UMPQUA HOLDINGS CORP
Form 424B5
February 05, 2010
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-155997

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Umpqua Holdings Corporation Depositary Shares, Representing Interests in Series B Common Stock Equivalent	18,975,000	$11.00	$208,725,000	$14,883 (1)
Umpqua Holdings Corporation Preferred Stock, referred to as Series B Common Stock Equivalent	189,750	(2)	(2)	(2)
Umpqua Holdings Corporation Common Stock , issuable on conversion of the Series B Common Stock Equivalent (3)	18,975,000	(3)	(3)	(3)

(1) Calculated in accordance with Rule 457(o) and Rule 457(r) of the Securities Act of 1933, as amended (the Securities Act).

(2) The Depositary Shares represent a 1/100th interest in each share of Series B Common Stock Equivalent. Because no separate consideration will be received by the registrant for the Series B Common Stock Equivalent, no registration fee is required with respect to these securities.

(3) Because no separate consideration will be received by the registrant in connection with the conversion of the Series B Common Stock Equivalent, no registration fee is required with respect to these securities. The registrant is registering the number of shares of Common Stock that are initially issuable upon conversion of the Series B Common Stock Equivalent. In addition to the number of shares set forth in the table, pursuant to Rule 416 under the Securities Act, the amount to be registered includes an indeterminate number of shares of Common Stock issuable as a result of stock splits, stock dividends and anti-dilution provisions as described in the prospectus supplement.

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Prospectus Supplement

(To prospectus dated December 5, 2008)

16,500,000 Depositary Shares,

Representing Interests in Series B Common Stock Equivalent

We are offering 16,500,000 depositary shares, each of which represents a 1/100th interest in a share of a series of our preferred stock designated as the Series B Common Stock Equivalent (the Common Stock Equivalent) and entitles the holder of such depositary share, through the depository, to a proportional fractional interest in the rights and preferences of such share of Common Stock Equivalent represented by the depositary share, including conversion, dividend, liquidation and voting rights. Each share of Common Stock Equivalent has a liquidation amount of $1,100 and is initially subject to conversion as described below into 100 shares of our common stock (and, correspondingly, each depositary share is initially subject to conversion into one share of our common stock).

We have agreed to use our reasonable best efforts to hold a special meeting of our stockholders as soon as practicable, but not later than August 15, 2010 (the approval deadline), at which we will seek to obtain the requisite stockholder approval of an amendment to our restated articles of incorporation to increase the number of authorized shares of our common stock to a number at least sufficient to permit the full conversion of the Common Stock Equivalent into shares of our common stock. If we fail to obtain such stockholder approval by the approval deadline, we have agreed that we will continue to seek to obtain such approval at least as frequently as every six months thereafter until approval has been obtained. On the first business day following such stockholder approval (i) the Common Stock Equivalent will automatically convert into shares of our common stock at a conversion rate, subject to adjustment, of 100 shares of our common stock for each share of Common Stock Equivalent (the conversion rate), which is equivalent to one share of our common stock for each depositary share; and (ii) all shares of our Common Stock Equivalent will cease to exist.

Our board of directors may not declare or pay any dividend or make any distribution (including regular quarterly dividends) in respect of our common stock, unless it declares and pays to the holders of the Common Stock Equivalent, at the same time and on the same terms as holders of our common stock, a corresponding dividend based on the number of shares into which the Common Stock Equivalent is then convertible. If we fail to obtain stockholder approval for the amendment described above by the approval deadline, thereafter, non-cumulative cash dividends will be payable on the Common Stock Equivalent in an amount equal to the greater of (i) the annualized dividend yield on our common stock and (ii) a per annum rate of 15%.

Holders of the Common Stock Equivalent will be entitled to vote on an as-converted basis, together with holders of our common stock, on all matters upon which the holders of common stock are entitled to vote, except on the amendment to increase the number of authorized shares of our common stock. Holders of the Common Stock Equivalent will have certain additional voting rights in the case of certain dividend arrearages and other corporate actions affecting the Common Stock Equivalent.

In the event of our liquidation, holders of our Common Stock Equivalent will be entitled to a liquidation preference before any distribution is made to holders of our common stock or other stock of ours ranking junior to the Common Stock Equivalent, and will be entitled to participate with holders of our common stock in the event of excess assets upon our liquidation as described herein.

The Common Stock Equivalent is not redeemable. The Common Stock Equivalent will rank senior to our common stock and any other class or series of our capital stock the terms of which expressly provide that it ranks junior to our Common Stock Equivalent; equal with any class or series of our capital stock the terms of which do not expressly provide that such class or series will rank senior or junior to our Common Stock Equivalent, including our Fixed Rate Cumulative Perpetual Preferred Stock, Series A; junior to all of our existing and future debt obligations, including any secured debt obligations; and effectively junior to all existing and future debt obligations (including trade payables) of our subsidiaries.

Concurrently with this offering, we are offering 7,500,000 shares of our common stock (or a total of 8,625,000 shares if the underwriter in that offering exercises its option to purchase additional shares in full) in an underwritten offering pursuant to a separate prospectus supplement. Each of this offering and the common stock offering is contingent on completion of the other offering.

We have applied to list the depositary shares on The NASDAQ Global Select Market under the symbol UMPQP, and we expect trading to commence within 30 days of the first original issuance date of the depositary shares. Our common stock is quoted on The NASDAQ Global Select Market under the symbol UMPQ. The last reported sale price of our common stock on The NASDAQ Global Select Market on February 3, 2010 was $11.94.

Investing in the depositary shares involves a high degree of risk. See Risk Factors beginning on page S-25 of this prospectus supplement.

	Per Depositary Share	Total

Public offering price	$	11.00	$ 181,500,000
Underwriting discounts and commissions	$	0.55	$ 9,075,000
Proceeds, before expenses, to us	$	10.45	$ 172,425,000

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The depositary shares and the Common Stock Equivalent are not deposit or savings accounts. The depositary shares and the Common Stock Equivalent are not insured by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

We have granted the underwriter the option to purchase within 30 days from the date of this prospectus supplement up to an additional 2,475,000 depositary shares at the public offering price per share, less underwriting discounts and commissions, solely to cover over-allotments.

We expect that delivery of the depositary shares will be made to investors in book-entry form through The Depository Trust Company on or about February 9, 2010.

J.P. Morgan

February 3, 2010

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About this prospectus supplement

We provide information to you about our depositary shares, each of which represents a 1/100th interest in a share of a series of our preferred stock designated as the Series B Common Stock Equivalent, in two separate documents. First, this prospectus supplement describes the specific terms of this offering of our depositary shares and Common Stock Equivalent and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the accompanying prospectus. Second, the accompanying prospectus provides general information about securities we may offer from time to time, including securities other than the depositary shares and Common Stock Equivalent being offered by this prospectus supplement. Some of the information in the accompanying prospectus may not apply to this offering. If the information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement.

In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus and any relevant free writing prospectus. We have not authorized anyone to provide you with any other information. If you receive any information not authorized by us, you should not rely on it. We are not, and the underwriter is not, making an offer to sell the depositary shares and Common Stock Equivalent in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus or any relevant free writing prospectus is accurate as of any date other than its respective date.

It is important for you to read and consider all of the information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You also should read and consider the information in the documents we have referred you to in Where You Can Find More Information on page 6 of the accompanying prospectus and page S-85 of this prospectus supplement.

We include cross-references in this prospectus supplement and the accompanying prospectus to captions in these materials where you can find additional related discussions. The table of contents in this prospectus supplement provides the pages on which these captions are located.

References to Umpqua, the Company, we, our, or us in this prospectus supplement refer to Umpqua Holdings Corporation, an Oregon corporation, unless otherwise specified or the context otherwise requires. References to Umpqua Bank or the Bank refer to Umpqua Bank, an Oregon state-chartered bank, and references to Umpqua Investments refer to Umpqua Investments, Inc.

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Incorporation of documents by reference

The SEC allows us to incorporate by reference into this prospectus supplement information in other documents we file with the SEC, which means that we can disclose important information to you by referring you to those documents. Information incorporated by reference is considered to be part of this prospectus supplement.

Other than any portions of any such documents that are not deemed filed under the Exchange Act in accordance with the Exchange Act and applicable SEC rules, we incorporate by reference the documents listed below and any filings we make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, after the date of this prospectus supplement and prior to the time that we sell all the securities offered by this prospectus supplement:

- Annual Report on Form 10-K for the year ended December 31, 2008, including information specifically incorporated by reference into our Form 10-K from our definitive Proxy Statement for our 2009 annual meeting of shareholders;

- Our definitive Proxy Statement in connection with our 2009 annual meeting of shareholders filed March 2, 2009 (except for the Compensation Committee Report and the Audit Committee Report contained therein);

- Quarterly Reports on Form 10-Q (as amended) for the quarters ended March 31, 2009; June 30, 2009; and September 30, 2009;

- Current Reports on Form 8-K filed on January 27, 2010 (Item 1.01); January 27, 2010 (Item 2.02 and Item 9.01); January 21, 2010; December 17, 2009; September 15, 2009; August 19, 2009; August 17, 2009; August 11, 2009; June 16, 2009 (Item 8.01 only); April 21, 2009; April 15, 2009; April 2, 2009; March 12, 2009; February 24, 2009; and January 20, 2009; and

- The description of our common stock contained in our Current Report on Form 8-K filed May 30, 2008, including any amendment or report filed to update such description.

You may request a copy of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing to us at the following address or calling us at the phone number below:

Steven L. Philpott

Executive Vice President, General Counsel and Secretary

Umpqua Holdings Corporation

675 Oak Street, Suite 200

PO Box 1560

Eugene, Oregon 97440

(541) 434-2997

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Forward-looking statements

This prospectus supplement, the accompanying prospectus and the information incorporated by reference in them include forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. These statements may include statements that expressly or implicitly predict future results, performance or events. Statements other than statements of historical fact are forward-looking statements. You can find many of these statements by looking for words such as anticipates, expects, believes, estimates and intends and words or phrases of similar meaning. We make forward-looking statements regarding projected sources of funds, use of proceeds, availability of acquisition and growth opportunities, regulatory approval to repay TARP funds, dividends, adequacy of our allowance for loan and lease losses and provision for loan and lease losses, our commercial real estate portfolio and subsequent charge-offs. Forward-looking statements involve substantial risks and uncertainties, many of which are difficult to predict and are generally beyond our control. There are many factors that could cause actual results to differ materially from those contemplated by these forward-looking statements. Risks and uncertainties that could cause our financial performance to differ materially from our goals, plans, expectations and projections expressed in forward-looking statements include those set forth in our filings with the SEC, including Item 1A of our Annual Report on Form 10-K as updated and supplemented in our filings on Form 10-Q and Form 8-K, and the following:

- our ability to attract new deposits and loans and leases;
- demand for financial services in our market areas;
- competitive market pricing factors;
- deterioration in economic conditions that could result in increased loan and lease losses;
- risks associated with concentrations in real estate related loans;
- market interest rate volatility;
- stability of funding sources and continued availability of borrowings;
- changes in legal or regulatory requirements or the results of regulatory examinations that could restrict growth;
- our ability to recruit and retain key management and staff;
- availability of, and competition for, FDIC-assisted acquisition opportunities;
- risks associated with merger and acquisition integration;

significant decline in the market value of the Company that could result in an impairment of goodwill;

our ability to raise capital or incur debt on reasonable terms;

regulatory limits on the Bank s ability to pay dividends to the Company;

effectiveness of the Emergency Economic Stabilization Act of 2008 (EESA) and other legislative and regulatory efforts to help stabilize the U.S. financial markets;

- future legislative or administrative changes to the TARP Capital Purchase Program enacted under EESA; and

- the impact of the EESA and the American Recovery and Reinvestment Act (ARRA) and related rules and regulations on the Company s business operations and competitiveness, including the impact of executive compensation restrictions, which may affect the Company s ability to retain and recruit executives in competition with other firms who do not operate under those restrictions.

For a more detailed discussion of some of the risk factors, see the section entitled Risk Factors beginning on p. S-25. We do not intend to update any factors or to publicly announce revisions to any of our forward-looking statements. You should consider any forward looking statements in light of this explanation, and we caution you about relying on forward-looking statements.

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Summary

The following information about this offering summarizes, and should be read in conjunction with, the information contained in this prospectus supplement and in the accompanying prospectus, and the documents incorporated therein by reference.

Umpqua Holdings Corporation

Umpqua Holdings Corporation is a financial holding company and parent company of Umpqua Bank, an Oregon state chartered bank, and Umpqua Investments, Inc., a registered broker-dealer and investment advisor. At December 31, 2009, we had consolidated total assets of $9.4 billion, deposits of $7.4 billion and shareholders equity of $1.6 billion. Umpqua Holdings Corporation is an Oregon corporation headquartered in Portland, Oregon. Our principal executive offices are located at Umpqua Bank Plaza, One SW Columbia Street, Suite 1200, Portland, Oregon 97258 and our telephone number is (503) 727-4100.

We engage primarily in the business of commercial and retail banking and the delivery of retail brokerage services. Umpqua Bank provides a wide range of banking, mortgage banking and other financial services to corporate, institutional and individual customers. Umpqua Bank is an Oregon-based community bank recognized for its entrepreneurial approach, innovative use of technology, and distinctive banking solutions. Umpqua Bank has 162 locations between San Francisco, California, and Seattle, Washington, along the Oregon and Northern California Coast and in Central Oregon. Umpqua Investments has locations in Umpqua Bank stores and in dedicated offices throughout Oregon and offers a full range of investment products and services including: stocks, fixed income securities (municipal, corporate, and government bonds, CDs, and money market instruments), mutual funds, annuities, options, retirement planning, money management services, life insurance, disability insurance and medical supplement policies. Umpqua Bank s Private Bank Division provides tailored financial services and products to individual customers.

Prior to 2004, Umpqua Bank operated primarily in the Portland metropolitan and Willamette Valley areas of Oregon along the I-5 corridor, southern Oregon, and the Oregon coast. During the third quarter of 2004, we completed the acquisition of Humboldt Bancorp, which at the time of the acquisition had total assets of approximately $1.5 billion and 27 branches located throughout Northern California. On June 2, 2006, we completed the acquisition of Western Sierra Bancorp and its principal operating subsidiaries, Western Sierra Bank, Central California Bank, Lake Community Bank and Auburn Community Bank. At the time of the acquisition, Western Sierra Bancorp had total assets of approximately $1.5 billion and 31 branches located throughout Northern California. On April 26, 2007, we completed the acquisition of North Bay Bancorp and its principal operating subsidiary, The Vintage Bank, along with its Solano Bank division. At the time of the acquisition, North Bay Bancorp had total assets of approximately $727.6 million and 10 Northern California branches located in the Napa area and in the communities of St. Helena, American Canyon, Vacaville, Benicia, Vallejo and Fairfield. On January 16, 2009, the Washington Department of Financial Institutions closed the Bank of Clark County, Vancouver, Washington, and appointed the FDIC as its receiver. Umpqua Bank entered into a purchase and assumption agreement with the FDIC to purchase certain assets and assume the insured non-brokered deposit balances of the Bank of Clark County, representing two branches, at no premium. On January 22, 2010, the Washington Department of Financial Institutions closed EvergreenBank, Seattle, Washington. Umpqua Bank entered into a whole bank purchase and assumption agreement with the FDIC to assume all of the deposits of EvergreenBank and purchase essentially all of the assets. The FDIC and Umpqua Bank entered into a loss-share transaction on $374.8 million of EvergreenBank s assets. Umpqua Bank will share in the losses on the asset pools covered under the loss-share agreement. EvergreenBank s seven Seattle metropolitan area branches opened as Umpqua Bank stores on January 25, 2010. See Recent Developments .

We are considered one of the most innovative community banks in the United States, combining a retail product delivery approach with an emphasis on quality-assured personal service. Umpqua Bank has evolved from a traditional community bank into a community-oriented financial services retailer by implementing a variety of retail marketing strategies to increase revenue and differentiate ourselves from our competition.

Along with our subsidiaries, we are subject to the regulations of state and federal agencies and undergo periodic examinations by these regulatory agencies. See Supervision and Regulation in our Annual Report on Form 10-K for the year ended December 31, 2008, which is incorporated by reference in this prospectus supplement and the accompanying prospectus.

Our business strategy

Our principal objective is to become the leading community-oriented financial services retailer throughout the Pacific Northwest and Northern California. We plan to continue the expansion of our market from Seattle to San Francisco, primarily along the I-5 corridor. We intend to continue to grow our assets and increase profitability and shareholder value by differentiating ourselves from competitors through the following strategies:

Capitalize on innovative product delivery system. Our philosophy has been to develop an environment for the customer that makes the banking experience enjoyable. With this approach in mind, we have developed a unique store concept that offers one-stop shopping and includes distinct physical areas or boutiques, such as a serious about service center, an investment opportunity center and a computer café, which make the Bank s products and services more tangible and accessible. In 2006, we introduced our Neighborhood Stores and in 2007, we introduced the Umpqua Innovation Lab . We expect to continue remodeling existing and acquired stores in metropolitan locations to further our retail vision.

Deliver superior quality service. We insist on quality service as an integral part of our culture, from the Board of Directors to our new sales associates, and believe we are among the first banks to introduce a measurable quality service program. Under our return on quality program, each sales associate s and store s performance is evaluated monthly based on specific measurable factors such as the sales effectiveness ratio that totals the average number of banking products purchased by each new customer. The evaluations also encompass factors such as the number of new loan and deposit accounts generated in each store, reports by incognito mystery shoppers and customer surveys. Based on scores achieved, the return on quality program rewards both individual sales associates and store teams with financial incentives. Through such programs, we believe we can measure the quality of service provided to our customers and maintain employee focus on quality customer service.

Establish strong brand awareness. As a financial services retailer, we devote considerable resources to developing the Umpqua Bank brand. We promote the brand in advertising and merchandise bearing the Bank s logo, such as mugs, tee-shirts, hats, umbrellas and bags of custom roasted coffee beans. The unique look and feel of our stores and our unique product displays help position us as an innovative, customer friendly retailer of financial products and services. We build consumer preference for our products and services through strong brand awareness. During 2005, we secured naming rights to the office tower in Portland, Oregon in which our administrative offices and main branch are now located. This downtown building now displays prominent illuminated signage with the Bank s name and logo.

Use technology to expand customer base. Although our strategy continues to emphasize superior personal service, we plan to expand user-friendly, technology-based systems to attract customers that may prefer to interact with their financial institution electronically. We offer technology-based services including voice response banking, debit cards, automatic payroll deposit programs, ibank@Umpqua online banking, bill pay and cash management, advanced function ATMs and an internet web site. We believe the availability of both traditional bank services and electronic banking services enhances our ability to attract a broader range of customers.

Increase market share in existing markets and expand into new markets. As a result of our innovative retail product orientation, measurable quality service program and strong brand awareness, we believe that there is significant potential to increase business with current customers, to attract new customers in our existing markets and to enter new markets.

Pursue FDIC-assisted transactions. A part of our near-term strategy is to pursue certain failing banks that the FDIC makes available for bid, and that meet our strategic objectives. Failed bank transactions are attractive opportunities because we can acquire loans subject to a loss share agreement with the FDIC that limits our downside risk on the purchased loan portfolio and, apart from our assumption of deposit liabilities, we have significant discretion as to the non-deposit liabilities that we assume. Assets purchased from the FDIC are marked to their fair value and in many cases there is little or no addition to goodwill arising from an FDIC-assisted transaction. We have completed two FDIC-assisted transactions since January 1, 2009.

Company information

Umpqua Holdings Corporation, an Oregon corporation, was formed as a bank holding company in March 1999. At that time, we acquired 100% of the outstanding shares of South Umpqua Bank, an Oregon state-chartered bank formed in 1953. We became a financial holding company in March 2000 under the provisions of the Gramm-Leach-Bliley Act. Umpqua has two principal operating subsidiaries, Umpqua Bank and Umpqua Investments.

Recent developments

FDIC-assisted acquisition of EvergreenBank, Seattle, Washington

On January 22, 2010, the Federal Deposit Insurance Corporation (FDIC) placed EvergreenBank into receivership. Umpqua Bank assumed the banking operations of EvergreenBank from the FDIC under a whole bank purchase and assumption agreement with loss sharing. In connection with the assumption, Umpqua Bank acquired assets totaling $402 million, including $370 million of loans, along with liabilities of $343 million, including $285 million of deposits. These amounts represent gross book values of the items assumed and do not include fair value adjustments. Umpqua Bank now operates seven additional store locations in the greater Seattle, Washington market. The purchase and assumption agreement includes loss sharing between the FDIC and Umpqua Bank, which after fair value adjustments, significantly mitigates the risk of future loss on the loan portfolio acquired. Under the terms of the loss sharing agreement, the FDIC will absorb a specified percentage of net losses in excess of our first loss tranche. Generally, the FDIC will absorb 80% of losses and share in 80% of loss recoveries on the first $90 million of losses, and absorb 95% of losses and share in 95% of loss recoveries on losses exceeding $90 million. The term for loss sharing on residential real estate loans is ten years, and the term for loss sharing or non-residential real estate loans is five years with respect to losses and eight years with respect to recoveries. The acquisition is expected to be immediately accretive to operating earnings per share.

Fourth quarter and year end 2009 unaudited results

Results for fourth quarter of 2009 and year ended December 31, 2009, and significant items for the fourth quarter of 2009 were as follows:

Net loss available to common shareholders was $166.3 million, or $2.36 per diluted common share, for the year ended December 31, 2009, as compared to earnings available to common shareholders of $49.3 million, or $0.82 per diluted common share for the year ended December 31, 2008. Non-GAAP operating income (loss) per diluted common share, defined as earnings available to common shareholders before merger related expenses, net of tax, and goodwill impairment divided by the same diluted share total used in determining diluted earnings per common share, was $(0.77) for the year ended December 31, 2009, as compared to operating income per diluted common share of $0.83 for the year ended December 31, 2008. Non-GAAP operating income per diluted share is considered a non-GAAP financial measure. See Reconciliation of non-GAAP financial measures on page S-7.

Non-performing assets were $223.6 million, or 2.38% of total assets, as of December 31, 2009, as compared to $156.0 million, or 1.70% of total assets, as of September 30, 2009, and $161.3 million, or 1.88% of total assets as of December 31, 2008. Non-performing loans were $199.0 million, or 3.32% of total loans, as of December 31, 2009, as compared to $129.3 million, or 2.13%, as of September 30, 2009, and $133.4 million, or 2.18% of total loans, as of December 31, 2008. The increase in non-performing assets resulted, in part, from the reclassification of a portion of restructured loans to non-accrual status. Non-accrual loans have been written-down to their estimated net realizable values.

Net charge-offs were $197.3 million for the year ended December 31, 2009, or 3.23% of average loans and leases, as compared to net charge-offs of $96.7 million, or 1.58% of average loans and leases, for the year ended December 31, 2008. Net charge-offs for the quarter ended December 31, 2009 were $64.1 million, or 4.19% of average loans and leases (annualized), compared to net charge-offs of $47.3 million, or 3.07% of average loans and leases (annualized), for the three months ended September 30, 2009, and net charge-offs of $30.1 million, or 1.94% of average loans and leases (annualized), for the three months ended December 31, 2008. The majority of charge-offs for these periods relate to our residential development portfolio.

The provision for loan and lease losses was $68.6 million and $209.1 million for the three months and year ended December 31, 2009, respectively, as compared to the $32.0 million and $107.7 million recognized for the three months and year ended December 31, 2008, respectively. This resulted from the increase in net charge-offs and non-performing loans, and

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downgrades within the portfolio between the two periods. The provision for loan and lease losses for the three months ended September 30, 2009 was $52.1 million.

Loans past due 30-89 days were $41.5 million, or 0.69% of total loans as of December 31, 2009, a 10% decrease from $46.1 million as of September 30, 2009, and a 30% decrease from $59.1 million as of December 31, 2008.

We recorded loss of $3.7 million and a gain of $6.5 million representing the change in fair value on our junior subordinated debentures measured at fair value in the three months and year ended December 31, 2009, respectively, compared to gains of $8.8 million and $38.9 million in the three months and year ended December 31, 2008, respectively. For the three months ended September 30, 2009, we recorded a gain of $1.0 million. The gains recognized during prior periods were due to the widening of the credit risk adjusted rate spread above the Company s contractual spreads and changes in the three month LIBOR rate.

Mortgage banking revenue was $4.1 million and $18.7 million for the three months and year ended December 31, 2009, compared to a loss of $408 thousand and a gain of $2.4 million for the three months and year ended December 31, 2008. Closed mortgage volume increased 131% for the year ended December 31, 2009 compared to the year ended December 31, 2008, due to a significant increase in refinancing activity, resulting from historically low mortgage interest rates. The prior year s revenue includes a $2.4 million charge on an ineffective mortgage servicing right (MSR) hedge, which has been suspended, due to widening spreads and price declines that were not offset by a corresponding gain in the related MSR asset.

Net loss on investment securities was $1.7 million for the year ended December 31, 2009, compared to a net gain of $1.3 million for the year ended December 31, 2008, and includes other-than-temporary impairment charges of $10.6 million, which primarily relate to non-agency collateralized mortgage obligations. Including unrealized losses in other comprehensive income related to factors other than credit, the remaining held to maturity non-agency collateralized mortgage obligations balance is $4.3 million as of December 31, 2009. The impairment charge was offset by the gain on sale of securities of $8.9 million.

FDIC assessments increased to $3.2 million and $15.8 million for the three months and year ended December 31, 2009, respectively, compared to $1.4 million and $5.2 million for the three months and year ended December 31, 2008, respectively. These increases result from an industry-wide increase in assessment rates and a $4.0 million special assessment incurred in the second quarter of 2009 imposed by the FDIC in efforts to rebuild the Deposit Insurance Fund.

Net interest margin, on a tax equivalent basis, increased to 4.06% and 4.09% for the three months and year ended December 31, 2009, respectively, compared to 4.02% and 4.07% for the same periods a year ago and to 4.05% for the three months ended September 30, 2009. The increase in net interest margin resulted from a decrease in the cost of interest bearing deposits, partially offset by the impact of holding higher levels of interest bearing cash, along with interest reversals on new non-accrual loans. Excluding interest reversals on loans of $1.4 million and $4.4 million for the three months and year ended December 31, 2009, net interest margin would have increased 7 basis points to 4.13% and increased 6 basis points to 4.15%, respectively.

Estimated total risk based capital increased to 17.07% as of December 31, 2009, compared to 14.62% as of December 31, 2008. In August 2009, we completed an underwritten public

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offering of common stock raising $258.7 million by issuing 26,538,461 shares at a price of $9.75 per share. The net proceeds of the offering, after deducting underwriting discounts and commissions and offering expenses, were approximately $245.7 million. The increase in total risk based capital from the offering was partially offset by the net loss for the year ended December 31, 2009, dividends paid to preferred and common shareholders, and growth in total assets primarily due to the FDIC-assisted purchase and assumption of certain assets and liabilities of the Bank of Clark County in the first quarter of 2009. Capital ratios as of December 31, 2009 are estimates pending completion and filing of our regulatory reports.

Total gross loans and leases were $6.0 billion as of December 31, 2009, compared to $6.1 billion at December 31, 2008. Total net loan fundings during the fourth quarter of 2009 were approximately $446.5 million, compared to $388.3 during the third quarter of 2009.

Total deposits were $7.4 billion as of December 31, 2009 compared to $6.6 billion at December 31, 2008. Excluding the deposits acquired through the FDIC-assisted purchase and assumption of the Bank of Clark County, the organic deposit growth rate was 10.4%.

Total consolidated assets were $9.4 billion as of December 31, 2009, compared to $9.2 billion at September 30, 2009 and $8.6 billion at December 31, 2008.

Cash dividends declared in the fourth quarter of 2009 were $0.05 per common share, consistent with the amount declared in the three previous quarters of 2009 and the fourth quarter of 2008.

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Reconciliation of non-GAAP financial measures

We incur significant expenses related to the completion and integration of mergers. Additionally, we may recognize goodwill impairment losses that have no direct effect on the Company s or the Bank s cash balances, liquidity, or regulatory capital ratios. Accordingly, we believe that our operating results are best measured on a comparative basis excluding the impact of merger-related expenses, net of tax, and other charges related to business combinations such as goodwill impairment charges. We define non-GAAP *operating income* as earnings available to common shareholders before merger related expenses, net of tax, and goodwill impairment, and we calculate non-GAAP *operating income per diluted share* by dividing non-GAAP operating income by the same diluted share total used in determining diluted earnings per common share (see Note 13 of the *Notes to Consolidated Financial Statements,* included in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, incorporated by reference herein). Operating income and operating income per diluted share are considered non-GAAP financial measures. Although we believe the presentation of non-GAAP financial measures provides a better indication of our operating performance, you are urged to review the GAAP results.

The following table presents a reconciliation of non-GAAP operating (loss) income and non-GAAP operating (loss) income per diluted share to net (loss) earnings and net (loss) earnings per diluted common share for the three months and year ended December 31, 2009 and 2008:

Reconciliation of operating income to net income available to common shareholders

	Three months ended December 31,		**Year ended December 31,**	
(in thousands, except per share data)	**2009**	**2008**	**2009**	**2008**
Net (loss) earnings available to common shareholders	$ (29,924)	$ 2,205	$ (166,262)	$ 49,270
Merger-related expenses, net of tax			164	
Goodwill impairment		982	111,952	982
Non-GAAP operating (loss) income	$ (29,924)	$ 3,187	$ (54,146)	$ 50,252
Per diluted share:				
Net (loss) earnings available to common shareholders	$ (0.34)	$ 0.04	$ (2.36)	$ 0.82
Merger-related expenses, net of tax				
Goodwill impairment		0.01	1.59	0.01
Non-GAAP operating (loss) income	$ (0.34)	$ 0.05	$ (0.77)	$ 0.83

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The following table presents the returns on average assets, average common shareholders equity and average tangible common shareholders equity for the three months and year ended December 31, 2009 and 2008. For each of the periods presented, the table includes the calculated ratios based on reported net (loss) earnings available to common shareholders and non-GAAP operating income (loss) as shown in the table above. As a result of our mergers with other financial institutions, we have a significant amount of goodwill and other intangible assets that we believe affects our return on average common shareholders equity. To the extent this performance metric is used to compare our performance with other financial institutions that do not have merger-related intangible assets, we believe it beneficial to also consider the return on average tangible common shareholders equity. The return on average tangible common shareholders equity is calculated by dividing net (loss) earnings available to common shareholders by average shareholders common equity less average goodwill and intangible assets, net (excluding MSRs). The return on average tangible common shareholders equity is considered a non-GAAP financial measure and should be viewed in conjunction with the return on average common shareholders equity.

Returns on average assets, common shareholders equity and tangible common shareholders equity

(dollars in thousands)	**Three months ended December 31, 2009**	**2008**	**Year ended December 31, 2009**	**2008**
Returns on average assets:				
Net (loss) earnings available to common shareholders	-1.27%	0.10%	-1.85%	0.59%
Non-GAAP operating (loss) income	-1.27%	0.15%	-0.60%	0.60%
Returns on average common shareholders equity:				
Net (loss) earnings available to common shareholders	-8.41%	0.70%	-12.63%	3.93%
Non-GAAP operating (loss) income	-8.41%	1.00%	-4.11%	4.01%
Returns on average tangible common shareholders equity:				
Net (loss) earnings available to common shareholders	-15.39%	1.75%	-26.91%	9.99%
Non-GAAP operating (loss) income	-15.39%	2.52%	-8.77%	10.19%
Calculation of average tangible common shareholders equity:				
Average common shareholders equity	$1,412,324	$1,262,566	$1,315,953	$1,254,730
Less: average goodwill and other intangible assets, net	640,995	759,424	698,223	761,672
Average tangible common shareholders equity	$ 771,329	$ 503,142	$ 617,730	$ 493,058

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Concurrent offering

Concurrently with this offering, we are offering 7,500,000 shares of our common stock (or a total of 8,625,000 shares if the underwriter in that offering exercises its option to purchase additional shares in full) in an underwritten offering pursuant to a separate prospectus supplement. Each of this offering and the common stock offering is contingent on completion of the other offering.

The net proceeds from our concurrent common stock offering will be approximately $78.1 million resulting in total net proceeds of approximately $250.3 million from both this offering and the common stock offering, in each case after deducting underwriting commissions and expenses, assuming no exercise of the underwriter s options to purchase additional shares of common stock and depositary shares, as the case may be, to cover over-allotments, if any.

The foregoing description and other information in this prospectus supplement regarding the concurrent common stock offering is included solely for informational purposes.

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The offering

The summary below describes the principal terms of the depositary shares and the Series B Common Stock Equivalent. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of preferred stock and Description of depositary shares sections of this prospectus supplement contain a more detailed description of the terms and conditions of the depositary shares and Series B Common Stock Equivalent. As used in this section, we, our, and us refer to Umpqua Holdings Corporation and not to its consolidated subsidiaries.

Issuer	Umpqua Holdings Corporation.
Securities offered	16,500,000 depositary shares (plus up to an additional 2,475,000 depositary shares to cover over-allotments), each of which represents a 1/100th interest in a share of a series of our preferred stock designated as the Series B Common Stock Equivalent (the Common Stock Equivalent) and entitles the holder of such depositary share, through the depository, to a proportional fractional interest in the rights and preferences of such share of Common Stock Equivalent represented by the depositary share, including conversion, dividend, liquidation and voting rights. Each share of Common Stock Equivalent is initially subject to conversion as described below into 100 shares of our common stock (and, correspondingly, each depositary share is initially subject to conversion into one share of our common stock).

In the aggregate, upon issuance, 16,500,000 shares of our common stock (subject to adjustment) will be issuable upon conversion of the Common Stock Equivalent (or one share of common stock for each depositary share).

Liquidation amount	$1,100 per share of Common Stock Equivalent.
Dividend payment dates	February 15, May 15, August 15 and November 15 of each year.

Notwithstanding the foregoing and for the avoidance of doubt, prior to the approval deadline, on the same date that we pay any

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	dividend or distribution on shares of our common stock (irrespective of whether such date is a dividend payment date as defined above), we will pay a corresponding dividend or distribution, on an as-converted basis, to holders of the Common Stock Equivalent.
Dividend period	The period from and including any dividend payment date (or, if a dividend payment date has not occurred, the date of original issuance of the Common Stock Equivalent) to, but excluding, the immediately succeeding dividend payment date.
Stockholder approval of the common stock amendment	We have agreed to use our reasonable best efforts to hold a special meeting of our stockholders as soon as practicable, but not later than August 15, 2010 (the approval deadline), at which we will seek to obtain the requisite stockholder approval of an amendment to our restated articles of incorporation to increase the number of authorized shares of our common stock to a number at least sufficient to permit conversion of the Common Stock Equivalent into shares of our common stock. If we fail to obtain such stockholder approval by the approval deadline, we have agreed that we will continue to seek to obtain such approval at least as frequently as every six months thereafter until approval has been obtained.

We refer to the amendment to our restated articles of incorporation to increase our authorized common stock as provided above as the common stock amendment, and the first stockholders meeting following the completion of this offering at which we seek to obtain approval of the common stock amendment as the special stockholders meeting.

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If we obtain stockholder approval of the common stock amendment at the special stockholders meeting held on or before the approval deadline, then on the first business day following the special stockholders meeting:

- the Common Stock Equivalent will automatically convert into shares of our common stock at a conversion rate, subject to adjustment, of 100 shares of our common stock for each share of Common Stock Equivalent (the conversion rate), which is equivalent to one share of our common stock for each depositary share, with cash being paid for fractional shares; and

- all shares of our Common Stock Equivalent will cease to exist and will resume the status of authorized and unissued shares of our preferred stock, and all other rights of the holders of such shares of Common Stock Equivalent (or depositary shares in respect thereof) will terminate.

Dividends

Dividends payable on the Common Stock Equivalent are non-cumulative. If neither our board of directors nor any duly authorized committee thereof declares a dividend on our Common Stock Equivalent in respect of a dividend period, no dividend will accrue, and we will have no obligation to pay, and holders will have no right to receive, a dividend for such dividend period.

From, and including, the first original issuance date of the Common Stock Equivalent to, but excluding, the approval deadline, our board of directors (or a duly authorized committee thereof) may not declare or pay any dividend or make any distribution (including, but not limited to, regular quarterly dividends) in respect of our common stock, whether payable in cash, securities or any other form of property or assets, unless our board of directors (or a duly authorized committee thereof) declares and pays to the holders of the Common Stock Equivalent, at the same time (irrespective of whether or not such time is a dividend payment date) and on the same terms as holders of our common stock, a dividend per share of Common Stock Equivalent equal to the product of (i) any dividend or distribution, as applicable, declared and paid or made in respect of each share of our common stock and (ii) the then-current conversion rate of the Common Stock Equivalent.

For each dividend period from, and including, the approval deadline, non-cumulative cash dividends will be payable on the Common Stock Equivalent in an amount equal to the greater of (i) the as-converted dividend amount and (ii) the alternate dividend amount (each as defined below).

The as-converted dividend amount means, with respect to any dividend period, the product of (i) the pro forma per share quarterly common stock dividend derived by (x) annualizing the last quarterly cash dividend declared during such dividend period on our common stock and (y) dividing such annualized dividend by four and (ii) the then-current conversion rate; provided that for any such dividend period during which no quarterly cash dividend has been declared on our common stock, the as-converted dividend amount will be deemed to be $0.00.

The alternate dividend amount means an amount equal to the product of (i) the liquidation amount of the Common Stock Equivalent and (ii) a per annum rate of 15%.

Ranking

The Common Stock Equivalent will rank, with respect to dividend rights and rights upon our dissolution, liquidation or winding up, senior to junior stock; equal with parity stock; junior to all of our existing and future debt obligations, including any of our future secured debt obligations; and effectively junior to all existing and future debt obligations (including trade payables) of our subsidiaries.

Junior stock means our common stock and any other class or series of our capital stock

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the terms of which expressly provide that it ranks junior to the Common Stock Equivalent as to dividend rights and/or as to rights on our liquidation, dissolution or winding up.

Parity stock means any class or series of our capital stock (other than the Common Stock Equivalent) the terms of which do not expressly provide that such class or series will rank senior or junior to the Common Stock Equivalent as to dividend rights and/or as to rights on our liquidation, dissolution or winding up (in each case, without regard to whether dividends accrue cumulatively or non-cumulatively), including without limitation our Fixed Rate Cumulative Perpetual Preferred Stock, Series A.

Dividend stopper

Subject to certain exceptions as described under Description of preferred stock Dividends Dividend stopper in this prospectus supplement, so long as the Common Stock Equivalent remains outstanding:

- no dividend or distribution will be declared or paid on our common stock or any other shares of junior stock (as defined below) (other than dividends payable on junior stock other than our common stock solely in shares of our common stock) or parity stock (as defined below); and

- no common stock, junior stock or parity stock will be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by us or any of our subsidiaries;

unless, in each case, full dividends on all outstanding shares of the Common Stock Equivalent have been paid or declared and set aside for payment in respect of the most recently completed dividend period.

Voting rights

Each share of Common Stock Equivalent will entitle the holders thereof to a number of votes equal to the number of shares of our common stock into which such share is then convertible as of the record date for the vote

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or consent on all matters submitted to a vote of our stockholders, except for the common stock amendment, unless required by applicable law.

Except as otherwise provided in the certificate of designations for the Common Stock Equivalent, in our restated articles of incorporation or by applicable law, the holders of shares of Common Stock Equivalent and the holders of shares of our common stock will vote together as one class on all matters submitted to a stockholder vote, except the common stock amendment.

Subject to certain conditions, whenever, at any time or times, from and including the approval deadline, dividends payable on the Common Stock Equivalent have not been paid for an aggregate of six quarterly dividend periods or more, whether or not consecutive (a nonpayment), the authorized number of directors of our board of directors will automatically be increased by two and the holders of the Common Stock Equivalent will have the right, with holders of shares of any one or more other classes or series of voting parity stock (as defined below) outstanding at the time, voting together as a class (and with voting rights allocated pro rata based on the liquidation amount of each such class or series), to elect two directors to fill such newly created directorships at our next annual meeting of stockholders (or at a special meeting called for that purpose prior to such next annual meeting) and at each subsequent annual meeting of our stockholders until full dividends have been paid on the Common Stock Equivalent following a nonpayment for at least four quarterly consecutive Dividend Periods, at which time such right will terminate, subject to revesting in the event of each and every subsequent nonpayment.

Voting parity stock means, with regard to any matter on which the holders of Common Stock Equivalent are entitled to vote as specified in the certificate of designations, any and all series of parity stock upon which

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like voting rights have been conferred and are exercisable with respect to such matter, including without limitation our Fixed Rate Cumulative Perpetual Preferred Stock, Series A.

The vote or consent of the holders of at least 66 2/3% of the shares of Common Stock Equivalent at the time outstanding, voting as a separate class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, will be necessary for effecting or validating certain corporate actions, including (but not limited to) the issuance of securities ranking senior to the Common Stock Equivalent; any adverse amendment to the certificate of designations for the Common Stock Equivalent; certain share exchanges, reclassifications, mergers and consolidations; and consolidations that are potentially adverse to the Common Stock Equivalent holders.

See Description of preferred stock Voting rights in this prospectus supplement.

Liquidation preference

In the event of our liquidation, dissolution or winding up of our affairs, whether voluntary or involuntary, holders of Common Stock Equivalent will be entitled to receive for each share of Common Stock Equivalent, out of our assets or proceeds thereof (whether capital or surplus) available for distribution to our stockholders, subject to the rights of any of our creditors, before any distribution of such assets or proceeds is made to or set aside for the holders of our common stock or other stock of ours ranking junior to the Common Stock Equivalent as to such distribution, payment in full in an amount equal to the sum of (x) the liquidation amount per share of Common Stock Equivalent and (y) the amount of any unpaid dividends, whether or not declared, accrued from, and including, the immediately preceding dividend payment date to, but excluding, the date of payment (such amounts collectively, the liquidation preference).

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If in any distribution described in the immediately preceding paragraph our assets or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Common Stock Equivalent and the corresponding amounts payable with respect to any other of our stock ranking equally with the Common Stock Equivalent as to such distribution, then holders of Common Stock Equivalent and the holders of such other stock will share ratably (based on the relative liquidation preference of the Common Stock Equivalent and such other stock) in any such distribution in proportion to the full respective distributions to which they are entitled.

If the liquidation preference has been paid in full to all holders of Common Stock Equivalent and the corresponding amounts payable with respect to any other stock of ours ranking equally with the Common Stock Equivalent as to such distribution has been paid in full, the holders of other of our stock will be entitled to receive all remaining of our assets (or proceeds thereof) according to their respective rights and preferences; provided that if the amount of such assets or proceeds to be distributed with respect to a number of shares of our common stock equal to the then-current conversion rate (the as-converted liquidation amount) exceeds the liquidation preference, then holders of Common Stock Equivalent will be entitled to receive, for each share of Common Stock Equivalent, an additional amount (the liquidation participation amount) out of such assets or proceeds such that the as-converted liquidation amount equals the sum of the liquidation preference plus the liquidation participation amount, after making appropriate adjustment such that the holders of Common Stock Equivalent receive the same amount on an as-converted basis as the holders of a number of shares of our common stock equal to the then-current conversion rate.

See Description of preferred stock Liquidation preference in this prospectus supplement.

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Redemption	The Common Stock Equivalent is not redeemable at our option at any time.
Repurchase	The Common Stock Equivalent is not subject to repurchase at the option of holders at any time.
Preemptive rights	The holders of the Common Stock Equivalent do not have any preemptive rights.
Use of proceeds	We estimate that the net proceeds of this offering will be approximately $172.2 million (or $198.0 million upon the exercise of the over-allotment option in full) after deducting underwriting commissions and expenses. We expect to use the net proceeds from this offering, together with the net proceeds from the concurrent common stock offering described herein, to redeem the Fixed Rate Cumulative Perpetual Preferred Stock, Series A preferred stock issued to the U.S. Treasury under the TARP Capital Purchase Program upon receipt of regulatory approvals, to fund FDIC-assisted acquisition opportunities and for general corporate purposes.
Concurrent offering	Concurrently with this offering, we are offering 7,500,000 shares of our common stock (or a total of 8,625,000 shares if the underwriter in that offering exercises its option to purchase additional shares in full) in an underwritten offering pursuant to a separate prospectus supplement. This offering is contingent on the completion of the common stock offering, and the common stock offering is contingent on the completion of this offering.
Listing; NASDAQ Global Select Market symbol for our common stock	We do not intend to apply to list the Common Stock Equivalent on any securities exchange or any automated dealer quotation system. However, we have applied to list the depositary shares on The NASDAQ Global Select Market under the symbol UMPQP, and we expect trading to commence within 30 days of the first original issuance date of the depositary shares. In addition, upon listing, we have agreed to use our reasonable best efforts to keep the depositary shares representing fractional

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	interests in the Common Stock Equivalent listed on The NASDAQ Global Select Market. See Description of depositary shares Listing.

Our common stock is quoted on The NASDAQ Global Select Market under the symbol UMPQ.

U.S. federal income and estate tax consequences	Certain material U.S. federal income and estate tax consequences of purchasing, owning and disposing of the depositary shares and any common stock received upon their conversion are described in Certain material U.S. federal income and estate tax considerations.
Depositary shares	The sole holder of shares of our Common Stock Equivalent will be the depository, and the holders of depositary shares will be required to exercise their proportional rights in our Common Stock Equivalent through the depository, as described under Description of depositary shares in this prospectus supplement. Following conversion of the Common Stock Equivalent, the depository will deliver the common stock, and cash in lieu of fractional shares, that it receives from the conversion agent to the registered holders of the depositary shares on the books of the depository in proportion to the number of depositary shares held by each holder. The depository will distribute all cash dividends and distributions and liquidation distributions received on the Common Stock Equivalent to these registered holders pro rata. The depository will vote the Common Stock Equivalent in proportion to the instructions received from the holders of depositary shares and, to the extent it receives no instructions from any such holder, it will vote the depositary shares held by it proportionately with the voting instructions that it did receive.
Depository	The depository for the depositary shares will be Mellon Investor Services LLC.

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Transfer agent; etc.	The transfer agent, registrar, paying agent and the conversion agent for the Common Stock Equivalent will be Mellon Investor Services LLC.
Risk Factors	For a discussion of risks associated with an investment in our Common Stock Equivalent, see Risk Factors beginning on page S-25.

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Summary consolidated financial data

The following table sets forth summary consolidated financial data of Umpqua. The financial data as of and for the nine months ended September 30, 2009 and 2008 have been derived from our unaudited financial statements contained in our Quarterly Reports on Form 10-Q filed with the SEC. The financial data as of and for the years ended December 31, 2008, 2007, 2006, 2005 and 2004 have been derived from our audited financial statements contained in our Annual Reports on Form 10-K filed with the SEC. The summary condensed consolidated financial results are not indicative of our expected future operating results. The following summary historical financial information should be read together with Management s Discussion and Analysis of Financial Condition and Results of Operations and the historical financial statements and notes thereto incorporated by reference in this prospectus supplement and the accompanying prospectus.

(In thousands, except per share data)	As of and for the nine months ended September 30, 2009	2008	As of and for the year ended December 31, 2008	2007	2006	2005	2004
Income statement							
Interest income	$ 316,247	$ 335,888	$ 442,546	$ 488,392	$ 405,941	$ 282,276	$ 198,058
Interest expense	80,083	118,625	152,239	202,438	143,817	72,994	40,371
Net interest income	236,164	217,263	290,307	285,954	262,124	209,282	157,687
Provision for loan and lease losses	140,531	75,723	107,678	41,730	2,552	2,468	7,321
Non-interest income	60,492	86,237	107,118	64,829	53,525	47,713	41,043
Non-interest expense	194,678	160,266	215,588	210,804	177,104	146,725	119,252
Goodwill impairment	111,952		982				
Merger-related expense	273			3,318	4,773	262	5,597
(Loss) income before income taxes and discontinued operations	(150,778)	67,551	73,177	94,931	131,220	107,540	66,560
(Benefit from) provision for income taxes and discontinued operations	(24,094)	20,297	22,133	31,663	46,773	37,805	23,270
(Loss) income from continuing operations	(126,684)	47,214	51,044	63,268	84,447	69,735	43,290
Income from discontinued operations, net of tax							3,876
Net (loss) income	(126,684)	47,214	51,044	63,268	84,447	69,735	47,166
Preferred stock dividends	9,632		1,620				
Dividends and undistributed earnings allocated to participating securities	22	149	154	187	192	85	63
Net (loss) earnings available to common shareholders	$ (136,338)	$ 47,065	$ 49,270	$ 63,081	$ 84,255	$ 69,650	$ 47,103

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(In thousands, except per share data)	As of and for the nine months ended September 30, 2009	2008	As of and for the year ended December 31, 2008	2007	2006	2005	2004
Selected balance sheet items:							
Total assets	$9,204,346	$8,327,633	$8,597,550	$8,340,053	$7,344,236	$5,360,639	$4,873,035
Earning assets	8,228,689	7,182,585	7,491,498	7,146,841	6,287,202	4,636,334	4,215,927
Loans and leases	6,071,042	6,161,541	6,131,374	6,055,635	5,361,862	3,921,631	3,467,904
Deposits	7,215,821	6,493,671	6,588,935	6,589,326	5,840,294	4,286,266	3,799,107
Term debt	76,329	206,694	206,531	73,927	9,513	3,184	88,451
Junior subordinated debentures, at fair value	81,992	101,247	92,520	131,686			
Junior subordinated debentures, at amortized cost	103,269	103,879	103,655	104,680	203,688	165,725	166,256
Common shareholders equity	1,402,371	1,247,068	1,284,830	1,239,938	1,156,211	738,261	687,613
Total shareholders equity	1,606,150	1,247,068	1,487,008	1,239,938	1,156,211	738,261	687,613
Common shares outstanding	86,781	60,124	60,146	59,980	58,080	44,556	44,211
Per common share:							
Basic (loss) earnings	$ (2.10)	$ 0.78	$ 0.82	$ 1.05	$ 1.61	$ 1.57	$ 1.32
Diluted (loss) earnings	(2.10)	0.78	0.82	1.04	1.59	1.55	1.30
Basic (loss) earnings continuing operations	(2.10)	0.78	0.82	1.05	1.61	1.57	1.21
Diluted (loss) earnings continuing operations	(2.10)	0.78	0.82	1.04	1.59	1.55	1.19
Book value	16.16	20.74	21.36	20.67	19.91	16.57	15.55
Tangible book value(1)	8.76	8.10	8.76	7.92	8.21	7.40	6.31
Cash dividends declared	0.15	0.57	0.62	0.74	0.60	0.32	0.22
Performance ratios:							
Return on average assets(2)	-2.06%	0.76%	0.59%	0.80%	1.31%	1.38%	1.20%
Return on average common shareholders equity(3)	-14.20%	5.02%	3.93%	5.16%	8.68%	9.79%	9.60%
Return on average tangible common shareholders equity(4)	-32.21%	12.84%	9.99%	13.05%	20.79%	22.88%	22.24%
Efficiency ratio(5)	102.51%	52.42%	54.08%	60.62%	57.32%	56.92%	60.52%
Efficiency ratio Bank(5),(6)	64.06%	54.93%	56.34%	56.55%	51.96%	52.46%	53.43%

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(In thousands, except per share data)	As of and for the nine months ended September 30, 2009	2008	As of and for the year ended December 31, 2008	2007	2006	2005	2004
Average common shareholders equity to average assets	14.49%	15.06%	15.04%	15.48%	15.04%	14.08%	12.52%
Leverage ratio(7)	13.73%	9.48%	12.38%	9.24%	10.28%	10.09%	9.55%
Net interest margin (fully tax equivalent)(8)	4.11%	4.08%	4.07%	4.24%	4.74%	4.84%	4.68%
Non-interest revenue to total net revenue	20.39%	28.41%	26.95%	18.48%	16.96%	18.57%	20.65%
Dividend payout ratio(9)	-7%	73%	75.61%	70.48%	37.27%	20.38%	16.67%
Asset quality:							
Non-performing loans	$129,328	$118,301	$133,366	$91,099	$9,058	$6,440	$22,573
Non-performing assets	156,033	138,054	161,264	98,042	9,058	7,563	23,552
Allowance for loan and lease losses	103,136	93,982	95,865	84,904	60,090		