



UMPQUA HOLDINGS CORPORATION
KBW presentation - Boston, MA
February 24-25, 2010



Safe Harbor Statement

This presentation contains forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. These statements may include statements that expressly or implicitly predict future results, performance or events. Statements other than statements of historical fact are forward-looking statements. You can find many of these statements by looking for words such as "anticipates," "expects," "believes," "estimates" and "intends" and words or phrases of similar meaning. We make forward-looking statements regarding projected sources of funds, availability of acquisition and growth opportunities, ability to repay TARP funds, adequacy of our allowance for loan and lease losses and provision for loan and lease losses, our commercial real estate portfolio and subsequent charge-offs. Forward-looking statements involve substantial risks and uncertainties, many of which are difficult to predict and are generally beyond the control of Umpqua. Risks and uncertainties include those set forth in our filings with the SEC and the following factors that might cause actual results to differ materially from those presented:

- The ability to attract new deposits and loans and leases
- Demand for financial services in our market areas
- Competitive market pricing factors
- Deterioration in economic conditions that could result in increased loan and lease losses
- Risks associated with concentrations in real estate related loans
- Market interest rate volatility
- Stability of funding sources and continued availability of borrowings
- Changes in legal or regulatory requirements or the results of regulatory examinations that could restrict growth
- The ability to recruit and retain key management and staff
- Availability of, and competition for, FDIC-assisted acquisition opportunities
- Risks associated with merger integration
- Significant decline in the market value of the Company that could result in an impairment of goodwill
- The ability to raise capital or incur debt on reasonable terms
- Effectiveness of the Emergency Economic Stabilization Act of 2008 (the "EESA") and other legislative and regulatory efforts to help stabilize the U.S. financial markets
- Future legislative or administrative changes to the Capital Purchase Program enacted under the EESA.
- The impact of the EESA and the American Recovery and Reinvestment Act ("ARRA") and related rules and regulations on the Company's business operations and competitiveness, including the impact of executive compensation restrictions, which may impact the Company's ability to retain and recruit executives in competition with other firms who do not operate under those restrictions.

There are many factors that could cause actual results to differ materially from those contemplated by these forward-looking statements. For a more detailed discussion of some of the risk factors, see the section entitled "Risk Factors" in the Form 10-K for the year ended December 31, 2008, as updated and supplemented in our filings on Form 10-Q and Form 8-K. We do not intend to update any factors or to publicly announce revisions to any of our forward-looking statements. You should consider any forward looking statements in light of this explanation, and we caution you about relying on forward-looking statements.



Umpqua is a leading community bank serving the Pacific Northwest

Store network



Total: 162 stores

Business segments

Community Banking Segment

- Offers loan and deposit products to business and retail customers in its primary market areas through 162 stores located throughout Oregon, Northern California and Washington
- Assets: \$9.4bn
- Deposits: \$7.4bn
- Loans: \$6.0bn

Mortgage Banking Segment

- Operates as a division of the Bank; Originates, sells and services residential mortgage loans
- Originations in 2009 were \$757mm

Wealth Management Segment

- One of the oldest investment companies in the Northwest
- Offers a full range of investment products and services



UMPQUA
BANK

Source: Company filings
Note: Financial data as of 12/31/2009

Four Topics for Today's Presentation:

- 2009 Results
- Credit Status
- Capital Position
- 2010 Opportunities



2009 Results

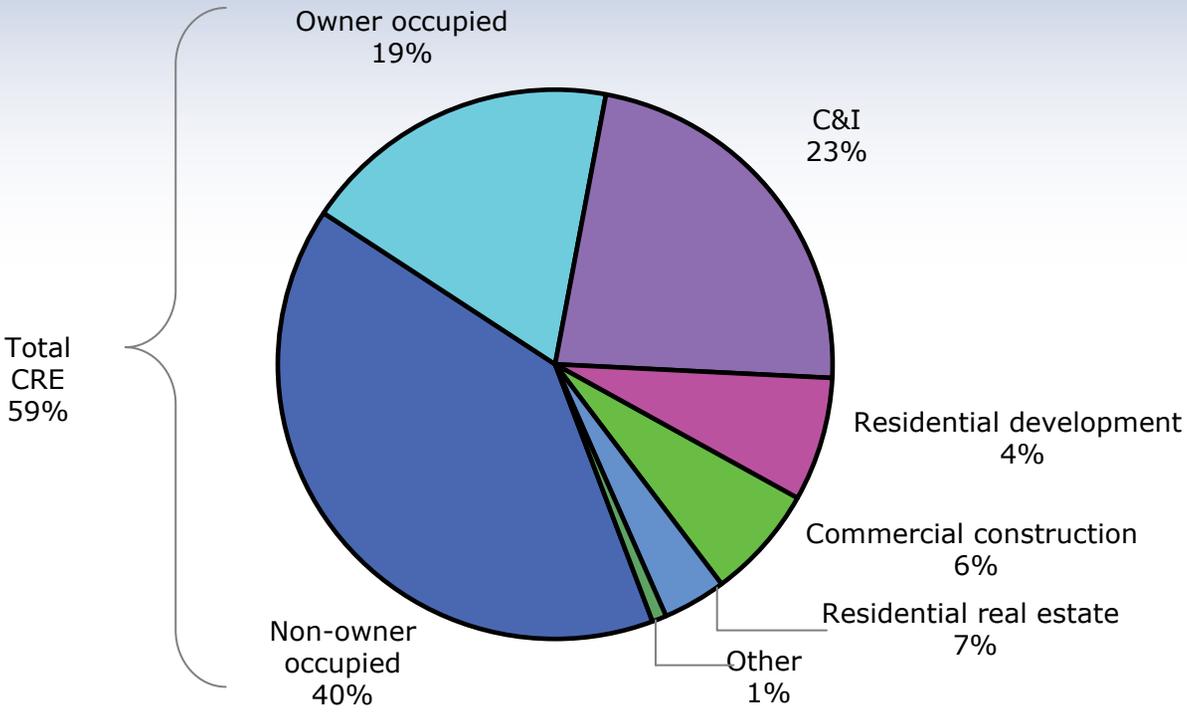
- \$0.77 in diluted operating loss per share
- Aggressive resolution of non-performers,
 - \$209mm provision, \$197mm net charge-offs
- Annualized pre-tax, pre-provision core income \$150mm
- NPA's at 2.38% of total assets
- Strong deposit growth - \$851mm, or 13%
- Net interest margin 4.09%, stable for year



Credit Culture

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

Loan Portfolio – 12/31/09



Residential Development Loans

(\$ in millions)

	<u>9/07</u>	<u>12/09</u>	\$ <u>Change</u>	<u>Performing</u>
NW Oregon	\$244	\$89	(64)%	\$85
Greater Sacramento	225	75	(67)%	51
Northern CA	116	25	(78)%	15
Southern Oregon	57	19	(67)%	14
Washington	62	9	(86)%	9
Central OR	<u>60</u>	<u>9</u>	<u>(85)%</u>	<u>6</u>
Total	\$764	\$226	(70)%	\$180
% of portfolio	13%	4%		3%



Credit Quality (\$ in millions)

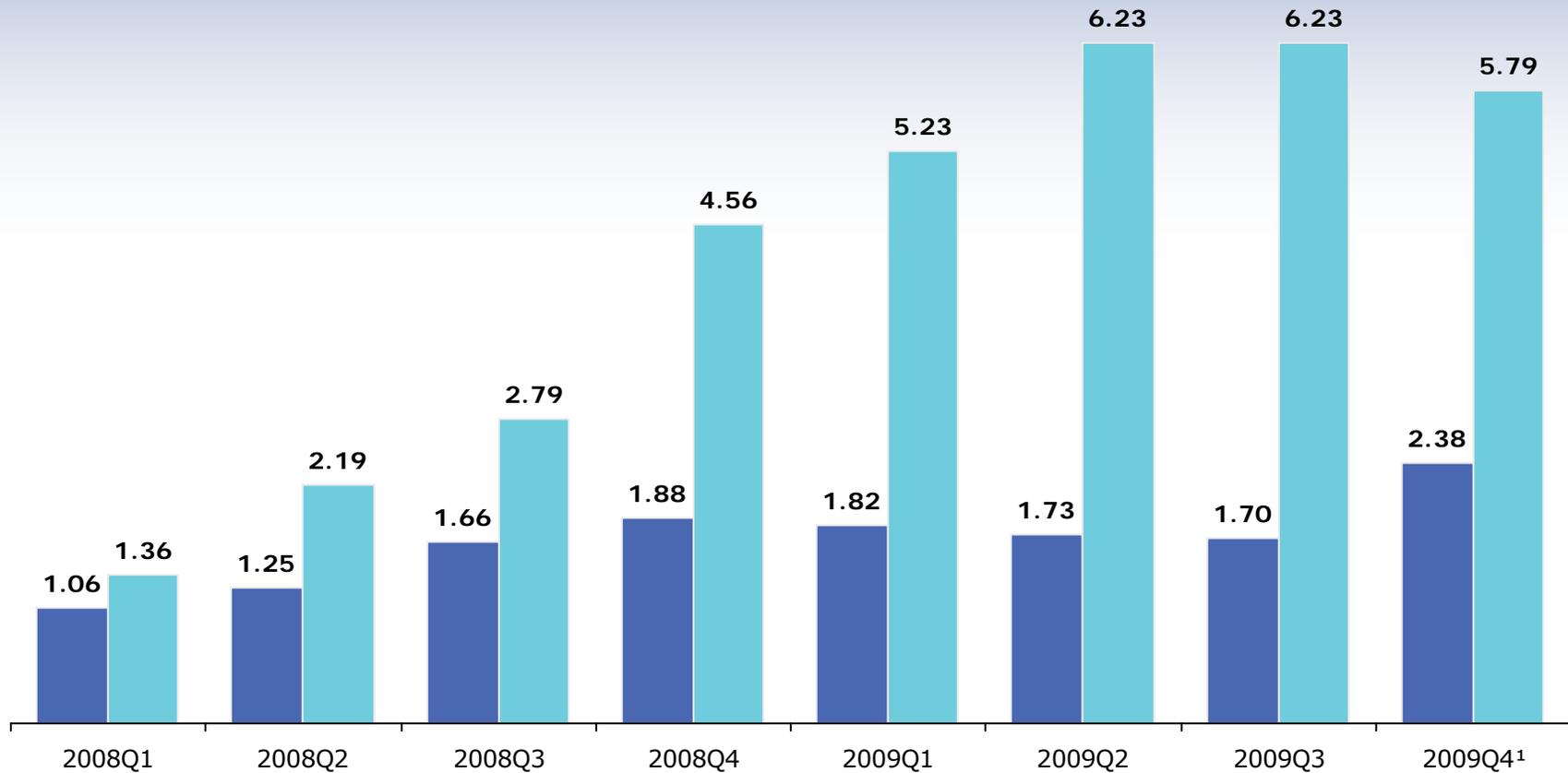
	<u>Q3 2009</u>	<u>Q4 2009</u>
Non Accrual Loans	\$124	\$193
Loan P/D 90+	<u>5</u>	<u>6</u>
Non-Performing Loans	129	199
OREO	<u>27</u>	<u>25</u>
Non-Performing Assets	\$156	\$224
Non-Performing Assets to total Assets	1.70%	2.38%
Allowance for Credit Loss %	1.71%	1.81%

- Increase in non accrual loans in Q4 2009 is a result of the reclassification of restructured loans
- NPA's at December 31, 2009 written down by \$155 million, or 41%, to disposition value.



Non-performing assets to total assets %

■ UMPQ ■ Regional peers

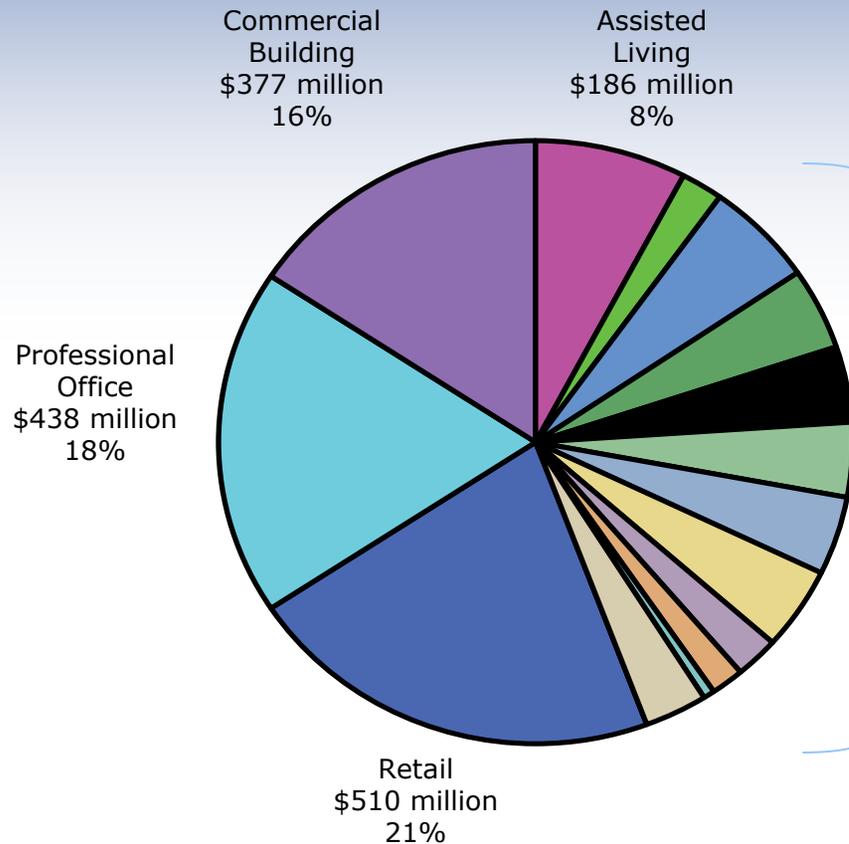


Source: Company filings, SNL Financial

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

¹ Cascade Bancorp had yet to report earnings for 2009Q4 at printing of this report, and is represented as of 2009Q3 in the median ratio for 2009Q4

Non-owner occupied CRE



- Low delinquency, only \$17 million of total CRE, or 0.5%, past due 30-89 days.
- Several rounds of stress testing completed for cap rates, interest rates and vacancy factors showing no major issues.
- Results confirm our conservative underwriting based on debt service coverage.

Several small categories as detailed in Q4 2009 earnings release

Capital Management

- Proactive capital management
- Accessed capital markets twice over last year
 - February 2010 \$304 million
 - August 2009 \$259 million
- Well positioned for TARP redemption and additional FDIC assisted acquisitions.



Capital

	<u>Actual</u> <u>Q4 2008</u>	<u>Actual</u> <u>Q4 2009</u>	<u>Pro forma</u> <u>Q4 2009 ⁽¹⁾</u>
Tier 1 Leverage	12.38%	12.79%	12.98%
Tier 1 Risk Based Capital	13.37%	15.91%	16.73%
Total Risk Based Capital	14.62%	17.16%	17.96%
Tier 1 Common / Risk Weighted	7.40%	9.78%	13.54%
Tangible Common Equity ratio	6.72%	8.27%	10.90%
Tangible Book Value / Share	\$8.76	\$8.33	\$8.72

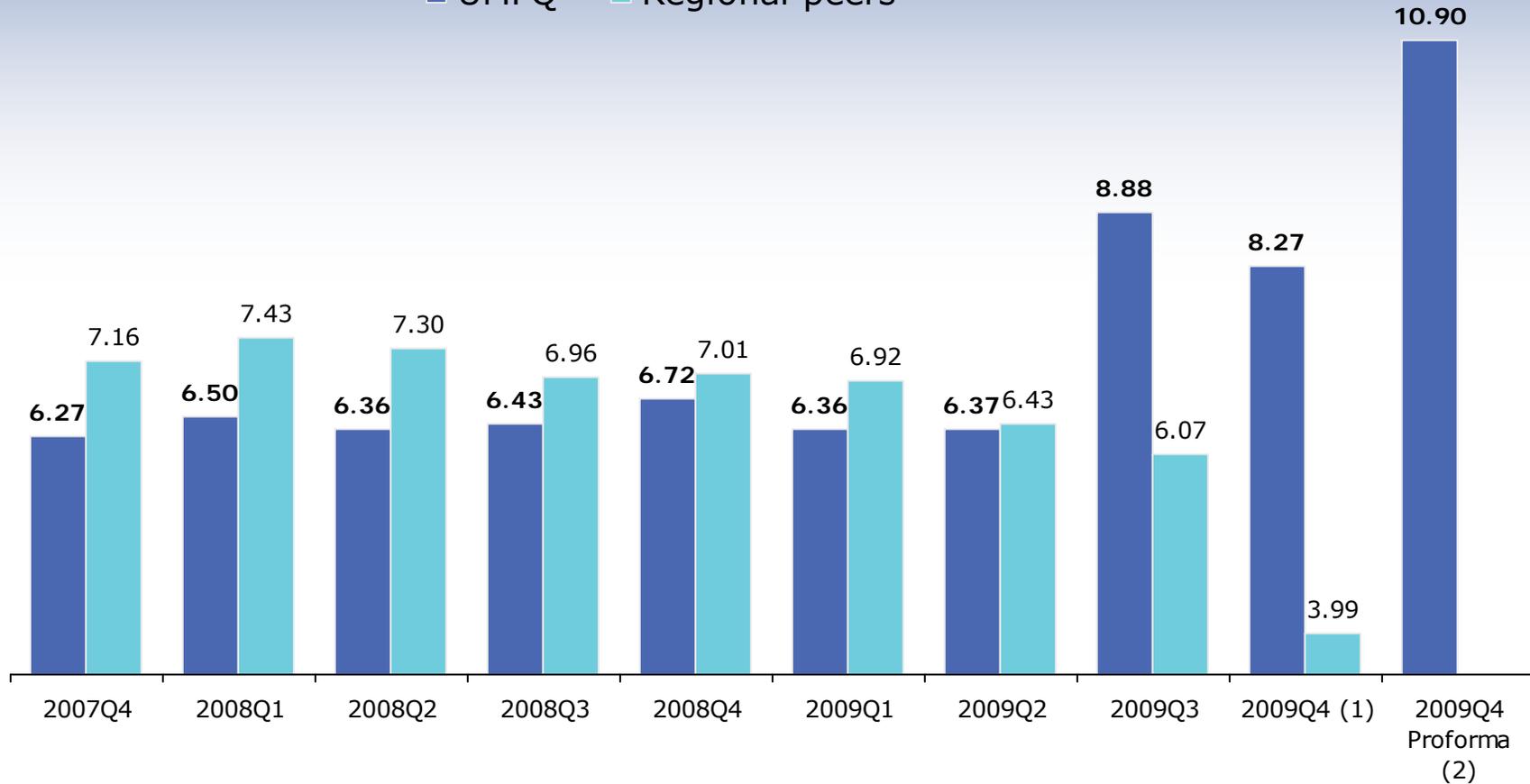
•\$938 million of excess pre-tax risk based capital above 10% well capitalized threshold (as adjusted per note 1 below)

(1) Q4 2009 amounts adjusted for EvergreenBank acquisition, February 2010 capital raise and pro forma impact of TARP CPP Preferred stock redemption (pending regulatory approvals).



Tangible common equity %

■ UMPQ ■ Regional peers



Source: Company filings, SNL Financial

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

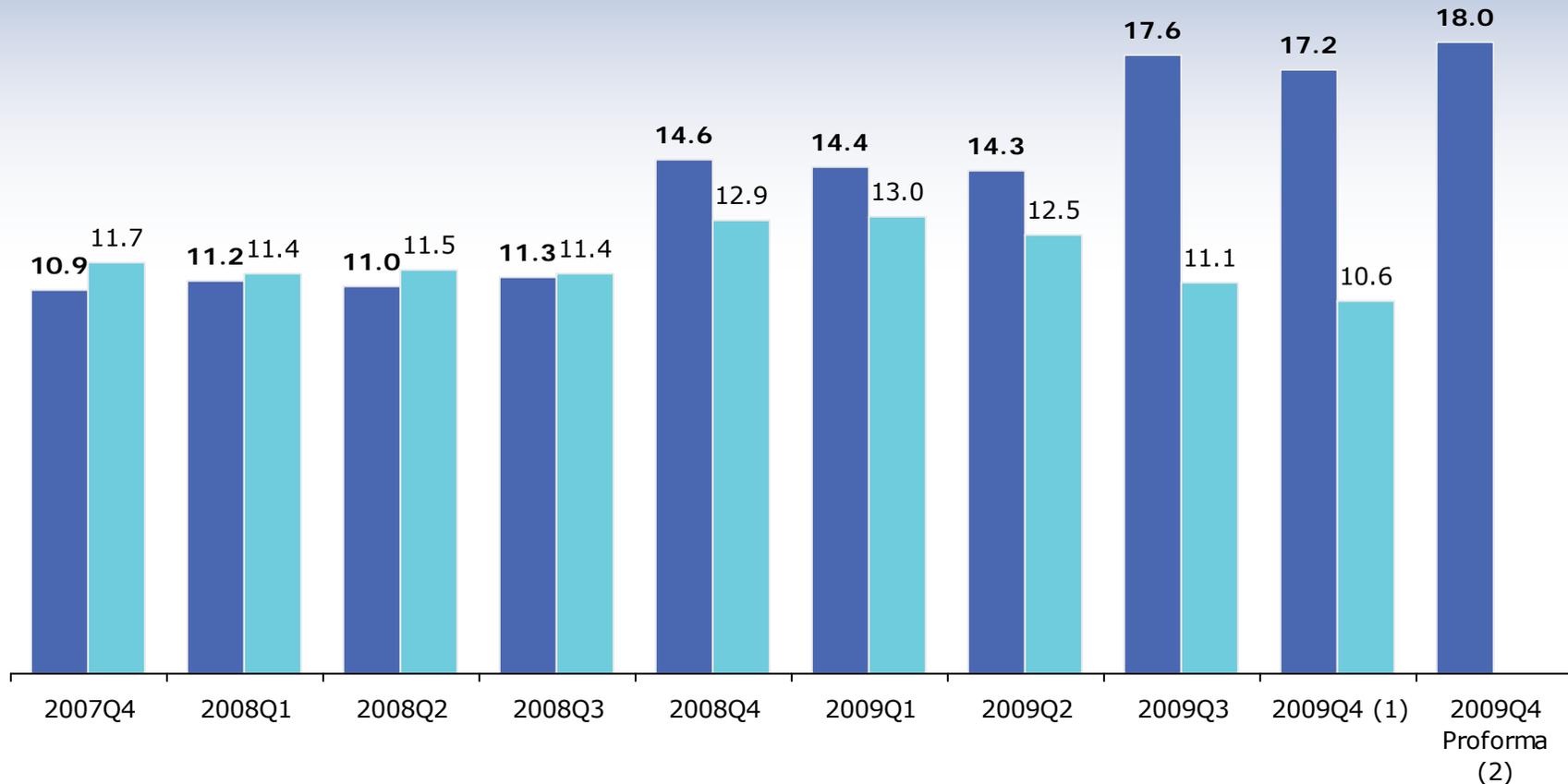
¹ Cascade Bancorp had yet to report earnings for 2009Q4 at printing of this report, and is represented as of 2009Q3 in the median ratio for 2009Q4

² The Q4 2009 proforma amount for UMPQ is adjusted for the EvergreenBank acquisition, the February 2010 capital raise, and the proforma impact of TARP CPP preferred stock redemption (pending regulatory approvals).



Total risk based capital %

■ UMPQ ■ Regional peers



Source: SNL Financial, company filings

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

¹ Cascade Bancorp, Pacific Capital Bancorp, and PacWest Bancorp have yet to report total risk based capital for 2009Q4 at printing of this report, and are represented as of 2009Q3 in the median ratio for 2009Q4

² The Q4 2009 proforma amount for UMPQ is adjusted for the EvergreenBank acquisition, the February 2010 capital raise, and the proforma impact of TARP CPP preferred stock redemption (pending regulatory approvals).

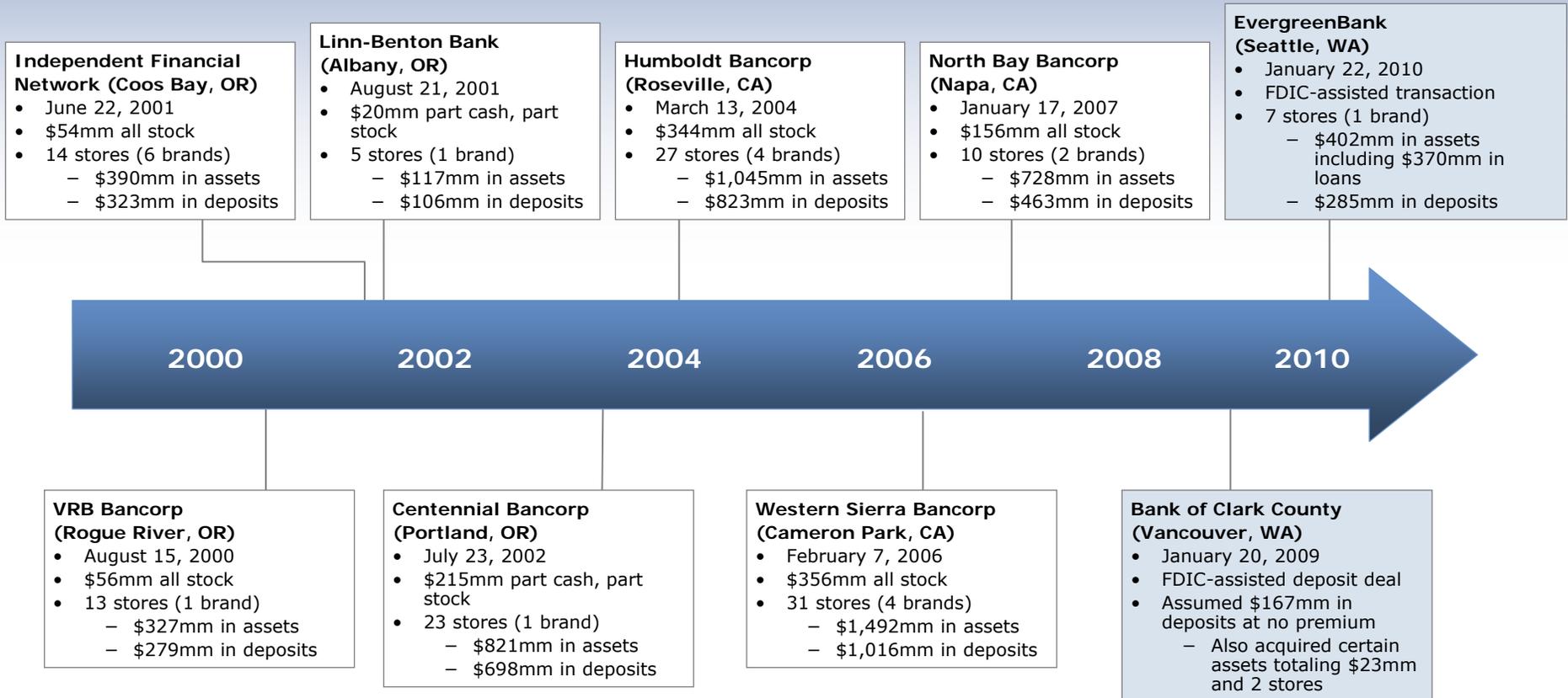


2010 Opportunities

- FDIC-assisted acquisitions
 - Umpqua has completed two FDIC assisted acquisitions over past year
 - Bank of Clark County 1/16/09
 - EvergreenBank 1/22/10
- Expect more in Northwest



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



2010 Opportunities

- Organic deposit growth potential
- New commercial banking teams
- International banking
- Wealth management





Thank you.

