



**UMPQUA BANK Acquires Banking Operation  
of EvergreenBank – Seattle, WA,  
In FDIC Assisted Transaction - January 22, 2010**

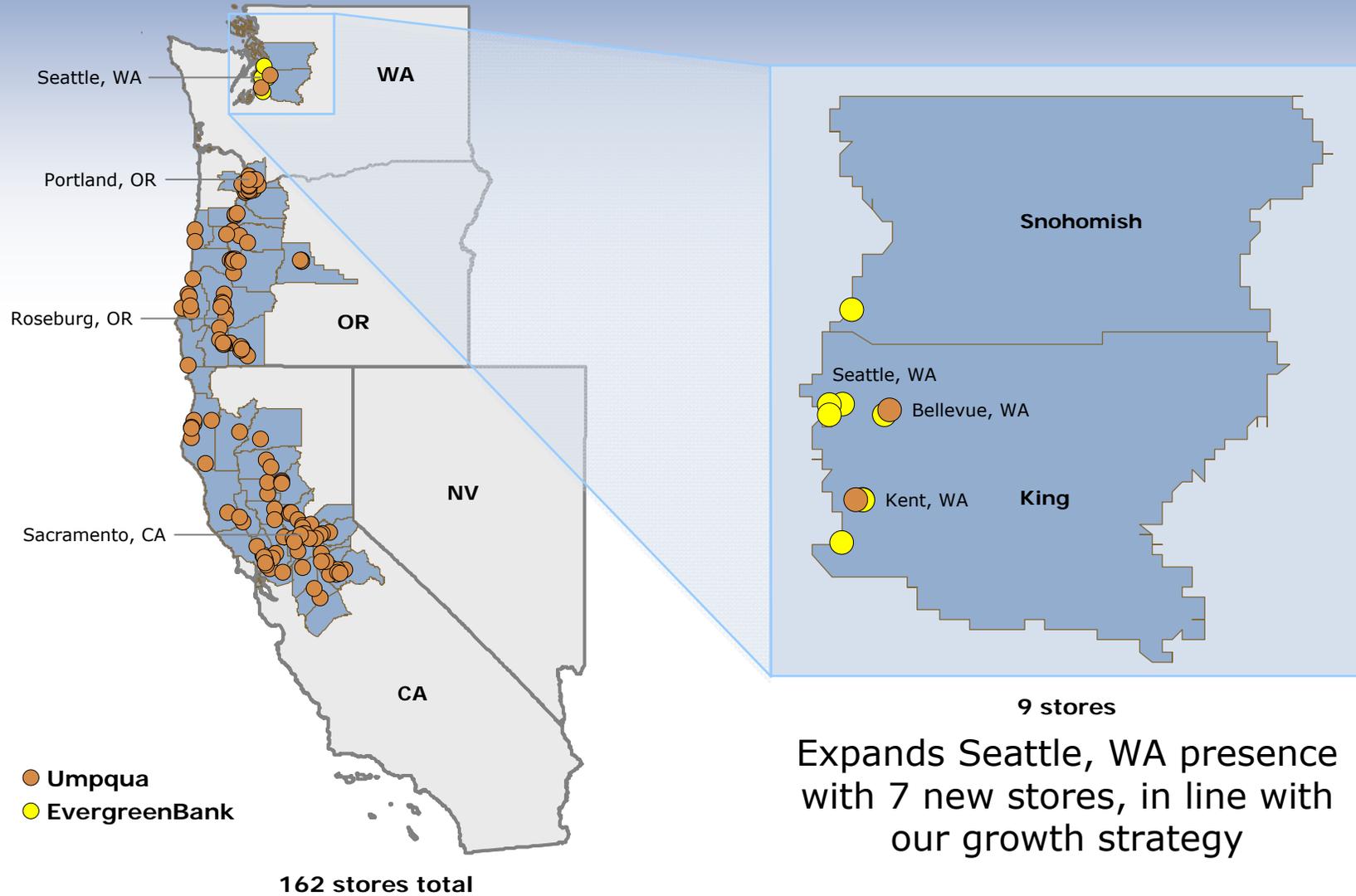


# Safe Harbor Statement

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.



# Expands our presence in the greater Seattle, WA marketplace



## Transaction overview

- FDIC assisted whole bank purchase and assumption transaction with loss share
- Umpqua Bank received certain assets and certain liabilities from the FDIC as receiver of EvergreenBank of Seattle, WA
- No holding company assets or liabilities acquired



## Transaction overview

- Purchased \$420 million of assets, including \$370 million of loans,
- Assumed \$305 million of deposits
- Excludes certain brokered deposits
- Loans subject to a loss sharing agreement with the FDIC
- All approvals received
- Closed January 22, 2010



Note: Amounts based on interim financial statements, subject to final closing balances

## Transaction rationale

- Expands presence in Seattle, WA market, a focus of our growth strategy
- FDIC loss sharing provides protection
- Financially attractive
- IRR in excess of 25%
- Accretive to operating earnings immediately
- Estimated \$1.75 million in merger related costs
- Utilizes small portion of our excess capital
- Positioned for further acquisitions



## Transaction details

- After first loss tranche, FDIC assumes 80% of losses up to \$90 million, and 95% thereafter
- Estimated cumulative losses represent approximately 24% of total loans
- If losses are less than expected, some of our upside will be shared with the FDIC
- Modest impact to capital – ~50 bp reduction in Tier 1 leverage ratio and ~30 bp reduction in Tangible common equity ratio
- 1.74 million cash settle equity appreciation rights granted to FDIC, 30 day maturity, \$13.68 strike price



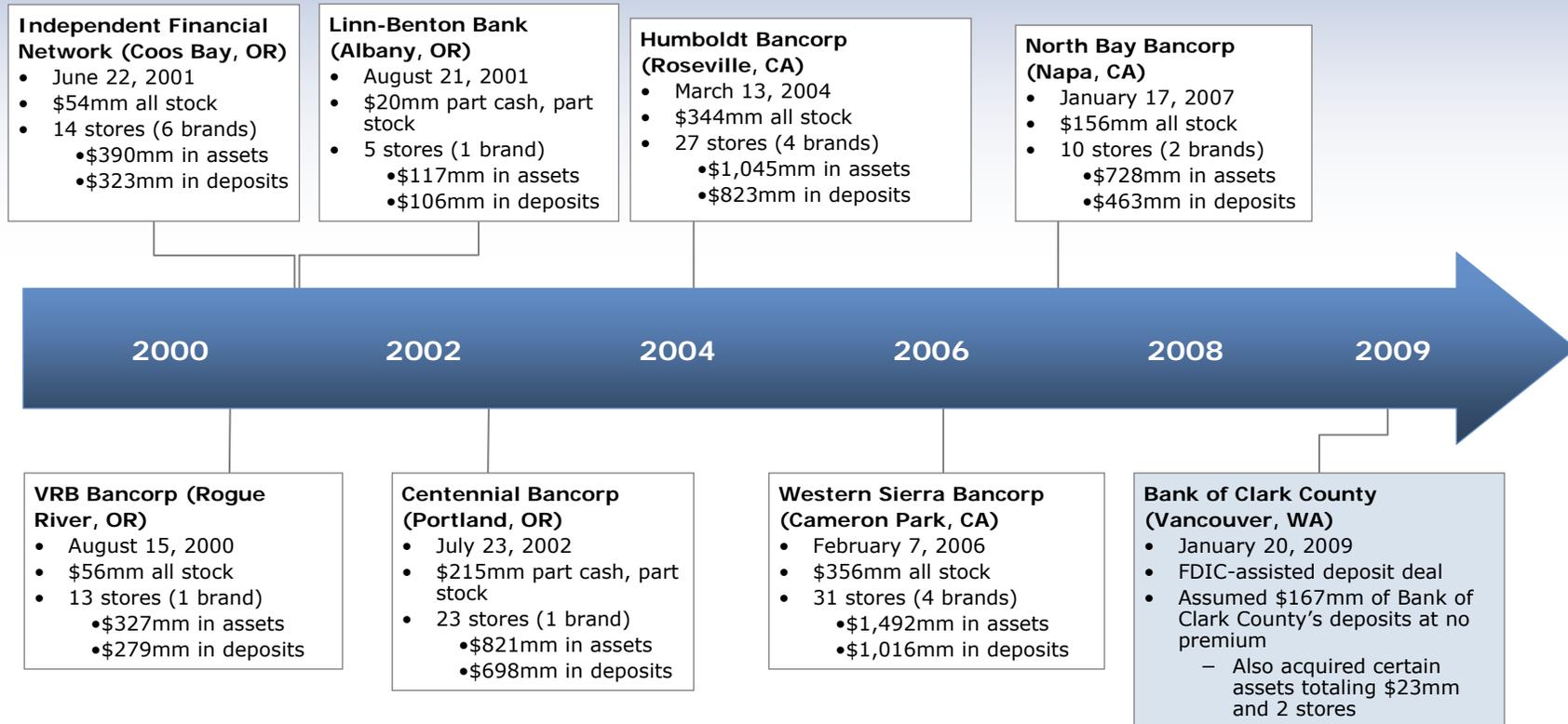
# Transaction structure (\$ in millions)

Loans acquired	\$370
Other assets	<u>50</u>
Total assets acquired	\$420
Deposits assumed	\$305
Other liabilities	<u>42</u>
Total liabilities assumed	\$347
Net assets acquired (prior to fair value adjustments)	\$73

Note: Amounts based on interim financial statements, subject to final closing balances and fair value adjustments.



# Umpqua is an experienced acquirer with a demonstrated ability to integrate new depositories



Integration started immediately. Umpqua associates in all former EvergreenBank locations starting Friday night, January 22, 2010.



# Summary

- Low risk transaction
- Integration started immediately
- Expands market presence in high growth market
- Minimal impact on capital
- Financially attractive to Umpqua shareholders





**Thank you.**

