CPP **ANNUAL USE OF CAPITAL SURVEY - 2010**

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Umpqua Holdings Corporation

Person to be contacted regarding this report:	Ron Farnsworth	RSSD: (For Bank Holding Companies)	2747644
UST Sequence Number:	14	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	214,181,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:	214,181,000	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	Nov 14, 2008	City:	Portland
Date Repaid[1]:	Feb 17, 2010	State:	Oregon

[1]If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒	Increase lending or reduce lending less than otherwise would have occurred.	With the additional capital we did not need to intentionally scale back lending, which we may have done without the additional capital buffer. It is impossible to prove in hindsight given the circumstances, but this capital allowed us to continue making loans subject to inherently lower demand.
☐	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
☒	Increase securities purchased (ABS, MBS, etc.).	We did not leverage the preferred capital. Hence the proceeds from the preferred stock sale were immediately invested into agency MBS/CMO's, increasing our overall liquidity position to continue making loans.

☐	Make other investments	
☐	Increase reserves for non-performing assets	
☐	Reduce borrowings	
☐	Increase charge-offs	
☐	Purchase another financial institution or purchase assets from another financial institution	
☒	Held as non-leveraged increase to total capital	As noted above in the investment security section, we did not leverage the preferred stock.

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

We did not need to raise additional equity capital during the fall/winter of 2008. We did not need to scale back lending opportunities given the additional capital.

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

We assumed the insured non-brokered deposits of Bank of Clark County (Vancouver, WA), in an FDIC-assisted deal in January 2009. The additional capital cushion from the CPP program allowed that assumption to not cause an additional capital raise.

On the lending side, we did not need to scale back new lending opportunities given the additional capital.

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.