

UMPQUA HOLDINGS CORPORATION
DA Davidson Financial Institutions Conference

May 10, 2016



Forward-looking Statements

This presentation includes forward-looking statements within the meaning of the “Safe-Harbor” provisions of the Private Securities Litigation Reform Act of 1995, which management believes are a benefit to shareholders. These statements are necessarily subject to risk and uncertainty and actual results could differ materially due to various risk factors, including those set forth from time to time in our filings with the SEC. You should not place undue reliance on forward-looking statements and we undertake no obligation to update any such statements. In this presentation we make forward-looking statements about credit discount accretion related to loans acquired from Sterling Financial Corporation, loan and lease growth and loan sales, and planned investments and results of new initiatives. Risks that could cause results to differ from forward-looking statements we make are set forth in our filings with the SEC and include, without limitation, prolonged low interest rate environment; unanticipated weakness in loan demand or loan pricing; deterioration in the economy; lack of strategic growth opportunities or our failure to execute on those opportunities; our inability to effectively manage problem credits; our ability to successfully develop and market new products and technology; changes in laws or regulations; and changes in general economic conditions.

The World's Greatest Bank



Umpqua Holdings Corporation ⁽¹⁾

- **Headquarters:** Portland, OR
- **Ticker:** UMPQ (NASDAQ)
- **Assets:** \$23.9bn
- **Loans & Leases:** \$16.9bn
- **Deposits:** \$18.2bn
- **Market Cap:** \$3.3bn
- **Footprint:** Oregon, Wash., Calif., Nevada, Idaho



Well-positioned In Key Growth Markets on West Coast

Seattle

- MSA projected population change (2016 – 2021) of 6.69%

Portland

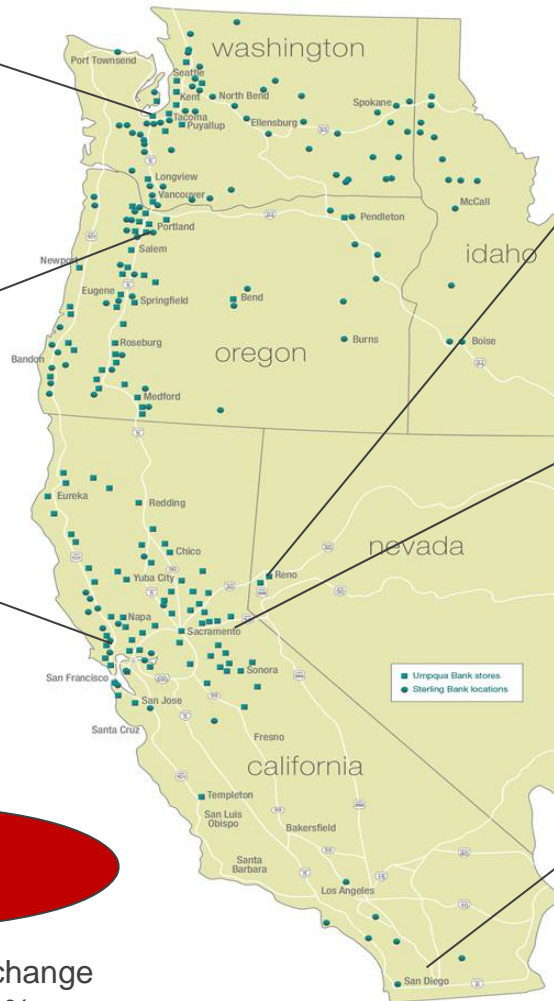
- MSA projected population change (2016 – 2021) of 5.69%

San Francisco

- MSA projected population change (2016 – 2021) of 5.90%

U.S. Aggregate

- Projected population change (2016 – 2021) of 3.69%



Reno

- MSA projected population change (2016 – 2021) of 5.18%

Sacramento

- MSA Projected population change (2016 – 2021) of 4.98%

San Diego

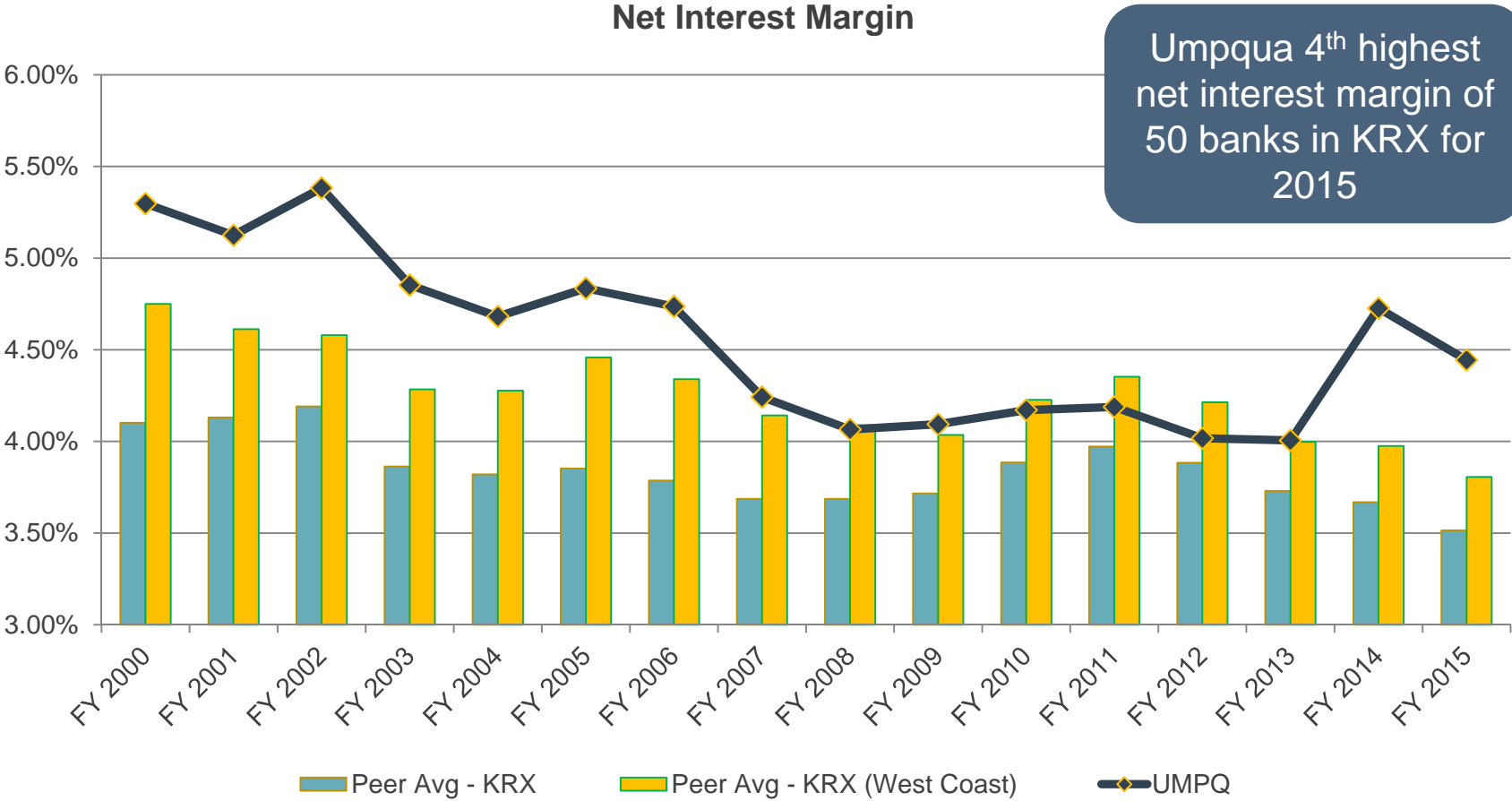
- MSA Projected population change (2016 – 2021) of 5.52%

> Source: SNL Financial.

Q1 2016 Highlights

- > Net earnings of \$47.5 million, or \$0.22 per common share
- > Operating earnings ⁽¹⁾ of \$63.9 million, or \$0.29 per common share
 - Net interest income decreased by \$2.1 million from the prior quarter
 - On an operating basis ⁽¹⁾, non-interest income increased by \$1.1 million from the prior quarter
 - On an operating basis ⁽¹⁾, non-interest expense decreased by \$2.1 million from the prior quarter
- > Gross loan and lease growth (prior to the impact of loan sales and transfers) of \$489.2 million, or 12% annualized
- > Deposit growth of \$455.8 million, or 10% annualized
- > Credit quality, capital and liquidity all remained strong

Industry Leading Net Interest Margin



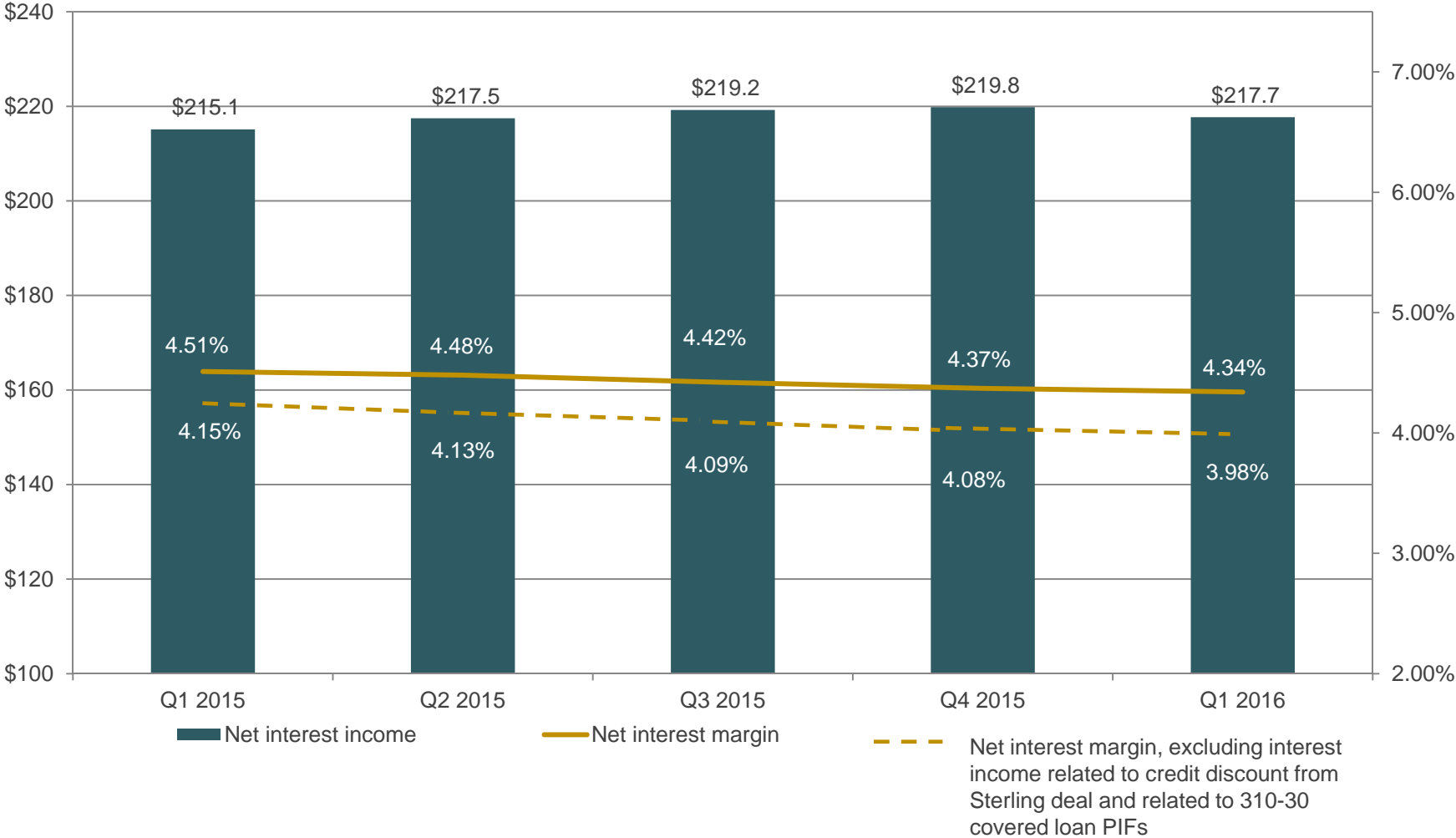
Umpqua 4th highest net interest margin of 50 banks in KRX for 2015

> Source: SNL Financial.
 > KRX includes current list of companies in the KBW Regional Bank Index. KRX (West Coast) includes BOH, CATY, COLB, CVBF, EWBC, GBCI, PACW, WAFD, WABC, and WAL. See appendix for full list of peers.



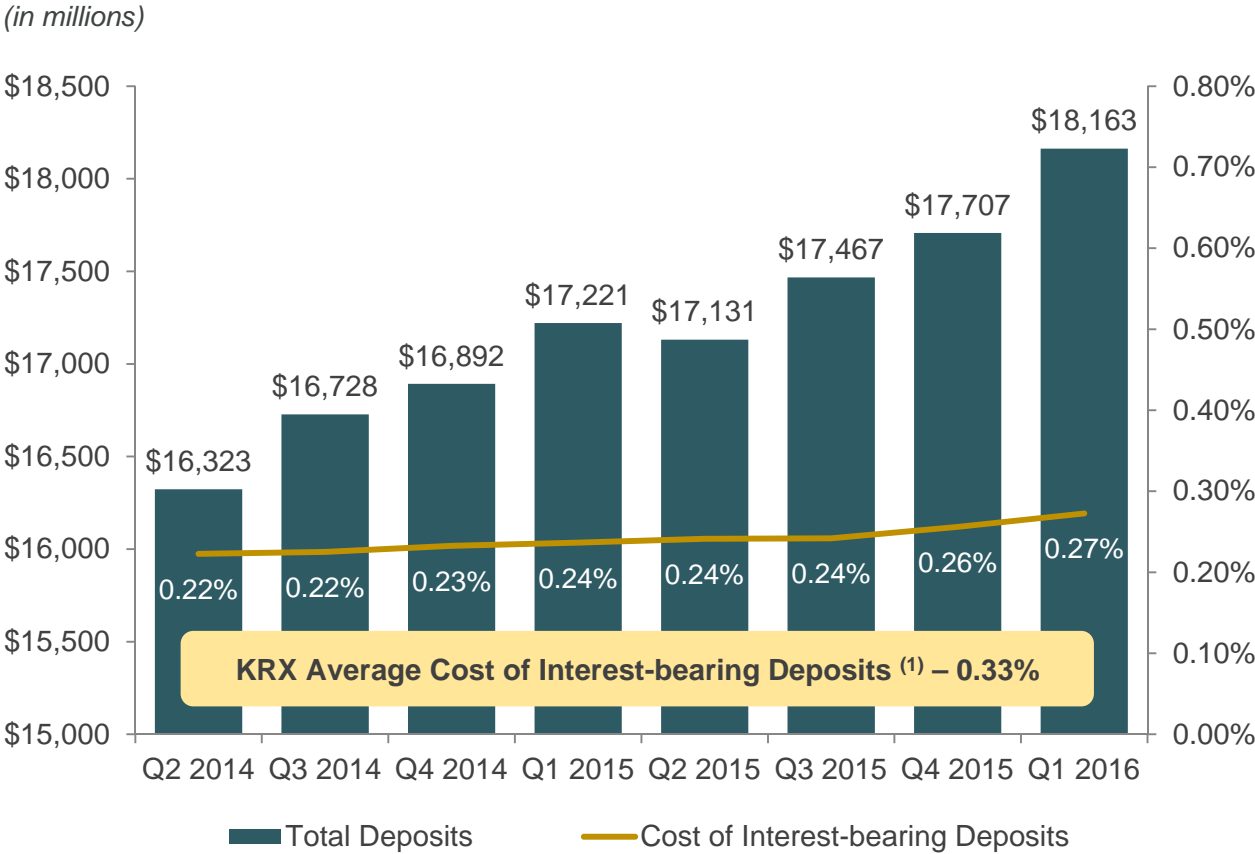
Current Net Interest Income and Margin Trends

(in millions)



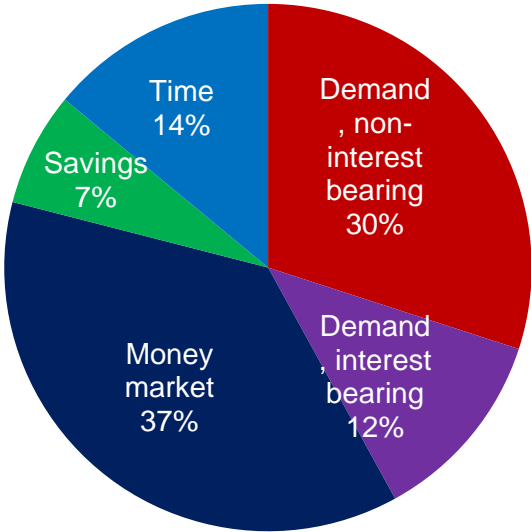
Low Cost Deposit Franchise

Total Deposits and Cost of Interest-bearing Deposits



Deposit Composition

As of Mar 31, 2016

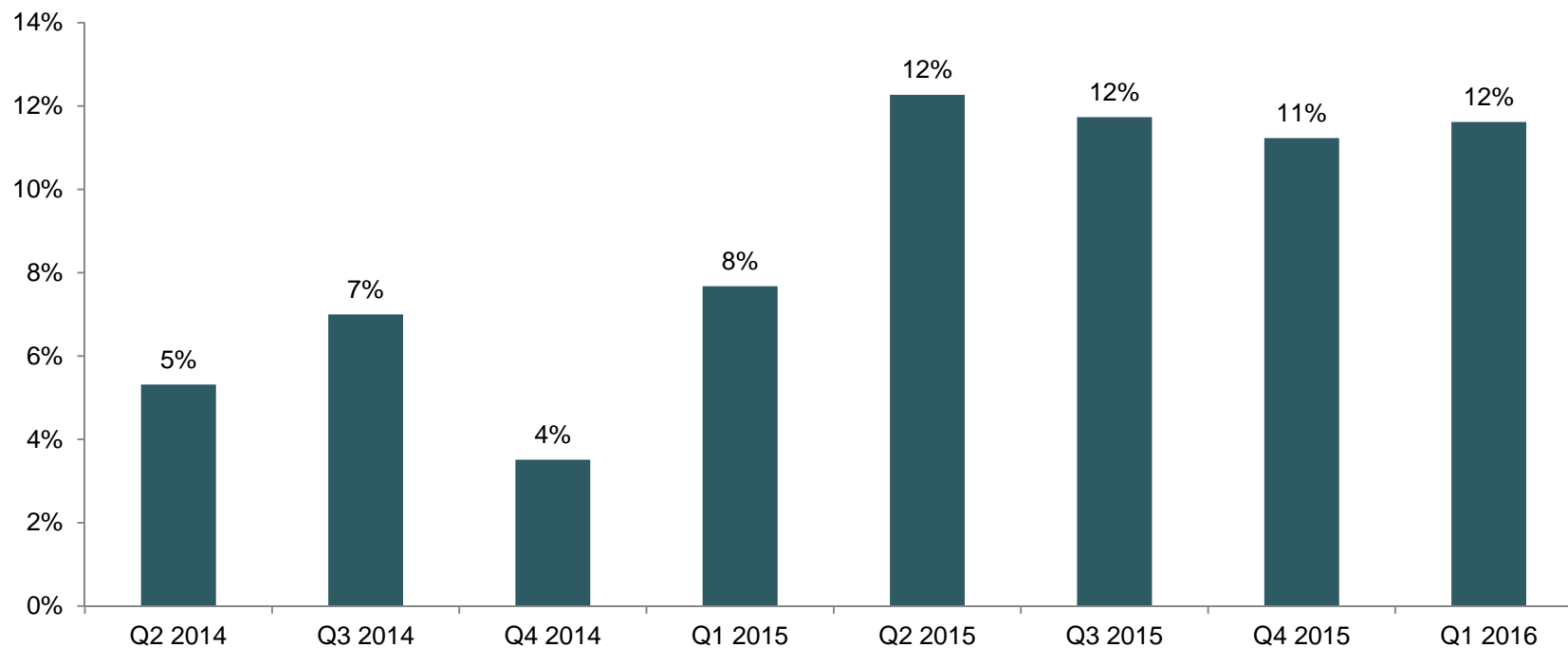


> (1) Source: SNL Financial.
 > KRX includes current list of companies in the KBW Regional Bank Index. See appendix for full list of peers.



Consistent Loan Growth

Annualized Gross Loan and Lease Growth Rate ⁽¹⁾

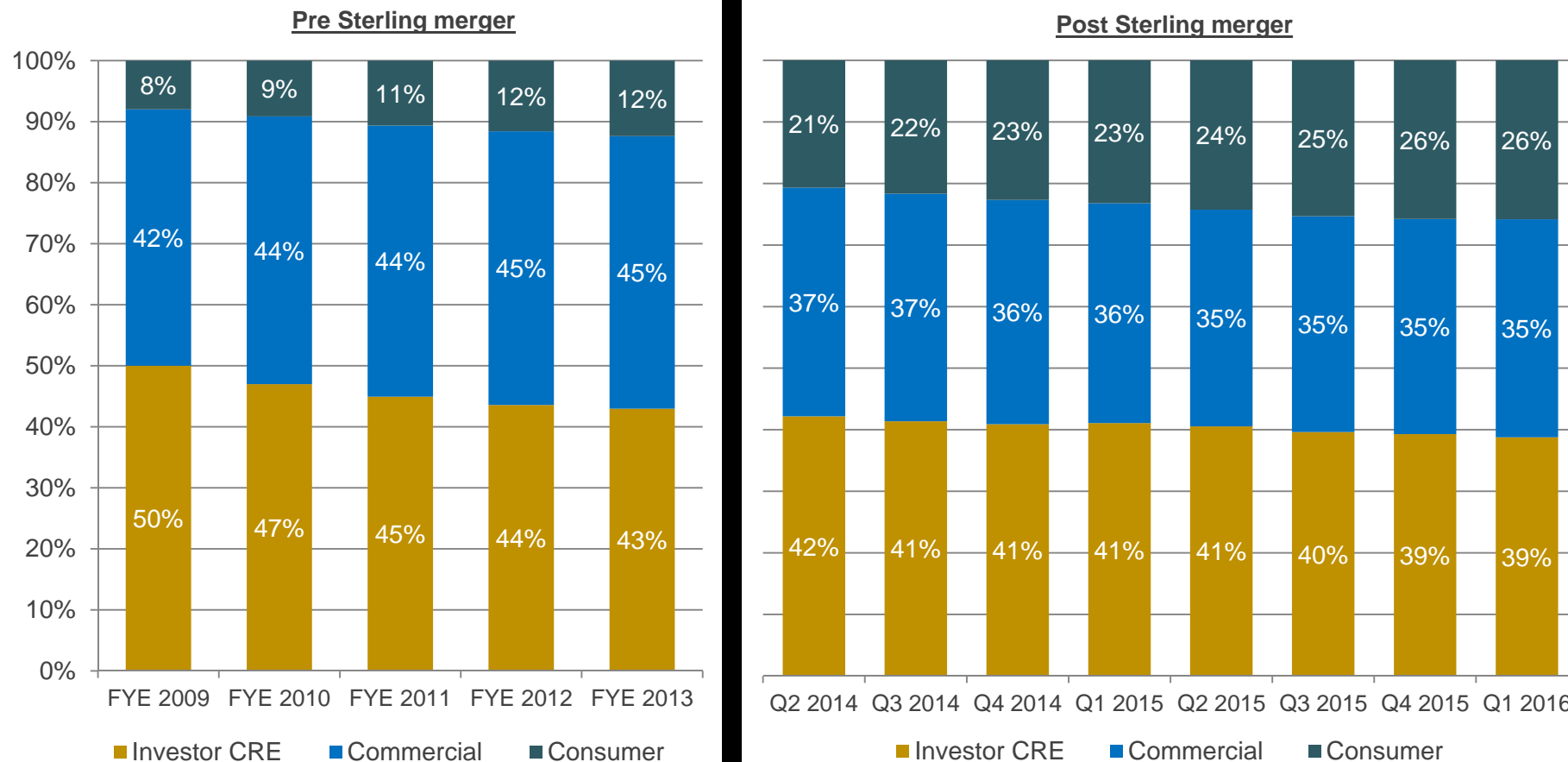


Loan-to-Deposit Ratio	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
	92.7%	91.2%	90.7%	90.3%	93.2%	93.8%	95.1%	93.3%

> (1) Annualized gross loan and lease growth prior to the impact of loan sales and loans transferred into held for sale during Q1 2016.

Managing Loan Concentration Over Time

Gross Loan and Lease Concentration (1)

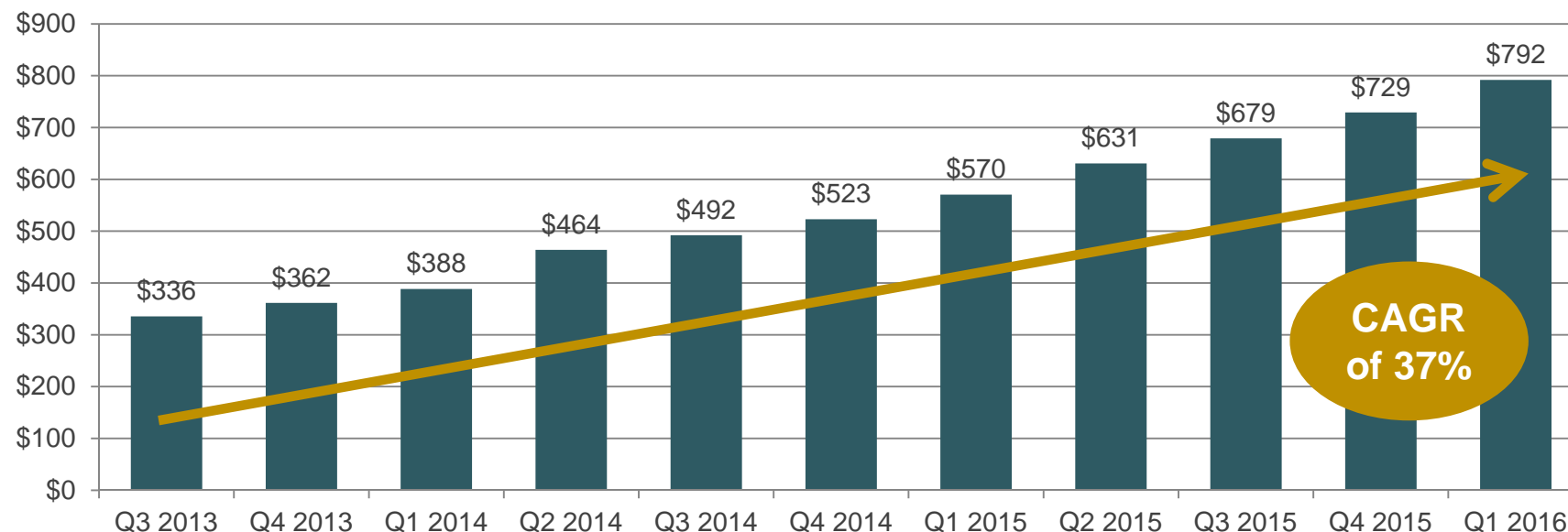


> (1) Investor CRE includes non-owner occupied CRE, multifamily, commercial construction and residential development. Commercial includes term, lines of credit & other, owner occupied CRE and leases. Consumer includes mortgage, HELOC, and other consumer.

Strong Growth in Leasing Portfolio

Leasing & Equipment Finance Portfolio (“FinPac”)

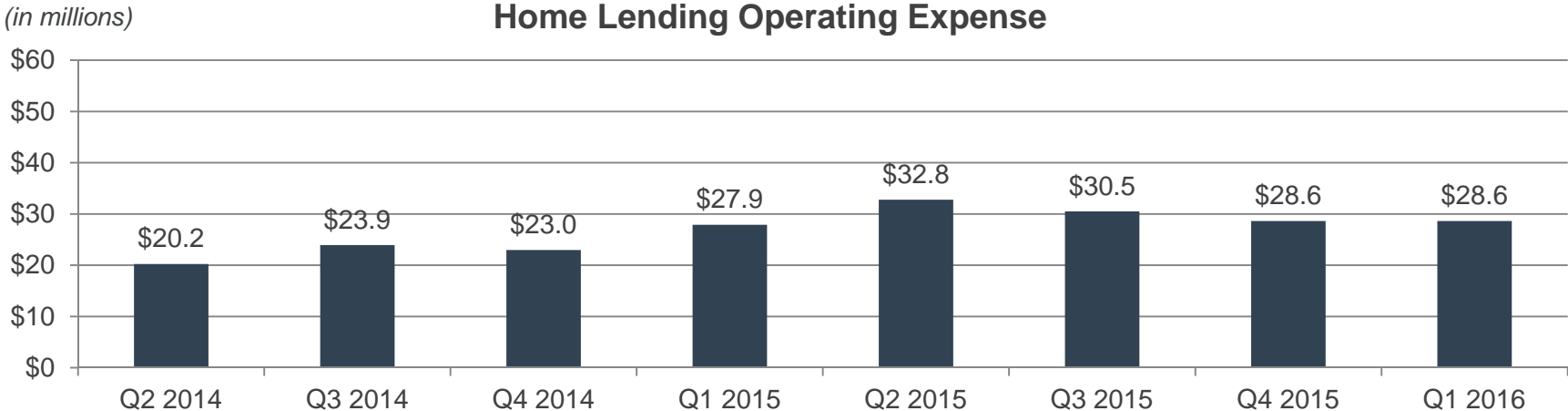
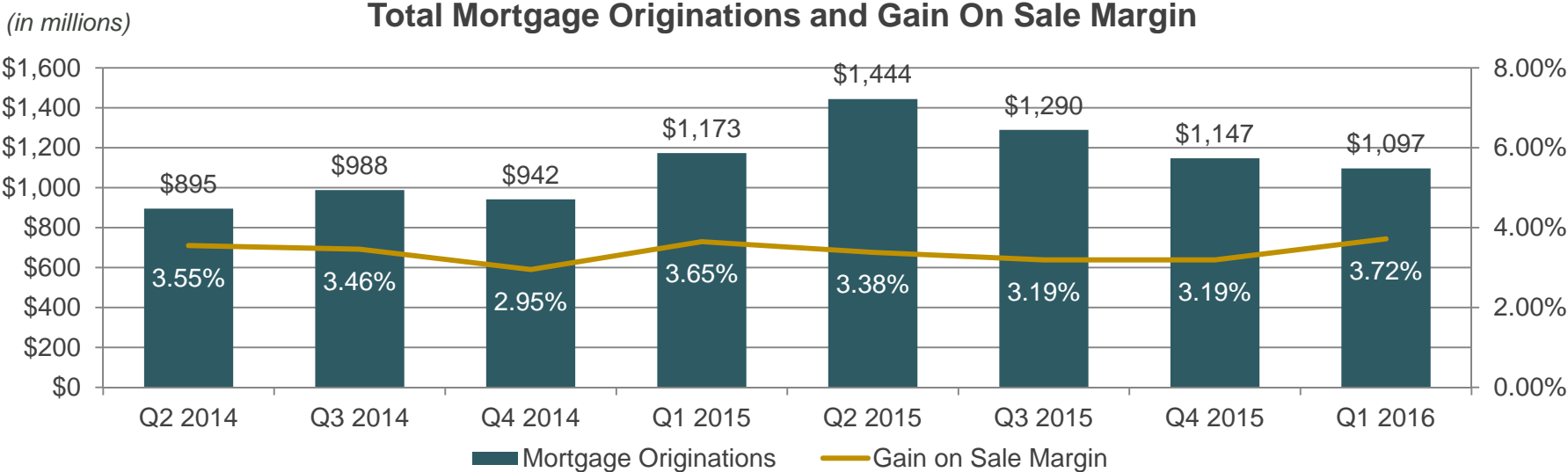
(in millions)



Portfolio Details (as of March 31, 2016)

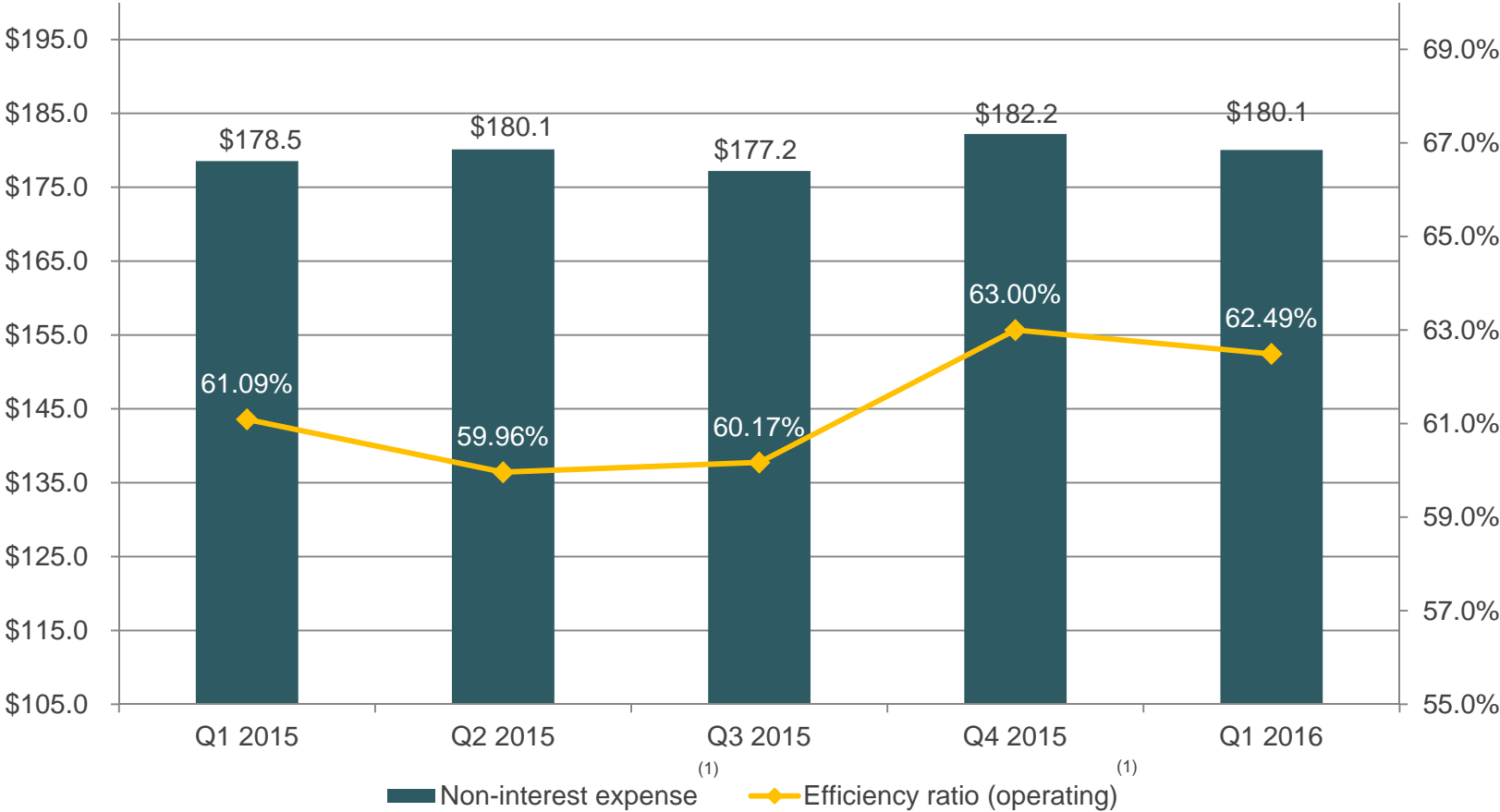
- **Blended New Production Yield:** 10.70%
- **Credit Type:** A (67%), B/C (33%)
- **Average Loan Size:** \$27,000
- **60+ Delinquency Rate:** 1.29%

Scalable Mortgage Banking Business



Progress in Efficiency Initiatives

Non-Interest Expense and Efficiency Ratio (Operating Basis) ⁽¹⁾

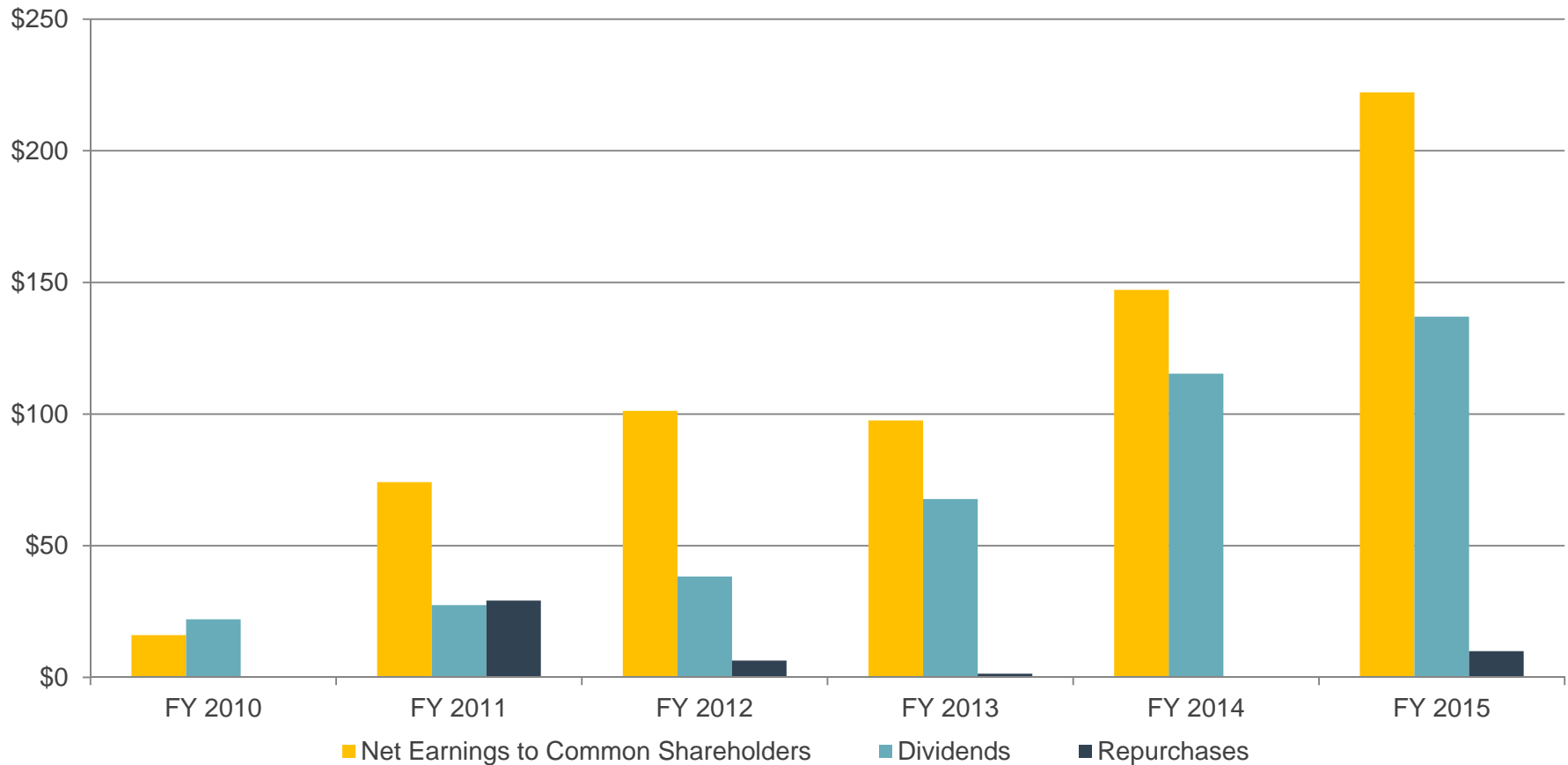


> (1) Non-GAAP financial measure. A reconciliation to the comparable GAAP measurement is provided at the end of this slide presentation.



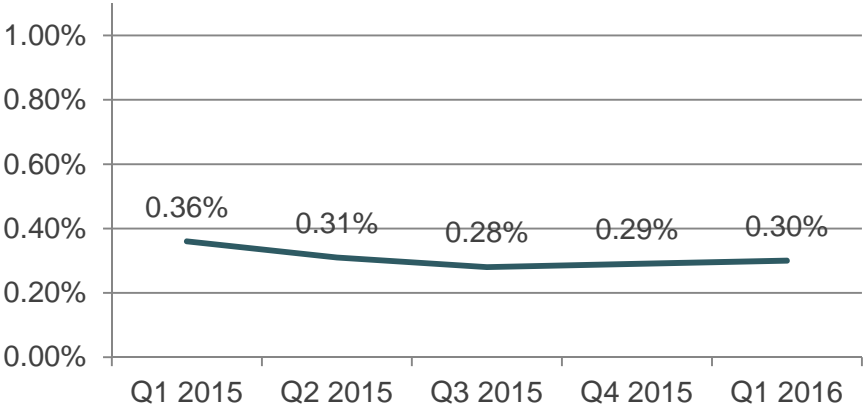
Track Record of Prudent Capital Management

(in millions)

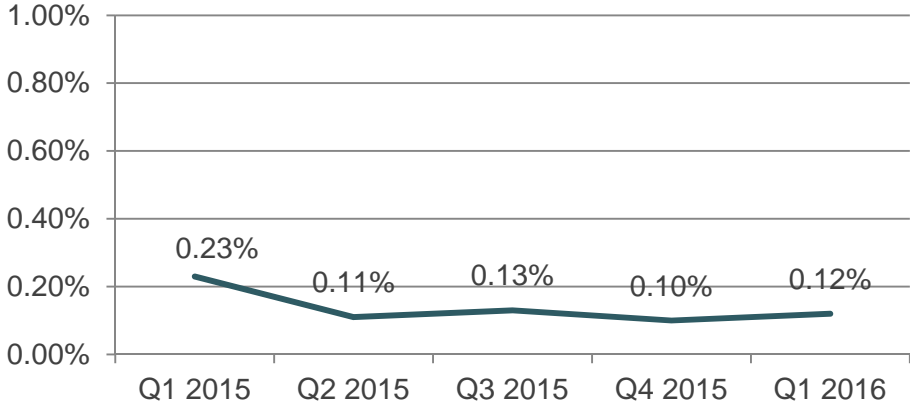


Stable Credit Quality

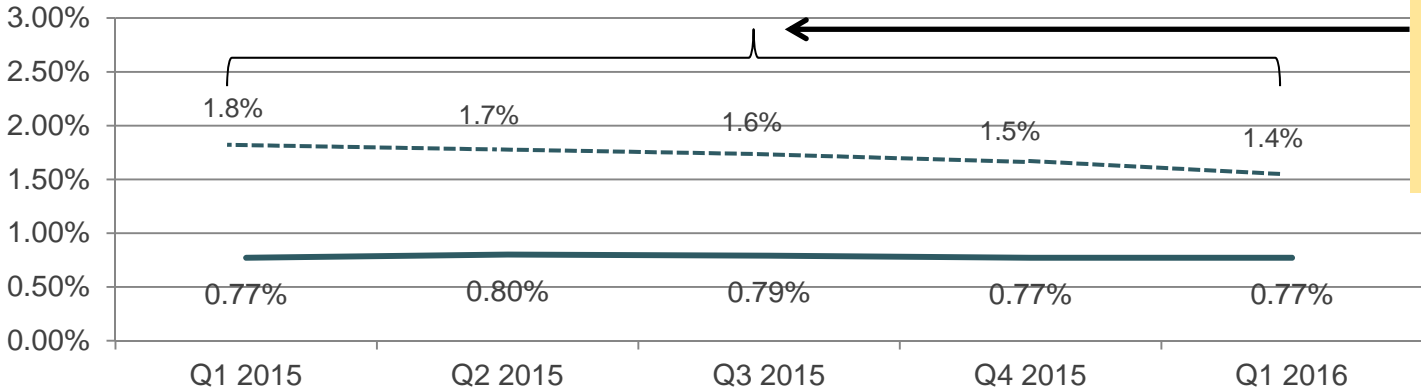
Non-performing assets to total assets ⁽¹⁾



Net charge-offs to average loans and leases (annualized)



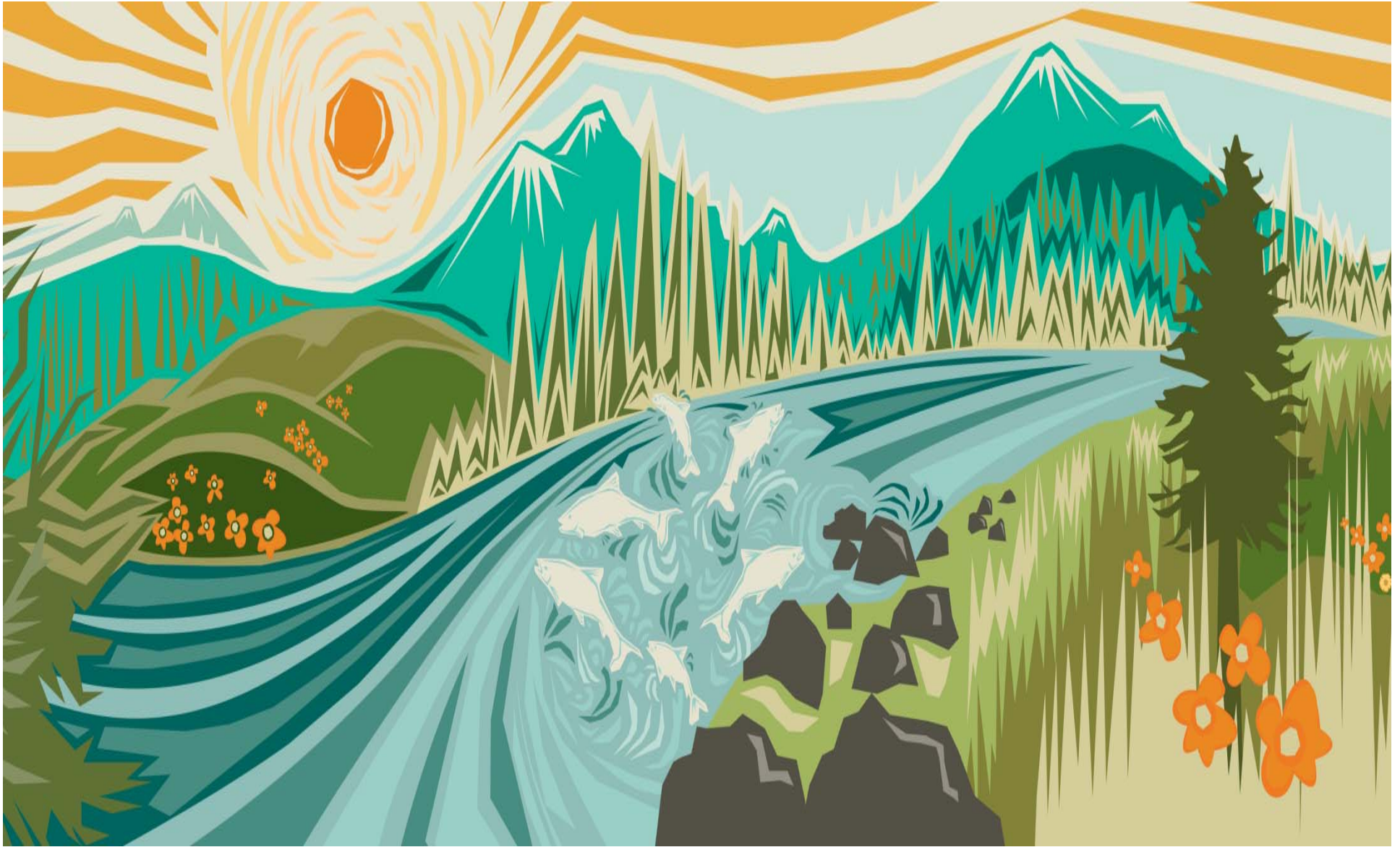
Allowance for loan and lease losses to loans and leases



Ratio after grossing up for value of Sterling-related credit mark remaining at quarter end

> (1) Excludes non-performing mortgage loans guaranteed by Ginnie Mae, which Umpqua has the unilateral right to repurchase but has not done so.





Questions?

Appendix

Non-GAAP Reconciliation – Operating Earnings

<i>(In thousands, except per share data)</i>	Quarter Ended					% Change	
	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Seq. Quarter	Year over Year
Net earnings available to common shareholders	\$ 47,540	\$ 62,923	\$ 57,523	\$ 54,691	\$ 47,045	(24)%	1 %
Adjustments:							
Merger related expenses	3,450	3,712	5,991	21,797	14,082	(7)%	(76)%
Net loss on junior subordinated debentures carried at fair value	1,572	1,589	1,590	1,572	1,555	(1)%	1 %
Loss from change in fair value of MSR asset	20,625	469	10,103	423	9,728	nm	112 %
Loss (gain) from change in fair value of swap derivative	1,793	(715)	1,181	(1,408)	781	nm	130 %
Gain on investment securities, net	(696)	(2,567)	(220)	(19)	(116)	(73)%	500 %
Goodwill impairment	142	—	—	—	—	nm	nm
Exit or disposal costs	347	—	—	—	—	nm	nm
Total pre-tax adjustments	27,233	2,488	18,645	22,365	26,030	995 %	5 %
Income tax effect (1)	(10,836)	(995)	(7,458)	(8,946)	(10,412)	989 %	4 %
Net adjustments	16,397	1,493	11,187	13,419	15,618	998 %	5 %
Operating earnings	\$ 63,937	\$ 64,416	\$ 68,710	\$ 68,110	\$ 62,663	(1)%	2 %
<u>Earnings per diluted share:</u>							
Earnings available to common shareholders	\$ 0.22	\$ 0.28	\$ 0.26	\$ 0.25	\$ 0.21	(21)%	5 %
Operating earnings	\$ 0.29	\$ 0.29	\$ 0.31	\$ 0.31	\$ 0.28	0 %	4 %

(1) Income tax effect of pro forma operating earnings adjustments at 40% for tax-deductible items.

nm = not meaningful.

Non-GAAP Reconciliation – Operating Earnings

(Dollars in thousands)

Non-interest income (GAAP)

Adjustments:

Net loss on junior subordinated debentures carried at fair value

Loss from change in fair value of MSR asset

Loss (gain) from change in fair value of swap derivative

Gain on investment securities, net

Non-interest income (operating basis)

	Quarter Ended				
	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015
Non-interest income (GAAP)	\$ 45,951	\$ 69,345	\$ 61,372	\$ 81,102	\$ 63,905
Adjustments:					
Net loss on junior subordinated debentures carried at fair value	1,572	1,589	1,590	1,572	1,555
Loss from change in fair value of MSR asset	20,625	469	10,103	423	9,728
Loss (gain) from change in fair value of swap derivative	1,793	(715)	1,181	(1,408)	781
Gain on investment securities, net	(696)	(2,567)	(220)	(19)	(116)
Non-interest income (operating basis)	\$ 69,245	\$ 68,121	\$ 74,026	\$ 81,670	\$ 75,853

Non-interest expense (GAAP)

Adjustments:

Merger related expenses

Goodwill impairment

Exit or disposal costs

Non-interest expense (operating basis)

	Quarter Ended				
	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015
Non-interest expense (GAAP)	\$ 183,989	\$ 185,911	\$ 183,194	\$ 201,918	\$ 192,619
Adjustments:					
Merger related expenses	(3,450)	(3,712)	(5,991)	(21,797)	(14,082)
Goodwill impairment	(142)	—	—	—	—
Exit or disposal costs	(347)	—	—	—	—
Non-interest expense (operating basis)	\$ 180,050	\$ 182,199	\$ 177,203	\$ 180,121	\$ 178,537

Non-GAAP Reconciliation – Tangible Book Value

<i>(In thousands, except per share data)</i>	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015
Total shareholders' equity	\$ 3,878,630	\$ 3,849,334	\$ 3,835,552	\$ 3,804,179	\$ 3,800,970
Subtract:					
Goodwill and other intangible assets, net	1,830,599	1,833,301	1,836,954	1,839,760	1,842,567
Tangible common shareholders' equity	\$ 2,048,031	\$ 2,016,033	\$ 1,998,598	\$ 1,964,419	\$ 1,958,403
Total assets	\$ 23,921,531	\$ 23,387,205	\$ 23,162,304	\$ 22,793,331	\$ 22,953,158
Subtract:					
Goodwill and other intangible assets, net	1,830,599	1,833,301	1,836,954	1,839,760	1,842,567
Tangible assets	\$ 22,090,932	\$ 21,553,904	\$ 21,325,350	\$ 20,953,571	\$ 21,110,591
Common shares outstanding at period end	220,171	220,171	220,217	220,280	220,454
Tangible common equity ratio	9.27%	9.35%	9.37%	9.38%	9.28%
Tangible book value per common share	\$ 9.30	\$ 9.16	\$ 9.08	\$ 8.92	\$ 8.88

KRX Peer List

<u>Institution Name</u>	<u>Ticker</u>	<u>Institution Name</u>	<u>Ticker</u>
UMB Financial Corporation	UMBF	BankUnited, Inc.	BKU
Bank of Hawaii Corporation	BOH	Pinnacle Financial Partners, Inc.	PNFP
Commerce Bancshares, Inc.	CBSH	Washington Federal, Inc.	WAFD
City Holding Company	CHCO	PrivateBancorp, Inc.	PVTB
Westamerica Bancorporation	WABC	Investors Bancorp, Inc.	ISBC
Fulton Financial Corporation	FULT	IBERIABANK Corporation	IBKC
CVB Financial Corp.	CVBF	Columbia Banking System, Inc.	COLB
Boston Private Financial Holdings, Inc.	BPFH	Western Alliance Bancorporation	WAL
First Financial Bancorp.	FFBC	Cullen/Frost Bankers, Inc.	CFR
Provident Financial Services, Inc.	PFS	BOK Financial Corporation	BOKF
Trustmark Corporation	TRMK	Hancock Holding Company	HBHC
MB Financial, Inc.	MBFI	Wintrust Financial Corporation	WTFC
Park National Corporation	PRK	Cathay General Bancorp	CATY
United Bankshares, Inc.	UBSI	Old National Bancorp	ONB
First Financial Bankshares, Inc.	FFIN	First Horizon National Corporation	FHN
First Commonwealth Financial Corporation	FCF	Synovus Financial Corp.	SNV
F.N.B. Corporation	FNB	BancorpSouth, Inc.	BXS
First Midwest Bancorp, Inc.	FMBI	Signature Bank	SBNY
Valley National Bancorp	VLY	PacWest Bancorp	PACW
Prosperity Bancshares, Inc.	PB	TCF Financial Corporation	TCB
Webster Financial Corporation	WBS	Bank of the Ozarks, Inc.	OZRK
Glacier Bancorp, Inc.	GBCI	S&T Bancorp, Inc.	STBA
Brookline Bancorp, Inc.	BRKL	East West Bancorp, Inc.	EWBC
Community Bank System, Inc.	CBU	Texas Capital Bancshares, Inc.	TCBI
Associated Banc-Corp	ASB		