

2007 Directors Conference

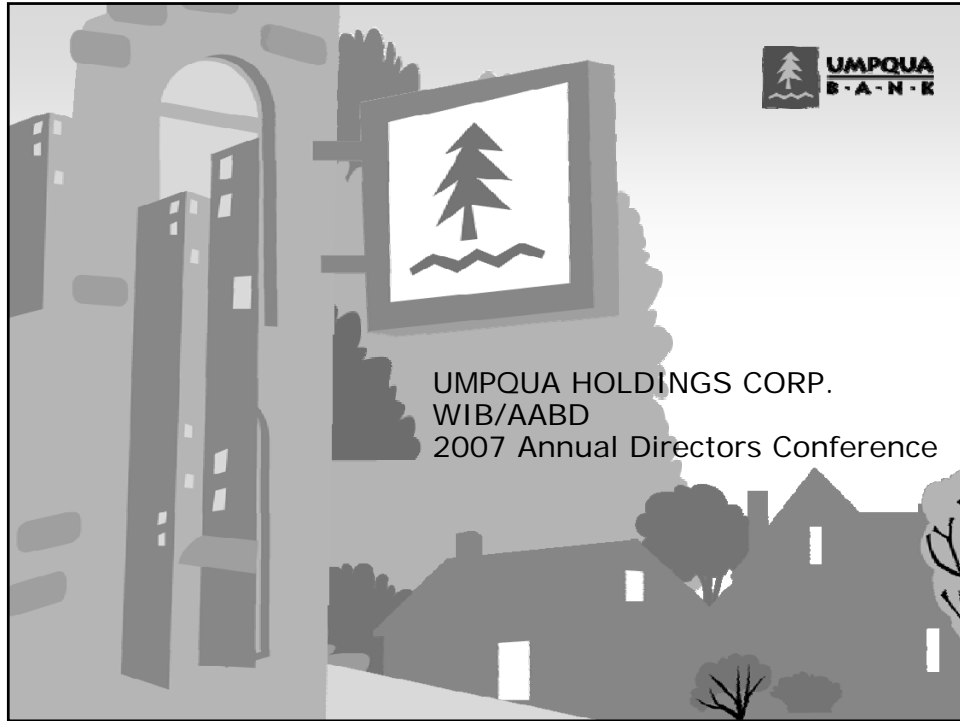
OPENING GENERAL SESSION

Umpqua Bank - Transformed by a Cool Culture & Hot Technology

Ray Davis, Umpqua Bank

Thursday, November 8, 2007

3:00-5:00 pm



STRATEGY VALUE DELIVERY INNOVATION

A Perfect Storm

- Sarbanes Oxley
- Inverted Yield Curve
- De Novo Banks
- Competition for Core Deposits
- Internet Banks
- Residential Construction Sector
- Sub-Prime Meltdown

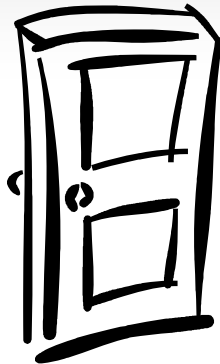
UMPQUA
BANK

And,
Traditional Bank Advertising is Dead...



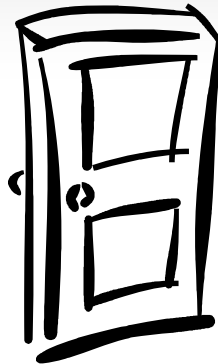
THERE IS NO DOOR # 3

Door #1



"Get Better"

Door #2



"Get Worse"



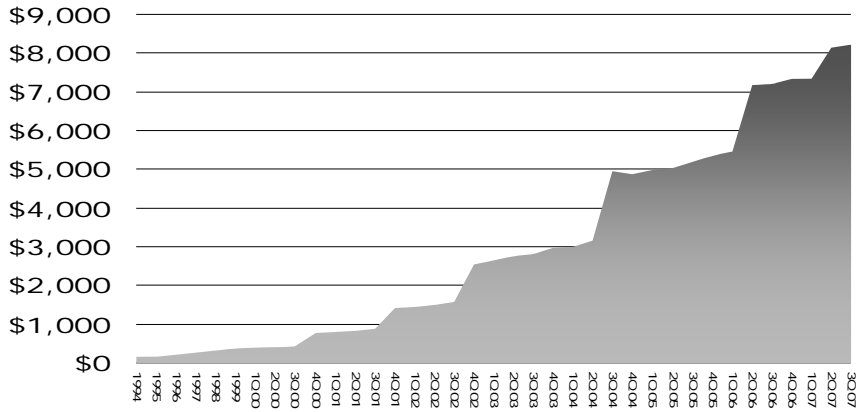
Branches VS Stores



\$64,000 Dollar Question



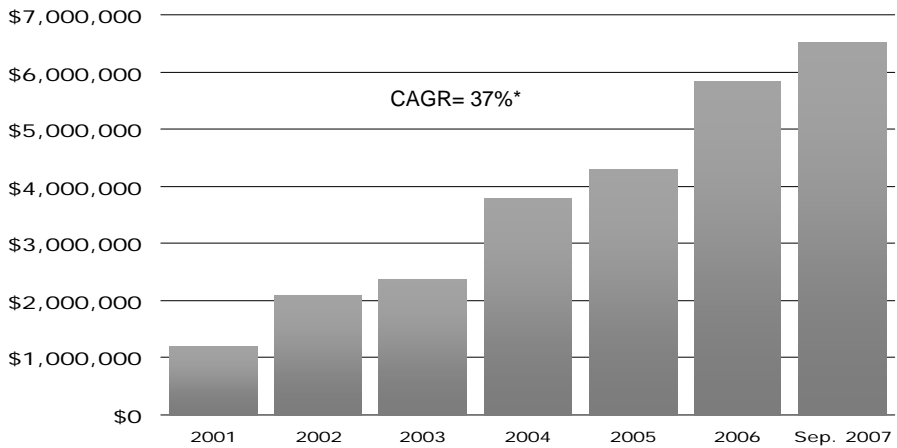
Growth History Total Assets (\$ Millions)



Historical Total Assets before restatements of poolings.

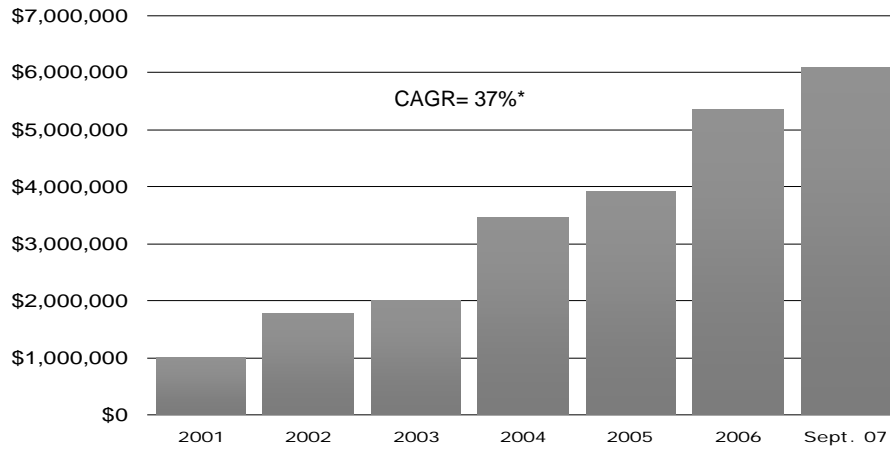


Deposit Growth



*Excludes Acquisitions
CAGR 2001-2006

Loan Growth



*Excludes Acquisitions
CAGR 2001-2006

"At a time when battered investors, customers, and employees and questioning whom they can trust, the ability of a familiar brand to deliver proven value flows straight to the bottom line."

– *Business Week*





Again,

How are we going to get people to drive by
two or three of our competitors to do
business with us?



Video



Umpqua's Competitive Logic

Proposition 1: Our competitive edge is to deliver an exceptional customer experience, which is our brand.



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Therefore, our competitive edge depends on and comes from our culture



Five Keys to Building a Culture of Growth

1. Never-Ending Discipline



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- and Hold 'Em Accountable



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5. Stamp Out the Rubber Band Syndrome



