



**UMPQUA HOLDINGS CORPORATION**  
**KBW conference July 28-29, 2009**

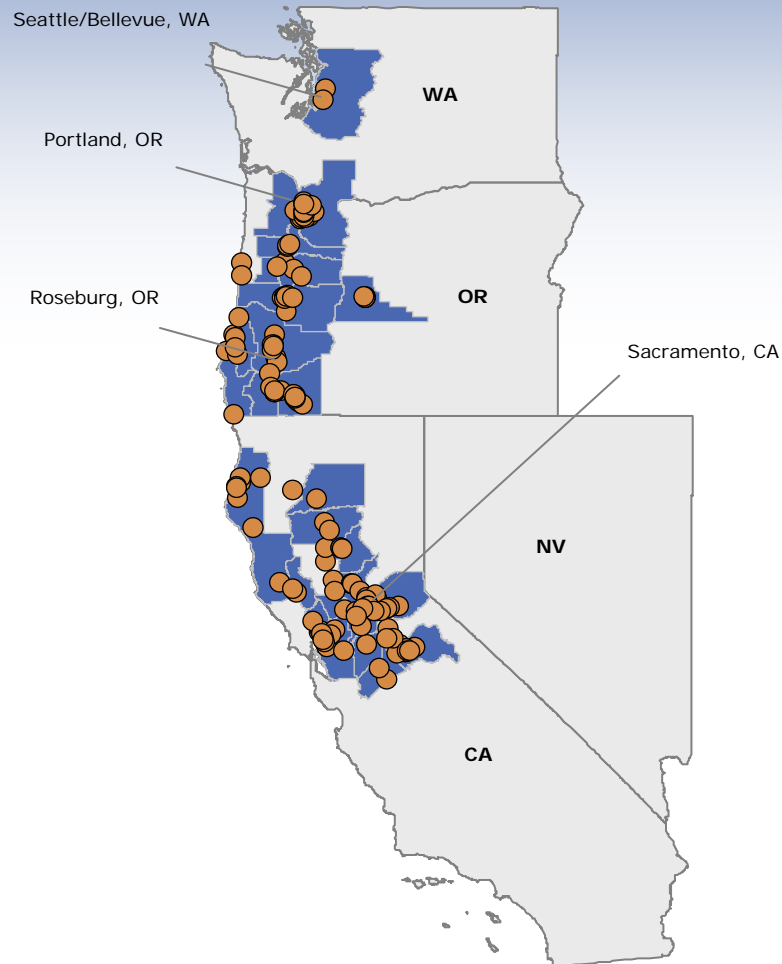


# Safe Harbor Statement

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



## Four Topics for Today's Presentation:

- Second quarter 2009
- Credit Status
- Capital & Liquidity Position
- Moving Forward



# Second quarter 2009

(as compared to Q1 2009)

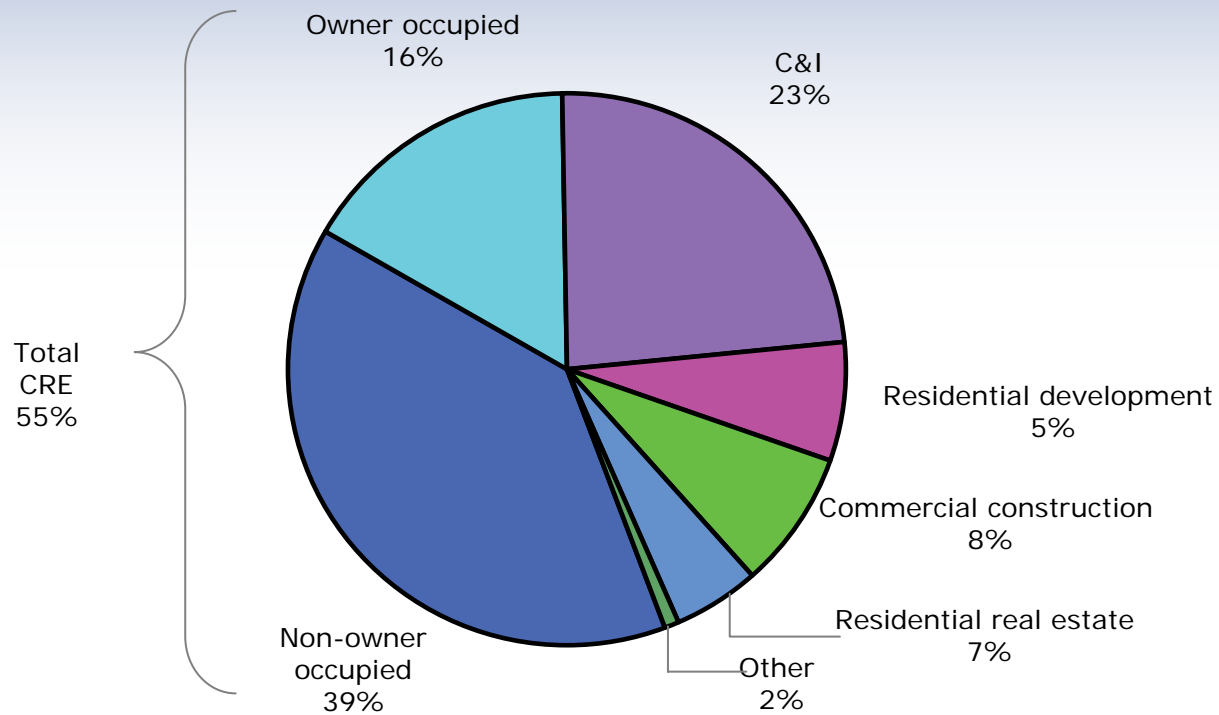
- \$0.07 in diluted earnings per share vs. consensus loss of (\$0.07)
- NPA's dropped from 1.82% to 1.71% of assets
- Provision down 50%, net charge-offs down 56%
- Reserve build to 1.63% of loans (ACL)
- Loans past due 30-89 days down 46%
- Net interest margin up 13bps to 4.20%
- Included \$4 million FDIC special assessment
- Goodwill review to be completed for 10Q filing



# Credit Culture

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

# Loan Portfolio – 6/30/09



# Residential Development Loans

(Millions)

	<u>6/08</u>	<u>6/09</u>	\$ <u>Change</u>	<u>Accrual</u>
NW Oregon	\$159	\$120	(24)%	\$113
Central Oregon	52	15	(70)%	9
Southern Oregon	45	27	(41)%	19
Washington	36	25	(32)%	20
Greater Sacramento	136	85	(38)%	59
Northern CA	<u>75</u>	<u>30</u>	<u>(60)%</u>	<u>19</u>
<b>Total</b>	<b>\$502</b>	<b>\$301</b>	<b>(40)%</b>	<b>\$240</b>
<b>% of portfolio</b>	<b>8%</b>	<b>5%</b>		<b>4%</b>



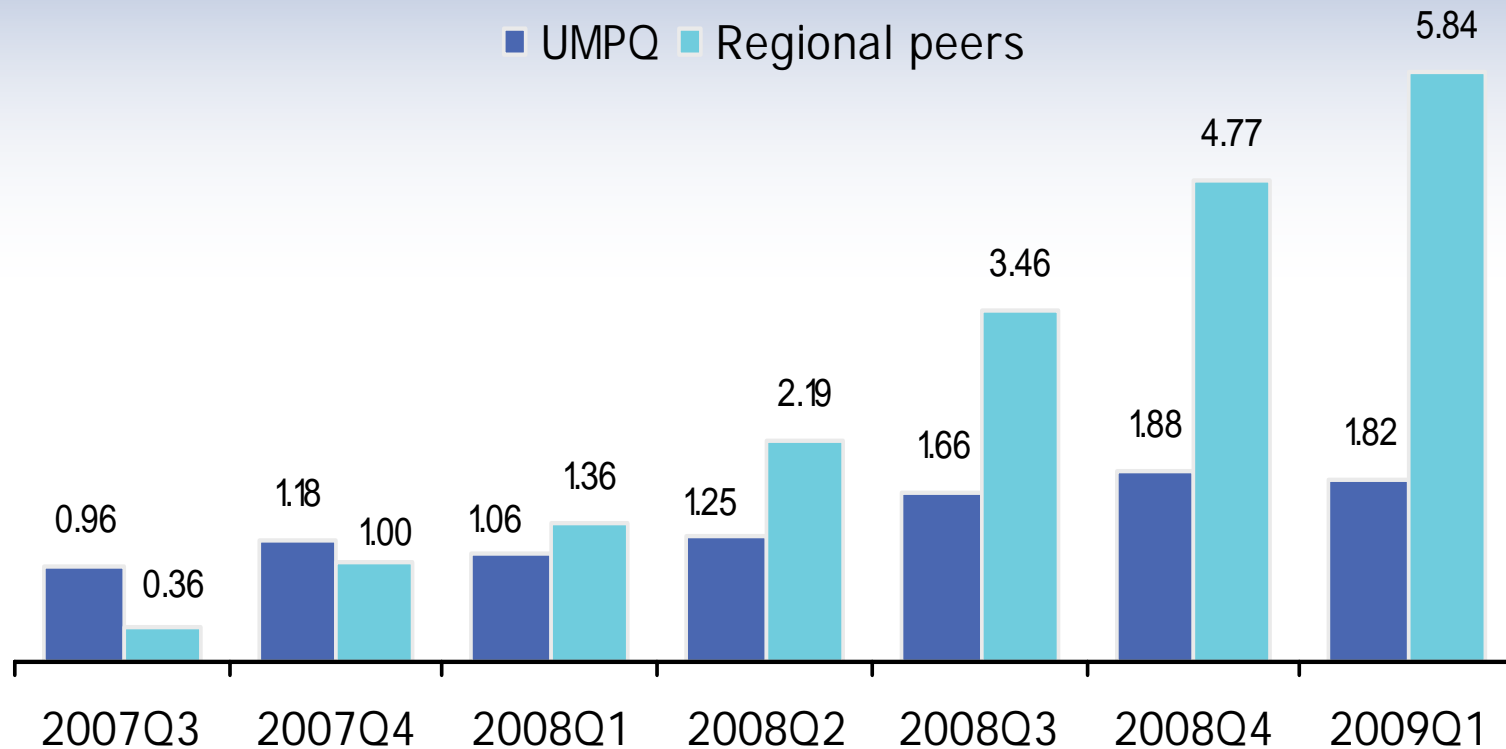


# Credit Quality (\$ in millions)

	<u>Q1 2009</u>	<u>Q2 2009</u>
Non Accrual Loans	\$113	\$105
Loan P/D 90+	<u>14</u>	<u>9</u>
Non Performing Loans	127	114
OREO	<u>32</u>	<u>36</u>
Non-Performing Assets	\$159	\$150
Non-Performing Assets to total Assets	1.82%	1.71%
Allowance for Credit Loss %	1.58%	1.63%



# Non-performing assets to total assets %



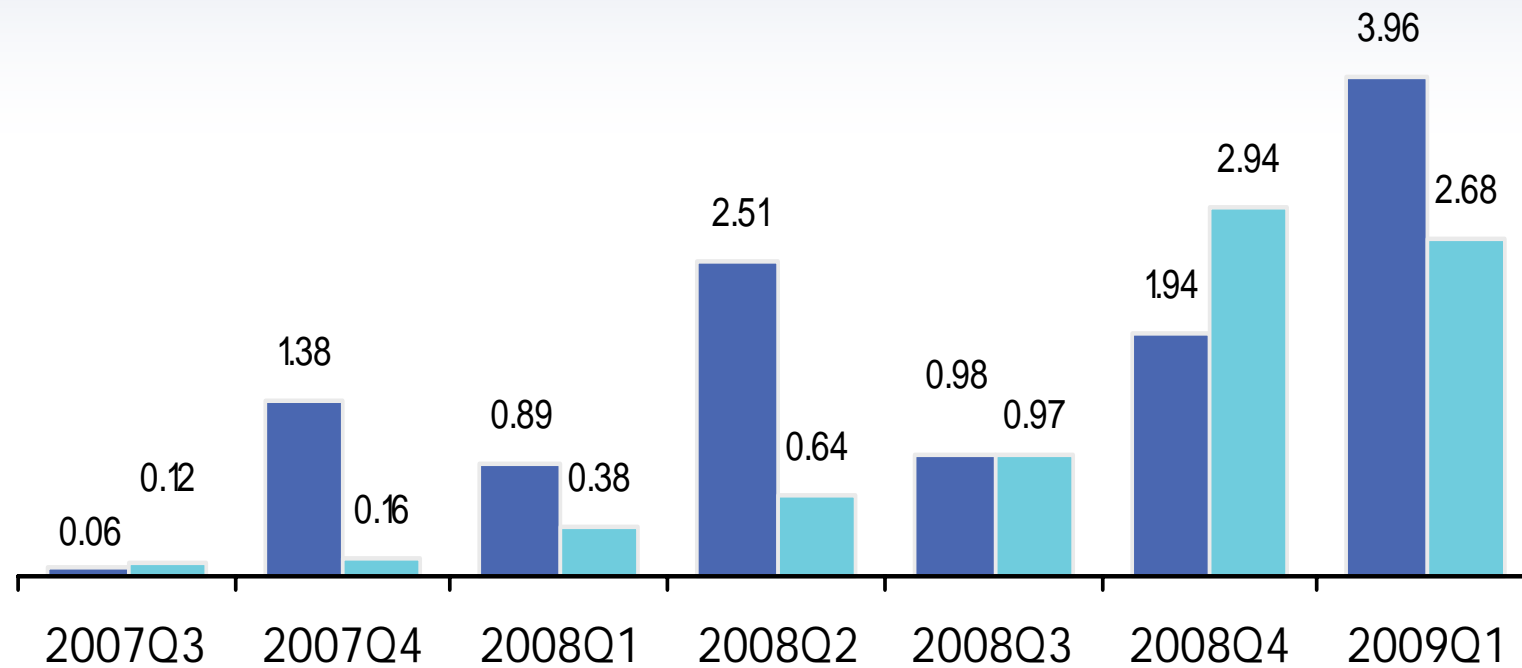
Source: SNL Financial, company filings

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

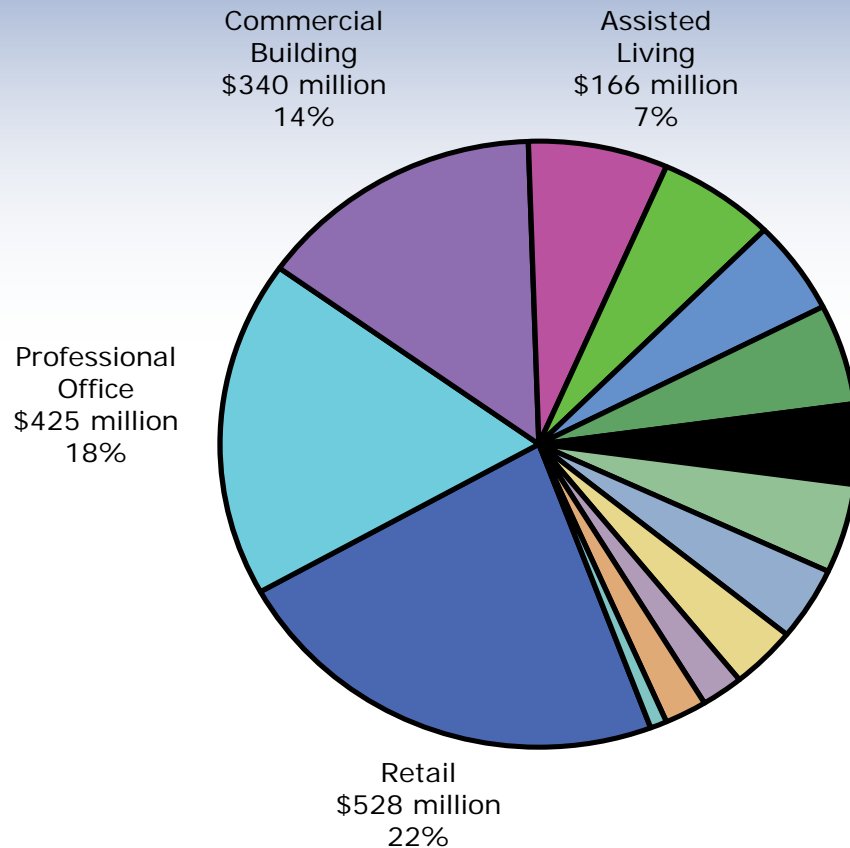
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# Conservative underwriting

- 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



# Non-owner occupied CRE



- Low delinquency, only \$22 million or 0.9% past due 30-89 days.
- Second round 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.

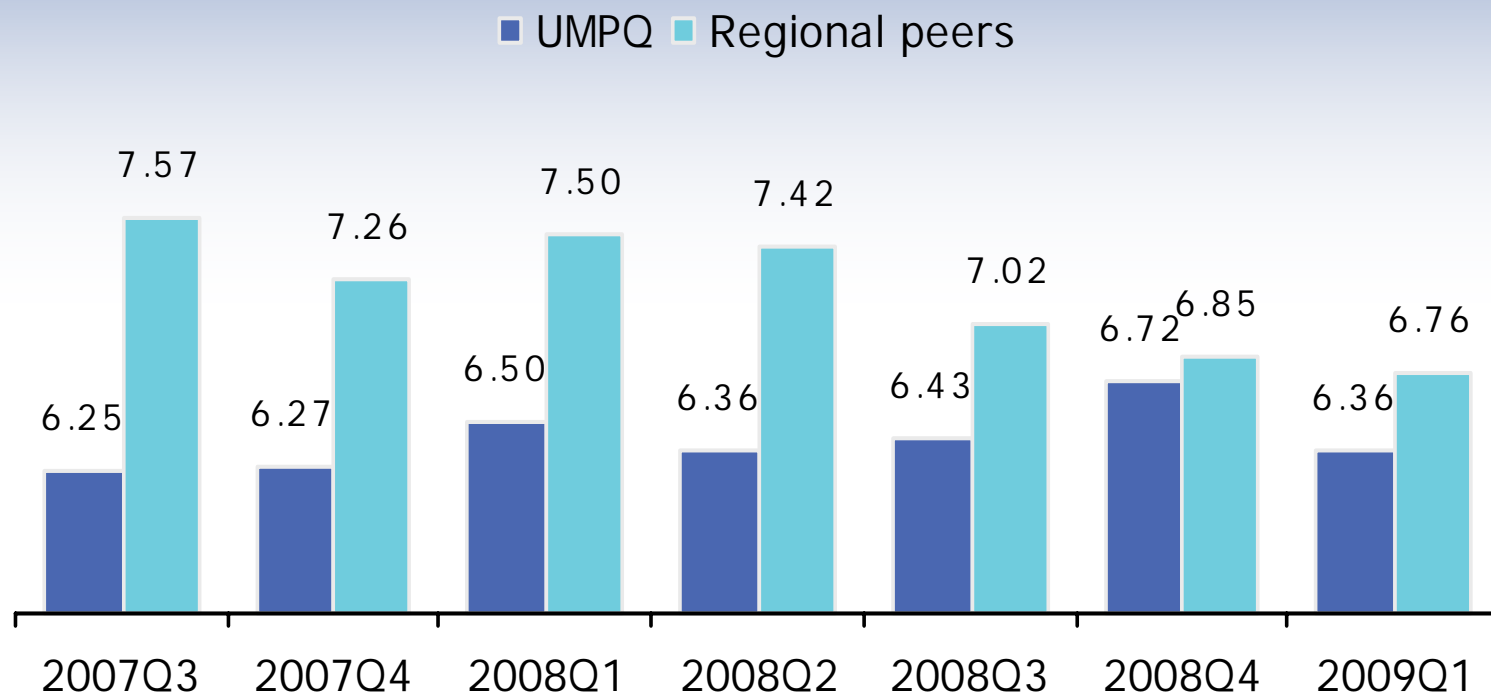
# Capital

	<u>Q2 2008</u>	<u>Q2 2009</u>
Total Risk Based Capital	11.01%	14.35%
Tangible Equity/ Tangible Assets	6.36%	6.37%
Book Value/ Share	\$20.71	\$21.00
Tangible Book Value/ Share	\$8.03	\$8.47

- \$518 million of excess pre-tax risk based capital above 10% well capitalized threshold
- Excluding CPP, Total risk based capital at 11.42%, higher than 2008



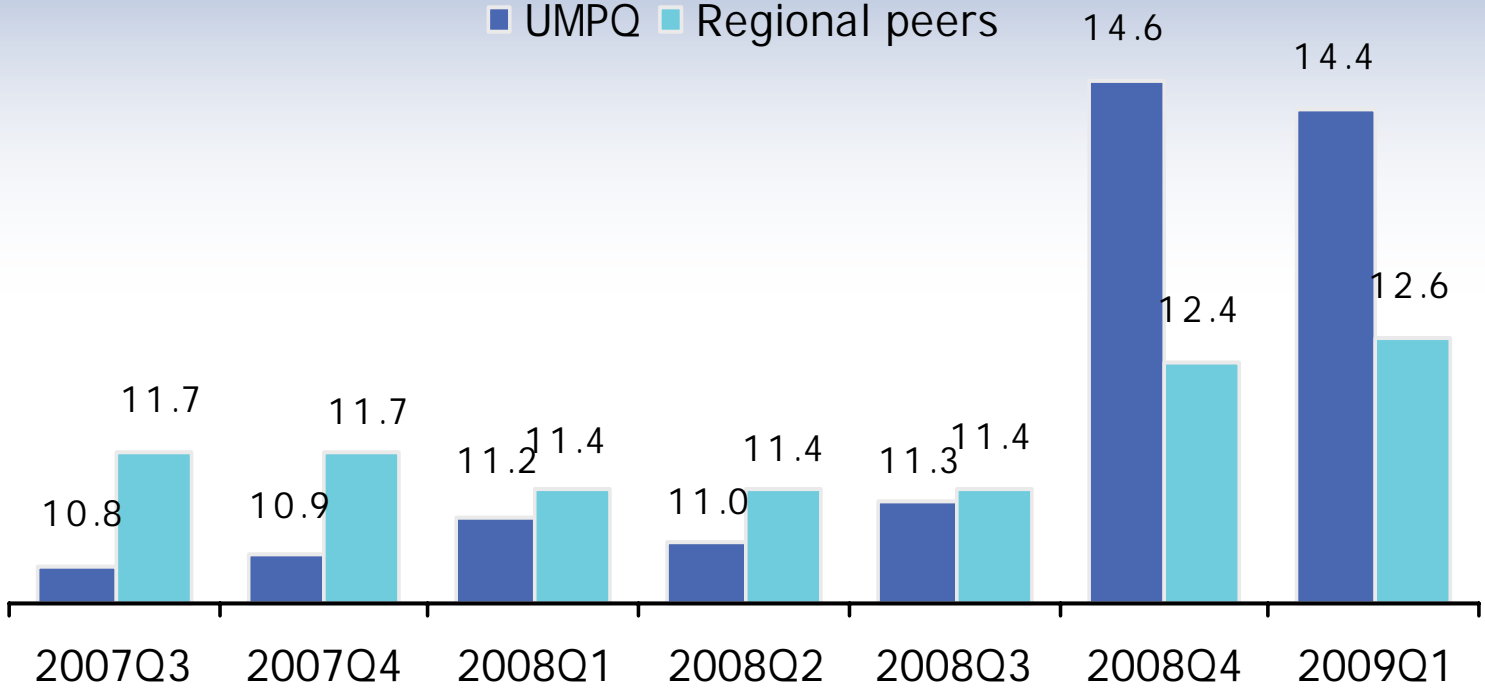
# Tangible Common Equity %



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 millions)

FHLB/FRB lines	\$ 1,915
Correspondent lines	170
Total	<u>2,085</u>

less: outstanding FHLB	(149)
Available lines	<u><u>\$ 1,936</u></u>

% of assets 22%

% of deposits 28%

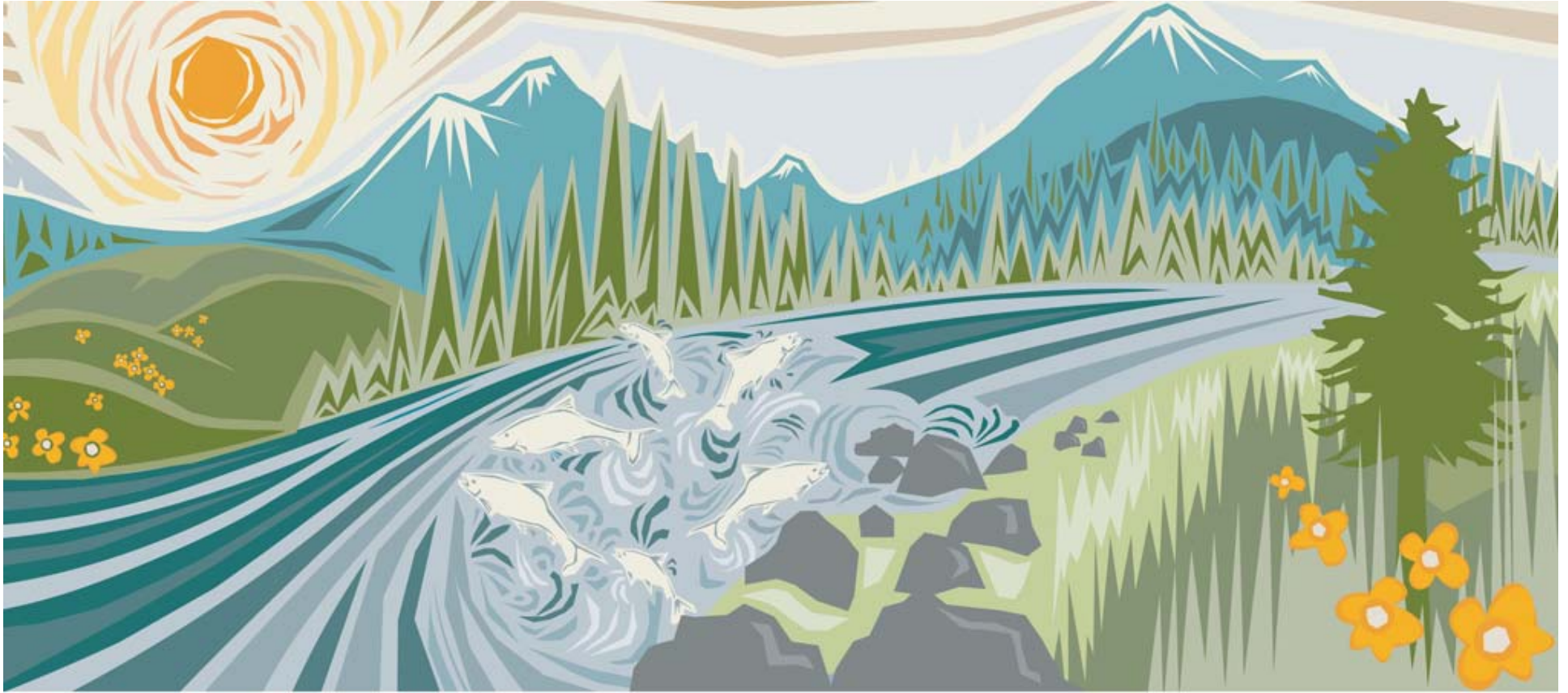
- Strong liquidity position
- FHLB collateralized line backed by US Treasury
- \$25 million unrealized gain on AFS portfolio at 6/30/09



# Moving Forward

- Resolving Credit Issues
- Organic Growth Strategy
- Diversify Loan Portfolio
- Wealth management
- Opportunities





**Thank you.**

