Umpqua Holdings Corporation

2nd Quarter 2020 Earnings Conference Call Presentation

July 23, 2020

Umpqua Holdings Corporation

Forward-looking Statements

This press release 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. Forward-looking statements can be identified by words such as “anticipates,” “intends,” “plans,” “seeks,” “believes,” “estimates,” “expects,” “target,” “projects,” “outlook,” “forecast,” “will,” “may,” “could,” “should,” “can” and similar references to future periods. In this press release we make forward-looking statements about the projected impact on our business operations of the COVID-19 global pandemic. 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: current and future economic and market conditions, including the effects of declines in housing and commercial real estate prices, high unemployment rates, and any slowdown in economic growth particularly in the western United States; the effect of the COVID-19 pandemic, including on our credit quality, deferral programs, and business operations, as well as its impact on general economic and financial market conditions; economic forecast variables that are either materially worse or better than end of quarter projections and deterioration in the economy that exceeds current consensus estimates; our ability to effectively manage problem credits; our ability to successfully implement efficiency and operational excellence initiatives; our ability to successfully develop and market new products and technology; and changes in laws or regulations. We also caution that the amount and timing of any future common stock dividends or repurchases will depend on the earnings, cash requirements and financial condition of the Company, market conditions, capital requirements, applicable law and regulations (including federal securities laws and federal banking regulations), and other factors deemed relevant by the Company’s Board of Directors, and may be subject to regulatory approval or conditions.

COVID-19 Response

Associates

- Initiated a remote work program for associates. About **90%** of our non-store associates are operating remotely.
- Diligent and planful return to office strategies being developed working with multiple state-level proclamations and CDC guidance.
- Supplemental front line associate pay.
- Established pandemic pay bank for associates needing additional time off due to various COVID-19 impacts.

Customers

- Active participant in the Paycheck Protection Program (PPP). Complete PPP details follow on slide #5 which show over **15,000** loans produced for **$2.0B.** **~225,000** estimated jobs saved.
- Transitioned store operations which has allowed over **95%** of stores on any given day to remain open throughout the crisis.
- Working closely with customers who require payment deferrals. Deferral program details follow on slide #6.

Communities

- **$3.0 million** in combined grants and investments to organizations providing COVID-19 community relief and small business microloans:
  - 57% of Q2 grants to non-profits focusing on economic opportunity for underserved communities.
  - 43% of Q2 grants to non-profits whose programming focuses on educational attainment.
- Initiated Virtual Volunteerism Program in which associates have logged over **1,500** hours of virtual volunteer work this year.
- Associate 3:1 Giving Match

Q2 2020 Highlights (compared to Q1 2020)

- Net interest income decreased by $6.0 million on a quarter to quarter basis primarily driven by lower average yields on loans and leases, partially offset by a lower cost of interest bearing deposits.
- Provision for credit losses decreased by $31.0 million, although still elevated from historical levels reflecting the continued influence of the COVID-19 global pandemic on economic forecasts.
- Net charge-offs decreased by twelve basis points to 0.29% of average loans and leases (annualized).
- Non-interest income increased by $74.8 million, driven primarily by an increase in net mortgage banking revenue.
- Non-interest expense decreased by $1.8 billion, driven by the $1.8 billion goodwill impairment that was recorded in the prior period. Absent the goodwill impairment charge, non-interest expense increased by $4.2 million from the prior quarter primarily due to strong mortgage production.
- Non-performing assets to total assets decreased six basis points to 0.26% from 0.32%.
- Estimated total risk-based capital ratio of 14.4% and estimated Tier 1 common to risk weighted assets ratio of 11.1%.
- Issued a Form 8-K on June 17, 2020 announcing the shift in timing of a dividend declaration date from historical intra-quarter announcements to after quarterly earnings are finalized and applicable regulatory approval processes are complete.

Paycheck Protection Program (PPP)

- Umpqua was an early and active participant in PPP
  - Started taking applications on April 3, 2020
  - Produced over 15,000 loans for $2B in balances (as of 7/15/2020)
  - ~225,000 estimated jobs saved

State	Number of PPP Loans	Sum of PPP Loan Balances	% of PPP Loan Balances
Oregon	6,016	$722mm	36%
California	4,531	$720mm	36%
Washington	3,843	$429mm	21%
Idaho	400	$48mm	2%
Nevada	357	$52mm	3%
Other	144	$35mm	2%
Total	**15,291**	**$2,006mm**	

PPP Notes:

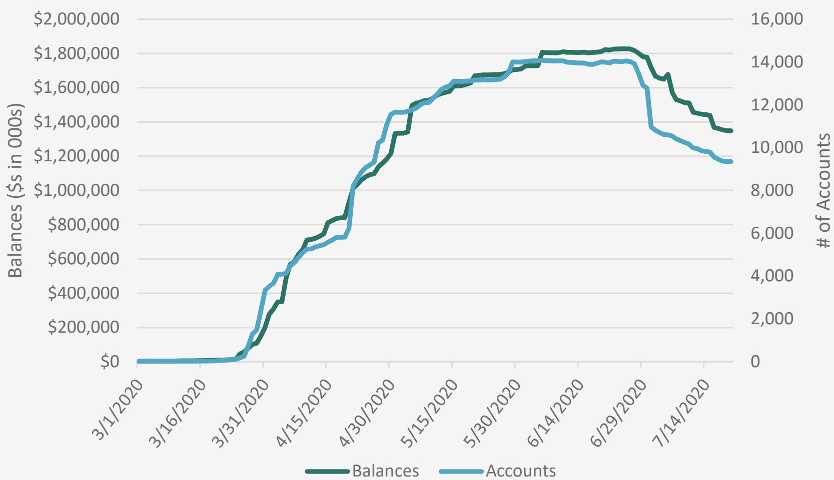
- **80%** of loans to existing Umpqua Bank customers
- **20%** to **new** customers of Umpqua Bank
- 134 loans were over $2mm
- 12,806 loans were under $150k

COVID-19 Response – Loan Deferrals

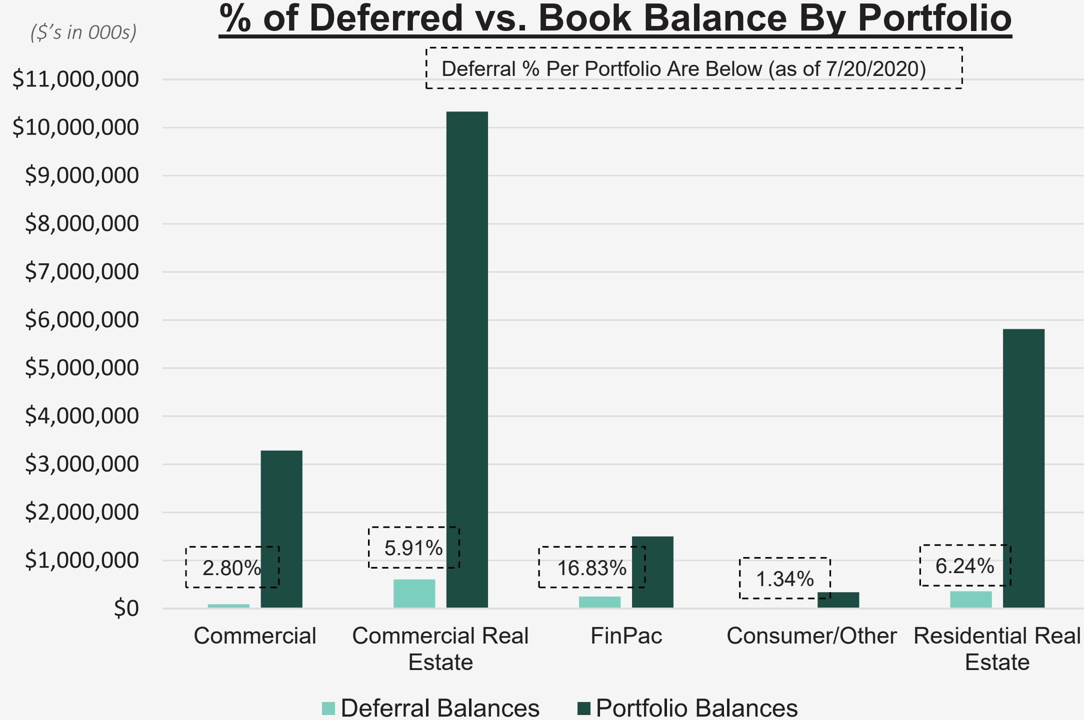
Summary of Current Deferrals (as of 7/20/2020):

	Deferrals (%)	Deferrals (Dollars and Counts)
Balances	5.7%	$1.3B
Accounts	5.6%	9,358

Deferral Trends (as of 7/20/2020):



% of Deferred vs. Book Balance By Portfolio



UMPQUA BANK

Portfolios of Interest – Potential COVID-19 Impacts

Hospitality

Hotels & Motels[1]:

- $493mm outstanding balance **(2.4% of portfolio)**
- Deferrals: $162mm (33%) currently on deferral
- Weighted Avg. LTV: 49%
- Avg. Loan Size: $2.2mm
- Geographic distribution: 35% California, 32% Oregon, 20% Washington, and 13% Other
- Portfolio consists of seasoned established operators and 85% of the portfolio are flagged hotel properties.

- PPP Loans[4]: $18mm (166 loans)

Air Transportation

Air Transportation and Related Companies Supporting Air Transportation[2]:

- $117mm outstanding balance **(0.6% of portfolio)**
- No current deferrals in this portfolio
- Avg. Loan Size: $3.3mm
- Portfolio consists of scheduled freight & passenger air transportation as well as companies directly supporting the air transportation sector (e.g. engine lessors and aircraft lessors)

- PPP Loans[4]: $3mm (4 loans)

Oil & Gas

Oil & Gas including support activities for Oil & Gas Industry[3]:

- $30k outstanding balance **(<0.001% of portfolio)**
- No current deferrals in this portfolio
- Average Loan Size: $7.4k
- Portfolio consists of small business loans to companies identified as support activities for oil and gas operations such as site development and surveying services.

- PPP Loans[4]: $1mm (10 loans)

(1) Includes NAICS code of 721110 (2) Includes NAICS codes of 481111, 481112, 481211 (3) Includes NAICS 211111,213112, 213111, 221210, 211112 (4) PPP loans are not included in % of portfolio calculations

Portfolios of Interest – Potential COVID-19 Impacts

Restaurants

Restaurants[1]:

- $128mm outstanding balance **(0.6% of portfolio)**
- Deferrals: $20mm (16%) currently on deferral
- Avg. Loan Size: $250.5k
- 62% of portfolio is limited service restaurants (e.g. fast food) and 27% is full service restaurants.
- Geographic distribution: 44% California, 32% Oregon, 18% Washington, 4% Nevada, and 2% Other

- PPP Loans[3]: $137mm (1,039 loans)

Gaming

Casinos, Casino Hotels, and Other Gambling Industries[2]:

- $364mm outstanding balance **(1.8% of portfolio)**
- Deferrals: $73mm (20%) currently on deferral
- Avg. Loan Size: $5.4mm
- Geographic distribution: 41% California, 24% Washington, 17% Nevada, 12% Oregon, and 6% Other

- PPP Loans[3]: $13mm (12 loans)

(1) Restaurants segment includes NAICS codes of 722410, 722511, 722513, 722514, 722515 (2) Includes NAICS 721120, 713210, 713290 (3) PPP loans are not included in the % of portfolio calculations

Current Expected Credit Loss ("CECL")

Allowance For Credit Losses ($ in 000's)

Loan Segment	3/31/2020	Q2 2020 Net Charge-offs	Reserve build[1]	6/30/2020[3]	% of loans and leases outstanding
Commercial	$59,343	$(3,931)	$4,950	$60,363	1.16%
Lease & Equipment Finance	$90,191	$(11,362)	$16,364	$95,193	6.25%
CRE	$115,538	$160	$58,039	$173,737	1.68%
Residential/Home Equity	$35,993	$140	$6,508	$42,640	0.81%
Consumer	$11,282	$(1,166)	$1,223	$11,340	3.20%
Total	**$312,347[1]**	**$(16,159)**	**$87,085**	**$383,273[2]**	**1.69%**
% of loans and leases outstanding	**1.47%**			**1.69%**	
% of loans and leases outstanding – ex PPP loans	**1.47%**			**1.85%**	

CECL Notes:

- Used Moody's June consensus economic forecast dated 06/11/2020
- Key Components of the Moody's economic forecast include:
  - US Economy undergoes recession due to COVID-19 pandemic from Q1 2020 to Q2 2020.
  - Includes peak to trough real GDP of -12.1%.
  - Unemployment rate of 15.8% in Q2 2020 with a return to < 5% unemployment by 2024

[1]Total includes $20.9 mm for *Reserve for Unfunded Commitments* included in Other Liabilities on the balance sheet
[2]Total includes $26.4 mm for *Reserve for Unfunded Commitments* included in Other Liabilities on the balance sheet
[3]Totals include an allowance on accrued interest and fees related to loans currently on deferral due to COVID-19

Selected Ratios

		For the quarter ended				
		Q2 2020	**Q1 2020**	**Q4 2019**	**Q3 2019**	**Q2 2019**
Performance	Return on average assets	0.73%	-25.82%	1.15%	1.18%	1.62%
	Return on average tangible assets	0.73%	-27.53%	1.22%	1.26%	1.73%
	Return on average common equity	8.46%	-174.94%	7.70%	7.87%	10.80%
	Return on average tangible common equity	8.53%	-301.30%	13.24%	13.67%	19.14%
	Efficiency ratio - consolidated	55.40%	756.29%	59.00%	57.76%	51.64%
	Net interest margin - consolidated	3.09%	3.41%	3.51%	3.63%	3.70%
Credit Quality	Non-performing loans and leases to loans and leases	0.33%	0.41%	0.30%	0.31%	0.34%
	Non-performing assets to total assets	0.26%	0.32%	0.23%	0.25%	0.28%
	Net charge-offs to average loans and leases (annualized)	0.29%	0.41%	0.28%	0.34%	0.26%
Capital	Tangible common equity to tangible assets (1)	8.5%	9.0%	9.3%	9.2%	9.2%
	Tier 1 common to risk-weighted asset ratio (2)	11.1%	10.7%	11.2%	10.9%	11.0%
	Total risk-based capital ratio (2)	14.4%	13.7%	14.0%	13.6%	13.7%

(1) Non-GAAP financial measure. A reconciliation to the comparable GAAP measurement is provided at the end of this slide presentation.
(2) Capital ratio estimated for current quarter, pending completion and filing of regulatory reports.

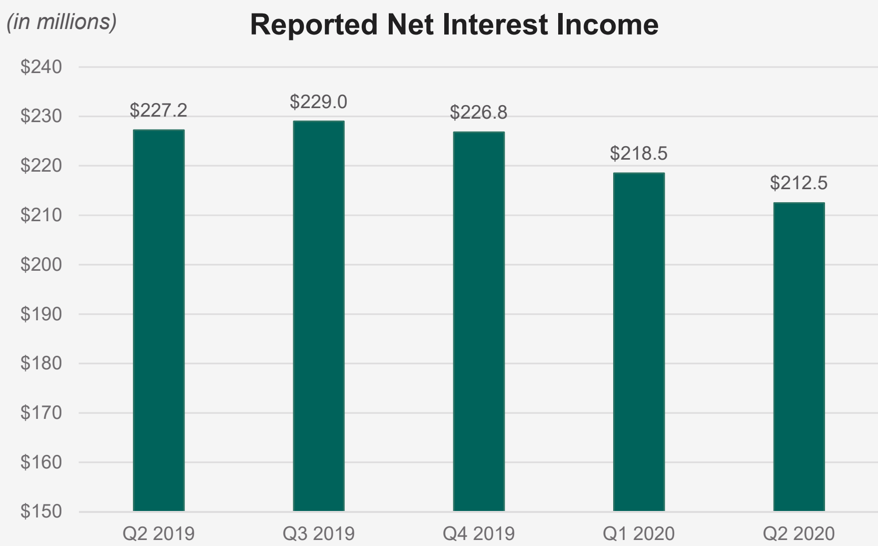
Summary Income Statement

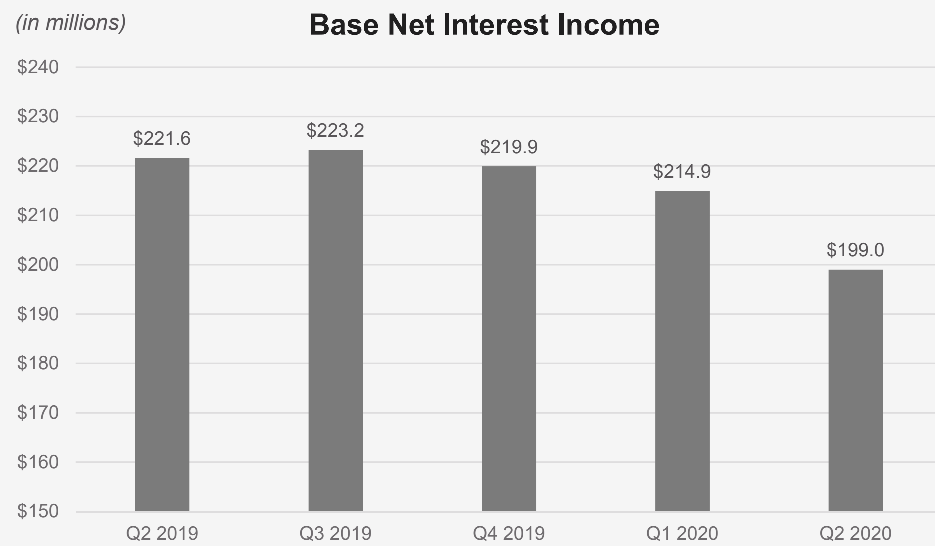
(in millions)

	For the quarter ended				
	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Net interest income before provision	$212.5	$218.5	$226.8	$229.0	$227.2
Provision for credit losses	87.1	118.1	16.3	23.2	19.4
Net interest income after provision	**125.4**	**100.4**	**210.6**	**205.7**	**207.8**
Non-interest income	115.5	40.6	83.7	88.5	121.8
Non-interest expense	181.9	1,962.7	183.4	183.6	180.4
Income (loss) before provision for income taxes	**59.0**	**(1,821.6)**	**110.9**	**110.7**	**149.2**
Provision for income taxes	6.1	30.4	27.1	26.2	37.4
Net income (loss)	**$52.9**	**$(1,851.9)**	**$83.8**	**$84.5**	**$111.8**
Earnings (loss) per share, diluted	**$0.24**	**$(8.41)**	**$0.38**	**$0.38**	**$0.51**

Note: tables may not foot due to rounding.

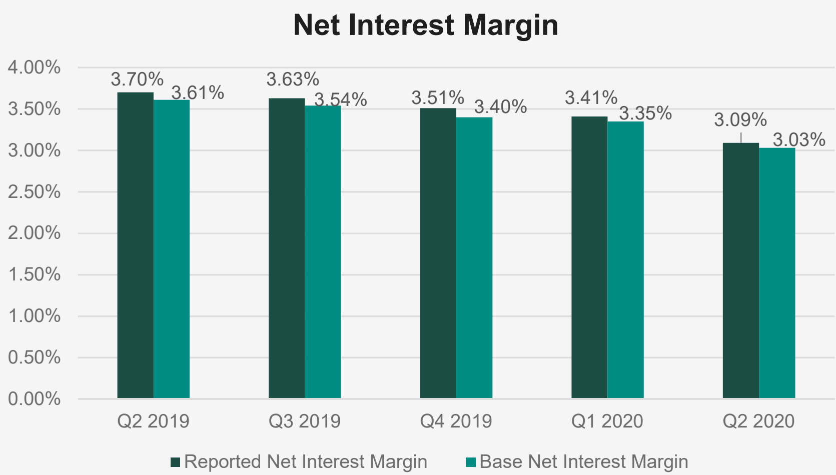
Net Interest Income





	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Reported Net Interest Income	**$227.2**	**$229.0**	**$226.8**	**$218.5**	**$212.5**
Accretion Related to Acquired Loans	(5.6)	(5.8)	(6.9)	(3.6)	(3.1)
PPP Accrued Interest					(3.5)
PPP Processing Fees					(6.9)
Base Net Interest Income	**$221.6**	**$223.2**	**$219.9**	**$214.9**	**$199.0**

Net Interest Margin



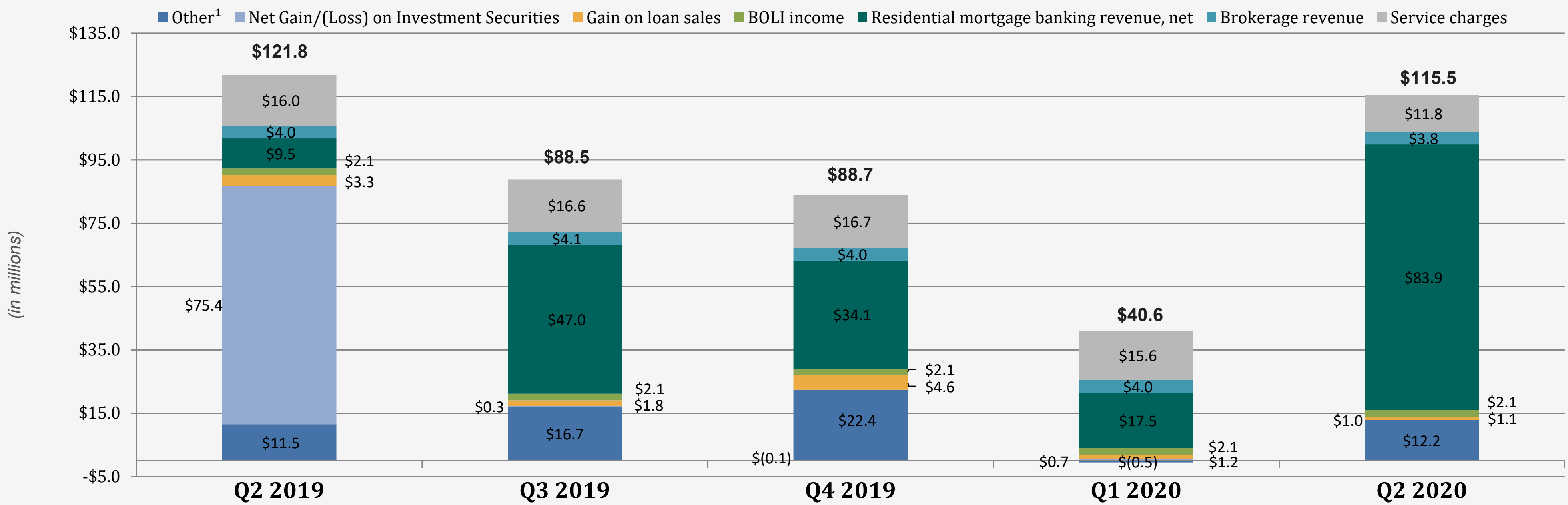
	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Reported Net Interest Margin	**3.70%**	**3.63%**	**3.51%**	**3.41%**	**3.09%**
Accretion Related to Acquired Loans	(0.09)%	(0.09)%	(0.11%)	(0.06%)	(0.05%)
PPP Accrued Interest Dilution	-	-	-	-	(0.11%)
Accretion Related to PPP Processing Fee	-	-	-	-	0.10%
Base Net Interest Margin	**3.61%**	**3.54%**	**3.40%**	**3.36%**	**3.03%**

NIM – MBS & CMO Premium Amortization & Recapture Details

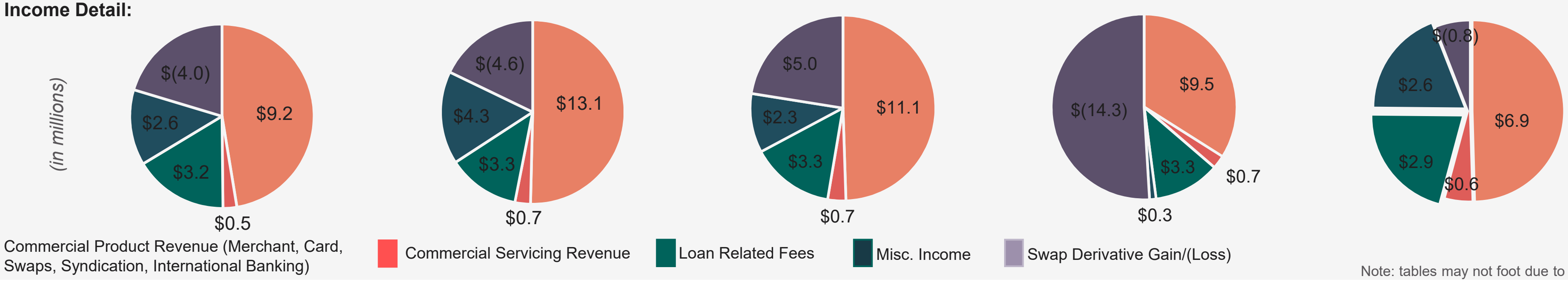
	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
MBS & CMO Premium in $ millions (Amortization)/Recapture	($10.4mm)	($6.6mm)	($6.0mm)	($2.0mm)	($9.0mm)
Net NIM Impact in basis points Accretive/(Dilutive)	(0.17)%	(0.11)%	(0.09)%	(0.03)%	(0.13%)

Note: tables may not foot due to rounding.

Non-Interest Income

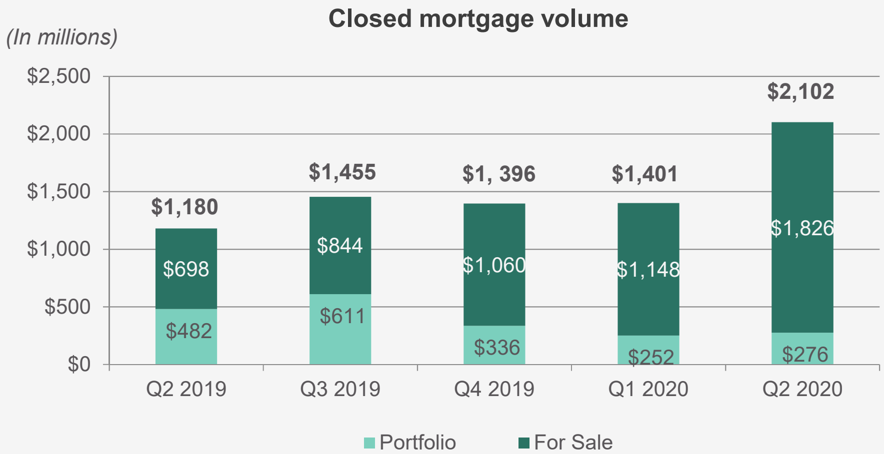


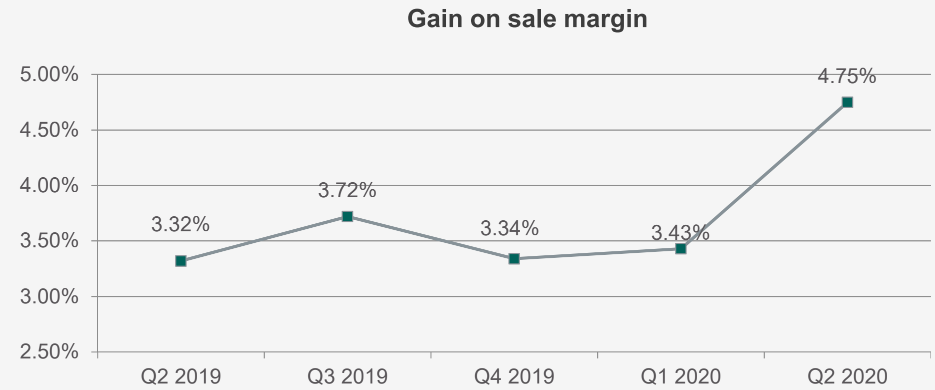
[1]Other Income Detail:



Note: tables may not foot due to rounding.

Mortgage Banking





Residential mortgage banking revenue summary *(in millions)*

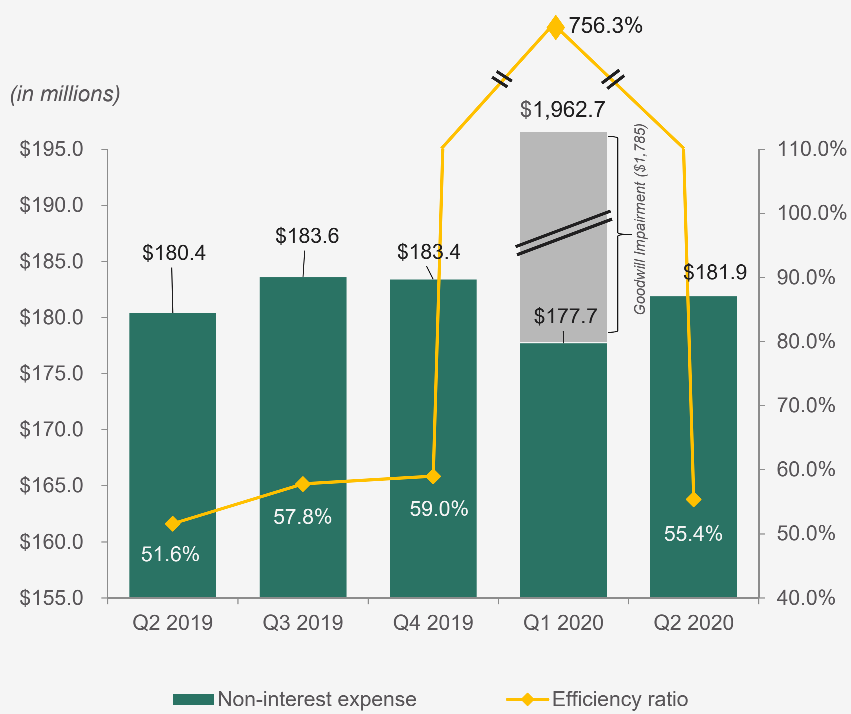
	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Origination and Sale	$23.2	$31.4	$35.4	$39.3	$86.8
Servicing	11.0	11.4	9.0	8.9	8.5
Change in fair value of MSR asset:					
Changes due to collection/realization of expected cash flows over time	(6.9)	(6.8)	(5.2)	(5.3)	(5.0)
Changes due to valuation inputs or assumptions	(17.8)	11.0	(5.1)	(25.4)	(6.4)
Total	**$9.5**	**$47.0**	**$34.1**	**$17.5**	**$83.9**

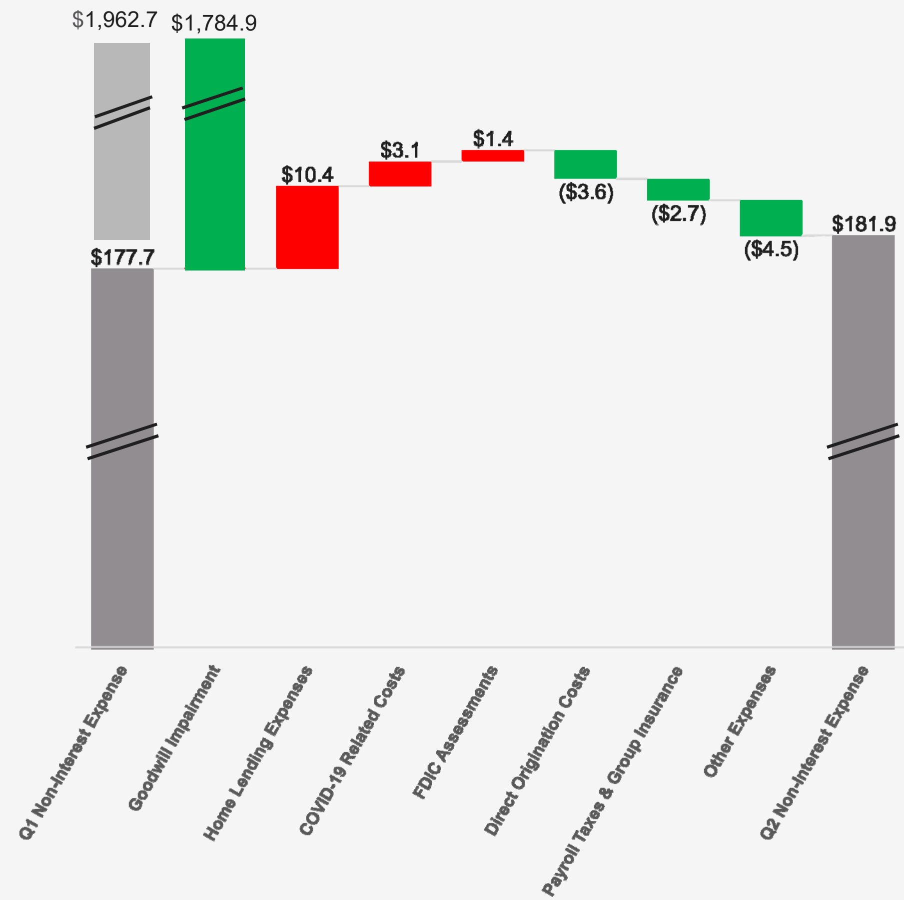
Mortgage Banking Outlook:

- Mortgage volumes remain elevated due to refinance demand and purchase seasonality.
- Purchase applications stronger year over year.
- Fed intervention has calmed capital markets activity, particularly for agency and government segments.
- Margins remain elevated due to constrained industry capacity and should narrow over time.

Note: tables may not foot due to rounding.

Non-interest Expense





Selected Balance Sheet

(in millions)

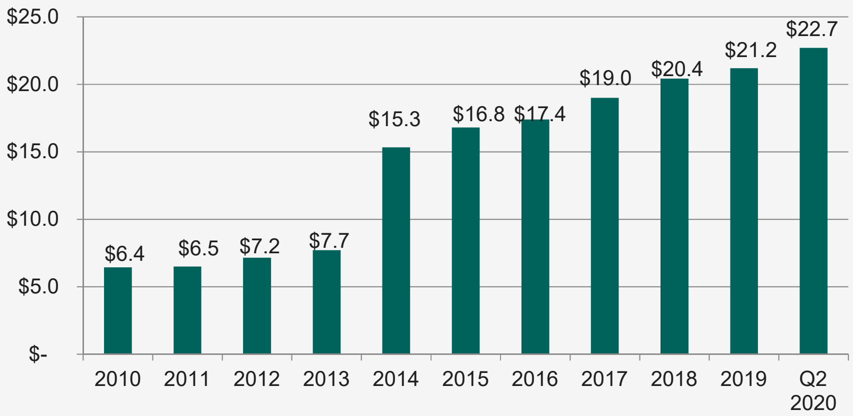
	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Total assets	$29,645.2	$27,540.4	$28,846.8	$28,930.9	$27,986.1
Interest bearing cash and temporary investments	1,853.5	1,251.3	980.2	757.8	691.3
Investment securities available for sale, fair value	2,865.7	2,890.5	2,814.7	2,842.1	2,698.4
Loans and leases, gross	22,671.5	21,251.5	21,195.7	21,520.8	20,953.4
Allowance for credit losses on loans and leases	(356.7)	(291.4)	(157.6)	(156.3)	(151.1)
Goodwill and other intangibles, net	18.6	19.8	1,806.0	1,807.4	1,808.8
Deposits	24,844.4	22,699.4	22,481.5	22,434.7	21,819.0
Securities sold under agreements to repurchase	398.4	346.2	311.3	296.7	308.1
Borrowings	1,096.6	1,196.6	906.6	1,106.7	821.7
Total shareholders' equity	2,538.3	2,507.6	4,313.9	4,289.5	4,228.5
Ratios:					
Loan to deposit ratio	91.3%	93.6%	94.3%	95.9%	96.0%
Book value per common share	$11.53	$11.39	$19.59	$19.48	$19.18
Tangible book value per common share[1]	$11.44	$11.30	$11.39	$11.27	$10.97
Tangible common equity to tangible assets[1]	8.5%	9.0%	9.3%	9.2%	9.2%

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

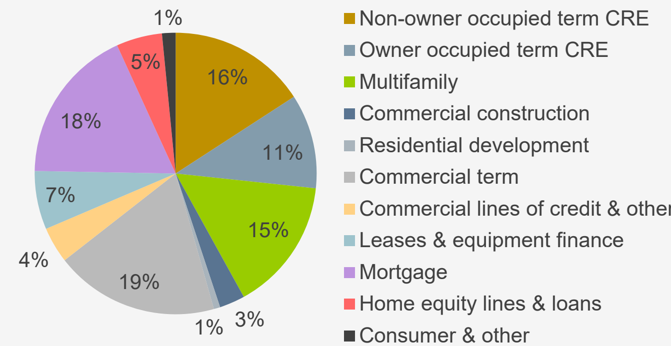
Loan and Deposit Growth

Loans and Leases (Gross)

(in billions)

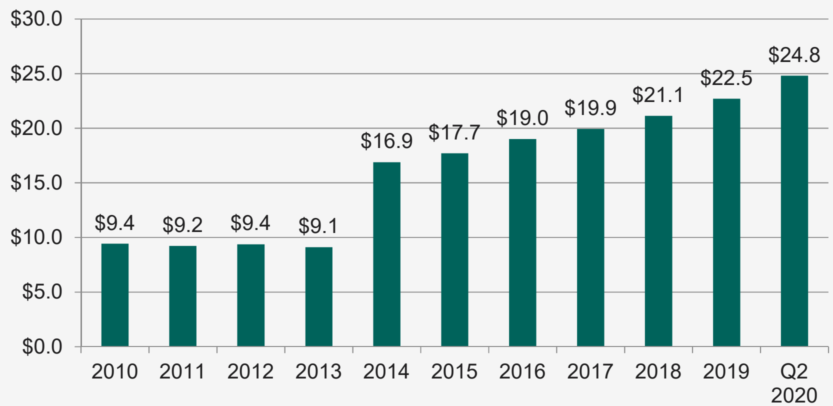


As of June 30, 2020

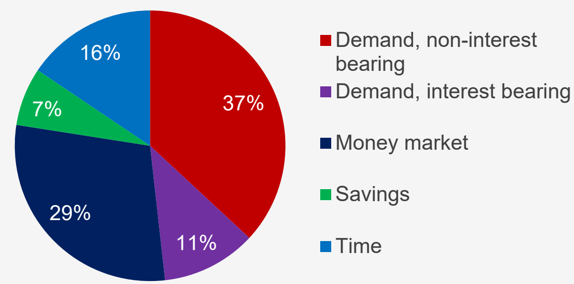


Total Deposits

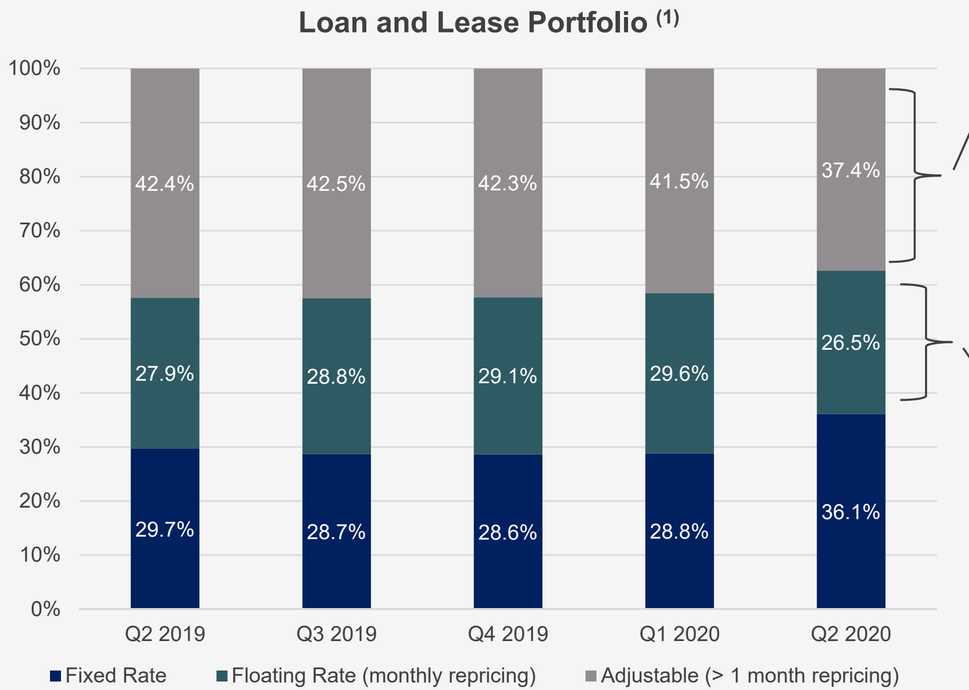
(in billions)

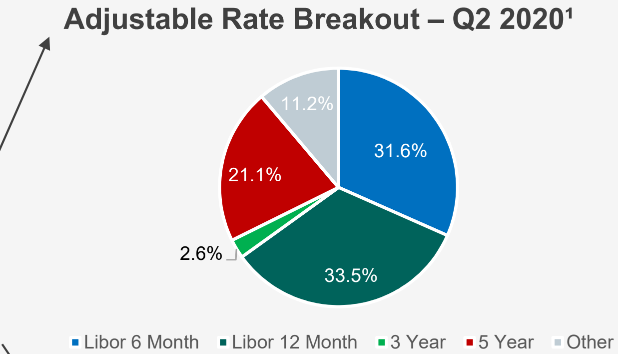


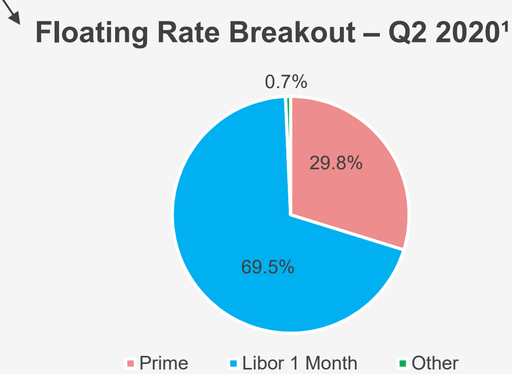
As of June 30, 2020



Loan and Lease Portfolio Repricing Schedule







<u>Loans At Floor</u>: $4.8B (21% of portfolio) in Adjustable and Floating Rate loans were at their respective floor as of June 30, 2020, which is in addition to the $8.4B (36%) of fixed rate loans.

- (1) Includes loans available for sale.
- Note: totals may not foot due to rounding.

Loan and Lease Portfolio Characteristics

Mortgage

- Represents 18% of overall portfolio
- Total delinquencies of 1.14%
- De minimis < 0.01% annualized net charge-off rate
- Average loan size of $476,000
- Average FICO of 759 and LTV of 62%

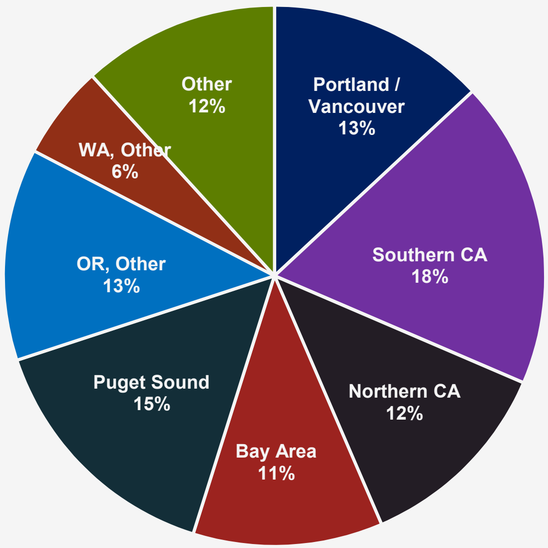
Non-owner Occupied CRE

- Represents 16% of overall portfolio
- Total delinquencies of 0.39%
- De minimis < 0.01% annualized net charge-off rate
- Average loan size of $1.6 million
- Average LTV of 57% and DSC of 1.9

Commercial & Industrial

- Represents 23% of overall portfolio
- Total delinquencies of 0.31%
- Annualized net charge-off rate of 0.49%
- Average loan size of $299,000

Geographic Diversification



Owner Occupied CRE

- Represents 11% of overall portfolio
- Total delinquencies of 0.43%
- De minimis < 0.01% annualized net charge-off rate
- Average loan size of $880,000
- Average LTV of 62%

Multifamily

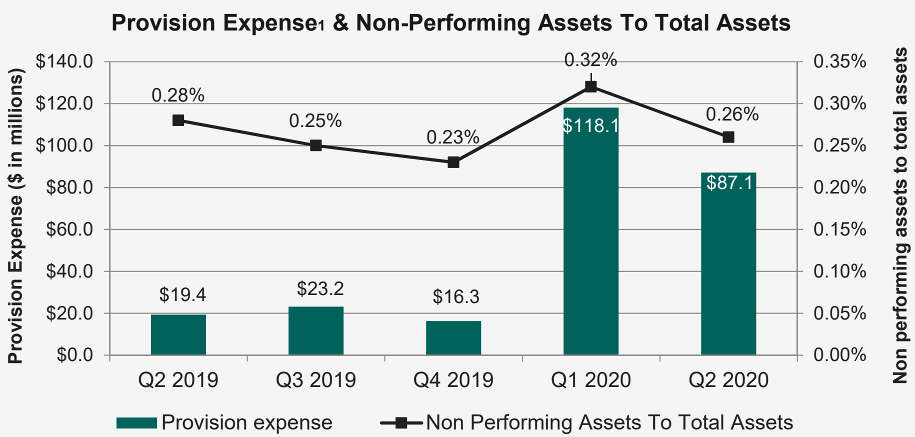
- Represents 15% of overall portfolio
- Total delinquencies of 0.02%
- Annualized net charge-off rate of 0.00%
- Average loan size of $1.8 million
- Average LTV of 56% and DSC of 1.6

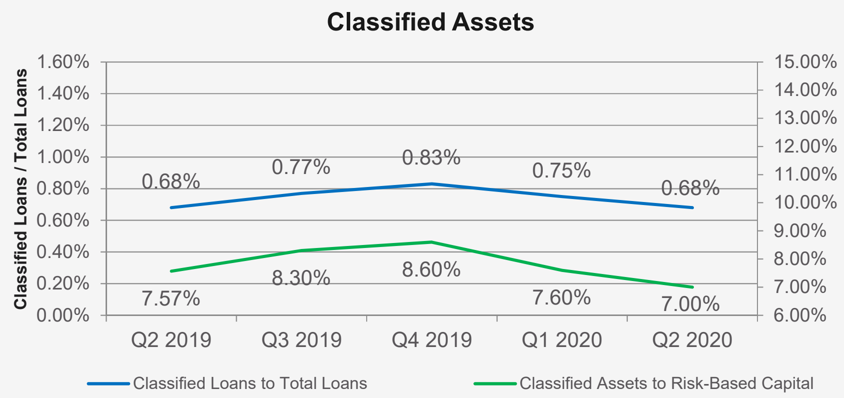
Lease & Equipment Finance (FinPac)

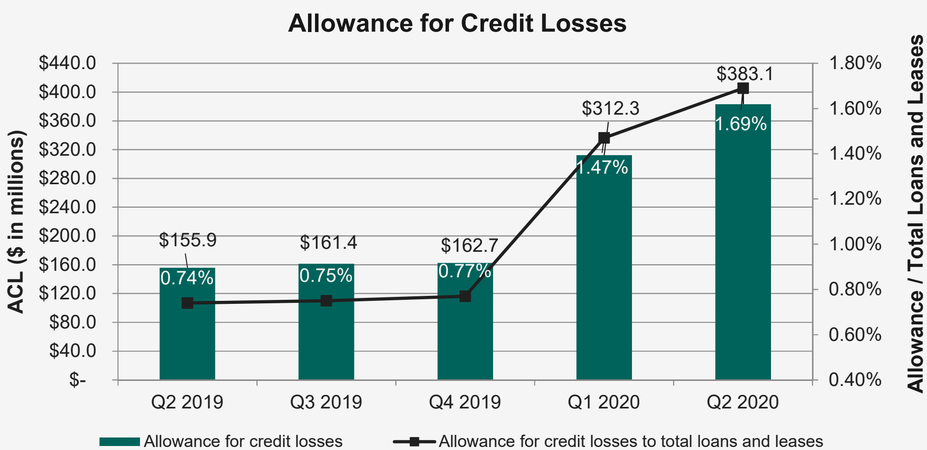
- Represents 7% of overall portfolio
- Total delinquencies of 1.54%
- Annualized net charge-off rate of 3.08%
- ~9% average yield
- Average loan size of $37,000

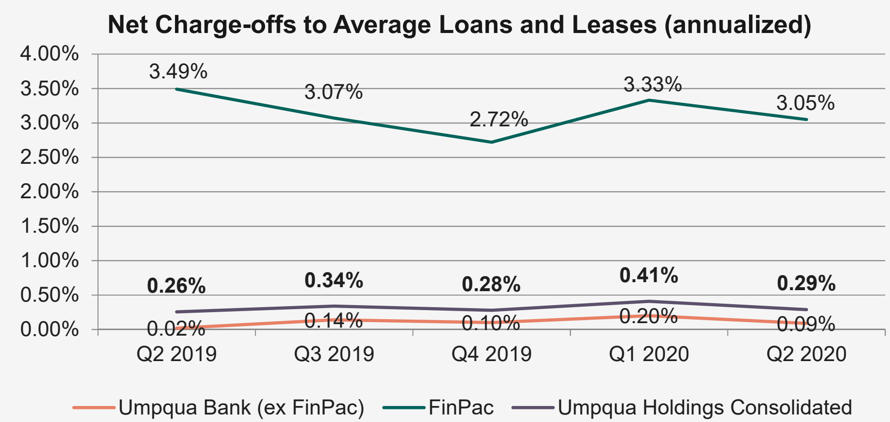
Note: Balances and delinquencies as of June 30, 2020. Annualized net charge-off rate for Q2 2020. LTV, FICO and Debt Service Coverage (DSC) are based on weighted average for portfolio. LTV for the Mortgage portfolio represents average LTV based on most recent appraisal against updated loan balance. Totals may not foot due to rounding.

Credit Quality





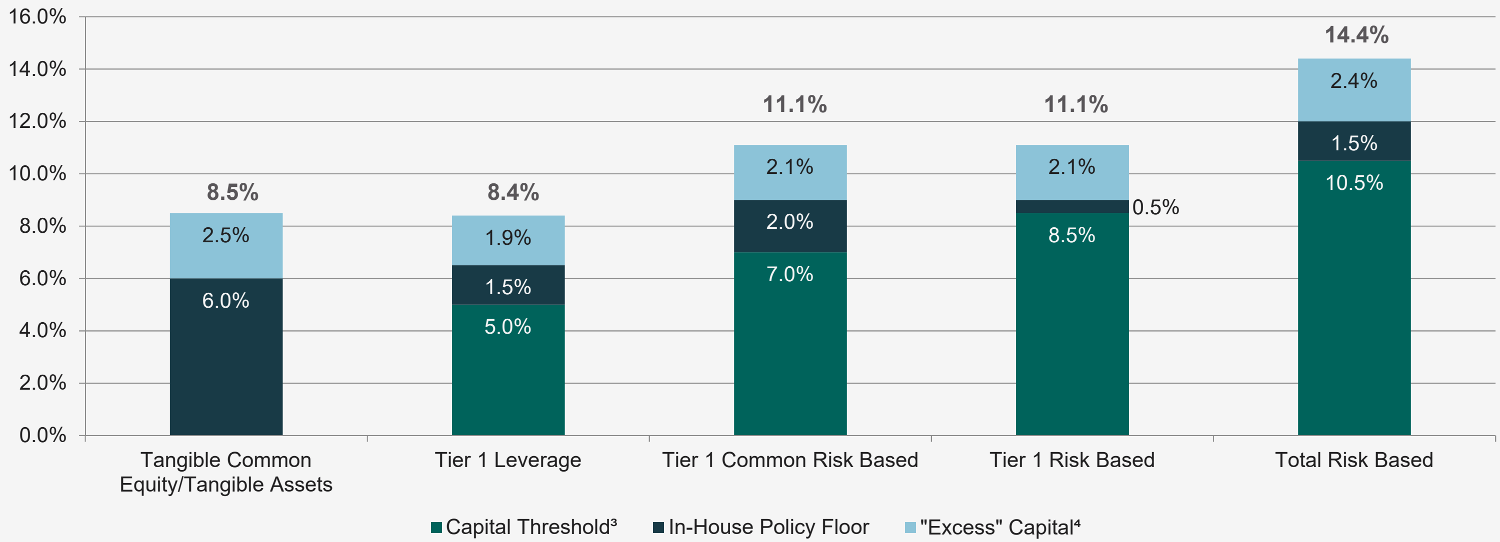




1.Current period provision expense includes reserve for unfunded commitments (RUC) and prior period provision expenses have been restated to include reserve as well.

Capital Management

- All regulatory capital ratios[1] remained in excess of well-capitalized and internal policy limits
- Focused on prudently managing capital
  - Excess capital at the bank level is approximately $329mm. Holding company ratios are shown below.
- Dividend declaration date adjusted to after earnings are finalized (previously announced intra-quarter)



1. Regulatory capital ratios are estimates pending completion and filing of the Company's regulatory reports.
2. Greater of Regulatory Well Capitalized Threshold or Capital Adequacy Threshold + Capital Conservation Buffer (2.5%)
3.“Excess” Capital defined as capital above thresholds defined above internal policy limits

Appendix – Non GAAP Reconciliation

Non-GAAP Reconciliation – Tangible Book Value

(In thousands, except per share data)	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	June 30, 2019
Total shareholders' equity	$2,538,339	$2,507,611	$4,313,915	$4,289,516	$4,228,507
Subtract:					
Goodwill	2,715	2,715	1,787,651	1,787,651	1,787,651
Other intangible assets, net	15,853	17,099	18,346	19,750	21,155
Tangible equity - common	$2,519,771	$2,487,797	$2,507,918	$ 2,482,115	$2,419,701
Total assets	$29,645,248	$27,540,382	$28,846,809	$28,930,855	$27,986,075
Subtract:					
Goodwill	2,715	2,715	1,787,651	1,787,651	1,787,651
Other intangible assets, net	15,853	17,099	18,346	19,750	21,155
Tangible assets	$29,626,680	$27,520,568	$27,040,812	$27,123,454	$26,177,269
Common shares outstanding at period end	220,219	220,175	220,229	220,212	220,499
Total shareholders' equity to total assets ratio	8.56%	9.11%	14.95%	14.83%	15.11%
Tangible common equity ratio	8.51%	9.04%	9.27%	9.15%	9.24%
Book value per common share	$11.53	$11.39	$19.59	$19.48	$19.18
Tangible book value per common share	$11.44	$11.30	$11.39	$11.27	$10.97

Thank You