



**UMPQUA BANK Acquires Banking Operation
of Nevada Security Bank– Reno, NV,
In FDIC Assisted Transaction – June 18, 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.

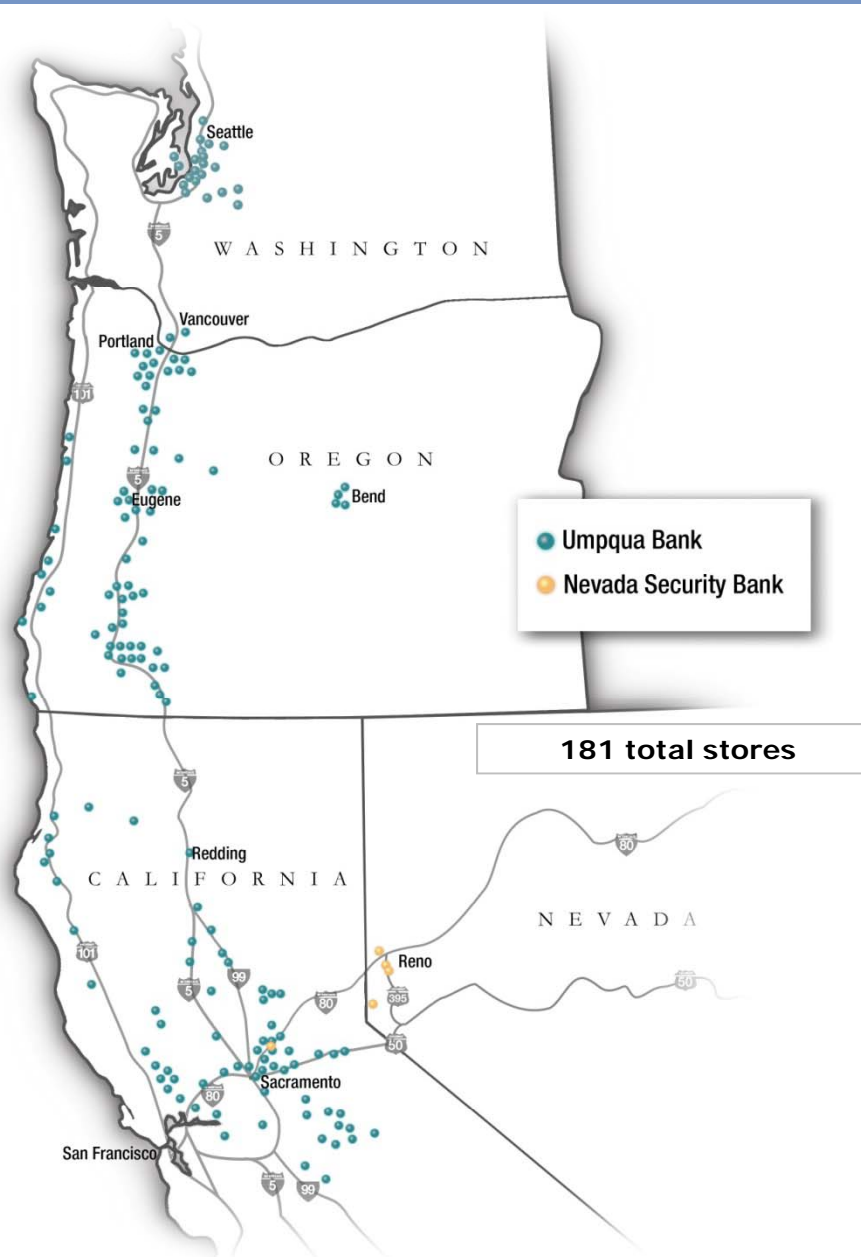


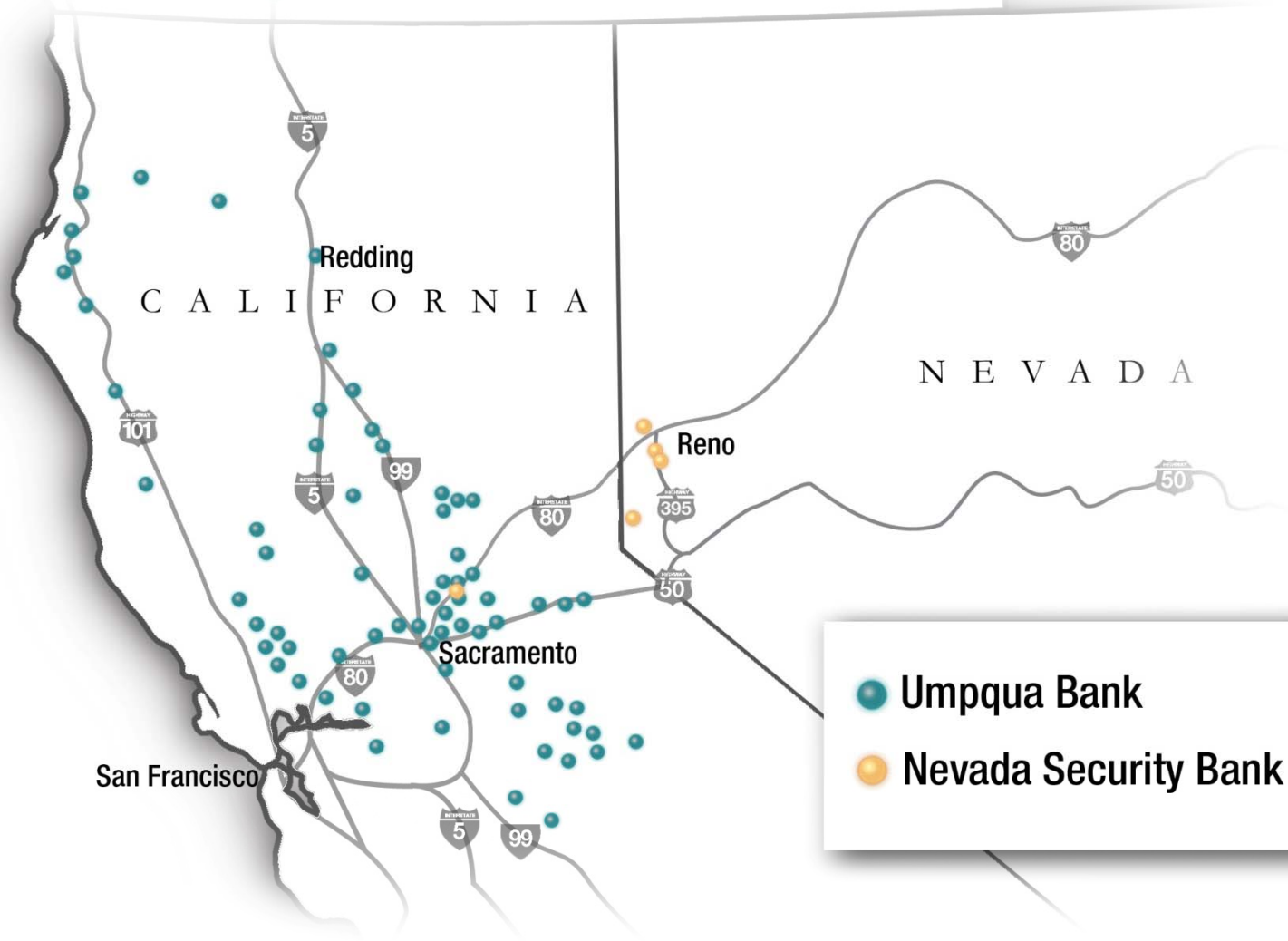
Transaction overview

- FDIC assisted whole bank purchase and assumption transaction with loss share
- Umpqua Bank acquired certain assets and assumed certain liabilities from the FDIC as receiver of Nevada Security Bank of Reno, NV
- Includes the Silverado Bank division in Roseville, CA
- No holding company assets or liabilities acquired
- All approvals received
- Closed June 18, 2010



Expands into contiguous market





Transaction details

- Acquired \$497 million of assets, including \$342 million of loans,
- Assumed \$440 million of deposits
- Excludes certain brokered deposits
- 4.9% asset discount, no deposit premium
- Loans subject to a loss sharing agreement with the FDIC at 80%
- No upside sharing with FDIC
- Estimated \$2.4 million in merger related costs



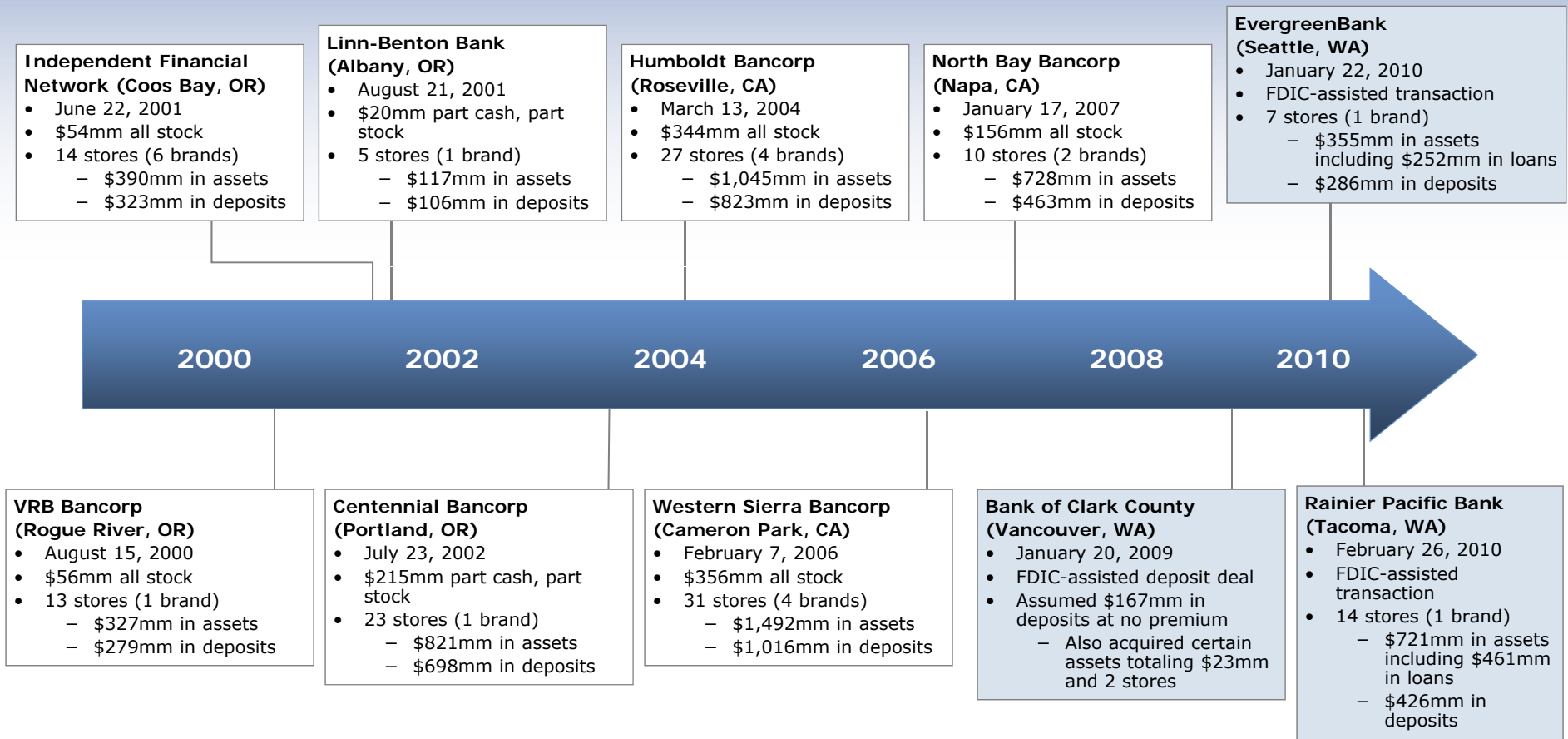
Note: Amounts based on March 31, 2010 financial statements, subject to final closing balances and fair value adjustments as of June 18, 2010.

Transaction rationale

- Expands Umpqua brand into the Reno, Nevada market
- FDIC loss sharing provides protection
- IRR in excess of 15%
- Accretive to operating earnings immediately
- Utilizes small portion of excess capital
- Umpqua continues to be positioned for further acquisitions



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



Summary

- Low risk transaction
- Integration started immediately
- Expand into contiguous market and new state
- Financially attractive to Umpqua shareholders





Thank you.

