: What vote is required to approve each proposal to be considered at the West Coast special meeting?

A: The affirmative vote of a majority of the shares of West Coast common stock outstanding as of the West Coast record date and entitled to vote at the West Coast special meeting is required to approve the Merger proposal.

The Merger-Related Named Executive Officer Compensation proposal will be approved, on an advisory (non-binding) basis, if the votes cast in favor of the proposal exceed the votes cast against it.

Table of Contents

The West Coast Adjournment proposal will be approved if a majority of the shares of West Coast common stock present at the special meeting, in person or by proxy, are voted in favor of the proposal.

As of the last practicable date before the printing of this document, West Coast s directors, executive officers and their affiliates collectively had the right to vote approximately [ ]% of the West Coast common stock outstanding and entitled to vote at the West Coast special meeting. West Coast s directors (or their affiliates) have entered into voting agreements with respect to the West Coast shares they own, pursuant to which they have agreed to vote such shares in favor of the proposals to be considered at the West Coast special meeting.

Q: What if I abstain from voting or do not vote?

A: For the purposes of the Columbia special meeting, an abstention, which occurs when a Columbia shareholder attends the Columbia special meeting, either in person or by proxy, but abstains from voting, will have no effect on the outcome of the Share Issuance proposal. An abstention will have the same effect as a vote AGAINST the Columbia Adjournment proposal.

For the purposes of the West Coast special meeting, an abstention, which occurs when a West Coast shareholder attends the West Coast special meeting, either in person or by proxy, but abstains from voting, will have the same effect as a vote AGAINST the Merger proposal and the West Coast Adjournment proposal but will have no effect on the Merger-Related Named Executive Compensation proposal.

Q: What if I hold stock of both Columbia and West Coast?

A: If you hold shares of both Columbia and West Coast, you will receive two separate packages of proxy materials. A vote as a West Coast shareholder for the Merger proposal or the other proposals to be considered at the West Coast special meeting will not constitute a vote as a Columbia shareholder for the Share Issuance proposal or the other proposals to be considered at the Columbia special meeting, and vice versa. Therefore, please sign, date and return all proxy cards that you receive, whether from Columbia or West Coast, or submit separate proxies as both a Columbia shareholder and a West Coast shareholder by Internet or telephone.

Q: What if I hold both shares of West Coast common stock and either shares of Series B Preferred Stock or Class C Warrants?

A: If you hold shares of West Coast Series B Preferred Stock and/or Class C Warrants as well as shares of West Coast common stock, you will receive separate election statements with respect to your shares of West Coast common stock, Series B Preferred Stock, and Class C Warrants. If you fail to submit an election statement with respect to either your West Coast common stock, Series B Preferred Stock, or Class C Warrants to the exchange agent prior to the election deadline, then you will be deemed to have made no election with respect to your West Coast common stock, Series B Preferred Stock, or Class C Warrants, as the case may be.

Q: May I change my vote or revoke my proxy after I have delivered my proxy or voting instruction card?

A: Yes. You may change your vote at any time before your proxy is voted at the applicable meeting. You may do this in one of four ways:

- by sending a notice of revocation to the corporate secretary of Columbia or West Coast, as applicable;
- by sending a completed proxy card bearing a later date than your original proxy card;

7

by logging onto the website specified on your proxy card in the same manner you would to submit your proxy electronically or by calling the telephone number specified on your proxy card, in each case if you are eligible to do so, and following the instructions on the proxy card; or

by attending the applicable meeting and voting in person if your shares are registered in your name rather than in the name of a broker, bank or other nominee; however, your attendance alone will not revoke any proxy.

If you choose either of the first two methods, you must take the described action (and, in the case of the second method, your proxy card must be received) no later than the beginning of the applicable meeting. If you choose the third method, you must take the described action no later than 11:59 p.m. Eastern Time on the day before the applicable meeting (three business days before the special meeting, for participants in West Coast s 401(k) Plan).

If your shares are held in an account at a broker or other nominee, you should contact your broker or other nominee to change your vote.

Q: What happens if I sell my shares after the applicable record date but before the applicable meeting?

A: The applicable record date for the Columbia special meeting or the West Coast special meeting, as the case may be, is earlier than both the date of such meetings and the date that the merger is expected to be completed. If you transfer your Columbia common stock or West Coast common stock after the applicable record date but before the date of the applicable meeting, you will retain your right to vote at the applicable meeting (provided that such shares remain outstanding on the date of the applicable meeting), but if you are a West Coast shareholder you will not have the right to receive any merger consideration for the transferred shares. You will only be entitled to receive the merger consideration in respect of shares that you hold at the effective time of the merger.

Q: What do I do if I receive more than one joint proxy statement/prospectus or set of voting instructions?

A: If you hold shares directly as a record holder and also in street name, or otherwise through a nominee, you may receive more than one joint proxy statement/prospectus and/or set of voting instructions relating to the applicable meeting. These should each be voted or returned separately to ensure that all of your shares are voted.

Q: What are the federal income tax consequences of the merger?

A: The obligation of Columbia and West Coast to complete the merger is conditioned upon the receipt of legal opinions from their respective counsel to the effect that the mergers, taken together, will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code). In addition, in connection with the filing of the registration statement of which this document is a part, each of Graham & Dunn, PC and Wachtell, Lipton, Rosen & Katz has delivered an opinion to Columbia and West Coast, respectively, to the same effect.

The specific tax consequences of the merger to a West Coast shareholder will depend upon the form of consideration such West Coast shareholder receives in the merger. Accordingly, and on the basis of the opinions delivered in connection herewith:

If you receive solely shares of Columbia common stock and cash instead of a fractional share of Columbia common stock in exchange for your West Coast common stock, then you generally will not recognize any gain or loss, except with respect to the cash received instead of a fractional share of Columbia common stock.

If you receive solely cash, then you generally will recognize gain or loss equal to the difference between the amount of cash you receive and your cost basis in your West Coast common stock. Generally, any gain recognized upon the exchange will be capital gain, and any such capital gain will be long-term capital gain if you have established a holding period of more than one year for your shares of West Coast common stock.

Table of Contents

If you receive a combination of Columbia common stock and cash, other than cash instead of a fractional share of Columbia common stock, in exchange for your West Coast common stock, then you may recognize gain, but you will not recognize loss, upon the exchange of your shares of West Coast common stock for shares of Columbia common stock and cash. If the sum of the fair market value of the Columbia common stock and the amount of cash you receive in exchange for your shares of West Coast common stock exceeds the cost basis of your shares of West Coast common stock, you will recognize taxable gain equal to the lesser of the amount of such excess or the amount of cash you receive in the exchange. Generally, any gain recognized upon the exchange will be capital gain, and any such capital gain will be long-term capital gain if you have established a holding period of more than one year for your shares of West Coast common stock. Depending on certain facts specific to you, any gain could instead be characterized as ordinary dividend income.

For a more detailed discussion of the material United States federal income tax consequences of the transaction, see Material United States Federal Income Tax Consequences of the Merger beginning on page 109.

The consequences of the merger to any particular shareholder will depend on that shareholder s particular facts and circumstances. Accordingly, you are urged to consult your tax advisor to determine your tax consequences from the merger.

Q: Do I have appraisal or dissenters rights?

A: Under applicable Washington and Oregon law, respectively, neither Columbia nor West Coast shareholders are currently expected to be entitled to exercise any dissenters rights in connection with the merger or any of the proposals being presented to them. Under Oregon law, West Coast shareholders will not be entitled to dissenters rights if their shares are registered on a national securities exchange, as West Coast shares currently are, on the record date for the West Coast special meeting. If for any reason West Coast s common stock is not registered on a national securities exchange on the West Coast special meeting record date, then Oregon law would provide for dissenters rights of appraisal. See The Merger Dissenting Shares.

Q: Should I send in my stock certificates now?

A: **No.** Please **do not send** your stock certificates with your proxy card. **West Coast shareholders should follow the instructions provided with the election statement that they will receive from the exchange agent regarding how and when to surrender their stock certificates.**

If you are a holder of West Coast common stock, you will receive written instructions from American Stock Transfer & Trust Co., the exchange agent, after the merger is completed on how to exchange your stock certificates for Columbia common stock.

Columbia shareholders will not be required to exchange or take any other action regarding their stock certificates in connection with the merger. Columbia shareholders holding stock certificates should keep their stock certificates both now and after the merger is completed.

Q: Whom should I contact if I have any questions about the proxy materials or the meetings?

A: If you have any questions about the merger or any of the proposals to be considered at the Columbia special meeting or the West Coast special meeting, need assistance in submitting your proxy or voting your shares or need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, you should contact Columbia or West Coast or West Coast s proxy solicitor, Morrow & Co., LLC 470 West Avenue, Stamford CT 06902, toll free at 800-662-5200 (banks and brokers can call collect at 203-658-9400), as applicable.

SUMMARY

This summary highlights selected information from this document. It may not contain all of the information that is important to you. We urge you to carefully read the entire document and the other documents to which we refer you in order to fully understand the merger and the related transactions. See Where You Can Find More Information included elsewhere in this joint proxy statement/prospectus. Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.

The Companies (pages 125 and 130)

Columbia

Headquartered in Tacoma, Washington, Columbia Banking System, Inc. is the holding company of Columbia State Bank, a Washington state-chartered full service commercial bank with deposits insured by the Federal Deposit Insurance Corporation (FDIC). At September 30, 2012, Columbia had 101 banking offices, including 76 branches in Washington State and 25 branches in Oregon. Columbia State Bank does business under the Bank of Astoria name in Astoria, Warrenton, Seaside, Cannon Beach, Manzanita and Tillamook in Oregon. At September 30, 2012, Columbia had total assets of approximately $4.90 billion, total net loans receivable and loans held for sale of approximately $2.86 billion, total deposits of approximately $3.94 billion and approximately $762.0 million in shareholders equity.

Columbia s stock is traded on the Nasdaq Global Select Market under the symbol COLB .

Columbia s principal office is located at 1301 A Street, Tacoma, Washington 98402, and its telephone number at that location is (253) 305-1900. Columbia s internet address is www.columbiabank.com. Additional information about Columbia is included under Information Concerning Columbia and Where You Can Find More Information included elsewhere in this joint proxy statement/prospectus.

West Coast

West Coast Bancorp is a bank holding company headquartered in Lake Oswego, Oregon. West Coast s principal business activities are conducted through its full-service, commercial bank subsidiary, West Coast Bank, an Oregon state-chartered bank with deposits insured by the FDIC. At September 30, 2012, West Coast Bank had facilities in 41 cities and towns in western Oregon and southwestern Washington, operating a total of 55 full-service and three limited-service branches and a Small Business Administration lending office in Vancouver, Washington. West Coast also owns West Coast Trust Company, Inc. an Oregon trust company that provides agency, fiduciary and other related trust services with offices in Portland and Salem, Oregon. At September 30, 2012, West Coast had total assets of approximately $2.48 billion, total net loans of approximately $1.46 billion, total deposits of approximately $1.93 billion, and approximately $336.0 million in shareholders equity.

West Coast s stock is traded on the Nasdaq Global Select Market under the symbol WCBO.

West Coast s principal office is located at 5335 Meadows Road, Suite 201, Lake Oswego, Oregon 97035, and its telephone number at that location is (503) 684-0884. West Coast s internet address is www.wcb.com. Additional information about West Coast is included under Information Concerning West Coast and Where You Can Find More Information included elsewhere in this joint proxy statement/prospectus.

Merger Sub

A corporation (Merger Sub) will be formed prior to the closing of the merger, and will be a wholly owned subsidiary of Columbia. Merger Sub will not conduct any activities other than those incidental to its formation and the matters contemplated by the merger agreement.

Table of Contents

The Merger (page 43)

Both the Columbia and West Coast boards of directors have approved and adopted the merger agreement, which provides that, subject to the terms and conditions of the merger agreement and in accordance with Washington law, upon completion of the merger, Merger Sub will merge with and into West Coast, with West Coast being the surviving corporation in the merger and a wholly owned subsidiary of Columbia. This transaction is referred to in this joint proxy statement/prospectus as the merger. As soon as reasonably practicable following the merger and as part of a single integrated transaction, the surviving corporation will be merged with and into Columbia.

Under the terms of the merger agreement, West Coast shareholders will receive their pro rata share (taking into account Class C Warrants and in-the-money stock options on an as-exercised basis and shares of common stock issuable upon conversion of Series B Preferred Stock (including shares of Series B Preferred Stock issuable upon exercise of Class C Warrants)) of the total consideration, which consists of $264,468,650 in cash (subject to adjustment in certain circumstances) plus the product of 12,809,525 shares of Columbia common stock multiplied by the volume weighted average price of Columbia common stock for the twenty trading day period beginning on the twenty fifth day before the effective time of the merger (the Purchaser Average Closing Price). West Coast shareholders may elect to receive either cash, stock or a unit consisting of a mix of cash and stock. However, because the total amount of cash and stock to be issued by Columbia is fixed, West Coast shareholders may receive a combination of cash and stock that differs from their election if too many West Coast shareholders elect one form of consideration over the other. The following table sets forth information concerning the approximate aggregate and per share consideration that would be payable in the merger based on different hypothetical Purchaser Average Closing Prices. The table does not reflect the fact that cash will be paid instead of fractional shares, and does not account for any adjustments that may be made to the total cash amount in certain circumstances. Certain terms used in the table are explained or defined elsewhere in this joint proxy statement/prospectus. See The Merger beginning on page 43.

	Purchaser Average Closing Price	Total Stock Consideration (in millions)	Total Cash Amount (in millions)	Aggregate Consideration (in millions)	Per Share Consideration
	$ 17.00	$ 217.8	$ 264.5	$ 482.2	$ 22.05
	$ 17.25	$ 221.0	$ 264.5	$ 485.4	$ 22.19
	$ 17.50	$ 224.2	$ 264.5	$ 488.6	$ 22.33
	$ 17.75	$ 227.4	$ 264.5	$ 491.8	$ 22.47
	$ 18.00	$ 230.6	$ 264.5	$ 495.0	$ 22.61
	$ 18.25	$ 233.8	$ 264.5	$ 498.2	$ 22.75
	$ 18.50	$ 237.0	$ 264.5	$ 501.4	$ 22.89
	$ 18.75	$ 240.2	$ 264.5	$ 504.6	$ 23.03
As of 9/25/12	$ 18.85	$ 241.5	$ 264.5	$ 505.9	$ 23.08
	$ 19.00	$ 243.4	$ 264.5	$ 507.8	$ 23.17
	$ 19.25	$ 246.6	$ 264.5	$ 511.1	$ 23.31
	$ 19.50	$ 249.8	$ 264.5	$ 514.3	$ 23.44
	$ 19.75	$ 253.0	$ 264.5	$ 517.5	$ 23.58
	$ 20.00	$ 256.2	$ 264.5	$ 520.7	$ 23.72
	$ 20.25	$ 259.4	$ 264.5	$ 523.9	$ 23.86
	$ 20.50	$ 262.6	$ 264.5	$ 527.1	$ 24.00
	$ 20.75	$ 265.8	$ 264.5	$ 530.3	$ 24.14
	$ 21.00	$ 269.0	$ 264.5	$ 533.5	$ 24.28

Columbia and West Coast expect the mergers, taken together, to be a tax-free transaction for West Coast shareholders, to the extent they receive Columbia common stock for their shares of West Coast common stock. See Material United States Federal Income Tax Consequences of the Merger.

Based on the 12,809,525 fixed shares issued by Columbia to West Coast shareholders, after completion of the merger, West Coast shareholders would own approximately 24% of Columbia s common stock (including shares of Columbia common stock issuable upon conversion of Series B Preferred Stock and the exercise of Class C Warrants, and ignoring any shares of Columbia common stock they may already own).

Recommendation of the Columbia Board of Directors (page 77)

Columbia s board of directors recommends that holders of Columbia common stock vote **FOR** the Shares Issuance proposal and **FOR** the Columbia Adjournment proposal.

For further discussion of Columbia s reasons for the merger and the recommendations of Columbia s board of directors, see The Merger Background of the Merger and The Merger Columbia s Reasons for the Merger and Recommendation of Columbia s Board of Directors.

Recommendation of the West Coast Board of Directors (page 56)

West Coast s board of directors recommends that holders of West Coast common stock vote **FOR** the Merger proposal, **FOR** the Merger-Related Named Executive Officer Compensation proposal, and **FOR** the West Coast Adjournment proposal.

For further discussion of West Coast s reasons for the merger and the recommendations of West Coast s board of directors, see The Merger Background of the Merger and The Merger West Coast s Reasons for the Merger and Recommendation of West Coast s Board of Directors.

Opinion of Columbia s Financial Advisor (page 79)

On September 24, 2012, Keefe, Bruyette & Woods (KBW), Columbia s financial advisor in connection with the merger, rendered an oral opinion to Columbia s board of directors, which was subsequently confirmed in a written opinion dated September 25, 2012 that, as of such date and subject to and based on the qualifications and assumptions set forth in its written opinion, the aggregate consideration to be paid by Columbia pursuant to the merger agreement was fair to Columbia from a financial point of view.

The full text of KBW s opinion, dated September 25, 2012, is attached as Appendix B to this joint proxy statement/prospectus. You should read the opinion in its entirety for a discussion of, among other things, the assumptions made, procedures followed, matters considered and any limitations on the review undertaken by KBW in rendering its opinion.

KBW s opinion is addressed to Columbia s board of directors and the opinion is not a recommendation as to how any Columbia shareholder should vote with respect to the Share Issuance proposal or any other matter or as to any action that a shareholder should take with respect to the merger.

The opinion addresses only the fairness of the aggregate consideration to be paid by Columbia from a financial point of view and does not address the merits of the underlying decision by Columbia to enter into the merger agreement, the merits of the merger as compared to other alternatives potentially available to Columbia or the relative effects of any alternative transaction in which Columbia might engage. KBW will receive a fee for its services, portions of which have been paid, and a significant portion of which will be payable upon consummation of the merger.

For further information, see The Merger Opinion of Columbia s Financial Advisor.

Opinion of West Coast s Financial Advisor (page 58)

On September 25, 2012, Sandler, O Neill + Partners, L.P. (Sandler O Neill), West Coast s financial advisor in connection with the merger, delivered an oral opinion to West Coast s board of directors, which was subsequently confirmed in a written opinion dated September 25, 2012, that, as of such date and based upon and subject to the qualifications and assumptions set forth in its written opinion, the per share consideration to be paid by Columbia pursuant to the merger agreement was fair to the holders of West Coast common stock from a financial point of view.

The full text of Sandler O Neill s opinion, dated September 25, 2012, is attached as Appendix C to this joint proxy statement/prospectus. You should read the opinion in its entirety for a discussion of, among other things, the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O Neill in rendering its opinion.

Sandler O Neill s opinion was directed to West Coast s board of directors and is directed only to the fairness of the per share consideration to the holders of West Coast s common stock from a financial point of view. It does not address the underlying business decision of West Coast to engage in the merger or any other aspect of the merger and is not a recommendation to any holder of West Coast common stock as to how such holder of West Coast common stock should vote at the special meeting with respect to the merger or any other matter. Pursuant to an engagement letter between West Coast and Sandler O Neill, Sandler O Neill will receive a fee for its services, a substantial portion of which will be payable upon consummation of the merger.

For further information, see The Merger Opinion of West Coast s Financial Advisor.

Interests of West Coast Directors and Executive Officers in the Merger (page 85)

In considering the recommendations of the board of directors of West Coast, West Coast shareholders should be aware that certain directors and executive officers of West Coast have interests in the merger that may differ from, or may be in addition to, the interests of West Coast shareholders generally. The board of directors of West Coast was aware of these interests and considered them, among other matters, when it adopted the merger agreement and in making its recommendations that the West Coast shareholders approve the Merger proposal. These interests include:

- In accordance with the merger agreement, one of the directors of West Coast will be recommended to serve on Columbia s board of directors and the board of directors of Columbia State Bank following the merger;

- Certain of West Coast s executive officers are party to change in control agreements that provide severance and other benefits following a change in control of West Coast in connection with a qualifying termination of employment and if such termination of employment occurred immediately following the merger, the executive officers with change in control agreements with West Coast would be entitled to receive severance payments and benefits equal to $3,752,966 for the five executive officers who are party to a change in control agreement and excise tax gross-ups for Mr. Sznewajs of $835,255, Mr. Giltvedt of $370,630 and Mr. Bygland of $302,271.

- Hadley Robbins and Xandra McKeown, both of whom are executive officers of West Coast, entered into employment agreements with Columbia (replacing existing change in control agreements with West Coast) that become effective upon the completion of the merger and pursuant to such employment agreements, if their employment is terminated (in a qualifying termination of employment) immediately following the effective time of the merger, they would be entitled to severance payments and benefits equal to $560,427 and $569,137 respectively, with Mr. Robbins also being entitled to a 280G excise tax gross-up that is equal to $438,998;

- Accelerated vesting of restricted shares of West Coast common stock held by West Coast s executive officers and non-employee directors with a total aggregate value (based on the average closing price of West Coast common stock over the first five business days following the public announcement of the merger) equal to approximately $955,000;

- Accelerated vesting and, in most instances, payment of the supplemental executive retirement plans entered into with certain West Coast executive officers, with an aggregate acceleration value of $867,222 for all of the West Coast executive officers who participate in the supplemental executive retirement plan; and

- West Coast directors and officers are entitled to continued indemnification and insurance coverage under the merger agreement.

For a more complete description of the interests of West Coast directors and executive officers in the merger, see The Merger Interests of West Coast s Directors and Executive Officers in the Merger.

No Appraisal Rights (page 51)

We do not expect that shareholders of Columbia or West Coast will have appraisal or dissenters rights in connection with any of the proposals to be voted upon at the respective special meetings. Under Oregon law, West Coast shareholders will not be entitled to dissenters rights if their shares are registered on a national securities exchange on the record date for the West Coast special meeting. Because shares of West Coast common stock are currently registered on a national securities exchange, and we expect them to continue to be so registered until the completion of the merger, we do not expect that holders of West Coast common stock will be entitled to dissenters rights under Oregon law. If for any reason West Coast s common stock is not registered on a national securities exchange on the West Coast special meeting record date, then Oregon law would provide for dissenters rights of appraisal. For more information on dissenters rights, see The Merger Dissenting Shares.

Regulatory Matters (page 52)

Each of Columbia and West Coast has agreed to use its reasonable best efforts to obtain all regulatory approvals required to complete the merger and the other transactions contemplated by the merger agreement. These approvals include approval from the Federal Reserve Board and the Oregon Department of Consumer and Business Services, among others. Columbia and West Coast have filed, or are in the process of filing, applications and notifications to obtain these regulatory approvals. There can be no assurances that such approvals will be received on a timely basis, or as to the ability of Columbia and West Coast to obtain the approvals on satisfactory terms or the absence of litigation challenging such approvals. See The Merger Regulatory Approvals Required for the Merger.

Conditions to Completion of the Merger (page 101)

Currently, Columbia and West Coast expect to complete the merger in the [first quarter of 2013]. As more fully described in this joint proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. We cannot provide assurance as to when or if all of the conditions to the merger can or will be satisfied or waived by the appropriate party.

Termination of the Merger Agreement (page 102)

The merger agreement can be terminated at any time prior to completion of the merger by mutual consent, or by either party in the following circumstances:

- a governmental entity that must grant a required regulatory approval has denied approval and such denial has become final and non-appealable, or an injunction or legal prohibition against the transaction becomes final and non-appealable;

- the merger has not been consummated by July 1, 2013, or under certain circumstances, October 1, 2013 (unless the failure of the closing to occur by such date is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements);

the other party breaches any of its covenants or agreements or representations or warranties under the merger agreement in a manner that would cause the closing conditions not to be satisfied and which is not cured within 30 days following written notice to the party committing the breach, or the breach, by its nature, cannot be cured within such time (provided that the terminating party is not then in material breach of any representation, warranty, covenant, or other agreement contained in the merger agreement); or

either Columbia s shareholders or West Coast s shareholders fail to approve the Share Issuance proposal or the Merger proposal, respectively, provided that the failure to obtain such shareholder approval was not caused by the terminating party s material breach of any of its obligations under the merger agreement.

The merger agreement may be terminated by Columbia if West Coast s board of directors submits the merger agreement to its shareholders without a recommendation for approval, or withdraws or materially and adversely modifies its recommendation with respect to the merger agreement or recommends a Company Acquisition Proposal (as defined in the merger agreement) other than the merger.

The merger agreement may be terminated by West Coast in order to enter into a definitive agreement providing for a Company Superior Proposal (as defined in the merger agreement).

The merger agreement may be terminated by West Coast, in the event that (1) the Purchaser Average Closing Price is less than $15.55, and (2) the number obtained by dividing the Purchaser Average Closing Price by $18.85 is less than the number obtained by (i) dividing the average closing price of the Keefe Bruyette & Woods Regional Banking Index during the twenty day period ending on the date that is five business days prior to the closing date of the merger by $57.31 and then (ii) multiplying the quotient so obtained by 0.825, provided that Columbia may elect to adjust the merger consideration by increasing the total cash amount dollar for dollar by the amount of the difference between (A) the product of 12,809,525 multiplied by $15.55 and (B) the total stock consideration.

Expenses and Termination Fees (page 102)

Expenses

Except for the registration fee and other fees paid to the SEC in connection with the merger, which will be paid by Columbia, and the termination fees, all fees and expenses incurred in connection with the merger (including the costs and expense of printing and mailing this joint proxy statement/prospectus) will be paid by the party incurring such fees or expenses.

West Coast Termination Fee

West Coast is required to pay Columbia a termination fee of $20,000,000 if:

(i) the merger agreement is terminated by West Coast in order to enter into a definitive agreement providing for a Company Superior Proposal; or

(ii) prior to the time West Coast shareholders have approved the merger agreement, any person makes a Company Acquisition Proposal which proposal has been publicly announced, disclosed or proposed and not withdrawn, and the merger agreement is subsequently terminated:

by either party because the merger agreement has not been consummated by July 1, 2013 (or October 1, 2013, if extended in certain circumstances), without the approval by West Coast s shareholders of the merger agreement having been obtained, and such failure to obtain shareholder approval is the only condition to closing that is unsatisfied;

Table of Contents

- by either party because West Coast s shareholders fail to approve the merger agreement at the West Coast special meeting or any adjournment thereof;
- by Columbia for West Coast s breach of any of its covenants or agreements under the merger agreement in a manner that would cause the closing conditions not to be satisfied and which is not cured during the applicable cure period; or
- by Columbia because West Coast or the board of directors of West Coast submits the merger agreement to its shareholders without a recommendation for approval, or otherwise withdraws or materially and adversely modifies its recommendation, or recommends to its shareholders a Company Acquisition Proposal other than the merger;

and (in the case of clause (ii)), within 12 months after such termination for any of the reasons listed above, a Company Acquisition Proposal (substituting 100% for 24.9% in the definition of such term) is consummated or a definitive agreement with respect thereto is entered into.

Columbia Termination Fee

Columbia will be required to pay West Coast a termination fee of $5,000,000 if the merger agreement is terminated:

- by either party because Columbia s shareholders fail to approve the share issuance proposal at the Columbia special meeting or any adjournment thereof; or
- by either party if a required regulatory approval has been denied and such denial has become final and non-appealable or an injunction or legal prohibition has become final and non-appealable (as described above), or the merger is not consummated on or before July 1, 2013 (or October 1, 2013, if extended in certain circumstances) and at the time of such termination the required regulatory approvals have not been obtained, in each case for reasons solely attributable to Columbia.

Matters to Be Considered at the Meetings (pages 125 and 130)

Columbia

Columbia shareholders will be asked to vote on the following proposals:

- to approve the issuance of shares of Columbia common stock in connection with the merger (the Share Issuance proposal); and
- to approve one or more adjournments of the Columbia special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the Share Issuance proposal (the Columbia Adjournment proposal).

Approval of the Share Issuance Proposal is Required for the Completion of the Merger.

The Columbia board of directors recommends that Columbia shareholders vote FOR the proposals set forth above. For further discussion of the Columbia special meeting, see Columbia Special Meeting of Shareholders.

West Coast

West Coast shareholders will be asked to vote on the following proposals:

- to approve the merger agreement (the Merger proposal);

to approve, on a non-binding, advisory basis, the compensation to be paid to West Coast s named executive officers that is based on or otherwise relates to the merger (the Merger-Related Named Executive Officer Compensation proposal); and

16

Table of Contents

to approve one or more adjournments of the West Coast special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the Merger proposal (the West Coast Adjournment proposal).

Approval of the Merger Proposal is Required for the Completion of the Merger.

The West Coast board of directors recommends that West Coast shareholders vote FOR the proposals set forth above. For further discussion of the West Coast special meeting, see West Coast Special Meeting of Shareholders.

Rights of West Coast Shareholders Will Change as a Result of the Merger (page 116)

The rights of West Coast shareholders are governed by Oregon law and by West Coast s articles of incorporation and bylaws. The rights of Columbia shareholders are governed by Washington law and by Columbia s articles of incorporation and bylaws. Upon the completion of the merger, there will no longer be any publicly held shares of West Coast common stock. West Coast shareholders will no longer have any direct interest in West Coast. Those West Coast shareholders receiving shares of Columbia common stock as merger consideration will only participate in the combined company s future earnings and potential growth through their ownership of Columbia common stock. All of the other incidents of direct stock ownership in West Coast will be extinguished upon completion of the merger. The rights of former West Coast shareholders that become Columbia shareholders will be governed by Washington law and Columbia s articles of incorporation and bylaws. Therefore, West Coast shareholders that receive Columbia common stock in the merger will have different rights once they become Columbia shareholders. See Comparison of Rights of Holders of West Coast Common Stock and Columbia Common Stock.

Litigation Related to the Merger (page 107)

Certain litigation is pending in connection with the merger. See Litigation Related to the Merger beginning on page 107.

RISK FACTORS

In addition to the other information contained in or incorporated by reference into this document, including Columbia s Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and West Coast s Annual Report on Form 10-K for the fiscal year ended December 31, 2011, and the matters addressed under the caption Cautionary Note Regarding Forward-Looking Statements, West Coast shareholders should consider the matters described below carefully in determining whether to vote to approve the merger agreement and the transactions contemplated by the merger agreement, and Columbia shareholders should consider the matters described below carefully in determining whether to vote to approve the issuance of shares of Columbia common stock in the merger.

Risk Factors Relating to the Merger

Because the market price of Columbia common stock may fluctuate, you cannot be sure of the value of the merger consideration that you will receive.

Upon completion of the merger, each share of West Coast common stock (other than certain shares owned by West Coast, Columbia or their wholly-owned subsidiaries) will be converted into the right to receive merger consideration consisting of shares of Columbia common stock or cash, or a unit consisting of a mix of Columbia common stock and cash, pursuant to the terms of the merger agreement. The value of the merger consideration to be received by West Coast shareholders will be based on the volume weighted average price of Columbia common stock during the twenty trading day period beginning on the twenty fifth day before the effective time of the merger. This average price may vary from the closing price of Columbia common stock on the date we announced the merger, on the date that this document was mailed to Columbia shareholders and West Coast shareholders, and on the date of the meetings of the Columbia and West Coast shareholders. Any change in the market price of Columbia common stock prior to completion of the merger will affect the value of the merger consideration that West Coast shareholders will receive upon completion of the merger. Accordingly, at the time of the West Coast special meeting and prior to the election deadline, West Coast shareholders will not know or be able to calculate the amount of the cash consideration they would receive or the exchange ratio used to determine the number of any shares of Columbia common stock they would receive upon completion of the merger. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations, among other things. Many of these factors are beyond the control of Columbia and West Coast. West Coast shareholders should obtain current market quotations for shares of Columbia common stock before voting their shares at the West Coast special meeting.

West Coast shareholders may receive a form of consideration different from what they elect.

Although each West Coast shareholder may elect to receive all cash or all Columbia common stock in the merger, or a unit consisting of a mix of cash and stock, the pools of cash and Columbia common stock to be paid in the merger are fixed. As a result, if either the aggregate cash or stock elections exceed the maximum available, and you choose the consideration election that exceeds the maximum available, some or all of your consideration may be in a form that you did not choose.

We may fail to realize all of the anticipated benefits of the merger.

The success of the merger will depend, in part, on our ability to successfully combine the Columbia and West Coast organizations. If we are not able to achieve this objective, the anticipated benefits of the merger may not be realized fully or at all or may take longer than expected to be realized.

Columbia and West Coast have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process or other factors could result in the loss or departure of key employees, the disruption of the ongoing business of West Coast or inconsistencies in standards, controls, procedures and policies. It is also possible that clients, customers, depositors and counterparties of West Coast could choose to discontinue their relationships with the combined company post-merger because they prefer doing business with an independent company or for any other reason, which would adversely affect the future performance of the combined company. These transition matters could have an adverse effect on each of Columbia and West Coast during the pre-merger period and for an undetermined time after the completion of the merger.

The results of operations of Columbia after the merger may be affected by factors different from those currently affecting the results of operations of Columbia and West Coast.

The businesses of Columbia and West Coast differ in certain respects and, accordingly, the results of operations of the combined company and the market price of the combined company s common stock may be affected by factors different from those currently affecting the independent results of operations of Columbia and West Coast. For a discussion of the business of Columbia and certain factors to be considered in connection with Columbia s business, see Information Concerning Columbia and the documents incorporated by reference in this document and referred to under Where You Can Find More Information . For a discussion of the business of West Coast and certain factors to be considered in connection with West Coast s business, see Information Concerning West Coast and the documents incorporated by reference in this document and referred to under Where You Can Find More Information .

The merger agreement limits West Coast s ability to pursue an alternative transaction and requires West Coast to pay a termination fee of $20,000,000 under certain circumstances relating to alternative acquisition proposals.

The merger agreement prohibits West Coast from soliciting, initiating, encouraging or knowingly facilitating certain alternative acquisition proposals with any third party, subject to exceptions set forth in the merger agreement. See The Merger Agreement No Solicitation included elsewhere in this joint proxy statement/prospectus. The merger agreement also provides for the payment by West Coast to Columbia of a termination fee of $20,000,000 in the event that the merger agreement is terminated in certain circumstances, involving, among others, certain changes in the recommendation of West Coast s board of directors, a failure of West Coast s shareholders to approve the merger agreement or the termination of the merger agreement in certain circumstances followed by an acquisition of West Coast by a third party. These provisions may discourage a potential competing acquiror that might have an interest in acquiring West Coast from considering or proposing such an acquisition. It should be noted, however, that the failure of West Coast shareholders to approve the merger agreement will not in and of itself trigger West Coast s obligation to pay the termination fee, unless other factors, including a third-party acquisition proposal for West Coast made prior to the West Coast special meeting, also exist. See The Merger Agreement Termination; Termination Fee included elsewhere in this joint proxy statement/prospectus.

The fairness opinions that Columbia and West Coast have obtained from KBW and Sandler O Neill, respectively, have not been, and are not expected to be, updated to reflect any changes in circumstances that may have occurred since the signing of the merger agreement.

The fairness opinions issued to Columbia and West Coast by KBW and Sandler O Neill, which are Columbia s and West Coast s respective financial advisors, regarding the fairness, from a financial point of view, of the consideration to be paid in connection with the merger, speak only as of September 25, 2012. Changes in the operations and prospects of Columbia or West Coast, general market and economic conditions and other factors which may be beyond the control of Columbia and West Coast, and on which the fairness opinions were based, may have altered the value of Columbia or West Coast or the market prices of shares of Columbia or West Coast as of the date of this document, or may alter such values and market prices by the time the merger is completed. KBW and Sandler O Neill do not have any obligation to update, revise or reaffirm their respective opinions to reflect subsequent developments, and have not done so. Because West Coast and Columbia do not currently anticipate asking their respective financial advisors to update their opinions, the opinions will not

Table of Contents

address the fairness of the merger consideration from a financial point of view at the time the merger is completed. West Coast s board of directors recommendation that West Coast shareholders vote FOR approval of the merger agreement and Columbia s Board of Directors recommendation that Columbia shareholders vote FOR approval of the stock issuance, however, is made as of the date of this document. For a description of the opinions that Columbia and West Coast received from their respective financial advisors, see Opinion of Columbia Financial Advisor and Opinion of West Coast s Financial Advisor included elsewhere in this joint proxy statement/prospectus.

The merger is subject to the receipt of consents and approvals from governmental entities that may impose conditions that could have an adverse effect on the combined company following the merger.

Before the merger may be completed, various approvals and consents must be obtained from the Federal Reserve Board, the Oregon Department of Consumer and Business Services and various other securities, antitrust, and other regulatory authorities. These governmental entities may impose conditions on the granting of such approvals and consents. Although Columbia and West Coast do not currently expect that any such material conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs or limiting the revenues of the combined company following the merger, any of which might have an adverse effect on the combined company following the merger. In addition, each of Columbia and West Coast has agreed to use its reasonable best efforts to avoid or overcome impediments to completing the merger, including, among other things, making expenditures and incurring costs, raising capital, divesting or otherwise disposing of businesses or assets, and effecting the dissolution, internal merger or consolidation of subsidiaries or enhancing internal controls. Such actions may entail costs and may adversely affect Columbia, West Coast, or the combined company following the merger.

The merger is subject to certain closing conditions that, if not satisfied or waived, will result in the merger not being completed, which may cause the prices of Columbia common stock or West Coast common stock to decline.

The merger is subject to customary conditions to closing, including the receipt of required regulatory approvals and approvals of the Columbia and West Coast shareholders. If any condition to the merger is not satisfied or waived, to the extent permitted by law, the merger will not be completed. In addition, Columbia and West Coast may terminate the merger agreement under certain circumstances even if the merger agreement is approved by West Coast shareholders and the issuance of Columbia common stock in connection with the merger is approved by Columbia shareholders. If Columbia and West Coast do not complete the merger, the trading prices of Columbia common stock or West Coast common stock may decline to the extent that the current prices reflect a market assumption that the merger will be completed. In addition, neither company would realize any of the expected benefits of having completed the merger. If the merger is not completed and West Coast s board of directors seeks another merger or business combination, West Coast shareholders cannot be certain that West Coast will be able to find a party willing to offer equivalent or more attractive consideration than the consideration Columbia has agreed to provide in the merger. If the merger is not completed, additional risks could materialize, which could materially and adversely affect the business, financial condition and results of Columbia or West Coast. For more information on closing conditions to the merger agreement, see The Merger Agreement Conditions to the Merger included elsewhere in this joint proxy statement/prospectus.

The combined company expects to incur substantial expenses related to the merger.

The combined company expects to incur substantial expenses in connection with completing the merger and combining the business, operations, networks, systems, technologies, policies and procedures of the two companies. Although Columbia and West Coast have assumed that a certain level of transaction and combination expenses would be incurred, there are a number of factors beyond their control that could affect the total amount or the timing of their combination expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. Due to these factors, the transaction and combination expenses associated with the merger could, particularly in the near term, exceed the savings that the combined company expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the combination of the businesses following the completion of the merger. As a result of these expenses, both Columbia and West Coast expect to take charges against their earnings before and after the completion of the merger. The charges taken in connection with the merger are expected to be significant, although the aggregate amount and timing of such charges are uncertain at present.

The unaudited pro forma condensed combined financial information included in this document is preliminary and the actual financial condition and results of operations after the merger may differ materially.

The unaudited pro forma condensed combined financial information in this document is presented for illustrative purposes only and is not necessarily indicative of what Columbia s actual financial condition or results of operations would have been had the merger been completed on the dates indicated. The unaudited pro forma condensed combined financial information reflects adjustments, which are based upon preliminary estimates, to record the West Coast identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this document is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of West Coast as of the date of the completion of the merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this document. For more information, see Unaudited Pro Forma Condensed Combined Financial Information beginning on page 30.

Shares of Columbia common stock to be received by West Coast shareholders as a result of the merger will have rights different from the shares of West Coast common stock.

Upon completion of the merger, the rights of former West Coast shareholders who receive Columbia common stock in the merger and thereby become Columbia shareholders will be governed by the certificate of incorporation and bylaws of Columbia. The rights associated with West Coast common stock are different from the rights associated with Columbia common stock. In addition, the rights of shareholders under Washington law, where Columbia is organized, may differ from the rights of shareholders under Oregon law, where West Coast is organized. See Comparison of Rights of Holders of Columbia and West Coast Common Stock beginning on page 116 for a discussion of the different rights associated with Columbia common stock.

Columbia has various provisions in its articles of incorporation that could impede a takeover of Columbia.

Columbia s restated articles of incorporation contain provisions providing for, among other things, preferred stock, super majority approval of certain business transactions, and consideration of non-monetary factors in evaluating a takeover offer. Although these provisions were not adopted for the express purpose of preventing or impeding the takeover of Columbia without the approval of the Columbia board of directors, such provisions may have that effect. Such provisions may prevent former West Coast shareholders who receive shares of Columbia common stock in the merger from taking part in a transaction in which such shareholders could realize a premium over the current market price of Columbia common stock. See Comparison of Rights of Holders of Columbia and West Coast Common Stock, beginning on page 116.

Certain West Coast directors and officers may have interests in the merger different from the interests of West Coast shareholders.

In considering the recommendations of the board of directors of West Coast, West Coast shareholders should be aware that certain directors and executive officers of West Coast have interests in the merger that may differ from, or may be in addition to, the interests of West Coast shareholders generally. The board of directors of West Coast was aware of these interests and considered them, among other matters, when it adopted the merger agreement and in making its recommendations that the West Coast shareholders approve the Merger proposal. These interests include:

- In accordance with the merger agreement, one of the directors of West Coast will be recommended to serve on Columbia s board of directors and the board of directors of Columbia State Bank following the merger;

- Certain of West Coast s executive officers are party to change in control agreements that provide severance and other benefits following a change in control of West Coast in connection with a qualifying termination of employment and if such termination of employment occurred immediately following the merger, the executive officers with change in control agreements with West Coast would be entitled to receive severance payments and benefits equal to $3,752,966 for the five executive officers who are party to a change in control agreement and excise tax gross-ups for Mr. Sznewajs of $835,255, Mr. Giltvedt of $370,630 and for Mr. Bygland of $302,271.

- Hadley Robbins and Xandra McKeown, both of whom are executive officers of West Coast, entered into employment agreements with Columbia (replacing existing change in control agreements with West Coast) that become effective upon the completion of the merger and pursuant to such employment agreements, if their employment is terminated (in a qualifying termination of employment) immediately following the effective time of the merger, they would be entitled to severance payments and benefits equal to $560,427 and $569,137 respectively, with Mr. Robbins also being entitled to a 280G excise tax gross-up that is equal to $438,998;

- Accelerated vesting of restricted shares of West Coast common stock held by West Coast s executive officers and non-employee directors with a total aggregate value (based on the average closing price of West Coast common stock over the first five business days following the public announcement of the merger) equal to approximately $955,000;

- Accelerated vesting and, in most instances, payment of the supplemental executive retirement plans entered into with certain West Coast executive officers, with an aggregate acceleration value of $867,222 for all of the West Coast executive officers who participate in the supplemental executive retirement plan; and

- West Coast directors and officers are entitled to continued indemnification and insurance coverage under the merger agreement.

For a more complete description of the interests of West Coast directors and executive officers in the merger, see The Merger Interests of West Coast s Directors and Executive Officers in the Merger.

Risk Factors Relating to West Coast and West Coast s Business

West Coast is, and will continue to be, subject to the risks described in West Coast s Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See Documents Incorporated by Reference and Where You Can Find More Information included elsewhere in this joint proxy statement/prospectus.

Table of Contents

Risk Factors Relating to Columbia and Columbia s Business

Columbia is, and will continue to be, subject to the risks described in Columbia s Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See Documents Incorporated by Reference and Where You Can Find More Information included elsewhere in this joint proxy statement/prospectus.

Table of Contents

RECENT DEVELOPMENTS

Results for Fourth Quarter of 2012 and Year Ended December 31, 2012

Columbia

On January 24, 2013, Columbia announced preliminary financial results for the quarter ended December 31, 2012 and the year ended December 31, 2012. Columbia reported net income of $46.1 million for the year ended December 31, 2012, compared to net income of $48.0 million for the year ended December 31, 2011. The net income for the quarter ended December 31, 2012 was $13.5 million, compared with net income of $14.8 million for the fourth quarter of 2011. The income for the year reflected a moderating trend in the accretion income related to the acquired loans in FDIC assisted transactions, which peaked during the last two quarters of 2011. At December 31, 2012, Columbia s total assets were approximately $4.91 billion, an increase from total assets of approximately $4.79 billion at December 31, 2011. Loans excluding covered loans were $2.53 billion at December 31, 2012, an increase from loans, excluding covered loans of $2.35 billion at December 31, 2011. Covered loans were $420.5 million at December 31, 2012, a decrease from covered loans of $536.9 million at December 31, 2011. Total deposits were $4.04 billion at December 31, 2012, compared to total deposits of $3.82 billion at December 31, 2011. Total shareholders equity at December 31, 2012 was $764.0 million, an increase over total shareholders equity of approximately $759.3 million at December 31, 2011.

West Coast

On January 24, 2013, West Coast announced preliminary financial results for the fourth quarter and full year ended December 31, 2012. West Coast reported fourth quarter 2012 net income of $5.7 million or $0.26 per diluted share compared to net income of $17.8 million or $0.83 per diluted share in the fourth quarter of 2011. Fourth quarter 2011 net income reflected the impact from a reversal of a deferred tax asset valuation allowance. Net income for the full year 2012 was $23.5 million or $1.08 per diluted share compared to net income of $33.8 million or $1.58 per diluted share for the full year 2011. Fourth quarter 2012 total average loan balance of $1.48 billion declined $10 million or 1% from the preceding quarter, with declines primarily in commercial and real estate mortgage categories more than offsetting growth in commercial real estate balances. Total average loans also declined 1% year over year with a decline in commercial and real estate mortgage categories being offset by growth in commercial real estate and real estate construction categories. Net loan charge-offs in the final quarter of 2012 were $2.0 million or .53% of average loans on an annualized basis, representing a decline from $2.5 million or .67% in the same quarter of 2011. Total nonperforming assets at December 31, 2012, were $41.2 million or 1.66% of total assets, which represented a 42% reduction from $71.4 million or 2.94% of total assets a year ago. Average total deposits of $1.92 billion in the fourth quarter 2012 stayed essentially unchanged from the previous quarter, as the continued growth in non-interest bearing demand deposits offset declines in money market and time deposit balances. Year-over-year fourth quarter average total deposit balances declined $19 million or 1%, with average money market and time deposit balances declining $63 million and $47 million, respectively. Substantially offsetting these declines, non-interest bearing demand and savings deposits grew $81 million and $19 million, respectively, over the same period. Total assets as of December 31, 2012, were $2.49 billion compared to $2.43 billion as of December 31, 2011. Stockholders equity was $339 million as of December 31, 2012, compared to $314 million as of December 31, 2011. West Coast s total risk-based capital ratio improved to 21.83% at December 31, 2012, up from 20.62% a year ago.

Table of Contents

SELECTED CONSOLIDATED FINANCIAL DATA OF COLUMBIA

The following selected consolidated financial information for the fiscal years ended December 31, 2007 through December 31, 2011 is derived from audited financial statements of Columbia. The financial information of and for the nine months ended September 30, 2012 and 2011 are derived from unaudited financial statements, has been prepared on the same basis as the historical information derived from audited financial statements and, in the opinion of Columbia s management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data for those dates. The results of operations for the nine months ended September 30, 2012 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2012. You should read this information in conjunction with Columbia s consolidated financial statements and related notes thereto included in Columbia s Annual Report on Form 10-K for the year ended December 31, 2011, and in Columbia s Quarterly Report on Form 10-Q for the nine months ended September 30, 2012, which are incorporated by reference in this joint proxy statement/prospectus. See Where You Can Find More Information.

	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011	Years Ended December 31,				
			2011	2010	2009	2008	2007
			(dollars in thousands except per share)				
For the Period							
Interest income	$ 191,295	$ 176,352	$ 251,271	$ 185,879	$ 143,035	$ 175,060	$ 184,217
Interest expense	$ 7,266	$ 11,740	$ 14,535	$ 21,092	$ 27,683	$ 55,547	$ 75,397
Net interest income	$ 184,029	$ 164,612	$ 236,736	$ 164,787	$ 115,352	$ 119,513	$ 108,820
Provision for loan and lease losses, excluding covered loans	$ 11,125	$ 2,650	$ 7,400	$ 41,291	$ 63,500	$ 41,176	$ 3,605
Noninterest income (loss)	$ 20,491	$ 319	$ (9,283)	$ 52,781	$ 29,690	$ 14,850	$ 27,748
Noninterest expense	$ 125,113	$ 114,445	$ 155,759	$ 137,147	$ 94,488	$ 92,125	$ 88,829
Net income (loss)	$ 32,681	$ 33,283	$ 48,037	$ 30,784	$ (3,968)	$ 5,968	$ 32,381
Net income (loss) applicable to common shareholders	$ 32,681	$ 33,283	$ 48,037	$ 25,837	$ (8,371)	$ 5,498	$ 32,381
Per Common Share							
Earnings (loss) (Basic)	$ 0.82	$ 0.84	$ 1.22	$ 0.73	$ (0.38)	$ 0.30	$ 1.91
Earnings (loss) (Diluted)	$ 0.82	$ 0.84	$ 1.21	$ 0.72	$ (0.38)	$ 0.30	$ 1.89
Cash dividends declared per common share	$ 0.89	$ 0.14	$ 0.27	$ 0.04	$ 0.07	$ 0.58	$ 0.66
Book Value	$ 19.20	$ 18.99	$ 19.23	$ 17.97	$ 16.13	$ 18.82	$ 19.03
Averages							
Total assets	$ 4,797,543	$ 4,426,037	$ 4,509,010	$ 4,248,590	$ 3,084,421	$ 3,134,054	$ 2,837,162
Interest-earning assets	$ 4,199,125	$ 3,794,865	$ 3,871,424	$ 3,583,728	$ 2,783,862	$ 2,851,555	$ 2,599,379
Loans, including covered loans	$ 2,891,688	$ 2,536,492	$ 2,607,266	$ 2,485,650	$ 2,124,574	$ 2,264,486	$ 1,990,622
Securities	$ 1,012,716	$ 919,173	$ 928,891	$ 720,152	$ 584,028	$ 565,299	$ 581,122
Deposits	$ 3,829,640	$ 3,457,227	$ 3,541,399	$ 3,270,923	$ 2,378,176	$ 2,382,484	$ 2,242,134
Core deposits	$ 3,555,936	$ 3,132,963	$ 3,218,425	$ 2,828,246	$ 1,945,039	$ 1,911,897	$ 1,887,391
Shareholders equity	$ 760,217	$ 721,638	$ 730,726	$ 668,469	$ 462,127	$ 354,387	$ 289,297
Financial Ratios							
Net interest margin	5.99%	5.96%	6.27%	4.76%	4.33%	4.38%	4.35%
Return on average assets	0.91%	1.01%	1.07%	0.72%	(0.13)%	0.19%	1.14%
Return on average common equity	5.74%	6.17%	6.57%	4.15%	(2.16)%	1.59%	11.19%
Efficiency ratio (tax equivalent) (1)	69.47%	68.62%	70.68%	67.56%	61.53%	59.88%	61.33%
Average equity to average assets	15.85%	16.30%	16.21%	15.73%	14.98%	11.31%	10.20%
At Period End							
Total assets	$ 4,903,049	$ 4,755,832	$ 4,785,945	$ 4,256,363	$ 3,200,930	$ 3,097,079	$ 3,178,713
Covered assets, net	$ 445,797	$ 595,640	$ 560,055	$ 531,504			
Loans, excluding covered loans	$ 2,476,844	$ 2,257,899	$ 2,348,371	$ 1,915,754	$ 2,008,884	$ 2,232,332	$ 2,282,728
Allowance for noncovered loan and lease losses	$ 51,527	$ 50,422	$ 53,041	$ 60,993	$ 53,478	$ 42,747	$ 26,599
Securities	$ 965,641	$ 1,018,069	$ 1,050,325	$ 781,774	$ 631,645	$ 540,525	$ 572,973
Deposits	$ 3,938,855	$ 3,795,499	$ 3,815,529	$ 3,327,269	$ 2,482,705	$ 2,382,151	$ 2,498,061
Core deposits	$ 3,685,844	$ 3,464,705	$ 3,510,435	$ 2,998,482	$ 2,072,821	$ 1,941,047	$ 1,996,393
Shareholders equity	$ 761,977	$ 749,966	$ 759,338	$ 706,878	$ 528,139	$ 415,385	$ 341,731
Nonperforming Assets, Excluding Covered Assets							

Nonaccrual loans	$ 41,589	$ 55,183	$ 53,483	$ 89,163	$ 110,431	$ 106,163	$ 14,005
Other real estate owned and other personal property owned	11,749	34,069	31,905	30,991	19,037	2,874	181
Total nonperforming assets, excluding covered assets	$ 53,338	$ 89,252	$ 85,388	$ 120,154	$ 129,468	$ 109,037	$ 14,186

	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011	Years Ended December 31, 2011	2010	2009	2008	2007
			(dollars in thousands except per share)				
Nonperforming loans to year end loans, excluding covered loans	1.68%	2.44%	2.28%	4.65%	5.50%	4.76%	0.61%
Nonperforming assets to year end assets, excluding covered assets	1.20%	2.15%	2.02%	3.23%	4.04%	3.52%	0.45%
Allowance for loan and lease losses to year end loans, excluding covered loans	2.08%	2.23%	2.26%	3.18%	2.66%	1.91%	1.17%
Allowance for loan and lease losses to nonperforming loans, excluding covered loans	123.90%	91.37%	99.17%	68.41%	48.43%	40.27%	189.93%
Net loan charge-offs	$ 12,639	$ 13,221	$ 15,352	$ 33,776	$ 52,769	$ 25,028	$ 380
Risk-Based Capital Ratios							
Total capital	20.75%	21.87%	21.05%	24.47%	19.60%	14.25%	10.90%
Tier 1 capital	19.49%	20.61%	19.79%	23.20%	18.34%	12.99%	9.87%
Leverage ratio	12.80%	12.87%	12.96%	13.99%	14.33%	11.27%	8.54%

(1) Noninterest expense, excluding net cost of operation of other real estate, FDIC clawback liability expense and merger related expenses, divided by the sum of net interest income and noninterest income on a tax equivalent basis, excluding gain/loss on sale of investment securities, impairment charge on investment securities, gain on bank acquisition, incremental accretion income on the acquired loan portfolio and the change in FDIC loss-sharing asset. The tax equivalent basis was derived using Columbia s estimated statutory rate of 35%.

Table of Contents

SELECTED CONSOLIDATED FINANCIAL DATA OF WEST COAST

The following selected consolidated financial information for the fiscal years ended December 31, 2007 through December 31, 2011 is derived from audited financial statements of West Coast. The financial information of and for the nine months ended September 30, 2012 and 2011 are derived from unaudited financial statements, has been prepared on the same basis as the historical information derived from audited financial statements and, in the opinion of West Coast s management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data for those dates. The results of operations for the nine months ended September 30, 2012 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2012. You should read this information in conjunction with West Coast s consolidated financial statements and related notes thereto included in West Coast s Annual Report on Form 10-K for the year ended December 31, 2011, and in West Coast s Quarterly Report on Form 10-Q for the nine months ended September 30, 2012, which are incorporated by reference in this joint proxy statement/prospectus. See Where You Can Find More Information.

(Dollars in thousands, except per share data)	As of and For the Nine Months ended September 30,		As of and For the Year ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
Interest income	$ 68,900	$ 74,743	$ 98,675	$ 105,576	$ 112,150	$ 140,846	$ 183,190
Interest expense	3,307	11,929	17,921	22,269	33,423	48,696	68,470
Net interest income	65,593	62,814	80,754	83,307	78,727	92,150	114,720
Provision (benefit) for credit losses	(996)	6,634	8,133	18,652	90,057	40,367	38,956
Net interest income (loss) after provision for credit losses	66,589	56,180	72,621	64,655	(11,330)	51,783	75,764
Noninterest income	24,553	25,400	31,819	32,697	9,129	24,629	33,498
Noninterest expense	63,808	68,131	90,875	90,337	108,288	90,323	85,299
Income (loss) before income taxes	27,334	13,449	13,565	7,015	(110,489)	(13,911)	23,963
Provision (benefit) for income taxes	9,567	(2,566)	(20,212)	3,790	(19,276)	(7,598)	7,121
Net income (loss)	$ 17,767	$ 16,015	$ 33,777	$ 3,225	$ (91,213)	$ (6,313)	$ 16,842
Net interest income on a tax equivalent basis [2]	$ 66,427	$ 63,647	$ 81,870	$ 84,478	$ 80,222	$ 93,901	$ 116,361
Per share data:							
Basic earnings (loss) per share	$ 0.87	$ 0.78	$ 1.65	$ 0.16	$ (29.15)	$ (2.05)	$ 5.40
Diluted earnings (loss) per share	$ 0.82	$ 0.75	$ 1.58	$ 0.16	$ (29.15)	$ (2.05)	$ 5.20
Cash dividends declared	$ 0.05	$	$	$	$ 0.10	$ 1.45	$ 2.55
Period end book value per common share	$ 16.32	$ 14.28	$ 15.20	$ 13.04	$ 35.10	$ 63.15	$ 66.75
Weighted average common shares outstanding	19,077	18,999	19,007	17,460	3,102	3,094	3,101
Weighted average diluted shares outstanding	20,225	19,951	19,940	18,059	3,102	3,094	3,209
Total assets	$ 2,475,980	$ 2,521,247	$ 2,429,887	$ 2,461,059	$ 2,733,547	$ 2,516,140	$ 2,646,614
Total deposits	$ 1,929,292	$ 1,990,778	$ 1,915,569	$ 1,940,522	$ 2,146,884	$ 2,024,379	$ 2,094,832
Total long-term borrowings	$ 178,900	$ 181,281	$ 120,000	$ 168,599	$ 250,699	$ 91,059	$ 83,100
Total loans, net	$ 1,459,310	$ 1,467,310	$ 1,466,089	$ 1,496,053	$ 1,686,352	$ 2,035,876	$ 2,125,752
Stockholders equity	$ 335,996	$ 296,867	$ 314,479	$ 272,560	$ 249,058	$ 198,187	$ 208,241
Financial ratios:							
Return on average assets	0.99%	0.87%	1.37%	0.13%	-3.49%	-0.25%	0.66%
Return on average equity	7.32%	7.58%	11.79%	1.21%	-45.66%	-3.06%	7.93%
Average equity to average assets	13.47%	11.46%	11.64%	10.32%	7.64%	8.04%	8.37%
Dividend payout ratio	0.00%	0.00%	0.00%	0.00%	-0.34%	-70.73%	47.51%
Efficiency ratio [1]	70.42%	76.96%	80.44%	78.14%	122.34%	72.79%	56.90%
Net loans to assets	58.94%	58.20%	60.34%	60.79%	61.69%	80.91%	80.33%
Average yields earned [2]	4.12%	4.34%	4.29%	4.40%	4.71%	5.92%	7.72%
Average rates paid	0.31%	1.01%	1.15%	1.27%	1.76%	2.60%	3.76%
Net interest spread [2]	3.81%	3.33%	3.14%	3.13%	2.95%	3.32%	3.96%
Net interest margin [2]	3.92%	3.65%	3.52%	3.48%	3.33%	3.90%	4.86%

Nonperforming assets to total assets	2.19%	3.30%	2.94%	4.09%	5.59%	7.86%	1.12%
Allowance for loan losses to total loans	2.11%	2.42%	2.35%	2.62%	2.23%	1.40%	2.16%
Allowance for credit losses to total loans	2.17%	2.46%	2.40%	2.67%	2.29%	1.45%	2.53%
Net loan charge-offs to average loans	0.24%	0.94%	0.8 7%	1.05%	4.21%	3.04%	0.34%
Allowance for credit losses to nonperforming loans	99.64%	70.02%	88.63%	67.07%	39.68%	23.46%	207.75%
Allowance for loan losses to nonperforming loans	97.07%	68.69%	86.73%	65.68%	38.74%	22.67%	177.53%

1. The efficiency ratio has been computed as noninterest expense divided by the sum of net interest income on a tax equivalent basis and noninterest income excluding gains/losses on sales of securities.
2. Interest earned on nontaxable securities has been computed on a 35% tax equivalent basis.

Table of Contents

3. Non-performing loan components are comprised of loans on non-accrual status (inclusive of non-accruing TDRs), plus any loans past due 90 days or more still on accrual. Accruing TDRs are not included in the non-performing loan calculation. West Coast s rationale for this is that West Coast s policy for moving non-performing TDRs to accrual status requires payment performance (typically six consecutive months), coupled with a reasonable assurance such performance will continue (as validated by current financial information).

As of 9/30/12:	
Loans 90 days P/D on accrual	$ 0
Nonaccrual TDRs	$ 17.0mm
Other nonaccrual loans	$ 15.4mm
Total nonperforming loans	$ 32.4mm

28

Table of Contents

SELECTED UNAUDITED PRO FORMA FINANCIAL DATA

The following table shows selected unaudited pro forma condensed combined financial information about the financial condition and results of operations of Columbia giving effect to the merger with West Coast. The selected unaudited pro forma condensed combined financial information assumes that the merger is accounted for under the acquisition method of accounting with Columbia treated as the acquirer. Under the acquisition method of accounting, the assets and liabilities of West Coast, as of the effective date of the merger, will be recorded by Columbia at their respective fair values and the excess of the merger consideration over the fair value of West Coast s net assets will be allocated to goodwill.

The table sets forth the information as if the merger had become effective on September 30, 2012, with respect to financial condition data, and on January 1, 2011, with respect to the results of operations data. The selected unaudited pro forma condensed combined financial data has been derived from and should be read in conjunction with the unaudited pro forma condensed combined financial information, including the notes thereto, which is included in this joint proxy statement/prospectus under Unaudited Pro Forma Condensed Combined Financial Information.

The selected unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of the period presented. The selected unaudited pro forma condensed combined financial information also does not consider any potential impacts of current market conditions on revenues, potential revenue enhancements, anticipated cost savings and expense efficiencies, or asset dispositions, among other factors. Further, as explained in more detail in the notes accompanying the more detailed unaudited pro forma condensed combined financial information included under Unaudited Pro Forma Condensed Combined Financial Information, the pro forma allocation of purchase price reflected in the selected unaudited pro forma condensed combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Additionally, the adjustments made in the unaudited pro forma condensed financial information, which are described in those notes, are preliminary and may be revised.

(Dollars in thousands, except per share amounts)	For the Nine Months Ended September 30, 2012	For the Year Ended December 31, 2011
Pro Forma Condensed Consolidated Income Statement Information:		
Net interest income	$ 258,939	$ 329,839
Provision for loan losses	33,510	13,885
Income before income taxes	81,063	88,643
Net income	56,186	87,752

(Dollars in thousands, except per share amounts)	As of September 30, 2012
Pro Forma Condensed Consolidated Balance Sheet Information:	
Loans	$ 4,270,832
Total assets	7,250,863
Deposits	5,868,221
Borrowings	240,980
Shareholders equity	1,003,437

	For the Nine Months Ended September 30, 2012	For the Year Ended December 31, 2011
Per Common Share		
Earnings (Basic)	$ 1.08	$ 1.69
Earnings (Diluted)	1.08	1.69
Cash dividends declared per common share	0.89	0.27

Table of Contents

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information and explanatory notes show the impact on the historical financial positions and results of operations of Columbia and West Coast and have been prepared to illustrate the effects of the merger involving Columbia and West Coast under the acquisition method of accounting with Columbia treated as the acquirer. Under the acquisition method of accounting, the assets and liabilities of West Coast, as of the effective date of the merger, will be recorded by Columbia at their respective fair values and the excess of the merger consideration over the fair value of West Coast s net assets will be allocated to goodwill. The unaudited pro forma condensed combined balance sheet as of September 30, 2012 is presented as if the merger with West Coast had occurred on September 30, 2012. The unaudited pro forma condensed combined income statements for the year ended December 31, 2011 and the nine months ended September 30, 2012 are presented as if the merger had occurred on January 1, 2011. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the merger and, with respect to the income statements only, expected to have a continuing impact on consolidated results of operations.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of the period presented. The adjustments included in these unaudited pro forma condensed combined financial statements are preliminary and may be revised. The unaudited pro forma condensed combined financial information also does not consider any potential impacts of potential revenue enhancements, anticipated cost savings and expense efficiencies, or asset dispositions, among other factors. For the historical income statements of West Coast, amounts related to other real estate owned, which were historically reported in noninterest income by West Coast, have been reclassified to noninterest expense to conform to the presentation in Columbia s financial statements.

In addition, as explained in more detail in the accompanying notes to the unaudited pro forma condensed combined financial information, the pro forma allocation of purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Adjustments may include, but not be limited to, changes in (i) West Coast s balance sheet through the effective time of the merger; (ii) the aggregate value of merger consideration paid if the price of Columbia s stock varies from the assumed $18.85 per share; (iii) total merger related expenses if consummation and/or implementation costs vary from currently estimated amounts; and (iv) the underlying values of assets and liabilities if market conditions differ from current assumptions.

The unaudited pro forma condensed combined financial statements are provided for informational purposes only. The unaudited pro forma condensed combined financial statements are not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the transaction been completed as of the dates indicated or that may be achieved in the future. The preparation of the unaudited pro forma condensed combined financial statements and related adjustments required management to make certain assumptions and estimates. The unaudited pro forma condensed combined financial statements should be read together with:

- the accompanying notes to the unaudited pro forma condensed combined financial statements;

- Columbia s separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2011, included in Columbia s Annual Report on Form 10-K for the year ended December 31, 2011;

- West Coast s separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2011, included in West Coast s Annual Report on Form 10-K for the year ended December 31, 2011;

- Columbia s separate unaudited historical consolidated financial statements and accompanying notes as of and for the three and nine months ended September 30, 2012 included in Columbia s Quarterly Report on Form 10-Q for the quarter ended September 30, 2012;

- West Coast s separate unaudited historical consolidated financial statements and accompanying notes as of and for the three and nine months ended September 30, 2012, included in West Coast s Quarterly Report on Form 10-Q for the quarter ended September 30, 2012; and

- other information pertaining to Columbia and West Coast contained in or incorporated by reference into this joint proxy statement/prospectus. See Selected Consolidated Financial Data of Columbia and Selected Consolidated Financial Data of West Coast and Documents Incorporated by Reference included elsewhere in this joint proxy statement/prospectus.

The unaudited pro forma condensed combined balance sheet as of September 30, 2012 presents the consolidated financial position giving pro forma effect to the following transactions as if they had occurred as of September 30, 2012:

- the completion of Columbia s acquisition of West Coast, including the issuance of 12,809,525 shares of Columbia s common stock; and

- the repayment of all junior subordinated debentures, including any repayment fee and accrued interest, totaling approximately $51 million.

Table of Contents

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET AS OF

SEPTEMBER 30, 2012

	Columbia Historical	West Coast Historical	Pro Forma Merger Adjustments	Notes	Pro Forma Combined
			(in thousands)		
ASSETS					
Cash and cash equivalents	562,592	101,335	(315,469)	**A**	348,458
Securities available for sale at fair value	943,624	792,657			1,736,281
Federal Home Loan Bank stock at cost	22,017	12,040			34,057
Loans held for sale	3,600				3,600
Loans, excluding covered loans, net of unearned income	2,476,844	1,490,767	(74,538)	**B**	3,893,073
Less: allowance for loan and lease losses	51,527	31,457	(31,457)	**C**	51,527
Loans, excluding covered loans, net	2,425,317	1,459,310	(43,081)		3,841,546
Covered loans, net of allowance for loan	429,286				429,286
Total loans, net	2,854,603	1,459,310	(43,081)		4,270,832
FDIC loss-sharing asset	111,677				111,677
Premises and equipment, net	115,506	22,672	15,000	**D**	153,178
Other real estate owned	27,386	21,939			49,325
Goodwill	115,554		182,409	**E**	297,963
Core deposit intangible, net	16,803		15,561	**F**	32,364
Other assets	129,687	66,027	17,414	**G**	213,128
Total assets	$ 4,903,049	$ 2,475,980	$ (128,166)		$ 7,250,863
LIABILITIES AND SHAREHOLDERS EQUITY					
Deposits	3,938,855	1,929,292	74	**H**	5,868,221
Federal Home Loan Bank advances	113,080	127,900			240,980
Junior subordinated debentures		51,000	(51,000)	**I**	
Other liabilities	89,137	31,792	17,296	**J**	138,225
Total liabilities	4,141,072	2,139,984	(33,630)		6,247,426
Commitments and contingent liabilities					
Shareholders equity:					
Preferred stock		21,124	(21,124)	**K**	
Common stock	581,001	231,766	9,694	**L**	822,461
Retained earnings	152,498	71,692	(71,692)	**M**	152,498
Accumulated other comprehensive income	28,478	11,414	(11,414)	**N**	28,478
Total shareholders equity	761,977	335,996	(94,536)		1,003,437
Total liabilities and shareholders equity	$ 4,903,049	$ 2,475,980	$ (128,166)		$ 7,250,863

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Information.

Table of Contents

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME FOR THE

NINE MONTHS ENDED SEPTEMBER 30, 2012

	Columbia Historical	West Coast Historical	Pro Forma Merger Adjustments	Notes	Pro Forma Combined
	(in thousands except per share amounts)				
Interest Income					
Loans	$ 168,875	$ 56,614	$ 9,317	**O**	$ 234,806
Taxable securities	14,414	10,647			25,061
Tax-exempt securities	7,442	1,547			8,989
Federal funds sold and deposits in banks	564	92			656
Total interest income	191,295	68,900	9,317		269,512
Interest Expense					
Deposits	4,679	1,393			6,072
Federal Home Loan Bank advances	2,229	1,001			3,230
Junior subordinated debentures		913			913
Other borrowings	358				358
Total interest expense	7,266	3,307			10,573
Net Interest Income	184,029	65,593	9,317		258,939
Provision (recapture) for loan and lease losses	11,125	(996)			10,129
Provision for losses on covered loans	23,381				23,381
Net interest income after provision for loan and lease losses	149,523	66,589	9,317		225,429
Noninterest Income					
Service charges and other fees	22,222	12,670			34,892
Merchant services fees	6,167	9,230			15,397
Gain on sale of investment securities, net	62	375			437
Impairment charge on investment securities		(49)			(49)
Change in FDIC loss-sharing asset	(14,787)				(14,787)
Other	6,827	4,388			11,215
Total noninterest income	20,491	26,614			47,105
Noninterest Expense					
Compensation and employee benefits	64,484	35,058			99,542
Occupancy	15,310	10,821	288	**Q**	26,419
Merchant processing	2,724	3,342			6,066
Advertising and promotion	3,342	1,087			4,429
Data processing and communications	7,263	1,210			8,473
Legal and professional fees	6,221	2,948	(1,709)	**R**	7,460
Regulatory premiums	2,560				2,560
Net cost (benefit) of operation of other real estate owned	(536)	2,061			1,525
Amortization of intangibles	3,362		1,910	**S**	5,272
FDIC clawback liability	100				100
Other	20,283	9,342			29,625
Total noninterest expense	125,113	65,869	489		191,471
Income before income taxes	44,901	27,334	8,828		81,063
Income tax provision	12,220	9,567	3,090	**T**	24,877

Net Income	$ 32,681	$ 17,767	$ 5,738		$ 56,186
Per Common Share					
Earnings basic	$ 0.82	$ 0.87			$ 1.08
Earnings diluted	$ 0.82	$ 0.82			$ 1.08
Dividends declared per common share	$ 0.89	$ 0.05			$ 0.89
Weighted average number of common shares outstanding	39,248	19,077	(6,267)	**U**	52,058
Weighted average number of diluted common shares outstanding	39,251	20,225	(7,415)	**V**	52,061

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Information.

Table of Contents

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2011

	Columbia Historical	West Coast Historical	Pro Forma Merger Adjustments	Notes	Pro Forma Combined
		(in thousands except per share amounts)			
Interest Income					
Loans	$ 218,420	$ 80,237	$ 12,423	**O**	$ 311,080
Taxable securities	21,870	16,177			38,047
Tax-exempt securities	10,142	2,074			12,216
Federal funds sold and deposits in banks	839	187			1,026
Total interest income	251,271	98,675	12,423		362,369
Interest Expense					
Deposits	10,478	4,973	74	**P**	15,525
Federal Home Loan Bank advances	2,980	4,630			7,610
Borrowings prepayment charge		7,140			7,140
Junior subordinated debentures		1,178			1,178
Other borrowings	1,077				1,077
Total interest expense	14,535	17,921	74		32,530
Net Interest Income	236,736	80,754	12,349		329,839
Provision (recapture) for loan and lease losses	7,400	8,133			15,533
Provision for losses on covered loans	(1,648)				(1,648)
Net interest income after provision for loan and lease losses	230,984	72,621	12,349		315,954
Noninterest Income					
Service charges and other fees	26,632	17,856			44,488
Gain on bank acquisitions, net of tax	1,830				1,830
Merchant services fees	7,385	12,381			19,766
Gain on sale of investment securities, net	134	713			847
Impairment charge on investment securities	(2,950)	(179)			(3,129)
Change in FDIC loss-sharing asset	(49,496)				(49,496)
Other	7,182	4,284			11,466
Total noninterest income	(9,283)	35,055			25,772
Noninterest Expense					
Compensation and employee benefits	81,552	48,587			130,139
Occupancy	18,963	14,787	384	**Q**	34,134
Merchant processing	3,698	5,141			8,839
Advertising and promotion	3,686	3,003			6,689
Data processing and communications	8,484	1,549			10,033
Legal and professional fees	6,486	4,118			10,604
Regulatory premiums	4,337				4,337
Net cost (benefit) of operation of other real estate owned	(1,022)	3,236			2,214
Amortization of intangibles	4,319		2,829	**S**	7,148
FDIC clawback liability	3,656				3,656
Other	21,600	13,690			35,290
Total noninterest expense	155,759	94,111	3,213		253,083

Income before income taxes		65,942		13,565		9,136				88,643
Income tax provision		17,905		(20,212)		3,198	**T**			891
Net Income	$	48,037	$	33,777	$	5,938			$	87,752
Per Common Share										
Earnings basic	$	1.22	$	1.65					$	1.69
Earnings diluted	$	1.21	$	1.58					$	1.69
Dividends declared per common share	$	0.27	$						$	0.27
Weighted average number of common shares outstanding		39,103		19,007		(6,197)	**U**			51,913
Weighted average number of diluted common shares outstanding		39,180		19,940		(7,415)	**V**			51,990

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Information.

34

Table of Contents

Notes to Unaudited Pro Forma Condensed Combined Financial Information

Note 1 Basis of Presentation

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting giving effect to the merger involving Columbia and West Coast. The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not necessarily indicative of the financial position had the merger been consummated at September 30, 2012 or the results of operations had the merger been consummated at January 1, 2011, nor is it necessarily indicative of the results of operation in future periods or the future financial position of the combined entities. For the historical income statements of West Coast, amounts related to other real estate owned, which were historically reported in noninterest income by West Coast, have been reclassified to noninterest expense to conform to the presentation in Columbia s financial statements. The merger, which is currently expected to be completed in the first quarter of 2013, provides for the issuance of 12,809,525 shares of Columbia common stock and $264.5 million in cash (subject to adjustment in certain circumstances). West Coast shareholders may elect to receive either cash, stock, or a unit consisting of a mix of cash and stock, in an amount equal to such holder s pro rata share of the total merger consideration. The value of the per share merger consideration would be approximately $23.08 based upon a purchaser average closing price (as defined in the merger agreement) of $18.85.

Under the acquisition method of accounting, the assets and liabilities of West Coast will be recorded at the respective fair values on the merger date. The fair value on the merger date represents management s best estimates based on available information and facts and circumstances in existence on the merger date. The pro forma allocation of purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Adjustments may include, but not be limited to, changes in (i) West Coast s balance sheet through the effective time of the merger; (ii) the aggregate value of merger consideration paid if the price of Columbia s stock varies from the assumed $18.85 per share; (iii) total merger related expenses if consummation and/or implementation costs vary from currently estimated amounts; and (iv) the underlying values of assets and liabilities if market conditions differ from current assumptions.

The accounting policies of both Columbia and West Coast are in the process of being reviewed in detail. Upon completion of such review, conforming adjustments or financial statement reclassification may be determined.

Note 2 Estimated Merger and Integration Costs

In connection with the merger, the plan to integrate Columbia s and West Coast s operations is still being developed. Over the next several months, the specific details of these plans will continue to be refined. Columbia and West Coast are currently in the process of assessing the two companies personnel, benefit plans, premises, equipment, computer systems, supply chain methodologies, and service contracts to determine where they may take advantage of redundancies or where it will be beneficial or necessary to convert to one system. Certain decisions arising from these assessments may involve involuntary termination of West Coast s employees, vacating West Coast s leased premises, changing information systems, canceling contracts between West Coast and certain service providers and selling or otherwise disposing of certain premises, furniture and equipment owned by West Coast. Additionally, as part of our formulation of the integration plan, certain actions regarding existing Columbia information systems, premises, equipment, benefit plans, supply chain methodologies, supplier contracts, and involuntary termination of personnel may be taken. Columbia expects to incur merger-related expenses including system conversion costs, employee retention and severance agreements, communications to customers, and others. To the extent there are costs associated with these actions, the costs will be recorded based on the nature and timing of these integration actions. Most acquisition and restructuring costs are recognized separately from a business combination and generally will be expensed as incurred. We estimated the merger related costs to be approximately $30 million and expect they will be incurred primarily in 2013.

Table of Contents

Note 3 Estimated Annual Cost Savings

Columbia expects to realize $21 million in annual pre-tax cost savings following the merger, which management expects to be phased-in over a two-year period, but there is no assurance that the anticipated cost savings will be realized on the anticipated time schedule or at all. These cost savings are not reflected in the presented pro forma financial information.

Note 4 Pro Forma Adjustments

The following pro forma adjustments have been reflected in the unaudited pro forma condensed combined financial information. All taxable adjustments were calculated using a 35% tax rate to arrive at deferred tax asset or liability adjustments. All adjustments are based on current assumptions and valuations, which are subject to change.

Balance Sheet		
(dollars in thousands)		
A. Adjustments to cash and cash equivalents		
To reflect cash used to purchase West Coast	$	(264,469)
To reflect cash used to redeem West Coast junior subordinated debentures		(51,000)
	$	(315,469)
B. Adjustment to loans, excluding covered loans, net of unearned income		
To reflect estimated fair value at merger date, calculated as 5% of the West Coast loan balance. The adjustment to loans is primarily related to credit deterioration in the acquired loan portfolio. During Columbia s due diligence on West Coast, Columbia reviewed loan information across collateral types and geographic distributions. Columbia applied traditional examination methodologies to arrive at the fair value adjustment.	$	(74,538)
C. Adjustment to allowance for loan and lease losses		
To remove West Coast allowance at merger date as the credit risk is contemplated in the fair value adjustment in adjustment **B** above.	$	(31,457)
D. Adjustment to premises and equipment		
To reflect estimated fair value of West Coast properties at merger date, based on third-party estimates. The estimated useful life of these properties is 39 years.	$	15,000
E. Adjustment to goodwill		
To reflect the goodwill associated with the West Coast merger.	$	182,409
F. Adjustment to core deposit intangible, net		
To record the estimated fair value of acquired identifiable intangible assets, calculated as 1% of West Coast core deposits. Core deposits were identified as the demand, savings, money market accounts and certificates of deposit under $100,000. Although a core deposit study was not performed for the West Coast merger, the fair value adjustment of 1% was determined to be appropriate based on the valuation methodology utilized for Columbia s prior acquisitions taken in conjunction with a review of West Coast s historical deposit trends. A more detailed analysis will be completed upon closing of the merger. The acquired core deposit intangible will be amortized over 10 years using a sum-of-the-years-digits method. The estimated 10 year life was validated through review of the core deposit intangible lives utilized by our industry peers. The lives utilized by industry peers ranged from 5.5 to 15 years with an average of 9.25 years. Columbia felt the resiliency exhibited by West Coast s deposit base over the past 5 years warranted a higher life than the average estimated useful life.	$	15,561

Table of Contents

G. Adjustment to other assets		
To reflect deferred tax asset created in the merger		$ 17,414
Calculated as follows:		
Adjustment to loans	$ 74,538	
Adjustment to allowance for loan and lease losses	(31,457)	
Adjustment to other liabilities	6,600	
Adjustment to deposits	74	
Subtotal for fair value adjustments	49,755	
Calculated deferred tax asset at Columbia s estimated statutory rate of 35%	$ 17,414	
H. Adjustment to deposits		
To reflect estimated fair value at merger date based on current market rates for similar products. This adjustment will be accreted into income over the estimated lives of the deposits, which is less than one year.		$ 74
I. Adjustment to junior subordinated debentures		
To reflect redemption of junior subordinated debentures		$ (51,000)
J. Adjustments to other liabilities		
To reflect liability for estimated change in control payments		$ 6,600
To reflect deferred tax liability created in the merger		10,696
		$ 17,296
The deferred tax liability is calculated as follows:		
Adjustment to premises and equipment	$ 15,000	
Adjustment to core deposit intangible, net	15,561	
Subtotal for fair value adjustments	30,561	
Calculated deferred tax liability at Columbia s estimated statutory rate of 35%	$ 10,696	
K. Adjustment to preferred stock		
To eliminate historical West Coast preferred stock		$ (21,124)
L. Adjustments to common stock		
To eliminate historical West Coast common stock	$ (231,766)	
To reflect the issuance of Columbia common stock to West Coast shareholders	241,460	
	$ 9,694	
M. Adjustment to retained earnings		
To eliminate historical West Coast retained earnings	$ (71,692)	
N. Adjustment to accumulated other comprehensive income		
To eliminate historical West Coast accumulated other comprehensive income	$ (11,414)	

Table of Contents

Income Statements
(dollars in thousands

	Nine Months Ended September 30, 2012	Year Ended December 31, 2011
O. Adjustment to loan interest income		
To reflect accretion of loan discount resulting from loan fair value pro forma adjustment based on weighted average remaining life of six years	$ 9,317	$ 12,423
P. Adjustment to deposit interest expense		
To reflect amortization of deposit premium resulting from deposit fair value pro forma adjustment **H** based on weighted average life of time deposits being under 1 year.	$	$ 74
Q. Adjustment to occupancy		
To reflect additional depreciation expense resulting from premises and equipment pro forma adjustment based on estimated useful life of 39 years	$ 288	$ 384
R. Adjustment to legal and professional		
To remove direct, incremental costs of the merger incurred by Columbia and West Coast.	$ (1,709)	$
S. Adjustment to amortization of intangibles		
To reflect amortization of acquired intangible assets based on amortization period of 10 years and using the sum-of-the-years-digits method of amortization	$ 1,910	$ 2,829
T. Adjustment to income tax provision		
To reflect the income tax effect of pro forma adjustments O-S at Columbia s estimated statutory tax rate of 35%	$ 3,090	$ 3,198

U. Adjusted to weighted average number of common shares outstanding		$ (6,267)	$ (6,197)
Adjustment to nine months ended September 30, 2012 calculated as follows:			
Removal of West Coast weighted average number of common shares outstanding for the nine months ended September 30, 2012	(19,077)		
Columbia shares issued to West Coast shareholders	12,810		
Adjustment to weighted average number of common shares outstanding for the nine months ended September 30, 2012	(6,267)		
Adjustment to year ended December 31, 2011 calculated as follows:			
Removal of West Coast weighted average number of common shares outstanding for the year ended December 31, 2011	(19,007)		
Columbia shares issued to West Coast shareholders	12,810		
Adjustment to weighted average number of common shares outstanding for the year ended December 31, 2011	(6,197)		

Table of Contents

		Nine Months Ended September 30, 2012	Year Ended December 31, 2011
V. Adjustment to weighted average number of diluted common shares outstanding		$ (7,415)	$ (7,130)
Adjustment to nine months ended September 30, 2012 calculated as follows:			
Removal of West Coast weighted average number of diluted common shares outstanding for the nine months ended September 30, 2012	(20,225)		
Columbia shares issued to West Coast shareholders	12,810		
Adjustment to weighted average number of diluted common shares outstanding for the nine months ended September 30, 2012	(7,415)		
Adjustment to year ended December 31, 2011 calculated as follows:			
Removal of West Coast weighted average number of diluted common shares outstanding for the year ended December 31, 2011	(19,940)		
Columbia shares issued to West Coast shareholders	12,810		
Adjustment to weighted average number of diluted common shares outstanding for the year ended December 31, 2011	(7,130)		

Note 5 Preliminary Purchase Accounting Allocation

The unaudited pro forma condensed combined financial information reflects the issuance of approximately 12,809,525 shares of Columbia common stock totaling approximately $241.5 million as well as cash consideration of approximately $264.5 million. The merger will be accounted for using the acquisition method of accounting; accordingly Columbia s cost to acquire West Coast will be allocated to the assets (including identifiable intangible assets) and liabilities of West Coast at their respective estimated fair values as of the merger date. Accordingly, the pro forma purchase price was preliminarily allocated to the assets acquired and the liabilities assumed based on their estimated fair values as summarized in the following table.

	September 30, 2012 *(in thousands)*
Total pro forma purchase price	$ 505,929
Fair value of assets acquired:	
Cash and cash equivalents	$ 50,335
Securities available for sale at fair value	792,657
Federal Home Loan Bank stock at cost	12,040
Loans, net of unearned income	1,416,229
Premises and equipment	37,672
Other real estate owned	21,939
Goodwill	182,409
Core deposit intangible	15,561
Other assets	83,441
Total assets acquired	$ 2,612,283
Fair value of liabilities assumed:	
Deposits	$ 1,929,366
FHLB advances	127,900
Other liabilities	49,088
Total liabilities assumed	2,106,354
Fair value of net assets acquired	$ 505,929

39

Table of Contents

COMPARATIVE PER SHARE DATA OF COLUMBIA (UNAUDITED)

Presented below for Columbia and West Coast is historical, unaudited pro forma combined and pro forma equivalent per share financial data as of and for the year ended December 31, 2011 and as of and for the nine months ended September 30, 2012. The information presented below should be read together with the historical consolidated financial statements of Columbia and West Coast, including the related notes, filed by Columbia and West Coast, as applicable, with the SEC and incorporated by reference into this joint proxy statement/prospectus. See Where You Can Find More Information.

The unaudited pro forma and pro forma per equivalent share information gives effect to the merger as if the merger had been effective on December 31, 2011 or September 30, 2012 in the case of the book value data, and as if the merger had been effective as of January 1, 2011 in the case of the earnings per share and the cash dividends data. The unaudited pro forma data combines the historical results of West Coast into Columbia s consolidated statement of income. While certain adjustments were made for the estimated impact of fair value adjustments and other acquisition-related activity, they are not indicative of what could have occurred had the acquisition taken place on January 1, 2011.

The unaudited pro forma adjustments are based upon available information and certain assumptions that Columbia management believes are reasonable. The unaudited pro forma data, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of factors that may result as a consequence of the merger or consider any potential impacts of current market conditions or the merger on revenues, expense efficiencies, asset dispositions, among other factors, nor the impact of possible business model changes. As a result, unaudited pro forma data is presented for illustrative purposes only and does not represent an attempt to predict or suggest future results. Upon completion of the merger, the operating results of West Coast will be reflected in the consolidated financial statements of Columbia on a prospective basis.

	Columbia Historical	West Coast Historical	Pro Forma Combined	Per Equivalent West Coast Share [1]
For the year ended December 31, 2011:				
Basic earnings per share	$ 1.22	$ 1.65	$ 1.69	$ 0.94
Diluted earnings per share	$ 1.21	$ 1.58	$ 1.69	$ 0.94
Cash dividends declared [2]	$ 0.27	$	$ 0.27	$ 0.15
Book value per share as of December 31, 2011	$ 19.23	$ 15.20	$ 18.72	$ 10.44
For the nine months ended September 30, 2012:				
Basic earnings per share	$ 0.82	$ 0.87	$ 1.08	$ 0.60
Diluted earnings per share	$ 0.82	$ 0.82	$ 1.08	$ 0.60
Cash dividends declared [2]	$ 0.89	$ 0.05	$ 0.89	$ 0.50
Book value per share as of September 30, 2012	$ 19.20	$ 16.32	$ 19.11	$ 10.66

(1) Reflects West Coast shares at the exchange ratio of 0.5576

(2) Pro forma combined cash dividends declared are based only upon Columbia s historical amounts

40

Table of Contents

MARKET PRICES, DIVIDENDS AND OTHER DISTRIBUTIONS

Stock Prices

The table below sets forth, for the calendar quarters indicated, the high and low closing sales price per share of Columbia common stock and West Coast common stock, which trade on The Nasdaq Global Select Market under the symbols COLB and WCBO, respectively. As of January , 2013, there were approximately [ ] registered holders of Columbia s common stock and approximately [ ] registered holders of West Coast s common stock.

	Columbia Common Stock		West Coast Common Stock	
	High	**Low**	**High**	**Low**
2010				
First Quarter	$ 22.60	$ 16.03	$ 15.00	$ 10.25
Second Quarter	$ 24.96	$ 18.17	$ 17.20	$ 12.75
Third Quarter	$ 19.97	$ 15.91	$ 13.75	$ 10.30
Fourth Quarter	$ 21.99	$ 17.00	$ 14.70	$ 12.25
2011				
First Quarter	$ 22.14	$ 17.91	$ 17.90	$ 14.55
Second Quarter	$ 19.95	$ 16.56	$ 18.25	$ 15.00
Third Quarter	$ 18.14	$ 14.01	$ 18.03	$ 12.96
Fourth Quarter	$ 19.76	$ 13.46	$ 16.74	$ 13.75
2012				
First Quarter	$ 23.31	$ 19.99	$ 19.56	$ 15.74
Second Quarter	$ 23.42	$ 17.39	$ 20.11	$ 18.13
Third Quarter	$ 19.65	$ 17.48	$ 22.47	$ 19.09
Fourth Quarter	$ 19.85	$ 16.18	$ 22.90	$ 21.24
2013				
First Quarter	$	$	$	$

(1) Through [ ], 2013

	Columbia Common Stock	West Coast Common Stock
September 25, 2012 (1)	$ 18.85	$ 20.18
[ ], 2013 (2)	$ [ ]	$ [ ]

(1) The last trading day before the public announcement of the signing of the merger agreement.
(2) The last practicable date before the date of this joint proxy statement/prospectus.

Dividends and Other Distributions

Columbia declared a quarterly dividend with respect to its common stock for the quarter ended June 30, 2012 of $0.09 per share, and a concurrent special dividend of $0.21 per share. On April 25, 2012, Columbia declared a quarterly cash dividend of $0.08 per share and a special one-time cash dividend of $0.14 per share. On January 26, 2012, Columbia declared a quarterly cash dividend of $0.08 per share and a special, one-time cash dividend of $0.29 per share. For the quarter ended December 31, 2011, the quarterly dividend was $0.08 per share, with a concurrent special dividend of $0.05 per share. Quarterly dividends for the first three quarters of 2011 were $0.03 per share, $0.05 per share, and $0.06 per share, respectively. In 2010, Columbia declared quarterly dividends of $0.01 per share.

On each of December 11 and September 25, 2012, West Coast declared a quarterly cash dividend of $0.05 per outstanding share of common stock and $0.50 per outstanding share of Series B Preferred Stock (which was based on the amount that would have been paid if such shares of

Series B Preferred Stock had been converted to common stock prior to payment of the dividend). West Coast did not pay dividends with respect to its common stock during 2010, 2011 or the first two quarters of 2012.

Table of Contents

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document, including information included or incorporated by reference in this document may contain 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, (i) statements about the benefits of the merger, including future financial and operating results, cost savings, enhancements to revenue and accretion to reported earnings that may be realized from the merger; (ii) statements about our respective plans, objectives, expectations and intentions and other statements that are not historical facts; and (iii) other statements identified by words such as expects, anticipates, intends, plans, believes, seeks, estimates, or words of similar meaning. These forward-looking statements are based on current beliefs and expectations of Columbia s and West Coast s managements, and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond Columbia s and West Coast s control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change.

The following potential factors, among others, could cause actual results to differ materially from the anticipated results or other expectations in the forward-looking statements:

- the merger may not close when expected or at all because required regulatory, shareholder or other approvals and other conditions to closing are not received on a timely basis or at all;
- Columbia s stock price could change, before closing of the merger, including as a result of the financial performance of West Coast prior to closing, or more generally due to broader stock market movements, and the performance of financial companies and peer group companies;
- benefits from the merger may not be fully realized or may take longer to realize than expected, including as a result of changes in general economic and market conditions, interest and exchange rates, monetary policy, laws and regulations and their enforcement, and the degree of competition in the geographic and business areas in which West Coast operates;
- West Coast s business may not be integrated into Columbia s successfully, or such integration may take longer to accomplish than expected;
- the anticipated growth opportunities and cost savings from the merger may not be fully realized or may take longer to realize than expected;
- operating costs, customer losses and business disruption following the merger, including adverse developments in relationships with employees, may be greater than expected; and
- management time and effort may be diverted to the resolution of merger-related issues.

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in Columbia s and West Coast s reports filed with the SEC.

All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to Columbia or West Coast or any person acting on behalf of Columbia or West Coast are expressly qualified in their entirety by the cautionary statements above. Neither Columbia nor West Coast undertakes any obligation to update any forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.

42

Table of Contents

THE MERGER

The following is a discussion of the merger and the material terms of the merger agreement between Columbia and West Coast. You are urged to read carefully the merger agreement in its entirety, a copy of which is attached as Appendix A to this document and incorporated by reference herein. This summary may not contain all of the information about the merger agreement that is important to you. We encourage you to read the merger agreement carefully and in its entirety. Factual information about Columbia and West Coast can be found elsewhere in this joint proxy statement/prospectus and in the public filings Columbia and West Coast make with the SEC, as described in the section entitled Where You Can Find More Information.

Terms of the Merger

Transaction Structure

Columbia s and West Coast s boards of directors have unanimously approved and adopted the merger agreement. The merger agreement provides for the acquisition of West Coast by Columbia through the merger of a direct wholly-owned subsidiary of Columbia to be incorporated prior to the closing of the merger, with and into West Coast, with West Coast continuing as the surviving corporation. As soon as reasonably practicable following the merger, and as part of a single integrated transaction, the surviving corporation will be merged with and into Columbia. We refer to the merger of the wholly-owned Columbia subsidiary with and into West Coast as the merger, the merger of the surviving corporation with and into Columbia as the second step merger, and the two mergers together as the mergers.

Table of Contents

Merger Consideration

In the merger, West Coast shareholders will have the right, with respect to each of their shares of West Coast common stock, to elect to receive, subject to proration and adjustment as described below, either cash, stock, or a unit consisting of a mix of cash and stock (with the percentage of cash comprising such unit equal to the percentage of the total consideration represented by cash), in an amount equal to your pro rata share (taking into account Class C Warrants and in-the-money stock options on an as-exercised basis and shares of common stock issuable upon conversion of Series B Preferred Stock (including shares of Series B Preferred Stock issuable upon exercise of Class C Warrants)) of the total consideration, which consists of $264,468,650 in cash (which may be increased in certain circumstances described below) plus the aggregate proceeds received by West Coast from the exercise of stock options between the execution of the merger agreement and the effective time of the merger (less any amounts paid to holders of West Coast stock options exercised during such period), plus the product of 12,809,525 shares of Columbia common stock multiplied by the volume weighted average price of Columbia common stock for the twenty trading day period beginning on the twenty fifth day before the effective time of the merger (the Purchaser Average Closing Price). The following table sets forth information concerning the approximate aggregate and per share consideration that would be payable in the merger based on different Purchaser Average Closing Prices. The table does not reflect the fact that cash will be paid instead of fractional shares, and does not account for any adjustments that may be made to the total cash amount in certain circumstances.

	Purchaser Average Closing Price	Total Stock Consideration (in millions)	Total Cash Amount (in millions)	Aggregate Consideration (in millions)	Per Share Consideration
	$ 17.00	$ 217.8	$ 264.5	$ 482.2	$ 22.05
	$ 17.25	$ 221.0	$ 264.5	$ 485.4	$ 22.19
	$ 17.50	$ 224.2	$ 264.5	$ 488.6	$ 22.33
	$ 17.75	$ 227.4	$ 264.5	$ 491.8	$ 22.47
	$ 18.00	$ 230.6	$ 264.5	$ 495.0	$ 22.61
	$ 18.25	$ 233.8	$ 264.5	$ 498.2	$ 22.75
	$ 18.50	$ 237.0	$ 264.5	$ 501.4	$ 22.89
	$ 18.75	$ 240.2	$ 264.5	$ 504.6	$ 23.03
As of 9/25/12	$ 18.85	$ 241.5	$ 264.5	$ 505.9	$ 23.08
	$ 19.00	$ 243.4	$ 264.5	$ 507.8	$ 23.17
	$ 19.25	$ 246.6	$ 264.5	$ 511.1	$ 23.31
	$ 19.50	$ 249.8	$ 264.5	$ 514.3	$ 23.44
	$ 19.75	$ 253.0	$ 264.5	$ 517.5	$ 23.58
	$ 20.00	$ 256.2	$ 264.5	$ 520.7	$ 23.72
	$ 20.25	$ 259.4	$ 264.5	$ 523.9	$ 23.86
	$ 20.50	$ 262.6	$ 264.5	$ 527.1	$ 24.00
	$ 20.75	$ 265.8	$ 264.5	$ 530.3	$ 24.14
	$ 21.00	$ 269.0	$ 264.5	$ 533.5	$ 24.28

If the effective time of the merger does not occur on or prior to the later of (i) six months from the execution of the merger agreement (the Six Months Date) and (ii) April 1, 2013, and if West Coast s consolidated total stockholders equity (subject to adjustment for certain unaccrued fees and expenses incurred in connection with the merger) exceeds $328,000,000, the aggregate merger consideration will be increased by an amount in cash equal to West Coast s earnings during the period from the Six Months Date to the effective time of the merger less the amount of quarterly cash dividends paid by West Coast during such period. In addition, if the Purchaser Average Closing Price declined by more than 17.5% from the closing price of Columbia common stock on the day of the execution of the merger agreement, and Columbia s common stock underperforms the Keefe Bruyette & Wood (KBW) Regional Banking Index by more than 17.5% during such period, West Coast may terminate the merger agreement unless Columbia contributes sufficient additional cash consideration to offset any reduction in the value of the merger consideration attributable to such decline, as discussed in greater detail

Table of Contents

below. We sometimes refer to $264,468,650, plus the aggregate proceeds received by West Coast from the exercise of stock options between the execution of the merger agreement and the effective time of the merger (less any amounts paid to holders of West Coast stock options exercised during such period), plus any additional cash consideration paid by Columbia pursuant to the two preceding sentences, as the total cash amount. We sometimes refer to the product of 12,809,525 multiplied by the Purchaser Average Closing Price as the total stock consideration.

If you are a West Coast shareholder, whether you receive cash or Columbia common stock or a unit consisting of a mix of cash and stock as merger consideration, the value of the merger consideration that you will receive will fluctuate with the market price of Columbia common stock and will depend on the volume weighted average price of Columbia common stock for the twenty trading day period beginning on the twenty fifth day before the completion of the merger, and, if you receive Columbia common stock as merger consideration, on the market price of Columbia common stock when you receive the shares of Columbia common stock.

Cash Election

The merger agreement provides that each West Coast shareholder who makes a valid cash election will have the right to receive, in exchange for each share of West Coast common stock, subject to proration and adjustment as described below, an amount in cash equal its pro rata share (taking into account Class C Warrants and in-the-money stock options on an as-exercised basis and shares of common stock issuable upon conversion of Series B Preferred Stock (including shares of Series B Preferred Stock issuable upon exercise of Class C Warrants)) of the aggregate consideration, which consists of the total cash amount plus the total stock consideration (both as described above). This amount, which is referred to as the per share cash consideration, or the per share consideration, is calculated as the quotient obtained by dividing (a) the sum of (i) the aggregate consideration (which is equal to the total cash amount plus the total stock consideration) and (ii) the warrant and option proceeds (as defined below), by (b) the aggregate number of shares of West Coast common stock outstanding (including restricted shares, shares issuable upon conversion of Series B Preferred Stock (including shares of Series B Preferred Stock issuable upon exercise of West Coast s Class C Warrants) and shares issuable upon exercise of West Coast stock options that have an exercise price below the per share consideration). For purposes of this calculation, the warrant and option proceeds are defined as the sum of (i) $24,000,000 and (ii) the aggregate proceeds that would be received by West Coast from the exercise of all West Coast stock options that have an exercise price below the per share consideration. For example, based on the volume weighted average price of Columbia common stock during the twenty trading day period ending [ ], the last practicable date before the printing of this document, and assuming no adjustments to the aggregate merger consideration are required pursuant to the discussion above concerning the delay in the completion of the merger or a greater than 17.5% decline in Columbia s stock price, each West Coast common shareholder who receives cash for such shareholder s shares would have the right to receive approximately $[ ] per share in cash. The aggregate amount of cash that Columbia has agreed to pay in the merger is fixed at the total cash amount and as a result, even if a West Coast shareholder makes a cash election, that holder may nevertheless receive a mix of cash and stock. If a West Coast shareholder makes a valid cash election, such holder s shares are referred to as cash election shares.

Stock Election

The merger agreement provides that each West Coast shareholder who makes a valid stock election will have the right to receive, in exchange for each share of West Coast common stock, subject to proration and adjustment as described below, a number of shares of Columbia common stock equal to the exchange ratio (as defined below). We refer to this as the per share stock consideration. The exchange ratio is calculated as the quotient (rounded to the nearest ten-thousandth) obtained by dividing (a) the per share consideration by (b) the Purchaser Average Closing Price. No fractional shares of Columbia common stock will be issued in the merger, and a holder of West Coast common stock who would otherwise be entitled to a fractional share of Columbia common stock will receive cash in lieu thereof. Because the aggregate amount of cash that will be paid in the merger is fixed at the total cash amount, in the event that the total cash amount is undersubscribed, even if a West Coast shareholder makes a stock election, that holder may nevertheless receive a mix of cash and stock. If a West Coast shareholder makes a valid stock election, such holder s shares are referred to as stock election shares.

Mixed Election

The merger agreement provides that each West Coast shareholder who makes a valid mixed election will have the right to receive the per share stock consideration in respect of the portion of such holder s shares equal to the stock percentage (as defined below), rounded to the nearest whole share, and the per share cash consideration in respect of the portion of such holder s shares equal to the cash percentage (as defined below), rounded to the nearest whole share. The cash percentage is equal to the total cash amount payable by Columbia as a percentage of the aggregate consideration (the value of the total cash amount and the total stock consideration payable by Columbia), which will fluctuate with the price of Columbia common stock during the during the twenty trading day period beginning on the twenty fifth day before the effective time of the merger, and the stock percentage is equal to one (1) minus the cash percentage. If a West Coast shareholder makes a valid mixed election, the shares with respect to which such holder has the right to receive the per share cash consideration are referred to as mixed cash shares and the shares with respect to which such holder has the right to receive the per share stock consideration are referred to as mixed stock shares.

Non-Election

West Coast shareholders who make no election to receive cash or shares of Columbia common stock in the merger, whose elections are not received by the exchange agent by the election deadline, or whose forms of election are improperly completed and/or are not signed will be deemed not to have made an election. West Coast shareholders not making an election may be paid in cash, Columbia common stock or a mix of cash and shares of Columbia common stock depending on, and after giving effect to, the adjustment procedures described below, the number of valid cash elections and stock elections that have been made by other West Coast shareholders, and the number of shares held by West Coast shareholders who provided notice of dissent to West Coast and do not vote in favor of the merger and who have not lost their right to dissenters rights (in the event that dissenters rights apply because shares of West Coast common stock cease to be registered on a national securities exchange, as discussed below) in accordance with the procedures and requirements of Oregon law (sometimes referred to as proposed dissenting shares). Shares of West Coast common stock with respect to which no election is deemed to have been made are referred to as no election shares.

Adjustment on a Prorated Basis

The cash and stock elections are subject to adjustment to ensure that the aggregate amount of cash that would be paid in the merger is equal to the total cash amount. As a result, even if a West Coast shareholder makes a cash election or stock election, such West Coast shareholder may nevertheless receive some stock consideration or some cash consideration, respectively.

Proration Adjustment if Cash Consideration is Oversubscribed

Shares of Columbia common stock may be issued to West Coast shareholders who make cash elections if the total cash amount is oversubscribed, meaning the aggregate cash amount that would be paid in the merger exceeds the total cash amount, in which case:

- all mixed stock shares, stock election shares and no election shares will be converted into the right to receive the per share stock consideration;

- all proposed dissenting shares (meaning all shares of West Coast common stock whose holders provide notice of dissent to West Coast prior to the West Coast special meeting and who do not vote in favor of the merger, in the event that dissenters rights apply to the merger (as discussed below)) will be deemed, for the purposes of proration, to be converted into the right to receive the per share cash consideration;

Table of Contents

the exchange agent will select from among the cash election shares, by a pro rata selection process, a sufficient number of shares such that the aggregate cash amount that will be paid in the merger equals as closely as practicable the total cash amount, and all shares so selected will be converted into the right to receive the per share stock consideration (such shares are referred to as stock designated shares);

a West Coast shareholder making a cash election will receive:

the per share stock consideration for such holder s shares that are stock designated shares; and

the per share cash consideration for such holder s remaining shares; and

all mixed cash shares will be converted into the right to receive the per share cash consideration.

Example of Oversubscription of Total Cash Amount

As an example, assuming that the Purchaser Average Closing Price was equal to $18.85, and the total cash amount is $264,468,650, then the per share consideration would be equal to approximately $23.08 and the aggregate consideration would be equal to approximately $505.9 million, consisting of approximately $264.5 million in cash and 12,809,525 shares of Columbia stock valued at approximately $241.5 million. Under these assumptions, there would be a total of 11,985,058 shares of West Coast common stock exchangeable for cash consideration and 10,942,342 shares of West Coast common stock exchangeable for stock consideration in the merger (assuming all holders of Series B Preferred Stock elect to receive merger consideration, and treating all Class C Warrants and shares of Series B Preferred Stock on a common-equivalent basis).

Assuming that:

the number of cash election shares and mixed cash shares (and proposed dissenting shares, in the event that dissenters rights apply) combined is equal to 14,000,000, which would require the payment of approximately $323.2 million in cash (14,000,000*$23.08) (in other words, there is only approximately $264.5 million in total cash consideration, but based on the elections received approximately $323.2 million in cash would be paid in the merger),

then a West Coast shareholder that has made a valid cash election with respect to 1,000 shares of West Coast common stock would receive the per share stock consideration with respect to 144 shares (as rounded to the nearest whole share) of West Coast common stock and the per share cash consideration with respect to the remaining 856 shares (as rounded to the nearest whole share) of West Coast common stock. Therefore, that West Coast shareholder would receive 176 shares (as rounded to the nearest whole share) of Columbia common stock and approximately $19,760 in cash (as rounded to the nearest dollar). This example does not reflect any cash that may be paid in lieu of fractional shares of Columbia common stock.

Proration Adjustment if Cash Consideration is Undersubscribed

West Coast shareholders who make stock elections may receive cash in respect of some of their shares if the total cash amount is undersubscribed, meaning the aggregate cash amount that would be paid in the merger is less than the total cash amount, in which case:

all cash election shares and mixed cash shares will be converted into the right to receive the per share cash consideration;

all proposed dissenting shares will be deemed, for the purposes of proration, to be converted into the right to receive the per share cash consideration;

the exchange agent will select first from among the no election shares and then (if necessary) from among the stock election shares, by a pro rata selection process, a sufficient number of shares such that the aggregate cash amount that will be paid in the merger equals as closely as practicable the total cash amount (such shares are referred to as cash designated shares);

Table of Contents

a West Coast shareholder making a stock election will receive:

the per share cash consideration for such holder s shares that are cash designated shares; and

the per share stock consideration for such holder s remaining shares;

all mixed stock shares and all no election shares that are not cash designated shares will be converted into the right to receive the per share stock consideration; and

all no election shares that are cash designated shares will be converted into the right to receive the per share cash consideration.

Examples of Undersubscription of Total Cash Amount

As an example, assuming that the Purchaser Average Closing Price was equal to $18.85, and the total cash amount is $264,468,650, then the per share consideration would be equal to approximately $23.08 and the aggregate consideration would be equal to approximately $505.9 million, consisting of approximately $264.5 million in cash and 12,809,525 shares of Columbia stock valued at approximately $241.5 million. Under these assumptions, there would be a total of 11,985,058 shares of West Coast common stock exchangeable for cash consideration and 10,942,342 shares of West Coast common stock exchangeable for stock consideration in the merger (assuming all holders of Series B Preferred Stock elect to receive merger consideration, and treating all Class C Warrants and shares of Series B Preferred Stock on a common-equivalent basis).

Scenario 1: Undersubscription of total cash amount and only no election shares are prorated into receiving cash consideration:

Assuming that:

the number of cash election shares and mixed cash shares (and proposed dissenting shares, in the event that dissenters rights apply) combined is equal to 10,000,000, which would require the payment of approximately $230.8 million in cash (10,000,000*$23.08) (in other words, there is approximately $264.5 million in total cash consideration, but based on the number of elections received only approximately $230.8 million in cash would be paid in the merger),

the number of stock election shares and mixed stock shares combined is equal to 8,000,000, which would require the payment of approximately $184.7 million in Columbia common stock (8,000,000*$23.08), and

there are 4,927,400 no election shares, which would require the payment of approximately $113.7 million (4,907,844*$23.08),

then a West Coast shareholder that has not made a valid election prior to the election deadline with respect to 1,000 shares of West Coast common stock would receive the per share stock consideration with respect to 597 shares (as rounded to the nearest whole share) of West Coast common stock and the per share cash consideration with respect to the remaining 403 shares (as rounded to the nearest whole share) of West Coast common stock. Therefore, that West Coast shareholder would receive 731 shares (as rounded to the nearest whole share) of Columbia common stock and approximately $9,299 in cash (as rounded to the nearest dollar). In this example, all stock election shares would receive the per share stock consideration.

Scenario 2: Undersubscription of total cash amount and both no election shares and stock election shares are prorated into receiving cash consideration

Assuming instead that

the number of cash election shares and mixed cash shares (and proposed dissenting shares, in the event that dissenters rights apply) combined is equal to 4,000,000, which would require the payment of approximately $92.3 million in cash (4,000,000*$23.08) (in other words, there is approximately $264.5 million in total cash consideration, but based on the number of elections received only approximately $92.3 million in cash would be paid in the merger), the number of mixed stock shares is equal to 6,000,000, which would require the payment of approximately $138.5 million in Columbia common stock (6,000,000*$23.08),

the number of stock election shares is equal to 6,000,000, which would require the payment of approximately $138.5 in Columbia common stock (6,000,000*$23.08), and

there are 6,927,400 no election shares, which would require the payment of approximately $159.9 million (6,907,844*$23.08), then a West Coast shareholder that has not made a valid election prior to the election deadline with respect to 1,000 shares of West Coast common stock would receive the per share cash consideration with respect to all 1,000 shares. Therefore, that West Coast shareholder would receive approximately $23,082 in cash (as rounded to the nearest dollar).

In this same case, a West Coast shareholder that has made a valid stock election with respect to 1,000 shares of West Coast common stock would receive the per share stock consideration with respect to 824 shares (as rounded to the nearest whole share) of West Coast common stock and the per share cash consideration with respect to the remaining 176 shares (as rounded to the nearest whole share) of West Coast common stock. Therefore, that West Coast shareholder would receive 1,009 shares (as rounded to the nearest whole share) of Columbia common stock and approximately $4,069 in cash (as rounded to the nearest dollar). These examples do not reflect any cash that may be paid in lieu of fractional shares of Columbia common stock.

No Adjustment if Cash Consideration is Sufficiently Subscribed

If the aggregate cash amount that would be paid in the merger is equal or nearly equal to the total cash amount, then:

a West Coast shareholder making a cash election will receive the per share cash consideration for each share of West Coast common stock held by such holder;

a West Coast shareholder making a stock election will receive the per share stock consideration for each share of West Coast common stock held by such holder;

all mixed cash shares will be converted into the right to receive the per share cash consideration; and

all mixed stock shares and no election shares will be converted into the right to receive the per share stock consideration.

Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration

The conversion of West Coast common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. As soon as reasonably practicable after the effective time of the merger, the exchange agent will exchange certificates representing shares of West Coast common stock for merger consideration to be received in the merger pursuant to the terms of the merger agreement.

Election Statement

An election statement is being distributed by the exchange agent which will allow West Coast shareholders (and, as described below, holders of Series B Preferred Stock and holders of Class C Warrants) to make a cash, stock or mixed election, or to make no election with respect to the type of merger consideration they wish to receive.

Holders of West Coast common stock, Series B Preferred Stock, or Class C Warrants who wish to elect the type of merger consideration they will receive in the merger should carefully review and follow the instructions set forth in the election statement. West Coast shareholders who hold their shares in street name should follow their broker s instructions for making an election with respect to such shares. All election statements must be

received by the exchange agent by 5:00 p.m., Pacific Time, on the day prior to the fifth business day before the completion of the merger. This date is referred to as the election deadline. Shares of West Coast common stock, Series B Preferred Stock, and Class C Warrants as to which the holder has not made a valid election prior to the election deadline will be treated as though they had not made an election.

NOTE: The actual election deadline is not currently known. Columbia and West Coast will issue a press release announcing the date of the election deadline at least five business days before that deadline. Additionally, Columbia and West Coast will post the date of the election deadline on their respective web sites, also at least five business days before that deadline.

To make an election, a holder of West Coast common stock, Series B Preferred Stock, or Class C Warrants must submit a properly completed election statement so that it is actually received by the exchange agent at or prior to the election deadline in accordance with the instructions on the election statement. Neither West Coast nor Columbia is under any obligation to notify any holder of defects in such holder s election statement.

Generally, an election may be revoked or changed, but only by written notice received by the exchange agent prior to the election deadline. If an election is revoked and unless a subsequent properly executed election statement is actually received by the exchange agent at or prior to the election deadline, the holder having revoked the election will be deemed to have made no election with respect to his or her shares of West Coast common stock, Series B Preferred Stock, or Class C Warrants.

Holders will not be entitled to revoke or change their elections following the election deadline. As a result, holders who have made elections will be unable to revoke their elections.

Shares of West Coast common stock, Series B Preferred Stock, or Class C Warrants as to which the holder has not made a valid election prior to the election deadline, including as a result of revocation, will be deemed to have made no election. If it is determined that any purported cash election, stock election or mixed election was not properly made, the purported election will be deemed to be of no force or effect and the holder making the purported election will be deemed not to have made an election for these purposes, unless a proper election is subsequently made on a timely basis.

Letters of Transmittal

Within five business days after the completion of the merger, the exchange agent will send a letter of transmittal and instructions for surrendering certificates or book-entry shares in exchange for the merger consideration, any cash in lieu of fractional shares of Columbia common stock (as described below), and any dividends or distributions to which a holder may be entitled (as described below), to each holder of record of certificates or book-entry shares which, immediately prior to the completion of the merger, represented shares of West Coast common stock, whose shares were converted into the right to receive the merger consideration, as well as to each holder of record of certificates or book-entry shares which, immediately prior to the completion of the merger, represented West Coast restricted shares, Series B Preferred Stock or Class C Warrants that were converted (in the case of Series B Preferred Stock and Class C Warrants, at the election of such holders) into the right to receive the merger consideration.

If a certificate for West Coast common stock, Series B Preferred Stock, or Class C Warrants has been lost, stolen or destroyed, the exchange agent will issue the consideration properly payable under the merger agreement upon receipt of an affidavit as to that loss, theft or destruction and, if requested by the exchange agent, the posting of a bond to indemnify the exchange agent against any claim that may be made against it with respect to such certificate.

Cash in Lieu of Fractional Shares

No fractional shares of Columbia common stock will be issued upon the surrender of certificates or book-entry shares for exchange, and no dividend or distribution with respect to Columbia common stock will be payable on or with respect to any fractional share, and such fractional share interests will not entitle the owner thereof to vote or to any other rights of a shareholder of Columbia. In lieu of the issuance of any such fractional share, Columbia will pay to each former shareholder of West Coast who otherwise would be entitled to receive such fractional share an amount in cash (rounded to the nearest cent) determined by multiplying (i) the Purchaser Average Closing Price by (ii) the fraction of a share (after taking into account all shares of West Coast common stock held by such holder at the effective time of the merger and rounded to the nearest thousandth when expressed in decimal form) of Columbia common stock which such holder would otherwise be entitled to receive.

Dividends and Distributions

Until certificates or book-entry shares representing shares of West Coast common stock, Series B Preferred Stock, or Class C Warrants are surrendered for exchange, any dividends or other distributions with a record date after the effective time of the merger with respect to Columbia common stock into which such shares of West Coast common stock, Series B Preferred Stock, or Class C Warrants may have been converted will not be paid. Following surrender of any such certificates or book-entry shares, the record holder thereof will be entitled to receive, without interest, any dividends or other distributions with a record date after the effective time of the merger payable with respect to the whole shares of Columbia common stock represented by such certificates or book-entry shares and paid prior to the surrender date, and at the appropriate payment date, the amount of dividends or other distributions payable with respect to shares of Columbia common stock represented by such certificates or book-entry shares with a record date after the effective time of the merger but before the surrender date and with a payment date after the issuance of Columbia common stock issuable with respect to such certificates or book-entry shares.

After the effective time of the merger, there will be no transfers on the stock transfer books of West Coast of any shares of West Coast common stock, West Coast restricted shares, Series B Preferred Stock whose holders have elected to convert such shares, and Class C Warrants whose holders have exercised such warrants, other than to settle transfers that occurred prior to the effective time of the merger. If certificates representing such shares are presented for transfer after the completion of the merger, they will be cancelled and exchanged for the merger consideration into which the shares represented by that certificate have been converted.

Dissenting Shares

Under § 60.554(3) of the Oregon Business Corporation Act (OBCA), West Coast shareholders will not be entitled to dissenters rights of appraisal if their shares are registered on a national securities exchange on the record date for the West Coast special meeting. Because shares of West Coast common stock are currently registered on a national securities exchange, and we expect them to continue to be so registered until the completion of the merger, we do not expect that holders of West Coast common stock will be entitled to dissenters rights under Oregon law.

In the event that shares of West Coast common stock are not registered on a national securities exchange on the record date of the West Coast special meeting and dissenters rights apply, each share of West Coast common stock as to which the holder has properly taken all steps necessary to exercise dissenters rights under §§ 60.551 60.594 of the OBCA will be converted into the rights provided under Oregon law, unless the holder thereof withdraws his or her demand for payment, or fails to perfect such holder s dissenters rights under Oregon law, in which case each such share will be deemed to have been converted at the effective time of the merger into the right to receive the per share cash consideration, without any interest.

Under the OBCA, shareholders who have the right to dissent and who comply with the applicable statutory procedures are entitled to receive a judicial appraisal of the fair value of their shares (excluding any appreciation or depreciation in anticipation of the merger, unless exclusion would be inequitable) and to receive payment of such fair value in cash, together with accrued interest. Any such judicial determination of the fair value of West Coast common stock could be based upon factors other than, or in addition to, the price per share paid in the merger or the market value of the shares of West Coast common stock. The value so determined could be more or less than the price per share to be paid in the merger. Failure to follow the steps required by the OBCA for perfecting dissenters rights may result in the loss of such rights. This summary is not a complete statement of all applicable requirements and is qualified in its entirety by reference to §§ 60.551 60.594 of the OBCA, which are reproduced in their entirety as Appendix D to this document. In the event that shares of West Coast common stock cease to be registered on a national securities exchange on the record date of the West Coast special meeting and dissenters rights apply, shareholders are urged to read §§ 60.551 60.594 of the OBCA.

Regulatory Approvals Required for the Merger

Each of Columbia and West Coast has agreed to use its reasonable best efforts to obtain all regulatory approvals required to complete the merger and the other transactions contemplated by the merger agreement. These approvals include approval from the Federal Reserve Board and the Oregon Department of Consumer and Business Services, among others. Columbia and West Coast have filed, or are in the process of filing, applications and notifications to obtain these regulatory approvals.

Federal Reserve Board. The transactions contemplated by the merger agreement are subject to approval by the Federal Reserve Board pursuant to the Bank Holding Company Act of 1956, as amended.

Additional Regulatory Approvals and Notices. The transactions contemplated by the merger agreement are also subject to approval by the Oregon Department of Consumer and Business Services and notifications may be filed with various other regulatory agencies.

There can be no assurances that such approvals will be received on a timely basis, or as to the ability of Columbia and West Coast to obtain the approvals on satisfactory terms or the absence of litigation challenging such approvals. There can likewise be no assurances that U.S. or state regulatory authorities will not attempt to challenge the merger on antitrust grounds or for other reasons, or, if such a challenge is made, as to the result of such challenge. The parties obligations to complete the transactions contemplated by the merger agreement are subject to a number of conditions, including the receipt of all requisite regulatory approvals.

Accounting Treatment

In accordance with current accounting guidance, the merger will be accounted for using the acquisition method. The result of this is that the recorded assets and liabilities of Columbia will be carried forward at their recorded amounts, the historical operating results will be unchanged for the prior periods being reported on and that the assets and liabilities of West Coast will be adjusted to fair value at the date of the merger. In addition, all identified intangibles will be recorded at fair value and included as part of the net assets acquired. To the extent that the purchase price, consisting of cash plus the number of shares of Columbia common stock to be issued to former West Coast shareholders, holders of Series B Preferred Stock and holders of Class C Warrants at fair value, exceeds the fair value of the net assets including identifiable intangibles of West Coast at the merger date, that amount will be reported as goodwill. In accordance with current accounting guidance, goodwill will not be amortized but will be evaluated for impairment annually. Identified intangibles will be amortized over their estimated lives. Further, the acquisition method of accounting results in the operating results of West Coast being included in the operating results of Columbia beginning from the date of completion of the merger.

Public Trading Markets

Columbia common stock is listed on the Nasdaq Global Select Market under the symbol COLB. West Coast common stock is listed on the Nasdaq Global Select Market under the symbol WCBO. Upon completion of the merger, West Coast common stock will be delisted from the Nasdaq Global Select Market and thereafter will be deregistered under the Securities Exchange Act of 1934, as amended (the Exchange Act). The Columbia common stock issuable in the merger will be listed on the Nasdaq Global Select Market.

Table of Contents

Resale of Columbia Common Stock

All shares of Columbia common stock received by West Coast shareholders, holders of Series B Preferred Stock and holders of Class C Warrants in the merger will be freely tradable for purposes of the Securities Act of 1933, as amended (the Securities Act) and the Exchange Act, except for shares of Columbia common stock received by any such holder who becomes an affiliate of Columbia after completion of the merger. This document does not cover resales of shares of Columbia common stock received by any person upon completion of the merger, and no person is authorized to make any use of this document in connection with any resale.

Background of the Merger

The management of West Coast has from time to time explored and assessed, and has discussed with the West Coast board of directors, various strategic options potentially available to West Coast. These strategic discussions have focused on, among other things, the business environment facing financial institutions generally and West Coast in particular, as well as conditions and ongoing consolidation in the financial services industry.

Columbia s management and board of directors also regularly review the financial services industry environment, including the trend towards consolidation in the industry, and periodically discuss ways in which to enhance Columbia s competitive position, including through the possible acquisition of another financial institution.

Over the years, the respective management teams of West Coast and Columbia have engaged in discussions concerning developments and trends in the Pacific Northwest banking industry and other matters, and have frequently attended the same industry conferences. In early 2012, Robert D. Sznewajs, President and Chief Executive Officer of West Coast, spoke with Melanie J. Dressel, the President and Chief Executive Officer of Columbia, regarding general industry and business matters. In the course of these conversations, Ms. Dressel expressed interest in discussing a potential strategic transaction between the two companies. Also during the same time period, Mr. Sznewajs had conversations with other financial institutions that had expressed interest in discussing a potential strategic transaction with West Coast.

As part of the West Coast board of directors ongoing consideration and evaluation of West Coast s long-term prospects and strategies, an executive session of the board of directors of West Coast was convened in late March 2012 to discuss strategic developments and opportunities potentially available to West Coast. At this meeting, the board of directors of West Coast also discussed the recent conversations Mr. Sznewajs had with Ms. Dressel and other institutions that had expressed interest in a potential transaction with West Coast. During this meeting, the members of West Coast s board of directors discussed their preliminary views of possible valuations that might be applied to West Coast in a potential strategic transaction. Following this discussion, the board of directors determined that Mr. Sznewajs should continue to engage in preliminary conversations with potentially interested strategic partners. The board of directors also determined that it should engage a financial advisor to assist in the strategic review which it intended to undertake.

Over the course of the next month, Mr. Sznewajs continued to have exploratory conversations with Columbia. These conversations remained preliminary in nature. During this time, in the interest of their continuing discussions, West Coast and Columbia executed a confidentiality agreement under which each party agreed to maintain the confidentiality of any evaluation material provided by the other. During this period, Mr. Sznewajs also had discussions with representatives of Sandler O Neill + Partners concerning the board of directors March strategic review and consideration of a possible strategic transaction with another financial institution.

In late April 2012, an executive session of the board of directors of West Coast was convened to discuss, among other matters, the status of West Coast s exploratory discussions concerning a possible strategic transaction. At this meeting, the board of directors of West Coast determined to engage Sandler O Neill to assist in the continued exploration and consideration of potential strategic alternatives available to West Coast.

Table of Contents

Over the course of the next several weeks, Mr. Sznewajs continued to engage in informal discussions with Columbia. During this period, Columbia communicated a preliminary indication of interest in merging with West Coast in a stock and cash transaction, and an interest in conducting a more detailed due diligence investigation of West Coast. Columbia s initial indication of interest contemplated aggregate consideration consisting of $246,600,949 in cash and 12,517,815 shares of Columbia common stock, with a total value (based on an assumed per share price of Columbia stock of $19.03) equal to $484,814,968. During this same period, Sandler O Neill also received inquiries from two additional financial institutions expressing interest in a possible strategic transaction with West Coast.

In late May 2012, an executive session of the board of directors of West Coast was convened to discuss recent developments with respect to the exploratory review of strategic alternatives potentially available to West Coast, as well as the preliminary indication of interest submitted by Columbia. Sandler O Neill reviewed the key terms of and assumptions underlying this indication with the West Coast board of directors. Mr. Sznewajs and Sandler O Neill also discussed with the board of directors the preliminary inquiries recently made by two of the other financial institutions that had expressed interest in discussing a potential strategic transaction with West Coast. The board of directors directed that Mr. Sznewajs and Sandler O Neill should continue conversations with Columbia to obtain improved indicative economic terms, and pursue further discussions with the two other financial institutions in an effort to understand the indicative economic terms, if any, on which these other institutions might propose to pursue a transaction.

Thereafter, Sandler O Neill contacted the two other financial institutions at the direction of the West Coast board to ascertain their level of interest in a potential transaction. Each of such institutions responded with a preliminary indicative range of interest, subject to due diligence and other conditions. West Coast executed customary confidentiality and standstill agreements with each of the two other potentially interested financial institutions, and following such execution such financial institutions were provided certain diligence materials on behalf of West Coast. West Coast and its representatives continued to have periodic discussions with each of these institutions over the subsequent weeks, but no definitive transaction proposal resulted. The economic and other terms of the preliminary indication of interest provided by each of the two financial institutions were, on the whole, less compelling than those which had been previously provided by Columbia.

Also at the direction of the board of West Coast, Sandler O Neill contacted Columbia to convey the board s view that the initial indication of interest from Columbia was inadequate, and to seek improved terms and certainty around conditions and other material terms to a proposed transaction. Following a meeting and at the direction of its board of directors, Columbia responded with an enhanced proposal to acquire West Coast for aggregate consideration which constituted an approximate 2.3% increase over the May proposal. Columbia s enhanced proposal contemplated aggregate consideration consisting of $252,347,637 in cash and 12,809,525 shares of Columbia common stock, with a total value (based on an assumed per share price of Columbia stock of $19.03) equal to $496,112,898.

Mr. Sznewajs and Sandler O Neill regularly updated the West Coast board of directors throughout this time period on continuing conversations with the interested parties. In addition, in late June 2012, the board of directors of West Coast met in executive session to receive a formal update on developments in discussions around a potential transaction, including on the improved terms of the Columbia indication of interest. Following extensive discussion, the West Coast board of directors authorized and directed Mr. Sznewajs and the Company s advisors to continue meeting with Columbia in an effort to reach an understanding of the definitive terms on which a definitive transaction could be agreed.

Over the course of the subsequent weeks, representatives of West Coast and Columbia conducted mutual due diligence involving senior executives from both companies as well as their outside legal and financial advisors. During this time, the parties and their outside counsel began discussing the material terms on which a transaction could be reached, including the conditions to a potential transaction and other significant provisions. In the course of these conversations Columbia indicated, among other things, that its indication of interest was contingent upon the execution of voting and support agreements by three major shareholders of West Coast, as well as West Coast directors. Columbia also expressed a willingness to appoint one current member of the West Coast board of directors to the Columbia board of directors following the completion of the transaction.

Throughout this time, Mr. Sznewajs continued to update the West Coast board of directors on the course of discussions with Columbia. Following several weeks of discussions between West Coast and Columbia, and based on these updates, the consensus of the West Coast board of directors was that Mr. Sznewajs and West Coast s advisors should attempt to seek a further enhancement of the economic terms of the proposed transaction. Further discussions thereafter ensued between West Coast and Columbia, and as a result of these discussions, the parties agreed to recommend to their respective boards of directors a transaction in which Columbia would acquire West Coast for aggregate consideration for all West Coast common shares and common share equivalents (including West Coast s outstanding warrants and preferred stock) consisting of 12,809,525 shares of Columbia common stock and $264,468,650 in cash (subject to increase under certain circumstances), with West Coast shareholders having the option to elect to receive cash, stock, or a unit consisting of a mix of cash and stock (subject to proration adjustments). This aggregate consideration was approximately 2.5% above the amount offered by Columbia in its prior enhanced offer. The parties had during the same time period continued finalizing the definitive terms of the merger agreement and the other transaction agreements, as well as continuing mutual confirmatory due diligence.

On September 24, 2012, Columbia s board of directors met to consider the proposed transaction. Attending the meeting were representatives of Columbia s management, Columbia s legal counsel, Graham & Dunn PC, and KBW, Columbia s financial advisor. Columbia s management provided information regarding operational and financial considerations relating to the proposed consolidation of the businesses of Columbia and West Coast, and provided a review of West Coast s loans and loan policies based on Columbia s due diligence review as well as a review conducted by an outside loan quality review firm.

Graham & Dunn reviewed the fiduciary duties and responsibilities of the board of directors in considering the proposed transaction, provided the board of directors with an overview of the legal due diligence conducted by it, and summarized the merger agreement and related agreements. KBW reviewed certain financial aspects of the proposed transaction, and rendered its oral opinion, confirmed in a letter dated September 25, 2012, that as of such date and based on the qualifications and assumptions set forth in its written opinion, the aggregate merger consideration to be paid by Columbia pursuant to the merger agreement was fair to Columbia from a financial point of view. See The Merger Opinion of Financial Advisor to Columbia.

Following these presentations, reviews and a discussion among Columbia s board of directors, including consideration of the factors described under Recommendation of the Columbia Board of Directors and Reasons for the Merger, Columbia s board of directors determined that it is in the best interest of Columbia and its shareholders to proceed with the merger, and unanimously approved the merger agreement and the transactions contemplated by the merger agreement.

On September 25, 2012, the board of directors of West Coast met to consider the proposed transaction, together with representatives of management, Sandler O Neill and Wachtell, Lipton, Rosen & Katz, special counsel to West Coast. During the meeting, West Coast management detailed the reports of the company s due diligence review of Columbia. Sandler O Neill reviewed with the board of directors additional information, including the financial terms of the proposed transaction, information regarding peer companies and comparable transactions, and a net present value analysis of West Coast and Columbia. Sandler O Neill rendered to the West Coast board of directors its oral opinion (subsequently confirmed in writing), as described under Opinion of West Coast s Financial Advisor, that, as of September 25, 2012, and based on the qualifications and assumptions set forth in its opinion, the merger consideration was fair to the holders of West Coast common stock from a financial point of view.

Representatives of Wachtell, Lipton, Rosen & Katz, legal advisors to West Coast, discussed with the West Coast board of directors the legal standards applicable to its decisions and actions with respect to its evaluation of

Columbia s merger proposal, and reviewed the proposed merger agreement and the related agreements, including the various voting agreements to be entered into by the directors of Columbia, certain directors of West Coast, and three of the principal minority shareholders of West Coast, specifically MFP Partners, L.P., GF Financial, L.L.C. and Castle Creek Capital Partners IV, LP (as described under The Merger Agreement Related Agreements).

Following these discussions, and review and discussion among the members of the West Coast board of directors, including consideration of the factors described under Recommendation of the West Coast Board of Directors and Reasons for the Merger, the West Coast board of directors determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable for, fair to and in the best interests of West Coast and its shareholders, and the directors voted unanimously to adopt the merger agreement.

Following completion of the September 25 board meeting, the merger agreement and related agreements were executed and delivered and the transaction was announced on the morning of September 26, 2012, in a press release issued jointly by Columbia and West Coast.

Recommendation of the West Coast Board of Directors and Reasons for the Merger

In reaching its decision to adopt and approve the merger agreement and recommend that West Coast shareholders approve the merger agreement, the West Coast board of directors consulted with West Coast s management, as well as its legal and financial advisors, and considered a number of factors, including:

- its knowledge of West Coast s business, operations, financial condition, asset quality, earnings and prospects, and of Columbia s business, operations, financial condition, asset quality, earnings and prospects, taking into account the presentations made by Columbia officers, the results of West Coast s due diligence review of Columbia, and information provided by West Coast s financial advisor;

- its knowledge of the current environment in the financial services industry, including national, regional and local economic conditions and the interest rate environment, continued consolidation, increased operating costs resulting from regulatory initiatives and compliance mandates, increasing nationwide and global competition, the current environment for community banks, particularly in Oregon, Washington and the Pacific Northwest, and current financial market conditions and the likely effects of these factors on the companies potential growth, development, productivity and strategic options, and the historical market prices of West Coast and Columbia common stock;

- its belief that combining the two companies would create a larger and more diversified financial institution that is both better equipped to respond to economic and industry developments and better positioned to develop and build on its strong market share in Oregon, Washington, and the Pacific Northwest;

- the complementary aspects of West Coast s and Columbia s businesses, including customer focus, geographic coverage, business orientation and compatibility of the companies management and operating styles;

- its understanding of Columbia s commitment to enhancing its strategic position in both the States of Oregon and Washington;

- the potential expense-saving and revenue-enhancing opportunities in connection with the merger, the related potential impact on the combined company s earnings and the fact that the nature of the merger consideration would give former West Coast shareholders the opportunity to participate as Columbia shareholders in the benefits of such savings opportunities and the future performance of the combined company generally;

Columbia s successful track record and West Coast s board of directors belief that the combined enterprise would benefit from Columbia s ability to take advantage of economies of scale and grow in the current economic environment, making Columbia an attractive partner for West Coast;

Table of Contents

its assessment of the likelihood that the merger would be completed in a timely manner and that the management team of the combined company would be able to successfully integrate and operate the businesses of the combined company after the merger;

the financial analyses presented by Sandler O Neill to the West Coast board of directors, and the opinion dated as of September 25, 2012, delivered to West Coast by Sandler O Neill to the effect that, as of that date, and subject to and based on the qualifications and assumptions set forth in the opinion, the consideration to be received by the holders of common stock of West Coast in the merger was fair, from a financial point of view, to such shareholders;

the financial terms of the merger, including the fact that, based on the closing price on the Nasdaq Global Select Market of Columbia common stock on September 25, 2012 (the last trading day prior to the execution and announcement of the merger agreement), and based on the right of West Coast shareholders to elect (subject to proration) to receive cash or Columbia common stock or a unit comprised of a mix of cash and Columbia common stock, the per share merger consideration as of September 25, 2012, represented an approximate 14.5 percent premium over the closing price of West Coast shares on the Nasdaq Global Select Market as of that date, a multiple to adjusted tangible book value per share of 150 percent and a premium to core deposits of 9.9 percent;

the structure of the merger and the terms of the merger agreement, including: the fact that West Coast shareholders would have the right to elect to receive the merger consideration either in cash, Columbia common stock, or a unit comprised of a mix of cash and Columbia common stock (subject to adjustment), the no-solicitation and shareholder approval covenants, the termination fee provisions, and the ability of the West Coast board of directors, under certain circumstances, to withdraw or materially and adversely modify its recommendation to West Coast shareholders, and to terminate the merger agreement in order to enter into a definitive agreement with respect to a superior proposal (subject to payment of a $20 million termination fee);

the expectation that the merger of a wholly owned subsidiary of Columbia with and into West Coast, with West Coast continuing as the surviving corporation, and the subsequent merger of the surviving corporation with and into Columbia, taken together, would qualify as a reorganization for United States federal income tax purposes; and

the regulatory and other approvals required in connection with the merger and the likelihood that such approvals would be received in a timely manner and without unacceptable conditions. Further, because the issuance of Columbia common stock in connection with the merger would require approval of Columbia s shareholders, the West Coast board of directors also considered that Columbia s directors have agreed to vote their shares of Columbia common stock in favor of the merger.

The West Coast board of directors also considered potential risks and a variety of potentially negative factors in connection with its deliberations concerning the merger agreement and the merger, including the following material factors:

the potential risk of diverting management focus and resources from other strategic opportunities and from operational matters while working to implement the merger;

the fact that the interests of some of the directors and officers of West Coast may be different from those of West Coast shareholders, and directors and officers of West Coast may be participants in arrangements that are different from, or are in addition to, those of West Coast shareholders. See the section of this document entitled Interests of West Coast Directors and Executive Officers in the Merger ;

the fact that the merger agreement provides that West Coast may be required to pay a termination fee to Columbia of $20 million if the merger agreement is terminated in certain circumstances, without Columbia having to establish any damages. See the section of this document entitled The Merger Agreement Termination; Termination Fee ;

57

- the fact that the merger agreement prohibits West Coast and its subsidiaries and their officers, directors, agents, advisors and affiliates from soliciting acquisition proposals or, subject to certain exceptions, engaging in negotiations concerning or providing nonpublic information to any person relating to an acquisition proposal. See the section of this document entitled The Merger Agreement No Solicitation ;

- the fact that, because the number of shares of Columbia common stock to be issued in connection with the merger is fixed, the value of the aggregate and per share merger consideration will fluctuate with the market price of Columbia common stock, and West Coast shareholders could be adversely affected by a decrease in the market price of Columbia common stock during the pendency of the merger;

- the fact that there can be no assurance that all conditions to the parties obligations to complete the merger will be satisfied, including the risk that certain requisite regulatory approvals might not be obtained, and, as a result, the merger may not be consummated, or that governmental entities may impose conditions on the granting of such approvals that could have the effect of delaying completion of the merger or imposing additional costs or limiting the revenues of the combined company following the merger;

- the risk that the anticipated benefits of the merger may not be realized or may take longer than expected to be realized;

- the restrictions on the conduct of West Coast s business prior to the completion of the merger, which, subject to specific exceptions, could delay or prevent West Coast from undertaking business opportunities that may arise or from taking other actions it would otherwise take with respect to the operations of West Coast absent the pending completion of the merger. See the section of this document entitled The Merger Agreement Conduct of Business Prior to the Completion of the Merger ; and

- the fact that West Coast shareholders are not expected to be entitled to exercise any dissenters rights in connection with the merger.

The foregoing discussion of the factors considered by the West Coast board of directors is not intended to be exhaustive, but, rather, includes the material factors considered by the West Coast board of directors. In reaching its decision to adopt and approve the merger agreement, and the other transactions contemplated by the merger agreement, the West Coast board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The West Coast board of directors considered all these factors as a whole, including discussions with, and questioning of, West Coast management and West Coast s financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination. The West Coast board of directors also relied on the experience of Sandler O Neill, its financial advisor, for analyses of the financial terms of the merger and for its opinion as to the fairness from a financial point of view of the consideration in the merger to West Coast s shareholders.

For the reasons set forth above, the West Coast board of directors unanimously determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of West Coast and its shareholders, and unanimously approved and adopted the merger agreement. The West Coast board of directors unanimously recommends that the West Coast shareholders vote FOR the approval of the merger agreement, FOR the non-binding, advisory approval of the compensation of West Coast s named executive officers that is based on or otherwise relates to the merger, and FOR the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies.

Opinion of West Coast s Financial Advisor

By letter dated April 24, 2012, West Coast retained Sandler O Neill + Partners, L.P., or Sandler O Neill, to act as financial advisor to West Coast s board of directors in connection with the board s review of potential strategic alternatives, including as to a possible business combination with potential counterparties. Sandler O Neill is a nationally recognized investment banking firm whose principal business specialty is financial

Table of Contents

institutions. In the ordinary course of its investment banking business, Sandler O Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Sandler O Neill acted as financial advisor to the West Coast board of directors in connection with the proposed transaction and participated in certain of the negotiations leading to the execution of the merger agreement. At the September 25, 2012 meeting at which West Coast s board of directors considered and adopted the merger agreement, Sandler O Neill delivered to the board its oral opinion, which was subsequently confirmed in writing, that, as of such date, the per share consideration was fair to the holders of West Coast common stock from a financial point of view. **The full text of Sandler O Neill s opinion is attached as Appendix C to this proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the full text of the opinion. Holders of West Coast common stock are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.**

Sandler O Neill s opinion speaks only as of the date of the opinion. The opinion was directed to West Coast s board and is directed only to the fairness of the per share consideration to the holders of West Coast s common stock from a financial point of view. It does not address the underlying business decision of West Coast to engage in the merger or any other aspect of the merger and is not a recommendation to any holder of West Coast common stock as to how such holder of West Coast common stock should vote at the special meeting with respect to the merger or any other matter. Sandler O Neill did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by West Coast s officers, directors, or employees, or class of such persons, relative to the per share consideration to be received by West Coast s shareholders.

In connection with rendering its opinion dated September 25, 2012, Sandler O Neill reviewed and considered, among other things:

- the merger agreement;
- certain financial statements and other historical financial information of West Coast that Sandler O Neill deemed relevant;
- certain financial statements and other historical financial information of Columbia that Sandler O Neill deemed relevant;
- certain publicly available analyst estimated earnings per share for the years ending December 31, 2012 and December 31, 2013 and an estimated long-term growth rate for the years thereafter, in each case as discussed with, and confirmed by, senior management of West Coast;
- publicly available analyst earnings estimates for Columbia for the years ending December 31, 2012, December 31, 2013 and December 31, 2014 and an estimated long-term growth rate for the years thereafter, in each case as discussed with, and confirmed by, senior management of Columbia;
- the pro forma financial impact of the merger on Columbia based on assumptions relating to transaction expenses, purchase accounting adjustments, cost savings and other synergies as determined by the senior management of Columbia;
- a comparison of certain financial and other information for West Coast and Columbia with similar publicly available information for certain other commercial banks, the securities of which are publicly traded;
- the terms and structures of other recent mergers and acquisition transactions in the commercial banking sector;

59

Table of Contents

- the current market environment generally and in the commercial banking sector in particular; and
- such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O Neill considered relevant.

Sandler O Neill also discussed with certain members of the senior management of West Coast the business, financial condition, results of operations and prospects of West Coast and held similar discussions with the senior management of Columbia regarding the business, financial condition, results of operations and prospects of Columbia.

In performing its reviews and analyses and in rendering its opinion, Sandler O Neill relied upon the accuracy and completeness of all of the financial and other information that was available to Sandler O Neill from public sources, that was provided to Sandler O Neill by West Coast or Columbia or their respective representatives or that was otherwise reviewed by Sandler O Neill and Sandler O Neill assumed such accuracy and completeness for purposes of rendering its opinion. Sandler O Neill further relied on the assurances of the senior management of each of West Coast and Columbia that they were not aware of any facts or circumstances that would make any of such information inaccurate or misleading in any material respect. Sandler O Neill was not asked to undertake, and did not undertake an independent verification of any of such information and Sandler O Neill assumes no responsibility or liability for the accuracy or completeness thereof. Sandler O Neill did not make an independent evaluation or appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of West Coast or Columbia or any of their subsidiaries. Sandler O Neill did not make an independent evaluation of the adequacy of the allowance for loan losses of West Coast and Columbia and Sandler O Neill did not review any individual credit files relating to West Coast or Columbia. Sandler O Neill assumed that the respective allowances for loan losses for West Coast and Columbia are adequate to cover such losses.

With respect to the publicly available earnings and long-term growth rate projections for West Coast and Columbia used by Sandler O Neill in its analyses, the senior managements of West Coast and Columbia confirmed to Sandler O Neill that those projections reflected the best currently available estimates and judgments of such respective managements of the respective future financial performances of West Coast and Columbia. With respect to the purchase accounting adjustments, cost savings and other synergies determined by the senior management of Columbia, such management confirmed that they reflected the best currently available estimates. Sandler O Neill expresses no opinion as to such financial projections or estimates or the assumptions on which they are based. Sandler O Neill has also assumed that there has been no material change in the assets, financial condition, results of operations, business or prospects of West Coast and Columbia since the date of the most recent financial data made available to Sandler O Neill.

Sandler O Neill assumed in all respects material to its analysis that West Coast and Columbia would remain as going concerns for all periods relevant to Sandler O Neill s analyses, that all of the representations and warranties contained in the merger agreement are true and correct in all material respects, that each party to the merger agreement will perform in all material respects all of the covenants required to be performed by such party under the merger agreement and that the conditions precedent in the merger agreement are not waived. Finally, Sandler O Neill has expressed no opinion as to any legal, accounting and tax matters relating to the Merger and the other transactions contemplated by the merger agreement.

Sandler O Neill s opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Sandler O Neill as of, the date of its opinion. Events occurring after the date thereof could materially affect its opinion. Sandler O Neill has not undertaken to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after the date of its opinion. Sandler O Neill expressed no opinion as to the prices at which the common stock of West Coast or Columbia may trade at any time or the impact of the change in price of Columbia common stock on the per share consideration.

Table of Contents

In rendering its opinion dated September 25, 2012, Sandler O Neill performed a variety of financial analyses. The following is a summary of the material analyses performed by Sandler O Neill, but is not a complete description of all the analyses underlying Sandler O Neill s opinion. The summary includes information presented in tabular format. **In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.** The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler O Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Sandler O Neill s comparative analyses described below is identical to West Coast or Columbia and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of West Coast and Columbia and the companies to which they are being compared.

In performing its analyses, Sandler O Neill also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of West Coast, Columbia and Sandler O Neill. The analysis performed by Sandler O Neill is not necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses. Sandler O Neill prepared its analyses solely for purposes of rendering its opinion and provided such analyses to the West Coast board of directors at the board of directors September 25, 2012 meeting. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different. Accordingly, Sandler O Neill s analyses do not necessarily reflect the value of West Coast s common stock or the prices at which West Coast s common stock may be sold at any time. The analyses of Sandler O Neill and its opinion were among a number of factors taken into consideration by West Coast s board of directors in making its determination to approve of West Coast s entry into the merger agreement and the analyses described below should not be viewed as determinative of the decision West Coast s board of directors or management with respect to the fairness of the merger.

In arriving at its opinion Sandler O Neill did not attribute any particular weight to any analysis or factor that it considered. Rather, it made qualitative judgments as to the significance and relevance of each analysis and factor. Sandler O Neill did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support its opinions; rather, Sandler O Neill made its determination as to the fairness of the per share consideration on the basis of its experience and professional judgment after considering the results of all its analyses taken as a whole.

West Coast and Sandler O Neill completed their analysis utilizing assumptions and methodologies independent of those utilized by Columbia. Accordingly, any resulting difference in methodology is the result of this independent approach.

Summary of Proposal

Sandler O Neill reviewed the financial terms of the proposed transaction. As described in the merger agreement, West Coast shareholders will have the right to receive, with respect to each of their shares of West Coast common stock, their pro rata share (taking into account Class C Warrants and in-the-money stock options on an as-exercised basis and shares of common stock issuable upon conversion of Series B Preferred Stock (including shares of Series B Preferred Stock issuable upon exercise of Class C Warrants)) of the aggregate consideration, which, subject to adjustment in certain circumstances, consists of $264,468,650 in cash plus the

Table of Contents

aggregate proceeds received by West Coast from the exercise of stock options between the execution of the merger agreement and the effective time of the merger (less any amounts paid to holders of West Coast stock options exercised during such period), plus the product of 12,809,525 shares of Columbia common stock multiplied by the volume weighted average price of Columbia common stock during the twenty trading day period beginning on the twenty fifth day before the closing of the merger. West Coast shareholders will have the option to elect to receive consideration consisting of either 100% cash, 100% stock (in both cases subject to proration) or a unit consisting of a mix of stock and cash consideration. Based upon 19,294,564 common shares outstanding, warrants for shares of Series B Preferred Stock convertible into 2,400,000 shares of West Coast common stock, with an effective strike price of $10.00 per share of common stock, 63,243 in-the-money options outstanding with a weighted-average strike price of $11.55 and a Columbia trading price of $19.03 as of September 21, 2012, Sandler O Neill calculated a per share consideration of $23.20 and aggregate consideration of approximately $508.2 million. Based upon financial information as or for the twelve month period ended June 30, 2012, Sandler O Neill calculated the following transaction ratios:

Transaction Value / Adjusted Book Value Per Share [1]:	151%
Transaction Value / Adjusted Tangible Book Value Per Share [1]:	151%
Transaction Value / Last Twelve Months Earnings Per Share [2]:	23.2x
Transaction Value / Mean Estimated 2012 Earnings Per Share:	21.5x
Transaction Value / Mean Estimated 2013 Earnings Per Share:	19.8x
Tangible Book Premium to Core Deposits [3]:	9.8%
Transaction Value / West Coast Stock Price (Sept. 21, 2012):	12.5%

1 Assumes conversion of preferred into 1,213,280 shares of common stock (as per terms of the Series B Preferred Stock) and exercise of warrants into 2,400,000 shares of common stock at $10.00 per share for gross proceeds to West Coast of $24,000,000

2 Adjusted to eliminate effect of benefit from deferred tax asset reversal and costs due to FHLB prepayment penalties and branch closure; assumes normalized tax rate of 35% on adjusted pre-tax net income

3 Assumes 2.45% in noncore deposits

Certain Prospective Financial Information

In connection with rendering its opinion, Sandler O Neill relied upon certain prospective financial information for each of West Coast and Columbia. This prospective financial information was based on publicly available analyst estimates and reviewed with West Coast and Columbia management. None of West Coast, Columbia, Sandler O Neill or any other person makes any representation as to the accuracy of such information or the ultimate performance of West Coast, Columbia or the combined entity compared to the prospective financial information, or assumes any responsibility to shareholders for the accuracy thereof. The inclusion of such prospective financial information in this document should not be regarded as an indication that such information will be predictive of actual future events nor construed as financial guidance, and it should not be relied on as such, and should not be regarded as an indication that any of West Coast, Columbia, Sandler O Neill or any other person considered, or now considers, this information to be necessarily predictive of actual future results. There can be no assurance that such prospective financial information will be realized or that actual results will not be significantly higher or lower than estimated. Such prospective financial information reflects numerous estimates and assumptions with respect to industry performance and competition, general business, economic, market and financial conditions and matters specific to West Coast s and Columbia s businesses, all of which are difficult to predict and many of which are beyond the control of West Coast or Columbia. The prospective financial information does not give effect to the merger, including the impact of negotiating or executing the merger agreement, the expenses that may be incurred in connection with consummating the merger, the potential synergies that may be achieved by the combined company as a result of the merger, the effect of any business or strategic decision or action that has been or will be taken as a result of the merger agreement having been executed, or the effect of any business or strategic decisions or actions which would likely have been taken if the merger agreement had not been executed, but which were instead altered, accelerated, postponed or not taken in anticipation of the merger.

Table of Contents

The accompanying prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. This information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this joint proxy statement/prospectus are cautioned not to place undue reliance on the prospective financial information. Neither West Coast s nor Columbia s independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The following table presents summary selected prospective financial information for the fiscal years ending 2012 through 2016 used in connection with Sandler O Neill s analysis. This information was based on publicly available consensus analyst estimates, extrapolated based on an assumed 10% growth rate in earnings per share in 2015 and 2016 for Columbia, and 2014-2016 for West Coast:

Prospective Financial Information for West Coast

	Projected Annual Periods Ending:				
	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16
Earnings Per Share	$ 1.08	$ 1.17	$ 1.29	$ 1.41	$ 1.55
Tangible Book Value Per Share	$ 16.38	$ 17.41	$ 18.54	$ 19.78	$ 21.15
Total Dividends Per Share	$ 0.10	$ 0.22	$ 0.24	$ 0.26	$ 0.29

Prospective Financial Information for Columbia

	Projected Annual Periods Ending:				
	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16
Earnings Per Share	$ 1.14	$ 1.26	$ 1.32	$ 1.45	$ 1.60
Tangible Book Value Per Share	$ 15.90	$ 15.99	$ 16.08	$ 16.15	$ 16.21
Basic Dividends Per Share	$ 0.34	$ 0.36	$ 0.36	$ 0.36	$ 0.36
Special Dividends Per Share	$ 0.80	$ 0.90	$ 0.96	$ 1.09	$ 1.24
Total Dividends Per Share	$ 1.14	$ 1.26	$ 1.32	$ 1.45	$ 1.60

Neither West Coast nor Columbia intends to update or otherwise revise any of such prospective financial information to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying such prospective financial information are no longer appropriate. Shareholders are urged to review West Coast s and Columbia s most recent SEC filings for a description of risk factors with respect to West Coast s and Columbia s businesses. See also the Sections of this document entitled Where You Can Find More Information, Risk Factors, and Cautionary Note Regarding Forward-Looking Statements.

Table of Contents

West Coast Comparable Company Analysis

Sandler O Neill used publicly available information to compare selected financial information for West Coast and a group of financial institutions as selected by Sandler O Neill. The West Coast peer group consisted of NASDAQ-traded banks headquartered in Oregon, Washington or California with assets as of the most recently reported period between $1 billion and $20 billion and non-performing assets to total assets ratio less than 5.00%. The group excluded thrifts, merger targets, ethnic-focused banks, and First California Financial Group.

Bank of Marin Bancorp	Pacific Continental Corporation
Banner Corporation	Pacific Premier Bancorp, Inc.
Bridge Capital Holdings	PacWest Bancorp
Columbia Banking System, Inc.	Sterling Financial Corporation
CVB Financial Corp.	Umpqua Holdings Corporation
Heritage Commerce Corp	Washington Banking Company
Heritage Financial Corporation	Westamerica Bancorporation
Heritage Oaks Bancorp	

The analysis compared publicly available financial information for West Coast and the mean and median financial and market trading data for the West Coast peer group as of or for the period ended June 30, 2012 with pricing data as of September 21, 2012. The table below sets forth the data for West Coast and the median and mean data for the West Coast peer group.

Comparable Company Analysis

	West Coast	Comparable Group Medians	Comparable Group Means
Total Assets (in millions)	$ 2,408	$ 1,664	$ 3,815
Most Recent Quarter Cost of Deposits	0.09%	0.36%	0.33%
Most Recent Quarter Net Interest Margin	3.91%	4.60%	4.71%
Most Recent Quarter Noninterest Expense divided by Average Assets	3.76%	3.07%	3.10%
Most Recent Quarter Return on Average Assets	1.01%	0.98%	1.06%
Most Recent Quarter Return on Average Equity	7.46%	8.76%	10.52%
Non-Performing Assets / Total Assets	3.05%	2.30%	2.34%
Texas Ratio	21.58%	17.60%	19.21%
Tangible Equity / Tangible Assets	13.62%	11.77%	11.28%
Tier 1 Leverage Ratio	15.55%	11.88%	11.82%
Market Capitalization (in millions)	$ 398	$ 238	$ 606
Price / Tangible Book Value	130%	130%	149%
Price / Last Twelve Months Earnings Per Share [1]	20.6x	16.7x	17.4x
Price / Estimated 2012 Earnings Per Share	18.9x	15.0x	15.6x
Price / Estimated 2013 Earnings Per Share	17.5x	15.0x	14.8x
Dividend Yield [2]	0.0%	2.2%	1.7%
Three-Month Total Stock Return	7.7%	8.8%	11.7%
One-Year Total Stock Return	45.5%	55.2%	57.3%

1 West Coast adjusted to eliminate effect of benefit from deferred tax asset reversal and costs due to FHLB prepayment penalties and branch closure; assumes normalized tax rate of 35% on adjusted pre-tax net income

2 Dividend yield includes only normal dividends. For Columbia, including special dividend of $0.21 would result in 6.2% dividend yield.

Table of Contents

The following table sets forth individually observed metrics and multiples for the members of the West Coast peer group.

		Most Recent Quarter Profitability					Credit & Capital				Valuation						Total Return	
												Price /						
Company	Total Assets ($mm)	Cost of Deps. (%)	Net Interest Margin (%)	Nonint. Exp. / Avg. Assets (%)	ROAA (%)	ROATE (%)	NPAs / Assets (%)	Texas Ratio (%)	Tang. Equity / Tang. Assets (%)	Tier 1 Lev. Ratio (%)	Market Cap. ($mm)	Tang. Book Value (%)	Last 12 Months EPS (x)	2012e EPS (x)	2013e EPS (x)	Div. Yield[1] (%)	Three Month (%)	One Year (%)
Umpqua Holdings Corporation	11,522	0.36	4.04	3.06	0.82	9.44	1.42	15.35	9.42	11.43	1,464	143	16.0	15.1	14.7	2.8	7.7	54.5
Sterling Financial Corporation	9,600	0.58	3.54	3.72	NM	NM	3.35	24.08	12.30	12.20	1,415	120	NM	NM	17.1	2.6	26.3	81.4
CVB Financial Corp.	6,524	0.13	4.26	1.78	1.45	13.93	1.80	15.05	10.66	11.37	1,268	184	14.1	14.9	12.8	2.8	12.8	63.0
PacWest Bancorp	5,322	0.29	5.65	3.17	1.16	13.88	3.60	32.46	9.28	10.57	893	183	18.4	13.5	12.7	3.0	6.9	69.0
Westamerica Bancorporation	4,953	0.10	4.88	2.34	1.69	22.17	1.20	13.55	8.54	8.43	1,314	321	15.6	16.3	16.7	3.1	6.7	30.2
Columbia Banking System, Inc.	4,789	0.16	5.84	3.07	0.99	8.09	1.74	11.72	13.43	12.88	755	121	13.9	16.6	15.2	1.9	8.8	36.5
Banner Corporation	4,221	0.47	4.24	3.42	NM	NM	3.06	24.27	13.80	15.07	487	104	NM	NM	18.7	0.2	30.1	89.9
Washington Banking Company	1,664	0.47	5.64	3.35	0.68	6.97	3.21	28.38	10.22	11.44	221	130	14.2	13.6	12.5	2.5	6.2	55.2
Bank of Marin Bancorp	1,407	0.17	5.00	2.71	1.39	13.93	2.81	25.06	10.26	10.02	230	160	13.3	11.7	11.7	1.7	18.7	34.8
Heritage Financial Corporation	1,338	0.42	5.09	3.81	0.95	6.84	2.70	17.05	14.04	13.80	220	118	19.6	15.9	15.2	2.2	8.8	45.1
Heritage Commerce Corp	1,325	0.27	3.93	2.84	0.80	6.87	1.25	11.20	12.28	12.75	181	127	22.2	22.6	16.8	0.0	15.4	65.8
Pacific Continental Corporation	1,310	0.43	4.23	2.70	0.96	7.96	2.40	17.98	12.30	12.70	163	103	22.1	14.0	13.5	2.6	8.7	46.9
Bridge Capital Holdings	1,165	0.10	5.25	3.91	1.14	9.76	2.03	15.07	11.77	13.16	238	174	22.0	18.6	16.3	0.0	2.2	67.1
Pacific Premier Bancorp, Inc.	1,065	0.65	4.60	3.02	NM	NM	1.67	17.60	8.78	9.60	96	102	NM	NM	NM	0.0	16.1	53.9
Heritage Oaks Bancorp	1,024	0.38	4.39	3.59	0.75	6.39	2.20	19.39	12.08	11.88	145	148	17.5	14.3	14.0	0.0	0.3	66.5

[1] Dividend yield includes only normal dividends.

Table of Contents

Columbia Comparable Company Analysis

Sandler O Neill used publicly available information to compare selected financial information for Columbia and a group of financial institutions as selected by Sandler O Neill. The Columbia peer group consisted of NASDAQ-traded banks headquartered in Oregon, Washington or California with assets as of the most recently reported period between $1 billion and $20 billion and non-performing assets to total assets ratio less than 5.00%. The group excluded thrifts, merger targets, ethnic-focused banks, and First California Financial Group.

Bank of Marin Bancorp	Pacific Premier Bancorp, Inc.
Banner Corporation	PacWest Bancorp
Bridge Capital Holdings	Sterling Financial Corporation
CVB Financial Corp.	Umpqua Holdings Corporation
Heritage Commerce Corp	Washington Banking Company
Heritage Financial Corporation	West Coast Bancorp
Heritage Oaks Bancorp	Westamerica Bancorporation
Pacific Continental Corporation	

The analysis compared publicly available financial information for Columbia and the mean and median financial and market trading data for the Columbia peer group as of or for the period ended June 30, 2012 with pricing data as of September 21, 2012. The table below sets forth the data for Columbia and the median and mean data for the Columbia peer group.

Comparable Company Analysis

	Columbia	Comparable Group Medians	Comparable Group Means
Total Assets (in millions)	$ 4,789	$ 1,664	$ 3,657
Most Recent Quarter Cost of Deposits	0.16%	0.36%	0.33%
Most Recent Quarter Net Interest Margin	5.84%	4.39%	4.58%
Most Recent Quarter Noninterest Expense divided by Average Assets	3.07%	3.17%	3.15%
Most Recent Quarter Return on Average Assets	0.99%	0.98%	1.07%
Most Recent Quarter Return on Average Equity	8.09%	8.70%	10.47%
Non-Performing Assets / Total Assets	1.74%	2.55%	2.43%
Texas Ratio	11.72%	17.98%	19.87%
Tangible Equity / Tangible Assets	13.43%	11.77%	11.29%
Tier 1 Leverage Ratio	12.88%	11.88%	12.00%
Market Capitalization (in millions)	$ 755	$ 238	$ 582
Price / Tangible Book Value	121%	130%	150%
Price / Last Twelve Months Earnings Per Share	13.9x	17.9x	17.9x
Price / Estimated 2012 Earnings Per Share	16.6x	15.0x	15.8x
Price / Estimated 2013 Earnings Per Share	15.2x	15.0x	15.0x
Dividend Yield [1]	1.9%	2.2%	1.6%
Three-Month Total Return	8.8%	8.7%	11.6%
One-Year Total Return	36.5%	55.2%	57.9%

[1] Dividend yield includes only normal dividends. For Columbia, including special dividend of $0.21 would result in 6.2% dividend yield.

66

Table of Contents

The following table sets forth individually observed metrics and multiples for the members of the Columbia peer group.

		Most Recent Quarter Profitability					Credit & Capital				Valuation						Total Return	
												Price /						
Company	Total Assets ($mm)	Cost of Deps. (%)	Net Interest Margin (%)	Nonint. Exp. / Avg. Assets (%)	ROAA (%)	ROATE (%)	NPAs / Assets (%)	Texas Ratio (%)	Tang. Equity / Tang. Assets (%)	Tier 1 Lev. Ratio (%)	Market Cap. ($mm)	Tang. Book Value (%)	Last 12 Months EPS (x)	2012e EPS (x)	2013e EPS (x)	Div. Yield[1] (%)	Three Month (%)	One Year (%)
Umpqua Holdings Corporation	11,522	0.36	4.04	3.06	0.82	9.44	1.42	15.35	9.42	11.43	1,464	143	16.0	15.1	14.7	2.8	7.7	54.5
Sterling Financial Corporation	9,600	0.58	3.54	3.72	NM	NM	3.35	24.08	12.30	12.20	1,415	120	NM	NM	17.1	2.6	26.3	81.4
CVB Financial Corp.	6,524	0.13	4.26	1.78	1.45	13.93	1.80	15.05	10.66	11.37	1,268	184	14.1	14.9	12.8	2.8	12.8	63.0
PacWest Bancorp	5,322	0.29	5.65	3.17	1.16	13.88	3.60	32.46	9.28	10.57	893	183	18.4	13.5	12.7	3.0	6.9	69.0
Westamerica Bancorporation	4,953	0.10	4.88	2.34	1.69	22.17	1.20	13.55	8.54	8.43	1,314	321	15.6	16.3	16.7	3.1	6.7	30.2
Banner Corporation	4,221	0.47	4.24	3.42	NM	NM	3.06	24.27	13.80	15.07	487	104	NM	NM	18.7	0.2	30.1	89.9
West Coast Bancorp[2]	2,408	0.09	3.91	3.76	1.01	7.46	3.05	21.58	13.62	15.55	398	130	20.6	18.9	17.5	0.0	7.7	45.5
Washington Banking Company	1,664	0.47	5.64	3.35	0.68	6.97	3.21	28.38	10.22	11.44	221	130	14.2	13.6	12.5	2.5	6.2	55.2
Bank of Marin Bancorp	1,407	0.17	5.00	2.71	1.39	13.93	2.81	25.06	10.26	10.02	230	160	13.3	11.7	11.7	1.7	18.7	34.8
Heritage Financial Corporation	1,338	0.42	5.09	3.81	0.95	6.84	2.70	17.05	14.04	13.80	220	118	19.6	15.9	15.2	2.2	8.8	45.1
Heritage Commerce Corp	1,325	0.27	3.93	2.84	0.80	6.87	1.25	11.20	12.28	12.75	181	127	22.2	22.6	16.8	0.0	15.4	65.8
Pacific Continental Corporation	1,310	0.43	4.23	2.70	0.96	7.96	2.40	17.98	12.30	12.70	163	103	22.1	14.0	13.5	2.6	8.7	46.9
Bridge Capital Holdings	1,165	0.10	5.25	3.91	1.14	9.76	2.03	15.07	11.77	13.16	238	174	22.0	18.6	16.3	0.0	2.2	67.1
Pacific Premier Bancorp, Inc.	1,065	0.65	4.60	3.02	NM	NM	1.67	17.60	8.78	9.60	96	102	NM	NM	NM	0.0	16.1	53.9
Heritage Oaks Bancorp	1,024	0.38	4.39	3.59	0.75	6.39	2.20	19.39	12.08	11.88	145	148	17.5	14.3	14.0	0.0	0.3	66.5

[1] Dividend yield includes only normal dividends.

[2] P / LTM EPS ratio adjusted for deferred tax asset reversal, FHLB prepayment penalties and branch closure costs, assumes normalized tax rate of 35%.

West Coast Stock Price Performance

Sandler O Neill reviewed the history of the publicly reported trading prices of West Coast s common stock for the one-year and three-year periods ended September 21, 2012. Sandler O Neill then compared the relationship between the movements in the price of West Coast s common stock against the movements in the prices of West Coast s peer group (as described on page 64), S&P 500 Index and NASDAQ Bank Index.

West Coast s One-Year Stock Performance

	Beginning Index Value September 21, 2011	Ending Index Value September 21, 2012
West Coast	100%	146%
West Coast Peer Group	100%	151%
S&P 500 Index	100%	125%
NASDAQ Bank Index	100%	138%

West Coast s Three-Year Stock Performance

	Beginning Index Value September 21, 2009	Ending Index Value September 21, 2012
West Coast	100%	154%
West Coast Peer Group	100%	101%
S&P 500 Index	100%	137%
NASDAQ Bank Index	100%	111%

Columbia Stock Price Performance

Sandler O Neill reviewed the history of the publicly reported trading prices of Columbia s common stock for the one-year and three-year periods ended September 21, 2012. Sandler O Neill then compared the relationship between the movements in the price of Columbia s common stock against the movements in the prices of Columbia s peer group (as described on page 66), S&P 500 Index and NASDAQ Bank Index.

Columbia s One Year Stock Performance

	Beginning Index Value September 21, 2011	Ending Index Value September 21, 2012
Columbia	100%	127%
Columbia Peer Group	100%	153%
S&P 500 Index	100%	125%
NASDAQ Bank Index	100%	138%

Columbia s Three Year Stock Performance

	Beginning Index Value September 21, 2009	Ending Index Value September 21, 2012
Columbia	100%	116%
Columbia Peer Group	100%	102%
S&P 500 Index	100%	137%
NASDAQ Bank Index	100%	111%

Table of Contents

West Coast Net Present Value Analysis

Sandler O Neill performed an analysis that estimated the net present value per share of West Coast common stock under various circumstances. The analysis assumed that West Coast performed in accordance with the publicly available analyst estimated earnings per share for the years ending December 31, 2012 and December 31, 2013 and the estimated long-term growth rate for the years thereafter as well as assumptions for annual common dividend payments, in each case as discussed with, and confirmed by, senior management of West Coast. To approximate the terminal value of West Coast common stock at December 31, 2016, Sandler O Neill applied price to earnings multiples ranging from 12.0x to 20.0x and multiples of tangible book value ranging from 100% to 180%. The terminal values were then discounted to present values using different discount rates ranging from 7.0% to 13.0% chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of West Coast s common stock.

During the West Coast board of directors meeting on September 25, 2012, Sandler O Neill noted that the terminal value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

As illustrated in the following tables, the analysis indicates an imputed range of values per share of West Coast common stock of $11.85 to $24.84 when applying multiples of earnings to the applicable amounts indicated in the West Coast projections and $12.60 to $28.50 when applying multiples of tangible book value to the applicable amounts indicated in the West Coast projections.

Earnings Per Share Multiples

Discount Rate	12.0x	14.0x	16.0x	18.0x	20.0x
7.0%	$ 15.27	$ 17.66	$ 20.05	$ 22.45	$ 24.84
8.5%	$ 14.31	$ 16.55	$ 18.79	$ 21.03	$ 23.27
10.0%	$ 13.43	$ 15.53	$ 17.63	$ 19.73	$ 21.82
11.5%	$ 12.61	$ 14.58	$ 16.55	$ 18.52	$ 20.48
13.0%	$ 11.85	$ 13.70	$ 15.55	$ 17.40	$ 19.24

Tangible Book Value Multiples

Discount Rate	100%	120%	140%	160%	180%
7.0%	$ 16.24	$ 19.30	$ 22.37	$ 25.44	$ 28.50
8.5%	$ 15.22	$ 18.09	$ 20.96	$ 23.83	$ 26.70
10.0%	$ 14.28	$ 16.97	$ 19.66	$ 22.35	$ 25.04
11.5%	$ 13.41	$ 15.93	$ 18.45	$ 20.97	$ 23.49
13.0%	$ 12.60	$ 14.97	$ 17.33	$ 19.70	$ 22.07

Sandler O Neill also considered and discussed with the West Coast board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O Neill performed a similar analysis assuming West Coast net income varied from 15% above projections to 15% below projections. This analysis resulted in the following range of per share values for West Coast common stock, using the same price to earnings multiples of 12.0x to 20.0x and a discount rate of 7.6%.

Table of Contents

Earnings Per Share Multiples

Annual Budget Variance	12.0x	14.0x	16.0x	18.0x	20.0x
(15.0%)	$ 12.77	$ 14.75	$ 16.73	$ 18.71	$ 20.69
(10.0%)	$ 13.47	$ 15.57	$ 17.66	$ 19.76	$ 21.86
(5.0%)	$ 14.17	$ 16.38	$ 18.60	$ 20.81	$ 23.02
0.0%	$ 14.87	$ 17.20	$ 19.53	$ 21.86	$ 24.19
5.0%	$ 15.57	$ 18.01	$ 20.46	$ 22.91	$ 25.35
10.0%	$ 16.27	$ 18.83	$ 21.39	$ 23.95	$ 26.52
15.0%	$ 16.96	$ 19.64	$ 22.32	$ 25.00	$ 27.68

The table below describes the calculation of the discount rate applied to West Coast. The discount rate equals the product of the two year beta and the risk free rate plus the equity risk premium.

	Discount Rate	
Risk Free Rate	1.75%	*10 year UST Yield (Sept. 21, 2012)*
Two Year Beta	1.09	*Peer Median Beta per Bloomberg*
Equity Risk Premium	5.70%	*Ibbotson 60 year market analysis*
Discount Rate	7.61%	

Columbia Net Present Value Analysis

Sandler O Neill also performed an analysis that estimated the net present value per share of Columbia common stock under various circumstances. The analysis assumed that Columbia performed in accordance with publicly available analyst earnings estimates for the years ending December 31, 2012, December 31, 2013 and December 31, 2014 and an estimated long-term growth rate for the years thereafter as well as assumptions for annual common dividend payments, in each case as discussed with, and confirmed by, senior management of Columbia.

To approximate the terminal value of Columbia common stock at December 31, 2016, Sandler O Neill applied price to earnings multiples ranging from 12.0x to 20.0x and multiples of tangible book value ranging from 100% to 180%. The terminal values were then discounted to present values using different discount rates ranging from 7.0% to 13.0% chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of Columbia s common stock.

At the September 25, 2012 West Coast board of directors meeting, Sandler O Neill noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

As illustrated in the following tables, the analysis indicates an imputed range of values per share of Columbia common stock of $15.06 to $28.25 when applying earnings multiples to the applicable amounts indicated in the Columbia projections and $13.46 to $26.29 when applying multiples of tangible book value to the applicable amounts indicated in the Columbia projections.

Earnings Per Share Multiples

Discount Rate	12.0x	14.0x	16.0x	18.0x	20.0x
7.0%	$ 19.14	$ 21.42	$ 23.70	$ 25.97	$ 28.25
8.5%	$ 18.00	$ 20.12	$ 22.25	$ 24.37	$ 26.49
10.0%	$ 16.94	$ 18.93	$ 20.91	$ 22.89	$ 24.87
11.5%	$ 15.97	$ 17.82	$ 19.67	$ 21.52	$ 23.38
13.0%	$ 15.06	$ 16.80	$ 18.53	$ 20.26	$ 21.99

Tangible Book Value Multiples

Discount Rate	100%	120%	140%	160%	180%
7.0%	$ 17.04	$ 19.35	$ 21.67	$ 23.98	$ 26.29
8.5%	$ 16.04	$ 18.20	$ 20.35	$ 22.51	$ 24.66
10.0%	$ 15.11	$ 17.13	$ 19.14	$ 21.15	$ 23.16
11.5%	$ 14.26	$ 16.14	$ 18.02	$ 19.90	$ 21.78
13.0%	$ 13.46	$ 15.22	$ 16.98	$ 18.74	$ 20.50

Sandler O Neill also considered and discussed with the West Coast board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O Neill performed a similar analysis assuming Columbia net income varied from 15% above projections to 15% below projections. This analysis resulted in the following range of per share values for Columbia common stock, using the same price to earnings multiples of 12.0x to 20.0x and a discount rate of 7.5%:

Earnings Per Share Multiples

Annual Budget Variance	12.0x	14.0x	16.0x	18.0x	20.0x
(15.0%)	$ 16.76	$ 18.65	$ 20.54	$ 22.43	$ 24.32
(10.0%)	$ 17.43	$ 19.43	$ 21.43	$ 23.43	$ 25.43
(5.0%)	$ 18.09	$ 20.21	$ 22.32	$ 24.43	$ 26.55
0.0%	$ 18.76	$ 20.98	$ 23.21	$ 25.43	$ 27.66
5.0%	$ 19.43	$ 21.76	$ 24.10	$ 26.43	$ 28.77
10.0%	$ 20.09	$ 22.54	$ 24.99	$ 27.44	$ 29.88
15.0%	$ 20.76	$ 23.32	$ 25.88	$ 28.44	$ 30.99

The table below describes the calculation of the discount rate applied to Columbia. The discount rate equals the product of the two year beta and the risk free rate plus the equity risk premium.