



2019 Corporate Responsibility Report



UMPQUA BANK

Contents



Welcome and Overview Message	3
from our CEO Corporate	7
Responsibility Strategy	8
Supporting Communities	12
Serving Customers	25
Operating Sustainably	38
Doing Meaningful Work	48
How We Operate	58

Hello, welcome, and thank you

This report tells the story of everything we did in 2019 to deepen our connections to our work, customers, and communities while becoming a larger and more sophisticated institution.

We're proud to share it, yet we recognize that the world in 2020 is very different than it was in 2019. We hope this report offers an opportunity to reflect and surface insights that might be valuable today and into the future.

Even though this is a report on 2019, it also tells an evergreen story about purpose. About us striving to become the type of company we want to be. It shows how we turn our aspirations—to better serve customers, support communities, operate sustainably, and do meaningful work—into measurable actions.

We're excited to share this report with you. Welcome and thank you for reading.



We'd love to hear your thoughts

If you discover a program you'd like to support, have an idea you think we should consider, or have questions about corporate responsibility at Umpqua, please let us know at community@umpquabank.com.



Umpqua in 2019:

Operating with purpose

In 2019, across the western United States, our nearly 4,000 associates worked each day to help our 500,000+ customers achieve their financial potential.

Up and down our diverse coast, we helped people in all the moments where life and money meet: starting families, buying homes, and getting ready to retire. We supported businesses of all sizes in hiring, making promotions, innovating, and bringing their missions to life. We gave our time, money, and expertise in service of the communities where we live and work.

At a glance

2019 Awards

World's Best Banks
Forbes

Oregon's Most Admired
Financial Services Company
(15 years straight)
Portland Business Journal

Most Likely to Recommend for
U.S. Middle Market Banking
Greenwich Excellence Awards

Model Bank Award for
Customer Engagement
Celent

Top 100 Corporate
Philanthropists 2019
San Francisco Business Times
Portland Business Journal



66th year
in business



\$5.9 billion in home
and personal loans



\$28.8 billion in
total assets



Serving Oregon,
Washington, California,
Idaho, and Nevada



\$15.3 billion in
business loans



Nearly 4,000
associates



Headquartered
in Roseburg, OR



\$22.5 billion in
total deposits



500,000+
customers



Organization

Umpqua Holdings Corporation

Our parent company, headquartered in Portland, Oregon
Follow us on NASDAQ: UMPQ

Umpqua Bank*

We began as South Umpqua State Bank in Canyonville, OR, in 1953. We've grown a lot in 66 years, but we're as dedicated to our communities as ever.

Wholesale Bank Offers business and commercial customers lending, treasury, and cash management services and risk management products.

Wealth Management Offers individuals and families a comprehensive, integrated approach to financial planning, trust services, risk management, and investments.

Investments, investment advisory services and insurance products are offered through Umpqua Investments, Inc., registered broker/dealer and investment advisor, Member FINRA/SIPC. Umpqua Investments, Inc. is an affiliated company of Umpqua Bank. Umpqua Wealth Advisory™ and Umpqua Assist™ are divisions of Umpqua Investments. Umpqua Wealth Management™ and Umpqua Private Bank are divisions of Umpqua Bank.

Securities, managed investments and insurance products are: · NOT A BANK DEPOSIT · NOT FDIC INSURED · NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY · NOT BANK GUARANTEED · and MAY GO DOWN IN VALUE.

Retail Bank Support for personal and small to mid-sized businesses, including lending and deposit products.

Home Lending We originate, sell, and service mortgages and offer loans for the construction, purchase, and refinancing of homes and rental properties.

*Unless noted, the scope of this report covers Umpqua Bank's operations, not those of our parent company or any subsidiary, through the end of the 2019 fiscal year.



A message from our CEO

As I read this report and reflect on 2019, I find many things to celebrate.

Last year, we advanced a well-mapped plan for balanced growth. We became more trusted members of our communities. We deepened our sophistication and made great strides helping people achieve their financial potential in life and business.

Then, shortly after 2019 ended, the world started dramatically changing. The pandemic was the first inflection point, and in some ways, it galvanized us: we rallied to provide more than \$2 billion in small business relief loans that helped businesses across our footprint save more than 250,000 jobs through the Paycheck Protection Program.

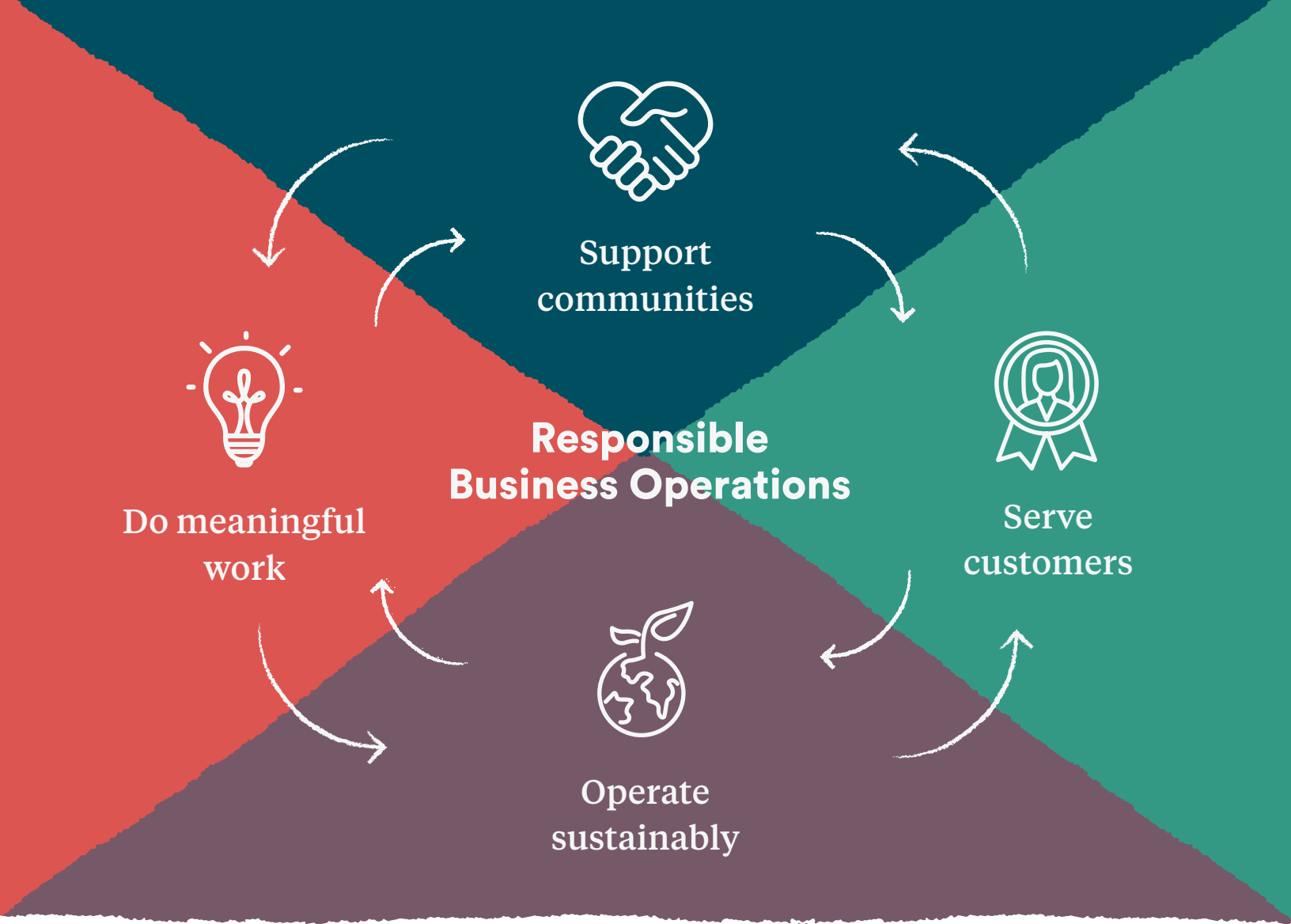
Alongside this crisis, the fight against systemic racism gathered historic urgency.

We examined how our organization can better support people of color and businesses owned by people of color, and how we can increase our efforts to create communities that are safe, equitable, and inclusive for all.

Understanding how to fulfill our purpose in the world today will be an ongoing process. What does it mean to build economic vitality together and how do we live it day in and day out? How can we continue to measure how we're doing? While we don't have all the answers yet, we are moving toward them with our customary creativity and adaptability.

I'm certain that many of the answers we seek today will center around the aspects of our character that this report celebrates: our compassion for people, our deep financial expertise, and how the connections we share give us strength and allow us to achieve amazing things.

Cort O'Haver



Our framework for corporate responsibility

Our definition of—and aspirations for—corporate responsibility are held across four pillars. Each represents a connection between our company and the people and places we serve: our customers, our associates, our communities, and the environment.



Support communities

Why it matters: In all the places we live and work, we want to create vibrancy, closeness, and new opportunities for economic empowerment.

How we do it: We actively use our best tools for supporting communities: our time, money, and expertise.

What we focus on:

- Financial Giving
- Empowered Volunteers
- Expert Solutions



Serve customers

Why it matters: Our customers are the people we help most deeply and directly. We succeed by helping them achieve their financial potential.

How we do it: Designing human digital customer experiences that help people and businesses navigate their finances.

What we focus on:

- Human Digital
- Real Access
- Customer Champions



Operate sustainably

Why it matters: All our business operations affect Umpqua's relationship to the environment at large. It's our responsibility to continually find opportunities for improvement.

How we do it: Advancing smart, responsible practices that both lessen our impact and contribute to the company's business goals.

What we focus on:

Transportation
Waste
Buildings and Infrastructure



Do meaningful work

Why it matters: We help people in the deeply meaningful moments where life and money meet. To support that essential work, we strive to create an equally meaningful company culture.

How we do it: Creating a dynamic and rewarding workplace that opens opportunities for connection, professional growth, and personal development.

What we focus on:

Grow Careers
Diversity and Inclusion
Make the Investment

2019 By the Numbers

+2

New leadership programs launched

621

Associates commuting by mass transit



Added new Chief Privacy Officer role



Doubled affordable housing lending to \$195 million

8,000+

Leadership training hours by 500+ associates

\$3.4 MILLION

Total charitable giving

1.6 MILLION

Pounds of paper recycled

43,462

Volunteer hours completed by 2,306 associates with 1,810 organizations

40,000+

Go-To app downloads

+19%

Increase in small business lending (SBA and small business)

36%

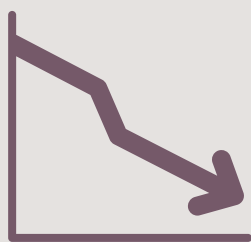
Women on board of directors



Set target reductions for business travel and paper usage



Hours of financial education: 7,547



Reduced water and energy usage over 2018

Community development investments:

\$400 MILLION

22%

People of color in our workforce



UMPQUA BANK



Support communities

Highlights



Diversified our investments to better meet community needs.



Completed a three-year \$9 billion advancement to build community.



Increased our skilled volunteerism, making impacts through our expertise.

Opportunities

The theme of 2019 was to get more sophisticated in our existing community support efforts. We look forward to reporting on the outcomes of that maturation and deepening of relationships. We also see ways to continue to align our community and customer commitments to make broader and deeper impacts.



MLK Jr Day of Service at the Children's Book Bank

Support Communities

We strive to help level the economic playing field wherever we operate.

Our approach to corporate responsibility focuses on increasing the economic vitality of our communities—particularly in places where real-world realities stand in the way of access to basic services, good education, and financial expertise. We start at the beginning, helping kids get access to the tools they need to be successful from the earliest stages to those ready to leave high school for a career or the next stage of education. We know persistent and systemic challenges affect the ability of many to thrive. That's why we create greater access to affordable housing, asset development, small business solutions, and financial empowerment through investments, engagement, and partnerships.

Over the past three years (2017–2019), we committed \$9 billion toward strengthening communities by leveraging our most critical resources: our business strengths and our passion for doing good. This included our bankers responding to lending needs in their communities and making investments that strengthen the economic fabric alongside generous charitable giving and associate volunteerism.

Focus Areas



Financial Giving

We invest in people's potential



Empowered Volunteers

We show up and help



Expert Solutions

We boost financial capability



2017-2019 Community Advancement

Lending
\$8,578,854,133



Investments
\$385,000,000



Charitable Giving
\$9,900,000

\$6,048,352,151

Nonprofits

\$2,038,478,088

Small business

\$415,961,303

Affordable housing

\$20,576,770

Public health

\$55,485,821

Tribal lands

= \$8,973,754,133 Total

We expanded our capacity in outreach and engagement through the addition of three community development officers across our footprint in 2019. A new role for the bank, these experts are dedicated to understanding the needs of their communities and bridging the resources, products, and services of the bank to provide solutions. Additionally, we moved the diversity and inclusion program inside the corporate responsibility team in order to improve operational integration inside the company and alignment in our work with community partners.

We also made sure to listen. A survey of the engagement and credit needs of communities within the Umpqua Bank footprint gained responses from nearly 900 community partners. This analysis proved valuable in showing that our investments have largely been aligned with community need. It also gave us new ideas on how we can best use our resources and stay accountable to the priorities they identified.



Financial Giving

We make strategic investments that set the stage for ongoing community good.

Strategic and responsive giving

We employ a multi-dimensional approach to our charitable giving with programs aligned under the banner of educational attainment and economic opportunity for underserved communities.

Our strategic, multi-year grants aim to catalyze a small group of strategic organizations toward transformative work, while our ongoing efforts help nonprofits continue critical programming needed in their communities and comprise the majority of our grantmaking.

Our charitable dollars are further leveraged with intentional volunteer engagement opportunities for our associates that assist nonprofits with technical assistance and help meet the needs of their clients.

Economic Empowerment Cohort

Now in its second year, our Economic Empowerment Cohort is leveraging our \$1 million multi-year gift to expand economic education and opportunities for underserved populations in the Portland metro area. The nonprofits in the cohort include:

- Bienestar & African American Alliance for Homeownership
- Metropolitan Family Service
- Self Enhancement, Inc.
- Gateway to College National Network

The initiative expands access to job and financial support services, affordable housing, post-secondary education, and career readiness opportunities. Our partnership with each organization is multi-faceted, using significant investment of company resources and expertise to establish and sustain innovative economic empowerment and equality programs. Our 2019 partnership activities included nearly 700 hours of associate volunteerism and technical assistance.

Responding to disasters

When FEMA designates a disaster in our communities, we donate to local first response. Once the immediate crisis is stabilized, we work with local associates and community leaders to identify and donate to organizations leading the critically important but often less-visible second responder efforts.

Associate gift matching

Umpqua matches donations to qualified nonprofits up to \$1,000 per associate per year, making it easy for associates to amplify their personal giving. Contributions through the program added up to \$358,548 which includes \$170,857 from our generous associates.

2019 Charitable Giving Highlights

\$3,395,029

Total given

.....

1,290

Number of community organizations those grants supported

.....

100

Percent of counties where Umpqua operates that received grants

.....

92

Percent of grants support programs benefitting low- to moderate-income individuals



Funding for Educational Attainment

Recognizing the fundamental connection between youth education and economic prosperity, we invest in learning programs for all ages, with topics ranging from reading development skills to college preparation.

Educational Attainment Focus Areas

Early Childhood Learning

We believe it's never too early to start developing a foundation for learning, which is why we invest in organizations that help prepare youth for success in kindergarten.

Parent Education and Support

Ask any teacher: educational success starts at home. Our support provides parents with the tools and resources needed to help their children be successful in school, including ensuring children have consistent and convenient access to food and other basic needs.

Literacy and Math Achievement Benchmarks

Our nonprofit partners help students develop tools for high school success by preparing them to meet key academic achievement benchmarks, including third-grade reading and eighth-grade math.

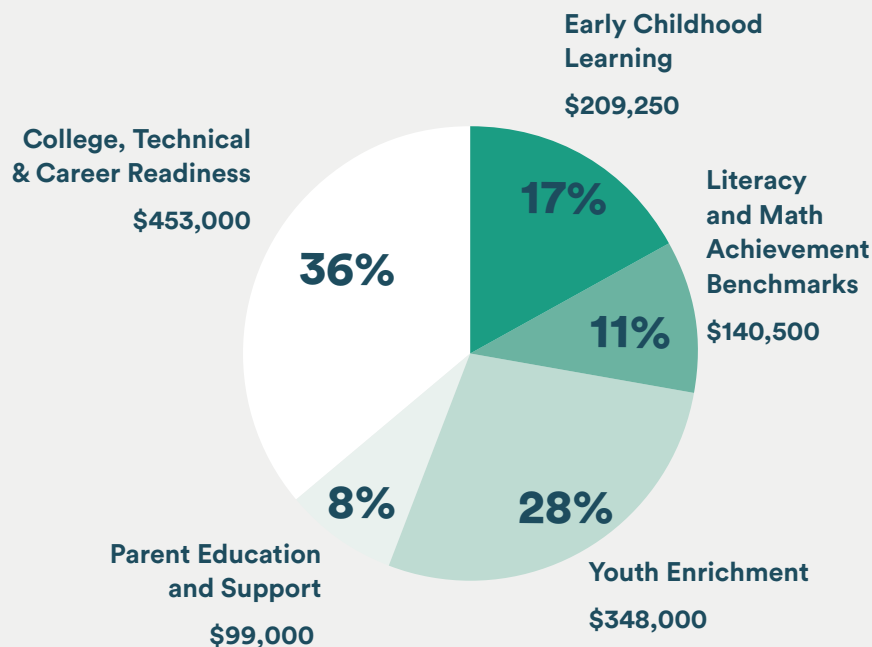
College, Technical, and Career Readiness

We fund organizations that work directly with students to guide and develop a financial life-path that will take them beyond high school graduation.

Youth Enrichment

Engaging students in activities outside of the classroom helps them focus inside the classroom. We support a wide range of programs that promote multidimensional learning, including youth arts.

Giving in 2019



Grants totaling
\$1,249,750
 made to
204
 nonprofit organizations



Funding for Economic Opportunity

We help promote financial stability in our neighborhoods and improve the financial well-being of underserved individuals and families by supporting organizations doing the hard work of solving immediate problems and helping advance toward the future.

Economic Opportunity Focus Areas

Early Childhood Learning

We're invested in helping youth and adults make sense of money, budgeting, and the financial system by funding nonprofit partners that deliver timely information and solutions.

Affordable Housing

Everyone deserves a home to call their own. We help open doors by providing financial support for affordable housing projects, helping to increase the availability of long-term affordable housing in our communities.

Small Business Development

We work with organizations that help individuals start or expand small businesses, bridging the gaps that prevent them from accessing capital and banking expertise.

Workforce Development

In a changing economy, skill development is a key aspect of improving financial health, which is why we support organizations focused on increasing access to job training and experience.

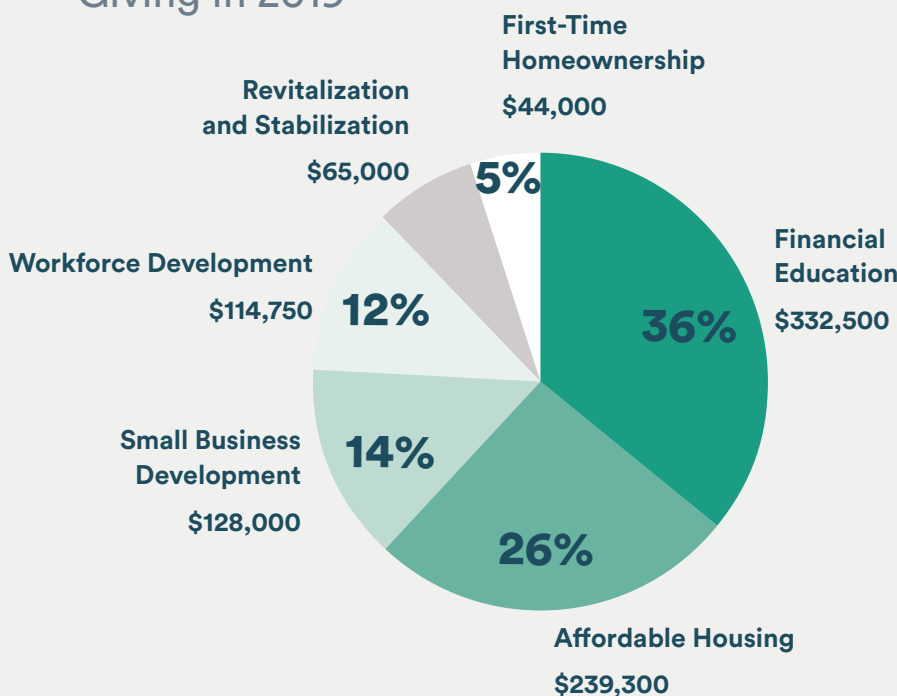
Revitalization and Stabilization

We actively support projects that reinforce community well-being by giving to organizations that develop or preserve community infrastructure through renovation and other similar projects.

First-Time Homeownership

We're dedicated to helping customers make informed borrowing decisions. That's why we engage with organizations that provide a suite of programs customized for first-time homebuyers, including down payment assistance and homebuyer education.

Giving in 2019



Grants totaling
\$923,550
 made to
129
 nonprofit organizations



Volunteer fair at Umpqua Valley Arts in Roseburg, OR

2019 Highlights

43,462

Total hours volunteered

1,810

Organizations served

247

Volunteer events organized

Empowered Volunteers

We take the time to make a difference through our industry-leading paid volunteer program—and beyond.

From board service with economic development councils to providing financial education for economically vulnerable people or helping in a kindergarten class, our associates are in our communities, day in and day out, making our region a better place.

The value of our volunteer engagement extends beyond the 2,306 associates who committed 43,462 hours to more than 1,800 organizations throughout 2019. We've worked to deepen our volunteerism impact and further leverage our expertise. Expanded partnerships with nonprofits led to the development of nearly 250 custom volunteer engagements that brought the expertise of our associates to their organizations and clients. Associates guided young adults on post-secondary financial aid options and staged a hackathon event that resulted in new ideas to solve the technical challenges of a youth nonprofit, while our executives offered management consultation to nonprofit leaders.

Connect Volunteer Network®

Our Connect Volunteer Network is Umpqua's industry-leading paid volunteer time off program that helps associates make a difference in their communities. Our program provides every associate with up to 40 hours of paid time off each year to volunteer at a nonprofit or school



Supporting Communities

of their choice. It's a generous benefit—and one that our associates passionately embrace, with 60% actively participating. That's compared to 34% in similar programs at other companies. Through volunteer fairs organized across our footprint, we welcome nonprofit partners and Umpqua associates to meet and match needs with skills for community benefit.

Community leadership

Our associates are ambitious in their efforts to serve nonprofits through board service. More than 500 associates, from senior leaders to frontline associates, served more than 10,000 hours on the boards and committees of nonprofits, lending their leadership and financial expertise to the emerging needs of the organization. We actively partner with nonprofits to match their need with our in-house expertise in order to create mutually beneficial relationships.

Financial education

We support organizations dedicated to providing a foundation for people to make informed financial decisions. By teaming up with important partners including Junior Achievement, Financial Beginnings, and multiple small business nonprofits, we're able to help community members become more confident with their personal and small business finances. We provided more than 7,500 hours of financial education in our communities, nearly doubling our efforts year over year through the involvement of nearly 1,000 associate volunteers. As evidence of our commitment, we received a national service award for more than 5,000 hours of volunteer service across our footprint to Junior Achievement.

Banker's Hours

Our Banker's Hours program brings associates with financial expertise directly to those who need it most through partnerships with nonprofit and community-based organizations. The program provides an opportunity to share information about how to safely and successfully engage in the banking system. We do this away from the bank, in libraries or places where clients are already accessing services and are comfortable engaging. Clear information up-front helps people avoid alternative services that are often predatory, such as payday loans, rent-to-own agreements, and refund anticipation loans.

First-time homeownership education

We're dedicated to helping customers make informed borrowing decisions and simplifying the homebuying experience. That's why we provide a suite of programs customized for first-time homebuyers, including down payment assistance and homebuyer education classes. These classes are hosted by Umpqua associates at locations throughout our footprint, including our stores, and in partnership with community organizations.

2019 Highlights

542

Associates involved in nonprofit board service

10,672

Hours of board service

7,547

Hours of financial education

956

Associates involved in financial education volunteerism

\$1,105,239

Community value of our 2019 volunteer time according to IndependentSector.org



Disaster relief volunteerism

As a financial institution and community-centered organization, we're uniquely able to help those impacted by disasters. Whether it's stepping up in the immediate aftermath of an event or providing support during the recovery and rebuilding phases, we seek to leverage the time and talent of our associates and financial resources in the most useful ways possible.

Virtual volunteerism

Recognizing the barriers that can get in the way of volunteering in person, we further expanded our virtual volunteerism capacity in 2019. Rather than volunteering onsite with an organization, associates complete tasks or provide engagement by phone and computer. One terrific example: our call center associates based in Roseburg, OR, and Spokane, WA, partnered with Spokane Neighborhood Access Partners (SNAP) to complete an outbound phone survey of SNAP's clients, remotely supporting their needs just as effectively as if they were onsite using SNAP's phones.

Sharing our spaces

We offer use of our Umpqua offices, lobbies, and conference rooms to host meetings or classes for community partners and nonprofit organizations. We also offer tours of our stores for student groups to learn about money and the financial industry.



Rockwood community networking event

Shared Space

Located across the street from the upcoming Rockwood Rising development, our store in the east Portland neighborhood of Rockwood takes the even idea even further. We've been sharing space with Micro Enterprise Services of Oregon (MESO) so that they can get a head start in establishing a presence ahead of the project's completion in 2021.

With dedicated space inside the store, the MESO team serves minority- and women-owned small business owners and entrepreneurs to provide advice and guidance, conduct small business orientations, networking activities and trainings.



Teaching Junior Achievement with elementary students in Kent, WA

Volunteers Use Expertise to Benefit Economic Empowerment Programs

In the 15 years since the inception of our Connect volunteer program, our associates have tallied more than 500,000 hours of volunteer time—including more than 43,000 hours in 2019. It’s clear our associates are keen to jump in and help with needs that present in school or community organizations, and the flexibility of the program, which awards every full-time associate 40 hours of paid volunteer time each year, encourages associates to keep those opportunities front and center.

Over the last year, we started channeling that energy toward improved outcomes for economic empowerment. As a result, we’ve seen a number of new bright spots emerge, including almost doubling the number of volunteer hours aimed at financial education.

“Our community partners were telling us they were eager to work together to find opportunities that used the financial and technical skills of our professional workforce,” said Community Relations/CRA Director



“I was excited at the opportunity to work with MFS. Matching my skills with their need made a huge difference.”

Cobi Lewis. “At the same time, our associates were coming to us seeking opportunities to more deeply engage in their communities and work toward solutions to challenges rooted in poverty and lack of access to services.”

To answer this challenge, we focused on supporting volunteer engagement at the intersection of individual associate interests and community organization needs. By first taking the time to learn what volunteerism would be the most valuable to our nonprofit partners, we could then identify Umpqua associates with the right skills and passion to maximize their impact.

Matching passion and skills to need

For Jessica Jacobson, a program analyst on our compliance team, volunteering with Metropolitan Family Service’s (MFS) economic empowerment program allowed her to use her specific skillset to further the organization’s mission of helping people move beyond the limitations of poverty.

MFS wanted to improve their reporting on program outcomes, so drawing on the skills she uses every day at Umpqua, Jessica worked with the program staff to understand their current data environment. She saw how the right toolset could improve the integrity of their data and allow them to better share results. She then recruited a fellow associate to help her finish the analysis, build a reporting tool, and train up their team, ultimately advancing their goal of enhanced outcomes reporting.

“I had grown weary of typical volunteer engagements where I wasn’t sure of the impact I was having,” Jessica said. “Knowing that nonprofits are often strapped for resources and unable to pay for technical skills that I use every day, I was excited at the opportunity to work with MFS. Matching my skills with their need made a huge difference.”

Identifying need and adding capacity

Conversations with MFS CASH Oregon alerted us to their need for additional volunteers to staff free tax filing sites across the state of Oregon. An important part of the necessary volunteer training is becoming familiar with the details of the Earned Income Tax Credit (EITC), a federal tax credit for low- and moderate-income working people, widely known as an important anti-poverty tool that uplifts underserved communities and helps them

reach their financial goals.

Without trained volunteers, these clinics have to turn away clients. We knew volunteer tax preparation was a likely fit for volunteerism for members of our finance and banking teams given their comfort with numbers and confidential information, so we worked to identify interested associates and get them trained. Without support, the required upfront training could be seen as a barrier, so we partnered with MFS CASH Oregon to arrange an on-site, focused training to efficiently train up more than 20 associates as IRS-certified tax preparers.

“Oregonians leave an estimated \$100-\$130 million on the table because of not filing taxes or not getting their EITC,” said Riley Eldredge, MFS CASH Oregon program manager. “People come in to the tax sites with so much anxiety, but when they walk out the door with their dollars, volunteers get to see their impact immediately. Umpqua associates bring a lot of relevant experience to the tax prep sites and having volunteers who understand how finances affect people’s lives makes a huge difference.”

Solid relationships produce results

Knowing the importance of bringing the real world of economics to students, we’ve matured our partnership with Junior Achievement, an organization that inspires and prepares young people to own their future economic success.

Over the course of 2019, eight associates served on statewide and regional committees, hundreds were classroom volunteers, and we supported Junior Achievement’s work with \$75,000 in total grant funding. Our close partnership with JA means we’re able to help them problem-solve. Last year, the Hillsboro School District faced transportation issues due to limited bus drivers and a lack of funds to pay for charter buses. This was going to affect the schools’ ability to attend a JA BizTown event staffed by dozens of Umpqua volunteers, but we stepped in with a \$5,000 transportation grant.

In recognition of our combined leadership engagement and extensive classroom volunteerism by dozens of associates, Junior Achievement awarded us a national Bronze Volunteer Service Award in recognition of over 5000 hours of volunteer service across our footprint.



Power Partner kickoff meeting between Umpqua and nonprofit partners in the Puget Sound area

Expert Solutions

We meet needs through improved community infrastructure and a focus on people.

Community development investments

We actively invest in economically disadvantaged communities by pooling funds with other financial institutions and investors, providing capital investment into community resources.

One of our priorities has been to diversify our community development investments in order to more deeply respond to community credit needs. By the end of 2019, we had \$400 million of outstanding investments in our communities, thanks to deepened partnership work through our community development officers across the footprint.

Low-income housing investment funds

By investing additional equity in low-income housing funds, we support affordable housing in counties across our footprint. We are able to couple equity funds with loan funds and can more effectively and efficiently distribute resources to areas where the capital is needed most.

Equity Equivalent Investment (EQ2)

We want to help bridge the gaps that make it difficult for small business owners to access capital and banking expertise. Community development financial institutions (CDFIs) specialize in helping low-

2019 Highlights

\$400 million
Community Development
Investments

9

New MDI relationships

\$15 million

Small Business Empowerment
Initiative commitment



income and minority business owners gain access to financial services and support. Our investment via EQ2s infuse CDFIs with needed long-term loan capital, better matching the increased amount of long-term lending capacity their borrowers need to sustain their projects. Two new investments relationships include Micro Enterprise Services of Oregon (MESO) for economic development and Impact Capital in the Puget Sound for affordable housing.

Minority-Owned Depository Institutions

A new category in 2019, our investments in minority-owned depository institutions (MDI) affirms the critical role MDIs play in our communities by providing access to investment capital, financial products, and services for communities of color.

Small Business Empowerment Initiative

As part of our ongoing commitment to address issues related to economic empowerment and access, we're adding to the efforts of our small business banking team with our Small Business Empowerment Program that commits \$15 million over 10 years. Focused on providing support and education to small business owners, we're developing lasting partnerships with organizations that are increasing economic opportunity for underserved communities throughout our footprint. Through these partnerships, we will provide a variety of education, technical support, products, increased lending capacity and investments that help bridge the gaps that often prevent small business owners from accessing capital and banking expertise.

Individual Development Accounts

Individual development accounts (IDAs) are designed to help people focus on—and reach—their goals. IDAs are a partnership between individual savers, nonprofit providers, and a financial institution. It's a special account for low- and moderate-income individuals that comes with a special incentive to save. For every dollar saved in an IDA, participants typically receive a three-to-one match into the account from the partner nonprofit. The funds can be used to achieve goals like a down payment on a home, purchasing textbooks or paying tuition for post-secondary education, or starting a small business. The goal of an IDA program is to incent and reward participants by giving them the tools and funds to become more financially stable and savvy, to plan and save for a goal, and to improve self-confidence and self-awareness regarding financial matters. Individuals agree to complete financial education classes through the nonprofit partner as part of this program.

We are one of few banks in our footprint with the operational capacity to meet the needs of IDA providers and savers. We're proud to offer an IDA product—and are committed to making them even more user-friendly and available. We're actively working to expand our offerings, investing in enhancements to make it easier to understand and use, and working to identify additional partners across our five states.

2019 Highlights

1,016

Number of people saving toward goals through our IDA product

\$1,348

Average amount being saved through our IDA product

IDA Partners

OREGON

CASA of Oregon

Catholic Charities

College Dreams, Inc.

DevNW

Micro Enterprise Services of

Oregon (MESO)

Native American Youth and

Family Center (NAYA)

WASHINGTON

The Diocese of Olympia, Inc

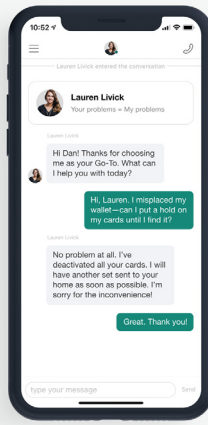
Northwest Native Development

Fund

IDAHO

Nez Perce Tribal

Housing Authority



Serve customers

Highlights



Expanded our small business team and increased small business lending.



Advanced Go-To in all markets and surpassed 40,000 downloads.



Created a new data privacy position to increase our efforts to protect our customers.



Enhanced customer satisfaction feedback through *Voice of the Customer* program.

Opportunities

We expect to focus in 2020 on guiding our customers through the business and personal financial challenges that arise from the pandemic. Key among those efforts will be to continue to advance human digital solutions to serve people safely.



Cybersecurity and Fraud Prevention symposium with subject matter experts from Umpqua Bank and FBI

Money is central to life and business and Umpqua plays an important role in both. We help people navigate today’s financial frontiers and prepare for the future by delivering a combination of empathy and expertise in a relevant, timely, convenient way.

We believe that modern banking experiences should enable genuine human connection and superior service. That’s why we leverage technology to provide our bankers with insight to connect more closely with our business and retail customers.

This human-digital approach to serving customers is rooted in a deep culture of caring that permeates every function of our business. We’ve long made supporting communities a top priority by investing in the talent, tools, and resources to provide smart thinking for families, individuals, and businesses up and down the West Coast.

By leading with curiosity, serving with empathy, and utilizing the full force of our investment in technology we’re able to provide the expertise and service our customers need to grow their businesses and live their best financial lives.

Focus Areas



Human Digital

We use technology to elevate businesses and people through personalized expertise how and when they need it.



Real Access

We provide banking solutions for individuals and businesses that help them grow.



Customer Champions

We show up as open-minded advisors and advocates.



Human Digital

We leverage technology that enables deeper connections.

Focusing our efforts and technology to create deeper connection and better experiences for customers has always been central to who we are and how we function as a bank. We call this approach Human Digital, and it plays out in a variety of ways across the bank.

Advancing customer service

Our continued priority for our banking teams relies on a combination of digital engagement and advisory skill development, helping customer-facing associates advance their ability to understand customer needs, provide advice, and recommend meaningful solutions across multiple channels. This means we are positioned to serve customers in the ways they want and need, whether in person or digitally.

Physical stores. We pioneered our signature bank store model, which turned bank branches into community hubs. Our stores have earned international acclaim for the way they've transformed the banking experience, connected people and communities, and deepened customer loyalty.

Resource Center. With as many as 140,000 calls received per month, our Customer Resource Center continues to be a critical channel for our customers to resolve their banking needs and one that continues to evolve to meet customer need. Thanks to a third-party relationship, we also have the capability to speak with customers in real time in their own language through this resource.

Go-To. Fully launched in all of our markets in 2019, Umpqua Go-To® leverages existing technology—secure text chat in a stand-alone app, combined with a back-end platform for associates—to provide every customer with their own personal banker devoted to their specific financial needs.

Go-To

Customers, including more than 40,000 by the end of 2019, download our Go-To app and choose their banker based on their experience, personality, or location. They can search for a banker they work with in-store to continue to build on a relationship they've already established. It's even available to those who do not bank with us. It's the latest step on our journey to help level the financial playing field.



Solutions-based approach

Our business banking teams are addressing the needs of customers more broadly through our Solve360 approach, which focuses on creating deeper, lasting relationships by providing more holistic solutions. We do that by channeling our informed curiosity and open-minded expertise to truly humanize our relationship with our customers and their respective needs. With Solve360, our mantra is, “Sell nothing, solve everything.” We do that first through the quality of the questions we ask and by exercising our empathetic, human approach to serving our customers. The more we can connect with them, we can then more intentionally map their complete journey of where their business is today, where they want to go, and what it’ll take to get there—and how we can help.

A good example of how we do this is with our Working Capital Assessments (WCA). Launched in 2019, WCA is a two-part interactive conversation between our bankers and their customers to, 1) Better understand their processes, business goals, and objectives, and 2) uncover opportunities to optimize their operations—including lowering costs through strategic solutions. Conducted virtually through teleconference platforms or in-person with visual aids, we then provide participants with a customized analysis of our findings, including best practices in alignment with the customer’s situation and tailored recommendations for solutions that make sense.

Human experiences like our WCA allow us to demonstrate both our empathy and expertise with our customers and our priority on supporting them in what they do best—growing their businesses, serving their customers and supporting their employees.

The Voice of the Customer

Being customer-obsessed is a key cultural attribute. We’ve built out new processes to better listen and respond to feedback and expanded our data capabilities to gain new insights that inform our strategy. In 2019 we launched a Voice of the Customer program to track and monitor customer experience and sentiment more holistically.

These insights highlight where our customer experience thrives and where it falls short, as well as what drives loyalty and engagement. The feedback has helped us set course on how we improve and innovate on our products, services, and experiences.

Customer experience innovation

Our product and technology teams work closely with bankers to develop competitive, profitable, and innovative tools and products that help us better understand what our customers need and when they need it—so that they can feel more comfortable with their finances. The teams focus includes internal and external products and tools, helping drive value for consumers and business customers alike. Their efforts span the spectrum of our business, from human-centered design research to helping deploy technologies for faster internal processes and enabling more personalized banking experiences.



Business Workshops

We partnered with 501 Commons to deliver free learning opportunities to nonprofit professionals in Seattle and Tacoma, Washington. These workshops focused on a wide range of topics such as nonprofit finances, technology planning, helpful tools, cloud services, and system security.



Doing Right Revitalizes Local Business

How a chance meeting with Business Banker Leland Williams helped a customer pay down a burdensome loan when nobody else would listen.



Leland Williams

Small businesses located throughout our footprint play a vital role to the communities in which we live and operate. From providing local jobs to helping fuel local economies, their owners deserve a banking partner right in their own backyard that supports and advocates for their unique needs every single day.

That’s why we created our Business Banking group, which supports small businesses earning between \$1 million and \$5 million in gross annual revenue. Such as Medina Eye in Bellevue, WA; its owner, ophthalmologist Dr. Jim McMillan, was ultimately able to reduce costs by \$3,000 a month on an existing loan that wasn’t right for him thanks to a chance meeting with our Business Banker Leland Williams.

After both relocating his nearly two-decade-old practice and switching to a cash-only operation, Jim needed a way to cover the combined high moving expenses and transient lag in cash flow. For help, he talked with his existing business bank, but the only thing they offered was a two-year, \$150,000 line of credit with an aggressive pay-back schedule, which Leland later discovered was more like an installment loan: funds couldn’t be pulled from it.

“Leland and his team are authentically there for business owners like me. It’s amazing having somebody like him on your side.”

Jim went to his bank looking to get help with his cash flow, but he ended up paying nearly \$4,000 a month for it. As the months rolled on, the situation became a burden, holding back the business rather than helping it prosper. In addition to his own bank, Jim visited others to see if they could help. But after hearing about his situation, each declined to offer any attractive alternative.

“Jim originally came into the Bellevue Way store looking for information about refinancing his home and business loans,” said Leland. “Once I got to know him and heard about his situation, I knew that there had to be something we could do to help him.”

Leland dug in to find a solution. Rather than make assumptions about Jim’s situation, he strived to learn as much as he could about it. After a few additional conversations with Jim and other cross-organizational partners, Leland reviewed Jim’s financials (which were actually strong, unlike what the other banks assumed without fully reviewing), combed over the terms of the loan, and researched a number of options that would be right given Jim’s particular situation.

And it paid off.

With Leland’s help, Jim moved his banking relationship over to Umpqua, and his loan payment went down to \$450 a month. His confidence as a small business owner was also given a big lift shortly after making the move: it afforded him the opportunity to replace aging equipment in a field which thrives upon state-of-the-art technology. In addition, his loyal employee could be given a well-deserved raise.

“Umpqua is a community-oriented bank that really cares about customers,” said Jim. “Leland and his team are authentically there for business owners like me. It’s amazing having somebody like him on your side.”

For Jim, Leland embodies what our Business Banking focus is all about: Being trustworthy advocates in support of local businesses, day in and day out.



Local Spotlight display at the Potrero Hill store featuring products by Koepfel Design

Real Access

We show up as open-minded advocates and advisors, providing access to financial solutions and expertise for individuals, small businesses, and the community at large

Community development lending

Across our lending teams, we work to increase access to capital and provide loans that are designed to benefit low- and moderate-income residents and revitalize community infrastructure. These loans provide much-needed funding for projects that provide affordable housing and promote economic development. In 2019, we funded more than \$298 million in community development loans, nearly double that of the year before. These projects are varied in their focus—with affordable housing projects making up the largest segment.

Quality affordable housing strengthens the economic and social fabric of our communities, making it one of our top priorities. We're proud to have helped make affordable housing projects possible in rural and urban communities throughout our West Coast footprint. We support housing services organizations by providing essential financial backing, including loans for new construction, acquisition, and rehabilitation.

Adding depth to our affordable housing lending team helped us double our commitment to affordable housing over the last year, providing \$195 million of affordable housing loans to increase access to homes across our communities.

2019 Highlights

\$298 million

Total community development lending

\$195 million

Affordable housing lending

128

Loans to affordable housing projects

5,422

New units of affordable housing



Growing businesses

Our core banking teams support the business customers of today while our corporate responsibility efforts help support the customers of tomorrow, laying the groundwork for success by providing critical education and financial support in diverse and underserved communities. Through this partnership between Corporate Responsibility and our Corporate and Commercial, Business, and Retail Banking teams, we offer tailored solutions to help customers keep their businesses strong and create jobs for the community.

Small business owners face a unique set of challenges and opportunities: they're both the backbone of the U.S. economy and at the most risk of financial difficulty. Specifically focused on providing small business owners with access to financial resources designed to help them succeed, our team of Small Business Relationship Bankers is there for more than simply helping business owners find the right deposit accounts and loans. We consult on all things business—from succession planning and long-term goals to growth objectives, financing strategies, and cash management.

An added resource is our SBA lending group offer guaranteed loan products that help small business owners with lower down payment options and longer repayment terms than conventional bank loans. This allows small business owners more available cash flow for growth, resulting in greater success for their business and growth for our local communities.

We've invested in our capacity to serve small businesses by hiring more relationship managers across our footprint and strengthening our offerings. We also studied our customers' behaviors, refined our processes to create a better experience, and expanded our credit parameters to better serve them while still managing our risk appropriately. Those changes have helped our small business and SBA teams provide 1,773 loans to small businesses for a total of \$289 million dollars across our footprint. That represents a 19% increase over last year in dollars committed and a 27% increase in number of loans to small business owners in our communities.

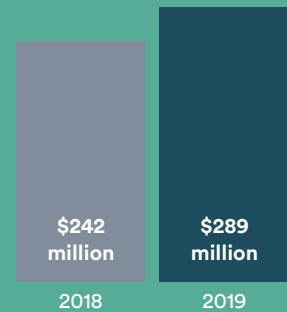
And when we need even more specialized resources that go beyond our walls, partnerships we've developed with nonprofit community lenders are there to help the smallest of businesses—even those that are just an idea—get their footing through microloans and technical assistance. We provided more than 900 hours of technical assistance to organizations supporting small businesses last year to help seed the next generation of potential customers.

2019 Highlights

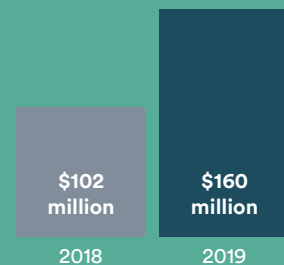
#17

Our standing, out of SBA lenders nationwide

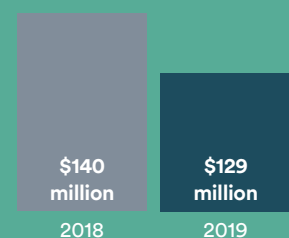
Total small business lending, including SBA



Lending for small businesses



SBA Lending





Access to homeownership

Owning a home is core to the concept of community—putting roots down and investing in building something greater than one’s self. Buying a home is the largest financial decision most people make in their lives—and we’re here to help them through it. Our mission is to help our neighbors buy, build, remodel, or refinance their home, and to make the process as simple as possible. We offer 144 different income-based loan programs designed for first-time homebuyers and low- to moderate-income borrowers, including those in the market for manufactured homes. In 2019, we helped 3,459 first-time homebuyers with their purchase and 1,077 customers used some form of income-based down payment assistance or loan program.

Despite access to many income-based programs, we still saw a few customers who needed a little extra help to get in their home. Our Umpqua New Neighbors Closing Cost Assistance program was developed to meet that need. Starting in 2020, 12 new homeowners will be awarded up to \$2,500 to use toward closing costs on their home purchase.

Disaster relief lending

Our emergency personal loan program helps customers who have been financially impacted by disaster. The reduced-rate loan is intended to help with short-term repair expenses, major purchases, and daily necessities. In 2019, we activated our disaster relief program twice and provided 51 disaster relief loans to help families affected by crises. Since the program started in 2014, we’ve assisted more than 1,000 customers with nearly \$4.5 million in emergency funds.

2019 Highlights

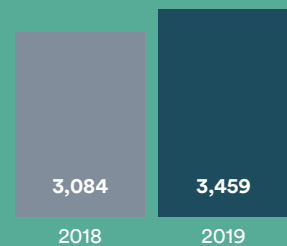
144

Available loan programs for first-time homebuyers and low- to moderate-income borrowers

1,077

Customers used income-based down payment assistance or loan program

First-time homebuyers assisted





Argyle Gardens in Portland, OR (photo courtesy Walsh Construction, Co.)

Homeless to housed, with ongoing support.

Adding experts to our lending team helps double output for critical affordable housing

Access to quality affordable housing strengthens the economic and social fabric of our communities. That’s why it’s one of our top priorities, both philanthropically and through our lending and equity investment efforts.

To uphold that priority, we added affordable housing finance experts in Oregon, Washington, and California to our lending team, which helped us increase our lending commitment to affordable housing and provide \$195 million in loans in 2019. That’s more than double our lending total in 2018 and adds up to 5,422 units—and homes—for vulnerable community members in rural and urban areas.

The team supports nonprofit and for-profit housing developers by providing essential project financing,

including loans for new construction, acquisition, and rehabilitation, as well as partnering with the bank’s tax credit equity investment team. They have a deep understanding of the local nuances and regulations within each of their regions and can offer versatile lending options to meet the needs of clients. But the team’s efforts go well beyond their financial expertise. Relying on decades of work experience in the affordable housing field, they provide thoughtful and collaborative recommendations throughout the entire project, from predevelopment and underwriting to asset management. They view themselves as partners to the project’s success now and into the future.

“The need for affordable housing in our communities is great,” said Gina Leon, Senior Affordable Housing Relationship



Project Name	Commons on MLK	Argyle Gardens	Thea Bowman Apartments
Nonprofit partner	Homes for Good	Transition Projects	Catholic Housing Services of Western WA
Location	Eugene, OR	Portland, OR	Kent, WA
Number of units	51	72	80
Target resident	Permanent supportive housing for chronically homeless individuals, including those with severe and persistent mental illness and/or substance disorder	Individuals and small households transitioning from homelessness to housing; 18 units targeted to veterans	Individuals affected by homelessness; 36 specifically for homeless veterans
Rental costs for residents	\$0 - \$570	\$746	\$561 - \$1,003
Income range	Up to \$34,200	Up to \$27,300	Up to \$40,125
Description/attributes	Deep partnership with Lane County Behavioral Health and Community Health Center whose offices are located next door. Proximity is intended to help create alignment and ease access to resources that help vulnerable residents improve their living situations.	Innovative, modular co-housing design that offers the opportunity to live independently while engaging in community-building activities and supportive services – all with development costs that were 31% lower than typical affordable housing projects.	Provides deeply affordable housing for vulnerable individuals. All units are connected to project-based vouchers which ensure tenants pay 30% or less of their income and receive services to aid their transition out of homelessness.

Manager. “It’s an honor to work alongside housing partners across rural and urban communities throughout Oregon, Washington, California, Nevada, and Idaho and deploy customized debt and equity solutions to address this crisis. There’s nothing better than seeing community members move into a stable home they can afford.”

Housing costs across the western US continue to be the most significant portion of household budgets, and those costs are only going up. For extremely low-income households and those struggling with homelessness, stable affordable housing can be difficult to find.

When homelessness reaches a level considered chronic—without steady housing for more than a year—often a physical home is not enough. Underlying health, mental, and addiction issues are often present for these individuals, and pairing housing with case management support can greatly increase outcomes. Permanent supportive housing is a solution that combines affordable housing assistance with voluntary, flexible support services to help people maintain stable housing and live productively in the community.

Of the 128 total affordable housing loans closed in 2019, three high-impact projects stand out in the ways they advance permanent supportive housing options for formerly homeless community members.

As with all affordable housing, the amount residents pay depends on their income. To qualify, a potential resident makes only 50% or less of the local area median income and pays 30% or less of their total income. Many make substantially less or have no income.

“Umpqua’s commitment to the Argyle Gardens project was unprecedented, said George Devendorf Transition Projects Executive Director. “Not only did they execute on complex financing of this project, they also showed up with their collective insight. Their role went beyond that of a financial advisor as they made thoughtful suggestions that will provide a better resident experience, save us money on maintenance costs over the lifecycle of the property, and ultimately allow us to better fulfill our mission.”



Customer Champions

We believe in a business model that invests in our customers and rewards doing right.

Trusted advisors

Helping our customers have access to smart financial expertise is core to who we are and how we operate. It's why a component of our incentive model prioritizes the quality of the relationships we build with our customers. Part of being a trusted advisor means helping people arrive at the best decision for their unique financial situation. For example, we may let a customer know that their financial picture shows that they're not yet ready to take on a mortgage or small business loan. In these moments, we strive to deliver the message with care and help set the customer on a path toward achieving their goals in the future.

Combatting foreclosures

Sometimes people stumble and need help getting back on their financial feet. In these moments, we work hard to help our customers keep their homes. This includes everything from early identification of potential difficulties to loan servicing. To support this mission, we intentionally named the loss mitigation and collection teams Home Preservation and Early Outreach. These names reinforce the customer-centric view we take and the priority we place on helping people stay in their homes. These hard-working teams successfully helped 384 at-risk homeowners get back on track in 2019.

Focus on accountability

Championing customers also happens behind the scenes, with teams working to make our commitment to our customers consistent throughout our relationship.

For example, in an effort to increase transparency to our customers and accountability to ourselves, our technology team launched a public-facing [availability tracker](#). The site shows website "up-time." Our associates and customers can visit it anytime to check on the status of our digital and web-based services.

Another example is the update we made to our management of customer address change notifications when we learned, through customer feedback, that our prior process of including former addresses could expose them to a potential personal safety threat.

Training for customer well-being

We deliver enhanced training to associates in our customer-facing roles in our stores, commercial banking centers, and call centers, as well as to associates who interface with customers through our digital channels. A focus on advisory skills training enhances our associates' skills to meet our customers' day-to-day banking needs as well as plan for short- and long-term financial objectives.



Cybersecurity

We started an educational event series for business customers. Our initial events convened a collection of experts on Cybersecurity & Fraud Prevention and included a FBI White Collar crime agent, a subject matter expert in the field of Cybersecurity, and Paul Rainbow, Information Security Officer at Umpqua. They provided business customers with insight on what is happening in the industry, warning signs of potential fraud threats and how to protect their businesses from fraud.



Serving Customers

From the beginning, a deep focus on caring for our customers has been at the heart of Umpqua's culture—not just their financial well-being, but also ensuring that they are treated with respect and dignity, protected against fraud and elder abuse, and feel confident that their concerns and questions are being handled properly.

Our associates complete annual training on critical topics, including:

- Code of Conduct, Business Ethics, and Safe and Respectful Workplace policies: how we conduct ourselves with customers and each other
- Cybersecurity: how to protect our customers through safe and smart use of data and online practices.
- Fraud prevention: understanding key signals and ways to look out for customers.
- Elder abuse: serious and growing crime of elder and dependent financial abuse.
- Preventing unfair sales practices: helping customers make informed decisions about the products and services that fit them best.
- Customer feedback: Information from our customers and communities offers valuable insights for improvement. Every associate is trained on how to promptly, courteously, and fairly respond to compliments, complaints, and suggestions.



Dodge & Burn Studios

Local Spotlight

Umpqua devotes retail space in select locations to promote local businesses. Featured here is Sawtooth Glass Project at our Boise, Idaho store.



Safeguarding Customer Information

We recognize the important role we have in keeping customers' personal data safe and secure and are steadfast in our commitment.

Privacy

We invested in a new Chief Privacy Officer role and created a dedicated privacy office under the General Counsel through which we are working to earn and keep the trust of our customers by focusing on five core principles:

- Trust: We develop trust and build mutually beneficial relationships by respecting customer privacy and choices.
- Transparency: We communicate transparently about our privacy practices and customer rights.
- Value: We use provided information to enhance and add value to our customers' experience.
- Compliance: We comply with all applicable laws and regulations.
- Security: We protect personal information commensurate with its degree of sensitivity.

These principles form the foundation of Umpqua's approach to privacy and will continue to influence the way we build our products and services.

Cybersecurity and Information Security

Our Cybersecurity and Information Security team of experts are customer champions, dedicated to creating a secure environment for our customers' information. We continually make investments in new technologies and resources to strengthen our defenses and mitigate threats.

Our approach to information security combines two key elements: people and technology.

People

- ✓ Prioritization and oversight from our Board of Directors, executive management and senior leadership.
- ✓ Security awareness program for all associates that both informs and tests their knowledge. Social engineering test failure rates and escalation rates demonstrate that real understanding and retention are being achieved.
- ✓ Customized security awareness training that meets the specific needs and challenges of the wide range of roles throughout the company.
- ✓ Emerging risks, technologies, and vulnerabilities are identified and appropriately planned for.
- ✓ Incident response resources are highly skilled and have visibility throughout the organization in order to minimize the impact and scope of any potential security incident.

Technology

- ✓ Defense in depth strategy that includes preventative, detective, and corrective controls.
- ✓ New technology implementations and changes are closely integrated with security resources to ensure that security considerations are addressed.
- ✓ Security controls are evaluated and validated on an ongoing basis to ensure the operational effectiveness of our defenses.
- ✓ Independent penetration testing is regularly conducted.



Operate sustainably

Highlights



Launched Sustainability Council.



Established targets to reduce business travel and paper usage.



Reduced energy and water usage over 2018.

Opportunities

This year, we are progressing our capacity to capture and learn from sustainability data. We also intend to capitalize on our associates' adoption of technology and processes related to reduced travel and paper usage.



Cu J DeWaal Photography

Associates volunteer at Sauvie Island

Operate Sustainably

We're focused on smart business operations that benefit both the environment and the company.

Building on years of grassroots efforts, we officially launched our new Sustainability Council in 2019. Made of up senior leaders across the company, the Council is charged with identifying opportunities to further reduce our environmental impact as we continue to modernize how we conduct our business. The Council is defining Umpqua's sustainability agenda and setting targets—and most importantly, making sure we reach those goals by driving operational adoption across the organization.

- Reduce business travel by air and car by 30% in 2020
- Cut paper use by 50% by 2025

Meeting these targets will be assisted short-term by necessary changes in the way we do business due to COVID-19. However, our intent is to ensure these new ways of working and their associated environmental benefits are integrated into ongoing operations as the immediate health crisis recedes.

Focus Areas



Transportation

We manage the impact of our miles traveled by people and for operations.



Waste

We embrace ways to reduce our waste.



Buildings and Infrastructure

We improve the efficiency of our physical footprint.



2019 Impact

621

Number of associates who used our public transportation reimbursement program

\$293,604

Amount we paid in public transportation reimbursements

Transportation

We believe in managing the impacts of our miles traveled by people and for operations.

Business travel

Our business operations and customers are spread up and down the West Coast, with teams often spanning the footprint. We're challenging our associates to adopt new practices and reduce their travel by 30 percent in 2020—leading to important reductions for the environment and financial bottom line.

To help advance toward the goal, we set expectations and improved our management oversight and internal reporting in 2019. We've also enhanced our reporting capacity over last year by adding the category of personal car mileage traveled for business reasons to the metrics we'll be reporting ongoing.

Technology solutions

We've prioritized investment in technology, fully enabling the organization with digital workplace infrastructure and reliability. Our focus in 2020 is helping associates and managers fully adopt the use of these digital meeting and collaboration tools so that travel can be reserved for activities that benefit most from in-person engagement.



Reduced mileage for courier transport

We have embraced technology enhancements to reduce the need to transport banking documents, including physical checks and other items. We started this journey in 2015, when we cut ground mileage by 40 percent, and have continued to further reduce these miles traveled with improved operational processes.

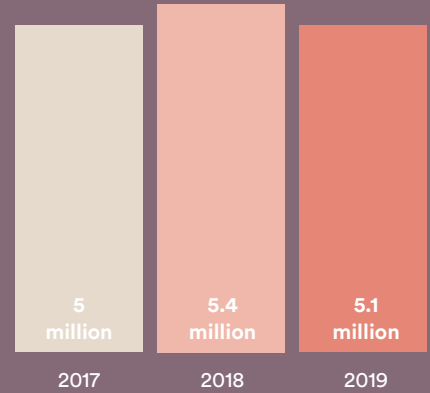
This year, our logistics team identified a change in process that allowed us to reduce the number of outgoing interoffice mail packages by 20%, positively impacting the number of trips taken and miles traveled.

Mass transit reimbursement

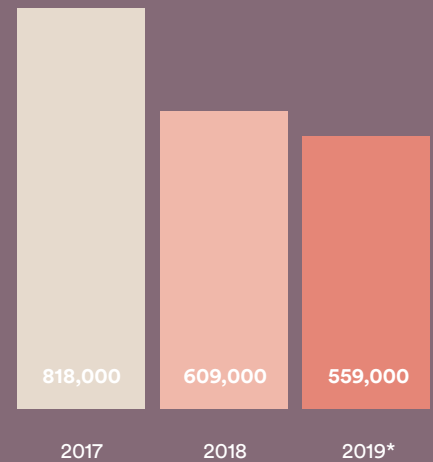
Promoting use of public transportation in all communities that offer it starts by providing 100 percent reimbursement, up to allowable limits, of monthly transit passes to all eligible associates. 621 associates who live in communities offering mass transit took advantage of this generous program.

2019 Impact

Air Travel



Car Travel



Car miles refer to impact through our primary rental car partner. Report excludes other rental car use (only 1-2%) and taxi and ride share. Enhanced data tracking allowed us to report employee travel by personal car and will be included in future reporting. In 2019, we reimbursed associates for 1,436,625 personal car miles.



2019 Highlights

360,294

Total lbs. of paper purchased

1,634,860

Total lbs. of paper securely shredded and recycled

Waste

We're embracing digital tools to reduce our waste across the organization and with our customers.

Recognizing that banking is a traditionally paper-intensive industry—for the company and our customers—we're advancing both user and system-generated paper reduction strategies and have set a goal to reduce our usage by 50 percent by 2025.

New ways of working

Recent upgrades in technology and continued emphasis on digital workplace tools and process improvements have helped us trim our paper usage.

Digital and online banking

We encourage customers to adopt online banking and paperless statements through our product design. Nearly half of our customers opt-in for electronic statements and 75 percent actively use our digital banking tools to engage with their accounts. Despite these high digital adoption rates, there are many regulatory processes that require paper notice by mail. We have begun tracking our required regulatory notices to better understand the environmental impact and stay vigilant for opportunities to make changes as regulatory expectations evolve.



Digital documentation tools

We've further reduced our reliance on paper-intensive processes through the implementation and adoption of digital signature platforms for internal and customer-facing documents. We use these tools to compile documents and send them securely by email, to gather signatures and data and authenticate signers. Stores across our footprint are now using this solution as the primary method for customers to sign for a new deposit account in person. Disclosures are emailed to them directly, and the customer electronically signs using the store's computer—usually by typing their name or using the mouse to sign their name. Our Go-To team is piloting the use of these tools to email documents to customers so that they can sign for their new account or loan remotely, without ever having to leave their home.

Standardized paper purchasing

When paper is necessary, purchasing standards ensure our copy paper and printed customer communications are FSC Chain of Custody certified. Our marketing team additionally ensures their paper choices for printed materials are at least 30 percent post-consumer waste in content.

Recycling and shred practices

Keeping our customers' personal information safe is a top priority and we take care in selecting and managing our paper shred vendors, who ensure 100 percent of shredded material is safely and securely recycled. Their environmental commitment is to responsibly manage waste, energy, and water consumption and have established goals including landfill avoidance, improved fuel consumption, and maintaining low emission standards. Through our partnership we recycled more than 1.6 million pounds of paper.

Reducing our e-waste impact

We dispose of retired equipment in an environmentally sensitive manner, including reuse or reclamation of the precious metals, avoiding unnecessary privacy risk and environmental impacts. In 2019, we shifted our program from one centralized recycling vendor to using multiple regional recyclers to help reduce the travel impacts of this effort.

2019 Impact

13,930

Trees our recycling and shred practices saved

2,712

Cubic yards of landfill space our recycling and shred practices saved

8,345,065

Gallons of water our recycling and shred practices saved

3,046,107

kWh energy our recycling and shred practices saved



Xeriscaping design at the Moana Store in Reno, NV reduces irrigation needs

Buildings & Infrastructure

We believe that operating sustainably is better for both business and the environment.

Energy and water usage

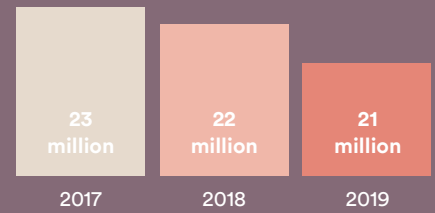
We've reduced our energy and water usage compared to 2018 through a reduction in sites and lowering per site usage overall while also growing customers and assets. We've worked to enhance our data reporting capabilities related to our utility use. Today, we're able to fully report on 250 sites, including our highest usage sites such as data centers and office buildings with higher occupancy. There are 70 leased facilities where our utility usage is managed directly by the landlord and data is not currently available.

Multi-use facilities

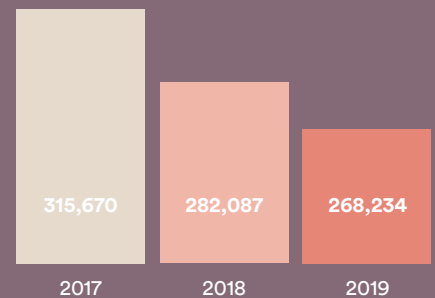
We manage our back office and customer-facing locations to ensure we are meeting our customers' needs and evolving preferences. We encourage active use of our stores for community gatherings and as places for individuals, business owners, and nonprofit organizations to conduct meetings. Our teams track usage of the facilities outside of typical business hours and more than 28 locations were used throughout the year in ways that benefit the broader community.

2019 Impact

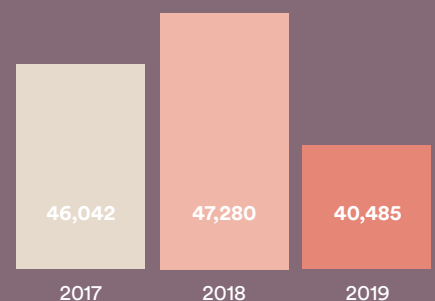
Electricity (kWh)



Natural Gas, Propane, and Fuel Oil (therms)



Water and Irrigation (kGal)





Smart facilities management

We developed and utilize Mechanical, Electrical and Plumbing (MEP) standards when building new Umpqua facilities. This ensures we incorporate energy efficient systems in our buildings. In addition, we have material specifications in place to use privately sourced construction materials including sustainable carpet and furniture, low-VOC paint, and intentionally designed LED lighting, cooling, and plumbing solutions. Implementing these standards helps reduce the impact of building construction. We also aim to trim energy usage through technology such as occupancy sensors and temperature and lighting controls.

Tuning our technology

All computers are configured for minimal power use, engaging the sleep mode power-saving processor configuration. We've prioritized installation of multi-function devices, greatly reducing the need for fax machines and personal printers. This allows us to purchase fewer devices and also reduces our maintenance outlay. In addition, through our "cloud-first" strategy, we've reduced the number of servers in our data centers.

A key project in 2019 was to fully implement best practices in our power usage across all data center technologies and for our site-based servers in place at stores. The project included decommissioning older cooling units, recalibrating sensors on those still in place and improving temperature monitoring capabilities to ensure greater control and early warnings.

Working with our suppliers

We also advance our sustainability efforts by partnering with local vendors and diversifying our suppliers. Five percent of our supplier budget was spent with minority- and women-owned businesses. Our operational excellence program work continues to support buying local through long-term relationships with notable West Coast vendors including Cook Security Group and Smith Tea.



Digital Workplace

To reinforce our paper and business travel reduction efforts, we've enhanced our digital workplace tools and increased training for our associates.



Umpqua associates using a shared workspace in Portland, OR

A Smarter, More Sustainable Data Center

How improvements at our Hillsboro, OR data center have shaped future initiatives for more sustainable operations.

Data centers are essential to practically any business operating in today's interconnected economy. Umpqua's no different: our two data centers are our back-end backbone. From how we support customers, like through our Go-To app, to how our associates work to support all our stakeholders, all the digital activity needed to make it all happen emanates from our data centers.

But, as important as data centers are, they aren't always energy efficient. They use an incredible amount of energy not just from the computer equipment they house but also the constant climate control needed to ensure that equipment doesn't fail. (Fun fact: air conditioning is often an organization's highest operational expense for a data center.)



“We were flying blind when it came to knowing how the data center was using energy. Now we’ve got the data and can start making calculated decisions on what to improve next.”

So, what’s a digitally focused bank that’s also dedicated to operating sustainably to do? Fortunately for Umpqua, Dan Fitzgerald, Data Center Technology Manager, had answers.

“After joining the bank in 2018, I saw a number of opportunities we could focus on in 2019 to really improve the data center’s sustainability, from how the facility was configured to being able to collect and monitor energy use data,” said Dan. “It’s been a tremendous effort, but it’s paid off—literally.”

One improvement Dan noticed early in his tenure with the bank was that the data center was incredibly over-air conditioned. It wasted energy while also creating operational difficulties. To solve for the imbalance of temperatures and humidity levels that came with over-air conditioning, Dan and his team, Chuck Caraway and Wilton Buffington, Data Center & Logistics Engineers, made the following adjustments at the data center:

- Decommissioned the superfluous operation of the data center’s in-row air conditioning units that previously ran constantly
- Relied more on the data center’s economizers, which help push hot air in the room out through opened baffles on the roof
- Broke ground on reconfiguring the data center’s interior; new walls and doors were put up to help segregate the hot and cold air to areas where either is needed most

Decommissioning the air conditioners alone have saved Umpqua 60-75 kilowatts (kW) of energy per hour, and the economizers save an additional 180 kW for every hour they’re running. Dan, Chuck, and Wilton also worked with our Facilities team to better understand how the data center uses energy, how much we’re paying for it, and how they can better monitor performance activity, set performance benchmarks, and strategize on future improvements.

“As the saying goes, ‘You can’t improve what you can’t measure,’” said Dan. “We were flying blind when it came to knowing how the data center was using energy. Now we’ve got the data and can start making calculated decisions on what to improve next.”

These 2019 efforts are also influencing future improvements, like more effective heat containment for the data center and improving the performance of our retail stores’ battery backups. These initiatives, slated for 2020 and beyond, reinforce our position to integrate sustainability into our operations.



Do meaningful work

Highlights



Defined leadership competencies in order to support paths to leadership for everyone at Umpqua.



Continued commitment to diversity and inclusion with further integrated leadership.



Enhanced associate feedback efforts.

Opportunities

In a time of transition, our commitment to keep associates and customers safe and healthy through social distancing and other practices is already shining through. We look forward to reporting on those efforts next year.



Women's Resource Group fireside chat with Washington State Supreme Court Justice Mary Yu

Do Meaningful Work

We're committed to creating an environment where our associates are inspired to be their best.

Umpqua is powered by an incredible team of nearly 4,000 associates working together to provide expert banking solutions that are rooted in deep human connection.

Helping people achieve their financial potential is purposeful, important work. When we work together, we create impactful solutions that matter to our customers and our communities.

Our people are the key to our success. In return, we strive to ensure their work experience allows them to use their skills and passions to make a difference while growing their careers and being recognized and appreciated for their diverse talents, backgrounds, and perspectives.

Meaningful work is an essential part of life and community. We are committed to making Umpqua a place where our associates have fulfilling careers in which they are celebrated, developed, and rewarded, all while having the opportunity to give back in meaningful ways.

Focus Areas



Grow Careers

We invest in training and development.



Diversity & Inclusion

We embrace and celebrate our differences.



Investing in Our Associates

We offer competitive rewards and benefits programs in a fulfilling work environment.



Associates and guests gather at Summit 2019 in Palm Springs, CA

Grow Careers

Because an investment in our associates is an investment in our future.

Learning is an essential part of Umpqua’s culture. We aspire to create lifelong career opportunities—from the moment an associate first joins our company, throughout their career path and until they leave the workforce.

We invest significantly in a variety of programs to support associates at all levels in their professional development. This includes a focus on the skills and capabilities needed today, and helping them prepare, in advance, to take the next steps in their Umpqua career journey.

Our professional development efforts start with each associate “owning their growth” and taking charge of their development through a blend of available e-learning, classroom, and virtual training options. Every associate is encouraged to work with their manager to create a formalized Professional Development Plan—a written roadmap for achieving milestones along their development path.

Training and development

Associates have access to numerous learning opportunities, including internal training programs, a digital learning platform, and external development and certification opportunities. We also sponsor select associates in formal education programs, banking schools, and university programs through tuition reimbursement. The digital learning platform has robust offerings and is available to all associates.)

2019 Highlights

224,000+

Training hours completed to better serve customers and develop professionally

55

Average training hours per associate

8,000+

Hours dedicated to leadership development

500+

Associates participated in leadership development training and programs

2

New, comprehensive 12- to 18-month leadership development programs offered

\$525,000+

Invested in external leadership and development programs



“We believe that everyone is a leader, whether they have responsibility for leading a division, department, or team, or they simply influence others through how they do their work.”

Powered by a leading provider of e-learning solutions, the platform provides digital content and online resources with over 4,000 topics.

Through these learning opportunities, associates continue developing the skills to achieve success in their current roles and also work toward aspirational career goals.

Leadership development

We believe that everyone is a leader, whether they have responsibility for leading a division, department, or team, or they simply influence others through how they do their work.

We refreshed our leadership competencies and supporting programs to help define what great leadership looks like at Umpqua Bank and give every associate a framework of the leadership behaviors that support our strategy and culture.

To help leaders take their skills to the next level, we engaged a global leadership development organization who provided both virtual and in-person sessions designed to help 200+ senior and market leaders have transformative conversations that promote meaningful dialogue and development, productivity, and accountability.

Two new targeted leadership development programs launched in 2019: Leading Large, an executive development program, and Accelerate, a leadership

program designed to enhance skills for future success. Both programs included in-depth assessments, 360-degree feedback, targeted training sessions, coaching, individual and group activities, and the creation of actionable Professional Development Plans specifically created to enhance leadership capabilities and competency.

Leadership development opportunities extend to leaders at all levels, including aspiring managers, first-time managers, and for managers who are new to Umpqua. Our digital learning platform includes 40 interactive courses in key leadership development areas, with tools and resources for on-the-job application. In addition to digital learning, all leaders have the opportunity to attend Umpqua-specific development events covering a variety of topics including leading change, retention, coaching, professional development planning, goal setting, and performance management.

Coaching

The most impactful way we engage and empower our associates is through our managers. Great managers are great coaches, who inspire associates to be their best. Through a 6-week certification program, we are elevating the “art of coaching” across various areas of the company. Managers and associates collaborate to create annual performance goals aligned to organizational goals and Umpqua’s leadership competencies. Associates receive coaching and feedback on an ongoing basis, as well as through annual performance reviews.



Jay Mortensen with fellow associates and guests at Summit 2019

Intentional and Purposeful: Leadership Development Training Resonates with Umpqua’s Leaders

For Jay Mortensen, Home Lending’s Director of Mortgage Loan Servicing, being a good leader starts by looking within himself—acknowledging that he’ll never be perfect, and there’s always something he could be working to improve.

Over the course of his 13+ years at the bank, that drive to refine and polish has drawn him to participate in various leadership development offerings, including most recently the Accelerate Leadership Program.

Introduced to Umpqua in 2019, Accelerate is a year-long leadership development program created to enhance leadership and business skills for future success.

Participants explore their individual leadership style in order to expand their ability to develop themselves and their teams, champion change, deepen understanding of banking operations, lead with strengths, and foster a culture of high performance.

Accelerate’s development focuses go hand in hand with Umpqua’s leadership competencies, making it a natural fit for the Bank. Our leadership competencies establish what great leadership looks like by helping to set the bar for how we should show up as leaders. They help to describe how we should act, interact, communicate, provide service, perform our job, and deliver results.



“The training... gave us the language to discuss the tough issues—to stop ignoring them, stop pretending they’d be okay, it changed the whole dynamic of my leadership team.”

The Accelerate program included a module by a leadership development organization that prioritizes effective communication and teaches participants to have worthwhile conversations that get to the root of the problem rather than skirt around the issue. Jay participated in the training along with more than 100 other senior leaders at the bank.

“The training on effective communication really rang true with me. I made it part of my professional development plan to make sure every associate in Home Lending had been through the program’s fundamentals which gave us the language to discuss the tough issues—to stop ignoring them, stop pretending they’d be okay,” Jay said. “It changed the whole dynamic of my leadership team.”

This ability to talk about tough topics comes in handy both in Jay’s day-to-day work and in his role as the executive sponsor of Umpqua’s Pride Associate Resource Group. In Home Lending, Jay and his team often work with challenged borrowers, and the ability to talk plainly allows them to look past surface-level problems and confront the underlying issues the borrower might be facing. For the Pride ARG, this insight informs Jay’s approach to structural policy changes.

“Pride ARG members are passionate—they want to be out there carrying signs, visibly fighting for change,” Jay said. “I tell them to keep the passion, but it’s important to be strategic. Umpqua is maturing in our diversity efforts, and if we’re intentional and purposeful, we can make a bigger impact.”

The program also inspired Jay to rethink his relationship with other leaders at the Bank, focusing on the collaboration and effective communication leadership competencies. He started scheduling weekly 1:1s with them to check in and see what was going on in their worlds.

As for his own team, Jay made it a point to visit members of his team in their own spaces, dropping by their offices or desks to say hello and learn what was happening in their lives.



Jay accepting the Leadership Award

“I make it a point to remember something unique about them, whether it’s that they have five cats or that they’re caring for their mother at home,” Jay said. “When people connect with you on that level, there’s a sense of trust and leadership, and they want to work for you. People don’t necessarily work for an organization—I think people work for other people. And an organization has to have a culture that allows that to happen.”

By embracing Umpqua’s leadership competencies and applying what he learned in the Accelerate program, Jay has helped bring the Bank’s culture of leadership to life. In doing so, not only has he established a strong network of fellow leaders, he has also created an environment where everyone on his team understands the value of showing up as a leader for themselves and others.



Diversity and Inclusion

We believe that diversity of thought, perspective, background and life experience makes us better together.

Accelerated integration

We're working to advance diversity and inclusion throughout the company, recognizing the importance of integration across multiple business functions. In 2019 we moved the diversity and inclusion program into our corporate responsibility area to allow for deeper integration within the company and throughout our community.

We've accelerated the rollout of intensive internal training and programs that support an inclusive work environment, launched a new Inclusion Council that will, in partnership with our Diversity Council, identify opportunities for further operational improvements, and deepened our commitment to drive economic opportunity in communities of color through our community engagement programs.

Company demographics

We've made progress in diversity outcomes at all levels of the organization over the past five years and continue to execute a multi-year strategy to further these efforts. One illustration of this commitment at the most senior level is in the diversity make-up of our Board of Directors—chaired by a woman and including four women and three people of color.

2019 Company Demographics

65%

of associates who are female

22%

of workforce who are people of color

36%

of board members who are female

27%

of board members who are people of color

Umpqua Bank is committed to employing a diverse workforce. Qualified applicants will receive consideration without regard to race, color, religion, sex, national origin, age, sexual orientation, gender identity, gender expression, protected veteran status, or disability.



2019 Demographics	Female	People of color
Non-exempt	78%	24%
Exempt	53%	20%
Senior Leaders	36%	18%
Executive	24%	12%
Overall	65%	22%
Board	36%	27%

Measurement is an important part of how we develop strategy and track our progress across key milestones. We standardized our demographics reporting to enhance accountability throughout the organization and increase transparency with our stakeholders.

Building a culture of inclusivity

Key components of our strategy include enhancing our diversity and inclusion awareness and aptitude at all levels, delivering programs and resources to further engrain diversity in our culture and operations, and expanding our external outreach to culturally-specific-focused agencies, community organizations, and potential future associates.

Councils

We launched our Inclusion Council alongside our already established Diversity Council to further amplify our efforts across the organization. Both councils are made up of associates from throughout the company who are deeply committed to our diversity and inclusion efforts. The councils aim to be representative of the diversity of our associate population and ensures agency.

Our Associate Resource Groups (ARG) are organized by associates and for associates, with a goal of bringing people together based on common backgrounds, experiences, or other similarities. In 2020, we launched our People of Color ARG, joining Pride, Women’s and Military ARGs that were already in place. Just like the Diversity and Inclusion Councils, the resource groups align with Umpqua’s overall business strategy and promote programs and trainings that further our diversity and inclusion efforts.

Diversity resources

Hosted on our intranet, our Diversity and Inclusion Resource Hub houses relevant and timely diversity information for our associates. This includes our strategic road map, as well as specific resources such as our diversity statement, Diversity Council updates, upcoming workshops and highlights on ways to get involved.

Senior leader workshops

We advanced the conversation with our senior leaders through a training that includes leader-led conversations with their teams. These conversations have helped demonstrate organizational commitment to diversity and inclusion and prompted leaders to play active roles in advancing our strategy.

Diverse talent pipeline development

Diversity and inclusion efforts inform our community work as well. We know the importance of ensuring diverse students have access to education and opportunities to progress their lives and careers. It’s why we partner with organizations that provide training and internship experiences such as BankWork\$ and De La Salle North Catholic’s Corporate Work Study Program in order to promote careers in banking to underserved students and adults.



Investing in Our Associates

We incent performance and attract top talent through competitive rewards and benefits programs and a fulfilling work environment.

Competitive compensation

Our compensation approach is designed to pay for performance and reward associate contributions. Each position has an established base pay salary range, and associates have the opportunity to receive base compensation at the high end of their respective salary range for top performance. Our salary base pay structure is informed by market data.

Recognizing that the compensation environment is dynamic, we review and adjust our pay ranges regularly. This includes an ongoing practice of analyzing pay equity. We have established an internal minimum wage rate of \$15/hour. In addition, many positions have incentive plans to encourage achievement of various corporate, business unit, and individual goals.

Total well-being

At the heart of our culture has always been the sincere focus on caring for our people—not just their financial well-being, but also helping them give their best selves outside of work. That’s why we invest in additional perks that help our associates stay healthy, save for retirement and be active in their communities. Our wellness platform aims to help associates get and stay healthy. Through the tool, they gain access to support and education on health information, including wellness workshops. Associates are incented to complete their personal health profile both to receive discounts on their medical premiums and surface awareness of underlying medical concerns. In 2019, nearly 90% of our associates completed their profiles. They can also track their health and create interactive team challenges to make health a shared experience.

Financial health is also a critical aspect of our overall health. We launched a new financial wellness platform in partnership with Banzai, and through our benefits partners, associates have access to resources including retirement planning tools, debt management and life event checklists and content. A partnership with Common Bond, a student loan refiner, provides associates with resources to manage student loans, including refinancing and support.

We offer competitive medical, dental, vision, life, short/long-term disability, and accident insurance in addition to paid time off for vacation, sick time, volunteerism and more. These programs are available to associates working 20 hours per week or more and are assessed against market benchmarks on a regular basis.

2019 Highlights

89%

Associates contributing to their 401K plan

90%

Health profiles completed

20+

Working hours for benefit eligibility



Our associates have the opportunity to build up their savings with help from our highly competitive 401K plan. Umpqua matches at 50 percent on the first 8 percent of associate contribution. We also offer associate banking products and a Perk and Discount platform, through which associates can save on lifestyle purchases including everything from computers and cars to event tickets and travel.

Connect Volunteer Network®

The Connect Volunteer Network is our industry-leading associate paid volunteer time off program. Beyond the community impact it provides, it's also a work-life balance tool that helps associates stay engaged while managing their career. Each year, we provide up to 40 hours of paid volunteer time to serve at the nonprofit, school, or community agency of their choice. With our support, some associates also use the time to apply their skills in a new setting, providing much-needed technical assistance to community organizations.

Recognition programs

In addition to ongoing team-level recognition programs and years of service milestones, our Summit Awards is a special recognition event for a group of elite honorees each year. The awards recognize top individuals and teams in customer-facing and support roles who are demonstrating outstanding results aligned to our culture and strategy.

Workplace climate

We all deserve to work in an environment where we are treated with dignity and respect. That includes an open and supportive environment where associates feel comfortable raising questions. Umpqua Bank is an equal employment opportunity/affirmative action employer and is committed to providing a workplace free of discrimination of all types, and from abusive, offensive or harassing behavior. Associates have multiple channels available to report concerns related to workplace conduct, including an anonymous online reporting system. All concerns are appropriately reviewed and investigated. Both Executive Leadership and the Board of Directors review the policies and practices in place to ensure a healthy workplace environment.

Voice of the associate

We conduct annual associate engagement surveys to identify organizational strengths and opportunities from the perspective of our associates. We actively review and use results to inform action plans and improvement initiatives across the company. Information from this year's survey informed leaders where improvements could be made at the enterprise, business unit, and department levels. Leaders throughout the bank held action-planning sessions and based on what they heard from associates, made plans for improvement. In addition to the annual survey, both new associates and those leaving the bank are also surveyed.



Summit

Summit is an annual, multi-day celebration recognizing top performers across the company.

In addition to sales performance awards, Summit includes awards across the organization that celebrate the deep connection between our strategy, culture and leadership and include the following award categories:

- Balanced Growth
- Human Digital
- Operational Excellence
- Results Oriented
- Customer Obsessed
- Risk
- Leadership Award
- Sandy Hunt Culture Award
- Community Leadership Award

How We Operate

We're committed to operating our company and managing risk in ways that deliver long-term value to our customers, communities, associates and shareholders. Our goal is to make informed business decisions that deliver operational excellence, balancing the challenges of tomorrow with efficient management of our resources today.

Risk Management Strategy

The Board of Directors and Executive Management have responsibility and accountability for setting the organization's goals and objectives, defining strategies to achieve those objectives, and establishing the governance structures and processes to best manage the associated risks.

Under the direction of the Board of Directors, management has established a Risk Appetite Statement, and Enterprise Risk Management Framework and Program. The purpose of the Statement, Framework and Program is to facilitate proactive and effective risk management to position management to make better business decisions through focus on risk and return which in turn will preserve the Company's safety, soundness, and profitability over time.

Additionally, we maintain an independent audit function with the Chief Auditor reporting directly to the Board of Directors.

Risk Management Structure

Umpqua Bank's Enterprise Risk Management program focuses on the following risk areas:

- Strategic Risk
- Credit Risk
- Liquidity Risk
- Market Risk
- Operations & Technology (including Cybersecurity and Information Security) Risk
- Compliance Risk
- People Risk
- Reputation Risk

We established the Enterprise Risk Management function to provide and support an integrated risk management program and system that allows management and the Board of Directors to understand and manage the key risks to the organization. The Chief Risk Officer directs the eight key risk areas staffed with risk professionals certified in their areas of expertise.

Board of Directors has established committees to discharge its duties and provide an appropriate level of direction and oversight of enterprise risk management across the organization. Board level committees include:

- Enterprise Risk and Credit Committee
 - Audit and Compliance Committee*
 - Compensation Committee*
 - Finance and Capital Committee
 - Nominating and Governance Committee*
 - Executive Committee
- * Comprised exclusively of independent directors.

Management has established the following internal committees and councils to provide oversight and strategic direction for various governance programs that enhance the Company's risk management activities:

- CEO Risk Committee
- Asset & Liability Committee
- Disclosure Committee
- Capital Planning Committee
- Product and Market Initiatives Committee
- Investment Committee
- Internal Compensation Committee
- Community Reinvestment Committee
- Data Governance Council
- Information Security Council
- Model Risk Committee

Additionally, we maintain an independent audit function with the Chief Auditor reporting directly to the independent Audit and Compliance Committee of the Board of Directors.

Corporate Policies & Practices

We maintain an Associate Handbook that provides important HR policies and practices as well as general guidelines on what we expect from our associates and what they can expect in return. Some of the specific topics covered include:

Business Ethics and Conflict of Interest Code

Our reputation of honesty, integrity and security is vital to our success as a financial institution. We maintain a Code of Conduct in our Associate Handbook, which includes our code of Business Ethics, conflicts of interest policies and safe and respectful workplace policies. Our Code of Conduct establishes expectations and policies that all associates are held accountable to when conducting affairs in the name of the bank, extending not only to the bank's customers, but also to other associates and our stakeholders. Each associate is asked to review these policies on an annual basis.

We have established an anonymous whistleblower system through an independent third party. Associates can confidentially report concerns relating to unethical or improper acts or practices online or by phone through a third-party provided ethics hotline. Hotline reporting and results of investigations are reported quarterly to the Audit & Compliance Committee of the Board. We have also adopted a Code of Ethics for Financial Officers that supplements our Code of Conduct.

Conflicts of Interest and Gifts

We help our associates understand important restrictions in place around giving gifts to, and accepting gifts from, customers, suppliers or government officials, in accordance with the Bank Bribery Act. Our Code of Conduct prohibits associates from seeking or accepting bribes in connection with any bank business and associates are permitted to accept gifts or entertainment only under limited circumstances and with approval by the business unit executive. Our business is conducted within the United States, excluding us from the additional exposure of interaction with foreign governments.

Compliance with Other Laws

Our Code of Conduct includes requirements for associates to maintain knowledge of the compliance requirements that relate to their job functions and perform their duties in accordance with those requirements. We have adopted policies to prevent the illegal use of our products and services. All bank associates are required to comply with the Bank Secrecy Act and are responsible for implementing the various anti-money laundering regulations applicable to their activities at Umpqua Bank. These include, but are not limited to, reporting suspicious activities, collecting and recording customer identification for new accounts and other customer due diligence, recording and reporting cash transactions, identifying high-risk customers (money

services businesses, non-exempt businesses, foreign accounts), and reporting any unusual transaction activities. In addition, our Code of Conduct covers compliance with anti-harassment, equal employment opportunity and other laws that address protection of our associates.

Emergency Preparedness

We won't be effective in a crisis if we aren't ready ourselves. We have an enterprise-wide response, recovery and resumption framework for critical business processes which provides business resiliency and minimizes customer service disruptions. Everyone who works at Umpqua takes emergency preparedness training. The course helps our associates and their families prepare for the worst. If they're safe, we can rest easy—and get the bank up and running more quickly so our customers have access to their money. That training and awareness, combined with continuity planning focused on our operations and systems, helps us prepare for the worst.

Health and Safety

We are committed to achieving and maintaining a safe and healthful workplace for all associates by establishing safe work practices. A cross functional council reviews physical security and safety incidents and provides oversight of the programs.

Annual Required Training

Umpqua Bank associates complete the following training courses annually:

- Human Resource Policies
- Wage and Hour Policies
- Harassment Prevention
- Diversity Awareness
- Workplace Safety
- Emergency Management
- Business Continuity
- Information Security
- Handling Customer Complaints
- Unfair Deceptive or Abusive Acts and Practices
- Bank Secrecy Act
- Gramm-Leach-Bliley Act
- Job-specific Regulatory Compliance Training

For full review of corporate governance information, visit: <https://www.umpquabank.com/investor-relations/>



We welcome your ideas and discussion.

Please reach out to Community@UmpquaBank.com.