

UMPQUA HOLDINGS CORPORATION
D.A. Davidson conference May 6-7, 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

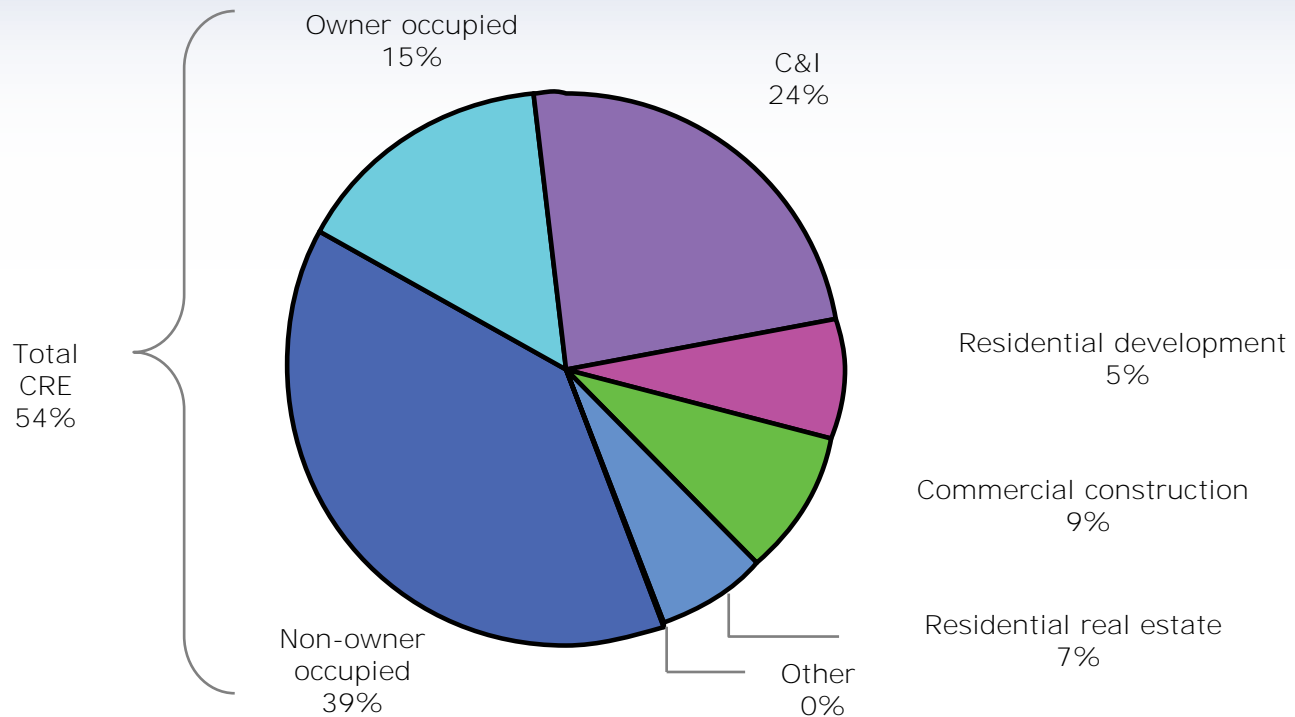
Three Topics for Today's Presentation:

- 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 – 3/31/09



Residential Development Loans

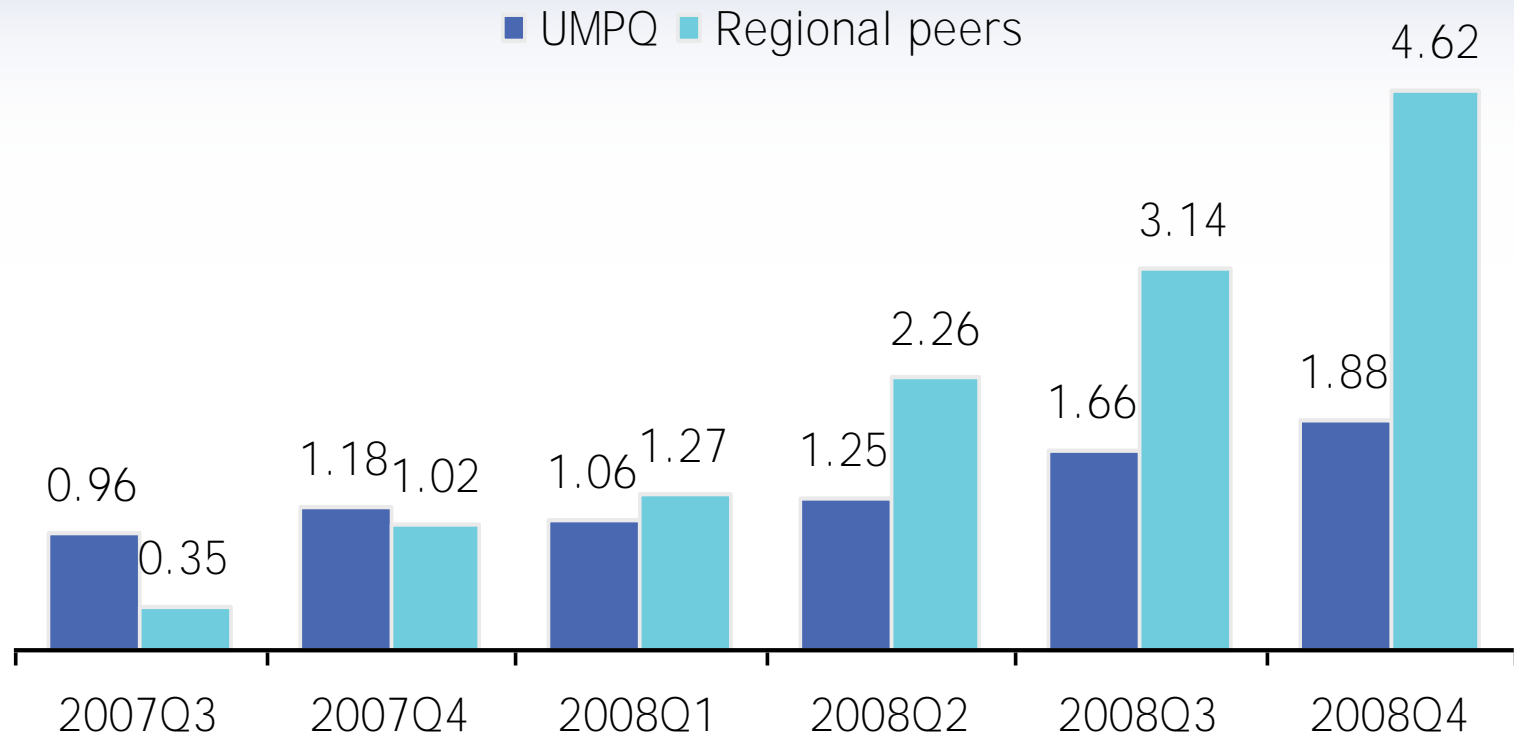
(Millions)

	<u>3/08</u>	<u>3/09</u>	\$ <u>Change</u>	<u>Accrual</u>
NW Oregon	\$201	\$120	(40)%	\$112
Central Oregon	56	21	(63)%	9
Southern Oregon	48	30	(38)%	21
Washington	43	27	(38)%	26
Greater Sacramento	147	93	(37)%	55
Northern CA	<u>87</u>	<u>38</u>	<u>(56)%</u>	<u>25</u>
Total	\$582	\$329	(44)%	\$248
% of portfolio	10%	5%		4%

Credit Quality (\$ in millions)

	<u>Q4 2008</u>	<u>Q1 2009</u>
Non Accrual Loans	\$128	\$118
Loan P/D 90+	<u>5</u>	<u>14</u>
Non Performing Loans	133	131
OREO	<u>28</u>	<u>33</u>
Non-Performing Assets	\$161	\$164
Non-Performing Assets to total Assets	1.88%	1.87%
Allowance for Credit Loss %	1.58%	1.53%

Non-performing assets to total assets %



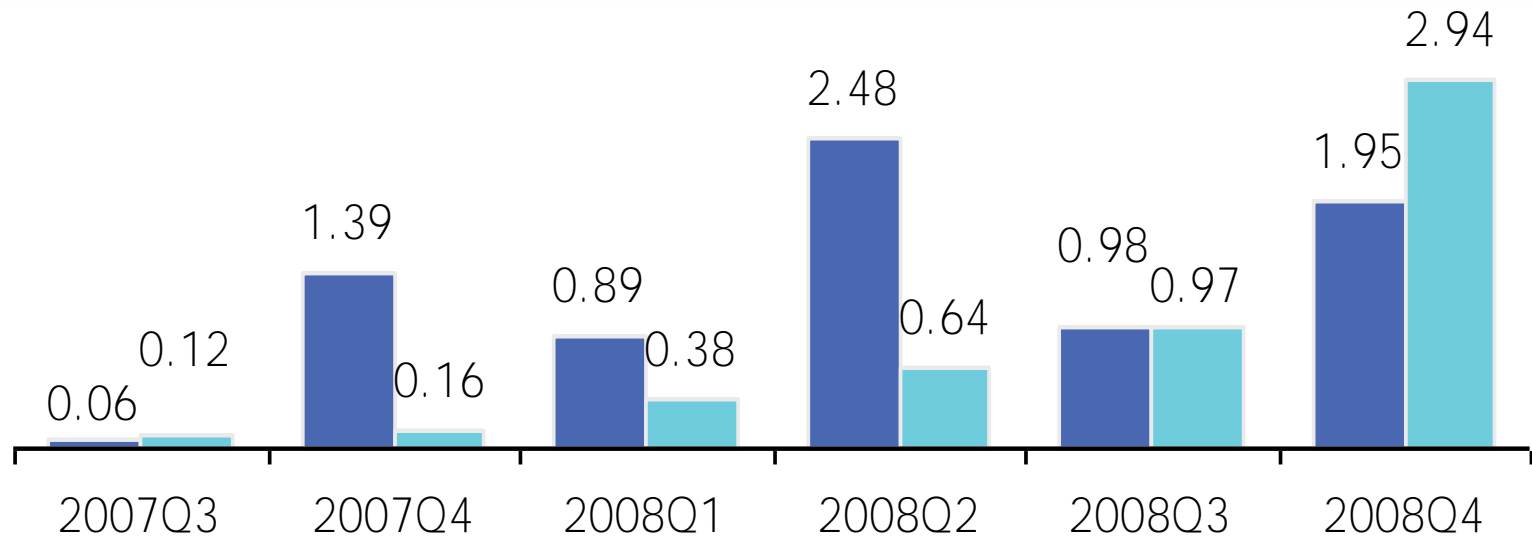
Source: SNL Financial, company filings

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

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Conservative underwriting

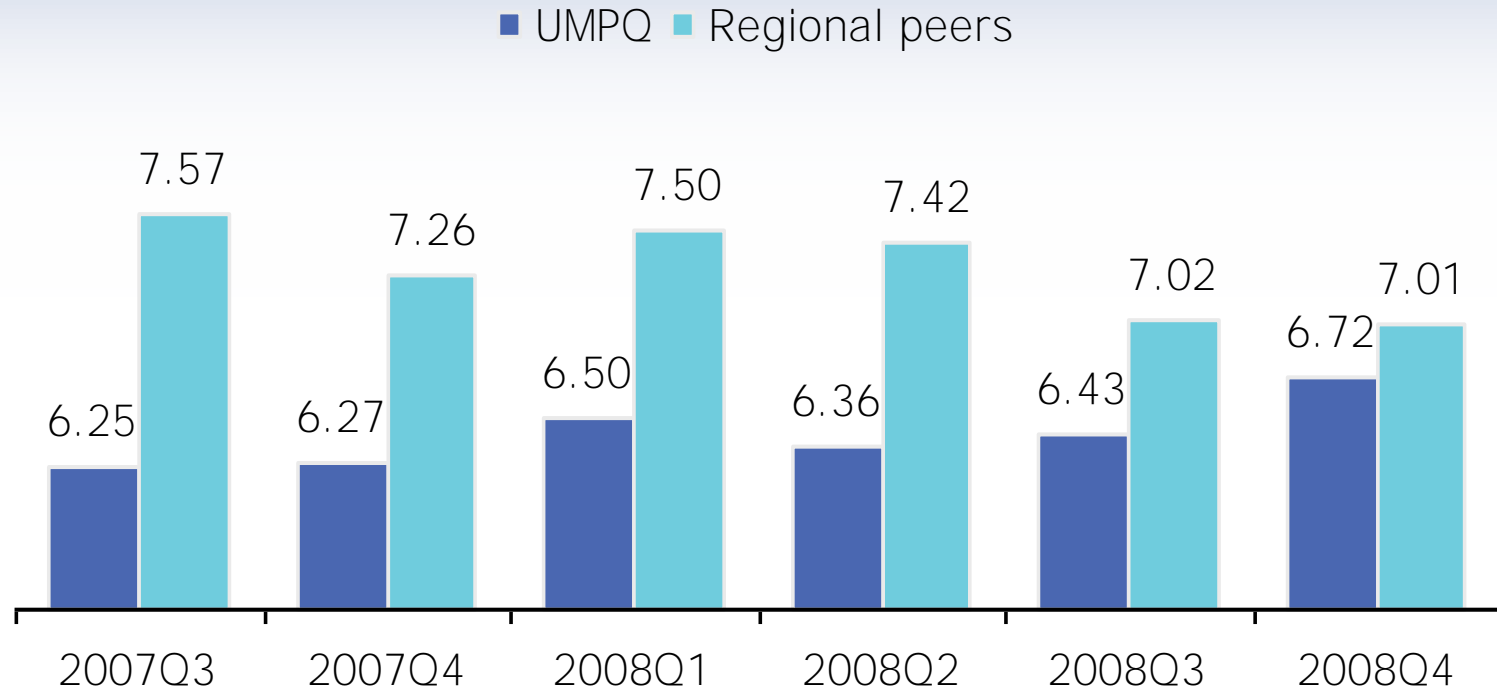
- Virtually all CRE loans include full personal guarantees
- Maximum LTV is 75%, but in many cases the LTV is substantially less as we underwrite to a minimum fully loaded debt service coverage ratio of 1.20
- Protects against low cap rate environment of past several years

Capital

	<u>Q1 2008</u>	<u>Q1 2009</u>
Total Risk Based Capital	11.15%	14.32%
Tangible Equity/ Tangible Assets	6.50%	6.42%
Book Value/ Share	\$20.93	\$21.13
Tangible Book Value/ Share	\$8.22	\$8.56

- \$516 million of excess pre-tax risk based capital above 10% well capitalized threshold
- Excluding CPP, Total risk based capital at 11.40%, higher than 2008

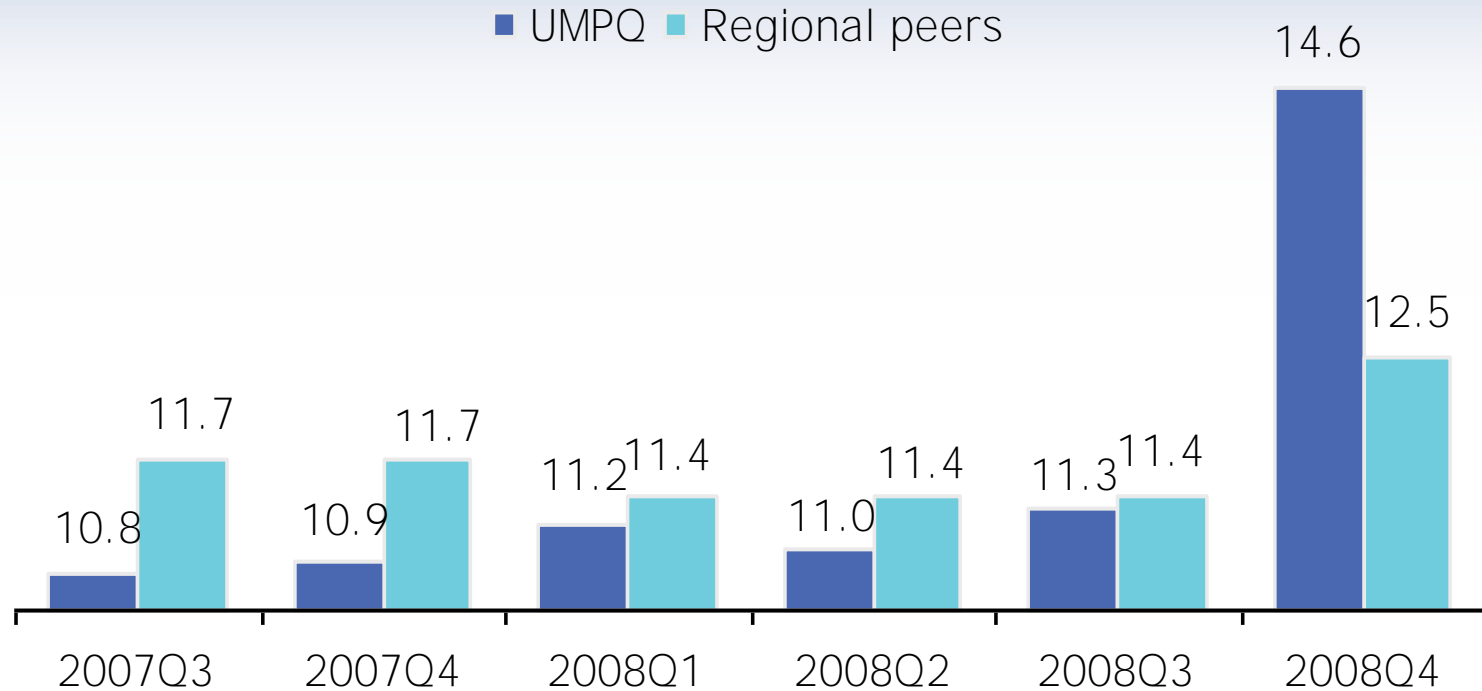
Tangible Common Equity %



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/FRB lines	\$ 2,014
Correspondent lines	150
Fed funds sold	71
Total	<u>2,235</u>
less: outstanding FHLB	(177)
Available lines	<u><u>\$ 2,058</u></u>

- Strong liquidity position
- FHLB collateralized line backed by US Treasury
- \$33 million unrealized gain on AFS portfolio at 3/31/09

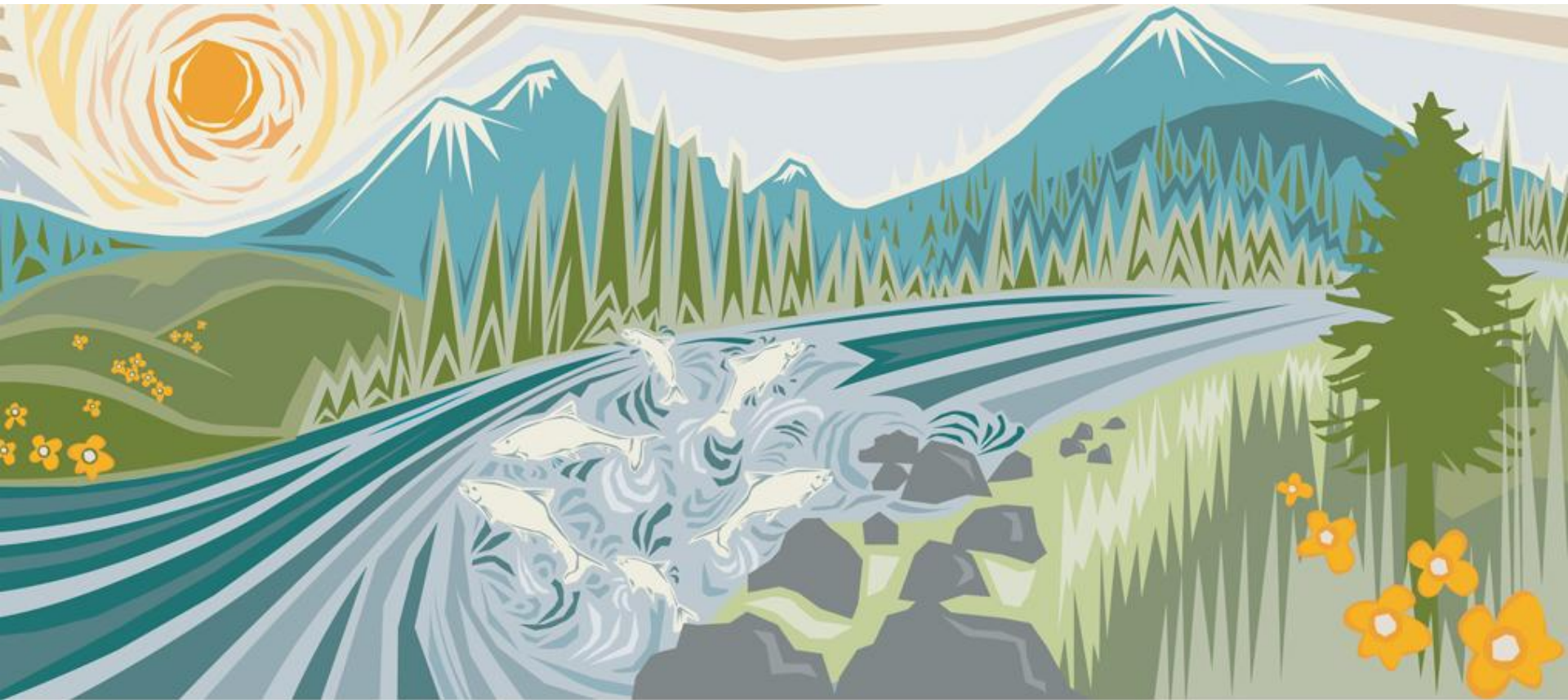
% of assets 23%

% of deposits 30%

Moving Forward

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





Thank you.