



**UMPQUA HOLDINGS CORPORATION**  
**KBW conference March 4, 2009**

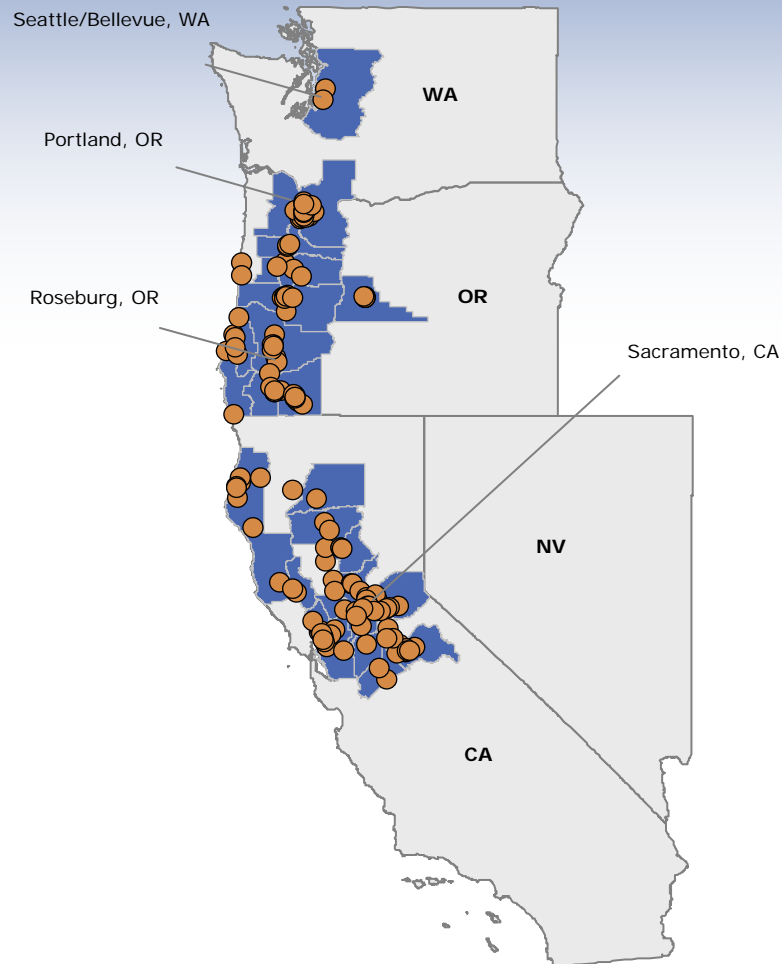


# Safe Harbor Statement

During the course of this presentation, we may make forward-looking statements regarding future events or the future financial performance of the Company. We wish to caution you that such forward-looking statements are just predictions subject to certain risks and uncertainties that could cause actual events or results to materially differ, either better or worse, from those projected. A discussion of risk factors that may affect the actual outcomes relating to such forward-looking statements and the Company's results of operations in general is included in the Company's Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.



# Umpqua is a leading community bank serving the Pacific Northwest



- Growth Strategy
- Company Culture
- Value Proposition



## Three Topics for Today's Presentation:

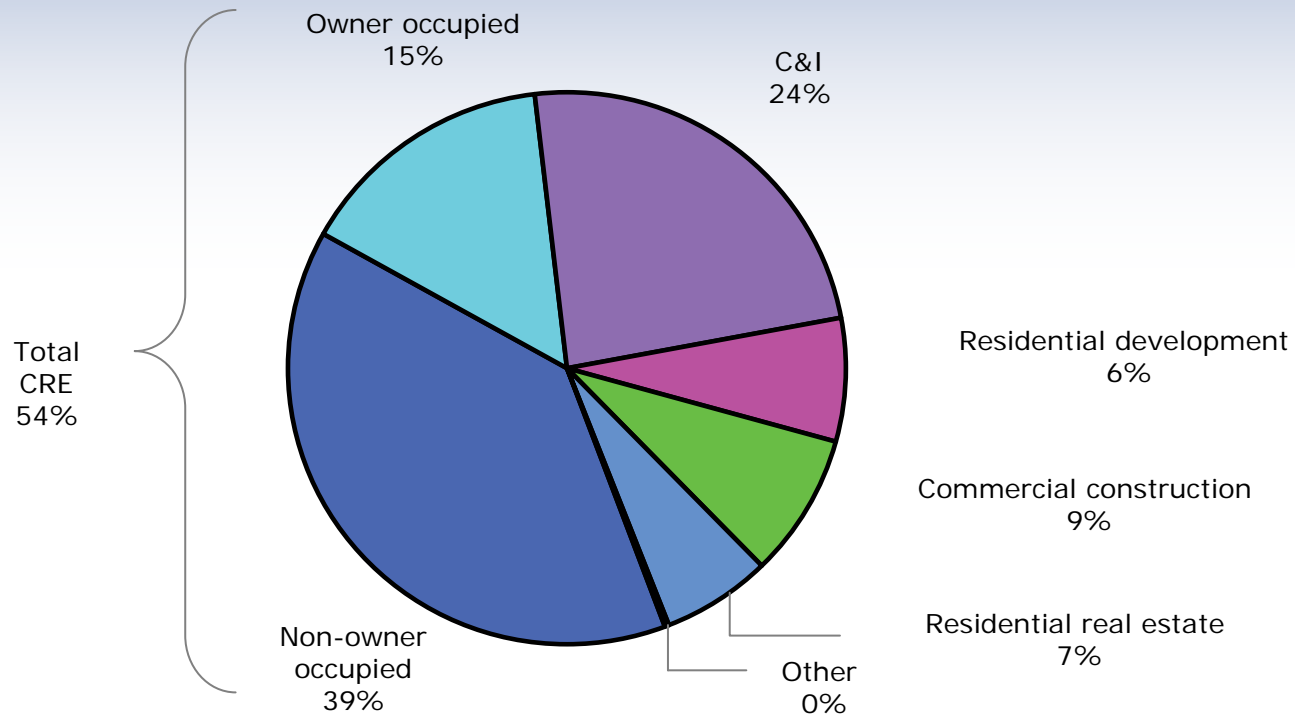
- Credit Status
- Capital & Liquidity Position
- Moving Forward



# Credit Culture

- Strong credit culture
- Depth of Credit Admin Staff
- Quick to identify and recognize problems

# Loan Portfolio – 12/31/08



# Residential Development Loans

(Millions)

	<u>12/07</u>	<u>12/08</u>	\$ <u>Change</u>	<u>Accrual</u>
NW Oregon	\$238	\$135	(43)%	\$116
Central Oregon	58	31	(46)%	15
Southern Oregon	50	34	(33)%	29
Washington	45	27	(39)%	27
Greater Sacramento	167	109	(35)%	76
Northern CA	<u>116</u>	<u>48</u>	<u>(59)%</u>	<u>34</u>
Total	\$674	\$384	(43)%	\$297



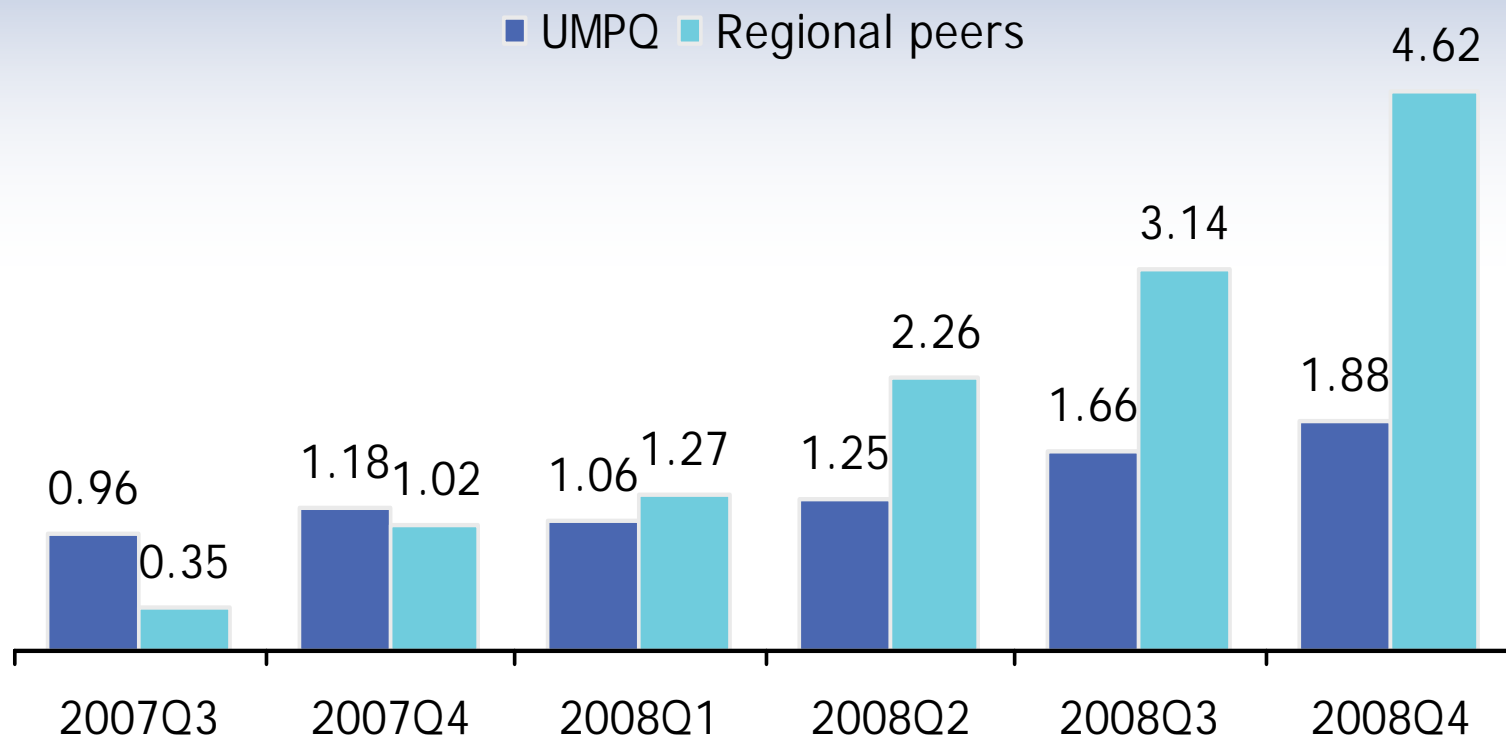
# Credit Quality (\$ in millions)

	<u>Q4 2007</u>	<u>Q4 2008</u>
Non Accrual Loans	\$81	\$128
Loan P/D 90+	<u>10</u>	<u>5</u>
Non Performing Loans	91	133
OREO	<u>7</u>	<u>28</u>
Non-Performing Assets	\$98	\$161
Non-Performing Assets to total Assets	1.18%	1.88%
Allowance for Credit Loss %	1.42%	1.58%





# Non-performing assets to total assets %



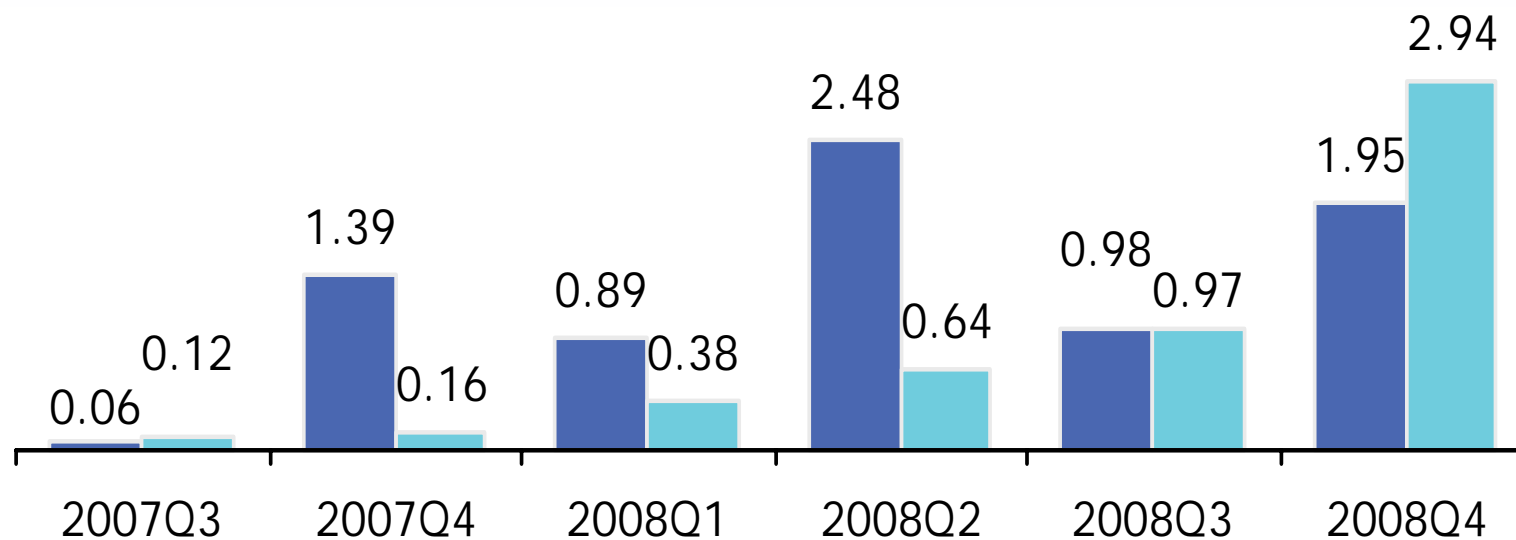
Source: SNL Financial, company filings

Note: Regional peers include: Banner, Cascade, City Bank, Columbia Bancorp, CVB Financial, Frontier, Pacific Capital, PacWest, Sterling, SVB Financial, Westamerica and West Coast Bancorp

# Net charge-off %

(Annualized)

■ UMPQ ■ Regional peers



Source: SNL Financial, company filings

Note: Regional peers include: Banner, Cascade, City Bank, Columbia Bancorp, CVB Financial, Frontier, Pacific Capital, PacWest, Sterling, SVB Financial, Westamerica and West Coast Bancorp

# Conservative underwriting

- Virtually all CRE loans include full personal guarantees
- Maximum LTV is 75%, but in many cases the LTV is substantially less as we underwrite to a minimum fully loaded debt service coverage ratio of 1.20
- Protects against low cap rate environment of past several years



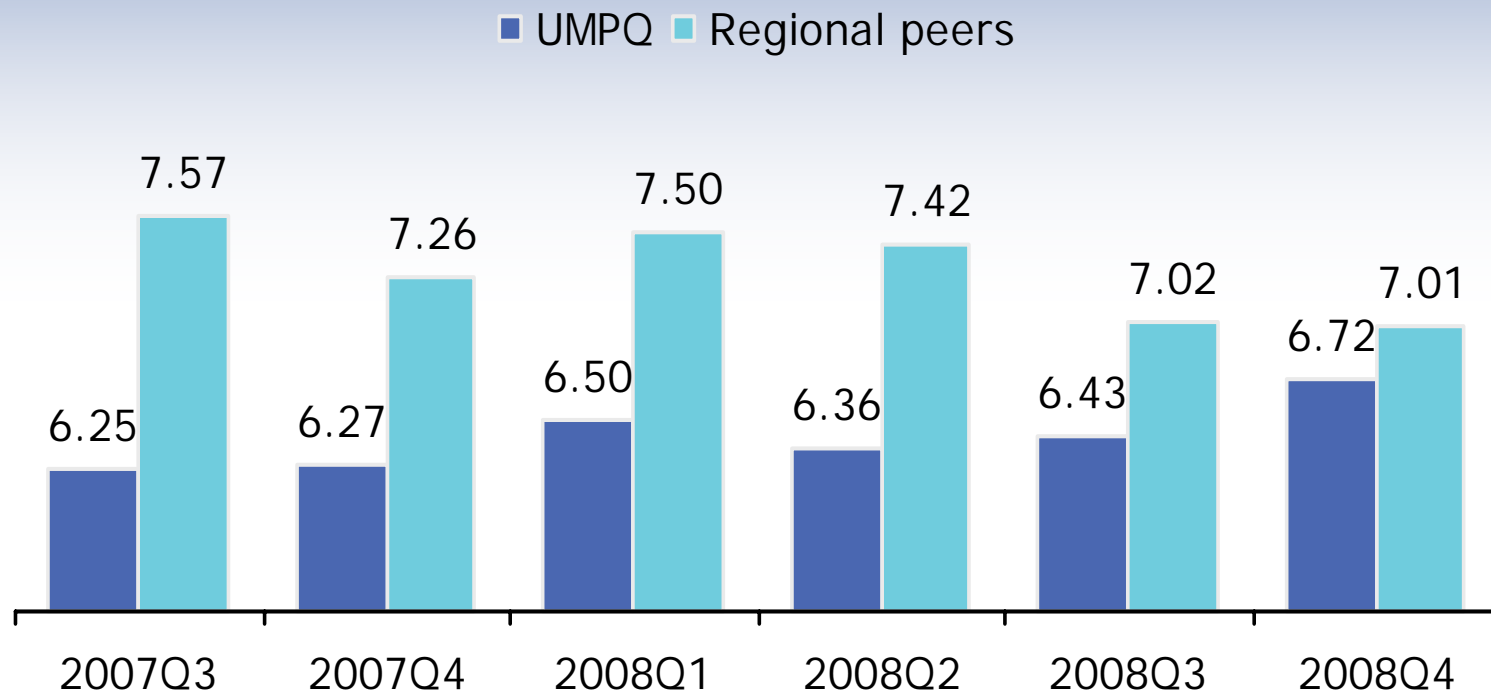
# Capital

	<u>Q4 2007</u>	<u>Q4 2008</u>
Total Risk Based Capital	10.89%	14.62%
Tangible Equity/ Tangible Assets	6.27%	6.72%
Book Value/ Share	\$20.67	\$21.36
Tangible Book Value/ Share	\$7.92	\$8.76

- \$550 Million of excess pre-tax risk based capital above 10% well capitalized threshold
- Tangible book value per share increased 11% in 2008



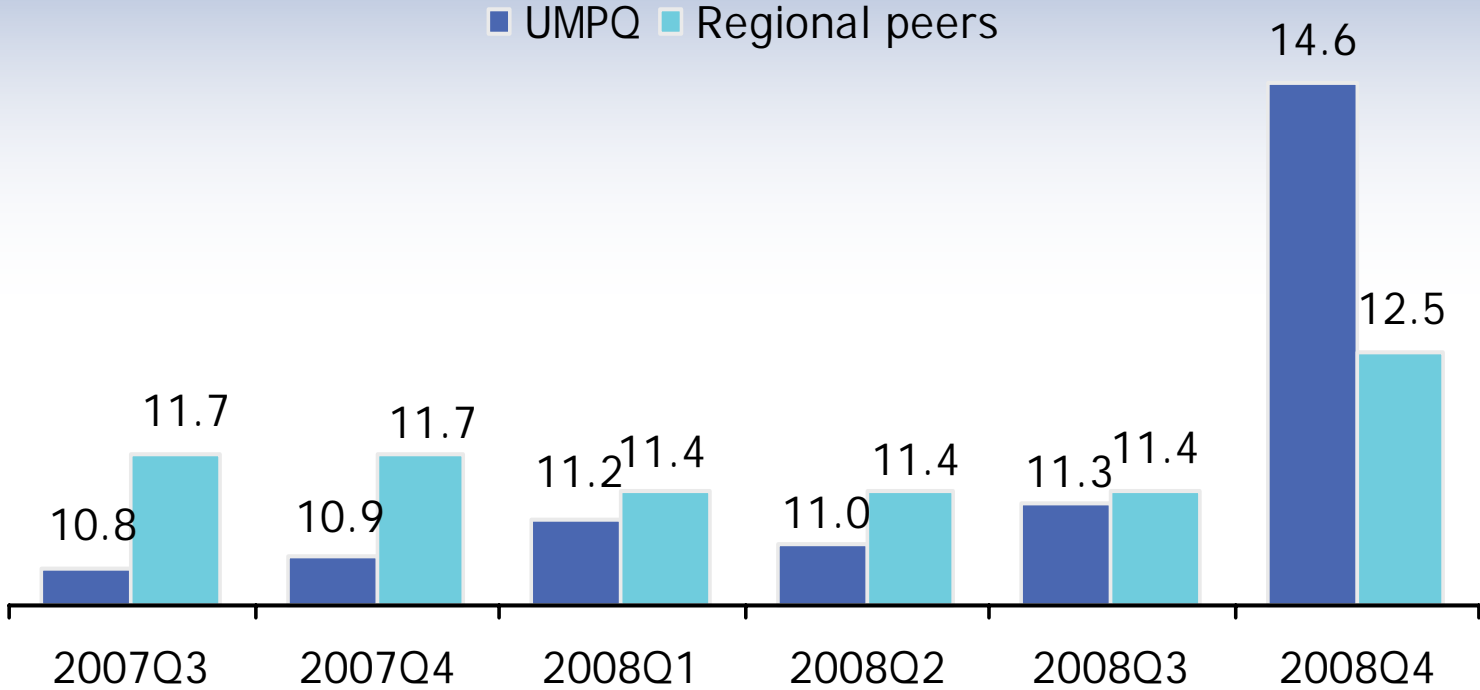
# Tangible Common Equity %



Source: SNL Financial, company filings

Note: Regional peers include: Banner, Cascade, City Bank, Columbia Bancorp, CVB Financial, Frontier, Pacific Capital, PacWest, Sterling, SVB Financial, Westamerica and West Coast Bancorp;

# Total Risk Based Capital %



Source: SNL Financial, company filings  
Note: Regional peers include: Banner, Cascade, City Bank, Columbia Bancorp, CVB Financial, Frontier, Pacific Capital, PacWest, Sterling, SVB Financial, Westamerica and West Coast Bancorp;

# Liquidity

(\$ in 000's)

FHLB line	\$ 1,860
Correspondent lines	190
Total	<u>2,050</u>

less: outstanding FHLB	(177)
Available lines	<u><u>\$ 1,873</u></u>

% of assets 22%

% of deposits 28%

- Strong liquidity position
- FHLB collateralized line backed by US Treasury
- \$28 million unrealized gain on AFS portfolio at 12/31/08



# Moving Forward

- Resolving Credit Issues
- Organic Growth Strategy
- Diversify Loan Portfolio
- Asset management
- Innovation & Technology









**Thank you.**

