



**UMPQUA BANK Acquires Banking Operation
of Rainier Pacific Bank – Tacoma, WA,
In FDIC Assisted Transaction – February 26, 2010**

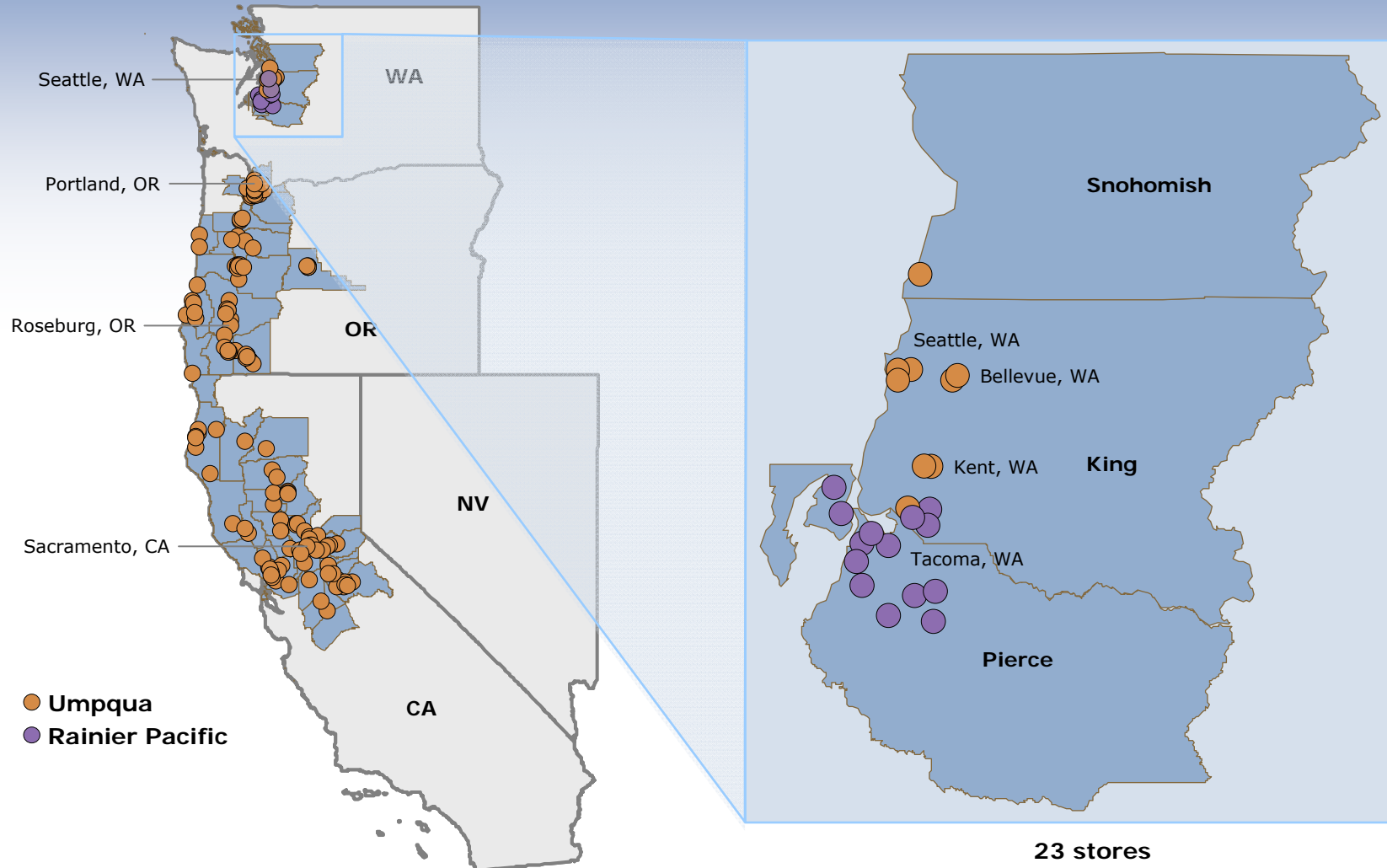


Safe Harbor Statement

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 Puget Sound WA marketplace



176 total stores

23 stores

Expands greater Puget Sound WA presence with 14 new stores, in line with our growth strategy

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 Rainier Pacific Bank of Tacoma, WA
- No holding company assets or liabilities acquired
- No trust preferred investment securities acquired



Transaction overview

- Purchased \$655 million of assets, including \$564 million of loans,
- Assumed \$446 million of deposits, and \$279 million of FHLB borrowings
- Excludes certain brokered deposits
- Loans subject to a loss sharing agreement with the FDIC
- Closed February 26, 2010



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

Transaction rationale

- Expands presence in the Tacoma, WA market, a focus of our growth strategy
- FDIC loss sharing provides protection
- Financially attractive
- IRR in excess of 20%
- Accretive to operating earnings immediately
- Estimated \$2.2 million in merger related costs
- Positioned for further acquisitions



Transaction details

- After first loss tranche, FDIC assumes 80% of losses up to \$95 million, and 95% thereafter
- Estimated cumulative losses represent approximately 17% of total loans
- If losses are less than expected, some of our upside will be shared with the FDIC

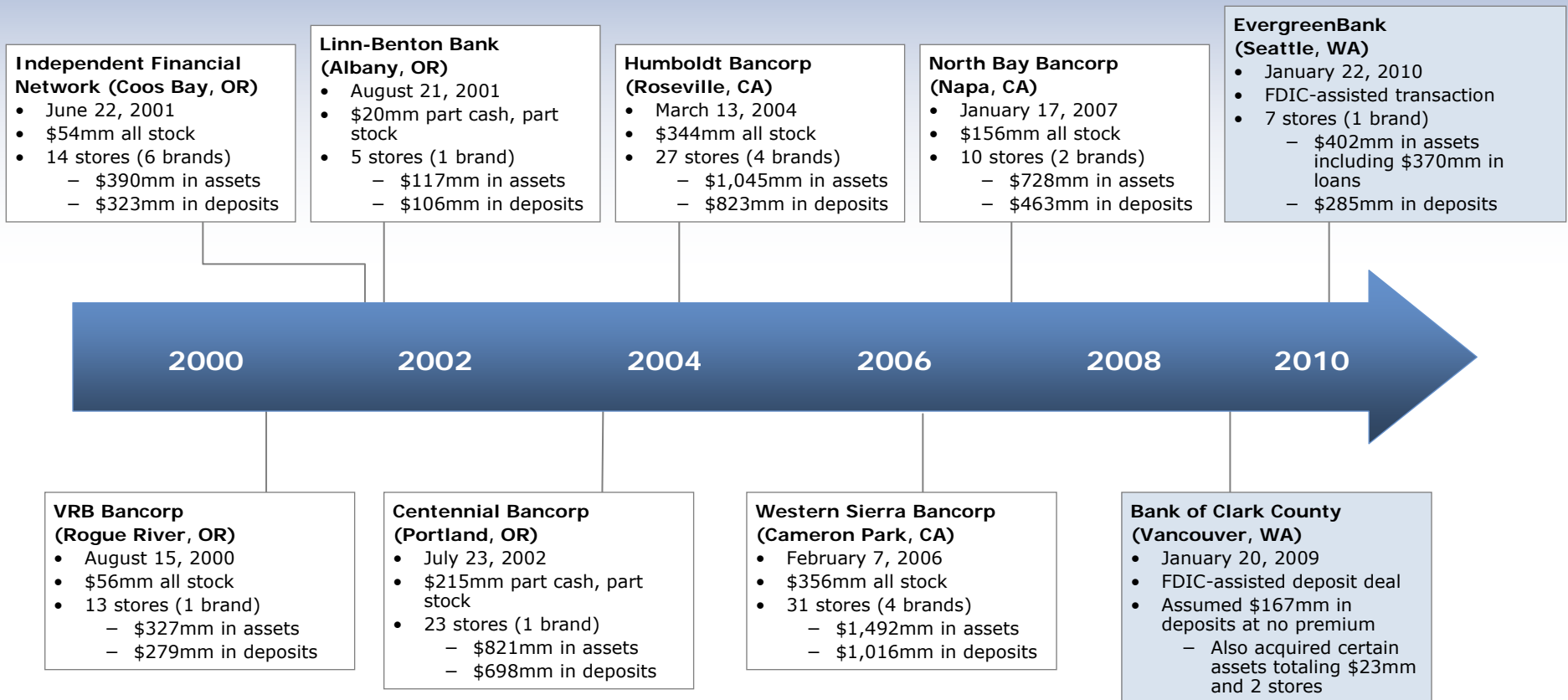
Transaction structure (\$ in millions)

Loans acquired	\$564
Other assets	90
Cash from FDIC	<u>81</u>
Total assets acquired	\$736
Deposits assumed	\$446
Other liabilities	<u>281</u>
Total liabilities assumed	\$727
Net assets acquired (prior to fair value adjustments)	\$9

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



Summary

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





Thank you.

