



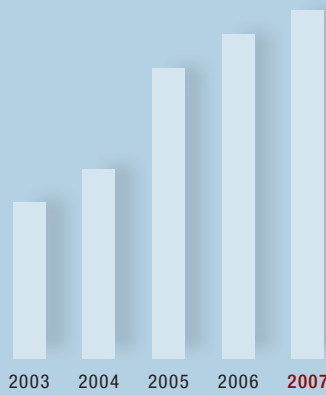
2007 ANNUAL REPORT
PACIFIC CONTINENTAL[®]
CORPORATION

The bottom right section of the cover features a dark red background with large, stylized, light red circular patterns. The text "2007 ANNUAL REPORT" is in a small, white, sans-serif font. Below it, the Pacific Continental logo (a stylized globe) is followed by "PACIFIC CONTINENTAL" in a large, bold, white, sans-serif font, and "CORPORATION" in a smaller, white, sans-serif font below that.

SELECTED FINANCIAL HIGHLIGHTS

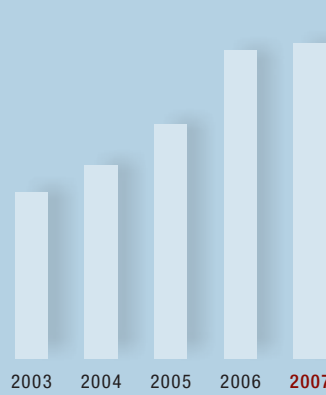
ASSETS (DOLLARS IN MILLIONS)

\$426 \$517 \$792 \$885 \$949



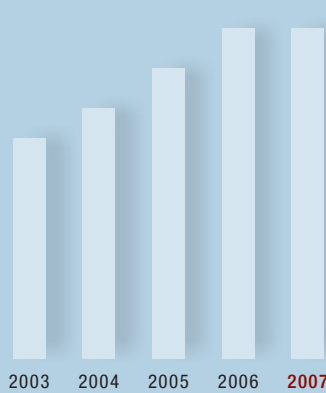
NET INCOME (DOLLARS IN MILLIONS)

\$6.8 \$7.9 \$9.6 \$12.6 \$12.9



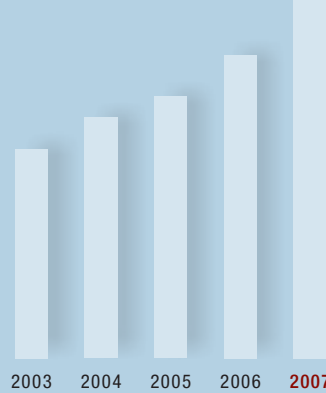
DILUTED EARNINGS PER SHARE⁽¹⁾

\$0.72 \$0.82 \$0.95 \$1.08 \$1.08



DIVIDENDS PAID PER SHARE⁽¹⁾

\$0.20 \$0.23 \$0.25 \$0.29 \$0.35



(1) Per common share data is retroactively adjusted to reflect the 10% stock dividend, 5-for-4 stock split and 4-for-3 stock split of 2007, 2004 and 2003, respectively.

SELECTED FINANCIAL DATA

(Dollars in thousands, except per share data)	2007	2006	2005	2004	2003
FOR THE YEAR					
Net interest income	\$ 43,427	\$ 40,057	\$ 30,240	\$ 24,952	\$ 22,220
Provision for loan losses	725	600	1,100	500	900
Noninterest income	3,924	4,401	4,083	4,463	4,946
Noninterest expense	25,861	23,791	18,134	16,041	15,202
Income taxes	7,830	7,412	5,510	4,925	4,233
Net income	12,935	12,655	9,578	7,948	6,831
Cash dividends	\$ 4,175	\$ 3,381	\$ 2,556	\$ 2,164	\$ 1,841
PER COMMON SHARE DATA⁽¹⁾					
Net income:					
Basic	\$ 1.09	\$ 1.09	\$ 0.98	\$ 0.85	\$ 0.74
Diluted	\$ 1.08	\$ 1.08	\$ 0.95	\$ 0.82	\$ 0.72
Cash dividends	\$ 0.35	\$ 0.29	\$ 0.25	\$ 0.23	\$ 0.20
Market value, end of year	\$ 12.52	\$ 17.68	\$ 14.45	\$ 14.32	\$ 11.55
AT YEAR END					
Assets	\$949,271	\$885,351	\$791,794	\$516,630	\$425,799
Loans, less allowance for loan loss ⁽²⁾	\$813,647	\$760,957	\$671,171	\$453,817	\$350,852
Core deposits	\$615,892	\$580,210	\$529,794	\$381,601	\$330,473
Total deposits	\$644,424	\$641,272	\$604,271	\$403,791	\$356,099
Shareholders' equity	\$107,509	\$ 95,735	\$ 81,412	\$ 49,392	\$ 42,234
AVERAGE FOR THE YEAR					
Assets	\$903,932	\$825,671	\$573,717	\$463,509	\$402,195
Earning assets	\$832,451	\$755,680	\$533,930	\$431,374	\$369,574
Loans, less allowance for loan losses	\$785,132	\$712,563	\$501,541	\$398,739	\$342,192
Core deposits	\$590,714	\$533,861	\$425,716	\$352,693	\$296,418
Total deposits	\$654,632	\$605,814	\$461,013	\$379,618	\$329,157
Interest-paying liabilities	\$627,569	\$567,708	\$372,880	\$290,569	\$256,441
Shareholders' equity	\$103,089	\$ 90,238	\$ 54,528	\$ 46,043	\$ 39,758
FINANCIAL RATIOS					
Return on average:					
Assets	1.43%	1.53%	1.67%	1.71%	1.70%
Equity	12.55%	14.02%	17.57%	17.26%	17.18%
Average shareholders' equity/average assets	11.40%	10.93%	9.50%	9.93%	9.89%
Dividend payout ratio	32.28%	26.72%	26.69%	27.23%	26.95%
Risk-based capital:					
Tier I capital	10.00%	9.93%	9.32%	10.19%	10.95%
Tier II capital	10.96%	10.98%	10.48%	11.29%	12.20%

(1) Per common share data is retroactively adjusted to reflect the 10% stock dividend, 5-for-4 stock split, and 4-for-3 stock split of 2007, 2004, and 2003, respectively.

(2) Outstanding loans include loans held for sale.



WE HAVE LONG UNDERSTOOD WE ARE NOT SIMPLY BANKERS SELLING BANKING PRODUCTS; RATHER WE ARE BUSINESS PEOPLE OFFERING VALUABLE ADVICE AND SIGNIFICANT RESOURCES.

LETTER TO SHAREHOLDERS

Our enviable inventory of resources includes the diversified composition of our loan portfolio, our high credit quality and underwriting standards, successful operations in large commercial northwest markets, a clearly defined business model, and a strong company culture that provides the foundation for long-term success.



Despite the rather messy nature of the financial sector during 2007, I believe Pacific Continental continues to distinguish itself from its competitors and stands poised to take full advantage of the opportunities that lie ahead. Naturally, two questions follow such a bold statement: “What

exactly distinguishes Pacific Continental from the competition?” and “How can Pacific Continental capitalize on the opportunities?” Frankly, both answers lie within the differentiating inventory of resources at our disposal.

Our enviable inventory of resources includes the diversified composition of our loan portfolio, our high credit quality and underwriting standards, successful operations in large commercial northwest markets, a clearly defined business model, and a strong company culture that provides the foundation for long-term success.

We continue to employ best practices in the industry when it comes to the way we manage our loan portfolio and identify inherent risks associated with bank lending. The composition of our loan portfolio features a geographic diversity and industry segmentation that offsets any softening in a particular market or industry sector. Additionally, we have steadfastly refused to sacrifice credit quality for loan growth and this disciplined approach to credit quality standards has already differentiated Pacific Continental from its competitors. A comparison look at our balance sheet and financial ratios will quickly reiterate this statement.

We operate in three of the four largest commercial markets in the Northwest. This is significant for two reasons: larger commercial markets offer an abundance of growth opportunities in our niche markets and industry diversification among the commercial markets counterbalances any potential slowdown in a particular industry sector. Additionally, economists around the

country continue to laud the economic stability of the northwest. Oregon and Washington continue to enjoy relatively low unemployment rates and the housing markets—particularly in Portland and Seattle—remain stable.

Our clearly defined business model provides two meaningful differentiators: focus for our bankers along with exceptional value to our clients. As a company, we have long understood we are not simply bankers selling banking products; rather we are business people offering valuable advice and significant resources. Our depth of expertise and experience in banking the professional and nonprofit sectors are two shining examples of this successful equation.

Lastly, our strong company culture and commitment to a set of core values provides the foundation for our long-term success. Throughout 2007, Pacific Continental continued to receive corporate-culture accolades from third-party vendors including recognition by *The Portland Business Journal* as “One of the Most Admired Companies in Oregon,” and receipt of a “2007 Community Bank Award” by America’s Community Bankers. Accolades of this type validate our ability to retain and recruit impact bankers.

In closing, I want to recognize that in 2007 Pacific Continental not only celebrated a remarkable milestone with our 35th anniversary but also continued to provide exceptional value to our shareholders with its twenty-third year of consecutive dividend cash payments and a 10 percent stock dividend.

I wish to thank our shareholders, clients and employees for their continued support of Pacific Continental. I certainly look forward to creating additional value for our stakeholders.

Sincerely,

Hal Brown
Chief Executive Officer

A photograph of a man and a woman sitting at a light-colored table, smiling warmly. The man, on the right, is wearing a light green button-down shirt and is holding a pen over a document. The woman, on the left, is wearing a pink button-down shirt. In the foreground, the back of a person in a dark blue suit is visible, looking towards the man and woman. The background is a plain, light-colored wall.

**AT PACIFIC CONTINENTAL BANK, WE OPERATE ON THE SIMPLE PREMISE
THAT THE MORE WAYS WE CAN HELP OUR CLIENTS, THE MORE OF
THEIR BUSINESS THEY WILL ENTRUST TO US.**

THE RIGHT BANK™

Helping clients better understand their business finances is good for business. Focusing on our three client niches, providing them with specialized business banking tailored to their needs, and operating in large commercial markets puts us on track for strong future growth.

HELPING CLIENTS BETTER UNDERSTAND THEIR BUSINESS FINANCES.

At Pacific Continental Bank, we operate on the simple premise that the more ways we can help our clients, the more of their business they will entrust to us. Some banks call this “relationship banking.” We simply call it a smart way to work. After all, the more we know about our clients and their needs, the more we can help them with their business finances—which can improve both their business and their finances.

At the same time, this kind of close relationship ensures we have accurate information about our clients’ financial condition which in turn helps us to maintain our exceptionally good credit quality and historically strong core deposit base.

QUALITY FIRST, PROFITABILITY SECOND, GROWTH THIRD.

Speaking of exceptional credit quality, our guiding principle has always been “*Quality first; Profitability second; Growth third.*” And it’s remarkable how putting quality first has resulted in outstanding growth over the years. For example, in the Seattle metropolitan market we’ve experienced period end year-over-year loan growth of 37.9%—supported by their core deposit period end year-over-year growth of 60%. We believe our strong credit underwriting will set us apart from the competition in 2008—just as it has since we opened our first office 35 years ago.

What’s more, our emphasis on business clients means we are not dependent on rate shoppers. Instead, our close association with our clients enables us to attract and maintain core deposits. As a result, unlike many other financial institutions, our average core deposits actually *increased* in 2007, by \$56.9 million or 10.7%. Additionally our average core deposit growth in 2007 slightly exceeded the average growth rate in loans.

TAKING A PERSONAL APPROACH TO BUSINESS.

Our emphasis on three key Pacific Northwest markets and our focus on developing relationships mean a lot to our business clients. They know they’ll be working with local bankers who understand their particular business and who can provide uniquely keen insights into their market environment and enable them to capitalize on opportunities for growth.

One way we help clients become more intelligent about their business finances is to provide them with personal, face-to-face advice throughout the life-cycle of their businesses. It may start, for instance, with 100%+ start-up financing to help a dental professional open a practice. Then we can help expand the practice by financing growth or an acquisition. Finally, we can provide a way for our clients to invest in their own future by supplying the means to purchase property for their business.

A BUSINESS MODEL THAT WORKS.

We focus on three types of clients: community-based businesses, which account for 98% of all Pacific Northwest firms; professional service providers, who appreciate our proven expertise; and nonprofit organizations, which have grown by 33% over the last decade. And in 2008, we will begin to offer private banking services to our high net worth clients.

Helping clients better understand their business finances is good for business. Focusing on our three client niches, providing them with specialized business banking tailored to their needs, and operating in large commercial markets puts us on track for strong future growth.

Another key part of our business model is our experienced, seasoned management team and bankers. One of the most important investments we can make is to hire top-quality people in key areas, and during 2007 we continued to recruit and hire impact bankers who immediately were able to offer a wealth of business acumen and banking knowledge. It’s for reasons such as these that clients have come to think of us as *The Right Bank*.



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OUR MARKETS

FOCUSING ON THREE KEY MARKETS IS KEY TO OUR SUCCESS.

Pacific Continental Bank operates in three of the four largest commercial markets in the Pacific Northwest. Our strategic decision to focus on these markets—Eugene/Springfield, Portland/Vancouver, and Seattle/Bellevue—provides diversity that can offset softening in any single market.

The economy of the entire Pacific Northwest region remains strong. Job growth, while slower than in 2006, is still at or above the national average. In fact, over the last four years, Oregon and Washington ranked in the top ten states for employment growth. Additionally, Washington ranks third and Oregon seventh nationally in home price appreciation. It's no secret that steady employment growth supports appreciated values in the regional housing market, a fact not lost on our business clients.

1. EUGENE/SPRINGFIELD: DIVERSITY KEY TO STRONG ECONOMY.

Oregon's Eugene and Springfield communities comprise the state's second largest urban market. Because it doesn't rely on a single industry, the area maintains a strong economic base. The Eugene/Springfield area is home to more than 10,000 businesses of all sizes, from sole proprietorships to large industries such as manufacturing and technology. Additionally, Eugene is home to the University of Oregon—which provides strong economic stability to the area.

Government and education employ more than 20,000, and healthcare providers employ another 5,000. But the Eugene/Springfield area is really driven by small and medium-sized businesses: most of the area's businesses employ fewer than 20 workers. In addition to the strong employee base supported by government, education and healthcare providers, over 1,400 nonprofit organizations in Lane County provide steady work for thousands of local residents while providing much-needed assistance to those in need of a helping hand.

This mix makes the area a perfect fit for our community-based business banking services, which are specifically tailored to sole proprietorships, partnerships, limited liability companies, and family-owned businesses. We also serve a growing number of professional service providers in the area, primarily dental and medical professionals. The medical services market continues to grow with the development of a \$450 million campus for PeaceHealth Medical Systems, which is scheduled to open in the summer of 2008.

2. PORTLAND/VANCOUVER: GROWING, GREEN AND GOING STRONG.

The Portland, Oregon and Vancouver, Washington markets remain healthy, especially compared to other parts of the country. For example, Portland's housing market was among only five in the nation that posted solid growth in 2007. Portland also continues to have some of the most rapid job growth in the state, despite recent slowdowns. Construction is the fastest growing broad industry, with most of the growth coming in nonresidential construction. In addition to the "green" being generated by a growing economy, Portland continues to be recognized as a national leader in many green building and environmental initiatives.

Oregon continues to attract new residents, with many of them choosing to live in the Portland/Vancouver area. The state's recent population growth is around 1.6%, compared to a 1.1% annual growth rate between 2000 and 2004. Current forecasts indicate that Oregon's population will grow at an annual rate of about 1.4%, hitting just over 4 million by 2013. This growth is expected to help keep the Portland housing market comparatively stable.

During 2007, we expanded and relocated our Tualatin office, doubling its space and moving it from a retail shopping center to a high-profile location adjacent to Interstate 5. And—not coincidentally—our new Tualatin office is a stone's throw from the large and growing Legacy Meridian Park Hospital.

3. SEATTLE/BELLEVUE: THE BOOM CONTINUES.

Economists expect the Puget Sound economy—which includes Seattle and Bellevue—to grow faster than the U.S. economy in 2008. This growth is fueled by expanding jobs in the manufacturing, software, and professional and business service sectors, and by increasing rates of net migration.

Employment in primary industries, which chiefly serve markets outside the region, rose 5.2 percent last year—the highest growth rate in nine years. This growth came largely from three industries: aerospace, software, and professional and business services. The strong economy leads to population growth, which is why the local housing market should perform better than the nation as a whole. Home sales in the region are expected to remain relatively steady through 2008.

The Seattle economy continues to be one of the strongest and most well-rounded in the nation—and Pacific Continental Bank stands fully poised to capture additional market share in our niche areas.

BOARD OF DIRECTORS

Robert A. Ballin
Consultant/Partner, Ward Insurance
Chairman of the Board
Pacific Continental Bank

Donald G. Montgomery
Vice Chairman of the Board
Private Investor

Hal Brown
Chief Executive Officer
Pacific Continental Corporation

Larry G. Campbell
President, L.G. Campbell Co., Inc.
Campbell Commercial Real Estate

Cathi Hatch
Chief Executive Officer, ZINO Society

Michael Heijer
Owner, GranCorp, Inc.

Michael Holcomb
Managing Partner, Berjac of Oregon

Michael D. Holzgang
Senior Vice President/Corporate Services,
Collier's International

Donald L. Krahmer, Jr.
Shareholder, Schwabe, Williamson and
Wyatt, P.C.

John Rickman
Private Investor

R. Jay Tejera
Private Investor

OPERATING COMMITTEE

Hal Brown
Chief Executive Officer

Roger S. Busse
President, Chief Operating Officer

Michael A. Reynolds
Executive Vice President,
Chief Financial Officer

Carol Batchelor
Senior Vice President,
Human Resources Director, SPHR

Charlotte Boxer
Executive Vice President, Director of
Commercial Real Estate Markets

Mitchell J. Hagstrom
Executive Vice President, Director of Lane
County Operations

Patricia Haxby
Executive Vice President, Chief
Information Officer

Daniel J. Hempy
Executive Vice President, Director of
Portland/Vancouver Operations

Casey Hogan
Executive Vice President,
Chief Credit Officer

Basant Singh
Executive Vice President, Director of
Greater Seattle Operations

CORPORATE INFORMATION

STOCK LISTING

Pacific Continental Corporation's shares are listed on NASDAQ's Global Select Market under the symbol PCBK.

ANALYST COVERAGE

D.A. Davidson & Co.
FIG Partners
Howe Barnes Hoefler & Arnett
Sandler O'Neill & Partners

TRANSFER AGENT

Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016-3572
Phone: 800-525-7686

INTERNET

email address:
banking@therightbank.com
web address:
therightbank.com

DISCLOSURE STATEMENT

Federal regulations require that all insured state chartered banks make available to depositors, shareholders and members of the general public an annual disclosure statement. Requests for an annual disclosure statement should be directed to: Pacific Continental Bank, Investor Relations Department, Post Office Box 10727, Eugene, Oregon, 97440. The Federal Deposit Insurance Corporation has not reviewed the financial data and related data in this report or disclosure statement for accuracy or relevance.

OUR LOCATIONS

EUGENE/SPRINGFIELD

EUGENE

111 West 7th Avenue
Eugene, OR 97401-2622
Phone: 541-686-8685
Fax: 541-344-2807

1450 High Street
Eugene, OR 97401-4153
Phone: 541-686-8685
Fax: 541-434-7916

255 Coburg Road
Eugene, OR 97401-5602
Phone: 541-686-8685
Fax: 541-683-9585

2021 River Road
Eugene, OR 97404-2503
Phone: 541-686-8685
Fax: 541-461-4304

2400 West 11th Avenue
Eugene, OR 97402-3314
Phone: 541-686-8685
Fax: 541-349-2437

JUNCTION CITY

285 West 6th Avenue
Junction City, OR 97448-2607
Phone: 541-686-8685
Fax: 541-984-2339

SPRINGFIELD

1011 Harlow Road
Suite 101
Springfield, OR 97477-1187
Phone: 541-686-8685
Fax: 541-988-4199

MAILING ADDRESS

Post Office Box 10727
Eugene, OR 97440-2727

GREATER PORTLAND AREA

BEAVERTON

12255 SW 1st Street
Beaverton, OR 97005-2849
Phone: 503-350-1205
Fax: 503-350-1203

PORTLAND

Downtown/KOIN Center
222 SW Columbia
Suite 1650
Portland, OR 97201-6648
Phone: 503-350-1205
Fax: 503-350-5170
Convention Center
717 NE Grand Avenue
Portland, OR 97232-2738
Phone: 503-350-1205
Fax: 503-736-6086

TUALATIN

7111 SW Nyberg Street
Tualatin, OR 97062-6245
Phone: 503-350-1205
Fax: 503-691-1279

VANCOUVER

911 Main Street, Suite 100
Vancouver, WA 98660-3448
Phone: 360-695-3204
Fax: 360-735-3759

MAILING ADDRESS

Post Office Box 648
Beaverton, OR 97075-0648

GREATER SEATTLE AREA

DOWNTOWN SEATTLE

1100 Olive Way
Suite 102
Seattle, WA 98101-1844
Phone: 206-676-8880
Fax: 206-676-8881

BELLEVUE

305 108th Avenue NE
Suite 100
Bellevue, WA 98004-5706
Phone: 425-688-3793
Fax: 425-688-3794



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