

COLUMBIA BANKING SYSTEM INC

Form S-4

November 02, 2012

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As filed with the Securities and Exchange Commission on November 2, 2012

Registration No. 333-[ ]

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## 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  
(State or other jurisdiction of

6712  
(Primary standard industrial

91-1422237  
(I.R.S. employer

incorporation or organization)

classification code number)

identification no.)

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

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(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. Szniewajs**

**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 Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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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  Accelerated filer   
 Non-accelerated filer  Smaller reporting company

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Being Registered	Amount Being Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, No Par Value	12,859,525(1)	N/A	\$236,006,629.98(2)	\$32,191.30(2)
Mandatorily Convertible Cumulative Participating Preferred Stock, Series B No Par Value	8,782	N/A	\$1,529,003.76(3)	\$208.56(3)

- (1) Represents the maximum number of shares of common stock, no par value per share estimated to be issuable by Columbia Banking System, Inc. ( Columbia ) upon consummation of the merger described herein.
- (2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and calculated in accordance with Rules 457(f) and 457(c) of the Securities Act. The proposed maximum aggregate offering price of the registrant's common stock was calculated based upon the sum of (A) the market value of shares of West Coast Bancorp common stock to be cancelled in the merger as follows: (i) the product of (x) \$21.94, the average of the high and low prices per share of West Coast Bancorp common stock as reported on the NASDAQ Global Select Market on October 31, 2012 and (y) the estimated maximum number of shares of West Coast Bancorp common stock that may be exchanged for the merger consideration, including shares reserved for issuance under various equity plans and warrants, and (B) the book value of the shares of West Coast Bancorp preferred stock, valued at \$174.11 per share, to be cancelled in the merger, minus (C) \$264,468,650, the estimated aggregate amount of cash to be paid by the registrant in the merger.
- (3) The proposed maximum aggregate offering price of the registrant's Series B Preferred Stock was calculated based upon the book value of the shares of West Coast Bancorp preferred stock, valued at \$174.11 per share, for which the Columbia Series B Preferred Stock will be exchanged, pursuant to Rule 457(f)(2).

**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.**

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**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 NOVEMBER 2, 2012**

## **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 [ ], 2012. 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 [ ], 2012.

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 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.

<b>Date</b>	<b>Columbia closing price</b>	<b>Per share consideration</b>
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.

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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 33.**

**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 [                      ], 2012 and is first being mailed to the shareholders of West Coast and the shareholders of Columbia on or about [                      ], 2012.

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**COLUMBIA BANKING SYSTEM, INC.**

**1301 A Street**

**Tacoma, Washington 98402**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**To Be Held [                      ], 2012**

Notice is hereby given that a Special Meeting of Shareholders of Columbia Banking System, Inc., or Columbia, will be held at [                      ], on [                      ], 2012, 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 [                      ], 2012 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

[ ], 2012

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**WEST COAST BANCORP**

**5335 MEADOWS ROAD, SUITE 201**

**LAKE OSWEGO, OR 97035**

**NOTICE OF THE SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON [                      ], [2012]**

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 [                      ], 2012, 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 71 (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 [                      ], 2012 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 [                      ], 2012 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. Szniewajs

President and Chief Executive Officer



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**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](http://www.wcb.com) under the heading "Investor Relations" or from Columbia at [www.columbiabank.com](http://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 121. 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. Sznawajs  
(503) 684-0884

**To obtain timely delivery of these documents, you must request the information no later than [                      ], 2012 in order to receive them before Columbia's special meeting of shareholders and no later than [                      ], 2012 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."

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<b>Appendix B</b>	Opinion of Keefe, Bruyette & Woods
<b>Appendix C</b>	Opinion of Sandler O'Neill + Partners, L.P.
<b>Appendix D</b>	Sections 60.551 to 60.594 of the Oregon Revised Statutes, Regarding Dissenters' Rights
<b>Appendix E</b>	Stock Conversion, Voting and Support Agreement by and between Columbia Banking System, Inc. and Castle Creek Capital Partners IV, LP dated September 25, 2012
<b>Appendix F</b>	Stock Conversion, Voting and Support Agreement by and between Columbia Banking System, Inc. and GF Financial, L.L.C. dated September 25, 2012
<b>Appendix G</b>	Stock Conversion, Voting and Support Agreement by and between Columbia Banking System, Inc. and MFP Partners, L.P. dated September 25, 2012
<b>Appendix H</b>	Form of Voting and Non-Competition Agreement by and among Columbia Banking System, Inc., West Coast Bancorp and certain directors of West Coast Bancorp dated September 25, 2012
<b>Appendix I</b>	Form of Voting Agreement by and among West Coast Bancorp, Columbia Banking System, Inc. and directors of Columbia Banking System, Inc. dated September 25, 2012

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**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: 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

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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).

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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 38 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 38 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 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 accompanies 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*.

**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





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B Preferred Stock as to which an election has not been made will remain outstanding and will convert into preference securities of Columbia having Holders of Series B Preferred Stock 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 96.

**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.

**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.



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**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.

**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.

**Q: What do I need to do now?**

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**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.

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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 enclosed envelope 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](http://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 [ ], at [ ], local time, on [ ], 2012. 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 [ ], 2012. All shareholders of West Coast as of the West Coast record date, or their duly appointed proxies, may attend the West Coast special meeting.

### **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.



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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.

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.





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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;

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 any of the first three 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 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

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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 ).

Provided that the mergers, taken together, qualify as a reorganization for United States federal income tax purposes, 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.

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.

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 94.

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.



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**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 regarding how and when to surrender their stock certificates.** If you do not vote by internet or telephone, you should send the proxy card in the enclosed envelope and the election statement in the separate enclosed envelope.

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 at [ ]], as applicable.

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**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 112 and 119)**

***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 38)**

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 38.

	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.



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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 64)**

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 51)**

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 65)**

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 53)**

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

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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 71)**

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 or other benefits following a change in control of West Coast in connection with a qualifying termination of employment;

Certain of West Coast's executive officers entered into employment agreements with Columbia that become effective upon the completion of the merger;

All of West Coast's executive officers hold restricted shares of West Coast common stock that vest in connection with the completion of the merger; 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 46)**

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



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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 47)**

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 88)**

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 89)**

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

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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 89)**

***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;

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.



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### ***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 109 and 114)**

#### ***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

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.





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**Rights of West Coast Shareholders Will Change as a Result of the Merger (page 100)**

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 93)**

Certain litigation is pending in connection with the merger. See Litigation Related to the Merger beginning on page 93.

**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 <i>(dollars in thousands except per share)</i>	2010	2009	2008	2007
<b>For the Period</b>							
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
<b>Per Common Share</b>							
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
<b>Averages</b>							
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
<b>Financial Ratios</b>							
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) <sup>(1)</sup>	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%
<b>At Period End</b>							
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
<b>Nonperforming Assets, Excluding Covered Assets</b>							

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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

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	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011	Years Ended December 31,				
			2011 <i>(dollars in thousands except per share)</i>	2010	2009	2008	2007
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
<b>Risk-Based Capital Ratios</b>							
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 <sup>2</sup>	\$ 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 <sup>1</sup>	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 <sup>2</sup>	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 <sup>2</sup>	3.81%	3.33%	3.14%	3.13%	2.95%	3.32%	3.96%

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Net interest margin <sup>2</sup>	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%	0.87%	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****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.

<i>(Dollars in thousands, except per share amounts)</i>	For the Nine Months Ended September 30, 2012	For the Year Ended December 31, 2011
<b>Pro Forma Condensed Consolidated Income Statement Information:</b>		
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

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

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

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**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;



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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.

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	<b>Columbia Historical</b>	<b>West Coast Historical</b>	<b>Pro Forma Merger Adjustments (in thousands)</b>	<b>Notes</b>	<b>Pro Forma Combined</b>
<b>ASSETS</b>					
Cash and cash equivalents	562,592	101,335	(315,469)	<b>A</b>	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>B</b>	3,893,073
Less: allowance for loan and lease losses	51,527	31,457	(31,457)	<b>C</b>	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	<b>D</b>	153,178
Other real estate owned	27,386	21,939			49,325
Goodwill	115,554		182,409	<b>E</b>	297,963
Core deposit intangible, net	16,803		15,561	<b>F</b>	32,364
Other assets	129,687	66,027	17,414	<b>G</b>	213,128
Total assets	\$ 4,903,049	\$ 2,475,980	\$ (128,166)		\$ 7,250,863
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>					
Deposits	3,938,855	1,929,292	74	<b>H</b>	5,868,221
Federal Home Loan Bank advances	113,080	127,900			240,980
Junior subordinated debentures		51,000	(51,000)	<b>I</b>	
Other liabilities	89,137	31,792	17,296	<b>J</b>	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)	<b>K</b>	
Common stock	581,001	231,766	9,694	<b>L</b>	822,461
Retained earnings	152,498	71,692	(71,692)	<b>M</b>	152,498
Accumulated other comprehensive income	28,478	11,414	(11,414)	<b>N</b>	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.

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**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME FOR THE  
NINE MONTHS ENDED SEPTEMBER 30, 2012**

	<b>Columbia Historical</b>	<b>West Coast Historical</b>	<b>Pro Forma Merger Adjustments</b>	<b>Notes</b>	<b>Pro Forma Combined</b>
	<i>(in thousands except per share amounts)</i>				
<b><i>Interest Income</i></b>					
Loans	\$ 168,875	\$ 56,614	\$ 9,317	<b>O</b>	\$ 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
<b><i>Interest Expense</i></b>					
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
<b><i>Net Interest Income</i></b>	<b>184,029</b>	<b>65,593</b>	<b>9,317</b>		<b>258,939</b>
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
<b><i>Noninterest Income</i></b>					
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)