

The background of the entire page is a dark, semi-transparent financial chart. It features a grid with various data series, including candlesticks and line graphs. A prominent line graph in the upper right corner shows a peak and a subsequent decline, with a label '52.34%' indicating a specific data point. The overall aesthetic is professional and data-driven.

HAVEN

EQUITIES

Equity Research Report

Equity Research Report



Columbia Banking System, Inc
(NASDAQ: COLB)
Financials | Banks - Regional

Written By: Yash Singla
Date: June 19, 2026

This report is prepared by Haven Equities for educational and informational purposes only and does not constitute investment advice or a recommendation to buy or sell any security.

Investment Overview

Columbia Banking System, Inc. (COLB)

Sector: Financial Services | Industry: Banks - Regional | Price: \$30.55

Thesis:

Columbia Banking System is a premier western U.S. regional bank that has completed a transformational multi-year build-out via the Pacific Premier Bancorp acquisition, creating a \$66B-asset franchise with a leading deposit franchise, expanding NIM and a disciplined capital return program. With full cost-synergy realization by June 2026, near-term EPS inflection and continued buyback activity make COLB an attractive risk-adjusted income and value play.

Key Drivers:

- Pacific Premier synergies fully realized by June 2026 → EPS inflection
- NIM expansion from transactional loan runoff and deposit repricing
- \$400M remaining buyback capacity (5% share count reduction expected FY26)
- HOA/custodial trust verticals add sticky, counter-cyclical deposits
- Commercial loan growth at 6% annualized; new originations +38% YoY

Key Risks:

- 5-yr EPS CAGR -2.1% (M&A dilution); recovery thesis depends on synergy execution
- TBVPS declined 1.3%/yr over 5 yrs; recent 2-yr rebound (+9%/yr) must continue
- GAAP efficiency ratio 58% - missed consensus in Q1; operating gap must close
- CRE concentration + iCap litigation tail risk remain unresolved

Haven Rating:

Recommendation: BUY
Time Horizon: 12-18 MONTHS
Risk Level: MEDIUM
Catalyst Driven: YES

Catalysts (Next 1-6 Months):

- Full PPBI cost-save realization → Q3 2026 operating EPS step-up
- Continued share buybacks (~\$400M capacity) → EPS accretion
- Federal Reserve rate cuts → deposit cost decline, NIM expansion
- HOA/custodial trust vertical scaling → recurring fee income growth
- Resolution of iCap litigation removes tail risk overhang

Quick Stats:

- Price: \$30.55
- P/E Ratio: 11.98
- Market Cap: \$8.844 Bn
- Revenue (TTM): \$2.37 Bn
- Beta (5Y): 0.68

Business Overview

Company Snapshot

Business Description:

Columbia Banking System is the holding company for Columbia Bank (Oregon state-chartered), headquartered in Tacoma, WA. With ~350 offices across 9 western states and \$66B in assets, it is the 4th-largest regional bank in the western U.S. Its strategy, 'Business Bank of Choice / Community Banking at Scale', delivers relationship-driven commercial and consumer banking with the product breadth of a large institution. Core customers include small-to-mid-sized businesses, HOAs, municipalities, wealth management clients, and retail consumers across the Pacific Northwest, California, and the Intermountain West.

Revenue Model:

- Net Interest Income (NII): Core revenue from loans & securities (~93% of total revenue over last 5 years). NIM 3.96% in Q1 2026.
- Non-Interest Income (~7–12%): Service charges, card fees, trust/wealth management, mortgage banking, BOLI income.
- Revenue is predominantly recurring; fee income is largely recurring with some transactional variability.

Operating Segments

Segment	% of Revenue
Interest Income	93%
Non-Interest Income	7%

Key Operating Metrics

- Net Interest Margin (TE) : 3.96%
- Non-Performing Assets/Assets: 0.40%
- Loan-to-Deposit Ratio: 89.20%
- GAAP Efficiency Ratio: 58.20%
- Operating Efficiency Ratio: 52.5%

Industry & Competition

Industry Overview

U.S. regional banks (~\$10B–\$100B assets) operate in a highly competitive, rate-sensitive landscape. The western U.S. banking market is structurally attractive: population and GDP growth exceeding national averages, strong small business density, and an under-banked commercial market relative to coast megabanks. Industry NIM has rebounded post-2022 as deposit costs peaked and are repricing lower. The 2023 regional bank stress (SVB/FRC) accelerated deposit franchise repricing; survivors with core deposit funding are advantaged.

Trends

- **Rate Cycle:** 75bps of Fed cuts in 2025; deposits repricing. Benefits liability-sensitive banks like COLB
- **AI & Tech:** Digital banking, AI automation reducing cost-to-serve; COLB cut onboarding from 2 days → 2 min
- **CRE Stress:** Office vacancy elevated; multifamily resilient; LTVs below 2021 peaks
- **Consolidation:** M&A wave continues; COLB already positioned post-PPBI as acquirer, not target

Main Competitors

Competitor	Ticker	Market Cap	Additional Notes
Western Alliance Bancorporation	WAL	\$8.72 Bn	Sunbelt region focused
East West Bancorp	EWBC	\$17.37 Bn	CA/Asia-Pacific Corridor; Strong NIM
Glacier Bancorp	GBCI	\$6.30 Bn	Northwest Community Bank; Directly overlaps

Company Positioning

COLB is the largest bank headquartered in the Pacific Northwest, #4 in its western footprint, and a top-10 depositor in Southern California. It competes against money-center banks on products and community banks on service quality, a differentiated "at scale" model.

Valuation

Current Valuation

	Prev. Year	Current Year	Next Year (Projected)
P/E (Operating)	10.7x	9.3x	~8.6x
EV/Revenue	3.8x	3.5x	~3.3x
Dividend Yield	5.3%	5.0%	~5.1%

Peer Comparison

	P/E (Op.)	EV/Revenue	Dividend Yield
COLB	9.3x	3.5x	5.0%
WAL	11.2x	4.27x	2.2%
EWBC	12.1x	6.76x	2.8%

Valuation Scenarios

Scenario	Assumption	Target	Upside/Downside
Base Case	10x Op. EPS \$3.60	\$36	+16%
Bull Case	12x Op. EPS \$3.75	\$45	+45%
Bear Case	8x Op. EPS \$3.30	\$26	-16%

Fundamental Analysis

Quantitative Analysis (Financial Health)

Income Statement: FY2025 net income \$550M (+3% YoY), NII \$2.0B (+17%), driven by Pacific Premier scale and NIM expansion to 3.83%

Balance Sheet: \$66.0B assets, \$47.7B loans, \$53.5B deposits, \$7.66B equity; CET1 11.5%, TCE/TA 8.63%

Cash Flow / Liquidity: Total available liquidity = 41% of assets, 51% of deposits, 129% of uninsured deposits

Key Ratios

Valuation: P/E(TTM): 11.98, P/B: 1.15, P/S: 3.19

Profitability: ROA (operating) 1.28%, ROTCE (operating) 15.1%, NIM 3.96% (Q1'26)

Liquidity & Solvency: Loan-to-deposit 89.2%, ACL/loans 1.00%, NPA/assets 0.40%

Growth: FY2025 diluted EPS(TTM) \$2.55; NII +17% YoY

Quantitative Analysis (Business Fundamentals)

- **Management:** CEO Clint Stein; CFO Ivan Seda; board added 3 ex-Pacific Premier directors post-merger

Competitive Advantage: 4th-largest western U.S. regional bank, 357 offices/9 states, top-10 SoCal depositor, ~10% Northwest deposit share

Business Model: ~93% NII-driven ; relationship banking + HOA/trust verticals add recurring fee income

Industry Trends: Fed rate cuts repricing deposits lower; CRE stress contained (NPA 0.40%); consolidation wave continues

Technical Analysis

Price Action and Charts

COLB closed at \$30.55 (+1.66%) on 6/18/26, trading in a \$30.13–\$30.63 day's range; 52-week range \$22.14–\$32.70, so the stock sits roughly 38% up from its 52-week low and about 7% below its 52-week high

Volume/momentum: Short-term moving averages (MA5 \$30.39, MA10 \$30.41) sit just below price, while MA20 (\$30.65) and MA50 (\$30.76) sit just above, a tight, sideways-to-slightly-bullish consolidation rather than a clean trend

Support/resistance (classic pivots): S1 \$30.36, Pivot \$30.43, R1 \$30.50. Price is hugging the pivot, signaling indecision near-term

Trendline read: Price is above its 200-day MA (\$29.74), confirming the medium/long-term uptrend off the 52-week low remains intact, even as short-term momentum has stalled

Common Technical Indicators

Moving Averages: 50-day \$29.58; 200-day \$28.20 (price above = long-term Buy signal). Mixed signal, which is consistent with consolidation after a multi-month rally

RSI (14-day): 47.96 — Neutral (neither overbought nor oversold)

MACD (12,26): -0.12 — Sell signal, suggesting fading short-term momentum

Core Assumption

Market discounts everything: COLB's current \$30.55 price already reflects the completed Pacific Premier integration, Q1 2026 earnings and the post-merger cost-synergy narrative.

Prices move in trends: The stock's 6-month trajectory reflects a sustained recovery trend following the Pacific Premier acquisition close, not random movement

History tends to repeat: COLB's prior major bank merger produced a similar pattern of initial post-deal softness followed by multi-quarter re-rating as integration synergies materialized, a precedent technical traders may watch for repeating with Pacific Premier

Conclusion/Recommendation

Investment Recommendation

BUY

Target Price & Potential Returns

Target Price: \$36.00

Potential Upside: +16%

Core Thesis Summary

COLB has completed the hardest part — closing and integrating Pacific Premier — with the bank now operating at a higher asset base, stronger NIM, and richer fee income platform than pre-merger.

Full cost synergy realization by June 2026 should drive operating EPS step-up to ~\$3.60+ annualized (~9x forward op. P/E — well below peers). Wall St. consensus EPS is \$3.15.

\$400M remaining buyback capacity (~5% of shares) provides near-term EPS accretion and floors downside.

5.1% dividend yield offers income support; TBVPS rebounding +9%/yr last 2 years after M&A dilution drag.

Key Catalysts

Full PPBI cost-save realization → Q3 2026 operating EPS step-up

Continued share buybacks (~\$400M capacity) → EPS accretion

Federal Reserve rate cuts → deposit cost decline, NIM expansion

HOA/custodial trust vertical scaling → recurring fee income growth

Resolution of iCap litigation removes tail risk overhang

Key Risks:

5-yr EPS CAGR -2.1% (M&A dilution); recovery thesis depends on synergy execution.

TBVPS declined 1.3%/yr over 5 yrs; recent 2-yr rebound (+9%/yr) must continue.

CRE concentration + iCap litigation tail risk remain unresolved.

Key Financial Metrics

Revenue(TTM): \$2.34 Bn

Profit Margin: 28.04%

Cash Balance: \$2.16 Bn

Market Cap: \$8.84 Bn

P/E Ratio: 11.98

Diluted EPS(TTM): 2.55

Stock Type

Asset Class: Income

Size: Mid Cap

Dividend: Yes

Company Snapshot

Ticker: COLB

Current Price: \$30.55