

COLUMBIA BANKING SYSTEM INC

Form 424B3

February 06, 2013

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 Registration No. 333-184742

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 March 18, 2013. Columbia shareholders must approve the issuance of the shares of Columbia common stock in connection with the merger pursuant to the requirements of the Nasdaq Stock Exchange. Columbia shareholders will vote to approve the issuance of the shares of Columbia common stock in connection with the merger at a special meeting of shareholders to be held on March 18, 2013.

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

The value of the consideration to be received by West Coast shareholders in the merger will vary with the trading price of Columbia common stock between now and the completion of the merger. The per share consideration is determined by the quotient obtained by dividing (1) the sum of: (A) the product of: (i) the Purchaser Average Closing Price (as defined in the Merger Agreement) and (ii) the total Columbia shares to be issued; and (B) the total cash Columbia will pay; and (C) \$24 million plus proceeds from in-the-money option exercises; by (2) the sum of common share equivalents from common shares, preferred stock, warrants and in-the-money options. The table below shows the approximate hypothetical value of the merger consideration per share if it had been calculated based on the closing price for Columbia common stock on the Nasdaq Global Select Market on each of September 25, 2012, the trading day immediately prior to the announcement of the merger, and January 31, 2013, the last practicable trading day prior to the date of this document.

Date	Columbia closing price	Per share consideration
September 25, 2012	\$18.85	\$23.08
January 31, 2013	\$20.20	\$23.83

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

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

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

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proxy statement/prospectus.

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

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

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

This joint proxy statement/prospectus is dated February 1, 2013 and is first being mailed to the shareholders of West Coast and the shareholders of Columbia on or about February 7, 2013.

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COLUMBIA BANKING SYSTEM, INC.

1301 A Street

Tacoma, Washington 98402

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held March 18, 2013

Notice is hereby given that a Special Meeting of Shareholders of Columbia Banking System, Inc., or Columbia, will be held at its corporate headquarters, located at 1301 A Street, Suite 800, Tacoma, Washington, on March 18, 2013, at 10:00 a.m., local time. The following proposals will be considered and conducted at the Columbia special meeting:

1. To approve the issuance of shares of Columbia common stock in the merger of a to-be-formed wholly owned subsidiary of Columbia with and into West Coast Bancorp, an Oregon corporation, which will result in West Coast Bancorp becoming a wholly owned subsidiary of Columbia.
2. To approve one or more adjournments of the Columbia special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the issuance of Columbia common stock in the merger.

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

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

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

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

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

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

By Order of the Board of Directors

Melanie J. Dressel

President and Chief Executive Officer

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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 MARCH 18, 2013

NOTICE IS HEREBY GIVEN that a special meeting of the shareholders of West Coast Bancorp (West Coast) will be held at The Meadows Conference Room, 5300 Meadows Road, Lake Oswego, Oregon 97035 at 8:30 a.m., Pacific time, on March 18, 2013, for the following purposes:

1. To approve the Agreement and Plan of Merger, dated as of September 25, 2012, by and among Columbia Banking System, Inc., West Coast, and Sub (as defined therein) (the Merger proposal);
2. To approve, on a non-binding, advisory basis, the compensation to be paid to West Coast s named executive officers that is based on or otherwise relates to the merger, discussed under the section entitled The Merger Interests of West Coast Directors and Executive Officers in the Merger beginning on page 85 (the Merger-Related Named Executive Officer Compensation proposal); and
3. To approve one or more adjournments of the West Coast special meeting, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of the Merger proposal (the West Coast Adjournment proposal).

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

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

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

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

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

BY ORDER OF THE BOARD OF DIRECTORS

Robert D. 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 under the heading Investor Relations or from Columbia at www.columbiabank.com under the tab About Us and then under the heading Investor Relations. Copies can also be obtained, free of charge, by directing a written request to Columbia Banking System, Inc., Attention: Corporate Secretary, 1301 A Street, Suite 800, Tacoma, Washington 98401-2156 or to West Coast Bancorp, 5335 Meadows Road, Suite 201, Lake Oswego, Oregon 97035.

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

Columbia Banking System, Inc.
1301 A Street, Suite 800
Tacoma, Washington 98401
Attention: Melanie J. Dressel
(253) 305-1900

West Coast Bancorp
5335 Meadows Road, Suite 201
Lake Oswego, Oregon 97035
Attention: Robert D. Sznawajs
(503) 684-0884

To obtain timely delivery of these documents, you must request the information no later than March 11, 2013 in order to receive them before Columbia's special meeting of shareholders and no later than March 11, 2013 in order to receive them before West Coast's special meeting of shareholders.

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

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<u>Appendix B</u>	Opinion of Keefe, Bruyette & Woods
<u>Appendix C</u>	Opinion of Sandler O'Neill + Partners, L.P.
<u>Appendix D</u>	Sections 60.551 to 60.594 of the Oregon Revised Statutes, Regarding Dissenters' Rights
<u>Appendix E</u>	Stock Conversion, Voting and Support Agreement by and between Columbia Banking System, Inc. and Castle Creek Capital Partners IV, LP dated September 25, 2012
<u>Appendix F</u>	Stock Conversion, Voting and Support Agreement by and between Columbia Banking System, Inc. and GF Financial, L.L.C. dated September 25, 2012
<u>Appendix G</u>	Stock Conversion, Voting and Support Agreement by and between Columbia Banking System, Inc. and MFP Partners, L.P. dated September 25, 2012
<u>Appendix H</u>	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
<u>Appendix I</u>	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: How will the merger consideration received by West Coast shareholders affect Columbia shareholders?

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

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

A: A West Coast shareholder may elect to receive:

all cash;

all Columbia common stock; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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- 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.

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

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

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

Q: What am I being asked to vote on?

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

1. *Issuance of Common Stock in the Merger.* To approve the issuance of Columbia common stock in the merger contemplated by the merger agreement (referred to as the *Share Issuance* proposal); and
2. *Adjournment of Meeting.* To approve one or more adjournments of the Columbia special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the *Share Issuance* proposal (referred to as the *Columbia Adjournment* proposal).

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

1. *Approval of the Merger Agreement.* To approve the merger agreement (referred to as the *Merger* proposal);
2. *Non-Binding Approval of Certain Compensation.* To approve, on a non-binding, advisory basis, the compensation to be paid to West Coast's named executive officers that is based on or otherwise relates to the merger (referred to as the *Merger-Related Named Executive Officer Compensation* proposal); and
3. *Adjournment of Meeting.* To approve one or more adjournments of the West Coast special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the *Merger* proposal (referred to as the *West Coast Adjournment* proposal).

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

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- 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.

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

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

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

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, **please vote by telephone or on the Internet, or complete, sign and date the enclosed proxy card and return it in the enclosed envelope as soon as possible** so that your shares will be represented at your respective company's meeting.
Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker or other nominee.

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

Q: How do I vote?

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

accessing the internet website specified on your proxy card (www.proxyvote.com);

calling the toll-free number specified on your proxy card (1-800-690-6903); or

signing the enclosed proxy card and returning it in the postage-paid envelope provided.

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

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

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

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A: The special meeting of Columbia shareholders will be held at Columbia's corporate headquarters, located at 1301 A Street, Suite 800, Tacoma, Washington, at 10:00 a.m., local time, on March 18, 2013. All shareholders of Columbia as of the Columbia record date, or their duly appointed proxies, may attend the Columbia special meeting.

The special meeting of West Coast shareholders will be held at The Meadows Conference Room, 5300 Meadows Road, Lake Oswego, Oregon 97035 at 8:30 a.m. local time, on March 18, 2013. All shareholders of West Coast as of the West Coast record date, or their duly appointed proxies, may attend the West Coast special meeting.

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

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

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

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

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

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

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

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

As of the last practicable trading date prior to the date of this document, Columbia's directors, executive officers and their affiliates collectively had the right to vote approximately 1.86% 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.

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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 trading date prior to the date of this document, West Coast's directors, executive officers and their affiliates, (including the Principal Shareholders, as defined elsewhere in this document) collectively had the right to vote approximately 22% of the West Coast common stock outstanding and entitled to vote at the West Coast special meeting. West Coast's directors (or their affiliates) have entered into voting agreements with respect to the West Coast shares they own, pursuant to which they have agreed to vote such shares in favor of the proposals to be considered at the West Coast special meeting.

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

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

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

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

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

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

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

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

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

by sending a notice of revocation to the corporate secretary of Columbia or West Coast, as applicable;

by sending a completed proxy card bearing a later date than your original proxy card;

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

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

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

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

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

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

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

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

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

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

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

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

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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.

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

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

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

Q: Do I have appraisal or dissenters' rights?

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

Q: Should I send in my stock certificates now?

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

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

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

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

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

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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 125 and 130)

Columbia

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

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

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

West Coast

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

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

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

Merger Sub

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

Table of Contents**The Merger (page 43)**

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

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

	Purchaser				
	Average	Total Stock	Total Cash	Aggregate	Per Share
	Closing Price	Consideration	Amount	Consideration	Consideration
		(in millions)	(in millions)	(in millions)	
	\$ 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
	\$ 21.25	\$ 272.2	\$ 264.5	\$ 536.7	\$ 24.42
	\$ 21.50	\$ 275.4	\$ 264.5	\$ 539.9	\$ 24.56
	\$ 21.75	\$ 278.6	\$ 264.5	\$ 543.1	\$ 24.70
	\$ 22.00	\$ 281.8	\$ 264.5	\$ 546.3	\$ 24.84
	\$ 22.25	\$ 285.0	\$ 264.5	\$ 549.5	\$ 24.98
	\$ 22.50	\$ 288.2	\$ 264.5	\$ 552.7	\$ 25.12
	\$ 22.75	\$ 291.4	\$ 264.5	\$ 555.9	\$ 25.26
	\$ 23.00	\$ 294.6	\$ 264.5	\$ 559.1	\$ 25.39

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Columbia and West Coast expect the mergers, taken together, to be a tax-free transaction for West Coast

shareholders, to the extent they receive Columbia common stock for their shares of West Coast common stock.

See Material United States Federal Income Tax Consequences of the Merger.

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

Recommendation of the Columbia Board of Directors (page 77)

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

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

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

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

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

Opinion of Columbia's Financial Advisor (page 79)

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

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

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

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

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

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Opinion of West Coast's Financial Advisor (page 58)

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

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

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

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

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

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

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

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

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

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

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

West Coast directors and officers are entitled to continued indemnification and insurance coverage under the merger agreement. For a more complete description of the interests of West Coast directors and executive officers in the merger, see *The Merger* *Interests of West Coast's Directors and Executive Officers in the Merger*.

No Appraisal Rights (page 51)

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

Regulatory Matters (page 52)

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

Conditions to Completion of the Merger (page 101)

Currently, Columbia and West Coast expect to complete the merger by the end of 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.

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Termination of the Merger Agreement (page 102)

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

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

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

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

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

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

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

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

Expenses and Termination Fees (page 102)

Expenses

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

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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.

Columbia Termination Fee

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

by either party because Columbia's shareholders fail to approve the share issuance proposal at the Columbia special meeting or any adjournment thereof; or

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

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

Columbia

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

to approve the issuance of shares of Columbia common stock in connection with the merger (the Share Issuance proposal); and

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

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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.

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

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

Litigation Related to the Merger (page 107)

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

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RISK FACTORS

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

Risk Factors Relating to the Merger

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

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

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

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

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

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

Columbia and West Coast have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process or other factors could result in the loss or departure of key employees, the disruption of the ongoing business of West Coast or inconsistencies in standards, controls,

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procedures and policies. It is also possible that clients, customers, depositors and counterparties of West Coast could choose to discontinue their relationships with the combined company post-merger because they prefer doing business with an independent company or for any other reason, which would adversely affect the future performance of the combined company. These transition matters could have an adverse effect on each of Columbia and West Coast during the pre-merger period and for an undetermined time after the completion of the merger.

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

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

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

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

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

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

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

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

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

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

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

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

The combined company expects to incur substantial expenses in connection with completing the merger and combining the business, operations, networks, systems, technologies, policies and procedures of the two companies. Although Columbia and West Coast have assumed that a certain level of transaction and combination expenses would be incurred, there are a number of factors beyond their control that could affect the total amount or the timing of their combination expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. Due to these factors, the transaction and combination expenses

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associated with the merger could, particularly in the near term, exceed the savings that the combined company expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the combination of the businesses following the completion of the merger. As a result of these expenses, both Columbia and West Coast expect to take charges against their earnings before and after the completion of the merger. The charges taken in connection with the merger are expected to be significant, although the aggregate amount and timing of such charges are uncertain at present.

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

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

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

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

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

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

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

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

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

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

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

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

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

West Coast directors and officers are entitled to continued indemnification and insurance coverage under the merger agreement. For a more complete description of the interests of West Coast directors and executive officers in the merger, see "The Merger Interests of West Coast's Directors and Executive Officers in the Merger."

Risk Factors Relating to West Coast and West Coast's Business

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

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Risk Factors Relating to Columbia and Columbia's Business

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

Table of Contents**RECENT DEVELOPMENTS****Results for Fourth Quarter of 2012 and Year Ended December 31, 2012*****Columbia***

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

West Coast

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

Table of Contents**SELECTED CONSOLIDATED FINANCIAL DATA OF COLUMBIA**

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

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

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

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

Table of Contents**SELECTED CONSOLIDATED FINANCIAL DATA OF WEST COAST**

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

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

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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.

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

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

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
Pro Forma Condensed Consolidated Income Statement Information:		
Net interest income	\$ 258,939	\$ 329,839
Provision for loan losses	33,510	13,885
Income before income taxes	81,063	88,643
Net income	56,186	87,752

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

Per Common Share	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.

Table of Contents**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET AS OF****SEPTEMBER 30, 2012**

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

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

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

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

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Net Income \$ 32,681 \$ 17,767 \$ 5,738 \$ 56,186

Per Common Share

Earnings basic	\$ 0.82	\$ 0.87		\$ 1.08
Earnings diluted	\$ 0.82	\$ 0.82		\$ 1.08
Dividends declared per common share	\$ 0.89	\$ 0.05		\$ 0.89
Weighted average number of common shares outstanding	39,248	19,077	(6,267)	U 52,058
Weighted average number of diluted common shares outstanding	39,251	20,225	(7,415)	V 52,061

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

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

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

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

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

Table of Contents**Notes to Unaudited Pro Forma Condensed Combined Financial Information****Note 1 Basis of Presentation**

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

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

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

Note 2 Estimated Merger and Integration Costs

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

Table of Contents**Note 3 Estimated Annual Cost Savings**

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

Note 4 Pro Forma Adjustments

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

Balance Sheet

(dollars in thousands)

A. Adjustments to cash and cash equivalents

To reflect cash used to purchase West Coast	\$ (264,469)
To reflect cash used to redeem West Coast junior subordinated debentures	(51,000)
	\$ (315,469)

B. Adjustment to loans, excluding covered loans, net of unearned income

To reflect estimated fair value at merger date, calculated as 5% of the West Coast loan balance. The adjustment to loans is primarily related to credit deterioration in the acquired loan portfolio. During Columbia's due diligence on West Coast, Columbia reviewed loan information across collateral types and geographic distributions. Columbia applied traditional examination methodologies to arrive at the fair value adjustment.	\$ (74,538)
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C. Adjustment to allowance for loan and lease losses

To remove West Coast allowance at merger date as the credit risk is contemplated in the fair value adjustment in adjustment B above.	\$ (31,457)
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D. Adjustment to premises and equipment

To reflect estimated fair value of West Coast properties at merger date, based on third-party estimates. The estimated useful life of these properties is 39 years.	\$ 15,000
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E. Adjustment to goodwill

To reflect the goodwill associated with the West Coast merger.	\$ 182,409
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F. Adjustment to core deposit intangible, net

To record the estimated fair value of acquired identifiable intangible assets, calculated as 1% of West Coast core deposits. Core deposits were identified as the demand, savings, money market accounts and certificates of deposit under \$100,000. Although a core deposit study was not performed for the West Coast merger, the fair value adjustment of 1% was determined to be appropriate based on the valuation methodology utilized for Columbia's prior acquisitions taken in conjunction with a review of West Coast's historical deposit trends. A more detailed analysis will be completed upon closing of the merger. The acquired core deposit intangible will be amortized over 10 years using a sum-of-the-years-digits method. The estimated 10 year life was validated through review of the core deposit intangible lives utilized by our industry peers. The lives utilized by industry peers ranged from 5.5 to 15 years with an average of 9.25 years. Columbia felt the resiliency exhibited by West Coast's deposit base over the past 5 years warranted a higher life than the average estimated useful life.	\$ 15,561
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Table of Contents**G. Adjustment to other assets**

To reflect deferred tax asset created in the merger	\$ 17,414
Calculated as follows:	
Adjustment to loans	\$ 74,538
Adjustment to allowance for loan and lease losses	(31,457)
Adjustment to other liabilities	6,600
Adjustment to deposits	74
Subtotal for fair value adjustments	49,755
Calculated deferred tax asset at Columbia's estimated statutory rate of 35%	\$ 17,414

H. Adjustment to deposits

To reflect estimated fair value at merger date based on current market rates for similar products. This adjustment will be accreted into income over the estimated lives of the deposits, which is less than one year. \$ 74

I. Adjustment to junior subordinated debentures

To reflect redemption of junior subordinated debentures \$ (51,000)

J. Adjustments to other liabilities

To reflect liability for estimated change in control payments \$ 6,600
 To reflect deferred tax liability created in the merger 10,696

\$ 17,296

The deferred tax liability is calculated as follows:

Adjustment to premises and equipment	\$ 15,000
Adjustment to core deposit intangible, net	15,561

Subtotal for fair value adjustments 30,561

Calculated deferred tax liability at Columbia's estimated statutory rate of 35% \$ 10,696

K. Adjustment to preferred stock

To eliminate historical West Coast preferred stock \$ (21,124)

L. Adjustments to common stock

To eliminate historical West Coast common stock	\$ (231,766)
To reflect the issuance of Columbia common stock to West Coast shareholders	241,460
	\$ 9,694

M. Adjustment to retained earnings

To eliminate historical West Coast retained earnings \$ (71,692)

N. Adjustment to accumulated other comprehensive income

To eliminate historical West Coast accumulated other comprehensive income \$ (11,414)

Table of Contents**Income Statements***(dollars in thousands)*

	Nine Months Ended September 30, 2012	Year Ended December 31, 2011
O. Adjustment to loan interest income		
To reflect accretion of loan discount resulting from loan fair value pro forma adjustment based on weighted average remaining life of six years	\$ 9,317	\$ 12,423
P. Adjustment to deposit interest expense		
To reflect amortization of deposit premium resulting from deposit fair value pro forma adjustment H based on weighted average life of time deposits being under 1 year.	\$	\$ 74
Q. Adjustment to occupancy		
To reflect additional depreciation expense resulting from premises and equipment pro forma adjustment based on estimated useful life of 39 years	\$ 288	\$ 384
R. Adjustment to legal and professional		
To remove direct, incremental costs of the merger incurred by Columbia and West Coast.	\$ (1,709)	\$
S. Adjustment to amortization of intangibles		
To reflect amortization of acquired intangible assets based on amortization period of 10 years and using the sum-of-the-years-digits method of amortization	\$ 1,910	\$ 2,829
T. Adjustment to income tax provision		
To reflect the income tax effect of pro forma adjustments O-S at Columbia's estimated statutory tax rate of 35%	\$ 3,090	\$ 3,198
U. Adjusted to weighted average number of common shares outstanding	\$ (6,267)	\$ (6,197)
Adjustment to nine months ended September 30, 2012 calculated as follows:		
Removal of West Coast weighted average number of common shares outstanding for the nine months ended September 30, 2012	(19,077)	
Columbia shares issued to West Coast shareholders	12,810	
Adjustment to weighted average number of common shares outstanding for the nine months ended September 30, 2012	(6,267)	
Adjustment to year ended December 31, 2011 calculated as follows:		
Removal of West Coast weighted average number of common shares outstanding for the year ended December 31, 2011	(19,007)	
Columbia shares issued to West Coast shareholders	12,810	
Adjustment to weighted average number of common shares outstanding for the year ended December 31, 2011	(6,197)	

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

Note 5 Preliminary Purchase Accounting Allocation

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

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

Table of Contents**COMPARATIVE PER SHARE DATA OF COLUMBIA (UNAUDITED)**

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

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

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

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

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

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

Table of Contents**MARKET PRICES, DIVIDENDS AND OTHER DISTRIBUTIONS****Stock Prices**

The table below sets forth, for the calendar quarters indicated, the high and low closing sales price per share of Columbia common stock and West Coast common stock, which trade on The Nasdaq Global Select Market under the symbols COLB and WCBO, respectively. As of January 31, 2013, there were approximately 2,132 registered holders of Columbia's common stock and approximately 1,600 registered holders of West Coast's common stock.

	Columbia Common Stock		West Coast Common Stock	
	High	Low	High	Low
2010				
First Quarter	\$ 22.60	\$ 16.03	\$ 15.00	\$ 10.25
Second Quarter	\$ 24.96	\$ 18.17	\$ 17.20	\$ 12.75
Third Quarter	\$ 19.97	\$ 15.91	\$ 13.75	\$ 10.30
Fourth Quarter	\$ 21.99	\$ 17.00	\$ 14.70	\$ 12.25
2011				
First Quarter	\$ 22.14	\$ 17.91	\$ 17.90	\$ 14.55
Second Quarter	\$ 19.95	\$ 16.56	\$ 18.25	\$ 15.00
Third Quarter	\$ 18.14	\$ 14.01	\$ 18.03	\$ 12.96
Fourth Quarter	\$ 19.76	\$ 13.46	\$ 16.74	\$ 13.75
2012				
First Quarter	\$ 23.31	\$ 19.99	\$ 19.56	\$ 15.74
Second Quarter	\$ 23.42	\$ 17.39	\$ 20.11	\$ 18.13
Third Quarter	\$ 19.65	\$ 17.48	\$ 22.47	\$ 19.09
Fourth Quarter	\$ 19.85	\$ 16.18	\$ 22.90	\$ 21.24
2013				
First Quarter ⁽¹⁾	\$ 20.84	\$ 18.27	\$ 23.93	\$ 22.68

(1) Through January 31, 2013

	Columbia Common Stock	West Coast Common Stock
September 25, 2012 ⁽¹⁾	\$ 18.85	\$ 20.18
January 31, 2013 ⁽²⁾	\$ 20.20	\$ 23.72

(1) The closing price on the last trading day before the public announcement of the signing of the merger agreement.

(2) The closing price on the last practicable date before the date of this joint proxy statement/prospectus.

Dividends and Other Distributions

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

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

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

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document, including information included or incorporated by reference in this document may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, (i) statements about the benefits of the merger, including future financial and operating results, cost savings, enhancements to revenue and accretion to reported earnings that may be realized from the merger; (ii) statements about our respective plans, objectives, expectations and intentions and other statements that are not historical facts; and (iii) other statements identified by words such as expects, anticipates, intends, plans, believes, seeks, estimates, or words of similar meaning. These forward-looking statements are based on current beliefs and expectations of Columbia's and West Coast's managements, and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond Columbia's and West Coast's control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change.

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

the merger may not close when expected or at all because required regulatory, shareholder or other approvals and other conditions to closing are not received on a timely basis or at all;

Columbia's stock price could change, before closing of the merger, including as a result of the financial performance of West Coast prior to closing, or more generally due to broader stock market movements, and the performance of financial companies and peer group companies;

benefits from the merger may not be fully realized or may take longer to realize than expected, including as a result of changes in general economic and market conditions, interest and exchange rates, monetary policy, laws and regulations and their enforcement, and the degree of competition in the geographic and business areas in which West Coast operates;

West Coast's business may not be integrated into Columbia's successfully, or such integration may take longer to accomplish than expected;

the anticipated growth opportunities and cost savings from the merger may not be fully realized or may take longer to realize than expected;

operating costs, customer losses and business disruption following the merger, including adverse developments in relationships with employees, may be greater than expected; and

management time and effort may be diverted to the resolution of merger-related issues.

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

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

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THE MERGER

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

Terms of the Merger

Transaction Structure

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

Table of Contents**Merger Consideration**

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

	Purchaser Average Closing Price	Total Stock Consideration (in millions)	Total Cash Amount (in millions)	Aggregate Consideration (in millions)	Per Share Consideration
	\$17.00	\$217.8	\$264.5	\$482.2	\$22.05
	\$17.25	\$221.0	\$264.5	\$485.4	\$22.19
	\$17.50	\$224.2	\$264.5	\$488.6	\$22.33
	\$17.75	\$227.4	\$264.5	\$491.8	\$22.47
	\$18.00	\$230.6	\$264.5	\$495.0	\$22.61
	\$18.25	\$233.8	\$264.5	\$498.2	\$22.75
	\$18.50	\$237.0	\$264.5	\$501.4	\$22.89
	\$18.75	\$240.2	\$264.5	\$504.6	\$23.03
As of 9/25/12	\$18.85	\$241.5	\$264.5	\$505.9	\$23.08
	\$19.00	\$243.4	\$264.5	\$507.8	\$23.17
	\$19.25	\$246.6	\$264.5	\$511.1	\$23.31
	\$19.50	\$249.8	\$264.5	\$514.3	\$23.44
	\$19.75	\$253.0	\$264.5	\$517.5	\$23.58
	\$20.00	\$256.2	\$264.5	\$520.7	\$23.72
	\$20.25	\$259.4	\$264.5	\$523.9	\$23.86
	\$20.50	\$262.6	\$264.5	\$527.1	\$24.00
	\$20.75	\$265.8	\$264.5	\$530.3	\$24.14
	\$21.00	\$269.0	\$264.5	\$533.5	\$24.28
	\$21.25	\$272.2	\$264.5	\$536.7	\$24.42
	\$21.50	\$275.4	\$264.5	\$539.9	\$24.56
	\$21.75	\$278.6	\$264.5	\$543.1	\$24.70
	\$22.00	\$281.8	\$264.5	\$546.3	\$24.84
	\$22.25	\$285.0	\$264.5	\$549.5	\$24.98
	\$22.50	\$288.2	\$264.5	\$552.7	\$25.12
	\$22.75	\$291.4	\$264.5	\$555.9	\$25.26
	\$23.00	\$294.6	\$264.5	\$559.1	\$25.39

If the effective time of the merger does not occur on or prior to the later of (i) six months from the execution of the merger agreement (the Six Months Date) and (ii) April 1, 2013, and if West Coast's consolidated total stockholders' equity (subject to adjustment for certain unaccrued fees and expenses incurred in connection with the merger) exceeds \$328,000,000, the aggregate merger consideration will be increased by an amount in cash equal to West Coast's earnings during the period from the Six Months Date to the effective time of the merger less the amount of quarterly cash dividends paid by West Coast during such period. In addition, if the Purchaser Average Closing Price declined by more than 17.5% from the closing price of Columbia common stock on the day of the execution of the merger agreement, and Columbia's common stock underperforms the Keefe

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Bruyette & Wood (KBW) Regional Banking Index by more than 17.5% during such period, West Coast may terminate the merger agreement unless Columbia contributes sufficient additional cash consideration to offset any reduction in the value of the merger consideration attributable to such decline, as discussed in greater detail below. We sometimes refer to \$264,468,650, plus the aggregate proceeds received by West Coast from the exercise of stock options between the execution of the merger agreement and the effective time of the merger (less any amounts paid to holders of West Coast stock options exercised during such period), plus any additional cash consideration paid by Columbia pursuant to the two preceding sentences, as the total cash amount. We sometimes refer to the product of 12,809,525 multiplied by the Purchaser Average Closing Price as the total stock consideration.

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

Cash Election

The merger agreement provides that each West Coast shareholder who makes a valid cash election will have the right to receive, in exchange for each share of West Coast common stock, subject to proration and adjustment as described below, an amount in cash equal its pro rata share (taking into account Class C Warrants and in-the-money stock options on an as-exercised basis and shares of common stock issuable upon conversion of Series B Preferred Stock (including shares of Series B Preferred Stock issuable upon exercise of Class C Warrants)) of the aggregate consideration, which consists of the total cash amount plus the total stock consideration (both as described above). This amount, which is referred to as the per share cash consideration, or the per share consideration, is calculated as the quotient obtained by dividing (a) the sum of (i) the aggregate consideration (which is equal to the total cash amount plus the total stock consideration) and (ii) the warrant and option proceeds (as defined below), by (b) the aggregate number of shares of West Coast common stock outstanding (including restricted shares, shares issuable upon conversion of Series B Preferred Stock (including shares of Series B Preferred Stock issuable upon exercise of West Coast's Class C Warrants) and shares issuable upon exercise of West Coast stock options that have an exercise price below the per share consideration). For purposes of this calculation, the warrant and option proceeds are defined as the sum of (i) \$24,000,000 and (ii) the aggregate proceeds that would be received by West Coast from the exercise of all West Coast stock options that have an exercise price below the per share consideration. For example, based on the volume weighted average price of Columbia common stock during the twenty trading day period ending January 31, 2013, the last practicable date before the printing of this document, and assuming no adjustments to the aggregate merger consideration are required pursuant to the discussion above concerning the delay in the completion of the merger or a greater than 17.5% decline in Columbia's stock price, each West Coast common shareholder who receives cash for such shareholder's shares would have the right to receive approximately \$23.41 per share in cash. The aggregate amount of cash that Columbia has agreed to pay in the merger is fixed at the total cash amount and as a result, even if a West Coast shareholder makes a cash election, that holder may nevertheless receive a mix of cash and stock. If a West Coast shareholder makes a valid cash election, such holder's shares are referred to as cash election shares.

Stock Election

The merger agreement provides that each West Coast shareholder who makes a valid stock election will have the right to receive, in exchange for each share of West Coast common stock, subject to proration and adjustment as described below, a number of shares of Columbia common stock equal to the exchange ratio (as defined below). We refer to this as the per share stock consideration. The exchange ratio is calculated as the quotient (rounded to the nearest ten-thousandth) obtained by dividing (a) the per share consideration by (b) the

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Purchaser Average Closing Price. No fractional shares of Columbia common stock will be issued in the merger, and a holder of West Coast common stock who would otherwise be entitled to a fractional share of Columbia common stock will receive cash in lieu thereof. Because the aggregate amount of cash that will be paid in the merger is fixed at the total cash amount, in the event that the total cash amount is undersubscribed, even if a West Coast shareholder makes a stock election, that holder may nevertheless receive a mix of cash and stock. If a West Coast shareholder makes a valid stock election, such holder's shares are referred to as stock election shares.

Mixed Election

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

Non-Election

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

Adjustment on a Prorated Basis

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

Proration Adjustment if Cash Consideration is Oversubscribed

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

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

all proposed dissenting shares (meaning all shares of West Coast common stock whose holders provide notice of dissent to West Coast prior to the West Coast special meeting and who do not vote in favor of

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the merger, in the event that dissenters' rights apply to the merger (as discussed below)) will be deemed, for the purposes of proration, to be converted into the right to receive the per share cash consideration;

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

a West Coast shareholder making a cash election will receive:

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

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

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

Example of Oversubscription of Total Cash Amount

As an example, assuming that the Purchaser Average Closing Price was equal to \$19.44, and the total cash amount is \$264,468,650, then the per share consideration would be equal to approximately \$23.41 and the aggregate consideration would be equal to approximately \$513.5 million, consisting of approximately \$264.5 million in cash and 12,809,525 shares of Columbia stock valued at approximately \$249.0 million. Under these assumptions, there would be a total of 11,810,061 shares of West Coast common stock exchangeable for cash consideration and 11,120,062 shares of West Coast common stock exchangeable for stock consideration in the merger (assuming all holders of Series B Preferred Stock elect to receive merger consideration, and treating all Class C Warrants and shares of Series B Preferred Stock on a common-equivalent basis).

Assuming that:

the number of cash election shares and mixed cash shares (and proposed dissenting shares, in the event that dissenters' rights apply) combined is equal to 14,000,000, which would require the payment of approximately \$327.8 million in cash (14,000,000*\$23.41) (in other words, there is only approximately \$264.5 million in total cash consideration, but based on the elections received approximately \$327.8 million in cash would be paid in the merger),

then a West Coast shareholder that has made a valid cash election with respect to 1,000 shares of West Coast common stock would receive the per share stock consideration with respect to 156 shares (as rounded to the nearest whole share) of West Coast common stock and the per share cash consideration with respect to the remaining 844 shares (as rounded to the nearest whole share) of West Coast common stock. Therefore, that West Coast shareholder would receive 188 shares (as rounded to the nearest whole share) of Columbia common stock and approximately \$19,749 in cash (as rounded to the nearest dollar). This example does not reflect any cash that may be paid in lieu of fractional shares of Columbia common stock.

Proration Adjustment if Cash Consideration is Undersubscribed

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

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

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

the exchange agent will select first from among the no election shares and then (if necessary) from among the stock election shares, by a pro rata selection process, a sufficient number of shares such that

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the aggregate cash amount that will be paid in the merger equals as closely as practicable the total cash amount (such shares are referred to as cash designated shares);

a West Coast shareholder making a stock election will receive:

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

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

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

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

Examples of Undersubscription of Total Cash Amount

As an example, assuming that the Purchaser Average Closing Price was equal to \$19.44, and the total cash amount is \$264,468,650, then the per share consideration would be equal to approximately \$23.41 and the aggregate consideration would be equal to approximately \$513.5 million, consisting of approximately \$264.5 million in cash and 12,809,525 shares of Columbia stock valued at approximately \$249.0 million. Under these assumptions, there would be a total of 11,810,061 shares of West Coast common stock exchangeable for cash consideration and 11,120,062 shares of West Coast common stock exchangeable for stock consideration in the merger (assuming all holders of Series B Preferred Stock elect to receive merger consideration, and treating all Class C Warrants and shares of Series B Preferred Stock on a common-equivalent basis).

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

Assuming that:

the number of cash election shares and mixed cash shares (and proposed dissenting shares, in the event that dissenters' rights apply) combined is equal to 10,000,000, which would require the payment of approximately \$234.1 million in cash ($10,000,000 \times \23.41) (in other words, there is approximately \$264.5 million in total cash consideration, but based on the number of elections received only approximately \$234.1 million in cash would be paid in the merger),

the number of stock election shares and mixed stock shares combined is equal to 8,000,000, which would require the payment of approximately \$187.3 million in Columbia common stock ($8,000,000 \times \$23.41$), and

there are 4,930,123 no election shares, which would require the payment of approximately \$115.4 million ($4,930,123 \times \23.41), then a West Coast shareholder that has not made a valid election prior to the election deadline with respect to 1,000 shares of West Coast common stock would receive the per share stock consideration with respect to 633 shares (as rounded to the nearest whole share) of West Coast common stock and the per share cash consideration with respect to the remaining 367 shares (as rounded to the nearest whole share) of West Coast common stock. Therefore, that West Coast shareholder would receive 762 shares (as rounded to the nearest whole share) of Columbia common stock and approximately \$8,595 in cash (as rounded to the nearest dollar). In this example, all stock election shares would receive the per share stock consideration.

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

Assuming instead that

the number of cash election shares and mixed cash shares (and proposed dissenting shares, in the event that dissenters' rights apply) combined is equal to 4,000,000, which would require the payment of

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approximately \$93.6 million in cash ($4,000,000 * \23.41) (in other words, there is approximately \$264.5 million in total cash consideration, but based on the number of elections received only approximately \$93.6 million in cash would be paid in the merger),

the number of mixed stock shares is equal to 6,000,000, which would require the payment of approximately \$140.5 million in Columbia common stock ($6,000,000 * \$23.41$),

the number of stock election shares is equal to 6,000,000, which would require the payment of approximately \$140.5 million in Columbia common stock ($6,000,000 * \$23.41$), and

there are 6,930,123 no election shares, which would require the payment of approximately \$162.2 million ($6,930,123 * \23.41), then a West Coast shareholder that has not made a valid election prior to the election deadline with respect to 1,000 shares of West Coast common stock would receive the per share cash consideration with respect to all 1,000 shares. Therefore, that West Coast shareholder would receive approximately \$23,411 in cash (as rounded to the nearest dollar).

In this same case, a West Coast shareholder that has made a valid stock election with respect to 1,000 shares of West Coast common stock would receive the per share stock consideration with respect to 853 shares (as rounded to the nearest whole share) of West Coast common stock and the per share cash consideration with respect to the remaining 147 shares (as rounded to the nearest whole share) of West Coast common stock. Therefore, that West Coast shareholder would receive 1,028 shares (as rounded to the nearest whole share) of Columbia common stock and approximately \$3,433 in cash (as rounded to the nearest dollar). These examples do not reflect any cash that may be paid in lieu of fractional shares of Columbia common stock.

No Adjustment if Cash Consideration is Sufficiently Subscribed

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

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

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

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

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

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

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

Election Statement

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

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

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

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

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

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

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

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

Letters of Transmittal

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

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

Cash in Lieu of Fractional Shares

No fractional shares of Columbia common stock will be issued upon the surrender of certificates or book-entry shares for exchange, and no dividend or distribution with respect to Columbia common stock will be

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payable on or with respect to any fractional share, and such fractional share interests will not entitle the owner thereof to vote or to any other rights of a shareholder of Columbia. In lieu of the issuance of any such fractional share, Columbia will pay to each former shareholder of West Coast who otherwise would be entitled to receive such fractional share an amount in cash (rounded to the nearest cent) determined by multiplying (i) the Purchaser Average Closing Price by (ii) the fraction of a share (after taking into account all shares of West Coast common stock held by such holder at the effective time of the merger and rounded to the nearest thousandth when expressed in decimal form) of Columbia common stock which such holder would otherwise be entitled to receive.

Dividends and Distributions

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

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

Dissenting Shares

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

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

Under the OBCA, shareholders who have the right to dissent and who comply with the applicable statutory procedures are entitled to receive a judicial appraisal of the fair value of their shares (excluding any appreciation or depreciation in anticipation of the merger, unless exclusion would be inequitable) and to receive payment of such fair value in cash, together with accrued interest. Any such judicial determination of the fair value of West Coast common stock could be based upon factors other than, or in addition to, the price per share paid in the

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merger or the market value of the shares of West Coast common stock. The value so determined could be more or less than the price per share to be paid in the merger. Failure to follow the steps required by the OBCA for perfecting dissenters' rights may result in the loss of such rights. This summary is not a complete statement of all applicable requirements and is qualified in its entirety by reference to §§ 60.551 - 60.594 of the OBCA, which are reproduced in their entirety as Appendix D to this document. In the event that shares of West Coast common stock cease to be registered on a national securities exchange on the record date of the West Coast special meeting and dissenters' rights apply, shareholders are urged to read §§ 60.551 - 60.594 of the OBCA.

Regulatory Approvals Required for the Merger

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

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

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

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

Accounting Treatment

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

Public Trading Markets

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

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Resale of Columbia Common Stock

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

Background of the Merger

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

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

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

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

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

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

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

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

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

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

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

Over the course of the subsequent weeks, representatives of West Coast and Columbia conducted mutual due diligence involving senior executives from both companies as well as their outside legal and financial advisors. During this time, the parties and their outside counsel began discussing the material terms on which a transaction could be reached, including the conditions to a potential transaction and other significant provisions. In the course of these conversations Columbia indicated, among other things, that its indication of interest was

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contingent upon the execution of voting and support agreements by three major shareholders of West Coast, as well as West Coast directors. Columbia also expressed a willingness to appoint one current member of the West Coast board of directors to the Columbia board of directors following the completion of the transaction.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Opinion of West Coast's Financial Advisor

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

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

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

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

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

the merger agreement;

certain financial statements and other historical financial information of West Coast that Sandler O'Neill deemed relevant;

certain financial statements and other historical financial information of Columbia that Sandler O'Neill deemed relevant;

certain publicly available analyst estimated earnings per share for the years ending December 31, 2012 and December 31, 2013 and an estimated long-term growth rate for the years thereafter, in each case as discussed with, and confirmed by, senior management of West Coast;

publicly available analyst earnings estimates for Columbia for the years ending December 31, 2012, December 31, 2013 and December 31, 2014 and an estimated long-term growth rate for the years thereafter, in each case as discussed with, and confirmed by, senior management of Columbia;

the pro forma financial impact of the merger on Columbia based on assumptions relating to transaction expenses, purchase accounting adjustments, cost savings and other synergies as determined by the senior management of Columbia;

a comparison of certain financial and other information for West Coast and Columbia with similar publicly available information for certain other commercial banks, the securities of which are publicly traded;

the terms and structures of other recent mergers and acquisition transactions in the commercial banking sector;

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the current market environment generally and in the commercial banking sector in particular; and

such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O'Neill considered relevant.

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

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

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

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

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

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

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

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

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

Summary of Proposal

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

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

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

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

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

³ Assumes 2.45% in noncore deposits

Certain Prospective Financial Information

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

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

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

Prospective Financial Information for West Coast

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

Prospective Financial Information for Columbia

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

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

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

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

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

Comparable Company Analysis

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

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

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

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

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

¹ Dividend yield includes only normal dividends.

Table of Contents**Columbia Comparable Company Analysis**

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

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

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

Comparable Company Analysis

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

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

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

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

¹ Dividend yield includes only normal dividends.

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

Table of Contents**West Coast Stock Price Performance**

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

West Coast's One-Year Stock Performance

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

West Coast's Three-Year Stock Performance

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

Columbia Stock Price Performance

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

Columbia's One Year Stock Performance

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

Columbia's Three Year Stock Performance

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

Table of Contents***West Coast Net Present Value Analysis***

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

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

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

Earnings Per Share Multiples

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

Tangible Book Value Multiples

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

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

Table of Contents**Earnings Per Share Multiples**

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

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

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

Columbia Net Present Value Analysis

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

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

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

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

Earnings Per Share Multiples

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

Table of Contents**Tangible Book Value Multiples**

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

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

Earnings Per Share Multiples

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

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

	Discount Rate	
Risk Free Rate	1.75%	10 year UST Yield (Sept. 21, 2012)
Two Year Beta	1.02	Peer Median Beta per Bloomberg
Equity Risk Premium	5.70%	Ibbotson 60 year market analysis
Discount Rate	7.49%	

Analysis of Selected Merger Transactions

Sandler O Neill reviewed two groups of comparable mergers and acquisitions. The groups of mergers and acquisitions included: (i) 12 transactions announced between January 1, 2010 and September 21, 2012 involving Western Region banks and thrifts with target assets greater than \$100 million and announced deal value greater than \$15 million and target last twelve months return on average assets greater than 0% and non-performing assets to total assets ratio at announcement of less than 5% (excluding MOE transactions); and (ii) 22 transactions announced between January 1, 2010 and September 21, 2012 involving nationwide banks and thrifts with announced deal values between \$100 million and \$2 billion. The regional transaction group was composed of the following transactions:

California United Bank/ Premier Commercial Bancorp

First PacTrust Bancorp, Inc./ Beach Business Bank

First PacTrust Bancorp, Inc./ Private Bank of California

FNB Bancorp/ Oceanic Bank Holding, Incorporated

Grandpoint Capital, Inc./ California Community Bank

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Mitsubishi UFJ Financial Group, Inc./ Pacific Capital Bancorp

Opus Bank/ RMG Capital Corporation

PacWest Bancorp/ American Perspective Bank

Rabobank Group/ Napa Community Bank

SKBHC Holdings LLC/ Security Business Bancorp

Umpqua Holdings Corporation/ Circle Bancorp

The nationwide transaction group was composed of the following transactions:

Brookline Bancorp, Inc./ Bancorp Rhode Island, Inc.

Cadence Bancorp, LLC/ Encore Bancshares, Inc.

Comerica Incorporated/ Sterling Bancshares, Inc.

Community Bank System, Inc./ Wilber Corporation

Eastern Bank Corporation/ Wainwright Bank & Trust Company

FirstMerit Corporation/ Citizens Republic Bancorp, Inc.

Hancock Holding Company/ Whitney Holding Corporation

Hilltop Holdings Inc./ PlainsCapital Corporation

IBERIABANK Corporation/ Cameron Bancshares, Inc.

Industrial and Commercial Bank of China Limited/ Bank of East Asia (USA), National Association

Investors Bancorp, Inc. (MHC)/ Marathon Banking Corporation

M&T Bank Corporation/ Wilmington Trust Corporation

Mitsubishi UFJ Financial Group, Inc./ Pacific Capital Bancorp

Nara Bancorp, Inc./ Center Financial Corporation

Old National Bancorp/ Indiana Community Bancorp

Oriental Financial Group Inc./ BBVA's Puerto Rico operations

Prosperity Bancshares, Inc./ American State Financial Corporation

Susquehanna Bancshares, Inc./ Tower Bancorp, Inc.

Tompkins Financial Corporation/ VIST Financial Corp.

Toronto-Dominion Bank/ South Financial Group, Inc.

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United Bankshares, Inc./ Centra Financial Holdings, Inc.

Valley National Bancorp/ State Bancorp, Inc.

Sandler O'Neill reviewed the following multiples: transaction price to book value, transaction price to tangible book value, transaction price to last twelve months earnings per share, transaction price to estimated current year earnings per share, tangible book premium to core deposits and transaction price to seller's stock price two days before transaction announcement. As illustrated in the following table, Sandler O'Neill compared the proposed merger multiples to the median and mean multiples of comparable transaction groups.

	West Coast / Columbia	Median Regional Transactions	Mean Regional Transactions
Transaction Value /			
Adjusted Book Value Per Share ¹ :	151%	130%	132%
Adjusted Tangible Book Value Per Share ¹ :	151%	131%	135%
Last Twelve Months Earnings Per Share ² :	23.2x	28.7x	31.6x
Mean Estimated 2012 Earnings Per Share:	21.5x		
Mean Estimated 2013 Earnings Per Share:	19.8x		
Tangible Book Premium to Core Deposits ³ :	9.8%	2.5%	4.7%
West Coast Stock Price (Sept. 21, 2012):	12.5%	31.9%	39.6%

- 1 Assumes conversion of preferred into 1,213,280 shares of common stock (as per terms of the Series B Preferred Stock) and exercise of warrants into 2,400,000 shares of common stock at \$10.00 per share for gross proceeds to West Coast of \$24,000,000
- 2 Adjusted to eliminate effect of benefit from deferred tax asset reversal and costs due to FHLB prepayment penalties and branch closure; assumes normalized tax rate of 35% on adjusted pre-tax net income

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3 Assumes 2.45% in noncore deposits

	West Coast / Columbia	Median Nationwide Transactions	Mean Nationwide Transactions
Transaction Value /			
Adjusted Book Value Per Share ¹ :	151%	132%	131%
Adjusted Tangible Book Value Per Share ¹ :	151%	151%	156%
Last Twelve Months Earnings Per Share ² :	23.2x	21.8x	20.2x
Mean Estimated 2012 Earnings Per Share:	21.5x	21.9x	19.5x
Mean Estimated 2013 Earnings Per Share:	19.8x		
Tangible Book Premium to Core Deposits ³ :	9.8%	7.1%	8.0%
West Coast Stock Price (Sept. 21, 2012):	12.5%	40.9%	39.8%

- 1 Assumes conversion of preferred into 1,213,280 shares of common stock (as per terms of the Series B Preferred Stock) and exercise of warrants into 2,400,000 shares of common stock at \$10.00 per share for gross proceeds to West Coast of \$24,000,000
- 2 Adjusted to eliminate effect of benefit from deferred tax asset reversal and costs due to FHLB prepayment penalties and branch closure; assumes normalized tax rate of 35% on adjusted pre-tax net income
- 3 Assumes 2.45% in noncore deposits

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The following table sets forth individually observed metrics and multiples for the members of the regional transaction group:

Acquiror	St	Seller	St	Annnc. Date	Deal Value \$(mm)	Consid.	Transaction Information						Seller Information at Announcement			
							Deal Price/Book (%)	Deal Price/Tan. Bk (%)	Deal Price/LTM (%)	Tan. Bk Premium/Core Dep. (%)	Deal Price/Seller Price 2 Day Before (%)	Annnc. Closing Date	Total Assets \$(mm)	Tang. Comm. / TA (%)	LTM ROAA (%)	NPAs/ Assets (%)
Umpqua Holdings Corp.	OR	Circle Bancorp	CA	8/30/12	25.3	Cash	NA	NA	NA	NA	NA	Pending	322	7.75	0.68	1.82
First PacTrust Bancorp Inc.	CA	Private Bank of California	CA	8/21/12	52.1	Mixed	122	122	25.5	0.3	27.5	Pending	639	6.36	0.39	0.43
PacWest Bancorp FNB	CA	American Perspective Bank	CA	4/30/12	58.1	Cash	132	132	20.3	9.3	31.9	8/1/12	259	16.67	1.14	1.01
Bancorp SKBHC Holdings LLC	CA	Oceanic Bank Holding Inc.	CA	3/25/12	27.8	Cash	86	86	27.4	(8.0)	NA	Pending	169	18.94	0.73	2.75
Mitsubishi UFJ Finl Grp Inc	WA	Security Business Bancorp	CA	3/23/12	26.4	Cash	135	135	NM	4.3	NA	7/3/12	233	8.37	0.08	0.91
Grandpoint Capital Inc.	CA	Pacific Capital Bancorp	CA	3/9/12	1,516.3	Cash	199	224	21.5	22.2	NA	Pending	5,850	11.71	1.20	1.20
California United Bank	CA	California Community Bank	CA	1/19/12	30.0	Cash	116	116	34.7	2.5	NA	Pending	244	10.58	0.37	3.37
First PacTrust Bancorp Inc.	CA	Premier Commercial Bancorp	CA	12/8/11	38.1	Stock	92	92	33.6	(1.1)	17.9	7/31/12	450	9.18	0.24	0.80
Opus Bank	CA	Beach Bus. Bank	CA	8/30/11	37.1	Cash	119	119	26.8	0.0	53.8	7/1/12	304	10.17	0.66	2.45
Grandpoint Capital Inc.	CA	RMG Capital Corporation	CA	6/6/11	49.2	Cash	130	131	47.2	1.8	NM	10/31/11	684	5.51	0.15	3.58
Rabobank Group	CA	Orange Community Bancorp	CA	3/10/11	32.1	Cash	135	135	30.0	6.4	67.1	8/30/11	224	9.97	0.46	0.66
		Napa Community Bank	CA	2/16/10	30.3	Cash	192	192	49.1	14.2	NA	4/30/10	167	9.45	0.41	2.40

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The following table sets forth individually observed metrics and multiples for the members of the nationwide transaction group:

Transaction Information														Seller Information at Announcement			
Acquiror	St	Seller	St	Annuc. Date	Deal Value \$(mm)	Consid.	Deal Price/Book (%)	Deal Price/Tan. Bk (%)	Deal Price/LTM (%)	Deal Price/Estimated Current Year EPS (x)	Tan. Bk Premium/Core (%)	Deal Price/Seller Price 2 Day Before (%)	Closing Date	Total Assets \$(mm)	Tang. Comm. / TA (%)	LTM ROAA (%)	NPAs/Assets (%)
FirstMerit Corp.	OH	Citizens Republic Bancorp Inc.	MI	9/12/12	1,287.9	Mixed	90	130	2.6	4.3	4.1	14.7	Pending	9,670	7.73	3.98	1.16
Oriental Financial Group Inc.	PR	BBVA's Puerto Rico operations	PR	6/28/12	500.0	Cash	83	103	13.8	NA	0.6	NA	Pending	5,177	9.59	0.73	8.59
Investors Bancorp Inc. (MHC)	NJ	Marathon Banking Corporation	NY	6/14/12	135.0	Cash	123	151	23.8	NA	7.4	NM	Pending	902	10.14	0.66	0.79
Hilltop Holdings Inc.	TX	PlainsCapital Corp.	TX	5/8/12	641.1	Mixed	114	128	8.6	NA	4.4	NA	Pending	5,788	6.59	1.24	1.69
Mitsubishi UFJ Finl Grp Inc		Pacific Capital Bancorp	CA	3/9/12	1,516.3	Cash	199	224	21.5	NA	22.2	NA	Pending	5,850	11.71	1.20	1.20
Cadence Bancorp LLC	TX	Encore Bancshares Inc.	TX	3/5/12	251.3	Cash	171	240	NM	24.8	13.8	35.9	7/2/12	1,523	6.76	0.49	1.12
Tompkins Financial Corporation	NY	VIST Financial Corp.	PA	1/25/12	109.1	Mixed	71	116	28.8	12.8	1.4	83.3	8/1/12	1,486	4.98	0.32	2.79
Old National Bancorp	IN	Indiana Community Bancorp	IN	1/24/12	105.4	Mixed	123	123	NM	19.3	2.2	65.4	9/15/12	985	6.79	(0.17)	4.35
Prosperity Bancshares Inc.	TX	American State Financial Corp.	TX	1/12/12	529.2	Mixed	189	206	12.6	NA	13.5	NA	7/1/12	3,082	8.38	NA	0.30
Susquehanna Bancshares Inc.	PA	Tower Bancorp Inc.	PA	6/20/11	342.1	Mixed	135	149	NM	21.9	6.0	40.9	2/17/12	2,616	8.83	(0.01)	1.60
Valley National Bancorp	NJ	State Bancorp Inc.	NY	4/28/11	266.9	Mixed	188	188	23.7	22.2	NA	26.3	1/1/12	1,580	7.67	0.70	2.46
Brookline Bancorp Inc.	MA	Bancorp Rhode Island Inc.	RI	4/19/11	233.7	Mixed	175	193	22.9	22.1	11.8	55.6	1/1/12	1,604	7.31	0.62	1.13
IBERIABANK Corp.	LA	Cameron Bancshares Inc.	LA	3/10/11	134.8	Stock	174	174	14.6	NA	11.9	NA	5/31/11	706	10.96	1.29	1.34
Industrial and Commercial Bank Comerica Inc.	TX	Bank of East Asia (USA) NA Sterling Bancshares Inc.	TX	1/16/11	1,028.9	Stock	162	230	NM	NM	16.7	33.6	7/28/11	5,040	9.13	0.01	3.89
Hancock Holding Co.	MS	Whitney Holding Corp.	LA	12/21/10	1,768.4	Mixed	109	164	NM	NM	7.4	46.0	6/4/11	11,517	8.10	(0.46)	4.51
United Bankshares Inc.	WV	Centra Financial Holdings Inc.	WV	12/15/10	185.4	Stock	130	146	22.2	NA	6.8	NA	7/8/11	1,411	8.60	0.59	2.04
Nara Bancorp Inc.	CA	Center Financial Corp.	CA	12/9/10	286.3	Stock	NM	NM	NM	NM	NM	8.4	11/30/11	2,267	9.57	(0.38)	3.03
M&T Bank Corp.	NY	Wilmington Trust Corp.	DE	10/31/10	351.3	Stock	47	99	NM	NM	(4.8)	(49.0)	5/16/11	10,401	3.54	(4.84)	9.50
Community Bank System Inc.	NY	Wilber Corporation	NY	10/22/10	101.8	Mixed	132	141	13.4	19.4	4.6	55.5	4/8/11	929	7.83	0.82	2.62
Eastern Bank Corporation	MA	Wainwright Bank & Trust Co.	MA	6/28/10	162.8	Cash	198	200	26.0	28.8	14.1	101.3	11/17/10	1,048	6.65	0.69	0.90
Toronto-Dominion Bank		South Financial Group Inc.	SC	5/16/10	191.6	Mixed	10	17	NM	NM	(6.0)	NM	9/30/10	12,428	2.90	(5.50)	4.53

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The table below shows the imputed valuation for West Coast based on the application of median and mean multiples observed from the above transactions.

<i>(Dollars in Thousands; Except Per Share)</i>	Precedent Nationwide Transactions ⁴		Implied Valuation:				Precedent Regional Transactions ⁵		Implied Valuation:	
	Median	Mean	Precedent Nationwide Transactions ⁴		Precedent Regional Transactions ⁵		Precedent Regional Transactions ⁵		Implied Valuation:	
			Median	Mean	Median	Mean	Median	Mean	Median	Mean
Adjusted Book Value ¹	132%	131%	\$ 20.31	\$ 20.19	130%	132%	\$ 20.01	\$ 20.36		
Adjusted Tangible Book Value ¹	151%	156%	\$ 23.21	\$ 24.05	131%	135%	\$ 20.07	\$ 20.73		
Last 12 Months EPS ²	21.8x	20.2x	\$ 21.84	\$ 20.15	28.7x	31.6x	\$ 28.71	\$ 31.62		
Est. 2012 EPS	21.9x	19.5x	\$ 23.67	\$ 21.06						
Est. 2013 EPS										
Core Deposits (excludes Jumbo CDs) ³	7.1%	8.0%	\$ 19.81	\$ 20.53	2.5%	4.7%	\$ 15.98	\$ 17.83		
Current Price (9/21/12)	40.9%	39.8%			31.9%	39.6%				

Notes:

- 1 Assumes conversion of preferred into 1,213,280 shares of common stock and conversion of warrants into 2.4 million shares of common stock at \$10.00 per share
- 2 Adjusted for deferred tax asset reversal, FHLB prepayment penalties and branch closure costs, assumes normalized tax rate of 35%
- 3 Assumes 2.45% in noncore deposits
- 4 Includes M&A transactions announced after January 2010 with announced deal value between \$100mm and \$2bn
- 5 Includes M&A transactions announced after January 2010 involving targets with assets greater than \$100mm and announced deal value greater than \$15mm and target LTM ROAA greater than 0% and NPAs / Assets at announcement of less than 5%; excludes MOE transactions

Based on Columbia closing price of \$19.03 as of September 21, 2012

Pro Forma Results and Capital Ratios

Sandler O'Neill analyzed certain potential pro forma effects of the merger, assuming the following: (i) the merger closes on December 31, 2012; (ii) aggregate consideration value of \$508.2 million, based on Columbia's closing stock price on September 21, 2012 of \$19.03; (iii) Columbia would be able to achieve cost savings of 25% of West Coast projected operating expense and such savings would be 50% realized in 2013 and fully realized in 2014; (iv) pre-tax transaction costs and expenses would total approximately \$30 million, with 50% of Columbia's expenses recognized prior to close; (v) a core deposit intangible of approximately \$18.6 million (10 year, sum-of-years-digits amortization method); (vi) pretax opportunity cost of cash of 2.0%; (vii) West Coast's performance was calculated in accordance with publicly available analyst estimated earnings per share for the years ending December 31, 2012 and December 31, 2013 and an estimated long-term growth rate for the years thereafter; (viii) Columbia's performance was calculated in accordance with publicly available analyst earnings estimates for the years ending December 31, 2012, December 31, 2013 and December 31, 2014 and an estimated long-term growth rate for the years thereafter; (ix) Columbia continuing to pay only its normal cash dividend; and (x) various purchase accounting adjustments, including a mark-to-market adjustment on West Coast's loan portfolio, securities portfolio and other real estate owned. The analyses indicated that for the year ending December 31, 2013, the merger (excluding transaction expenses) would be accretive to Columbia's projected earnings per share and, at December 31, 2012 the merger would be dilutive to Columbia's tangible book value per share. The analyses also indicated that as of December 31, 2012, the merger would maintain Columbia's regulatory capital ratios in excess of the regulatory guidelines for well capitalized status. The actual results achieved by the combined company, however, may vary from projected results and the variations may be material.

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The table below shows Sandler O'Neill's projected accretion/dilution percentages for both West Coast and Columbia, for each of the years 2013-2017 (assuming discontinuation of Columbia's special dividend payments, unless otherwise noted).

<i>(Dollars in Millions; Except per Share)</i>	Closing	Projected Years:				
	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017
Columbia EPS Accretion / (Dilution)						
Excluding Transaction Expenses		17.8%	29.3%	29.0%	28.7%	28.4%
West Coast Accretion / (Dilution) Excluding Transaction Expenses (assumes 100% stock allocation)		58.3%	64.7%	64.1%	63.5%	62.9%
Columbia TBV Accretion / (Dilution)	(21.8%)	(19.9%)	(16.4%)	(13.1%)	(9.9%)	(6.9%)
West Coast TBV Accretion / (Dilution) (assumes 100% stock allocation)	(6.5%)	(4.2%)	(0.3%)	3.5%	7.2%	10.7%
Additional Scenario: Continuation of Special Dividend ¹						
Columbia TBV Accretion / (Dilution)	(21.0%)	(14.6%)	(5.9%)	3.6%	14.2%	25.9%

¹ Assumes continuation of quarterly special dividend

Sandler O'Neill's Relationship

Sandler O'Neill acted as the financial advisor to West Coast's Board of Directors in connection with the merger and will receive a transaction fee in connection with the merger in an amount equal to 0.90% of the aggregate purchase price (as defined in Sandler O'Neill's engagement letter with West Coast), or approximately \$4.6 million of which approximately \$4.1 million is subject to the closing of the merger. Sandler O'Neill received a \$500,000 fee associated with the delivery of its fairness opinion, which will be credited against the transaction fee payable in connection with the closing of the merger. West Coast has also agreed to reimburse Sandler O'Neill for reasonable out-of-pocket expenses incurred in connection with its engagement and to indemnify Sandler O'Neill and its affiliates and their respective partners, directors, officers, employees and agents against certain expenses and liabilities, including liabilities under applicable federal or state law. Sandler O'Neill has not received any other fees from West Coast or Columbia during the past two years.

In the ordinary course of its broker and dealer business, Sandler O'Neill may purchase securities from and sell securities to West Coast and Columbia and their respective affiliates. Sandler O'Neill may also actively trade the debt securities of West Coast or Columbia or their respective affiliates for its own account and for the accounts of its customers and, accordingly may at any time hold a long or short position in such securities. Sandler O'Neill has provided investment banking services to, and received fees for such services from, West Coast, most recently, in connection with acting as selling agent in West Coast's at-the-market sale of common shares and before that as placement agent in West Coast's private placement of common and preferred shares. Sandler O'Neill has not received compensation from West Coast or Columbia in exchange for any such services in the past two years.

Recommendation of the Columbia Board of Directors and Reasons for the Merger

In reaching its decision to adopt and approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, and to recommend that its shareholders approve the Share Issuance proposal and the other matters to be voted on in connection with the merger, the Columbia board of directors consulted with Columbia management, as well as its financial and legal advisors, and considered a number of factors, including the following material factors:

each of Columbia's and West Coast's business, operations, financial condition, asset quality, earnings and prospects. In reviewing these factors, the Columbia board of directors considered its view that West Coast's

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business and operations complement those of Columbia and that the merger would result in a combined company with a diversified revenue stream, a well-balanced portfolio and an attractive funding base;

its understanding of the current and prospective environment in which Columbia and West Coast operate, including national and local economic conditions, the competitive environment for financial institutions generally, and the likely effect of these factors on Columbia both with and without the proposed transaction;

its review and discussions with Columbia's management concerning the due diligence examination of West Coast;

the complementary nature of the cultures of the two companies, which management believes should facilitate integration and implementation of the transaction;

management's expectation that Columbia will retain its strong capital position upon completion of the transaction;

the fairness opinion of KBW, Columbia's financial advisor, orally delivered to the Columbia board of directors at its meeting on September 24, 2012, and subsequently confirmed in writing as of September 25, 2012, to the effect that, as of that date, and subject to and based on the various assumptions, considerations, qualifications and limitations set forth in the opinion, the aggregate consideration offered to West Coast shareholders pursuant to the merger agreement was fair to Columbia from a financial point of view;

the financial and other terms of the merger agreement, including the aggregate consideration, tax treatment and mutual deal protection and termination fee provisions, which it reviewed with its outside financial and legal advisors;

the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating West Coast's business, operations and workforce with those of Columbia;

the potential risk of diverting management attention and resources from the operation of Columbia's business and towards the completion of the merger;

the regulatory and other approvals required in connection with the merger and the expectation that such regulatory approvals will be received in due course and without the imposition of unacceptable conditions; and

the potential risk of losing other acquisition opportunities while Columbia remains focused on completing the merger.

The foregoing discussion of the information and factors considered by the Columbia board of directors is not intended to be exhaustive, but includes the material factors considered by the Columbia board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Columbia board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The Columbia board of directors considered all these factors as a whole, including discussions with, and questioning of, Columbia's management and Columbia's financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

For the reasons set forth above, the Columbia board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the issuance of Columbia common stock in connection with the merger, are advisable and in the best interests of Columbia and its shareholders, and unanimously adopted and approved the merger agreement and the transactions contemplated by it.

The Columbia board of directors unanimously recommends that Columbia shareholders vote FOR the approval of the Share Issuance proposal and FOR the Columbia Adjournment proposal.

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Opinion of Columbia's Financial Advisor

On August 23, 2012, Columbia executed an engagement agreement with KBW. KBW's engagement encompassed assisting Columbia in analyzing, structuring, negotiating and effecting a transaction with West Coast. Columbia selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger and is familiar with Columbia and its business. As part of its investment banking business, KBW is continually engaged in the valuation of financial businesses and their securities in connection with mergers and acquisitions.

On September 24, 2012, the Columbia board of directors held a meeting to evaluate the proposed merger of West Coast with and into Columbia. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered an oral opinion (subsequently confirmed in writing), to Columbia that, as of such date, and based upon and subject to factors and assumptions set forth therein, the aggregate consideration in the merger is fair, from a financial point of view to Columbia. The Columbia board of directors approved the merger agreement at this meeting.

The full text of KBW's written opinion, dated September 25, 2012, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Appendix B to this document and is incorporated herein by reference. The description of the opinion set forth herein is qualified in its entirety by reference to the full text of such opinion. Columbia's shareholders are urged to read the opinion in its entirety.

KBW's opinion speaks only as of the date of the opinion. The opinion is directed to the Columbia board and addresses only the fairness, from a financial point of view to Columbia, of the aggregate consideration in the merger. It does not address the underlying business decision to proceed with the merger and does not constitute a recommendation to any Columbia shareholder as to how the shareholder should vote at the Columbia special meeting on the merger or any related matter.

In connection with its opinion, KBW reviewed, analyzed and relied upon material bearing upon the merger and the financial and operating condition of Columbia and West Coast and the Merger, including among other things, the following:

the merger agreement,

the Annual Reports to shareholders and Annual Reports on Form 10-K for the three years ended December 31, 2011 of Columbia and West Coast,

Certain interim reports to shareholders and Quarterly Reports on Form 10-Q of Columbia and West Coast and certain other communications from Columbia and West Coast to their respective shareholders, and

other financial information concerning the businesses and operations of Columbia and West Coast furnished to KBW by Columbia and West Coast, respectively, for purposes of KBW's analysis.

KBW also held discussions with members of senior management of Columbia and West Coast regarding, the past and current business operations, regulatory relations, financial condition, and future prospects of the respective companies and such other matters that KBW deemed relevant to its inquiry. In addition, KBW compared certain financial and stock market information for West Coast and Columbia with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the banking industry, the potential pro forma impact of the merger, and performed such other studies and analyses as KBW considered appropriate.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information provided to it or publicly available, and did not

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independently verify the accuracy or completeness of any such information or assume any responsibility for such verification or accuracy. KBW relied upon the managements of Columbia and West Coast as to the reasonableness and achievability of the financial and operating forecasts and projections (and assumptions and bases therefor) provided to KBW and KBW assumed that such forecasts and projections reflect the best currently available estimates and judgments of such managements and that such forecasts and projections will be realized in the amounts and in the time periods currently estimated by such managements. KBW is not an expert in the independent valuation of the adequacy of allowances for loan losses, and without independent verification, assumed that the aggregate allowances for loan and lease losses for Columbia and West Coast are adequate to cover those losses. KBW did not make or obtain any evaluations or appraisals of any assets or liabilities of Columbia or West Coast, nor did they examine or review any individual credit files.

The projections and associated assumptions used by KBW in certain of its analyses were sourced from Columbia's and West Coast's senior management teams. Columbia and West Coast do not publicly disclose internal management projections of the type provided to KBW in connection with its review of the merger. As a result, such projections were not prepared with a view towards public disclosure. The projections were based on numerous variables and assumptions, which are inherently uncertain, including factors related to general economic and competitive conditions. Accordingly, actual results could vary significantly from those set forth in the projections. Any estimates or projections contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates or projections of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty.

KBW was not asked to, and it did not, offer any opinion as to the terms of the merger agreement or the form of the merger, other than the aggregate consideration, to the extent expressly specified in KBW's opinion. Additionally, KBW's opinion did not address the relative merits of the merger as compared to any alternative business strategies that might exist for Columbia, nor does it address the effect of any other business combination in which Columbia might engage.

For purposes of rendering its opinion, KBW assumed that, in all respects material to its analyses:

the merger will be completed substantially in accordance with the terms set forth in the merger agreement;

the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement are true and correct;

each party to the merger agreement and all related documents will perform all of the covenants and agreements required to be performed by such party under such documents;

all conditions to the completion of the merger will be satisfied without any waivers; and

in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger, no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, will be imposed that will have a material adverse effect on the future results of operations or financial condition of the combined entity or the contemplated benefits of the merger, including the cost savings, revenue enhancements and related expenses expected to result from the merger.

KBW further assumed that the merger will be accounted for as a purchase transaction under generally accepted accounting principles, and that the merger will qualify as a tax-free reorganization for United States federal income tax purposes. KBW's opinion is not an expression of an opinion as to the prices at which shares of Columbia common stock will trade since the announcement of the proposed merger or the actual value of the

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Columbia common shares when issued pursuant to the merger, or the prices at which the Columbia common shares will trade following the completion of the merger.

In performing its analyses, KBW considered such financial and other factors they deemed appropriate, including among other things, the historical and current financial position and results of operations of Columbia and West Coast, the assets and liabilities of Columbia and West Coast, and the nature and terms of certain other merger transactions involving banks and bank holding companies. KBW also took into account their assessment of general economic, market and financial conditions and other matters, which are beyond the control of KBW, Columbia and West Coast and none of Columbia, West Coast, KBW or any other person assumes responsibility if future results are materially different from those projected.

The aggregate consideration was determined through negotiation between Columbia and West Coast and the decision to enter into the merger was solely that of Columbia's board of directors. In addition, the KBW opinion was among several factors taken into consideration by the Columbia board in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the Columbia board with respect to the fairness of the aggregate consideration in the merger.

Summary of Analysis by KBW

The following is a summary of the material financial analyses presented by KBW to the Columbia board, in connection with rendering the fairness opinion described above. The following summary is not a complete description of the financial analyses performed by KBW in rendering its opinion or the presentation made by KBW to the Columbia board, nor does the order of analysis described represent relative importance or weight given to any particular analysis by KBW and is qualified in its entirety by reference to the written opinion of KBW attached as Appendix B. The preparation of a fairness opinion is a complex analytic process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. Selecting portions of the analysis or of the summary set forth herein, without considering the analysis as a whole, could create an incomplete view of the processes underlying KBW's opinion. In arriving at its opinion, KBW considered the results of its entire analysis and KBW did not attribute any particular weight to any analysis or factor that it considered. Rather, KBW made its determination as to fairness on the basis of its experience and professional judgment after considering the results of its entire analysis. The financial analyses summarized below include information presented in tabular format. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion. The tables alone do not constitute a complete description of the financial analyses.

Selected Peer Group Analysis. Using publicly available information, KBW compared the financial performance and financial condition of West Coast to the following depository institutions that KBW considered comparable to West Coast.

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Companies included in West Coast's Western region (includes the states of: AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA & WY) peer group were:

Umpqua Holdings Corporation	TriCo Bancshares
Sterling Financial Corporation	First California Financial Group, Inc.
Glacier Bancorp, Inc.	Guaranty Bancorp
First Interstate BancSystem, Inc.	Washington Banking Corporation
Western Alliance Bancorporation	Bank of Marin Bancorp
CVB Financial Corp.	Sierra Bancorp
Pacific Capital Bancorp	Heritage Financial Corporation
PacWest Bancorp	Heritage Commerce Corp
Westamerica Bancorporation	Pacific Continental Corporation
Central Pacific Financial Corp.	Cascade Bancorp
Banner Corporation	Bridge Capital Holdings
W.T.B. Financial Corporation	Home Federal Bancorp, Inc.
CoBiz Financial Inc.	

To perform this analysis, KBW used financial information as of or for the three month period ended June 30, 2012. Certain financial data prepared by KBW, and as referenced in the tables presented below may not correspond to the data presented in West Coast's historical financial statements, or to the data prepared by Sandler O'Neill + Partners, presented under the section "Opinion of West Coast's Financial Advisor," as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning West Coast's financial performance:

	West Coast	Western Region Peer Group Minimum	Western Region Peer Group Maximum
Return on Average Assets	1.01%	0.21%	13.74%
Return on Average Equity	7.50%	1.16%	138.72%
Net Interest Margin	3.93%	3.17%	5.67%
Efficiency Ratio	70.9%	44.4%	107.3%

KBW's analysis showed the following concerning West Coast's financial condition:

	West Coast	Western Region Peer Group Minimum	Western Region Peer Group Maximum
Tangible Common Equity / Tangible Assets ⁽¹⁾	13.62%	6.92%	17.39%
Total Risk-Based Capital Ratio	21.50%	12.30%	40.05%
Gross Loans Held for Investment / Total Deposits	79.7%	51.1%	93.6%
Loan Loss Reserve / Gross Loans	2.22%	0.18%	4.87%
Nonperforming Assets ⁽²⁾ / Loans + OREO	4.82%	1.87%	10.46%
Net Charge-Offs / Average Loans ⁽³⁾	0.07%	(0.03%)	3.51%

(1) West Coast's tangible common equity is fully diluted

(2) Includes performing TDRs

(3) Annualized. Excludes covered loans from FDIC-assisted acquisitions if applicable

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KBW's analysis showed the following concerning West Coast's market performance:

	West Coast	Western Region Peer Group Minimum	Western Region Peer Group Maximum
Stock Price Performance: % of One Year High	98.2%	66.2%	99.6%
Stock Price Performance: % One Year Price Change	45.5%	(24.1%)	121.6%
Stock Price / Book Value per Share	1.38x	0.86x	2.36x
Stock Price / Tangible Book Value per Share ⁽¹⁾	1.38x	0.93x	3.21x
Stock Price / LTM EPS	12.3x	4.0x	38.0x
Dividend Yield	0.00%	0.00%	3.26%

(1) West Coast's tangible common equity is fully diluted

Selected Transaction Analysis. KBW reviewed publicly available information related to select comparably sized acquisitions of nationwide banks and thrifts announced since December 31, 2010 with aggregate transaction values between \$200 million and \$1 billion. The transactions included in the group were:

Acquiror:

FirstMerit Corporation
 Oriental Financial Group Inc.
 Hilltop Holdings Inc.
 Cadence Bancorp, LLC
 Prosperity Bancshares, Inc.
 Susquehanna Bancshares, Inc.
 Valley National Bancorp
 Brookline Bancorp, Inc.
 Susquehanna Bancshares, Inc.
 People's United Financial, Inc.

Acquired Company:

Citizens Republic Bancorp, Inc.
 BBVA's Puerto Rico operations
 PlainsCapital Corporation
 Encore Bancshares, Inc.
 American State Financial Corporation
 Tower Bancorp, Inc.
 State Bancorp, Inc.
 Bancorp Rhode Island, Inc.
 Abington Bancorp, Inc.
 Danvers Bancorp, Inc.

Transaction multiples for the merger were derived from an implied aggregate offer price of \$508.2 million (based on stock prices as of September 21, 2012) for West Coast. For each precedent transaction, KBW derived and compared, among other things, the implied ratio of price per common share paid for the acquired company to:

last twelve months earnings per share (LTM EPS) based on the latest publicly available financial statements of the acquired company prior to the announcement of the acquisition,

tangible book value per share of the acquired company based on the latest publicly available financial statements of the company available prior to the announcement of the acquisition,

tangible equity premium to core deposits (total deposits less time deposits greater than \$100,000) based on the latest publicly available financial statements of the company available prior to the announcement of the acquisition, and

market premium based on the latest closing price 1-day prior to the announcement of the acquisition.

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The results of the analysis are set forth in the following table:

Transaction Price to:	Columbia/ West Coast Merger	Comparable Transactions Minimum	Comparable Transactions Maximum
LTM EPS	13.9x	2.6x	33.4x
Tangible Book Value ⁽¹⁾	1.55x	1.03x	2.40x
Core Deposit Premium	9.8%	0.6%	13.8%
Market Premium ⁽²⁾	12.5%	13.8%	57.1%

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- (1) West Coast's tangible common equity is fully diluted
- (2) Based on West Coast's closing price of \$20.62 on September 21, 2012

No company or transaction used as a comparison in the above analysis is identical to Columbia, West Coast or the proposed merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis to estimate a range for the implied equity value of West Coast. In this analysis, KBW assumed discount rates ranging from 10.0% to 15.0% to derive (i) the present value of the estimated free cash flows that West Coast could generate over a five year period, including certain cost savings forecasted as a result of the merger, and (ii) the present value of West Coast's terminal value at the end of year five. Terminal values for West Coast were calculated based on a range of 10.0x to 14.0x estimated year six earnings. In performing this analysis, KBW used consensus street estimates for West Coast and Columbia at the direction of Columbia's management. Certain data was adjusted to account for certain restructuring charges anticipated by management to result from the merger. KBW assumed that West Coast would maintain a tangible common equity / tangible asset ratio of 8.00% and would retain sufficient earnings to maintain that level. Any earnings in excess of what would need to be retained represented dividendable cash flows for West Coast.

Based on these assumptions, KBW derived a range of implied value of West Coast of \$21.90 per share to \$32.07 per share.

The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates, and discount rates. The analysis did not purport to be indicative of the actual values or expected values of West Coast.

Forecasted Pro Forma Financial Analysis. KBW analyzed the estimated financial impact of the merger on Columbia's 2013 estimated earnings per share. For both Columbia and West Coast at the direction of Columbia's management, KBW used consensus street estimates of earnings per share for 2013. In addition, KBW assumed that the merger will result in cost savings equal to Columbia's management's estimates. Based on its analysis, KBW determined that the merger would be accretive to Columbia's estimated GAAP earnings per share in 2013.

Furthermore, the analysis indicated that Columbia's Leverage Ratio, Tier 1 Risk-Based Capital Ratio and Total Risk Based Capital Ratio would all remain well capitalized by regulatory standards. For all of the above analysis, the actual results achieved by Columbia following the merger may vary from the projected results, and the variations may be material.

The Columbia board retained KBW as an independent contractor to act as financial adviser to Columbia regarding the merger. As part of its investment banking business, KBW is continually engaged in the valuation of banking businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for various other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. In the ordinary course of its business as a broker-dealer, KBW may, from time to time, purchase securities from, and sell securities to, Columbia and West Coast. As a market maker in securities, KBW may from time to time have a long or short position in, and buy or sell, debt or equity securities of Columbia and West Coast for KBW's own account and for the accounts of its customers.

Columbia and KBW entered into an agreement relating to the services to be provided by KBW in connection with the merger. Columbia agreed to pay KBW a cash fee of \$250,000 concurrently with the rendering of its opinion. In addition, Columbia agreed to pay to KBW at the time of closing a cash fee equal to

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\$2,500,000. Pursuant to the KBW engagement agreement, Columbia also agreed to reimburse KBW for all reasonable out-of-pocket expenses and disbursements, including fees and reasonable expenses of counsel, incurred in connection with the engagement and to indemnify KBW and related parties against certain liabilities, including liabilities under federal securities laws, relating to, or arising out of, its engagement. KBW has acted as financial advisor to Columbia in other transactions. Over the past two years, Columbia has paid KBW approximately \$350,000 in advisory fees. In addition, KBW has engaged in fixed income business with West Coast and in the past two years, KBW has earned fees of approximately \$85,000 in executing fixed income trades for West Coast.

Management and Board of Directors of Columbia After the Merger

Upon completion of the merger, the board of directors of Columbia will consist of the directors serving on the board of directors of Columbia prior to the effective time of the merger plus one independent director from the board of directors of West Coast, to be selected by Columbia's Nominating and Corporate Governance Committee (who will also be invited to join the board of directors of Columbia State Bank).

The remaining current directors and senior officers of Columbia are expected to continue in their current positions, other than as has been or may be publicly announced by Columbia in the normal course. Information about the current Columbia directors and executive officers can be found in the documents listed under "Where You Can Find More Information" included elsewhere in this joint proxy statement/prospectus.

Interests of West Coast Directors and Executive Officers in the Merger

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. These interests are described in more detail and quantified below. 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. For purposes of all West Coast agreements and plans described below, the completion of the transactions contemplated by the merger agreement will constitute a change of control, change in control or term of similar meaning.

Board Membership. Under the merger agreement, Columbia's Nominating and Corporate Governance Committee will recommend to Columbia's board of directors one person from West Coast's board of directors to serve on Columbia's board of directors and the board of directors of Columbia State Bank following the completion of the merger. Among other criteria, the person selected must have qualified as an independent director of West Coast under applicable Nasdaq rules. The Committee has recommended and the board has approved David Dietzler to join the Columbia board following the merger.

Indemnification and Insurance. Under the merger agreement, Columbia will indemnify each present and former director and officer of West Coast and its subsidiaries, to the fullest extent permitted under law, against claims existing or occurring at or prior to the effective time of the merger (including relating to the merger) and advance expenses incurred by any such person subject to the person's undertaking to repay if it is later determined that he or she is not entitled to indemnification. Also under the merger agreement, Columbia will provide or purchase director and officer liability insurance for a period of six years following the effective time of the merger to reimburse each present and former director and officer of West Coast or its subsidiaries with respect to claims arising from facts or events occurring before that effective time, which insurance will contain at least the same coverage provided by West Coast to the present and former directors and officers of West Coast or its subsidiaries immediately prior to the completion of the merger, provided that Columbia is not required to expend, on an annual basis, an amount in excess of 150% of the aggregate annual premiums paid as of the date of the merger agreement by West Coast for any such insurance and if any such annual expense at any time would exceed that amount, then Columbia will cause to be maintained policies of insurance which provide the

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maximum coverage available at an annual premium equal to that amount. Prior to the effective time of the merger, and in lieu of the foregoing, West Coast will use reasonable best efforts to purchase a tail policy for directors and officers liability insurance on the terms described in the prior sentence and subject to certain other specifications agreed to by the parties, and fully pay for such policy prior to the effective time of the merger.

Outstanding Stock Options. West Coast has awarded stock options to acquire West Coast common stock to its non-employee directors and executive officers. In connection with the completion of the merger, all unvested stock options to acquire West Coast common stock will vest and convert into stock options to purchase Columbia common stock on the same terms and conditions (other than vesting), with the number of shares subject to the converted option and the per-share exercise price to be adjusted to reflect the terms of the transaction. None of the executive officers or directors hold unvested stock options.

Restricted Shares. West Coast has awarded shares of West Coast common stock that are subject to vesting, repurchase or other lapse restrictions that, in connection with the completion of the merger, will vest in full and become free of all restrictions and the holder will be entitled to receive the merger consideration with respect to each such share of West Coast common stock. Based upon equity compensation holdings as of January 15, 2013, the number of unvested West Coast restricted shares held by the executive officers and directors are as follows: Mr. Szniewajs, 10,306; Mr. Giltvedt, 5,864; Mr. Robbins, 4,804; Ms. McKeown, 4,804; the three other executive officers (as a group), 8,105; and the eight nonemployee directors (as a group), 8,400.

Non-Compete Arrangements. In addition to any other restrictive covenants described below, in connection with the merger, Mr. Szniewajs (as well as certain other directors) was asked to, and did, enter into a Voting and Non-Competition Agreement pursuant to which he agreed, among other things, for a one-year period following the closing of the merger, not to directly or indirectly become involved in any competing business, which is defined as any depository, wealth management or trust business company or holding company thereof within the States of Washington and Oregon, subject to certain exceptions. The agreement also prohibits Mr. Szniewajs from soliciting any employees or customers of Columbia and its subsidiaries (including West Coast Bank) for a one-year period following the closing of the merger. See The Merger Agreement Related Agreements included elsewhere in this joint proxy statement/prospectus.

Employment Agreement. West Coast Bank and West Coast previously entered into an employment agreement with Mr. Szniewajs, which expires December 31, 2013. The employment agreement provides for an annual base salary and an annual cash bonus opportunity of 50 percent of his annual base salary. Pursuant to the employment agreement, Mr. Szniewajs is entitled to participate in all pension, welfare and insurance benefit plans or programs, and such fringe benefits as are available to other senior executives. The employment agreement provides for severance benefits; however, in the event of a qualifying termination of employment during the two-year period following a change in control, Mr. Szniewajs will only receive severance benefits (other than accrued benefits through the date of termination) pursuant to his change in control agreement (described below).

Change in Control Agreements with Mr. Szniewajs, Mr. Giltvedt and the Other Executive Officers. Each of the executive officers (other than Mr. Robbins and Ms. McKeown, whose change in control agreements will be superseded by employment agreements entered into with Columbia upon the completion of the merger and are described below) have previously entered into change in control agreements with West Coast and West Coast Bank that provide for benefits upon a termination of employment without cause or a resignation for good reason within a specified period (36 months for Mr. Szniewajs, 24 months for Mr. Giltvedt and 24 months or 12 months for the other executive officers) following a change in control (as each term is defined in the change in control agreement). Upon such a qualifying termination, the severance payments and benefits under these agreements generally include:

a lump sum payment equal to three (Mr. Szniewajs), two (Mr. Giltvedt and two of the other executive officers) or one (one other executive officer) times the sum of the applicable executive officer's annualized monthly salary and the average of the bonus paid for the year before the year in which the

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termination of employment occurred and the annualized amount of the bonus earned by the executive officer through the date of termination of employment;

continued payment of premiums for COBRA group health coverage as in effect at the time of the termination of employment (with both employee and employer portion paid) for the lesser of 18 months and the maximum permitted by applicable law (continued health benefits are not provided for one of the other executive officers);

a lump sum payment equal to three (Mr. Szniewajs) or two (Mr. Giltvedt and two of the other executive officers) times the sum of the applicable executive officer's deemed matching contribution and deemed profit-sharing contribution determined based on past deferral percentages and the applicable matching contribution formula (deemed matching contributions and profit sharing contributions are not provided for one of the other executive officers);

reimbursement for outplacement services with a maximum value ranging from \$2,000 to \$10,000; and

an excise tax gross-up on any payments or benefits that would constitute an excess parachute payment (as defined in Section 280G of the Code), so that the executive is in the same net after-tax position that the executive would have been in if such payment, benefit and gross-up payments had not constituted excess parachute payments (one executive officer is subject to a cut-back and does not have a gross-up).

For an estimate of the amounts payable in connection with a qualifying termination of employment following the merger to West Coast's named executive officers who are party to the change in control agreements described above, see Merger Related Compensation for West Coast's Named Executive Officers below. Based on compensation levels as of January 15, 2013 and assuming a qualifying termination of employment, the amount of cash severance that would be payable to the three other executive officers with change in control agreements, as a group, is \$1,537,437 (including the estimated value of the COBRA continuation payments, excise tax gross-ups, the outplacement and matching contributions).

Employment Agreements with Mr. Robbins and Ms. McKeown. In connection with the execution of the merger agreement, Mr. Robbins and Ms. McKeown entered into substantially similar employment agreements with Columbia that, effective upon the completion of the merger, supersede their respective change in control agreements that were previously entered into with West Coast and West Coast Bank.

The employment agreements provide that Mr. Robbins will serve as Senior Vice President, Oregon and Southwest Washington Group Manager and Ms. McKeown will serve as Senior Vice President, Oregon and Southwest Washington Commercial Banking Manager. Mr. Robbins and Ms. McKeown will have an initial annual base salary of \$216,000 and be eligible for an annual bonus with a target opportunity of twenty-five percent of annual base salary, with the actual annual bonus to be determined based on the attainment of performance objectives established by Columbia's board of directors or the compensation committee of Columbia's board of directors.

The employment agreements provide for a grant of restricted stock of 3,000 shares for Mr. Robbins and 2,000 shares for Ms. McKeown that vests over a four year period, with 20 percent vesting on the second anniversary of the completion of the merger, 30 percent vesting on the third anniversary of the completion of the merger and the remaining 50 percent vesting on the fourth anniversary of the completion of the merger. Each of Mr. Robbins and Ms. McKeown were also granted a retention bonus equal to \$554,365 (the amount that each would have been entitled to had their employment been terminated under certain circumstances in connection with the completion of the merger) that vests in two equal annual installments, subject to continued employment (subject to accelerated vesting and payment upon certain terminations of employment) and pays out on a termination of employment for any reason after the second anniversary of the completion of the merger.

The employment agreements also provide that Columbia will maintain the Supplemental Executive Retirement Plans, or SERPs, for both Mr. Robbins and Ms. McKeown, with the benefit to never be less than the

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benefit provided pursuant to the SERP in the event of a qualifying termination of employment within 24 months of a change in control. The employment agreement also provides that, upon a termination of employment without cause or a resignation for good reason (as each is defined in the employment agreement), Mr. Robbins and Ms. McKeown will each be entitled to all earned but unpaid amounts, the accelerated vesting of the retention bonus and all outstanding equity awards, 18 months of COBRA continuation (fully paid by Columbia) and \$5,000 in outplacement and/or tax planning services. Mr. Robbins and Ms. McKeown will also be entitled to a gross-up for any excise taxes as a result of excess parachute payments within the meaning of Section 280G of the Code (as described above) and will be subject to a 12 month non-solicit of employees and customers and a 12 month non-compete following the termination of their respective employment.

Supplemental Executive Retirement Plan. West Coast has entered into SERPs with each of its named executive officers and Mr. Bygland, an executive officer of West Coast, in order to help retain key executives. Each of the executive officers who are party to a SERP agreement elected to have SERP benefits pay out in a lump sum upon any termination of employment, including following a change in control, except for Mr. Giltvedt. Mr. Giltvedt's SERP benefit is paid out in installments over a 15-year period, except in the event of his death prior to his normal retirement age. All SERP benefits are equal to, or the lump sum payment is calculated based on the value of, a 15-year stream of monthly payments equal to 35 percent (45 percent in the case of Mr. Sznewajs) of the participant's final base salary, except that, in the event a participant terminates employment in connection with a termination event under his or her change in control agreement, monthly payments or lump sum amounts are based on 35 percent (or 45 percent, as applicable) of base salary as of the participant's normal retirement date.

Each SERP also includes non-competition and non-solicitation provisions that provide for a loss of future benefits and forfeiture of benefits received after a breach but before discovery if an executive competes with West Coast in the state of Oregon or state of Washington or solicits West Coast customers or employees (i) in the case of Mr. Sznewajs, within 36 months of any termination which triggers change in control benefits; and (ii) in the case of other executive officers, within 24 months of any termination which triggers change in control benefits or 12 months of any other termination.

The incremental present value of SERP benefits that would become due to the executive upon a termination of employment in connection with a change in control as compared to a voluntary termination for each of the named executive officers is set forth below, see Merger Related Compensation for West Coast's Named Executive Officers. For Mr. Bygland, the incremental present value of his SERP benefit that would become due to him upon a termination of employment in connection with a change in control is \$154,849.

Merger-Related Compensation for West Coast's Named Executive Officers

The following table and the related footnotes provide information about the compensation to be paid to West Coast's named executive officers that is based on or otherwise relates to the merger. The compensation shown in this table and described in these footnotes is the subject of a non-binding advisory vote of the West Coast shareholders at the West Coast special meeting, as described in West Coast Proposals Merger-Related Named Executive Officer Compensation Proposal on page 134. The figures in the table are estimated based on compensation levels as of the date of this document and an assumed effective date of January 15, 2013 for both the merger and, where applicable, termination of the named executive officer's employment. The amounts reported below are estimates based on multiple assumptions that may or may not actually occur or be accurate on the relevant date, including assumptions described in this document, and do not reflect certain compensation actions that may occur before the completion of the merger (such as the payment of 2012 bonuses). All amounts below that are determined using the per share value of West Coast common stock have been calculated based on a per share price of West Coast common stock of \$22.59 (the average closing market price of West Coast common stock over the first five business days following the public announcement of the merger on September 26, 2012). As a result of the foregoing assumptions, the actual amounts, if any, to be received by a named executive officer may materially differ from the amounts set forth below.

Table of Contents**GOLDEN PARACHUTE COMPENSATION**

Name (a)*	Cash	Equity	Pension/ NQDC	Prerequisites/ Benefits	Tax Reimbursement	Other	Total
	(\$) (b) (1)	(\$) (c) (2)	(\$) (d) (3)	(\$) (e) (4)	(\$) (f) (5)	(\$) (g)	(\$) (h)
Robert D. Szniewajs	1,845,000	232,792	59,493	31,022	835,255	0	3,003,562
Anders Giltvedt	672,800	132,450	162,538	47,257	370,630	0	1,385,676
Xandra McKeown	554,365	108,513	88,360	14,772	0	0	766,010
Hadley Robbins	554,365	108,513	401,982	6,056	438,998	0	1,509,914

* No figures are reported with respect to David Bouc, West Coast's former General Counsel, as Mr. Bouc left West Coast on March 31, 2012.

- (1) All severance provided by West Coast is double trigger (meaning a termination of employment must occur in connection with the change in control during the applicable protection period in order to be entitled to severance). Upon qualifying terminations of employment (as described above) following a change in control pursuant to the change in control agreements with Messrs. Szniewajs and Giltvedt, Mr. Szniewajs would be entitled to a lump sum cash severance payment equal to \$1,845,000 and Mr. Giltvedt would be entitled to a lump sum cash severance payment equal to \$672,800.

The employment agreements entered into by Columbia with each of Mr. Robbins and Ms. McKeown provide for a lump sum cash retention payment equal to \$554,365. The retention bonus will vest in two equal installments and the vested amount will be payable upon the applicable named executive officer's termination of employment. The vesting of the retention bonus accelerates upon a qualifying termination of employment. As described above, the employment agreements provide for each of Mr. Robbins and Ms. McKeown to be employed in key roles with Columbia and the current intent is for each of them to remain employed by Columbia indefinitely following the consummation of the merger.

- (2) All unvested equity awards vest immediately upon the completion of a change in control (single trigger). None of the named executive officers hold unvested stock options. The amount disclosed in this column represents the number of outstanding shares of restricted stock multiplied by \$22.59.
- (3) Represents the incremental present value of SERP benefits that would become due to the executive upon a termination of employment in connection with a change in control as compared to a voluntary termination. All SERP payments are subject to the restrictive covenants described in the disclosure above.
- (4) Mr. Szniewajs: includes three times the 2012 estimated 401(k) and profit sharing company matching contribution, 18 months of continued COBRA premiums, and outplacement services. Mr. Giltvedt: includes two times the 2012 estimated 401(k) and profit sharing company matching contribution, 18 months of continued COBRA premiums, and outplacement services. Ms. McKeown and Mr. Robbins: 18 months of continued COBRA premiums and outplacement services.
- (5) Represents the estimated gross-up payments that would be due to Mr. Szniewajs, Mr. Giltvedt and Mr. Robbins to cover excise taxes arising out of severance benefits shown in the table. Ms. McKeown is also eligible for this benefit; however, the payments in this scenario do not trigger an excise tax, thus no gross-up payment is shown in the table set forth above.

Series B Preferred Stock, Stock Options, Class C Warrants, and Restricted Shares

Series B Preferred Stock. As provided in the terms of the Series B Preferred Stock, each holder of outstanding shares of Series B Preferred Stock will have the right, at its option, to convert any or all of such holder's shares of Series B Preferred Stock into the merger consideration as if such shares had been converted immediately prior to the effective time of the merger into the number of shares of West Coast common stock into which such shares would then be convertible assuming a Mandatory Conversion Date (as defined in the terms of the Series B Preferred Stock) had occurred, and will be entitled to the same right of election (and proration, except that, as described below, with respect to shares of Series B Preferred Stock held by holders of Class C Warrants, proration allocations will be applied first to such holder's shares of West Coast common stock, and

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then to its Series B Preferred Stock) as holders of West Coast common stock. At the effective time of the merger, each share of Series B Preferred Stock as to which a conversion election has not been made will remain outstanding and will convert into preference securities of Columbia having rights (including, but not limited to, the right of conversion), preferences, privileges and voting powers that, taken as a whole, are not materially less favorable to the holders of the shares of Series B Preferred Stock than the rights, preferences, privileges and voting powers that they had prior to the merger. Such securities are described in greater detail in the section of this document titled "Description of Columbia's Capital Stock."

West Coast Stock Options. At the effective time of the merger, each outstanding and unexercised West Coast stock option will be converted into and become a vested option to purchase Columbia common stock (which we refer to as a converted option) on the same terms and conditions (other than vesting, which will occur at the effective time of the merger) as are in effect with respect to the West Coast stock option immediately prior to the effective time of the merger, except that (i) each such converted option may be exercised solely for shares of Columbia common stock, (ii) the number of shares of Columbia common stock subject to each converted option will be equal to the number of shares of West Coast common stock subject to the West Coast stock option immediately prior to the effective time, multiplied by the exchange ratio (rounded down to the nearest whole share), and (iii) the per-share exercise price for each converted option will be adjusted by dividing the per-share exercise price of the West Coast stock option by the exchange ratio (rounded up to the nearest whole cent). A holder of a West Coast stock option may, in accordance with the terms of West Coast's 2002 Stock Incentive Plan under which the West Coast stock option was granted, elect to exchange such holder's converted option for cash within sixty (60) days following the effective time of the merger on the terms and subject to the conditions set forth in the 2002 Stock Incentive Plan.

Class C Warrants. At the effective time of the merger, each outstanding and unexercised Class C Warrant will remain outstanding and will be deemed an equivalent warrant with rights to receive the merger consideration on the same terms and conditions as are in effect with respect to the Class C Warrant immediately prior to the effective time of the merger, which we refer to as an equivalent warrant. Each Class C Warrant will become exercisable for the merger consideration based on the merger consideration that would have been received as if each Class C Warrant had been exercised for Series B Preferred Stock and converted to West Coast common stock in accordance with the terms thereof prior to the effective time of the merger. Each holder of an equivalent warrant is being given an election statement, for purposes of electing to receive cash, stock, or a unit consisting of a mix of cash and stock upon future exercise of such equivalent warrant, and the merger consideration such holders of equivalent warrants will receive upon exercise will be subject to the election and proration procedures described above applicable to holders of West Coast common stock, except that proration with respect to a holder of Class C Warrants will aggregate all elections made by such holder with respect to such holder's shares of West Coast common stock, shares of Series B Preferred Stock and Class C Warrants, and any proration allocations will be applied first to such holder's shares of West Coast common stock and second to such holder's shares of Series B Preferred Stock.

West Coast Restricted Shares. At the effective time of the merger, each share of West Coast common stock subject to vesting, repurchase or other lapse restrictions granted under West Coast's 2002 Stock Incentive Plan or 2012 Omnibus Incentive Plan will vest in full and become free of such restrictions, and any repurchase right will lapse and the holder thereof will be entitled to receive the merger consideration with respect to each such restricted share, less applicable taxes and withholding.

THE MERGER AGREEMENT**Effects of the Merger**

As a result of the merger, a wholly-owned subsidiary of Columbia to be incorporated prior to the closing of the merger, will merge with and into West Coast, with West Coast continuing as the surviving corporation. The

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articles of incorporation and bylaws of the surviving corporation will be the articles of incorporation and bylaws of Columbia's merger subsidiary as in effect immediately prior to the effective time of the merger, and the directors and officers of such merger subsidiary immediately prior to the effective time of the merger will be the directors and officers of the surviving corporation and shall hold office until their respective successors are duly appointed and qualified, or their earlier death, resignation or removal. 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.

As a result 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 the surviving company. Those West Coast shareholders who receive all of the merger consideration in the form of cash will not participate in the future earnings and potential growth of the combined company following the merger, and will no longer bear the risk of any losses incurred in the operation of the combined company's business or of any decreases in the value of that business. 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, such as the right to vote on certain corporate decisions, to elect directors and to receive dividends and distributions from West Coast, will be extinguished upon completion of the merger.

Effective Time of the Merger

The closing of the merger will occur at 10:00 a.m., Pacific Standard time, on the first business day of the first calendar month that follows the month in which all of the closing conditions are satisfied, unless the parties mutually agreed to extend the closing, but if the closing conditions are satisfied on or after December 1, 2012, and before December 31, 2012, then the closing will take place on December 31, 2012. The merger will be completed legally at the date and time specified in the articles of merger to be filed by Columbia with the Secretary of State of the State of Oregon. As of the date of this document, the parties expect that the merger will be effective by the end of the first calendar quarter of 2013. However, there can be no assurance as to when or if the merger will occur.

As described below, if the merger is not completed by July 1, 2013 (which can be extended to October 1, 2013 by either party if the requisite regulatory approvals have not yet been obtained), the merger agreement may be terminated by either West Coast or Columbia, 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 the covenants and agreements of such party set forth in the merger agreement.

Covenants and Agreements

Conduct of Businesses Prior to the Completion of the Merger. West Coast has agreed that, prior to the effective time of the merger, it will conduct its business, and cause its subsidiaries to conduct their respective businesses, in the ordinary course consistent with past practice in all material respects and use commercially reasonable efforts to maintain and preserve intact its business organization and advantageous business relationships. West Coast and Columbia have agreed to take no action (and to cause their subsidiaries to take no action) that is intended to or would reasonably be expected to adversely affect or materially delay the ability to obtain any necessary approvals of any regulatory agency or other governmental entity required for the completion of the merger or to perform the covenants and agreements in the merger agreement or to consummate the merger and the other transactions contemplated by the merger agreement.

In addition to the general covenants above, West Coast has agreed that prior to the effective time of the merger, subject to specified exceptions, it will not, and will not permit its subsidiaries to, without the prior written consent of Columbia (which shall not be unreasonably withheld):

issue, sell or otherwise permit to become outstanding, or dispose of or encumber or pledge, or authorize or propose the creation of, any additional shares of its capital stock, or securities convertible or

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exchangeable into, or exercisable for, any shares of its capital stock, or any options, warrants or other rights of any kind to acquire any shares of such capital stock or such convertible or exchangeable securities or receive a cash payment based on the value of any shares of such capital stock, or permit any additional shares of its capital stock, or securities convertible or exchangeable into, or exercisable for, any shares of its capital stock, or any options, warrants or other rights of any kind to acquire any shares of such capital stock or such convertible or exchangeable securities or receive a cash payment based on the value of any shares of such capital stock, to become subject to new grants, in each case except for certain permitted actions in connection with West Coast benefit plans and other arrangements or as required under the terms of Series B Preferred Stock or Class C Warrants;

make, declare, pay or set aside for payment any dividend on or in respect of, or declare or make any distribution on any shares of its stock (other than (A) ordinary quarterly dividends not to exceed 5 cents per share, subject to potential increase in subsequent quarters up to an amount based on a dividend payout ratio of 25% of quarterly earnings (of the applicable prior quarter), to the extent declared by the board of directors of West Coast, (B) authorized dividends from its wholly owned subsidiaries to it or another of its wholly owned subsidiaries, or (C) required dividends on any preferred stock or securities of West Coast subsidiaries), or directly or indirectly adjust, split, combine, redeem, reclassify, purchase or otherwise acquire, any shares of its stock (other than repurchases of common shares in the ordinary course of business to satisfy obligations under benefit plans);

amend the material terms of, waive any material rights under, terminate, knowingly violate the terms of or enter into (i) any material contract, agreement with a regulatory agency, or other binding obligation that is material to West Coast and its subsidiaries, taken as a whole, (ii) any material restriction on the ability of West Coast or its subsidiaries to conduct its business as it is presently being conducted or (iii) any contract governing the terms of West Coast common stock or rights associated therewith or any other outstanding capital stock or any outstanding instrument of indebtedness;

sell, transfer, mortgage, encumber, license, let lapse, cancel, abandon or otherwise dispose of or discontinue any of its assets, deposits, business or properties, except for sales, transfers, mortgages, encumbrances, licenses, lapses, cancellations, abandonments or other dispositions or discontinuances in the ordinary course of business and in a transaction that, together with other such transactions, is not material to West Coast and its subsidiaries, taken as a whole;

acquire (other than by way of foreclosures or acquisitions of control in a fiduciary or similar capacity or in satisfaction of debts previously contracted in good faith, in each case in the ordinary course of business) all or any portion of the assets, business, deposits or properties of any other entity except in the ordinary course of business and in a transaction that, together with other such transactions, is not material to West Coast and its subsidiaries, taken as a whole, and would not reasonably be expected to present a material risk that the closing of the merger will be materially delayed or that the requisite regulatory approvals will be more difficult to obtain;

amend the West Coast articles of incorporation or bylaws, or similar governing documents of any of its significant subsidiaries;

subject to certain exceptions, including as required under applicable law or the terms of any benefit plan in effect as of the date of the merger agreement, (i) increase in any manner the compensation or benefits of any of the current or former directors, officers, employees, consultants, independent contractors or other service providers of West Coast or its subsidiaries, except for ordinary course merit-based increases in the base salary of employees (other than directors or executive officers of, or individuals who are party to an employment agreement or change of control agreement with West Coast or its subsidiaries) consistent with past practice, (ii) become a party to, establish, amend, alter a prior interpretation of in a manner that enhances rights or materially increases costs, commence participation in, terminate or commit itself to the adoption of any benefit plan or plan that would be a benefit plan if in effect as of the date of the merger agreement, other than de minimis amendments in the ordinary course of business consistent with past practice, (iii) grant, pay or increase (or commit to

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grant, pay or increase) any retention bonus, severance, retirement or termination pay, other than in connection with terminations of employment in the ordinary course of business consistent with past practice (iv) accelerate the payment or vesting of, or lapsing of restrictions with respect to, any stock-based compensation, long-term incentive compensation or any bonus or other incentive compensation, (v) cause the funding of any rabbi trust or similar arrangement or take any action to fund or in any other way secure the payment of compensation or benefits under any benefit plan, (vi) terminate the employment or services of any executive officer or employee who is party to a change in control agreement other than for cause, or (vii) hire any officer, employee, independent contractor or consultant, except in the ordinary course of business for non-executive officer positions for a base salary not in excess of \$250,000;

take, or omit to take, any action that would prevent or impede, or could reasonably be expected to prevent or impede, the mergers, taken together, from qualifying as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended;

incur or guarantee any indebtedness for borrowed money other than in the ordinary course of business;

enter into any new line of business or materially change its lending, investment, underwriting, risk and asset liability management and other banking and operating policies, except as required by law or requested by a regulatory agency;

other than in consultation with Columbia, make any material change to (i) its investment securities portfolio, derivatives portfolio or its interest rate exposure, through purchases, sales or otherwise, or (ii) the manner in which the portfolio is classified or reported, except as required by law or requested by a regulatory agency;

settle any action, suit, claim or proceeding against it or any of its subsidiaries, except for an action, suit, claim or proceeding that is settled in an amount and for consideration not in excess of \$250,000 and that would not (i) impose any material restriction on the business of West Coast or its subsidiaries or (ii) create adverse precedent for claims that are reasonably likely to be material to West Coast or its subsidiaries;

other than as determined to be necessary or advisable by West Coast in the good faith exercise of its discretion based on changes in market conditions, alter materially its interest rate or pricing fee or fee pricing policies with respect to depository accounts of any of its subsidiaries or waive any material fees with respect thereto;

make any material changes in its policies and practices with respect to (i) underwriting, pricing, originating, acquiring, selling, servicing, or buying or selling rights to service, loans or (ii) its hedging practices and policies, in each case except as required by law or requested by a regulatory agency;

enter into any securitizations of any loans or create any special purpose funding or variable interest entity other than on behalf of clients;

invest in any mortgage-backed or mortgage related securities which would be considered high-risk securities under applicable regulatory pronouncements;

except for loans or commitments for loans that have been approved by West Coast prior to the date of the merger agreement, without prior consultation with Columbia, make or acquire any loan or issue a commitment (or renew or extend an existing commitment) for any loan, that would result in total credit exposure to the applicable borrower (and its affiliates) in excess of (A) \$5,000,000 (with

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respect to borrowers with an outstanding loan from West Coast or a subsidiary of West Coast as of the date of the merger agreement) or (B) \$5,000,000 (with respect to all other borrowers), or (ii) without prior consultation with Columbia, enter into agreements relating to, or consummate purchases or sales of, whole loans in excess of \$5,000,000 in principal amount or purchase price;

make application for the opening, relocation or closing of any, or open, relocate or close any, branch office, loan production office or other significant office or operations facility;

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except pursuant to arrangements or agreements in effect on the date of the merger agreement which have been disclosed to Columbia, pay, loan or advance any amount to, or sell, transfer or lease any properties, rights or assets (real, personal or mixed, tangible or intangible) to, or enter into any arrangement or agreement with, any of its officers or directors or any of their family members, or any affiliates or associates (as defined under the Exchange Act) of any of its officers or directors, other than loans originated in the ordinary course of business and, in the case of any such arrangements or agreements relating to compensation, fringe benefits, severance or termination pay or related matters, only as otherwise permitted pursuant to the merger agreement;

make or change any material tax elections, change or consent to any change in it or its subsidiaries' method of accounting for tax purposes (except as required by applicable tax law), take any material position on any material tax return filed on or after the date of the merger agreement, settle or compromise any material tax liability, claim or assessment, enter into any closing agreement, waive or extend any statute of limitations with respect to a material amount of taxes, surrender any right to claim a refund for a material amount of taxes, or file any material amended tax return, in each case except in the ordinary course of business or consistent with past practice; or

agree to take, make any commitment to take, or adopt any resolutions of its board of directors in support of, any of the above prohibited actions.

Columbia has agreed to a more limited set of restrictions on its business prior to the completion of the merger. Specifically, Columbia has agreed that prior to the effective time of the merger, except as expressly permitted by the merger agreement, it will not, and will not permit its subsidiaries to, without the prior written consent of West Coast (which shall not be unreasonably withheld):

amend the articles of incorporation or bylaws of Columbia or similar governing documents of any of its significant subsidiaries in a manner that would materially and adversely affect West Coast common shareholders or that would materially impede Columbia's ability to consummate the transactions contemplated by the merger agreement;

take, or omit to take, any action that would prevent or impede, or could reasonably be expected to prevent or impede, the mergers, taken together, from qualifying as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended;

except as may be required by applicable law, regulation or policies imposed by any governmental entity, (i) take any action that would reasonably be expected to prevent, materially impede or materially delay the consummation of the transactions contemplated by the merger agreement, or (ii) take, or omit to take, any action that is reasonably likely to result in any of the conditions to the merger not being satisfied;

other than pursuant to the terms of Columbia stock plans in the ordinary course, (i) issue, sell or otherwise permit to become outstanding, or dispose of or encumber or pledge, or authorize or propose the creation of, any additional shares of its capital stock, or securities convertible or exchangeable into, or exercisable for, any shares of its capital stock, or any options, warrants or other rights of any kind to acquire any shares of such capital stock or such convertible or exchangeable securities or receive a cash payment based on the value of any shares of such capital stock, or (ii) permit any additional shares of its capital stock, or securities convertible or exchangeable into, or exercisable for, any shares of its capital stock, or any options, warrants or other rights of any kind to acquire any shares of such capital stock or such convertible or exchangeable securities or receive a cash payment based on the value of any shares of such capital stock, to become subject to new grants;

sell, transfer, mortgage, encumber, license, let lapse, cancel, abandon or otherwise dispose of or discontinue any of its material assets, deposits, business or properties, except for (i) branch closures or (ii) sales, transfers, mortgages, encumbrances, licenses, lapses, cancellations, abandonments or other dispositions or discontinuances in the ordinary course of business and in a transaction that, together

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with all other such transactions, is not material to Columbia and its subsidiaries, taken as a whole and would not reasonably be expected to present a material risk that the closing of the merger will be materially delayed or that the requisite regulatory approvals will be more difficult to obtain;

acquire (other than by way of foreclosures or acquisitions of control in a fiduciary or similar capacity or in satisfaction of debts previously contracted in good faith, in each case in the ordinary course of business) all or any material portion of the assets, business, deposits or properties of any other entity except in the ordinary course of business and in a transaction that, together with all other such transactions, is not material to Columbia and its subsidiaries, taken as a whole, and would not reasonably be expected to present a material risk that the closing of the merger will be materially delayed or that the requisite regulatory approvals will be more difficult to obtain;

materially change its lending, investment, underwriting, risk and asset liability management and other banking and operating policies, except as required by law or requested by a regulatory agency;

settle any action, suit, claim or proceeding against it or any of its subsidiaries that would impose any material restriction on the business of it or its subsidiaries or create adverse precedent for claims that are reasonably likely to be material to it or its subsidiaries;

except pursuant to arrangements or agreements in effect on the date of the merger agreement which have been previously disclosed to West Coast, pay, loan or advance any amount to, or sell, transfer or lease any properties, rights or assets (real, personal or mixed, tangible or intangible) to, or enter into any arrangement or agreement (other than employment and compensation related arrangements) with, any of its officers or directors or any of their family members, or any affiliates or associates (as defined under the Exchange Act) of any of its officers or directors, other than loans originated in the ordinary course of business;

with respect to it and its significant subsidiaries, adopt or enter into a plan of liquidation or dissolution; or

agree to take, make any commitment to take, or adopt any resolutions of its board of directors in support of, any of the above prohibited actions.

Regulatory Matters. Columbia and West Coast have agreed to promptly prepare and file with the SEC a registration statement on Form S-4, of which this document is a part. Columbia and West Coast have agreed to use reasonable best efforts to have the Form S-4 declared effective under the Securities Act as promptly as practicable after such filing, and to mail or deliver the proxy statement/prospectus to their shareholders. Columbia has also agreed to use its reasonable best efforts to obtain all necessary state securities law or blue sky permits and approvals required to consummate the merger, and West Coast has agreed to furnish all information concerning West Coast and the holders of West Coast common stock as may be reasonably requested in connection with any such action.

Columbia and West Coast have agreed to cooperate with each other and use their respective reasonable best efforts to promptly prepare and file all necessary documentation, to effect all applications, notices, petitions and filings, to obtain as promptly as practicable all permits, consents, approvals and authorizations of all third parties and governmental entities that are necessary or advisable to consummate the merger as soon as possible, and no later than July 1, 2013, to the extent reasonably practicable, and to comply with the terms and conditions of all such permits, consents, approvals and authorizations. West Coast and Columbia have the right to review in advance and, to the extent practicable, each will consult the other on, in each case subject to applicable laws, all the non-confidential information relating to West Coast or Columbia (excluding any confidential financial information relating to individuals), as the case may be, and any of their respective subsidiaries, that appear in any filing made with, or written materials submitted to, any third party or any governmental entity in connection with the transactions contemplated by the merger agreement. In addition, West Coast and Columbia will consult with each other with respect to the obtaining of all permits, consents, approvals and authorizations of all third parties and governmental entities necessary or advisable to consummate the merger and each party will keep the

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other apprised of the status of matters relating to the completion of the merger. Each party will consult with the other in advance of any meeting or conference with any governmental entity in connection with the merger and, to the extent permitted by such governmental entity, give the other party and/or its counsel the opportunity to attend and participate in such meetings and conferences.

Additionally, each of Columbia and West Coast has agreed to furnish to the other, upon request, all information concerning itself, its subsidiaries, directors, officers and shareholders and such other matters as may be reasonably necessary or advisable in connection with this proxy statement/prospectus, the Form S-4 or any other statement, filing, notice or application made by or on behalf of Columbia, West Coast or any of their respective subsidiaries to any governmental entity in connection with the merger.

Columbia and West Coast have agreed to use their reasonable best efforts to (i) avoid the entry of, or to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that would restrain, prevent or delay the closing of the merger, and (ii) avoid or eliminate each and every impediment under any applicable law and resolve any questions or issues raised by any governmental entity so as to enable the closing of the merger to occur as soon as possible, and in any event no later than July 1, 2013, including, without limitation, making expenditures and incurring costs, raising capital, divesting or otherwise disposing of businesses or assets of Columbia, West Coast, and their respective subsidiaries, effecting the dissolution, internal merger or consolidation of subsidiaries of Columbia or West Coast effective upon the completion of the merger, or enhancing internal controls (including by increasing staffing levels and external hires).

Each of Columbia and West Coast will promptly advise the other upon receiving any communication from any governmental entity the consent or approval of which is required for consummation of the merger that causes such party to believe that there is a reasonable likelihood that any requisite regulatory approval will not be obtained or that the receipt of any such approval may be materially delayed.

Shareholder Approval. West Coast's board of directors has resolved to recommend to the West Coast shareholders that they approve the merger agreement and to submit to West Coast shareholders the merger agreement and any other matters required to be approved by West Coast shareholders in order to carry out the intentions of the merger agreement, subject to certain exceptions if, following the receipt of a Company Superior Proposal (as defined below), the board of directors of West Coast concludes in good faith (and based on the advice of counsel) that the failure to withdraw its recommendation or terminate the merger agreement would more likely than not result in a violation of the board's fiduciary duties under applicable law.

Columbia's board of directors has resolved to recommend to the Columbia shareholders that they approve the issuance of Columbia common stock to be delivered to shareholders of West Coast in connection with the merger and to submit to the Columbia shareholders a proposal to issue such shares of Columbia common stock and any other matters required to be approved by the Columbia shareholders in order to carry out the intentions of the merger agreement.

NASDAQ Listing. Columbia will cause the shares of Columbia common stock (including the shares of Columbia common stock issuable upon exercise of the Class C Warrants or conversion of the Series B Preferred Stock) to be issued in the merger to have been authorized for listing on the Nasdaq Stock Exchange, subject to official notice of issuance, prior to the effective time of the merger.

Employee Matters. The merger agreement provides that for the period beginning on the closing date and ending on the 18-month anniversary of the closing date, Columbia will provide West Coast employees who become employees of Columbia or any of its subsidiaries (i) base salary and bonus opportunities consistent with base salary and bonus opportunities provided to Columbia employees who perform similar roles and have similar responsibilities and (ii) employee benefits that, in the aggregate, are no less favorable than employee benefits provided by Columbia to its similarly situated employees.

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The merger agreement provides that Columbia will maintain the West Coast severance policy without amendment during the one-year period following the closing date of the merger. The merger agreement also provides that Columbia will assume the employment and change in control arrangements of West Coast employees following the closing date of the merger.

If the closing date occurs after December 31, 2012 and prior to December 31, 2013, West Coast will pay each employee who participates in an incentive compensation program maintained by West Coast or its subsidiaries a prorated bonus relating to 2013 performance (with the proration based on the number of days of the applicable performance period prior to the closing date) with performance deemed to be achieved at target level.

West Coast is also permitted to amend the individual Supplemental Executive Retirement Plans, or SERPs, with executives to reduce the discount rate with respect to lump sum payments to be made to certain executives upon separation from service and to provide the executive who will receive his SERP payments in installments with a reasonable annual increase to reflect changes to the cost of living.

Indemnification and Directors and Officers Insurance. From and after the effective time of the merger, Columbia and the surviving corporation in the merger will indemnify and hold harmless each present and former director and officer of West Coast and its subsidiaries against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to matters existing or occurring at or prior to the effective time of the merger, including the transactions contemplated by the merger agreement, to the fullest extent permitted under applicable law. Columbia and the surviving corporation have also agreed to advance expenses as incurred to the fullest extent permitted under applicable law, which will be repaid if it is ultimately determined that such person is not entitled to indemnification.

In addition, for a period of six years following the effective time of the merger, Columbia will provide director's and officer's liability insurance that serves to reimburse the present and former officers and directors of West Coast or any of its subsidiaries as of the effective time of the merger (providing only for the Side A coverage where the existing policies also include Side B coverage for West Coast) with respect to claims against such directors and officers arising from facts or events occurring before the effective time of the merger (including the transactions contemplated by the merger agreement), which insurance will contain at least the same coverage and amounts, and contain terms and conditions no less advantageous to such persons as that coverage currently provided by West Coast, except that Columbia is not required to expend, on an annual basis, an amount in excess of 150% of the aggregate annual premiums paid as of the date of the merger agreement by West Coast for any such insurance and if any such annual expense at any time would exceed that amount, then Columbia will cause to be maintained policies of insurance which provide the maximum coverage available at an annual premium equal to that amount. Prior to the effective time of the merger, and in lieu of the foregoing, West Coast will use reasonable best efforts to purchase a tail policy for directors' and officers' liability insurance on the terms described in the prior sentence and subject to certain other specifications agreed to by the parties, and fully pay for such policy prior to the effective time of the merger.

No Solicitation. The merger agreement precludes West Coast and its subsidiaries and their respective officers, directors, agents, advisors and affiliates from initiating, soliciting, encouraging or knowingly facilitating inquiries or proposals with respect to, or engaging in any negotiations concerning, or providing any confidential or nonpublic information or data to, or having any discussions with, any person relating to, any Company Acquisition Proposal (as defined below). However, if at any time after the date of the merger agreement and prior to obtaining the approval of the merger agreement by West Coast shareholders, West Coast receives an unsolicited bona fide Company Acquisition Proposal and the board of directors of West Coast concludes in good faith that such Company Acquisition Proposal constitutes, or is reasonably expected to result in, a Company Superior Proposal (as defined below), then West Coast and its board of directors may, and may permit its subsidiaries and West Coast's and its subsidiaries' representatives to, furnish or cause to be furnished nonpublic

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information and participate in such negotiations or discussions to the extent that the board of directors of West Coast concludes in good faith (and based on the advice of counsel) that failure to take such actions would be more likely than not to result in a violation of its fiduciary duties under applicable law. Prior to providing any such nonpublic information or engaging in any such negotiations, West Coast must have entered into a confidentiality agreement with such third party on terms no less favorable to West Coast than the confidentiality agreement between West Coast and Columbia, and such confidentiality agreement must expressly permit West Coast to comply with its obligations pursuant to the merger agreement. West Coast must promptly (and in any event within 24 hours) advise Columbia following receipt of any Company Acquisition Proposal or any request for nonpublic information or inquiry that would reasonably be expected to lead to any Company Acquisition Proposal and the substance thereof (including the identity of the person making such Company Acquisition Proposal), and keep Columbia promptly apprised of any related developments, discussions and negotiations (including the terms and conditions of any such request, inquiry or Company Acquisition Proposal, or all amendments or proposed amendments thereto) on a current basis.

As used in the merger agreement, **Company Acquisition Proposal** means a tender or exchange offer, proposal for a merger, consolidation or other business combination involving West Coast or any of its significant subsidiaries or any proposal or offer to acquire in any manner more than 24.9% of the voting power in, or more than 24.9% of the fair market value of the business, assets or deposits of, West Coast or any of its significant subsidiaries, other than the transactions contemplated by the merger agreement, any sale of whole loans and securitizations in the ordinary course and any bona fide internal reorganization. As used in the merger agreement, **Company Superior Proposal** means an unsolicited bona fide written Company Acquisition Proposal (with such percentages set forth in the definition of that term changed from 24.9% to 100%) that the West Coast board of directors concludes in good faith to be more favorable from a financial point of view to its shareholders than the merger and the other transactions contemplated by the merger agreement and to be reasonably capable of being consummated on the terms proposed, (i) after receiving the advice of its financial advisors (who shall be a nationally recognized investment banking firm), (ii) after taking into account the likelihood of consummation of such transaction on the terms set forth therein and (iii) after taking into account all legal (with the advice of counsel), financial (including the financing terms of any such proposal), regulatory and other aspects of such proposal (including any expense reimbursement provisions and conditions to closing) and any other relevant factors permitted under applicable law, and after taking into account any amendment or modification to the merger agreement agreed to by Columbia.

In addition, in the event that West Coast receives a Company Acquisition Proposal that the West Coast board of directors concludes in good faith constitutes a Company Superior Proposal, the board of directors of West Coast may withdraw or materially and adversely modify its recommendation that West Coast shareholders vote to approve the merger agreement, or recommend to its shareholders a Company Acquisition Proposal other than the merger, or terminate the merger agreement, if it concludes in good faith (and based on the advice of counsel) that failure to take such actions would be more likely than not to result in a violation of its fiduciary duties under applicable law, as long as West Coast gives Columbia prior written notice at least three business days before taking such action and during such three business day period West Coast negotiates in good faith with Columbia to enable Columbia to make an improved offer that is at least as favorable to the shareholders of Columbia as such alternative Company Acquisition Proposal.

Representations and Warranties

The merger agreement contains representations and warranties made by West Coast to Columbia relating to a number of matters, including the following:

corporate organization, qualification to do business, and subsidiaries;

capitalization;

requisite corporate authority to enter into the merger agreement and to complete the contemplated transactions;

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absence of conflicts with, or violations of, organizational documents or other obligations as a result of the merger;

required regulatory consents, approvals and filings necessary in connection with the merger;

reports to regulatory authorities and the accuracy of the information contained therein;

financial statements, and the absence of undisclosed liabilities;

broker's fees payable in connection with the merger;

the absence of certain changes or events;

compliance with applicable law, including the existence of cease-and-desist orders, consent agreements or memoranda of understanding or similar communications with governmental entities;

inapplicability of certain state takeover statutes;

employee benefit matters;

lack of knowledge of any reason why required regulatory approvals should not be obtained on a timely basis;

opinion from financial advisor;

accuracy of West Coast information provided in this document;

legal proceedings;

certain material contracts;

environmental matters;

tax matters;

absence of action or circumstance that would impede the mergers, taken together, from qualifying as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended;

intellectual property;

properties;

insurance;

accounting and internal controls;

derivatives;

loan matters;

Community Reinvestment Act compliance;

investment securities;

related party transactions; and

labor matters.

The merger agreement also contains representations and warranties made by Columbia to West Coast relating to a number of matters, including the following:

corporate organization, qualification to do business, and subsidiaries;

capitalization;

requisite corporate authority to enter into the merger agreement and to complete the contemplated transactions;

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absence of conflicts with, or violations of, organizational documents or other obligations as a result of the merger;

required regulatory consents, approvals and filings necessary in connection with the merger;

reports to regulatory authorities and the accuracy of the information contained therein;

financial statements, and the absence of undisclosed liabilities;

broker's fees payable in connection with the merger;

the absence of certain changes or events;

compliance with applicable law, including the existence of cease-and-desist orders, consent agreements or memoranda of understanding or similar communications with governmental entities;

employee benefit matters;

lack of knowledge of any reason why required regulatory approvals should not be obtained on a timely basis;

accuracy of Columbia information provided in this document;

legal proceedings;

certain material contracts;

environmental matters;

tax matters;

absence of action or circumstance that would impede the mergers, taken together, from qualifying as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended;

properties;

insurance;

accounting and internal controls;

derivatives;

related party transactions;

labor matters;

availability of financing;

loan matters; and

Community Reinvestment Act compliance.

Certain of these representations and warranties are qualified as to materiality or material adverse effect. For purposes of the merger agreement, a material adverse effect with respect to West Coast or Columbia, as the case may be, means a material adverse effect on (a) the financial condition, results of operations or business of such party and its subsidiaries taken as a whole; provided, however, that, with respect to clause (a), a material adverse effect does not include effects arising out of, relating to or resulting from (A) changes after the date of the merger agreement in applicable GAAP or regulatory accounting requirements, (B) changes after the date of the merger agreement in laws, rules or regulations of general applicability to companies in the industries in which such party and its subsidiaries operate, (C) changes after the date of the merger agreement in global, national or regional political conditions or general economic or market conditions (including changes in prevailing interest rates, credit availability and liquidity, currency exchange rates, and price levels or trading volumes in the United

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States or foreign securities markets) affecting other companies in the industries in which such party and its subsidiaries operate, (D) changes after the date of the merger agreement in the credit markets, any downgrades in the credit markets, or adverse credit events resulting in deterioration in the credit markets generally and including changes to any previously correctly applied asset marks resulting therefrom, (E) a decline in the trading price of a party's common stock or a failure, in and of itself, to meet earnings projections, but not, in either case, including any underlying causes thereof, (F) the public disclosure of the merger agreement or the transactions contemplated thereby or the consummation of the transactions contemplated thereby, (G) any outbreak or escalation of hostilities, declared or undeclared acts of war or terrorism or (H) actions or omissions taken with the prior written consent of the other party or expressly required by the merger agreement except, with respect to clauses (A), (B), (C), (D) and (G), to the extent that the effects of such change are materially disproportionately adverse to the financial condition, results of operations or business of such party and its subsidiaries, taken as a whole, as compared to other companies in the industry in which such party and its subsidiaries operate; or (b) the ability of such party to timely consummate the transactions contemplated by the merger agreement.

The representations and warranties in the merger agreement do not survive the effective time of the merger and, as described below under "Effect of Termination," if the merger agreement is validly terminated, there will be no liability under the representations and warranties of the parties, unless a party knowingly breached the merger agreement.

This summary and the copy of the merger agreement attached to this document as Appendix A are included solely to provide investors with information regarding the terms of the merger agreement. They are not intended to provide factual information about the parties or any of their respective subsidiaries or affiliates. The merger agreement contains representations and warranties by Columbia and West Coast, which were made only for purposes of that agreement and as of specific dates. The representations, warranties and covenants in the merger agreement were made solely for the benefit of the parties to the merger agreement, may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the merger agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those generally applicable to investors. In reviewing the representations, warranties and covenants contained in the merger agreement or any descriptions thereof in this summary, it is important to bear in mind that such representations, warranties and covenants or any descriptions thereof were not intended by the parties to the merger agreement to be characterizations of the actual state of facts or condition of Columbia, West Coast or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the merger agreement, which subsequent information may or may not be fully reflected in Columbia's and West Coast's public disclosures. For the foregoing reasons, the representations, warranties and covenants or any descriptions of those provisions should not be read alone and should instead be read in conjunction with the other information contained in the reports, statements and filings that Columbia and West Coast publicly file with the SEC. For more information regarding these documents, see the section entitled "Where You Can Find More Information" included elsewhere in this joint proxy statement/prospectus.

Conditions to the Merger

Conditions to Each Party's Obligations. The respective obligations of each of Columbia and West Coast to complete the merger are subject to the satisfaction of the following conditions:

receipt of the West Coast shareholder approval of the merger agreement and of the Columbia shareholder approval of the issuance of Columbia common stock in connection with the merger;

authorization for the listing on the Nasdaq Stock Exchange of the Columbia common stock to be issued in the merger, subject to official notice of issuance;

the effectiveness of the registration statement on Form S-4, of which this document is a part, and the absence of a stop order suspending the effectiveness of the Form S-4 or any proceeding initiated or threatened by the SEC for that purpose;

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the absence of any order, injunction or decree issued by any court or agency of competent jurisdiction or other law preventing or making illegal the consummation of the merger or the other transactions contemplated by the merger agreement; and

the receipt of all requisite regulatory approvals of governmental entities, including the necessary regulatory approvals from the Federal Reserve and the Oregon Department of Consumer and Business Services, and the expiration of all statutory waiting periods in respect thereof.

Conditions to Obligations of Columbia. The obligation of Columbia and Sub to complete the merger is also subject to the satisfaction, or waiver by Columbia, of the following conditions:

the accuracy of the representations and warranties of West Coast as of the closing date of the merger, other than, in most cases, those failures to be true and correct that (disregarding any materiality, material adverse effect and similar qualifying terms), individually or in the aggregate, would not reasonably be expected to result in a material adverse effect on West Coast, and the receipt by Columbia of an officer's certificate to such effect;

performance in all material respects by West Coast of the obligations required to be performed by it at or prior to the closing date of the merger, and the receipt by Columbia of an officer's certificate to such effect; and

receipt by Columbia of an opinion of Graham & Dunn, P.C., as to certain tax matters.

Conditions to Obligations of West Coast. The obligation of West Coast to complete the merger is also subject to the satisfaction, or waiver by West Coast, of the following conditions:

the accuracy of the representations and warranties of Columbia as of the closing date of the merger, other than, in most cases, those failures to be true and correct that (disregarding any materiality, material adverse effect and similar qualifying terms), individually or in the aggregate, would not reasonably be expected to result in a material adverse effect on Columbia, and the receipt by West Coast of an officer's certificate to such effect;

performance in all material respects by Columbia of the obligations required to be performed by it at or prior to the closing date of the merger, and the receipt by West Coast of an officer's certificate to such effect; and

receipt by West Coast of an opinion of Wachtell, Lipton, Rosen & Katz as to certain tax matters.

Termination; Termination Fee

The merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after approval of the merger agreement by West Coast shareholders and of the stock issuance by Columbia shareholders:

by mutual written consent of Columbia and West Coast;

by either Columbia or West Coast, if a requisite regulatory approval is denied and such denial has become final and non-appealable, or if a governmental entity has issued a final, non-appealable order, injunction or decree permanently enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated by the merger agreement;

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by either Columbia or West Coast, if the merger has not closed by July 1, 2013 (which date can be extended to October 1, 2013 by either party if the requisite regulatory approvals have not yet been obtained), 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 the covenants and agreements of such party set forth in the merger agreement;

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by either Columbia or West Coast, if there is a breach by the other party of any of its covenants, agreements, representations or warranties that would, individually or in the aggregate with other breaches by such party, result in the failure of a closing condition of the other party, and such breach 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);

by either Columbia or West Coast, if the West Coast shareholders have not approved the merger agreement and the transactions contemplated thereby at the duly convened West Coast special meeting or any adjournment or postponement thereof, 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;

by either Columbia or West Coast, if the Columbia shareholders have not approved the issuance of Columbia common stock in connection with the merger at the duly convened Columbia special meeting or any adjournment or postponement thereof, 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;

by Columbia, prior to obtaining the West Coast shareholder approval, if West Coast or its board of directors submits the merger agreement to its shareholders without a recommendation for approval, or withdraws or materially and adversely modifies (or discloses its intention to so modify) its recommendation that West Coast shareholders approve the merger agreement, or recommends to its shareholders a Company Acquisition Proposal other than the merger;

by West Coast, prior to obtaining the West Coast shareholder approval, in order to enter into a definitive agreement providing for a Company Superior Proposal (provided that West Coast pays Columbia a termination fee in advance of or concurrently with such termination, as described below); or

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. However, if West Coast elects to terminate the merger agreement on this basis, it must provide notice to Columbia, and Columbia may then 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 (as defined above).

West Coast must pay Columbia a termination fee of \$20 million in the following circumstances:

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

(B) if (1) prior to the West Coast special meeting and after the date of the merger agreement, any person has made a Company Acquisition Proposal that has been publicly announced, disclosed or proposed and not withdrawn; and (2) thereafter the merger agreement is terminated (a) by either party because the merger was not consummated on or before July 1, 2013 (or October 1, 2013, if extended as described above), and the West Coast shareholder approval has not been obtained and the failure to obtain such approval is the only closing condition that is unsatisfied, or (b) by either party because West Coast shareholders failed to approve the merger agreement, or (c) by Columbia because West Coast has breached the merger agreement in such a way as would prevent certain closing conditions from being satisfied and would give Columbia the right to terminate the merger agreement, or (d) by

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Columbia because West Coast or its board of directors submits the merger agreement to its shareholders without a recommendation for approval, or withdraws or materially and adversely modifies (or discloses its intention to so modify) its recommendation that West Coast shareholders approve the merger agreement, or recommends to its shareholders a Company Acquisition Proposal other than the merger; and (3) within 12 months after such termination of the merger agreement, a Company Acquisition Proposal is consummated or any definitive agreement with respect to a Company Acquisition Proposal is entered into (provided that for purposes of the foregoing, the term Company Acquisition Proposal shall have the meaning assigned to such term elsewhere in this document, except that the references to 24.9% in the definition of a Company Acquisition Proposal elsewhere in this document shall be deemed to be references to 100%).

Columbia must pay West Coast a termination fee of \$5 million in the event that (1) either party terminates the merger agreement based on the failure of Columbia shareholders to approve the issuance of Columbia common stock in connection with the merger or (2) the merger agreement is terminated by either party based on the failure to obtain a requisite regulatory approval or because the merger was not consummated on or before July 1, 2013 (or October 1, 2013, if extended as described above) and at the time of such termination the requisite regulatory approvals have not been obtained, in each case for reasons solely attributable to Columbia.

Effect of Termination

If the merger agreement is validly terminated, the merger agreement will become void and have no effect, and none of West Coast, Columbia, any of their respective subsidiaries or any of the officers or directors of any of them will have any liability under the merger agreement, or in connection with the transactions contemplated by the merger agreement, except that (i) the provisions of the merger agreement relating to confidentiality obligations of the parties, the termination fees, publicity and certain other technical provisions will continue in effect notwithstanding termination of the merger agreement and (ii) neither West Coast nor Columbia will be relieved or released from any liability or damages arising out of its knowing breach of the merger agreement.

Amendments, Extensions and Waivers

The merger agreement may be amended by the parties, by action taken or authorized by their respective boards of directors, at any time before or after approval of the matters presented in connection with the merger by the shareholders of West Coast or Columbia, in writing signed on behalf of each of the parties, provided that after any approval of the transactions contemplated by the merger agreement by the West Coast or Columbia shareholders, there may not be, without further approval of such shareholders, any amendment of the merger agreement that requires further approval under applicable law.

At any time prior to the effective time of the merger, the parties, by action taken or authorized by their respective boards of directors, may, to the extent legally allowed, (a) extend the time for the performance of any of the obligations or other acts of the other party, (b) waive any inaccuracies in the representations and warranties contained in the merger agreement or (c) waive compliance with any of the agreements or conditions contained in the merger agreement. Any agreement on the part of a party to any extension or waiver must be in writing signed on behalf of such party. Any such extension or waiver or failure to insist on strict compliance with an obligation, covenant, agreement or condition will not operate as a waiver of any subsequent or other failure.

Stock Market Listing

Application will be made by Columbia to have the shares of Columbia common stock to be issued in the merger (including the shares of Columbia common stock issuable upon exercise of the Class C Warrants or conversion of the Series B Preferred Stock) approved for listing on the Nasdaq Stock Exchange, which is the principal trading market for existing shares of Columbia common stock. It is a condition to both parties' obligation to complete the merger that such approval is obtained, subject to official notice of issuance. Following completion of the merger, West Coast common stock will be delisted from the Nasdaq Stock Exchange and deregistered under the Exchange Act.

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Fees and Expenses

Except for (i) the registration fee for the filing of the Form S-4, of which this document is a part, and other fees paid to the SEC in connection with the merger, which will be paid by Columbia, and (ii) the termination fees, as described elsewhere in this document, all fees and expenses incurred in connection with the merger, the merger agreement, and the transactions contemplated by the merger agreement (including costs and expenses of printing and mailing this document) will be paid by the party incurring such fees or expenses, whether or not the merger is completed.

Related Agreements

Stock Conversion, Voting and Support Agreements. Three shareholders of West Coast (MFP Partners, L.P., GF Financial, L.L.C., and Castle Creek Capital Partners IV, LP, or the Principal Shareholders) have each entered into separate Stock Conversion, Voting and Support Agreements (SCVS Agreements) with Columbia. As of the record date for the West Coast special meeting, the parties to the three SCVS Agreements have the right to vote, in the aggregate, 4,009,000 outstanding shares of West Coast common stock, which represents approximately 20.8% of outstanding shares of West Coast common stock entitled to vote at the West Coast special meeting. Pursuant to such agreements, the Principal Shareholders have agreed to convert their shares of Series B Preferred Stock into the merger consideration. The Principal Shareholders have also agreed to vote their shares of West Coast common stock in favor of approval of (i) the merger agreement and the transactions contemplated thereby; (ii) any other matter that is required to facilitate the transactions contemplated by the merger agreement; and (iii) any proposal to adjourn or postpone the West Coast special meeting if there are not sufficient votes to approve the merger agreement. The Principal Shareholders have also agreed to vote against any action or agreement that would impair West Coast's or Columbia's ability to complete the merger, or that otherwise would be inconsistent with, prevent, impede or delay the consummation of the merger.

The SCVS Agreements also provide that the Principal Shareholders will not (except in connection with the merger and receiving the merger consideration, or transfers to a controlled affiliate) transfer the shares of West common stock that they own or grant any proxy with respect to a transfer of such shares until the earlier of the closing of the merger or the termination of such SCVS Agreement in accordance with its terms.

The SCVS Agreements further provide that during the term of such agreements each Principal Shareholder will not, without the prior written consent of Columbia (and will cause its principals, directors, members, general partners, managers, officers and controlled affiliates not to), individually or in concert with others, acquire or agree to acquire or otherwise knowingly facilitate the acquisition of any beneficial ownership of capital stock of Columbia that would result in such Principal Shareholder and its controlled affiliates beneficially owning in excess of the greater of (i) an amount equal to 4.9% of the total outstanding Columbia common stock immediately following the closing of the merger, and (ii) the aggregate beneficial ownership, as a percentage, of the Principal Shareholder and its controlled affiliates of Columbia common stock immediately following the closing of the merger, giving effect to the merger and the transactions contemplated by the merger agreement.

The SCVS Agreements also provide that during the term of such agreements the Principal Shareholders will not, individually or in concert with others, (i) make or participate in the solicitation of any proxies with respect to any shares of Columbia stock; (ii) propose any shareholder resolutions in respect of Columbia; (iii) seek to call any meeting of shareholders of Columbia; (iv) seek to take any action by written consent of the shareholders of Columbia; or (v) seek to advise or influence any other person or entity with respect to the voting of Columbia common stock. Further, each Principal Shareholder agrees that it will not (i) deposit any Columbia shares into a voting trust or subject them to any voting arrangement or agreement (except pursuant to pledges and as contemplated by the SCVS Agreement), (ii) join any group acting in concert for the purpose of acquiring, holding, voting or disposing of any Columbia shares owned by such Principal Shareholder, or (iii) without the prior written consent of Columbia, individually or in concert with others seek or propose to effect control of the management, board of directors or policies of Columbia.

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The SCVS Agreements automatically terminate upon the earlier to occur of (i) the termination of the merger agreement in accordance with its terms; (ii) the third anniversary of the closing of the merger; (iii) the date the merger agreement is amended in a manner materially adverse to the economic interests of the Principal Shareholder; or (iv) the sale of all or substantially all of the assets of Columbia to an acquirer or the acquisition of Columbia in specified business combination or similar transactions.

The SCVS Agreements provide for limited indemnification of the Principal Shareholders by Columbia for out-of-pocket legal defense costs and related expenses in connection with claims made prior to the one year anniversary of the effective time of the merger arising out of or resulting from the Principal Shareholder's entry into the SCVS Agreement and performance of its obligations under the agreement. Columbia's aggregate indemnification of all three Principal Shareholders is subject to a \$500,000 cap.

West Coast Voting and Non-Competition Agreements. Certain directors of West Coast have entered into a Voting and Non-Competition Agreement with Columbia and West Coast pursuant to which such directors have agreed, until the earlier of the closing of the merger and the termination of the merger agreement in accordance with its terms, to vote their shares of West Coast common stock in favor of approval of (i) the merger agreement and the transactions contemplated thereby; (ii) any other matter that is required to facilitate the transactions contemplated by the merger agreement; and (iii) any proposal to adjourn or postpone the West Coast special meeting if there are not sufficient votes to approve the merger agreement. Such directors have also agreed to vote against any action or agreement that would impair West Coast's or Columbia's ability to complete the merger, or that otherwise would be inconsistent with, prevent, impede or delay the consummation of the merger. The Voting and Non-Competition Agreements apply solely to the directors in their capacities as West Coast shareholders, and do not prevent them from discharging their fiduciary duties with respect to their roles on the board of directors of West Coast. As of the record date for the West Coast special meeting, the directors who are parties to the Voting and Non-Competition Agreements have the right to vote, in the aggregate, 160,939 outstanding shares of West Coast common stock, which represents approximately 0.8% of outstanding shares of West Coast common stock entitled to vote at the special meeting.

The Voting and Non-Competition Agreements also provide that the directors will not transfer (other than for estate planning or philanthropic purposes) the shares of West Coast common stock that they own until the earlier of the closing of the merger and the termination of the merger agreement in accordance with its terms.

Pursuant to the Voting and Non-Competition Agreements, the West Coast directors party thereto have agreed to tender their resignations from the board of directors of West Coast, subject to and effective upon the closing of the merger.

The Voting and Non-Competition Agreements also provide that, subject to certain exceptions (including for passive investment interests) for a one-year period following the closing of the merger, the directors will not, directly or indirectly, become involved in any competing business, which is defined as any depository, wealth management or trust business company or holding company thereof within the States of Washington and Oregon. The agreements also prohibit the directors from soliciting any employees or customers of Columbia and its subsidiaries (including West Coast Bank) for a one-year period following the closing of the merger.

The Voting and Non-Competition Agreements terminate (other than certain technical provisions and provisions relating to confidential information) automatically in the event that the merger agreement is terminated in accordance with its terms.

Columbia Voting Agreement. Each of the directors of Columbia has entered into a Voting Agreement with Columbia and West Coast pursuant to which such directors have agreed to vote their shares of Columbia common stock in favor of approval of (i) the merger agreement and the transactions contemplated thereby; (ii) any other matter that is required to facilitate the transactions contemplated by the merger agreement; and (iii) any proposal to adjourn or postpone the Columbia special meeting if there are not sufficient votes to approve

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the merger agreement. Such directors have also agreed to vote against any action or agreement that would impair West Coast's or Columbia's ability to complete the merger, or that otherwise would be inconsistent with, prevent, impede or delay the consummation of the merger. The Voting Agreement applies solely to the directors in their capacities as Columbia shareholders, and does not prevent them from discharging their fiduciary duties with respect to their roles on the board of directors of Columbia. As of the record date for the Columbia special meeting, the directors who are parties to the Voting Agreement have the right to vote, in the aggregate, 631,916 outstanding shares of Columbia common stock, which represents approximately 1.59% of outstanding shares of Columbia common stock entitled to vote at the Columbia special meeting.

The Voting Agreement also provides that the directors will not transfer (other than for estate planning or philanthropic purposes) the shares of Columbia common stock that they own until the earlier of the closing of the merger or the termination of the merger agreement in accordance with its terms.

The requirements of the Voting Agreement continue until the closing of the merger or the termination of the merger agreement in accordance with its terms.

The foregoing summary of the SCVS Agreements, the Voting and Non-Competition Agreements, and the Columbia Voting Agreement does not purport to be complete and is qualified in its entirety by the text of such agreements, which are attached as Appendices E, F, G, H and I to this document.

LITIGATION RELATED TO THE MERGER

On October 3, 2012, a class action complaint was filed in the Circuit Court of the State of Oregon for the County of Multnomah against West Coast, its directors, and Columbia challenging the merger: Gary M. Klein v. West Coast Bancorp, et al., Case No. 1210-12431. The complaint names as defendants West Coast, all of the current members of West Coast's board of directors, and Columbia. The complaint alleges that the West Coast directors breached their fiduciary duties to West Coast and West Coast shareholders by agreeing to the proposed merger at an unfair price. The complaint also alleges that the proposed merger is being driven by an unfair process, that the directors approved provisions in the merger agreement that constitute preclusive deal protection devices, that certain large shareholders of West Coast are using the merger as an opportunity to sell their illiquid holdings in West Coast, and that West Coast directors and officers will obtain personal benefits from the merger not shared equally by other West Coast shareholders. The complaint further alleges that West Coast and Columbia aided and abetted the directors' alleged breaches of their fiduciary duties. Thereafter, a second lawsuit challenging the merger was filed in the Circuit Court of the State of Oregon for Clackamas County: Leoni v. West Coast Bancorp et al., Case No. CV12100728. On December 11, 2012, the parties filed a stipulation and proposed order consolidating the two lawsuits for all purposes in the Circuit Court of the State of Oregon for Multnomah County, under the caption *In re* West Coast Bancorp Shareholder Litigation, Lead Case No. 1210-12431.

While West Coast believes that the claims in both complaints are without merit, West Coast has agreed, in order to avoid the expense and burden of continued litigation and pursuant to the terms of the proposed settlement, to make in this joint proxy statement/prospectus certain supplemental disclosures related to the proposed merger. Accordingly, on December 27, 2012, West Coast and the other defendants in the two actions entered into a memorandum of understanding to settle both actions. Subject to completion of certain confirmatory discovery by plaintiffs counsel, the memorandum of understanding contemplates that the parties will enter into a stipulation of settlement. The stipulation of settlement will be subject to customary conditions, including court approval following notice to West Coast's stockholders. In the event that the parties enter into a stipulation of settlement, a hearing will be scheduled at which the Circuit Court of the State of Oregon for Multnomah County will consider the fairness, reasonableness, and adequacy of the settlement. If the settlement is finally approved by the court, it will resolve and release all claims in all actions that were or could have been brought challenging any aspect of the proposed merger, the merger agreement, and any disclosure made in connection therewith, pursuant to terms that will be disclosed to stockholders before final approval of the

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settlement. There can be no assurance that the parties will ultimately enter into a stipulation of settlement or that the Circuit Court of the State of Oregon for Multnomah County will approve the settlement even if the parties were to enter into such stipulation. In such event, the proposed settlement as contemplated by the memorandum of understanding may be terminated.

The supplemental disclosures which have been included in this joint proxy statement/prospectus provide additional detail concerning negotiations with the two financial institutions other than Columbia that executed confidentiality agreements with West Coast, the proportionate increase in the consideration offered by Columbia from its initial proposal to its enhanced offer and from its enhanced offer to the final agreed upon purchase price, and enhanced disclosure with respect to Sandler O'Neill's analysis, including: the prospective financial information for West Coast and Columbia used in Sandler O'Neill's analysis, the individually observed metrics and multiples for the companies included in Sandler O'Neill's comparable company analyses of West Coast and Columbia, the calculation of the discount rates applied to West Coast and Columbia in Sandler O'Neill's net present value analyses, the individually observed metrics and multiples for the companies included in Sandler O'Neill's analysis of selected merger transactions, the imputed valuation for West Coast based on the median and mean multiples from Sandler O'Neill's analysis of selected merger transactions, and Sandler O'Neill's projected accretion/dilution percentages for West Coast and Columbia following the closing of the merger.

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MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER

This section describes the anticipated material United States federal income tax consequences of the merger to U.S. holders of West Coast common stock who exchange shares of West Coast common stock for shares of Columbia common stock, cash, or a combination of shares of Columbia common stock and cash pursuant to the merger.

For purposes of this discussion, a U.S. holder is a beneficial owner of West Coast common stock who for United States federal income tax purposes is:

a citizen or resident of the United States;

a corporation, or an entity treated as a corporation, created or organized in or under the laws of the United States or any state or political subdivision thereof;

a trust that (1) is subject to (A) the primary supervision of a court within the United States and (B) the authority of one or more United States persons to control all substantial decisions of the trust or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a United States person; or

an estate that is subject to United States federal income tax on its income regardless of its source.

If a partnership (including for this purpose any entity treated as a partnership for United States federal income tax purposes) holds West Coast common stock, the tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. If you are a partner of a partnership holding West Coast common stock, you should consult your tax advisor.

This discussion addresses only those West Coast shareholders that hold their West Coast common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code, and does not address all the United States federal income tax consequences that may be relevant to particular West Coast shareholders in light of their individual circumstances or to West Coast shareholders that are subject to special rules, such as:

financial institutions;

pass-through entities or investors in pass-through entities;

insurance companies;

tax-exempt organizations;

dealers in securities;

traders in securities that elect to use a mark to market method of accounting;

persons who exercise dissenters' rights;

persons that hold West Coast common stock as part of a straddle, hedge, constructive sale or conversion transaction;

certain expatriates or persons that have a functional currency other than the U.S. dollar;

persons who are not U.S. holders; and

shareholders who acquired their shares of West Coast common stock through the exercise of an employee stock option or otherwise as compensation or through a tax-qualified retirement plan.

In addition, the discussion does not address any alternative minimum tax or any state, local or foreign tax consequences of the merger, nor does it address any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010.

The following discussion is based on the Internal Revenue Code, its legislative history, existing and proposed regulations thereunder and published rulings and decisions, all as currently in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. Any such change could affect the continuing validity of this discussion.

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Columbia and West Coast have structured the mergers, taken together, to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. The obligation of Columbia to complete the merger is conditioned upon the receipt of an opinion from Graham & Dunn, P.C., counsel to Columbia, to the effect that the mergers, taken together, will for federal income tax purposes qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. The obligation of West Coast to complete the merger is conditioned upon the receipt of an opinion from Wachtell, Lipton, Rosen & Katz, counsel to West Coast, to the effect that the mergers, taken together, will for federal income tax purposes qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. In addition, in connection with the filing of the registration statement of which this document is a part, each of Graham & Dunn, PC and Wachtell, Lipton, Rosen & Katz has delivered an opinion to Columbia and West Coast, respectively, to the same effect as the opinions described above. These opinions will be based on assumptions, representations, warranties and covenants, including those contained in the merger agreement and in tax representation letters provided by Columbia and West Coast. The accuracy of such assumptions, representations and warranties, and compliance with such covenants, could affect the conclusions set forth in such opinions. None of these opinions are binding on the Internal Revenue Service or the courts. Columbia and West Coast have not requested and do not intend to request any ruling from the Internal Revenue Service as to the United States federal income tax consequences of the merger. Accordingly, each West Coast shareholder should consult its tax advisor with respect to the particular tax consequences of the merger to such holder. In addition, because a West Coast shareholder may receive a mix of cash and stock despite having made a cash election or stock election, it will not be possible for holders of West Coast common stock to determine the specific tax consequences of the merger to them at the time of making the election.

Tax Consequences of the Merger Generally to Holders of West Coast Common Stock. On the basis of the opinions delivered in connection herewith:

gain or loss will be recognized by those holders receiving solely cash for West Coast common stock pursuant to the merger equal to the difference between the amount of cash received by a holder of West Coast common stock and such holder's cost basis in such holder's shares of West Coast common stock;

no gain or loss will be recognized by those holders receiving solely shares of Columbia common stock in exchange for shares of West Coast common stock pursuant to the merger (except with respect to any cash received instead of fractional share interests in Columbia common stock, as discussed in the section entitled "Cash Received Instead of a Fractional Share of Columbia Common Stock");

gain (but not loss) will be recognized by those holders who receive shares of Columbia common stock and cash in exchange for shares of West Coast common stock pursuant to the merger, in an amount equal to the lesser of (1) the amount by which the sum of the fair market value of the Columbia common stock and cash received by a holder of West Coast common stock exceeds such holder's cost basis in its West Coast common stock, and (2) the amount of cash received by such holder of West Coast common stock (except with respect to any cash received instead of fractional share interests in Columbia common stock, as discussed in the section entitled "Cash Received Instead of a Fractional Share of Columbia Common Stock");

the aggregate basis of the Columbia common stock received in the merger will be the same as the aggregate basis of the West Coast common stock for which it is exchanged, decreased by the amount of cash received in the merger (except with respect to any cash received instead of fractional share interests in Columbia common stock), decreased by any basis attributable to fractional share interests in Columbia common stock for which cash is received, and increased by the amount of gain recognized on the exchange (regardless of whether such gain is classified as capital gain, or as ordinary dividend income, as discussed below, but excluding any gain or loss recognized with respect to fractional share interests in Columbia common stock for which cash is received); and

the holding period of Columbia common stock received in exchange for shares of West Coast common stock will include the holding period of the West Coast common stock for which it is exchanged.

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If holders of West Coast common stock acquired different blocks of West Coast common stock at different times or at different prices, any gain or loss will be determined separately with respect to each block of West Coast common stock and such holders' basis and holding period in their shares of Columbia common stock may be determined with reference to each block of West Coast common stock. Any such holders should consult their tax advisors regarding the manner in which cash and Columbia common stock received in the exchange should be allocated among different blocks of West Coast common stock and with respect to identifying the bases or holding periods of the particular shares of Columbia common stock received in the merger.

Gain that holders of West Coast common stock recognize in connection with the merger generally will constitute capital gain and will constitute long-term capital gain if such holders have held (or are treated as having held) their West Coast common stock for more than one year as of the date of the merger. Long-term capital gain of non-corporate holders of West Coast common stock is generally taxed at preferential rates. In some cases, if a holder actually or constructively owns Columbia stock other than Columbia stock received pursuant to the merger, the recognized gain could be treated as having the effect of a distribution of a dividend under the tests set forth in Section 302, in which case such gain would be treated as dividend income. Because the possibility of dividend treatment depends primarily upon each holder's particular circumstances, including the application of the constructive ownership rules, holders of West Coast common stock should consult their tax advisors regarding the application of the foregoing rules to their particular circumstances.

Cash Received Instead of a Fractional Share of Columbia Common Stock. A holder of West Coast common stock who receives cash instead of a fractional share of Columbia common stock will generally be treated as having received the fractional share pursuant to the merger and then as having sold that fractional share of Columbia common stock for cash. As a result, a holder of West Coast common stock will generally recognize gain or loss equal to the difference between the amount of cash received and the basis in his or her fractional share interest as set forth above. Except as described above, this gain or loss will generally be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date of the merger, the holding period for such shares is greater than one year. The deductibility of capital losses is subject to limitations.

Backup Withholding and Information Reporting. Payments of cash to a holder of West Coast common stock may, under certain circumstances, be subject to information reporting and backup withholding, unless the holder provides proof of an applicable exemption satisfactory to Columbia and the exchange agent or furnishes its taxpayer identification number, and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a holder under the backup withholding rules are not additional tax and will be allowed as a refund or credit against the holder's United States federal income tax liability, provided the required information is furnished to the Internal Revenue Service.

The discussion set forth above does not address all United States federal income tax consequences that may be relevant to holders of West Coast common stock and may not be applicable to such holders that are subject to special rules. It is not a complete analysis or discussion of all potential tax effects that may be important to you. Thus, you are strongly encouraged to consult your tax advisor as to the specific tax consequences resulting from the merger, including tax return reporting requirements, the applicability and effect of federal, state, local, and other tax laws and the effect of any proposed changes in the tax laws.

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DESCRIPTION OF COLUMBIA S CAPITAL STOCK

Columbia s authorized capital stock consists of 63,032,681 shares of common stock, no par value per share, and 2,000,000 shares of preferred stock, no par value per share. As of the date of this joint proxy statement/prospectus, Columbia had no shares of preferred stock issued.

Common Stock

General. The holders of Columbia common stock have one vote per share on all matters submitted to a vote of Columbia s shareholders. There are no cumulative voting rights for the election of directors. Holders of common stock are entitled to receive ratably such dividends as may be declared by the Board of Directors out of legally available funds, subject to preferences that may be applicable to any outstanding series of preferred stock. In the event of a liquidation, dissolution or winding up of Columbia, the holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preference of any outstanding preferred stock. Holders of shares of Columbia common stock have no preemptive, subscription, redemption, sinking fund or conversion rights.

Dividends. The holders of Columbia common stock are entitled to receive dividends declared by Columbia s Board of Directors out of funds legally available therefor. Holders of preferred stock and debt securities, however, have a priority right to distributions and payment over Columbia common stock. Columbia s ability to pay dividends basically depends on the amount of dividends paid to us by Columbia s subsidiaries. The payment of dividends is subject to government regulation, in that regulatory authorities may prohibit banks and bank holding companies from paying dividends in a manner that would constitute an unsafe or unsound banking practice. In addition, a bank may not pay cash dividends if doing so would reduce the amount of its capital below that necessary to meet minimum regulatory capital requirements. State laws also limit a bank s ability to pay dividends. Accordingly, the dividend restrictions imposed on Columbia s subsidiaries by statute or regulation effectively may limit the amount of dividends Columbia can pay.

Columbia common stock is listed for trading on The Nasdaq Global Select Market under the symbol COLB.

For additional information concerning Columbia s common stock, see Comparison of Rights of Holders of Columbia and West Coast Common Stock below.

Preferred Stock

Under Columbia s Restated Articles of Incorporation, Columbia s Board of Directors has the authority, without any further vote or action by Columbia s shareholders, to issue 2,000,000 shares of preferred stock.

Series A Preferred Stock. On August 11, 2010, Columbia redeemed all 76,898 shares of its Fixed Rate Cumulative Perpetual Preferred Stock, Series A (Series A Preferred Stock) originally issued to the U.S. Department of Treasury on November 21, 2008 for approximately \$76.9 million in capital under its Capital Purchase Program. As of the date of this proxy statement/prospectus, there are no shares of Series A Preferred Stock issued and outstanding.

Series B Preferred Stock. In connection with the merger, Columbia will designate 8,782 shares of preferred stock as Mandatorily Convertible Cumulative Participating Preferred Stock, Series B (referred to below as the Columbia Series B Preferred Stock). At the effective time of the merger, each share of West Coast s Series B Preferred Stock as to which a conversion election has not been made will remain outstanding and will convert into shares of Columbia Series B Preferred Stock having rights, preferences, privileges and voting powers, that are not materially less favorable than those of the West Coast Series B Preferred Stock immediately prior to the effective time of the merger. Such rights, preferences, privileges and voting powers, are as follows:

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Authorized Shares and Liquidation Preference. The number of authorized shares of Columbia Series B Preferred Stock is 8,782. Shares of Columbia Series B Preferred Stock have no par value and the liquidation preference of the Columbia Series B Preferred Stock is \$100 per share.

Ranking. The Columbia Series B Preferred Stock, with respect to dividend rights and rights on liquidation, winding-up and dissolution, rank (i) on a parity with Columbia's other authorized series of preferred stock and with each other class or series of preferred stock, established after the date of issuance of the Columbia Series B Preferred Stock, the terms of which do not expressly provide that such class or series will rank senior or junior to the Columbia Series B Preferred Stock as to dividend rights and rights on liquidation, winding-up and dissolution of Columbia, and (ii) senior to Columbia common stock and each other class or series of capital stock outstanding or established after the date the Columbia Series B Preferred Stock is first issued, the terms of which expressly provide that it ranks junior to the Columbia Series B Preferred Stock as to dividend rights and/or as to rights on liquidation, winding-up and dissolution of Columbia. Columbia has the right to authorize and/or issue additional shares or classes or series of junior securities or parity securities without the consent of the holders of Columbia Series B Preferred Stock.

Dividends. Holders of Columbia Series B Preferred Stock are entitled to receive, when, as and if declared by Columbia's board of directors, dividends in the amount determined as set forth below.

If Columbia's board of directors declares and pays a cash dividend in respect of any shares of common stock, then Columbia's board of directors is required to declare and pay to the holders of the Columbia Series B Preferred Stock a cash dividend in an amount per share of Columbia Series B Preferred Stock equal to the product of (i) the per share dividend declared and paid in respect of each share of common stock and (ii) the number of shares of common stock into which such share of Columbia Series B Preferred Stock is then convertible.

Restrictions on Repurchase of Junior Securities. For so long as the Columbia Series B Preferred Stock remains outstanding, subject to limited exceptions, Columbia is prohibited from paying dividends on any share of common stock or other junior securities and from redeeming, repurchasing or acquiring any shares of common stock or other junior securities if and for so long as declared dividends on the Columbia Series B Preferred Stock for the then-current dividend period have not been paid in full (or alternatively, declared and a sum sufficient for the payment thereof set aside for all outstanding shares of Columbia Series B Preferred Stock).

Rights Upon Liquidation. In the event Columbia voluntarily or involuntarily liquidates, dissolves or winds up, the holders of the Columbia Series B Preferred Stock will be entitled, for each share of the Columbia Series B Preferred Stock held, to (1) the liquidation preference per share of Columbia Series B Preferred Stock, plus any accrued but unpaid dividends, plus (2) an amount equal to the liquidation amount payable on an as-converted basis on the number of shares of common stock into which such shares of Columbia Series B Preferred Stock could have been converted on a date at least ten business days before the first liquidating distribution is made on the Columbia Series B Preferred Stock.

In the event the assets of Columbia available for distribution to shareholders upon any liquidation, dissolution or winding-up of the affairs of Columbia, whether voluntary or involuntary, are insufficient to pay in full the amounts payable with respect to all outstanding shares of the Columbia Series B Preferred Stock and the corresponding amounts payable on any parity securities, holders of Columbia Series B Preferred Stock and the holders of parity securities will share ratably in any distribution of assets of Columbia in proportion to the full respective liquidating distributions to which they would otherwise be respectively entitled.

Redemption. The Columbia Series B Preferred Stock is not redeemable.

Mandatory Conversion. Each share of Columbia Series B Preferred Stock mandatorily converts into shares of Columbia common stock upon the completion of the transfer of that share to a third party in (1) a widespread public distribution, (2) a transfer in which no transferee (or group of associated transferees) would receive more

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than 2% of any class of voting securities of Columbia or (3) a transfer to a transferee that would control more than 50% of the voting securities of Columbia without any transfer from the holder. To the extent that conversion of the Columbia Series B Preferred Stock would cause the holder to be subject to the receipt of required regulatory approvals, delivery of Columbia common stock would be delayed until any required regulatory approvals are obtained.

The number of shares of Columbia common stock into which a share of Columbia Series B Preferred Stock will be convertible will be determined by dividing the base value by the then applicable conversion price. No fractional shares of common stock will be issued. Upon conversion, cash will be paid in lieu of fractional shares based on the closing price of the common stock determined as of the second trading day immediately preceding the date of the mandatory conversion. The initial conversion price of the Columbia Series B Preferred Stock per share of common stock into which it is converted is equal to the quotient obtained by dividing \$10.00 by the exchange ratio (as defined elsewhere in this joint proxy statement/prospectus), and the initial number of shares of Columbia common stock into which one share of Columbia Series B Preferred Stock is convertible is equal to the product obtained by multiplying 10 by the exchange ratio.

Anti-Dilution Provision. The conversion price of the Columbia Series B Preferred Stock is also subject to customary anti-dilution adjustments, which will be made (subject to certain exceptions) in the event that we take certain actions, such as:

pay dividends or other distributions on Columbia common stock in shares of common stock;

subdivide, split or combine the shares of Columbia common stock;

subject to certain exceptions and limitations, issue to holders of Columbia common stock rights or warrants entitling them to purchase Columbia common stock at less than the then-current market price;

distribute to holders of Columbia common stock indebtedness, shares of capital stock, securities, cash or other assets (other than cash dividends and certain other transactions);

make a cash distribution to holders of Columbia common stock, other than (1) cash dividends to the extent a corresponding dividend is paid on the Columbia Series B Preferred Stock, (2) cash distributed in a reorganization event or spin-off, (3) upon liquidation, dissolution or winding-up and (4) in connection with a tender or exchange offer by us; and

complete a tender or exchange offer for Columbia common stock where the consideration exceeds the closing price (as defined in the articles of amendment for the Columbia Series B Preferred Stock) per share of Columbia common stock.

Reorganization Events. If Columbia enters into a transaction constituting a consolidation or merger of Columbia or similar transaction or any sale or other transfer of all or substantially all of the consolidated assets of Columbia and its subsidiaries, taken as a whole (in each case pursuant to which Columbia common stock will be converted into cash, securities or other property) or for certain reclassifications or exchanges of Columbia common stock, then each holder of Columbia Series B Preferred Stock will have the right to convert such Preferred Stock, effective on the date such transaction is consummated (or, if later, the date applicable regulatory approvals are obtained), into the securities, cash and other property receivable in the transaction by the holder of the number of shares of common stock into which such Columbia Series B Preferred Stock would then be convertible, assuming receipt of any applicable regulatory approval.

Voting Rights. Except as set forth below, holders of the Columbia Series B Preferred Stock will not have any voting rights.

So long as any shares of Columbia Series B Preferred Stock are outstanding, in addition to any other vote or consent of shareholders required by law or by Columbia's Amended and Restated Articles of Incorporation, the vote or consent of the holders of three-quarters of the outstanding shares of Columbia Series B Preferred Stock

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voting as a single class with all other classes and series of parity stock having similar voting rights then outstanding, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, will be necessary for (1) any amendment of Columbia's Amended and Restated Articles of Incorporation to authorize, or increase the authorized amount of, any shares of any class or series of capital stock ranking senior to the Columbia Series B Preferred Stock with respect to the payment of dividends or the distribution of assets on Columbia's liquidation, (2) any amendment, alteration or repeal (including by means of a merger, consolidation or otherwise) of any provision of Columbia's Amended and Restated Articles of Incorporation or Columbia's bylaws that would alter or change the rights, preferences or privileges of the Columbia Series B Preferred Stock so as to affect them significantly and adversely or (3) the consummation of a binding share exchange or reclassification involving the Columbia Series B Preferred Stock or a merger or consolidation of Columbia with another entity, except that holders will have no right to vote under this provision if Columbia shall have complied with certain requirements with respect to such transaction.

The Columbia board of directors is authorized, without further shareholder action, to issue preferred stock shares with such designations, preferences and rights as the Columbia board of directors may determine.

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**COMPARISON OF RIGHTS OF HOLDERS OF
COLUMBIA AND WEST COAST COMMON STOCK**

General

West Coast is incorporated under the laws of the State of Oregon and the rights of West Coast shareholders are governed by the laws of the State of Oregon, West Coast's restated articles of incorporation and West Coast's amended and restated bylaws. As a result of the merger, West Coast shareholders who receive shares of Columbia common stock will become Columbia shareholders. Columbia is incorporated under the laws of the State of Washington and the rights of Columbia shareholders are governed by the laws of the State of Washington, Columbia's amended and restated articles of incorporation and Columbia's amended and restated bylaws. Thus, following the merger, the rights of West Coast shareholders who become Columbia shareholders in the merger will no longer be governed by the laws of the State of Oregon, West Coast's restated articles of incorporation and West Coast's amended and restated bylaws and instead will be governed by the laws of the State of Washington, as well as by Columbia's amended and restated articles of incorporation and amended and restated bylaws.

Comparison of Shareholders' Rights

Set forth below is a summary comparison of material differences between the rights of Columbia shareholders under the Columbia amended and restated articles of incorporation and amended and restated bylaws, and Washington law (right column), and the rights of West Coast shareholders under West Coast's restated articles of incorporation and amended and restated bylaws, and Oregon law (left column). The summary set forth below is not intended to provide a comprehensive discussion of each company's governing documents. This summary is qualified in its entirety by reference to the full text of Columbia's amended and restated articles of incorporation and amended and restated bylaws, West Coast's restated articles of incorporation and amended and restated bylaws, the OBCA and the Washington Business Corporation Act (the "WBCA").

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Authorized Capital Stock

West Coast's restated articles of incorporation authorize West Coast to issue up to 50,000,000 shares of common stock and 10,000,000 shares of preferred stock. As of the West Coast record date, there were 19,317,312 shares of West Coast common stock outstanding and 121,328 shares of West Coast Mandatorily Convertible Cumulative Participating Preferred Stock, Series B, outstanding.

Columbia's restated articles of incorporation authorize Columbia to issue 63,032,681 shares of common stock, no par value per share, and 2,000,000 shares of preferred stock, no par value per share. As of the Columbia record date, there were 39,703,319 shares of Columbia common stock outstanding and no shares of preferred stock outstanding.

Number of Directors

West Coast's restated articles of incorporation provide that the number of directors will not be fewer than eight (8) or more than twenty (20), with the exact number to be fixed by resolution of the board of directors adopted by at least 75% of the whole board. The West Coast board of directors currently has nine (9) directors.

Columbia's restated bylaws provide that the number of directors will not be fewer than five (5) or more than seventeen (17), with the exact number to be fixed by resolution of the board of directors. Columbia's board of directors currently has eleven (11) directors.

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Removal of Directors

West Coast's restated articles of incorporation provide that no director may be removed from office without cause except by a vote of two thirds of the shares then entitled to vote at an election of directors. Except as otherwise provided by law, cause for removal shall exist only if the West Coast board of directors has reasonable grounds to believe that the corporation has suffered or will suffer substantial injury as a result of the gross negligence, willful misconduct, or dishonesty of the director whose removal is proposed.

Under the WBCA, a director may be removed from office with or without cause if the number of votes cast to remove the director exceeds the number cast not to remove the director at a special meeting called for the purpose of removing the director.

Filling Vacancies on the Board of Directors

Pursuant to West Coast's restated articles of incorporation and Oregon law, any vacancies on the board of directors, whether caused by resignation, death or otherwise, are filled by the board of directors (including, in the event the remaining directors constitute fewer than a quorum of the board, by the affirmative vote of a majority of the remaining directors).

Columbia's restated bylaws provide that any vacancy occurring on the Board may be filled by the affirmative vote of a majority of the remaining directors whether or not less than a quorum. If the vacant office was held by a director elected by holders of one or more authorized classes or series of shares, only the holders of those classes or series of shares are entitled to vote to fill the vacancy

Shareholder Proposals and Nominations

West Coast's amended and restated bylaws establish an advance notice procedure for shareholders to make nominations of candidates for election as directors, or to bring other business before an annual meeting of shareholders. Only persons who are nominated by, or at the direction of, West Coast's board of directors, or by a shareholder who has given timely written notice to the corporate secretary prior to the meeting at which directors are to be elected, are eligible for election as directors of West Coast. The business to be conducted at an annual meeting is limited to business brought before the meeting by, or at the direction of, the West Coast board of directors or by a shareholder who has given timely written notice to the secretary of his or her intention to bring such business before such meeting.

Columbia's restated bylaws provide for an advance notice procedure for shareholders to make nominations of candidates for election as directors, or to bring other business before an annual meeting of shareholders. Only persons who are nominated by, or at the direction of, Columbia's board of directors, or by a shareholder who has given timely written notice to the corporate secretary prior to the meeting at which directors are to be elected, are eligible for election as directors of Columbia. The business to be conducted at an annual meeting is limited to business brought before the meeting by, or at the direction of, the Columbia board of directors or by a shareholder who has given timely written notice to the secretary of his or her intention to bring such business before such meeting.

Notice of a shareholder nomination or other business to be brought before an annual meeting will be timely only if it is delivered to West Coast not less than sixty (60) days in advance of such meeting, provided that if the date of such annual meeting of shareholders has not been publicly announced by West Coast more than ninety (90) days in advance of such meeting, such

Notice of a shareholder nomination or other business to be brought before an annual meeting will be timely only if it is delivered to Columbia no earlier than the 150th day and no later than the 120th day prior to the first anniversary of the preceding annual meeting, provided, however, that in the event that the date of

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written notice must be given within fifteen (15) days after the first public disclosure of the date of the annual meeting, including, without limitation, disclosure of the meeting date set forth in any document or exhibit thereto filed by West Coast with the SEC.

Any shareholder entitled to vote for the election of directors may nominate at a meeting persons for election as directors only if written notice of such shareholder's intent to make such nomination is given, either by personal delivery or by certified mail, postage prepaid, addressed to the secretary at the corporation's executive offices not later than (i) as described above, with respect to an election to be held at an annual meeting of shareholders, sixty (60) days prior to the date of such meeting (provided that if the date of such annual meeting of shareholders has not been publicly announced by the corporation more than ninety (90) days in advance of such meeting, such written notice must be given within fifteen (15) days after the first public disclosure of the date of the annual meeting), and (ii) with respect to an election to be held at a special meeting of shareholders for the election of directors, the close of business on the seventh day following the date on which notice of such meeting is first given to shareholders.

A shareholder's notice proposing to nominate a person for election as a director must contain specified information, including, without limitation:

the identity and address of the nominating shareholder,

the identity and address of each person to be nominated,

a representation that such shareholder is a holder of record of shares of West Coast entitled to vote at such meeting and intends to appear at the meeting in person or by proxy to nominate the person or persons specified in the notice as directors;

a description of all arrangements or understandings between such shareholder and each proposed nominee and any other person or persons pursuant to which the nomination or nominations are to be made by such shareholder;

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the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice must be delivered not earlier than the close of business on the 150th day prior to the date of such annual meeting and not later than the close of business on the later of the 120th day prior to the date of such annual meeting or, if the first public announcement of the date of such annual meeting is less than one hundred (100) days prior to the date of such annual meeting, within ten (10) days after the first public disclosure of the date of the annual meeting

A shareholder's notice proposing to nominate a person for election as a director must contain specified information, including, without limitation:

the identity and address of the nominating shareholder,

the identity and address of each person to be nominated,

a representation that such shareholder is a holder of record of shares of Columbia entitled to vote at such meeting and intends to appear at the meeting in person or by proxy to nominate the person or persons specified in the notice as directors;

a description of all arrangements or understandings between such shareholder and each proposed nominee and any other person or persons pursuant to which the nomination or nominations are to be made by such shareholder;

description of ownership of shares and derivative securities and any transactions related to such shares and derivative securities;

such other information regarding the proposed nominee that would be required to be included in a proxy statement soliciting proxies for the proposed nominee;

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such other information regarding the proposed nominee that would be required to be included in a proxy statement soliciting proxies for the proposed nominee; and

a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made; and

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the consent of each proposed nominee to serve as a director of the corporation if so elected.

A shareholder's notice relating to the conduct of business other than the nomination of directors must contain specified information about that business and about the proposing shareholder, including, without limitation:

a brief description of the business the shareholder proposes to bring before the meeting;

the name and address of the shareholder; and

any material interest of the shareholder in the business so proposed.

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the consent of each proposed nominee to serve as a director of the corporation if so elected.

A shareholder's notice relating to the conduct of business other than the nomination of directors must contain specified information about that business and about the proposing shareholder, including, without limitation:

a brief description of the business the shareholder proposes to bring before the meeting;

the name and address of the shareholder;

description of ownership of shares and derivative securities and any transactions related to such shares and derivative securities, and

any material interest of the shareholder in the business so proposed.

Voting Rights in an Extraordinary Transaction

West Coast's restated articles of incorporation impose heightened shareholder approval requirements for certain change in control transactions or sales of all or substantially all of the assets of West Coast and its subsidiaries if such transactions have not been approved by the West Coast board of directors by the affirmative vote of more than 75% of the directors. Under the articles, a change in control occurs if any person acquires beneficial ownership of 30% or more of the outstanding West Coast common stock, West Coast is merged or consolidated with another company and as a result less than 50% of the voting securities of the surviving company are owned by West Coast's shareholders immediately prior to the transaction, or upon the occurrence of other specified transactions. In the absence of prior board approval (by more than 75% of the directors), change in control transactions and sales of all or substantially all of West Coast's assets require the affirmative vote of 66 1/3% of shares entitled to be voted. This provision of the restated articles of incorporation may not be amended or repealed unless such amendment or repeal is approved by more than 75% of the directors or receives the affirmative vote of 66 2/3% of all classes of stock entitled to vote.

In accordance with the WBCA, Columbia's restated articles of incorporation impose heightened shareholder requirements for certain Business Combinations (as defined in the restated articles of incorporation). These provisions are described below under Anti-Takeover Provisions and Other Shareholder Protections.

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The Oregon Control Share Act (OCSA), codified at Sections 60.801 through 60.816 of the OBCA, regulates the process by which a person may acquire control of certain Oregon-based corporations without the consent and cooperation of the board of directors. Pursuant to an amendment to West Coast's amended and restated bylaws adopted by the board of directors of West Coast on September 25, 2012, Sections 60.801 to 60.816 of the OBCA shall not apply to acquisitions of West Coast's voting shares.

The OCSA provisions restrict a shareholder's ability to vote shares of stock acquired in certain transactions not approved by the board that cause the acquiring person to gain control of a voting position exceeding one-fifth, one-third, or one-half of the votes entitled to be cast in an election of directors. Shares acquired in a control share acquisition have no voting rights except as authorized by a vote of the shareholders.

If the acquiror's control shares are allowed to have voting rights and represent a majority or more of all voting power, shareholders who do not vote in favor of voting rights for the control shares will have the right to receive the appraised fair value of their shares, which may not be less than the highest price paid per share by the acquiror for the control shares.

In addition, except under certain circumstances, the OBCA also prohibits a business combination (defined broadly to include mergers or consolidations, certain sales, sales of assets, liquidation or dissolution, and other specified transactions) between a corporation and an interested shareholder (defined generally as a person or group that directly or indirectly controls, or has the right to control, the voting or disposition of 15% or more of outstanding voting stock) within three years of the shareholder becoming an interested shareholder.

A business combination between a corporation and an interested shareholder is prohibited unless (i) prior to the date the person became an interested shareholder, the board of directors approved either the business combination or the transaction which resulted in the person becoming an interested shareholder, (ii) upon consummation of the transaction that resulted in the person becoming an interested shareholder, that person owns at least 85% of the corporation's voting stock

Washington law prohibits corporations that have a class of voting stock registered under the Securities Exchange Act of 1934, such as Columbia, from engaging in any Significant Business Transaction (defined to include mergers or consolidations, certain sales, termination of 5% or more of a corporation's employees, sales of assets, liquidation or dissolution, and other specified transactions) with a person or group that beneficially owns 10% or more of a corporation's outstanding voting stock (an acquiring person) for a period of five (5) years after such person or group becomes an acquiring person, unless the Significant Business Transaction or the acquisition by which such person became an acquiring person is approved prior to the time the person became an acquiring person by a majority vote of the board of directors, or the Significant Business Combination is approved by a majority vote of the board of directors and approved at an annual or special meeting of shareholders by the affirmative vote of at least two-thirds of the outstanding voting shares (excluding shares beneficially owned by or under the voting control of the acquiring person).

Columbia's restated articles of incorporation include certain provisions that could make more difficult the acquisition of Columbia by means of a tender offer, a proxy contest, merger or otherwise. These provisions include: (i) certain non-monetary factors that the Columbia board of directors may consider when evaluating a takeover offer, and (ii) a requirement that any Business Combination (as defined in the restated articles of incorporation) be approved by the affirmative vote of not less than 66 2/3% of the total shares attributable to persons other than a Control Person (as defined in the restated articles of incorporation), unless certain conditions are met, including that a majority of the Continuing Directors (as defined in the restated articles of incorporation) has approved the transaction or certain other conditions concerning (among other things) non-discrimination among shareholders and receipt of fair value are satisfied.

In addition, the authorization of preferred stock, which is intended primarily as a financing tool and not as a defensive measure against takeovers, may potentially be used by management to make more

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outstanding at the time the transaction is commenced (excluding shares owned by persons who are both directors and officers and shares owned by employee stock plans in which participants do not have the right to determine confidentially whether shares will be tendered in a tender or exchange offer), or (iii) the business combination is approved by the board of directors and authorized by the affirmative vote (at an annual or special meeting and not by written consent) of at least 66²/₃% of the outstanding voting stock not owned by the interested shareholder.

These restrictions placed on interested shareholders by the OBCA do not apply under certain circumstances, including, but not limited to, the following: (i) if the corporation's original articles of incorporation or certificate of incorporation contains a provision expressly electing not to be governed by the applicable sections of the OBCA; (ii) if the corporation, by action of its shareholders, adopts an amendment to its bylaws or articles of incorporation expressly electing not to be governed by the applicable sections of the OBCA, provided that such amendment is approved by the affirmative vote of not less than a majority of the outstanding shares entitled to vote, and that such an amendment will not be effective until twelve (12) months after its adoption and will not apply to any business combination with a person who became an interested shareholder on or prior to the adoption of the amendment; or (iii) if the corporation does not have a class of voting stock that is listed on a national securities exchange, authorized for quotation on an interdealer quotation system of a registered national securities association, or held by more than 2,000 shareholders. West Coast has not opted out of these provisions of the OBCA, but has approved the merger agreement and the transactions contemplated thereby (and the voting agreements discussed above and the transactions contemplated thereby) for purposes of Section 60.835 of the OBCA.

Indemnification of Directors and Officers

Under Oregon law, a corporation may indemnify a director for actions taken in good faith and which the individual reasonably believed to be in the best interests of the corporation. In the case of a criminal proceeding, the individual must not have had any reasonable cause to believe the conduct was unlawful. A director may not be indemnified in connection with a proceeding by or in

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difficult uninvited attempts to acquire control of Columbia (for example, by diluting the ownership interest of a substantial shareholder, increasing the amount of consideration necessary for a shareholder to obtain control, or selling authorized but unissued shares to friendly third parties).

Columbia's restated articles of incorporation allow the Columbia board of directors to consider non-monetary factors in evaluating certain takeover bids. Specifically, the restated articles of incorporation allow the board of directors, in determining what is in the best interests of Columbia and its shareholders, to consider all relevant factors, including the social and economic effects on its employees, customers, suppliers and other constituents of Columbia and its subsidiaries and on the communities in which Columbia and its subsidiaries operate or are located.

The matters described above may have the effect of increasing the amount of time required for a person to acquire control of Columbia through a tender offer, proxy contest, or otherwise, and may deter any potentially unfriendly offers or other efforts to obtain control of Columbia. This could deprive Columbia's shareholders of opportunities to realize a premium for their Columbia stock, even in circumstances where such action was favored by a majority of Columbia shareholders.

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the right of the corporation in which the director was found liable to the corporation, or a proceeding in which the director was found to have improperly received a personal benefit. Oregon law provides for mandatory indemnification of officers and directors for reasonable expenses incurred when the indemnified party is wholly successful in the defense of the proceeding. A corporation may indemnify officers to the same extent as directors.

West Coast’s restated articles of incorporation provide that West Coast shall indemnify each of its directors to the fullest extent permissible under the OBCA against all expense, liability, and loss (including, without limitation, attorneys’ fees) incurred or suffered by such person by reason of or arising from the fact that such person is or was a director of West Coast, and such indemnification will continue after such person has ceased to be a director. West Coast’s amended and restated bylaws provide for indemnification of officers to the fullest extent permitted by the OBCA as well.

In addition, Oregon law permits a corporation, subject to certain limitations, to include a provision in its articles of incorporation limiting the personal liability of a director or officer to the corporation or its shareholders for damages for a breach of the director’s duty of care. West Coast’s restated articles of incorporation provide for the elimination of such monetary liability to the fullest extent permitted by Oregon law.

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corporation’s best interests. In the case of a criminal proceeding, the individual must not have had any reasonable cause to believe the conduct was unlawful. A director may not be indemnified in connection with a proceeding by or in the right of the corporation in which the director was found liable to the corporation, or a proceeding in which the director was found to have improperly received a personal benefit. Washington law provides for mandatory indemnification of directors for reasonable expenses incurred when the indemnified party is wholly successful in the defense of the proceeding. A corporation may indemnify officers to the same extent as directors.

Columbia’s restated articles of incorporation provide, among other things, for the indemnification of directors, and authorize the board of directors to pay reasonable expenses incurred by, or satisfy a judgment or fine against, a current or former director in connection with any legal liability incurred by the individual while acting for Columbia within the scope of his or her employment and which was not the result of conduct finally adjudged to be egregious conduct.

Egregious conduct is defined to include intentional misconduct, a knowing violation of law or participation in any transaction from which the person will receive a benefit in money, property or services to which that person is not legally entitled.

Columbia’s restated articles of incorporation also include a provision that limits the liability of directors from any personal liability to Columbia or its shareholders for conduct not to have been found egregious.

Amendments to Articles of Incorporation and Bylaws

Under Oregon law, an amendment to the articles of incorporation is generally approved if, upon approval by the board of directors and referral to the shareholders, a quorum exists (which under the West Coast amended and restated bylaws requires that a majority of the votes entitled to be cast be represented in person or by proxy) and the votes cast favoring the amendment exceed the votes cast opposing the amendment, unless the amendment would create dissenters’ rights, in which case a majority of the votes entitled to be cast is required for approval. As described above, West Coast’s restated articles of incorporation impose a supermajority voting

Under the WBCA, the articles of incorporation of Columbia, as a public company, may be amended if (subject to certain exceptions if the board of directors determines that it has a conflict of interest) the amendment is recommended by the board of directors to the shareholders and approved upon the affirmative vote of the holders of a majority of Columbia’s outstanding voting stock. The provisions of Columbia’s restated articles of incorporation relating to Business Combinations (as defined in the articles of incorporation) may not be amended or repealed without the affirmative vote of 66 2/3% of

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requirement to amend the provision of its restated articles of incorporation that relates to shareholder approval of change in control transactions.

Under Oregon law, a corporation's board of directors may amend or repeal the corporation's bylaws unless the corporation's articles of incorporation or Oregon law reserves the power to amend the bylaws exclusively to the shareholders in whole or in part, or the shareholders, in amending or repealing a particular bylaw, provide expressly that the board of directors may not amend or repeal that bylaw. A corporation's shareholders may also amend or repeal the bylaws. West Coast's bylaws grant the board of directors the power to amend or repeal the bylaws, provided that the shareholders in amending or adopting a particular bylaw may provide that the board of directors cannot amend or repeal that bylaw.

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Columbia's outstanding voting stock (excluding any shares owned by a Control Person). The Columbia board of directors may make certain amendments, as listed in the WBCA, to the articles of incorporation without shareholder approval.

Under the WBCA, a corporation's board of directors may amend or repeal the corporation's bylaws unless the corporation's articles of incorporation or Washington law reserves the power to amend the bylaws exclusively to the shareholders in whole or in part, or the shareholders, in amending or repealing a particular bylaw, provide expressly that the board of directors may not amend or repeal that bylaw. A corporation's shareholders may also amend or repeal the bylaws. Columbia's bylaws provide that the board of directors may, by a majority vote of the whole board of directors, amend Columbia's bylaws.

Dissenters' Rights

Under Oregon law, unless the articles of incorporation provide otherwise (and West Coast's articles do not so provide otherwise), dissenters' rights do not apply to the holders of shares of any class or series if the shares were registered on a national securities exchange on the record date for the meeting of shareholders at which the corporate action giving rise to dissenters' rights is to be approved or, in certain cases, on the effective date of the merger. Subject to the foregoing, in the event dissenters' rights were to apply, a shareholder is entitled to dissent from, and obtain payment of the fair value of the shareholder's shares only in the event of, any of the following corporate acts: (i) consummation of a plan of merger to which the corporation is a party if shareholder approval is required and the shareholder is entitled to vote on the merger or if the corporation is a subsidiary that is merged with its parent; (ii) consummation of a plan of share exchange to which the corporation is a party as the corporation whose shares will be acquired, if the shareholder is entitled to vote on the plan; (iii) consummation of a sale or exchange of all or substantially all of the property of the corporation other than in the usual and regular course of business if the shareholder is entitled to vote on the sale or exchange, including a sale in dissolution, unless the sale is pursuant to a court order or a sale for cash pursuant to a plan by which all or substantially all of the net proceeds will be distributed to shareholders within one year; (iv) an amendment of the articles of incorporation that materially and adversely affects rights in respect of a

Under Washington law, a shareholder is entitled to dissent from, and obtain payment of the fair value of the shareholder's shares only in the event of, any of the following corporate acts: (i) consummation of a plan of merger to which the corporation is a party if shareholder approval is required and the shareholder is entitled to vote on the merger or if the corporation is a subsidiary that is merged with its parent; (ii) consummation of a plan of share exchange to which the corporation is a party as the corporation whose shares will be acquired, if the shareholder is entitled to vote on the plan; (iii) consummation of a sale or exchange of all or substantially all of the property of the corporation other than in the usual and regular course of business if the shareholder is entitled to vote on the sale or exchange, including a sale in dissolution, unless the sale is pursuant to a court order or a sale for cash pursuant to a plan by which all or substantially all of the net proceeds will be distributed to shareholders within one year; (iv) an amendment of the articles of incorporation if the amendment effects the redemption or cancellation of all of the shareholder's shares in exchange for cash or other consideration other than shares of the corporation; or (v) any corporate action taken pursuant to a shareholder vote to the extent the articles of incorporation, bylaws or a resolution of the board of directors provides that voting or nonvoting shareholders are entitled to dissent and obtain payment for their shares.

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dissenter's shares because it (A) alters or abolishes a preemptive right of the holder of the shares to acquire shares or other securities or (B) reduces the number of shares owned by the shareholder to a fraction of a share if the fractional share so created is to be acquired for cash under Oregon law; (v) any corporate action taken pursuant to a shareholder vote to the extent the articles of incorporation, bylaws or a resolution of the board of directors provides that voting or nonvoting shareholders are entitled to dissent and obtain payment for their shares, or (vi) conversion to a noncorporate business entity.

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COLUMBIA SPECIAL MEETING OF SHAREHOLDERS

Date, Time and Place

The Columbia special meeting of shareholders will be held on Monday, March 18, 2013, at 10:00 a.m. local time, at its corporate headquarters, located at 1301 A Street, Suite 800, Tacoma, Washington 98402.

Purpose

At the special meeting, Columbia shareholders will:

consider and vote upon a proposal to approve the issuance of Columbia common stock in the merger (the *Share Issuance proposal*); and

consider and vote upon a proposal 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*).

Share Issuance Proposal

The merger agreement provides that Columbia will issue, as a portion of the aggregate merger consideration, a total of 12,809,525 shares of its common stock. Under the Nasdaq Listing Rules a company listed on Nasdaq is required to obtain shareholder approval prior to the issuance of common stock or securities convertible into or exercisable for common stock, in connection with the acquisition of stock or assets of another company if the common stock has or will have upon issuance voting power equal to or in excess of 20% of the voting power outstanding before the issuance of stock or securities convertible into or exercisable for common stock, or the number of shares of common stock to be issued is or will be equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance of the stock or securities. If we complete the merger, the number of shares of Columbia common stock issued will exceed 20% of the shares of Columbia common stock outstanding before such issuance. Accordingly, Columbia must obtain the approval of Columbia shareholders for the issuance of shares of Columbia common stock in connection with the merger.

Columbia Adjournment Proposal

If, at the Columbia special meeting, the number of shares of Columbia common stock present or represented by proxy and voting in favor of the *Share Issuance proposal* is insufficient to approve such proposal, Columbia intends to move to adjourn the Columbia special meeting in order to solicit additional proxies for such proposal.

In this proposal, Columbia is asking its shareholders to authorize the holder of any proxy solicited by the Columbia board of directors to vote in favor of granting discretionary authority to proxy holders to adjourn the Columbia special meeting to another time and/or place for the purpose of soliciting additional proxies. If Columbia shareholders approve the *Columbia Adjournment proposal*, Columbia could adjourn the Columbia special meeting and any adjourned session of the Columbia special meeting and use the additional time to solicit additional proxies.

Columbia does not intend to call a vote on this proposal if the *Share Issuance proposal* has been approved at the Columbia special meeting.

The Columbia board of directors recommends that holders of Columbia common stock vote **FOR the approval of the *Share Issuance proposal* and **FOR** approval of the *Columbia Adjournment proposal*.**

Record Date and Quorum

The Columbia board of directors has fixed January 22, 2013 as the record date for determining the holders of shares of Columbia common stock entitled to notice of and to vote at the special meeting. At the close of business

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on January 22, 2013, there were 39,703,319 shares of common stock issued and outstanding, held by approximately 2,132 holders of record. Holders of record of Columbia common stock on the record date are entitled to one vote per share.

Each of the directors of Columbia has agreed to vote all shares held or controlled by him or her in favor of approval of the transactions contemplated by the merger agreement. A total of 631,916 outstanding shares, or 1.59% of the outstanding shares of Columbia common stock are covered by the voting agreement. See *The Merger Agreement Related Agreements*.

The representation (in person or by proxy) of holders of at least a majority of the shares entitled to vote at the Columbia special meeting constitutes a quorum for action at the Columbia special meeting. All shares of Columbia common stock present in person or represented by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the Columbia special meeting.

Vote Required

Share Issuance Proposal

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. Therefore, assuming that a quorum is present, your failure to vote, an abstention or a broker non-vote will have no effect on the approval of the Share Issuance proposal.

Adjournment Proposal

In accordance with Columbia's bylaws, a vote to approve the proposal to adjourn the Columbia special meeting requires the affirmative vote of a majority of the shares represented at the special meeting, even if less than a quorum.

Treatment of Abstentions; Failure to Vote

For purposes of the Columbia special meeting, an abstention occurs when a Columbia shareholder attends the Columbia special meeting, either in person or by proxy, but abstains from voting.

For the Share Issuance proposal, an abstention or a failure to vote will have no effect on the outcome of this proposal.

For the Columbia Adjournment proposal, an abstention or a failure to vote will have the same effect as a vote cast **AGAINST** this proposal.

How to Vote

If you own shares of Columbia common stock in your own name, you are an owner of record. This means that you may use the enclosed proxy card(s) to tell the persons named as proxies how to vote your shares of Columbia common stock. An owner of record has four voting options:

Internet. You can vote over the Internet by accessing www.proxyvote.com. Internet voting is available 24 hours a day. Have your proxy card in hand when you access the website and follow the instructions to vote.

Telephone. You can vote on any touch-tone telephone by calling 1-800-690-6903. Telephone voting is available 24 hours a day. Have your proxy card in hand when you call and follow the instructions to vote.

Mail. You can vote by mail by completing, signing, dating and mailing your proxy card(s) in the postage-paid envelope included with this document.

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In Person. You may attend the Columbia special meeting and cast your vote in person. The Columbia board of directors recommends that you vote by proxy even if you plan to attend the Columbia special meeting.

The internet and telephone proxy procedures are designed to authenticate shareholder identification, to allow shareholders to give their proxy voting instructions and to confirm that these instructions have been properly recorded. Directing the voting of your Columbia shares will not affect your right to vote in person if you decide to attend the Columbia special meeting.

Shares Held in Street Name

If you hold your shares of Columbia common stock in street name through a broker, bank or other nominee, you must provide the record holder of your shares with instructions on how to vote the shares. Please follow the voting instructions provided by the broker or bank. You may not vote shares held in street name by returning a proxy card directly to Columbia or by voting in person at the Columbia special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee. Further, brokers, banks or other nominees who hold shares of Columbia common stock on behalf of their customers may not give a proxy to Columbia to vote those shares with respect to any of the proposals without specific instructions from their customers, as under Nasdaq rules, brokers, banks and other nominees do not have discretionary voting power on these matters. Therefore, if you are a Columbia shareholder **and you do not instruct your broker, bank or other nominee on how to vote** your shares:

your broker, bank or other nominee may not vote your shares on the Share Issuance proposal, which broker non-votes will have no effect on the vote count for this proposal; and

your broker, bank 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 cast **AGAINST** this proposal.

Revoking Your Proxy

You may revoke your proxy at any time after you give it, and before it is voted, in one of the following ways:

by notifying Columbia's corporate Secretary at 1301 A Street, Tacoma, Washington 98402, stating that you are revoking your proxy by written notice that bears a date later than the date of your proxy and that Columbia receives prior to the Columbia special meeting and that states that you revoke your proxy;

by voting again using the telephone or internet voting procedures;

by signing another Columbia proxy card bearing a later date and mailing it so that Columbia receives it prior to the special meeting; or

by attending the Columbia special meeting and voting in person, although attendance at the Columbia special meeting alone will not, by itself, revoke a proxy.

If you choose the first method, you must take the described action no later than the beginning of the Columbia special meeting. If you choose the second method, you must take the described action no later than 11:59 p.m. Eastern Time on the day before the special meeting. If you choose to send a completed proxy card bearing a later date than your original proxy card, the new proxy card must be received before the beginning of the Columbia special meeting.

If your broker, bank or other nominee holds your shares in street name, you will need to contact your broker, bank or other nominee to revoke your voting instructions.

Attending the Columbia Special Meeting

Subject to space availability, all Columbia shareholders as of the record date, or their duly appointed proxies, may attend the Columbia special meeting. Since seating is limited, admission to the Columbia special meeting will be on a first-come, first-served basis.

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If you hold your shares of Columbia common stock in your name as a shareholder of record and you wish to attend the Columbia special meeting, please bring your proxy and evidence of your stock ownership, such as your most recent account statement, to the Columbia special meeting. You should also bring valid picture identification.

If your shares of Columbia common stock are held in street name in a stock brokerage account or by a bank or nominee and you wish to attend the Columbia special meeting, you need to bring a copy of a bank or brokerage statement to the Columbia special meeting reflecting your stock ownership as of the record date. You should also bring valid picture identification.

Proxy Solicitations

Columbia is soliciting proxies for the Columbia special meeting on behalf of the Columbia board of directors. Columbia will bear the cost of soliciting proxies from its shareholders. In addition to using the mails, Columbia may solicit proxies by personal interview, telephone, and facsimile. Banks, brokerage houses, other institutions, nominees, and fiduciaries will be requested to forward their proxy soliciting material to their principals and obtain authorization for the execution of proxies. Columbia does not expect to pay any compensation for the solicitation of proxies. However, Columbia will, upon request, pay the standard charges and expenses of banks, brokerage houses, other institutions, nominees, and fiduciaries for forwarding proxy materials to and obtaining proxies from their principals.

Delivery of Proxy Materials To Shareholders Sharing an Address

As permitted by the Exchange Act, only one copy of this joint proxy statement/prospectus is being delivered to multiple shareholders of Columbia sharing an address unless Columbia has previously received contrary instructions from one or more such shareholders. This is referred to as householding. Shareholders who hold shares in street name can request further information on householding through their banks, brokers or other holders of record. On written or oral request to JoAnne Coy, VP, Corporate Communications, P.O. Box 2156 MS 3100, Tacoma, Washington 98401-2156, Telephone No. 253-305-1965, Columbia will deliver promptly a separate copy of this document to a shareholder at a shared address to which a single copy of the document was delivered.

INFORMATION CONCERNING COLUMBIA

General

Headquartered in Tacoma, Washington, Columbia is the holding company of Columbia State Bank, a Washington state-chartered full service commercial bank. 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 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 in documents incorporated by reference in this document. See [Where You Can Find More Information](#) and [Documents Incorporated by Reference](#).

Columbia's goal is to be the leading Pacific Northwest regional community banking company while consistently increasing earnings and shareholder value. Its business strategy is to provide customers with the financial sophistication and product depth of a regional banking company while retaining the appeal and service level of a community bank. Columbia continually evaluates its existing business processes while focusing on

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maintaining asset quality and balanced loan and deposit portfolios, building our strong core deposit base, expanding total revenue and controlling expenses in an effort to increase our return on average equity and gain operational efficiencies. Columbia believes that, as a result of its strong commitment to highly personalized, relationship-oriented customer service, its varied products, its strategic branch locations and the long-standing community presence of its managers, banking officers and branch personnel, it is well positioned to attract and retain new customers and to increase its market share of loans, deposits, investments, and other financial services. Columbia is committed to increasing market share in the communities it serves by continuing to leverage its existing branch network, adding new branch locations and considering business combinations that are consistent with its expansion strategy throughout the Pacific Northwest.

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

Financial and other information relating to Columbia is set forth in its Annual Report on Form 10-K for the year ended December 31, 2011, and its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012, and June 30, 2012. Information regarding the names, ages, positions, and business backgrounds of the executive officers and directors of Columbia, as well as additional information, including executive compensation, and certain relationships and related person transactions, is set forth in or incorporated by reference in Columbia's 10-K and in its proxy statement for its 2012 annual meeting of shareholders. See Documents Incorporated by Reference.

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WEST COAST SPECIAL SHAREHOLDERS MEETING

General

The West Coast board of directors is using this document to solicit proxies from the holders of shares of West Coast common stock for use at the West Coast special meeting.

Together with this document, West Coast is also sending you a notice of the special meeting and a form of proxy that is solicited by the West Coast board of directors. The West Coast special meeting will be held at The Meadows Conference Room, 5300 Meadows Road, Lake Oswego, Oregon 97035 at 8:30 a.m., Pacific time, on March 18, 2013. On or about February 7, 2013, West Coast commenced mailing this document and the enclosed form of proxy to its shareholders entitled to vote at the West Coast special meeting.

Purpose of West Coast Special Meeting

At the West Coast special meeting, West Coast shareholders will be asked to:

approve the merger agreement, a copy of which is attached as Appendix A to this document, which is referred to as the Merger proposal;

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's Directors and Executive Officers in the Merger" beginning on page 85, which is referred to as the Merger-Related Named Executive Officer Compensation proposal; and

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, which is referred to as the West Coast Adjournment proposal.

Recommendation of the West Coast Board of Directors

The West Coast board of directors recommends that you vote **FOR** the Merger proposal, **FOR** the Merger-Related Named Executive Officer Compensation proposal and **FOR** the West Coast Adjournment proposal. See "The Merger: Recommendation of the West Coast Board of Directors and Reasons for the Merger" on page 56.

West Coast Record Date and Quorum

The West Coast board of directors has fixed the close of business on January 22, 2013 as the record date for determining the holders of West Coast stock entitled to receive notice of and to vote at the West Coast special meeting.

As of the West Coast record date, there were 19,317,312 shares of West Coast common stock outstanding and entitled to vote at the West Coast special meeting held by approximately 1,600 holders of record. Each share of West Coast common stock entitles the holder to one vote at the West Coast special meeting on each proposal to be considered at the West Coast special meeting.

Each of the directors of West Coast (or their affiliates) has agreed to vote all of their voting shares in favor of approval of the merger agreement. A total of 4,169,939 outstanding shares, or approximately 21.6% of the outstanding shares of West Coast common stock are covered by such voting agreements. See "The Merger Agreement: Related Agreements."

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The representation (in person or by proxy) of holders of at least a majority of the votes entitled to be cast on each of the matters to be voted on at the West Coast special meeting constitutes a quorum for action on that matter at the West Coast special meeting. All shares of West Coast common stock present in person or represented by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the West Coast special meeting.

As of the record date, directors and executive officers of West Coast and their affiliates owned and were entitled to vote 4,249,117 shares of West Coast common stock, representing approximately 22% (including the Principal Shareholders) of the shares of West Coast common stock outstanding on that date. We currently expect that West Coast's directors and executive officers will vote their shares in favor of the Merger proposal, the Merger-Related Named Executive Officer Compensation proposal and the West Coast Adjournment proposal. As of the record date, Columbia did not beneficially own any shares of West Coast common stock.

Required Vote

Required Vote to Approve the Merger Proposal

The affirmative vote of a majority of the outstanding shares of West Coast common stock entitled to vote is required to approve the Merger proposal.

Required Vote to Approve the Merger-Related Named Executive Officer Compensation Proposal

The Merger-Related Named Executive Officer Compensation proposal will be approved if the votes cast in favor of the proposal exceed the votes cast against it.

Required Vote to Approve the West Coast Adjournment Proposal

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 in proxy, are voted in favor of the proposal.

Treatment of Abstentions; Failure to Vote

For purposes of the West Coast special meeting, an abstention occurs when a West Coast shareholder attends the West Coast special meeting, either in person or by proxy, but abstains from voting.

For the Merger proposal, an abstention or a failure to vote will have the same effect as a vote cast **AGAINST** this proposal.

For the Merger-Related Named Executive Officer Compensation proposal, an abstention or a failure to vote will have no effect on the outcome of the vote on this proposal.

For the West Coast Adjournment proposal, an abstention or a failure to vote will have the same effect as a vote cast **AGAINST** this proposal.

Voting on Proxies; Incomplete Proxies

Giving a proxy means that a West Coast shareholder authorizes the persons named in the enclosed proxy card to vote its shares at the West Coast special meeting in the manner it directs. A West Coast shareholder may vote by proxy or in person at the West Coast special meeting. If you hold your shares of West Coast common stock in your name as a shareholder of record, to submit a proxy, you, as a West Coast shareholder, may use one of the following methods:

Edgar Filing: COLUMBIA BANKING SYSTEM INC - Form 424B3

By telephone: Use any touch-tone telephone to vote your proxy 24 hours a day, 7 days a week by calling 1-800-690-6903. Have your proxy card handy when you call and follow the instructions.

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Through the Internet: Use the Internet to vote your proxy 24 hours a day, 7 days a week at www.proxyvote.com. Have your proxy card handy when you access the website and follow the instructions.

By mail: Complete and return the proxy card in the enclosed envelope. The envelope requires no additional postage if mailed in the United States.

West Coast requests that West Coast shareholders vote by telephone, over the Internet or by completing and signing the accompanying proxy and returning it to West Coast as soon as possible in the enclosed postage-paid envelope. When the accompanying proxy is returned properly executed, the shares of West Coast stock represented by it will be voted at the West Coast special meeting in accordance with the instructions contained on the proxy card.

If any proxy is returned without indication as to how to vote, the shares of West Coast common stock represented by the proxy will be voted as recommended by the West Coast board of directors. Unless a West Coast shareholder checks the box on its proxy card to withhold discretionary authority, the proxyholders may use their discretion to vote on other matters relating to the West Coast special meeting.

If a West Coast shareholder's shares are held in street name by a broker, bank or other nominee, the shareholder should check the voting form used by that firm to determine whether it may vote by telephone or the Internet.

Every West Coast shareholder's vote is important. Accordingly, each West Coast shareholder should sign, date and return the enclosed proxy card, or vote via the Internet or by telephone, whether or not the West Coast shareholder plans to attend the West Coast special meeting in person.

Shares Held in Street Name

If you are a West Coast shareholder and your shares are held in street name through a bank, broker or other holder of record, you must provide the record holder of your shares with instructions on how to vote the shares. Please follow the voting instructions provided by the bank or broker. You may not vote shares held in street name by returning a proxy card directly to West Coast or by voting in person at the West Coast special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee. Further, brokers, banks or other nominees who hold shares of West Coast common stock on behalf of their customers may not give a proxy to West Coast to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers, banks and other nominees do not have discretionary voting power on these matters. Therefore, if you are a West Coast shareholder **and you do not instruct your broker, bank or other nominee on how to vote** your shares:

your broker, bank or other nominee may not vote your shares on the Merger proposal, which broker non-votes will have the same effect as a vote **AGAINST** this proposal;

your broker, bank 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 count for this proposal; and

your broker, bank or other nominee may not vote your shares on the West Coast Adjournment proposal, which broker non-votes will have the same effect as a vote cast **AGAINST** this proposal.

Revocability of Proxies and Changes to a West Coast Shareholder's Vote

A West Coast shareholder has the power to change its vote at any time before its shares of West Coast common stock are voted at the West Coast special meeting by:

sending a notice of revocation to West Coast's corporate secretary at 5335 Meadows Road, Suite 201, Lake Oswego, Oregon 97035 stating that you would like to revoke your proxy;

logging onto the Internet 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;

sending a completed proxy card bearing a later date than your original proxy card; or

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attending the West Coast special meeting and voting in person if your shares of West Coast common stock are registered in your name rather than in the name of a broker, bank or other nominee.

If you choose the first method, you must take the described action no later than the beginning of the West Coast special meeting. If you choose the second method you must take the described action no later than 11:59 p.m. Eastern Time on the day before the West Coast Special Meeting (three business days before the special meeting, for participants in West Coast's 401(k) Plan). If you choose to send a completed proxy card bearing a later date than your original proxy card, the new proxy card must be received before the beginning of the West Coast special meeting. If you have instructed a bank, broker or other nominee to vote your shares of West Coast common stock, you must follow the directions you receive from your bank, broker or other nominee in order to change or revoke your vote.

Solicitation of Proxies

The cost of solicitation of proxies will be borne by West Coast. West Coast will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of common stock. West Coast has retained Morrow & Co., LLC to assist in the solicitation of proxies for a fee of \$8,000 plus reasonable out-of-pocket expenses. In addition to solicitations by mail, West Coast directors, officers and regular employees may solicit proxies personally or by telephone without additional compensation.

Delivery of Proxy Materials to Shareholders Sharing an Address

As permitted by the Exchange Act, only one copy of this joint proxy statement/prospectus is being delivered to multiple shareholders of West Coast sharing an address unless West Coast has previously received contrary instructions from one or more such shareholders. Shareholders who hold shares in street name can request further information on householding through their banks, brokers or other holders of record. On written or oral request to Morrow & Co., LLC, West Coast's proxy solicitor, at 470 West Avenue Stamford, CT 06902, toll-free at 800-662-5200 (banks and brokers call collect at 203-658-9400), Morrow & Co., LLC will deliver promptly a separate copy of this document to a shareholder at a shared address to which a single copy of the document was delivered.

Attending the West Coast Special Meeting

Subject to space availability, all West Coast shareholders as of the record date, or their duly appointed proxies, may attend the West Coast special meeting. Since seating is limited, admission to the West Coast special meeting will be on a first-come, first-served basis.

If you hold your shares of West Coast common stock in your name as a shareholder of record and you wish to attend the West Coast special meeting, please bring your proxy and evidence of your stock ownership, such as your most recent account statement, to the West Coast special meeting. You should also bring valid picture identification.

If your shares of West Coast common stock are held in street name in a stock brokerage account or by a bank or nominee and you wish to attend the West Coast special meeting, you need to bring a copy of a bank or brokerage statement to the West Coast special meeting reflecting your stock ownership as of the record date. You should also bring valid picture identification.

WEST COAST PROPOSALS

Merger Proposal

As discussed throughout this document, West Coast is asking its shareholders to approve the Merger proposal. Holders of West Coast common stock should read carefully this document in its entirety, including the appendices, for more detailed information concerning the merger agreement and the merger. In particular, holders of West Coast common stock are directed to the merger agreement, a copy of which is attached as Appendix A to this document.

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The West Coast board of directors recommends a vote FOR the Merger proposal.

Merger-Related Named Executive Officer Compensation Proposal

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Rule 14a-21(c) of the Exchange Act, West Coast is seeking non-binding, advisory shareholder approval of the compensation of West Coast's named executive officers that is based on or otherwise relates to the merger as disclosed in *The Merger Interests of West Coast Directors and Executive Officers in the Merger Merger-Related Compensation for West Coast's Named Executive Officers* beginning on page 85. The proposal gives West Coast's shareholders the opportunity to express their views on the merger-related compensation of West Coast's named executive officers. Accordingly, West Coast is requesting that shareholders adopt the following resolution, on a non-binding, advisory basis:

RESOLVED, that the compensation that may be paid or become payable to West Coast's named executive officers, in connection with the merger, and the agreements or understandings pursuant to which such compensation may be paid or become payable, in each case as disclosed pursuant to Item 402(t) of Regulation S-K in *The Merger Interests of West Coast Directors and Executive Officers in the Merger Merger Related Compensation for West Coast Named Executive Officers* are hereby APPROVED.

The vote on this proposal is a vote separate and apart from the vote to approve the merger agreement. Accordingly, you may vote not to approve this proposal on merger-related named executive officer compensation and vote to approve the merger agreement and vice versa. Because the vote is advisory in nature, it will not be binding on West Coast, regardless of whether the merger agreement is approved. Approval of the non-binding, advisory proposal with respect to the compensation that may be received by West Coast's named executive officers in connection with the merger is not a condition to completion of the merger, and failure to approve this advisory matter will have no effect on the vote to approve the merger agreement. 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.

The West Coast board of directors recommends a vote FOR the Merger-Related Named Executive Officer Compensation proposal.

West Coast Adjournment Proposal

The West Coast special meeting may be adjourned to another time or place, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the West Coast special meeting to approve the Merger proposal.

If, at the West Coast special meeting, the number of shares of West Coast common stock present or represented and voting in favor of the Merger proposal is insufficient to approve the Merger proposal, West Coast intends to move to adjourn the West Coast special meeting in order to enable the West Coast board of directors to solicit additional proxies for approval of the merger agreement. In that event, West Coast will ask its shareholders to vote only upon the West Coast Adjournment proposal, and not the Merger proposal or the Merger-Related Named Executive Officer Compensation proposal.

In this proposal, West Coast is asking its shareholders to authorize the holder of any proxy solicited by the West Coast board of directors to vote in favor of granting discretionary authority to the proxy holders, and each of them individually, to adjourn the West Coast special meeting to another time and place for the purpose of soliciting additional proxies. If the West Coast shareholders approve the West Coast Adjournment proposal, West Coast could adjourn the West Coast special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from West Coast shareholders who have previously voted.

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The West Coast board of directors recommends a vote FOR the West Coast Adjournment proposal.

Other Matters To Come Before the West Coast Special Meeting

No other matters are intended to be brought before the West Coast special meeting by West Coast, and West Coast does not know of any matters to be brought before the West Coast special meeting by others. If, however, any other matters properly come before the West Coast special meeting, the persons named in the proxy will vote the shares represented thereby in accordance with the judgment of management on any such matter.

INFORMATION CONCERNING WEST COAST

General

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 in documents incorporated by reference in this document. See "Where You Can Find More Information" and "Documents Incorporated by Reference."

CERTAIN LEGAL MATTERS

The validity of the Columbia common stock to be issued in the merger will be passed upon for Columbia by its counsel, Graham & Dunn PC, Seattle, Washington. Graham & Dunn PC will also pass upon certain federal income tax matters for Columbia. Wachtell, Lipton, Rosen & Katz will pass upon certain federal income tax matters for West Coast.

EXPERTS

The consolidated financial statements incorporated in this joint proxy statement/prospectus by reference from Columbia's Annual Report on Form 10-K for the year ended December 31, 2011, and the effectiveness of Columbia's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The statement of assets acquired and liabilities assumed by Columbia State Bank (a wholly owned subsidiary of Columbia), pursuant to the Purchase and Assumption Agreement, dated January 22, 2010, incorporated in this joint proxy statement/prospectus by reference from Amendment No. 1 to the Current Report on Form 8-K/A of

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Columbia, dated April 9, 2010, has been audited by Deloitte & Touche LLP as stated in their report dated April 9, 2010, which is incorporated herein by reference. Such financial statement has been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements incorporated in this joint proxy statement/prospectus by reference from West Coast's Annual Report on Form 10-K for the year ended December 31, 2011, and the effectiveness of West Coast's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

WEST COAST ANNUAL MEETING SHAREHOLDER PROPOSALS

West Coast held its 2012 annual meeting of shareholders on April 24, 2012. If the merger is completed, West Coast will not have public shareholders and there will be no public participation in any future meeting of shareholders. However, if the merger is not completed or if West Coast is otherwise required to do so under applicable law, West Coast will hold a 2013 annual meeting of shareholders. Any shareholder nominations or proposals for other business intended to be presented at West Coast's next annual meeting must be submitted to West Coast as set forth below.

Under the SEC's rules, any shareholder proposal intended for inclusion in West Coast's proxy statement and proxy card relating to its 2013 annual meeting of shareholders must be submitted in writing to the Corporate Secretary of West Coast at 5335 Meadows Road, Suite 201, Lake Oswego, Oregon 97035, no later than November 14, 2012 if West Coast's 2012 annual meeting is held within 30 days of April 24, 2013. Nothing in this paragraph shall be deemed to require West Coast to include in its proxy statement and proxy card for such meeting any shareholder proposal which does not meet the requirements of the Securities and Exchange Commission in effect at the time. Any such proposal will be subject to 17 C.F.R. § 240.14a-8 of the rules and regulations promulgated by the Securities and Exchange Commission under the Exchange Act.

In addition, the West Coast amended and restated bylaws establish an advance notice procedure with regard to director nominations and other business proposals by shareholders intended to be presented at our 2013 annual meeting but not included in our 2013 annual meeting proxy materials. For these nominations or other business proposals to be properly brought before the 2013 annual meeting by a shareholder, the shareholder must have delivered written notice to us sixty (60) days in advance of the meeting (provided that if the date of our 2013 annual meeting has not been publicly announced more than ninety (90) days in advance of the meeting, written notice must be delivered to us within fifteen (15) days after the first public disclosure of the date of the annual meeting). Such nominations and other business proposals must comply with all requirements set forth in the West Coast amended and restated bylaws and Oregon law.

COLUMBIA ANNUAL MEETING SHAREHOLDER PROPOSALS

Proposals by shareholders to transact business at Columbia's 2013 annual meeting of shareholders must be delivered to Columbia's Secretary no later than November 22, 2012, in order to be considered for inclusion in Columbia's proxy statement and proxy card and should contain such information as is required under Columbia's bylaws. Such proposals will also need to comply with the SEC's regulations regarding the inclusion of shareholder proposals in Columbia-sponsored proxy materials. In order for a shareholder proposal to be raised from the floor during next year's annual meeting, or for a shareholder to nominate a person or persons as a director, written notice must be received by Columbia no earlier than the 150th day and no later than the 120th day prior to the first anniversary of the 2012 annual meeting (meaning no earlier than November 27, 2012 and no later than December 27, 2012), and should contain such information as required under Columbia's bylaws. However, if the

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