

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**Current Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of  
1934**

Date of Report (Date of earliest event reported): April 15, 2004

**Umpqua Holdings Corporation**  
(Exact Name of Registrant as Specified in Its Charter)

**OREGON**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**000-25597**  
(Commission File  
Number)

**93-1261319**  
(I.R.S. Employer  
Identification Number)

**200 SW Market Street, Suite 1900  
Portland, Oregon 97201**  
(address of Principal Executive Offices)(Zip Code)

**(503) 546-2499**  
(Registrant's Telephone Number, Including Area Code)

(Former name or former address, if changed since last report)

## Item 7. Financial Statements and Exhibits

(c) Exhibits.

The following exhibits are being filed herewith and this list shall constitute the exhibit index:

Exhibit

- 99.1 Earnings Press Release
- 99.2 Statistical Supplement

## Item 12. Results of Operations and Financial Condition

On April 15, 2004, Umpqua issued a press release with respect to financial results for the first quarter 2004. A copy of the press release is attached as Exhibit 99.1.

Attached as Exhibit 99.2 is a Statistical Supplement for the first quarter of 2004 and the three years ended December 31, 2003, which is being provided to shareholders and others who have requested additional financial and statistical information from the Company that is not included in the Company's earnings release. This information is being furnished to satisfy Regulation FD, but is not deemed filed under the Securities Exchange Act of 1934.

The press release filed as an exhibit to this report discloses operating earnings (and related per share amounts), which is a non-GAAP financial measure. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles (GAAP). We believe our disclosure of operating earnings provides useful information to both management and investors by excluding merger-related expenses because merger-related expenses are difficult to predict. Management believes presentation of financial measures excluding the impact of such expenses is useful information because it provides information about ongoing business operations.

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UMPQUA HOLDINGS CORPORATION  
(Registrant)

Dated: April 15, 2004

By: /s/ Kenneth E. Roberts  
Kenneth E. Roberts  
Assistant Secretary

# U M P Q U A H O L D I N G S

C O R P O R A T I O N

*Parent company for Umpqua Bank and Strand, Atkinson, Williams & York*

## FOR IMMEDIATE RELEASE

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## UMPQUA HOLDINGS REPORTS OPERATING EARNINGS PER SHARE IN LINE WITH TARGETS AND STRONG BALANCE SHEET GROWTH

Core operating earnings growth offsets decline in mortgage banking results

**PORTLAND, Ore. - April 15, 2004** - Umpqua Holdings Corporation (NASDAQ: UMPQ), parent company of Umpqua Bank and Strand, Atkinson, Williams & York, Inc., today announced first quarter 2004 operating earnings of \$8.5 million, or \$0.30 per diluted share, compared to \$8.8 million, or \$0.31 per diluted share for the first quarter of 2003.

Operating earnings are defined as the Company's earnings before deduction of merger-related expenses, which are reported in periods with merger-related costs. Net income is operating earnings minus merger-related expenses. There were \$131,000 in merger-related expenses, after tax, recorded in the first quarter of 2004.

Net income for the first quarter of 2004 was \$8.4 million or \$0.29 per diluted share consistent with the first quarter of 2003.

The following table presents a reconciliation of net income to operating earnings, with merger-related expenses displayed for each period presented:

(Dollars in thousands, except per share data)	<u>Q1 2004</u>	<u>Q4 2003</u>	<u>Q1 2003</u>
Net Income	\$8,398	\$8,591	\$8,380
Add Back: Merger related expense, net of tax	<u>131</u>	<u>--</u>	<u>409</u>
Operating Earnings	<u>\$8,529</u>	<u>\$8,591</u>	<u>\$8,789</u>
<u>Earnings per diluted share:</u>	<u>Q1 2004</u>	<u>Q4 2003</u>	<u>Q1 2003</u>
Net Income	\$0.29	\$0.30	\$0.29
Operating Earnings	\$0.30	\$0.30	\$0.31

"Earnings contribution from the Company's mortgage group was \$0.01 per diluted share in the first quarter of 2004, down from \$0.05 per share for the first quarter of 2003," said Ray Davis, president and chief executive officer of Umpqua Holdings Corporation. "Excluding the impact of the mortgage group, core operating earnings increased by \$0.03 per diluted share, or 12% from the same period a year ago." The following table presents a reconciliation of core operating earnings per share to total:

<u>Operating Earnings per diluted share:</u>	<u>Q1 2004</u>	<u>Q1 2003</u>	<u>Variance</u>
Core excluding mortgage group	\$0.29	\$0.26	\$0.03
Mortgage group	<u>0.01</u>	<u>0.05</u>	<u>(0.04)</u>
Total	\$0.30	\$0.31	\$(0.01)

Total non-interest income for the first quarter of 2004 decreased \$1.7 million, or 17% when compared to the first quarter of 2003. This resulted from the reduction in mortgage banking revenue of \$2.6 million, which was partially offset by growth in other categories of the Company of \$0.9 million.

The Company's brokerage subsidiary, Strand, Atkinson, Williams & York, Inc., reported gross revenue of \$3.0 million, an increase of 49% for the quarter compared with the first quarter of 2003.

Umpqua Bank, Umpqua Holdings' largest subsidiary, reports an efficiency ratio before merger-related expenses of 58.16% for the quarter ended March 31, 2004, compared to 56.9% for the quarter ended December 31, 2003 and 54.98% for the quarter ended March 31, 2003.

Total consolidated assets of Umpqua Holdings as of March 31, 2004 were \$3.00 billion, compared to \$2.96 billion at December 31, 2003 and \$2.65 billion at March 31, 2003. Total gross loans and leases, and deposits were \$2.07 billion and \$2.43 billion, respectively, as of March 31, 2004, compared to \$2.00 billion and \$2.38 billion, respectively, as of December 31, 2003.

The following table presents first quarter 2004 annualized growth rates:

(Dollars in thousands)	<u>March 31, 2004</u>	<u>Dec. 31, 2003</u>	<u>Growth Rate</u>
Loans and Leases	<b>\$2,073,875</b>	\$2,003,587	<b>14%</b>
Deposits	<b>\$2,428,926</b>	\$2,378,192	<b>9%</b>
Assets	<b>\$2,997,782</b>	\$2,963,815	<b>5%</b>

Total loans increased by \$70.3 million during the quarter, while non-performing assets decreased by \$0.4 million during the same period. The Bank's non-performing assets stand at \$13.5 million at March 31, 2004, representing 0.57% of total loans, compared to 0.98% at March 31, 2003.

### **About Umpqua Holdings Corporation**

Umpqua Holdings Corporation (NASDAQ: UMPQ) is the parent company of Umpqua Bank, an Oregon state-chartered bank recognized for its entrepreneurial approach, innovative use of technology, and distinctive banking solutions. Umpqua Bank has 64 stores throughout Oregon and Southwest Washington. The bank was named #1 on "The 100 Best Companies to Work For in Oregon" large companies list for 2004 by *Oregon Business Magazine*. Umpqua Holdings also owns a retail brokerage subsidiary, Strand, Atkinson, Williams & York, Inc. which has 16 locations throughout Oregon and Southwest Washington and offers brokerage services within Umpqua Bank stores. Additionally, Umpqua Holdings' Private Client Services Division provides tailored financial services and products to individual customers. Umpqua Holdings Corporation is headquartered in Portland, Oregon. For more information, visit [www.umpquaholdingscorp.com](http://www.umpquaholdingscorp.com).

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Umpqua Holdings Corporation will conduct a quarterly earnings conference call Thursday, April 15, 2004, at 10:00 a.m. PDT where the Company will discuss operating results for the first quarter of 2004. There will be a question-and-answer session following the presentation. Shareholders, analysts and other interested parties are invited to join the call by dialing 888-282-0171 a few minutes before 10:00 a.m. The password is "UMPQUA." Information to be discussed in the teleconference will be available on the Company's website prior to the call at [www.umpquaholdingscorp.com](http://www.umpquaholdingscorp.com). A rebroadcast can be found approximately one hour after the conference call by dialing 800-873-2158, or by visiting that website.

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*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 certain risk factors, including those set forth from time to time in the company's filings with the SEC. You should not place undue reliance on forward looking statements and we undertake no obligation to update any such statements. Specific risks in this press release include the company's expected continued growth in 2004.*

# Umpqua Holdings Corporation

## Consolidated Statements of Income

(unaudited)

<i>Dollars in thousands, except per share data</i>	Quarter ended:		
	March 31, 2004	December 31, 2003	March 31, 2003
Interest income			
Loans and leases	\$31,865	\$31,940	\$31,383
Investments taxable	4,590	4,166	2,967
Investments tax exempt	413	442	802
Temporary investments	23	45	151
Other interest and dividends	16	15	14
Total interest income	36,907	36,608	35,317
Interest expense			
Deposits	5,889	5,405	6,480
Repurchase agreements and fed funds purchased	139	130	109
Trust preferred securities	1,123	929	937
Other borrowings	241	340	212
Total interest expense	7,392	6,804	7,738
Net interest income	29,515	29,804	27,579
Provision for credit losses	1,075	1,075	1,475
Non-interest income			
Service charges	3,127	3,188	2,914
Brokerage fees	2,891	2,554	1,939
Mortgage banking revenue	1,649	1,200	4,279
Gain on sale of securities	-	2	7
Other income	793	760	1,045
Total non-interest income	8,460	7,704	10,184
Non-interest expense			
Salaries and benefits	13,665	13,583	12,899
Occupancy and equipment	4,115	3,770	3,582
Other	5,946	6,077	6,094
Merger related expenses	216	-	638
Total non-interest expense	23,942	23,430	23,213
Income before income taxes	12,958	13,003	13,075
Provision for income tax	4,560	4,412	4,695
Net income	\$8,398	\$8,591	\$8,380
Weighted average shares outstanding	28,445,316	28,389,064	28,157,475
Weighted average diluted shares outstanding	28,819,200	28,802,165	28,570,144
Basic earnings per share	\$0.30	\$0.30	\$0.30
Diluted earnings per share	\$0.29	\$0.30	\$0.29

# Umpqua Holdings Corporation

## Consolidated Balance Sheets

(unaudited)

*Dollars in thousands, except per share data*

	March 31, 2004	December 31, 2003	March 31, 2003
<b>Assets:</b>			
Cash and cash equivalents	\$105,913	\$134,006	\$154,274
Trading account securities	1,094	1,265	670
Investments available for sale	502,807	501,904	355,079
Investments held to maturity	14,594	14,612	18,251
Loans held for sale	31,526	37,798	42,239
Loans and leases	2,073,875	2,003,587	1,823,311
Less: Allowance for credit losses	(26,287)	(25,352)	(24,538)
Loans and leases, net	2,047,588	1,978,235	1,798,773
Federal Home Loan Bank stock	7,239	7,168	4,828
Premises and equipment, net	67,504	63,328	61,339
Other real estate owned	1,711	2,529	3,430
Mortgage servicing rights, net	10,959	10,608	10,179
Goodwill and other intangibles	159,661	159,585	161,181
Other assets	47,186	52,777	35,672
	<u>\$2,997,782</u>	<u>\$2,963,815</u>	<u>\$2,645,915</u>
<b>Liabilities:</b>			
Deposits	\$2,428,926	\$2,378,192	\$2,178,769
Securities sold under agreements to repurchase and fed funds purchased	58,906	83,531	34,675
Borrowings	55,620	55,000	24,162
Notes payable for Trust preferred securities	97,941	97,941	75,000
Other liabilities	26,152	30,182	34,840
Total liabilities	<u>2,667,545</u>	<u>2,644,846</u>	<u>2,347,446</u>
<b>Shareholders' equity:</b>			
Common stock	232,118	230,773	228,899
Retained earnings	96,317	89,058	66,724
Accumulated other comprehensive Income (loss)	1,802	(862)	2,846
Total shareholders' equity	<u>330,237</u>	<u>318,969</u>	<u>298,469</u>
Total liabilities and shareholders' equity	<u>\$2,997,782</u>	<u>\$2,963,815</u>	<u>\$2,645,915</u>
Common shares outstanding at period end	28,489,267	28,411,816	28,234,620
Book value per share	\$11.59	\$11.23	\$10.57
Tangible book value per share	\$5.99	\$5.61	\$4.86
Tangible equity	\$170,576	\$159,384	\$137,288

# Umpqua Holdings Corporation

## Loan Portfolio

<i>Dollars in thousands</i>	March 31, 2004	December 31, 2003	March 31, 2003
Loans and leases by purpose:			
Commercial real estate	\$1,121,008	\$1,072,191	\$841,492
Residential real estate	94,479	84,423	79,636
Construction	230,674	232,849	281,223
Total real estate	1,446,161	1,389,463	1,202,351
Commercial	578,823	565,652	566,677
Leases	10,214	10,918	9,271
Consumer	37,131	36,790	44,959
Other	1,546	764	53
Total loans and leases	<u>\$2,073,875</u>	<u>\$2,003,587</u>	<u>\$ 1,823,311</u>

<i>Dollars in thousands</i>	Quarter Ended March 31, 2004	Quarter Ended December 31, 2003	Quarter Ended March 31, 2003
Allowance for credit losses			
Balance beginning of period	\$25,352	\$25,312	\$24,731
Provision for credit losses	1,075	1,075	1,475
Charge-offs	(447)	(1,591)	(1,975)
Less: recoveries	307	556	307
Net charge-offs	(140)	(1,035)	(1,668)
Balance end of period	<u>\$26,287</u>	<u>\$25,352</u>	<u>\$24,538</u>
Net charge-offs to average loans and leases (annualized)	0.03%	0.21%	0.38%
Recoveries to gross charge-offs	68.68%	34.95%	15.54%
Allowance for credit losses to loans and leases	1.27%	1.27%	1.35%
Allowance for credit losses to nonperforming loans and leases	223%	222%	138%
Nonperforming loans and leases to total loans and leases	0.57%	0.57%	0.98%
Nonperforming assets			
Nonperforming loans and leases	\$11,800	\$11,425	\$17,816
Real estate owned	1,711	2,529	3,430
Total nonperforming assets	<u>\$13,511</u>	<u>\$13,954</u>	<u>\$21,246</u>



## Deposits by Type

<i>Dollars in thousands</i>	March 31, 2004		December 31, 2003		March 31, 2003	
	Amount	Mix	Amount	Mix	Amount	Mix
Demand, non interest bearing	\$592,762	24.4%	\$589,901	24.8%	\$543,319	24.9%
Demand, interest bearing	1,069,064	44.0%	1,048,733	44.1%	843,187	38.7%
Savings	166,481	6.9%	145,960	6.1%	167,715	7.7%
Time	600,619	24.7%	593,598	25.0%	624,548	28.7%
Total Deposits	\$2,428,926	100.0%	\$2,378,192	100.0%	\$2,178,769	100.0%

## Umpqua Holdings Corporation Selected Ratios

	Quarter ended:		
	March 31, 2004	December 31, 2003	March 31, 2003
<b>Net Interest Spread:</b>			
Yield on loans and leases	6.23%	6.38%	6.95%
Yield on investments (1)	4.09%	3.92%	4.98%
Yield on temporary investments	0.91%	0.77%	1.17%
Total yield on earning assets	5.78%	5.85%	6.51%
Cost of interest bearing deposits	1.31%	1.23%	1.61%
Cost of securities sold under agreements to repurchase and fed funds purchased	1.02%	1.01%	1.43%
Cost of borrowings	1.76%	1.90%	3.56%
Cost of trust preferred	4.61%	4.70%	5.07%
Total cost of interest bearing liabilities	1.47%	1.39%	1.78%
Net interest spread	4.31%	4.45%	4.73%
Net interest margin	4.63%	4.77%	5.10%
<b><u>Before Merger Related Expenses:</u></b>			
Return on average assets	1.17%	1.19%	1.38%
Return on average equity	10.58%	10.85%	12.17%
Return on average tangible equity	20.84%	22.10%	27.04%
<b><u>After Merger Related Expenses:</u></b>			
Return on average assets	1.15%	1.19%	1.32%
Return on average equity	10.42%	10.85%	11.61%
Return on average tangible equity	20.52%	22.10%	25.78%
<b><u>Bank Only Ratios:</u></b>			
Umpqua Bank efficiency ratio before merger expenses	58.16%	56.89%	54.98%
Umpqua Bank net interest margin	4.80%	4.91%	5.27%

(1) Tax exempt interest has been adjusted to a taxable equivalent basis using a 35% tax rate.

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