

UMPQUA HOLDINGS CORP
Form S-4/A
January 17, 2014

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)
[TABLE OF CONTENTS](#)

[Table of Contents](#)

As filed with the Securities and Exchange Commission on January 16, 2014.

Registration No. 333-192346

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Amendment No. 2
to

Form S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Umpqua Holdings Corporation

(Exact Name of Registrant as Specified in its Charter)

Oregon
(State or other jurisdiction of
incorporation or organization)

6022
(Primary Standard Industrial
Classification Code Number)
One SW Columbia, Suite 1200
Portland, Oregon 97258
(503) 727-4100

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

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Raymond P. Davis
President and Chief Executive Officer
Umpqua Holdings Corporation
One SW Columbia, Suite 1200
Portland, Oregon 97258
(503) 727-4100

(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

Edward D. Herlihy, Esq.
Matthew M. Guest, Esq.
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street

With copies to:
J. Gregory Seibly
President and Chief Executive Officer
Sterling Financial Corporation
111 North Wall Street

William L. Taylor
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

New York, New York 10019
(212) 403-1000

Spokane, Washington 99201
(509) 358-8097

(212) 450-4000

Approximate date of commencement of the proposed sale of the securities to the public:

As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed document.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a
smaller reporting
company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED JANUARY 16, 2014

Proxy Statement

Prospectus

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

On September 11, 2013, Sterling Financial Corporation, or Sterling, and Umpqua Holdings Corporation, or Umpqua, entered into an Agreement and Plan of Merger (which we refer to as the "merger agreement") that provides for the combination of the two companies. Under the merger agreement, Sterling will merge with and into Umpqua, with Umpqua as the surviving corporation (which we refer to as the "merger"). The merger will result in the West Coast's largest community bank with expanded geographic reach.

In the merger, each share of Sterling common stock (except for specified shares of Sterling common stock held by Sterling or Umpqua and any dissenting shares) will be converted into the right to receive 1.671 shares of Umpqua common stock and \$2.18 in cash, without interest, (which we refer to as the "merger consideration"). Although the number of shares of Umpqua common stock that Sterling shareholders will receive is fixed, the market value of the merger consideration will fluctuate with the market price of Umpqua common stock and will not be known at the time Sterling shareholders vote on the merger. Based on the closing price of Umpqua's common stock on the NASDAQ Global Select Market on [], 2014, the last practicable date before the date of this document, the value of the per share merger consideration payable to holders of Sterling common stock was [] **We urge you to obtain current market quotations for Umpqua (trading symbol "UMPQ") and Sterling (trading symbol "STSA").**

Based on the current number of shares of Sterling common stock outstanding and reserved for issuance under employee benefit plans, Umpqua expects to issue approximately 112,458,115 million shares of common stock to Sterling shareholders in the aggregate upon completion of the merger. Based on these numbers, upon completion of the merger, current Sterling shareholders would own approximately 49.9% of the common stock of Umpqua immediately following the merger. However, any increase or decrease in the number of shares of Sterling common stock outstanding that occurs for any reason prior to the completion of the merger would cause the actual number of shares issued upon completion of the merger to change.

Sterling and Umpqua will each hold a special meeting of their respective shareholders in connection with the merger. Sterling and Umpqua shareholders will be asked to vote to approve the merger agreement and related matters as described in the attached joint proxy statement/prospectus. Approval of the merger agreement by Umpqua shareholders requires the affirmative vote of the holders of a majority of votes entitled to be cast and approval of the merger agreement by Sterling shareholders requires the affirmative vote of the holders of two-thirds of the votes entitled to be cast.

The special meeting of Sterling shareholders will be held on February 25, 2014 at Sterling Bank, 111 North Wall Street, Spokane, Washington 99201, at 3:00 p.m. local time. The special meeting of Umpqua shareholders will be held on February 25, 2014 at the River Place Hotel, 1510 SW Harbor Way, Portland, Oregon, at 6:00 p.m. local time.

Sterling's board of directors unanimously recommends that Sterling shareholders vote "FOR" the approval of the merger agreement and "FOR" the approval of the other matters to be considered at the Sterling special meeting.

Umpqua's board of directors unanimously recommends that Umpqua shareholders vote "FOR" the approval of the merger agreement and "FOR" the approval of the other matters to be considered at the Umpqua special meeting.

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

This joint proxy statement/prospectus describes the special meeting of Sterling, the special meeting of Umpqua, the merger, the documents related to the merger and other related matters. **Please carefully read this entire joint proxy statement/prospectus, including "Risk Factors," beginning on page 43, for a discussion of the risks relating to the proposed merger.** You also can obtain information about Umpqua and Sterling from documents that each has filed with the Securities and Exchange Commission.

Raymond P. Davis
President and Chief Executive Officer
Umpqua Holdings Corporation

J. Gregory Seibly
President and Chief Executive Officer
Sterling Financial Corporation

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger, the issuance of the Umpqua common stock to be issued in the merger or the other transactions described in this document or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either Umpqua or Sterling, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this joint proxy statement/prospectus is [], and it is first being mailed or otherwise delivered to the shareholders of Umpqua and Sterling on or about [].

Table of Contents

REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Umpqua and Sterling from documents filed with the U.S. Securities and Exchange Commission, or the SEC, that are not included in or delivered with this joint proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by Umpqua and/or Sterling at no cost from the SEC's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference in this joint proxy statement/prospectus, at no cost by contacting the appropriate company at the following address:

Umpqua Holdings Corporation
20085 N.W. Tanasbourne Drive
Hillsboro, Oregon 97124
Attention: Investor Relations
Telephone: (503) 268-6675

Sterling Financial Corporation
111 North Wall Street
Spokane, Washington 99201
Attention: Investor Relations
Telephone: (509) 358-8097

You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of your meeting. This means that Umpqua shareholders requesting documents must do so by February 18, 2014, in order to receive them before the Umpqua special meeting, and Sterling shareholders requesting documents must do so by February 18, 2014, in order to receive them before the Sterling special meeting.

You should rely only on the information contained in, or incorporated by reference into, this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated [], 2014, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate as of the date of such document. Neither the mailing of this document to Sterling shareholders or Umpqua shareholders nor the issuance by Umpqua of shares of Umpqua common stock in connection with the merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding Sterling has been provided by Sterling and information contained in this document regarding Umpqua has been provided by Umpqua.

See "Where You Can Find More Information" for more details.

Table of Contents

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON FEBRUARY 25, 2014**

To the Shareholders of Umpqua Holdings Corporation:

Umpqua Holdings Corporation will hold a special meeting of shareholders at 6:00 p.m. local time, on February 25, 2014, at the River Place Hotel, 1510 SW Harbor Way, Portland, Oregon to consider and vote upon the following matters:

a proposal to approve the Agreement and Plan of Merger, dated as of September 11, 2013, by and between Sterling Financial Corporation and Umpqua Holdings Corporation, pursuant to which Sterling will merge with and into Umpqua, as more fully described in the attached joint proxy statement/prospectus (which we refer to as the "Umpqua merger proposal");

a proposal to amend the Restated Articles of Incorporation of Umpqua to increase the number of authorized shares of no par value common stock to 400,000,000 (which we refer to as the "articles amendment proposal"); and

a proposal to adjourn the Umpqua special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Umpqua merger proposal and/or the articles amendment proposal (which we refer to as the "Umpqua adjournment proposal").

We have fixed the close of business on January 15, 2014 as the record date for the special meeting. Only Umpqua common shareholders of record at that time are entitled to notice of, and to vote at, the Umpqua special meeting, or any adjournment or postponement of the Umpqua special meeting. Approval of the Umpqua merger proposal requires the affirmative vote of holders of a majority of the votes entitled to be cast on the proposal. Approval of the Umpqua adjournment proposal requires the affirmative vote of holders of a majority of shares represented at the special meeting. The articles amendment proposal will be approved if the votes cast in favor of the proposal exceed the votes cast in opposition.

Umpqua's board of directors has unanimously adopted the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the merger, are in the best interests of Umpqua and its shareholders, and unanimously recommends that Umpqua shareholders vote "FOR" the Umpqua merger proposal, "FOR" the articles amendment proposal and "FOR" the Umpqua adjournment proposal, if necessary or appropriate.

Your vote is very important. We cannot complete the merger unless Umpqua's common shareholders approve the Umpqua merger proposal and the articles amendment proposal.

Regardless of whether you plan to attend the Umpqua special meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record of Umpqua, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope. If you hold your stock in "street name" through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.

The enclosed joint proxy statement/prospectus provides a detailed description of the special meeting, the merger, the documents related to the merger and other related matters. We urge you to

Table of Contents

read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its annexes carefully and in their entirety.

BY ORDER OF THE BOARD OF DIRECTORS,

Steven L. Philpott

Executive Vice President, General Counsel and Secretary

Table of Contents

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON FEBRUARY 25, 2014

To the Shareholders of Sterling Financial Corporation:

Sterling Financial Corporation will hold a special meeting of shareholders at 3:00 p.m. local time, on February 25, 2014, at Sterling Bank, 111 North Wall Street, Spokane, Washington 99201 to consider and vote upon the following matters:

a proposal to adopt and approve the Agreement and Plan of Merger, dated as of September 11, 2013, by and between Sterling Financial Corporation and Umpqua Holdings Corporation, pursuant to which Sterling will merge with and into Umpqua, as more fully described in the attached joint proxy statement/prospectus (which we refer to as the "Sterling merger proposal");

a proposal to approve, on an advisory (non-binding) basis, the compensation that is tied to or based on the merger and that will or may be paid to Sterling's named executive officers in connection with the merger (which we refer to as the "Sterling compensation proposal"); and

a proposal to adjourn the Sterling special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Sterling merger proposal (which we refer to as the "Sterling adjournment proposal").

We have fixed the close of business on January 15, 2014 as the record date for the special meeting. Only Sterling common shareholders of record at that time are entitled to notice of, and to vote at, the Sterling special meeting, or any adjournment or postponement of the Sterling special meeting. Approval of the Sterling merger proposal requires the affirmative vote of holders of two-thirds of the votes entitled to be cast on the proposal. The Sterling compensation proposal will be approved if the votes cast in favor of the proposal exceed the votes cast in opposition. Approval of the Sterling adjournment proposal requires the affirmative vote of holders of a majority of shares represented at the special meeting.

Sterling's board of directors has unanimously adopted the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the merger, are in the best interests of Sterling and its shareholders, and unanimously recommends that Sterling shareholders vote "FOR" the Sterling merger proposal, "FOR" the Sterling compensation proposal and "FOR" the Sterling adjournment proposal, if necessary or appropriate.

Your vote is very important. We cannot complete the merger unless Sterling's common shareholders approve the Sterling merger proposal.

Regardless of whether you plan to attend the Sterling special meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record of Sterling, please complete, sign, date, and return the accompanying proxy card in the enclosed postage-paid return envelope. If you hold your stock in "street name" through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.

Under Washington law, Sterling shareholders who do not vote in favor of the merger proposal and follow certain procedural steps will be entitled to dissenters' rights. See "Questions and Answers Are Sterling shareholders entitled to dissenters' rights?"

Table of Contents

The enclosed joint proxy statement/prospectus provides a detailed description of the special meeting, the merger, the documents related to the merger and other related matters. We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its annexes carefully and in their entirety.

**BY ORDER OF THE BOARD OF
DIRECTORS,**

Andrew J. Schultheis
Executive Vice President, General Counsel and Secretary

TABLE OF CONTENTS

	Page
<u>QUESTIONS AND ANSWERS</u>	<u>1</u>
<u>SUMMARY</u>	<u>11</u>
<u>SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF UMPQUA</u>	<u>23</u>
<u>SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF STERLING</u>	<u>25</u>
<u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS</u>	<u>27</u>
<u>COMPARATIVE PER SHARE DATA</u>	<u>41</u>
<u>RISK FACTORS</u>	<u>43</u>
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	<u>50</u>
<u>THE STERLING SPECIAL MEETING</u>	<u>51</u>
<u>Date, Time and Place of Meeting</u>	<u>51</u>
<u>Matters to Be Considered</u>	<u>51</u>
<u>Recommendation of Sterling's Board of Directors</u>	<u>51</u>
<u>Record Date and Quorum</u>	<u>51</u>
<u>Required Vote: Treatment of Abstentions and Failure to Vote</u>	<u>52</u>
<u>Shares Held by Officers and Directors</u>	<u>52</u>
<u>Voting on Proxies; Incomplete Proxies</u>	<u>52</u>
<u>Shares Held in "Street Name"; Broker Non-Votes</u>	<u>53</u>
<u>Revocability of Proxies and Changes to a Sterling Shareholder's Vote</u>	<u>53</u>
<u>Participants in the Sterling 401(k) Plan</u>	<u>54</u>
<u>Solicitation of Proxies</u>	<u>54</u>
<u>Attending the Meeting</u>	<u>54</u>
<u>Delivery of Proxy Materials</u>	<u>54</u>
<u>Assistance</u>	<u>55</u>
<u>THE UMPQUA SPECIAL MEETING</u>	<u>56</u>
<u>Date, Time and Place of Meeting</u>	<u>56</u>
<u>Matters to Be Considered</u>	<u>56</u>
<u>Recommendation of Umpqua's Board of Directors</u>	<u>56</u>
<u>Record Date and Quorum</u>	<u>56</u>
<u>Required Vote: Treatment of Abstentions and Failure to Vote</u>	<u>57</u>
<u>Shares Held by Officers and Directors</u>	<u>57</u>
<u>Voting of Proxies; Incomplete Proxies</u>	<u>57</u>
<u>Shares Held in "Street Name"; Broker Non-Votes</u>	<u>58</u>
<u>Revocability of Proxies and Changes to an Umpqua Shareholder's Vote</u>	<u>58</u>
<u>Participants in the Umpqua Bank 401(k) and Profit Sharing Plan or the Umpqua Supplemental Retirement/Deferred Compensation Plan</u>	<u>59</u>
<u>Solicitation of Proxies</u>	<u>59</u>
<u>Attending the Meeting</u>	<u>59</u>
<u>Delivery of Proxy Materials</u>	<u>59</u>
<u>Assistance</u>	<u>60</u>
<u>INFORMATION ABOUT UMPQUA</u>	<u>61</u>
<u>INFORMATION ABOUT STERLING</u>	<u>62</u>
<u>THE MERGER</u>	<u>63</u>

	Page
<u>Terms of the Merger</u>	63
<u>Background of the Merger</u>	63
<u>Sterling's Reasons for the Merger; Recommendation of Sterling's Board of Directors</u>	71
<u>Opinion of Sandler O'Neill</u>	74
<u>Umpqua's Reasons for the Merger; Recommendation of Umpqua's Board of Directors</u>	89
<u>Opinion of J.P. Morgan</u>	90
<u>Board of Directors and Management of Umpqua after the Merger</u>	101
<u>Interests of Sterling's Directors and Executive Officers in the Merger</u>	101
<u>Amendment to Umpqua's Articles of Incorporation</u>	108
<u>Public Trading Markets</u>	109
<u>Umpqua's Dividend Policy</u>	109
<u>Dissenters' Rights in the Merger</u>	110
<u>Regulatory Approvals Required for the Merger</u>	114
<u>Litigation Relating to the Merger</u>	116
<u>Investor Letter Agreements</u>	116
<u>THE MERGER AGREEMENT</u>	
	118
<u>Structure of the Merger</u>	118
<u>Treatment of Sterling Stock Options and Restricted Stock Units</u>	119
<u>Employee Stock Purchase Plan</u>	120
<u>Closing and Effective Time of the Merger</u>	120
<u>Conversion of Shares; Exchange of Certificates</u>	120
<u>Representations and Warranties</u>	121
<u>Covenants and Agreements</u>	123
<u>Shareholder Meetings and Recommendation of Sterling's and Umpqua's Boards of Directors</u>	128
<u>Agreement Not to Solicit Other Offers</u>	129
<u>Conditions to Complete the Merger</u>	130
<u>Termination of the Merger Agreement</u>	131
<u>Effect of Termination</u>	132
<u>Termination Fee</u>	132
<u>Expenses and Fees</u>	133
<u>Amendment, Waiver and Extension of the Merger Agreement</u>	133
<u>ACCOUNTING TREATMENT</u>	
	135
<u>UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER</u>	
	136
<u>DESCRIPTION OF CAPITAL STOCK OF UMPQUA</u>	
	139
<u>Authorized Capital Stock</u>	139
<u>Common Stock</u>	139
<u>Preferred Stock</u>	140
<u>COMPARISON OF SHAREHOLDERS' RIGHTS</u>	
	141
<u>COMPARATIVE MARKET PRICES AND DIVIDENDS</u>	
	150
<u>SECURITY OWNERSHIP OF STERLING DIRECTORS, NAMED EXECUTIVE OFFICERS AND CERTAIN BENEFICIAL OWNERS OF STERLING</u>	
	152
<u>SECURITY OWNERSHIP OF UMPQUA DIRECTORS, NAMED EXECUTIVE OFFICERS AND CERTAIN BENEFICIAL OWNERS OF UMPQUA</u>	
	155
<u>ADVISORY VOTE ON NAMED EXECUTIVE OFFICER MERGER-RELATED COMPENSATION ARRANGEMENTS</u>	
	157

	Page
<u>LEGAL MATTERS</u>	<u>158</u>
<u>EXPERTS</u>	
	<u>159</u>
<u>Umpqua and FinPac</u>	<u>159</u>
<u>Sterling</u>	<u>159</u>
<u>DEADLINES FOR SUBMITTING SHAREHOLDER PROPOSALS</u>	
	<u>160</u>
<u>Umpqua</u>	<u>160</u>
<u>Sterling</u>	<u>160</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	
	<u>161</u>
<u>ANNEX A: AGREEMENT AND PLAN OF MERGER</u>	
	<u>A-1</u>
<u>ANNEX B: INVESTOR LETTER AGREEMENT WARBURG PINCUS</u>	<u>B-1</u>
<u>ANNEX C: INVESTOR LETTER AGREEMENT THL</u>	<u>C-1</u>
<u>ANNEX D: OPINION OF SANDLER O'NEILL + PARTNERS, L.P</u>	<u>D-1</u>
<u>ANNEX E: OPINION OF J.P. MORGAN SECURITIES LLC</u>	<u>E-1</u>
<u>ANNEX F: FORM OF AMENDMENT TO RESTATED ARTICLES OF INCORPORATION OF UMPQUA</u>	<u>F-1</u>
<u>ANNEX G: CHAPTER 23B.13 OF THE WASHINGTON BUSINESS CORPORATIONS ACT DISSENTERS' RIGHTS</u>	<u>G-1</u>

Table of Contents

QUESTIONS AND ANSWERS

The following are some questions that you may have about the merger and the Umpqua or Sterling special meetings, and brief answers to those questions. We urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the merger and the Umpqua or Sterling special meetings. Additional important information is also contained in the documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

Unless the context otherwise requires, references in this joint proxy statement/prospectus to "Umpqua" refer to Umpqua Holdings Corporation, an Oregon corporation, and its subsidiaries, and references to "Sterling" refer to Sterling Financial Corporation, a Washington corporation, and its subsidiaries.

Q: What is the merger?

A: Umpqua and Sterling have entered into an Agreement and Plan of Merger, dated as of September 11, 2013 (which we refer to as the "merger agreement"). Under the merger agreement, Sterling will be merged with and into Umpqua, with Umpqua continuing as the surviving corporation. Immediately following the completion of the merger, Sterling's wholly owned bank subsidiary, Sterling Savings Bank, will merge with and into Umpqua's wholly owned bank subsidiary, Umpqua Bank (which we refer to as the "bank merger"). Umpqua Bank will be the surviving bank in the bank merger. A copy of the merger agreement is included in this joint proxy statement/prospectus as Annex A.

The merger cannot be completed unless, among other things, both Umpqua shareholders and Sterling shareholders approve their respective proposals to approve the merger agreement (which we refer to as the "Umpqua merger proposal" and the "Sterling merger proposal," respectively).

Q: Why am I receiving this joint proxy statement/prospectus?

A: We are delivering this document to you because it is a joint proxy statement being used by both the Umpqua and Sterling boards of directors to solicit proxies of their respective shareholders in connection with approval of the merger and related matters.

In order to approve the merger and related matters, Umpqua and Sterling have each called a special meeting of their shareholders (which we refer to as the "Umpqua special meeting" and the "Sterling special meeting," respectively). This document serves as proxy statement for the Umpqua special meeting and the Sterling special meeting and describes the proposals to be presented at the meetings.

This document is also a prospectus that is being delivered to Sterling shareholders because Umpqua is offering shares of its common stock to Sterling shareholders in connection with the merger.

This joint proxy statement/prospectus contains important information about the merger and the other proposals being voted on at the meetings. You should read it carefully and in its entirety. The enclosed materials allow you to have your shares voted by proxy without attending your meeting. Your vote is important. We encourage you to submit your proxy as soon as possible.

Table of Contents

Q: **In addition to the Umpqua merger proposal, what else are Umpqua shareholders being asked to vote on?**

A: In addition to the Umpqua merger proposal, Umpqua is soliciting proxies from its shareholders with respect to two additional proposals:

a proposal to amend the Restated Articles of Incorporation of Umpqua to increase the number of authorized shares of no par value common stock to 400,000,000 (which we refer to as the "articles amendment proposal"); and

a proposal to adjourn the Umpqua special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Umpqua merger proposal and/or the articles amendment proposal (which we refer to as the "Umpqua adjournment proposal").

Approval of the articles amendment proposal is a condition to completion of the merger and is necessary for Umpqua to have enough authorized shares to issue the stock portion of the merger consideration. Completion of the merger is not conditioned upon approval of the Umpqua adjournment proposal.

Q: **In addition to the Sterling merger proposal, what else are Sterling shareholders being asked to vote on?**

A: In addition to the Sterling merger proposal, Sterling is soliciting proxies from its shareholders with respect to two additional proposals:

a proposal to approve, on an advisory (non-binding) basis, the compensation that is tied to or based on the merger and that will or may be paid to Sterling's named executive officers in connection with the merger (which we refer to as the "Sterling compensation proposal"); and

a proposal to adjourn the Sterling special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Sterling merger proposal (which we refer to as the "Sterling adjournment proposal").

Completion of the merger is not conditioned upon approval of either of these proposals.

Q: **What will Sterling shareholders receive in the merger?**

A: If the merger is completed, Sterling shareholders will receive 1.671 shares of Umpqua common stock and \$2.18 in cash, without interest, (which we refer to as the "merger consideration") for each share of Sterling common stock held immediately prior to the merger. Umpqua will not issue any fractional shares of Umpqua common stock in the merger. Sterling shareholders who would otherwise be entitled to a fractional share of Umpqua common stock upon the completion of the merger will instead receive an amount in cash based on the average closing-sale price per share of Umpqua common stock for the ten trading days immediately preceding (but not including) the day on which the merger is completed (which we refer to as the "Umpqua closing price").

Q: **What will Umpqua shareholders receive in the merger?**

A: If the merger is completed, Umpqua shareholders will not receive any merger consideration and will continue to hold the shares of Umpqua common stock that they currently hold. Following the merger, shares of Umpqua common stock will continue to be traded on the NASDAQ Global Select Market under the symbol "UMPQ."

Table of Contents

Q: How will the merger affect Sterling stock options and restricted stock units?

A: The Sterling equity awards will be affected as follows:

Stock Options. Each option to purchase shares of Sterling common stock outstanding immediately prior to the effective time (except for certain options with an exercise price significantly in excess of the value of the merger consideration, which Sterling will use commercially reasonable efforts to cancel prior to the effective time), will be converted into an option to purchase Umpqua common stock on the same terms and conditions as were applicable prior to the merger (taking into account that, except for new equity award compensation granted prior to the effective time of the merger, the consummation of the merger and its related transactions will constitute the first trigger under equity awards that provide for "double trigger" acceleration of vesting), except that (1) the number of shares of Umpqua common stock subject to the new option will be equal to the product of the number of shares of Sterling common stock subject to the existing option and the ratio that expresses the merger consideration solely in shares of Umpqua common stock, with the cash portion of the merger consideration converted into shares based on the Umpqua closing price (which we refer to as the "equity exchange ratio") (rounding fractional shares down to the nearest whole share), and (2) the exercise price per share of Umpqua common stock under the new option will be equal to the exercise price per share of Sterling common stock of the existing option divided by the equity exchange ratio (rounded up to the nearest whole cent).

Restricted Stock Units. Each restricted stock unit with respect to Sterling common stock will be converted into a restricted stock unit with respect to a number of shares of Umpqua common stock equal to the product of the number of shares of Sterling common stock subject to the Sterling restricted stock unit and the equity exchange ratio, on the same terms and conditions as were applicable prior to the merger (taking into account that, except for new equity award compensation granted prior to the effective time of the merger, the consummation of the merger and its related transactions will constitute the first trigger under equity awards that provide for "double trigger" acceleration of vesting).

Q: Will the value of the merger consideration change between the date of this joint proxy statement/prospectus and the time the merger is completed?

A: Because the number of shares of Umpqua common stock that Sterling shareholders will receive for each share of Sterling common stock as the stock component of the merger consideration is fixed, the value of the merger consideration will fluctuate between the date of this joint proxy statement/prospectus and the completion of the merger based upon the market value for Umpqua common stock. Any fluctuation in the market price of Umpqua common stock after the date of this joint proxy statement/prospectus will change the value of the shares of Umpqua common stock that Sterling shareholders will receive.

Q: How does Umpqua's board of directors recommend that I vote at the special meeting?

A: Umpqua's board of directors unanimously recommends that you vote "FOR" the Umpqua merger proposal, "FOR" the articles amendment proposal and "FOR" the Umpqua adjournment proposal, if necessary or appropriate.

Q: How does Sterling's board of directors recommend that I vote at the annual meeting?

A: Sterling's board of directors unanimously recommends that you vote "FOR" the Sterling merger proposal, "FOR" the Sterling compensation proposal and "FOR" the Sterling adjournment proposal, if necessary or appropriate.

Table of Contents

Q: When and where are the meetings?

A: The Umpqua special meeting will be held at the River Place Hotel, 1510 SW Harbor Way, Portland, Oregon on February 25, 2014, at 6:00 p.m. local time.

The Sterling special meeting will be held at Sterling Bank, 111 North Wall Street, Spokane, Washington 99201 on February 25, 2014, at 3:00 p.m. local time.

Q: What do I need to do now?

A: After you have carefully read this joint proxy statement/prospectus in its entirety and have decided how you wish to vote your shares, please vote your shares promptly so that your shares are represented and voted at the special meeting. If you hold your shares in your name as a shareholder of record, you must complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. Alternatively, you may vote through the internet or by telephone. Information and applicable deadlines for voting by internet or by telephone are set forth in the enclosed proxy card instructions. You are encouraged to vote through the internet. If you hold your shares in "street name" through a bank or broker, you must direct your bank or broker how to vote in accordance with the instructions you have received from your bank or broker. "Street name" shareholders who wish to vote in person at the special meeting or annual meeting will need to obtain a legal proxy from the institution that holds their shares.

Q: What constitutes a quorum for the Umpqua special meeting?

A: The presence at the Umpqua special meeting, in person or by proxy, of holders of a majority of the outstanding shares of Umpqua common stock entitled to vote at the special meeting will constitute a quorum. Abstentions and broker non-votes will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

Q: What constitutes a quorum for the Sterling special meeting?

A: The presence at the Sterling special meeting, in person or by proxy, of holders of a majority of the outstanding shares of Sterling common stock entitled to vote at the special meeting will constitute a quorum. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

Q: What is the vote required to approve each proposal at the Umpqua special meeting?

A: *Umpqua merger proposal:*

Standard: Approval of the Umpqua merger proposal requires the affirmative vote of holders of a majority of the votes entitled to be cast on the proposal.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to either submit a proxy card or vote by telephone or internet or in person at the Umpqua special meeting or fail to instruct your bank or broker with respect to the Umpqua merger proposal, it will have the same effect as a vote "AGAINST" the proposal.

Umpqua adjournment proposal:

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

Standard: Approval of the Umpqua adjournment proposal requires the affirmative vote of holders of a majority of shares represented at the Umpqua special meeting.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, or fail to instruct your bank or broker how to vote, with respect to the Umpqua adjournment proposal, it will have the same effect as a vote "AGAINST" the proposal. If you are not a "street name"

Table of Contents

holder and fail to either submit a proxy card entirely or vote by telephone or internet or in person at the Umpqua special meeting, it will have no effect on such proposal.

Articles amendment proposal:

Standard: The articles amendment proposal will be approved if the votes cast in favor of such proposal exceed the votes cast in opposition.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to either submit a proxy card or vote by telephone or internet or in person at the Umpqua special meeting or fail to instruct your bank or broker how to vote with respect to the articles amendment proposal, it will have no effect on such proposal.

Q:

What is the vote required to approve each proposal at the Sterling special meeting?

Sterling merger proposal:

Standard: Approval of the Sterling merger proposal requires the affirmative vote of holders of two-thirds of the votes entitled to vote on the proposal. In connection with the merger agreement, funds associated with Warburg Pincus & Co. (which we refer to collectively as "Warburg Pincus") and funds associated with Thomas H. Lee Partners, L.P. (which we refer to collectively as "THL"), each of which as of the record date had the right to vote approximately 20.8% of the outstanding shares of Sterling common stock, agreed, subject to certain exceptions, to vote their shares of Sterling common stock in favor of the merger proposal. For further information, see "The Merger Investor Letter Agreements."

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to either submit a proxy card or vote by telephone or internet or in person at the Sterling special meeting or fail to instruct your bank or broker how to vote with respect to the Sterling merger proposal, it will have the same effect as a vote "AGAINST" the proposal.

Sterling compensation proposal:

Standard: The Sterling compensation proposal will be approved if the votes cast in favor of the proposal exceed the votes cast in opposition.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, fail to either submit a proxy card or vote by telephone or internet or in person at the Sterling special meeting or fail to instruct your bank or broker how to vote with respect to the Sterling compensation proposal, it will have no effect on such proposal.

Sterling adjournment proposal:

Standard: Approval of the Sterling adjournment proposal requires the affirmative vote of holders of a majority of shares represented at the Sterling special meeting.

Effect of abstentions and broker non-votes: If you mark "ABSTAIN" on your proxy card, or fail to instruct your bank or broker how to vote, with respect to the Sterling adjournment proposal, it will have the same effect as a vote "AGAINST" the proposal. If you are not a "street name" holder and fail to either submit a proxy card entirely or vote by telephone or internet or in person at the Sterling special meeting, it will have no effect on such proposal.

Q:

What impact will my vote on the Sterling compensation proposal have on the amounts that executive officers of Umpqua may receive in connection with the merger?

A:

Umpqua's executive officers are not entitled to receive any compensation in connection with the merger.

Table of Contents

Q: What impact will my vote have on the amounts that executive officers of Sterling may receive in connection with the merger?

A: Certain of Sterling's executive officers are entitled, pursuant to the terms of their compensation arrangements, to receive certain payments in connection with the merger. If the merger is completed, Sterling or Umpqua is contractually obligated to make these payments to these executives under certain circumstances. Accordingly, even if the Sterling shareholders vote not to approve these payments, the compensation will be payable, subject to the terms and conditions of the arrangements. Sterling is seeking your approval of certain of these payments, on an advisory (non-binding) basis, in order to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and related SEC rules.

Q: Why is my vote important?

A: If you do not vote, it will be more difficult for Umpqua or Sterling to obtain the necessary quorum to hold their special meetings. In addition, your failure to submit a proxy or vote by telephone or internet or in person, or failure to instruct your bank or broker how to vote, or abstention will have the same effect as a vote "AGAINST" approval of the merger agreement. The merger agreement must be approved by the affirmative vote of holders of a majority of the votes entitled to be cast by Umpqua shareholders on the merger agreement and by the affirmative vote of holders of at least two-thirds of the votes entitled to be cast by Sterling shareholders on the merger agreement. In addition, the articles amendment proposal will be approved only if the votes cast by Umpqua shareholders in favor of the proposal exceed the votes cast in opposition. The Umpqua board of directors and the Sterling board of directors unanimously, respectively, recommend that you vote "FOR" the Umpqua merger proposal and "FOR" the articles amendment proposal, and "FOR" the Sterling merger proposal, respectively.

Q: If my shares of common stock are held in "street name" by my bank or broker, will my bank or broker automatically vote my shares for me?

A: No. Your bank or broker cannot vote your shares without instructions from you. You should instruct your bank or broker how to vote your shares in accordance with the instructions provided to you. Please check the voting form used by your bank or broker.

Q: Are there any voting agreements in place with existing shareholders?

A: Yes. In connection with the merger agreement, Warburg Pincus and THL, each of which as of the record date had the right to vote approximately 12,950,796, or approximately 20.8%, of the outstanding shares of Sterling common stock, agreed, subject to certain exceptions, to vote their shares of Sterling common stock in favor of the merger. The obligations of Warburg Pincus and the obligations of THL terminate on the earlier of (1) the Sterling board of directors changing its recommendation regarding the merger, (2) the Sterling special meeting (including any adjournments thereof) concluding with a vote on the Sterling merger proposal having been taken, (3) the merger agreement being amended without Warburg Pincus' or THL's written consent, as applicable, (4) September 11, 2014 or the effective time of the merger or (5) termination of the merger agreement in accordance with its terms. For further information, see "The Merger Investor Letter Agreements."

Q: How do I vote if I own shares through the Umpqua Bank 401(k) and Profit Sharing Plan or the Umpqua Supplemental Retirement/Deferred Compensation Plan?

A: *Umpqua Bank 401(k) and Profit Sharing Plan:* You will be given the opportunity to instruct the trustee of the Umpqua Bank 401(k) and Profit Sharing Plan how to vote the shares that you hold in your account. To the extent that you do not timely give such instructions, the Advisory Committee will instruct the trustee to vote all unvoted shares held in the Umpqua Bank 401(k)

Table of Contents

and Profit Sharing Plan in the same proportion as the shares voted pursuant to the instructions of account holders.

Umpqua Supplemental Retirement/Deferred Compensation Plan: You will be given the opportunity to instruct the trustee of the Umpqua Supplemental Retirement/Deferred Compensation Plan how to vote the shares that you hold in your account. To the extent that you do not timely give such instructions, the Advisory Committee will instruct the trustee to vote all unvoted shares held in the Umpqua Supplemental Retirement/Deferred Compensation Plan as recommended by the Umpqua board of directors.

Q:
How do I vote if I own shares through the Sterling 401(k) Plan?

A:
You will be given the opportunity to instruct the trustee of the Sterling Savings Bank Employees Savings and Investment Plan & Trust 401(k) Plan (which we refer to as the "Sterling 401(k) Plan") how to vote the shares that you hold in your account. In accordance with the terms of the plan, if you fail to instruct the plan trustee how to vote your plan shares, the trustee will not vote your plan shares, except as required by law.

Q:
Can I attend the meeting and vote my shares in person?

A:
Yes. All shareholders of Umpqua and Sterling, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend their respective meetings. Holders of record of Umpqua and Sterling common stock can vote by telephone or internet or in person at the Umpqua special meeting and Sterling special meeting, respectively. If you are not a shareholder of record, you must obtain a proxy card, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the meetings. If you plan to attend your meeting, you must hold your shares in your own name or bring a copy of a bank or brokerage statement to the special meeting reflecting your stock ownership as of the record date. In addition, you must bring a form of personal photo identification with you in order to be admitted. Umpqua and Sterling reserve the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification.

Q:
Can I change my vote?

A:
Umpqua shareholders: Yes. If you are a holder of record of Umpqua common stock, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Umpqua's corporate secretary, (3) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting, or (4) voting by telephone or the internet at a later time. Attendance at the special meeting by itself will not automatically revoke your proxy. A revocation or later-dated proxy received by Umpqua after the vote will not affect the vote. Umpqua's corporate secretary's mailing address is: Corporate Secretary, Umpqua Holdings Corporation, P.O. Box 1560, Eugene, OR 97440. If you hold your shares in "street name" through a bank or broker, you should contact your bank or broker to revoke your proxy.

Sterling shareholders: Yes. If you are a holder of record of Sterling common stock, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Sterling's corporate secretary, (3) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting, or (4) voting by telephone or the internet at a later time. Attendance at the special meeting by itself will not automatically revoke your proxy. A revocation or later-dated proxy received by Sterling after the vote will not affect the vote. Sterling's corporate secretary's mailing address is: Corporate Secretary, Sterling Financial Corporation, 111 North Wall Street, Spokane,

Table of Contents

WA 99201. If you hold your shares in "street name" through a bank or broker, you should contact your bank or broker to revoke your proxy.

Q: Will Umpqua be required to submit the proposal to approve the merger agreement to its shareholders even if Umpqua's board of directors has withdrawn, modified or qualified its recommendation?

A: Yes. Unless the merger agreement is terminated before the Umpqua special meeting, Umpqua is required to submit the proposal to approve the merger agreement to its shareholders even if Umpqua's board of directors has withdrawn, modified or qualified its recommendation.

Q: Will Sterling be required to submit the proposal to approve the merger agreement to its shareholders even if Sterling's board of directors has withdrawn, modified or qualified its recommendation?

A: Yes. Unless the merger agreement is terminated before the Sterling special meeting, Sterling is required to submit the proposal to approve the merger agreement to its shareholders even if Sterling's board of directors has withdrawn, modified or qualified its recommendation.

Q: What are the U.S. federal income tax consequences of the merger to Sterling shareholders?

A: The merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code (the "Code") and it is a condition to the respective obligations of Sterling and Umpqua to complete the merger that each of Sterling and Umpqua receives a legal opinion to that effect. Accordingly, a Sterling common shareholder generally will recognize gain, but not loss, in an amount equal to the lesser of (1) the amount of gain realized (i.e., the excess of the sum of the amount of cash and the fair market value of the Umpqua common stock received pursuant to the merger over that holder's adjusted tax basis in its shares of Sterling common stock surrendered) and (2) the amount of cash received pursuant to the merger. Further, a Sterling common shareholder generally will recognize gain or loss with respect to cash received instead of fractional shares of Umpqua common stock that the Sterling common shareholder would otherwise be entitled to receive. For further information, see "United States Federal Income Tax Consequences of the Merger."

The U.S. federal income tax consequences described above may not apply to all holders of Sterling common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

Q: Are Sterling shareholders entitled to dissenters' rights?

A: Yes. Sterling shareholders who do not vote in favor of the Sterling merger proposal and follow certain procedural steps will be entitled to dissenters' rights under chapter 23B.13 of the Washington Business Corporation Act (which we refer to as the "WBCA"), provided they take the steps required to perfect their rights under chapter 23B.13. For further information, see "The Merger Dissenters' Rights in the Merger." In addition, a copy of chapter 23B.13 of the WBCA is attached as Annex G to this joint proxy statement/prospectus.

Q: If I am a Sterling shareholder, should I send in my Sterling stock certificates now?

A: No. Sterling shareholders SHOULD NOT send in any stock certificates now. If the merger occurs, an exchange agent will send you instructions for exchanging Sterling stock certificates for the merger consideration under separate cover and the stock certificates should be sent at that time in accordance with those instructions. See "The Merger Agreement Conversion of Shares; Exchange of Certificates."

Table of Contents

Q: What should I do if I hold my shares of Sterling common stock in book-entry form?

A: You are not required to take any special additional action to receive the merger consideration if your shares of Sterling common stock are held in book-entry form. After the completion of the merger, shares of Sterling common stock held in book-entry form automatically will be exchanged for the merger consideration, including shares of Umpqua common stock in book-entry form, the cash portion of the merger consideration and any cash to be paid in exchange for fractional shares in the merger.

Q: Whom may I contact if I cannot locate my Sterling stock certificate(s)?

A: If you are unable to locate your original Sterling stock certificate(s), you should contact American Stock Transfer Company, Sterling's transfer agent, at (800) 676-0791.

Q: What should I do if I receive more than one set of voting materials?

A: Umpqua shareholders and Sterling shareholders may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold shares of Umpqua and/or Sterling common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold such shares. If you are a holder of record of Umpqua common stock or Sterling common stock and your shares are registered in more than one name, you will receive more than one proxy card. In addition, if you are a holder of both Umpqua common stock and Sterling common stock, you will receive one or more separate proxy cards or voting instruction cards for each company. Please complete, sign, date and return each proxy card and voting instruction card that you receive or otherwise follow the voting instructions set forth in this joint proxy statement/prospectus to ensure that you vote every share of Umpqua common stock and/or Sterling common stock that you own.

Q: When do you expect to complete the merger?

A: Umpqua and Sterling expect to complete the merger in the first half of 2014. However, neither Umpqua nor Sterling can assure you of when or if the merger will be completed. Umpqua and Sterling must first obtain the approval of Umpqua shareholders and Sterling shareholders for the merger, as well as obtain necessary regulatory approvals and satisfy certain other closing conditions.

Q: What happens if the merger is not completed?

A: If the merger is not completed, holders of Sterling common stock will not receive any consideration for their shares in connection with the merger. Instead, Sterling will remain an independent public company and its common stock will continue to be listed and traded on the NASDAQ Capital Market. In addition, if the merger agreement is terminated in certain circumstances, a termination fee may be required to be paid by either Umpqua or Sterling. See "The Merger Agreement Termination Fee" beginning on page [] for a discussion of the circumstances under which termination fees will be required to be paid.

Table of Contents

Q: **Whom should I call with questions?**

A: *Umpqua shareholders:* If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of Umpqua common stock, please contact Michelle Bressman, Shareholder Relations Officer at (503) 268-6675, or Umpqua's proxy solicitor, AST Phoenix Advisors, at the following address or telephone number: 6201 15th Avenue, 3rd Floor, Brooklyn, New York 11219 or (212) 493-3914.

Sterling shareholders: If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of Sterling common stock, please contact Sterling's Investor Relations Department at (509) 358-8097, or Sterling's proxy solicitor, AST Phoenix Advisors, at the following address or phone number: 6201 15th Avenue, 3rd Floor, Brooklyn, New York 11219 or (212) 493-3914.

Table of Contents

SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to read carefully the entire joint proxy statement/prospectus, including the annexes, and the other documents to which we refer in order to fully understand the merger. See "Where You Can Find More Information." Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.

In the Merger, Sterling Common Shareholders Will Receive Cash and Shares of Umpqua Common Stock (page [])

Umpqua and Sterling are proposing a strategic merger. If the merger is completed, Sterling common shareholders will receive 1.671 shares of Umpqua common stock and \$2.18 in cash, without interest, for each share of Sterling common stock they hold immediately prior to the effective time of the merger. Umpqua will not issue any fractional shares of Umpqua common stock in the merger. Sterling shareholders who would otherwise be entitled to a fraction of a share of Umpqua common stock upon the completion of the merger will instead receive, for the fraction of a share, an amount in cash based on the Umpqua closing price. *For example, if you hold 100 shares of Sterling common stock, you will receive 167 shares of Umpqua common stock and a cash payment instead of the additional 0.1 shares of Umpqua common stock that you otherwise would have received (100 shares × 1.671 = 167.1 shares) in addition to receiving \$218 in cash, representing the cash portion of the merger consideration (100 shares × \$2.18 = \$218).*

Umpqua common stock is listed on the NASDAQ Global Select Market under the symbol "UMPQ," and Sterling common stock is listed on the NASDAQ Capital Market under the symbol "STSA." The following table shows the closing sale prices of Umpqua common stock and Sterling common stock as reported on the NASDAQ Global Select Market and NASDAQ Capital Market, respectively, on August 30, 2013, the last trading day before the press reported that Sterling was seeking takeover bids, September 10, 2013, the last full trading day before the public announcement of the merger agreement, and on [], 2014, the last practicable trading day before the date of this joint proxy statement/prospectus. This table also shows the implied value of the merger consideration payable for each share of Sterling common stock, which we calculated by multiplying the closing price of Umpqua common stock on those dates by the exchange ratio of 1.671 and adding the cash portion of the merger consideration of \$2.18 per share.

	Umpqua Common Stock	Sterling Common Stock	Implied Value of Merger Consideration for One Share of Sterling Common Stock
August 30, 2013	\$ 16.24	\$ 24.20	\$ 29.32
September 10, 2013	\$ 17.19	\$ 27.14	\$ 30.90
[], 2014	\$ []	\$ []	\$ []

The merger agreement governs the merger. The merger agreement is included in this joint proxy statement/prospectus as Annex A. All descriptions in this summary and elsewhere in this joint proxy statement/prospectus of the terms and conditions of the merger are qualified by reference to the merger agreement. Please read the merger agreement carefully for a more complete understanding of the merger.

Table of Contents

Umpqua's Board of Directors Unanimously Recommends that Umpqua Shareholders Vote "FOR" the Umpqua Merger Proposal and the Other Proposals Presented at the Umpqua Special Meeting (page [])

Umpqua's board of directors has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are in the best interests of Umpqua and its shareholders and has unanimously approved and adopted the merger agreement. Umpqua's board of directors unanimously recommends that Umpqua shareholders vote "FOR" the Umpqua merger proposal and "FOR" the other proposals presented at the Umpqua special meeting. For the factors considered by Umpqua's board of directors in reaching its decision to approve and adopt the merger agreement, see "The Merger Umpqua's Reasons for the Merger; Recommendation of Umpqua's Board of Directors."

Sterling's Board of Directors Unanimously Recommends that Sterling Shareholders Vote "FOR" the Sterling Merger Proposal and the Other Proposals Presented at the Sterling Special Meeting (page [])

Sterling's board of directors has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are in the best interests of Sterling and its shareholders and has unanimously approved and adopted the merger agreement. Sterling's board of directors unanimously recommends that Sterling shareholders vote "FOR" the Sterling merger proposal and "FOR" the other proposals presented at the Sterling special meeting. For the factors considered by Sterling's board of directors in reaching its decision to approve and adopt the merger agreement, see "The Merger Sterling's Reasons for the Merger; Recommendation of Sterling's Board of Directors".

Opinion of Sterling's Financial Advisor (page [] and Annex D)

Opinion of Sandler O'Neill

In connection with its consideration of the merger, on September 11, 2013, the Sterling board of directors received from Sandler O'Neill + Partners, L.P., Sterling's financial advisor (which we refer to as "Sandler O'Neill"), its oral opinion, which opinion was confirmed by delivery of a written opinion, dated September 11, 2013, to the effect that, as of such date and based upon and subject to the various factors, assumptions and limitations set forth in its opinion, the merger consideration in the merger was fair, from a financial point of view, to the holders of Sterling common stock. The full text of Sandler O'Neill's written opinion is attached as Annex D to this joint proxy statement/prospectus. You should read the entire opinion for a discussion of, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. **Sandler O'Neill's written opinion is addressed to the Sterling board of directors, is directed only to the merger consideration in the merger and does not constitute a recommendation to any Sterling shareholder as to how such shareholder should vote with respect to the merger or any other matter.**

For further information, see "The Merger Opinion of Sandler O'Neill."

Opinion of Umpqua's Financial Advisor (page [] and Annex E)

Opinion of J.P. Morgan

In connection with the merger, J.P. Morgan Securities LLC (which we refer to as "J.P. Morgan"), Umpqua's financial advisor, delivered to Umpqua's board of directors a written opinion, dated September 10, 2013, as to the fairness to Umpqua, from a financial point of view and as of the date of the opinion, of the merger consideration provided for in the merger. The full text of the written opinion, dated September 10, 2013, of J.P. Morgan, which sets forth, among other things, the

Table of Contents

assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached as Annex E to this joint proxy statement/prospectus. **J.P. Morgan's written opinion is addressed to the Umpqua board of directors, is directed only to the merger consideration in the merger and does not constitute a recommendation to any Umpqua shareholder as to how such shareholder should vote with respect to the merger or any other matter.**

For further information, see "The Merger Opinion of J.P. Morgan."

What Holders of Sterling Stock Options and Restricted Stock Units Will Receive (page [])

Stock Options. At the effective time of the merger, each option to purchase shares of Sterling common stock outstanding immediately prior to the effective time (except for certain options with an exercise price significantly in excess of the value of the merger consideration, which Sterling will use commercially reasonable efforts to cancel prior to the effective time), will be converted into an option to purchase Umpqua common stock on the same terms and conditions as were applicable prior to the merger (taking into account that, except for new equity award compensation granted prior to the effective time of the merger, the consummation of the merger and its related transactions will constitute the first trigger under equity awards that provide for "double trigger" acceleration of vesting), except that (1) the number of shares of Umpqua common stock subject to the new option will be equal to the product of the number of shares of Sterling common stock subject to the existing option and the ratio that expresses the merger consideration solely in shares of Umpqua common stock, with the cash portion of the merger consideration converted into shares based on the Umpqua closing price (which we refer to as the "equity exchange ratio") (rounding fractional shares down to the nearest whole share), and (2) the exercise price per share of Umpqua common stock under the new option will be equal to the exercise price per share of Sterling common stock of the existing option divided by the equity exchange ratio (rounded up to the nearest whole cent).

Restricted Stock Units. At the effective time of the merger, each restricted stock unit in respect of Sterling common stock outstanding immediately prior to the effective time will be converted into a restricted stock unit with respect to a number of shares of Umpqua common stock equal to the product of the number of shares of Sterling common stock subject to the Sterling restricted stock unit and the equity exchange ratio, on the same terms and conditions as were applicable prior to the merger (taking into account that, except for new equity award compensation granted prior to the effective time of the merger, the consummation of the merger and its related transactions will constitute the first trigger under equity awards that provide for "double trigger" acceleration of vesting).

Umpqua Will Hold its Special Meeting on February 25, 2014 (page [])

The special meeting of Umpqua shareholders will be held on February 25, 2014, at 6:00 p.m. local time, at the River Place Hotel, 1510 SW Harbor Way, Portland, Oregon. At the special meeting, Umpqua shareholders will be asked to:

approve the Umpqua merger proposal;

approve the articles amendment proposal; and

approve the Umpqua adjournment proposal, if necessary or appropriate.

Only holders of record of Umpqua common stock at the close of business on January 15, 2014 will be entitled to vote at the special meeting. Each share of Umpqua common stock is entitled to one vote on each proposal to be considered at the Umpqua special meeting. As of the record date, there were 112,001,584 shares of Umpqua common stock entitled to vote at the special meeting. As of the record date, the directors and executive officers of Umpqua and their affiliates beneficially owned and were entitled to vote approximately 1,213,226 shares of Umpqua common stock representing approximately 1.1% of the shares of Umpqua common stock outstanding on that date.

Table of Contents

To approve the Umpqua merger proposal, a majority of the shares of Umpqua common stock outstanding and entitled to vote thereon must be voted in favor of such proposal. To approve the Umpqua adjournment proposal, a majority of the shares of Umpqua common stock represented at the special meeting must be voted in favor of the proposal. The articles amendment proposal will be approved if the votes cast in favor of the proposal at the Umpqua special meeting exceed the votes cast in opposition. If you mark "ABSTAIN" on your proxy card, fail to either submit a proxy or vote by telephone or internet or in person at the Umpqua special meeting or fail to instruct your bank or broker how to vote with respect to the Umpqua merger proposal, it will have the same effect as a vote "AGAINST" the proposal. If you mark "ABSTAIN" on your proxy card, or fail to instruct your bank or broker how to vote, with respect to the Umpqua adjournment proposal, it will have the same effect as a vote "AGAINST" the proposal. If, however, you are not a "street name" holder and fail to either submit a proxy card entirely or vote by telephone or internet or in person at the Umpqua special meeting, it will have no effect on such proposal. If you mark "ABSTAIN" on your proxy card, fail to either submit a proxy or vote by telephone or internet or in person at the Umpqua special meeting or fail to instruct your bank or broker how to vote with respect to the articles amendment proposal, it will have no effect on the proposal.

Sterling Will Hold its Special Meeting on February 25, 2014 (page [])

The special meeting of Sterling shareholders will be held on February 25, 2014, at 3:00 p.m. local time, at Sterling Bank, 111 North Wall Street, Spokane, Washington 99201. At the special meeting, Sterling shareholders will be asked to:

approve the Sterling merger proposal;

approve the Sterling compensation proposal; and

approve the Sterling adjournment proposal, if necessary or appropriate.

Only holders of record of Sterling common stock at the close of business on January 15, 2014 will be entitled to vote at the special meeting. Each share of Sterling common stock is entitled to one vote on each proposal to be considered at the Sterling special meeting. As of the record date, there were 62,363,741 shares of Sterling common stock entitled to vote at the special meeting. As of the record date, and including shares owned by Warburg Pincus and shares owned by THL, the directors and executive officers of Sterling and their affiliates beneficially owned and were entitled to vote approximately 26,978,796 shares of Sterling common stock representing approximately 43.3% of the shares of Sterling common stock outstanding on that date. Warburg Pincus and THL, each of which is associated with one of Sterling's directors and as of the record date had the right to vote approximately 12,950,796, or approximately 20.8%, of the outstanding shares of Sterling common stock, have agreed, subject to certain exceptions, to vote their shares of Sterling common stock in favor of the Sterling merger proposal. For further information, see "The Merger Investor Letter Agreements."

To approve the Sterling merger proposal, two-thirds of the shares of Sterling common stock outstanding and entitled to vote thereon must be voted in favor of such proposal. The Sterling compensation proposal will be approved if the votes cast in favor of such proposal at the Sterling special meeting exceed the votes cast in opposition. To approve the Sterling adjournment proposal, a majority of the shares of Sterling common stock represented at the special meeting must be voted in favor of the proposal. If you mark "ABSTAIN" on your proxy card, fail to submit a proxy or vote by telephone or internet or in person at the Sterling special meeting or fail to instruct your bank or broker how to vote with respect to the Sterling merger proposal, it will have the same effect as a vote "AGAINST" the proposal. If you mark "ABSTAIN" on your proxy card, fail to submit a proxy or vote by telephone or internet or in person at the Sterling special meeting or fail to instruct your bank or broker how to vote with respect to the Sterling compensation proposal, it will have no effect on the proposal. If you mark "ABSTAIN" on your proxy card, or fail to instruct your bank or broker how to

Table of Contents

vote, with respect to the Sterling adjournment proposal, it will have the same effect as a vote "AGAINST" the proposal. If, however, you are not a "street name" holder and fail to submit a proxy card entirely or vote by telephone or internet or in person at the Sterling special meeting, it will have no effect on such proposal.

The Merger Will Be Tax-Free to Holders of Sterling Common Stock as to the Shares of Umpqua Common Stock They Receive (page [])

The merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code and it is a condition to the respective obligations of Sterling and Umpqua to complete the merger that each of Sterling and Umpqua receives a legal opinion to that effect. Accordingly, a Sterling common shareholder generally will recognize gain, but not loss, in an amount equal to the lesser of (1) the amount of gain realized (i.e., the excess of the sum of the amount of cash and the fair market value of the Umpqua common stock received pursuant to the merger over that holder's adjusted tax basis in its shares of Sterling common stock surrendered) and (2) the amount of cash received pursuant to the merger. Further, a Sterling common shareholder generally will recognize gain or loss with respect to cash received instead of fractional shares of Umpqua common stock that the Sterling common shareholder would otherwise be entitled to receive.

For further information, see "United States Federal Income Tax Consequences of the Merger."

The U.S. federal income tax consequences described above may not apply to all holders of Sterling common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

Interests of Sterling's Directors and Executive Officers in the Merger (page [])

Sterling shareholders should be aware that some of Sterling's directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of Sterling shareholders generally. Sterling's board of directors was aware of these interests and considered these interests, among other matters, when making its decision to adopt the merger agreement, and in recommending that Sterling shareholders vote in favor of approving the merger agreement.

These interests include the following:

Pursuant to the merger agreement, each option to purchase shares of Sterling common stock outstanding immediately prior to the effective time (except for certain options with an exercise price significantly in excess of the value of the merger consideration, which Sterling will use commercially reasonable efforts to cancel prior to the effective time) will be converted into an option to purchase Umpqua common stock and each restricted stock unit in respect of Sterling common stock will be converted into a restricted stock unit in respect of Umpqua common stock (in each case, taking into account that, except for new equity award compensation granted prior to the effective time of the merger, the consummation of the merger and its related transactions will constitute the first trigger under equity awards that provide for "double trigger" acceleration of vesting).

Umpqua has entered into an employment agreement with J. Gregory Seibly, to be effective as of and subject to the occurrence of the effective time of the merger. Under the employment agreement, Mr. Seibly will receive an annual base salary of \$565,000 and be eligible for an annual target bonus of 85% of his annual base salary. In settlement of Mr. Seibly's benefits under the Sterling Financial Corporation Change in Control Plan (the "Sterling Change in Control Plan"), Mr. Seibly will be entitled to a cash payment within 10 days following the

Table of Contents

effective date of the merger of \$2,129,439. In addition, upon the effective date of the merger, Mr. Seibly will receive a retention award of restricted Umpqua common stock with a grant date value of \$1,419,626, which will vest, subject to Mr. Seibly's continued employment, upon the second anniversary of the effective date of the merger or upon any earlier termination of employment due to death, disability, termination without cause or termination for good reason (as such terms are defined in the employment agreement). Mr. Seibly is also eligible for a retention bonus of \$452,000 if he remains employed through the second anniversary of the effective date of the merger. The payments in settlement of benefits under the Sterling Change in Control Plan, the retention award and the stay bonus payable to Mr. Seibly have an aggregate value of \$4,001,065. Mr. Seibly will be eligible to participate in Umpqua's employee benefit plans on the same basis as similarly situated employees of Umpqua. The employment agreement has a term of two years.

Umpqua has entered into employment agreements with four additional executive officers of Sterling, to be effective as of and subject to the occurrence of the effective time of the merger. Under the employment agreements, David S. DePillo and Ezra A. Eckhardt will receive an annual base salary of \$400,000 and be eligible for an annual target bonus of 60% of their annual base salary and Steven D. Hauschild and Andrew J. Schultheis will receive an annual base salary of \$275,000 and be eligible for an annual target bonus of 50% of their annual base salary. In settlement of the executive officers' benefits under the Sterling Change in Control Plan, they will be entitled to a cash payment within 10 days following the effective date of the merger in the following amounts: Mr. DePillo \$822,036; Mr. Eckhardt \$1,336,505; Mr. Hauschild \$530,345; and Mr. Schultheis \$579,305. In addition, upon the effective date of the merger, each executive officer will receive a retention award of restricted Umpqua common stock with a grant date value in the following amounts: Mr. DePillo \$548,024; Mr. Eckhardt \$891,003; Mr. Hauschild \$353,564; and Mr. Schultheis \$386,203. The retention award will vest, subject to the executive officer's continued employment, upon the second anniversary of the effective date of the merger or upon any earlier termination of employment due to death, disability, termination without cause or termination for good reason (as such terms are defined in the employment agreement). Mr. Eckhardt is also eligible for a retention bonus of \$320,000 if he remains employed through the second anniversary of the effective date of the merger. Each executive officer will be eligible to participate in Umpqua's employee benefit plans on the same basis as similarly situated employees of Umpqua. The employment agreements have a term of two years.

The payments in settlement of benefits under the Sterling Change in Control Plan, the retention awards and, solely in the case of Mr. Eckhardt, the stay bonus, payable to Messrs. DePillo, Eckhardt, Hauschild and Schultheis pursuant to the new employment agreements with Umpqua (as described above) have an aggregate value of \$5,766,985.

Pursuant to the new employment agreements for Messrs. Seibly, DePillo, Eckhardt, Hauschild and Schultheis described above, if the executive officer's employment were terminated without cause or for good reason during the term of the employment agreement, subject to the execution of a release of claims, in addition to accelerated vesting of the retention award, he would be entitled to severance benefits in the form of continued base salary for a period equal to the greater of (1) nine months base salary and (2) two weeks base salary per year of service with Umpqua. See the "Quantification of Potential Payments to Sterling's Named Executive Officers in Connection with the Merger" beginning on page [] for a quantification of the golden parachute compensation payable to each of Sterling's named executive officers.

Two Sterling executive officers, Patrick J. Rusnak and Robert G. Butterfield, are eligible for certain benefits under the Sterling Change in Control Plan. The plan provides for benefits if the executive officer's employment is involuntarily terminated by Sterling or if the executive officer is constructively discharged within 24 months following a transaction such as the merger.

Table of Contents

Benefits under the plan are calculated based on (1) a multiple (24 months in the case of Mr. Rusnak and 18 months in the case of Mr. Butterfield) of monthly base compensation and target bonus, (2) the cost for a specified period (18 months for Mr. Rusnak and 18 months for Mr. Butterfield) of COBRA continuation coverage minus the then current employee portion of premiums for the same benefit, (3) a bonus payment for the year of termination prorated through the date of termination of employment and (4) outplacement services.

Under an existing letter agreement with Sterling, Leslie S. Biller, the Chairman of Sterling's board of directors, is entitled to a cash payment and accelerated vesting of certain stock options (which, if unexercised, will be converted into options to purchase Umpqua common stock) if he does not serve on the Umpqua board of directors following the merger. If the merger were consummated on March 31, 2014 and Mr. Biller does not serve on the Umpqua board of directors following that date, the cash payment would equal \$375,000 and the intrinsic value of the accelerated stock options would equal \$515,516 (based on a price per share of Sterling common stock of \$28.78, the average closing price of Sterling common stock on the five days following the announcement of the merger).

If members of Sterling's board of directors do not serve on Umpqua's board of directors following the merger, the vesting of restricted stock units and stock options held by such directors will accelerate. If none of the members of Sterling's board of directors serve on Umpqua's board of directors, the aggregate value of restricted stock units and the intrinsic value of stock options subject to accelerated vesting would equal \$1,669,030 (based on a price per share of Sterling common stock of \$28.78, the average closing price of Sterling common stock on the five days following the announcement of the merger).

The members of Sterling's board of directors who will serve on Umpqua's board of directors have not yet been determined by Sterling's board of directors. Such members will be selected from a list that was mutually agreed upon by Umpqua and Sterling prior to the entry into the merger agreement. Each of these directors will receive the compensation provided to Umpqua directors from time to time. Umpqua directors currently receive a quarterly retainer of \$12,500 (which amount may be higher for a director who serves as the chair of the board or a committee), an annual grant of restricted stock awards with a value of approximately \$15,000 (which vest on the first anniversary of the grant date, subject to continued service through such date) and participation fees of \$1,000 for each committee meeting attended. At least 70% of director compensation, excluding the restricted stock awards, is payable in Umpqua stock.

Prior to the effective time of the merger, the compensation and governance committee of Sterling's board of directors may grant (1) up to \$5.7 million of equity award compensation in the ordinary course of business, consistent with past practice, and (2) up to \$2 million of equity award compensation on terms and conditions determined by Sterling's compensation and governance committee. A substantial portion of the \$2 million equity pool may be granted to Sterling's named executive officers who will continue employment with Umpqua following the merger, with the balance granted to other key Sterling executives who will continue employment with Umpqua following the merger. It is expected that grants with respect to both the \$5.7 million and the \$2 million equity pools will be made by the Sterling compensation and governance committee prior to the consummation of the merger. The merger shall not be considered a change in control under the terms of new equity awards granted prior to the effective time of the merger.

For a more complete description of these interests, see "The Merger Interests of Sterling's Directors and Executive Officers in the Merger."

Table of Contents

Sterling Shareholders Who Do Not Vote in Favor of the Merger Agreement May Be Entitled To Assert Dissenters' Rights (page [])

Sterling shareholders who do not vote in favor of the approval of the merger agreement (including by failing to vote or marking "ABSTAIN" on their proxy card) and follow certain procedural steps will be entitled to dissenters' rights under chapter 23B.13 of the WBCA, provided they take the steps required to perfect their rights under 23B.13 of the WBCA. These procedural steps include, among others: (1) delivering to Sterling, before the vote on the merger at the Sterling special meeting, a notice of intent to demand payment for the shares of Sterling common stock if the merger is effected and (2) timely filing a payment demand after the merger is effected. For more information, see "The Merger Dissenters' Rights in the Merger."

Conditions that Must Be Satisfied or Waived for the Merger To Occur (page [])

Currently, Sterling and Umpqua expect to complete the merger in the first half of 2014. As more fully described in this joint proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include (1) approval of the Sterling merger proposal by Sterling's shareholders and approval of the Umpqua merger proposal and the articles amendment proposal by Umpqua's shareholders, (2) authorization for listing on the NASDAQ Global Select Market of the shares of Umpqua common stock to be issued in the merger, (3) the receipt of required regulatory approvals, (4) effectiveness of the registration statement of which this joint proxy statement/prospectus is a part, (5) the absence of any order, injunction or other legal restraint preventing the completion of the merger or making the completion of the merger illegal, (6) subject to the materiality standards provided in the merger agreement, the accuracy of the representations and warranties of Umpqua and Sterling, (7) performance in all material respects by each of Umpqua and Sterling of its obligations under the merger agreement and (8) receipt by each of Umpqua and Sterling of an opinion from its counsel as to certain tax matters.

Neither Sterling nor Umpqua can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Non-Solicitation (page [])

As more fully described in this joint proxy statement/prospectus and in the merger agreement, and subject to the exceptions summarized below, each of Sterling and Umpqua has agreed not to (1) solicit, initiate, knowingly encourage or knowingly facilitate, or take any other action designed to facilitate, any inquiries or proposals regarding an acquisition proposal, (2) participate in any discussions or negotiations regarding an alternative transaction or acquisition proposal or (3) enter into any agreement regarding any alternative transaction or acquisition proposal.

However, each of Sterling or Umpqua, before shareholder approval of the merger agreement and, in the case of Umpqua, before shareholder approval of the articles amendment, is permitted to, following receipt of an acquisition proposal that is unsolicited and that the applicable board of directors determines is, or could reasonably be expected to result in, a superior proposal, (1) furnish information with respect to it and its subsidiaries to the party making the acquisition proposal and its representatives and financing sources under the terms of a confidentiality agreement no less restrictive than the one between the parties, and (2) participate in discussions and negotiations regarding the acquisition proposal.

Each of Sterling and Umpqua is permitted to take the actions described above only if its board of directors determines in good faith, after receiving the advice of outside counsel, that the failure to take such action would be inconsistent with its fiduciary duties under applicable law.

Table of Contents

In addition, each of Sterling and Umpqua has agreed not to release any third party from, and to enforce, the confidentiality and standstill provisions of any agreement that it is party to as of the date of the merger agreement.

Termination of the Merger Agreement (page [])

The merger agreement can be terminated at any time prior to completion of the merger in the following circumstances:

by mutual consent of Umpqua and Sterling, if authorized by the board of directors of each;

by either Umpqua or Sterling if any governmental entity that must grant a requisite regulatory approval has (1) denied approval of any of the material transactions contemplated by the merger agreement and such denial has become final and nonappealable or any governmental entity of competent jurisdiction has issued a final nonappealable order permanently enjoining or otherwise prohibiting or making illegal the consummation of any of the material transactions contemplated by the merger agreement or (2) granted the requisite regulatory approval but such approval contains or results in the imposition of a materially burdensome regulatory condition (as later defined) with no meaningful possibility that such condition will be revised before the first anniversary of the date of the merger agreement (which we refer to as the "termination date"), unless the failure to obtain a requisite regulatory approval or to obtain such approval without a materially burdensome regulatory condition is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements under the merger agreement;

by either Umpqua or Sterling if the merger has not been completed on or before the termination date, unless the failure of the merger to be completed by such date is due to the failure of the party seeking to terminate the merger agreement to perform or observe its covenants and agreements under the merger agreement;

by either Umpqua or Sterling if there is a breach of any of the covenants or agreements or any of the representations or warranties set forth in the merger agreement on the part of the other party which either individually or in the aggregate would constitute the failure of a closing condition of the terminating party and which is either not reasonably capable of being cured or not cured within the earlier of the termination date or the date 30 days following written notice to the party committing such breach (in each case, provided that the terminating party is not then in breach of any representation, warranty, covenant or other agreement contained in the merger agreement in a manner that would constitute the failure of a closing condition);

by either Umpqua or Sterling if (1) the Umpqua special meeting has concluded without the approval of the Umpqua merger proposal and the articles amendment proposal or (2) the Sterling special meeting has concluded without the approval of the Sterling merger proposal (in each case, provided that the terminating party has complied with its obligations with respect to holding its special meeting and recommendation of the merger);

by Sterling, before approval of the Umpqua merger proposal and the articles amendment proposal, if the board of directors of Umpqua (1) fails to recommend that Umpqua shareholders approve the Umpqua merger proposal and the articles amendment proposal, fails to include such recommendation in this joint proxy statement/prospectus, withdraws or modifies such recommendation in a manner adverse to Sterling or, in the case of a tender or exchange offer, fails to recommend rejection of such offer within 10 business days after the commencement of the offer, or (2) materially breaches certain obligations, including with respect to the non-solicitation of acquisition proposals or the calling a meeting of its shareholders and recommending that they approve the merger agreement; or

Table of Contents

by Umpqua, before approval of the Sterling merger proposal, if the board of directors of Sterling (1) fails to recommend that Sterling shareholders approve the Sterling merger proposal, fails to include such recommendation in this joint proxy statement/prospectus, withdraws or modifies such recommendation in a manner adverse to Umpqua or, in the case of a tender or exchange offer, fails to recommend rejection of such offer within 10 business days after the commencement of the offer, or (2) materially breaches certain obligations, including with respect to the non-solicitation of acquisition proposals or the calling a meeting of its shareholders and recommending that they approve the merger agreement.

Termination Fee (page [])

If the merger agreement is terminated under certain circumstances involving alternative acquisition proposals, including circumstances involving changes in the recommendation of Sterling's or Umpqua's respective boards of directors, Sterling or Umpqua may be required to pay to the other party a termination fee equal to \$75 million. These termination fees could discourage other companies from seeking to acquire or merge with Sterling or Umpqua.

Amendment to Umpqua's Articles of Incorporation (page [] and Annex F)

In connection with the merger, Umpqua's restated articles of incorporation will be amended at the effective time of the merger to increase the number of authorized shares of no par value common stock from 200,000,000 to 400,000,000 (which we refer to as the "articles amendment"), which is necessary for Umpqua to have enough authorized shares to issue the stock portion of the merger consideration. In addition to being necessary for Umpqua to issue the stock portion of the merger consideration, Umpqua's board of directors chose to propose an increase of 200,000,000 (in excess of the number required to authorize all of the shares to be issued in the merger) authorized shares to maintain Umpqua's flexibility in responding to future business and financing needs and opportunities.

Regulatory Approvals Required for the Merger (page [])

Subject to the terms of the merger agreement, both Sterling and Umpqua have agreed to use their reasonable best efforts to obtain all regulatory approvals necessary or advisable to complete the transactions contemplated by the merger agreement. These approvals include approvals from, among others, the Board of Governors of the Federal Reserve System (which we refer to as the "Federal Reserve Board"), the Federal Deposit Insurance Corporation (which we refer to as the "FDIC") and the Director of the Oregon Department of Consumer and Business Services (which we refer to as the "Oregon Director"). A notification to the Washington Department of Financial Institutions (which we refer to as the "Washington DFI") is also required. Umpqua and Sterling have filed applications and notifications to obtain the required regulatory approvals.

Although neither Sterling nor Umpqua knows of any reason why these regulatory approvals cannot be obtained in a timely manner, Sterling and Umpqua cannot be certain when or if they will be obtained.

The Rights of Sterling Shareholders Will Change as a Result of the Merger (page [])

The rights of Sterling shareholders will change as a result of the merger due to differences in Umpqua's and Sterling's governing documents and states of incorporation. The rights of Sterling shareholders are governed by Washington law and by Sterling's articles of incorporation and bylaws, each as amended to date. Upon the completion of the merger, Sterling shareholders will become shareholders of Umpqua, as the continuing legal entity in the merger, and the rights of Sterling shareholders will therefore be governed by Oregon law and Umpqua's articles of incorporation and bylaws.

Table of Contents

For example, members of Umpqua's board of directors are elected by a plurality of votes cast, whereas members of Sterling's board of directors are elected if the votes cast for a nominee exceeds the votes cast against (other than in contested elections). For Umpqua's shareholders, the Oregon Control Share Act restricts a shareholder's ability to vote shares acquired in certain transactions not approved by the Umpqua board of directors, and no such rule exists under Washington law for Sterling. Finally, under Washington law, dissenters' rights are available to holders of shares of public companies, such as Sterling, whereas generally under Oregon law dissenters' rights are not available to holders of shares of public companies, such as Umpqua.

See "Comparison of Shareholders' Rights" for a description of the material differences in shareholders' rights under each of the Umpqua and Sterling governing documents.

Information About the Companies (page [])

Umpqua Holdings Corporation

Umpqua Holdings Corporation, an Oregon corporation, is a bank holding company with two principal operating subsidiaries, Umpqua Bank and Umpqua Investments, Inc. With headquarters in Roseburg, Oregon, Umpqua Bank provides a wide range of banking, wealth management, mortgage and other financial services to corporate, institutional and individual customers. Umpqua Investments is a registered broker-dealer and investment advisor with offices in Portland, Lake Oswego, and Medford, Oregon and products and services offered through Umpqua Bank stores. Umpqua Investments offers a full range of investment products and services including stocks, fixed income securities, mutual funds, annuities, options, retirement planning, money management services and life insurance. At September 30, 2013, Umpqua had, on a consolidated basis, assets of \$11.6 billion, deposits of \$9.1 billion and shareholders' equity of \$1.7 billion.

Umpqua's stock is traded on the NASDAQ Global Select Market under the symbol "UMPQ."

The principal executive offices of Umpqua are located at One SW Columbia Street, Suite 1200, Portland, Oregon 97258, and its telephone number at that location is (503) 727-4100. Additional information about Umpqua and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information," beginning on page [].

Sterling Financial Corporation

Sterling Financial Corporation, with headquarters in Spokane, Washington, is organized under the laws of Washington State as the bank holding company for Sterling Savings Bank. Sterling Savings Bank is a Washington state-chartered commercial bank that does business as Sterling Bank in Washington, Oregon and Idaho and as Argent Bank in California. Sterling Savings Bank offers retail and commercial banking products and services, mortgage lending and wealth management to individuals, small businesses, commercial organizations and corporations. At September 30, 2013, Sterling had, on a consolidated basis, assets of \$10.0 billion, deposits of \$6.9 billion and shareholders' equity of \$1.2 billion.

Sterling's stock is traded on the NASDAQ Capital Market under the symbol "STSA."

The principal executive offices of Sterling are located at 111 North Wall Street, Spokane, Washington 99201, and its telephone number at that location is (509) 358-8097. Additional information about Sterling and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information," beginning on page [].

Table of Contents

Litigation Relating to the Merger (page [])

Sterling, its directors and Umpqua are named as defendants in three lawsuits pending in the Superior Court of Washington in and for Spokane County, which have been consolidated under the caption *In re Sterling Financial Corporation Merger Litigation*, Lead No. 13-2-03848-4. The consolidated litigation generally seeks, among other things, an injunction against consummation of the merger, rescission of the merger if it is effected, damages in an unspecified amount, and the payment of plaintiffs' attorneys fees and costs. The defendants believe that the lawsuits are without merit. On January 16, 2014 the parties to the consolidated litigation entered into a memorandum of understanding to settle the consolidated litigation (such memorandum including plaintiffs' agreement to stay the consolidated litigation, except for proceedings relating to the settlement), subject to court approval and other customary conditions, including the execution of definitive documentation. Sterling shareholders who are members of the proposed settlement class will, at a later date, receive written notice containing the terms of the proposed settlement and proposed release of class claims and related matters. See "The Merger Litigation Relating to the Merger" beginning on page [].

Risk Factors (page [])

You should consider all the information contained in or incorporated by reference into this joint proxy statement/prospectus in deciding how to vote for the proposals presented in the joint proxy statement/prospectus. In particular, you should consider the factors described under "Risk Factors."

Table of Contents**SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF UMPQUA**

The following selected consolidated financial information for the fiscal years ended December 31, 2008 through December 31, 2012 is derived from audited consolidated financial statements of Umpqua. The consolidated financial information as of and for the nine months ended September 30, 2013 and 2012 is derived from unaudited consolidated financial statements and, in the opinion of Umpqua's management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of these data for those dates. The results of operations for the nine months ended September 30, 2013 are not necessarily indicative of the results that may be expected for the entire fiscal year ending December 31, 2013. You should not assume the results of operations for any past periods indicate results for any future period. You should read this information in conjunction with Umpqua's consolidated financial statements and related notes thereto included in Umpqua's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, and in Umpqua's Quarterly Report on Form 10-Q for the nine months ended September 30, 2013, which are incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

	At or For the Nine Months Ended September 30,		Years Ended December 31,				2008
	2013	2012	2012	2011	2010	2009	
(in thousands, except per share data)							
Income Statement Financial Trends							
Interest income	\$ 324,308	\$ 343,344	\$ 456,085	\$ 501,753	\$ 488,596	\$ 423,732	\$ 442,546
Interest expense	29,417	37,937	48,849	73,301	93,812	103,024	152,239
Net interest income	294,891	305,407	407,236	428,452	394,784	320,708	290,307
Provision for non-covered loan and lease losses	12,989	16,883	21,796	46,220	113,668	209,124	107,678
(Recapture of) provision for covered loan and lease losses	(4,744)	4,302	7,405	16,141	5,151		
Non-interest income	94,656	89,842	136,829	84,118	75,904	73,516	107,118
Non-interest expense	262,100	261,268	357,314	338,611	311,063	267,178	215,588
Goodwill impairment						111,952	982
Merger related expenses	7,197	338	2,338	360	6,675	273	
Income (loss) before provision for (benefit from) income taxes	112,005	112,458	155,212	111,238	34,131	(194,303)	73,177
Provision for (benefit from) income taxes	38,914	38,525	53,321	36,742	5,805	(40,937)	22,133
Net income (loss)	73,091	73,933	101,891	74,496	28,326	(153,366)	51,044
Preferred stock dividends					12,192	12,866	1,620
Dividends and undistributed earnings allocated to participating securities	576	499	682	356	67	30	154
Net earnings (loss) available to common shareholders	\$ 72,515	\$ 73,434	\$ 101,209	\$ 74,140	\$ 16,067	\$ (166,262)	\$ 49,270
Period End							
Assets	\$ 11,569,297	\$ 11,528,964	\$ 11,795,443	\$ 11,562,858	\$ 11,668,710	\$ 9,381,372	\$ 8,597,550
Earning assets	10,195,187	10,265,806	10,465,505	10,263,923	10,374,131	8,344,203	7,491,498
Non-covered loans and leases(1)	7,228,904	6,248,425	6,681,080	5,888,098	5,658,987	5,999,267	6,131,374
Covered loans, net of allowance	397,083	515,045	477,078	622,451	785,898		
Deposits	9,067,240	9,099,929	9,379,275	9,236,690	9,433,805	7,440,434	6,588,935
Term debt	252,017	254,123	253,605	255,676	262,760	76,274	206,531
Junior subordinated debentures, at fair value	86,718	84,538	85,081	82,905	80,688	85,666	92,520
Junior subordinated debentures, at amortized cost	101,979	102,302	110,985	102,544	102,866	103,188	103,655
Common shareholders' equity	1,725,995	1,714,093	1,724,039	1,672,413	1,642,574	1,362,182	1,284,830
Total shareholders' equity	1,725,995	1,714,093	1,724,039	1,672,413	1,642,574	1,566,517	1,487,008
Common shares outstanding	111,929	111,915	111,890	112,165	114,537	86,786	60,146
Average							
Assets	\$ 11,468,348	\$ 11,453,844	\$ 11,499,499	\$ 11,600,435	\$ 10,830,486	\$ 8,975,178	\$ 8,342,005

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

Earning assets	10,201,559	10,210,094	10,252,167	10,332,242	9,567,341	7,925,014	7,215,001
Non-covered loans and leases(1)	6,883,504	6,046,101	6,153,116	5,723,771	5,783,452	6,103,666	6,118,540
Covered loans	429,909	572,481	554,078	707,026	681,569		
Deposits	9,038,527	9,096,862	9,124,619	9,301,978	8,607,980	7,010,739	6,459,576
Term debt	252,826	254,862	254,601	257,496	261,170	129,814	194,312
Junior subordinated debentures	189,457	185,819	187,139	184,115	184,134	190,491	226,349

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

Table of Contents

	At or For the Nine Months Ended September 30,		Years Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
	(in thousands, except per share data)						
Common shareholders' equity	1,727,229	1,694,706	1,701,403	1,671,893	1,589,393	1,315,953	1,254,730
Total shareholders' equity	1,727,229	1,694,706	1,701,403	1,671,893	1,657,544	1,519,119	1,281,220
Basic common shares outstanding	111,934	111,928	111,935	114,220	107,922	70,399	60,084
Diluted common shares outstanding	112,154	112,159	112,151	114,409	108,153	70,399	60,424
Per Common Share Data							
Basic earnings (loss)	\$ 0.65	\$ 0.66	\$ 0.90	\$ 0.65	\$ 0.15	\$ (2.36)	\$ 0.82
Diluted earnings (loss)	0.65	0.65	0.90	0.65	0.15	(2.36)	0.82
Book value	15.42	15.32	15.41	14.91	14.34	15.70	21.36
Cash dividends declared	0.45	0.25	0.34	0.24	0.20	0.20	0.62
Performance Ratios							
Return on average assets(2)	0.85%	0.86%	0.88%	0.64%	0.15%	-1.85%	0.59%
Return on average common shareholders' equity(3)	5.61%	5.79%	5.95%	4.43%	1.01%	-12.63%	3.93%
Efficiency ratio(4),(5)	68.52%	65.61%	65.54%	65.58%	66.90%	95.34%	54.08%
Average common shareholders' equity to average assets	15.06%	14.80%	14.80%	14.41%	14.68%	14.66%	15.04%
Leverage ratio(6)	10.96%	11.36%	11.44%	10.91%	10.56%	12.79%	12.38%
Net interest margin (fully tax equivalent)(7)	3.91%	4.04%	4.02%	4.19%	4.17%	4.09%	4.07%
Non-interest revenue to total net revenue(8)	24.30%	22.73%	25.15%	16.41%	16.13%	18.65%	26.95%
Dividend payout ratio(9)	69.23%	37.87%	37.78%	36.92%	133.33%	-8.47%	75.61%
Asset Quality							
Non-covered, non-performing loans and leases	\$ 44,741	\$ 80,333	\$ 70,968	\$ 91,383	\$ 145,248	\$ 199,027	\$ 133,366
Non-covered, non-performing assets	62,990	99,597	88,106	125,558	178,039	223,593	161,264
Allowance for non-covered loan and lease losses	84,694	84,759	85,391	92,968	101,921	107,657	95,865
Net non-covered charge-offs	13,686	25,092	29,373	55,173	119,404	197,332	96,717
Non-covered, non-performing loans and leases to non-covered loans and leases	0.62%	1.29%	1.06%	1.55%	2.57%	3.32%	2.18%
Non-covered, non-performing assets to total assets	0.54%	0.86%	0.75%	1.09%	1.53%	2.38%	1.88%
Allowance for non-covered loan and lease losses to total non-covered loans and leases	1.17%	1.36%	1.28%	1.58%	1.80%	1.79%	1.56%
Allowance for non-covered credit losses to non-covered loans and leases	1.19%	1.40%	1.30%	1.59%	1.82%	1.81%	1.58%

- (1) Excludes loans held for sale.
- (2) Net earnings (loss) available to common shareholders divided by average assets.
- (3) Net earnings (loss) available to common shareholders divided by average common shareholders' equity.
- (4) Non-interest expense divided by the sum of net interest income (fully tax equivalent) and non-interest income.
- (5) The efficiency ratio calculation includes goodwill impairment charges of \$112.0 million and \$1.0 million in 2009 and 2008, respectively. Goodwill impairment losses are a non-cash expense that have no direct effect on Umpqua's or Umpqua Bank's liquidity or capital ratios.
- (6) Tier 1 capital divided by leverage assets. Leverage assets are defined as quarterly average total assets, net of goodwill, intangibles and certain other items as required by the Federal Reserve.
- (7) Net interest margin (fully tax equivalent) is calculated by dividing net interest income (fully tax equivalent) by average interest earnings assets.
- (8)

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

Non-interest revenue divided by the sum of non-interest revenue and net interest income

(9)

Dividends declared per common share divided by basic earnings per common share.

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF STERLING

The following selected consolidated financial information for the fiscal years ended December 31, 2008 through December 31, 2012 is derived from audited consolidated financial statements of Sterling. The consolidated financial information as of and for the nine months ended September 30, 2013 and 2012 are derived from unaudited consolidated financial statements and, in the opinion of Sterling's management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of these data for those dates. The results of operations for the nine months ended September 30, 2013 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2013. You should not assume the results of operations for any past periods indicate results for any future period. You should read this information in conjunction with Sterling's consolidated financial statements and related notes thereto included in Sterling's Annual Report on Form 10-K for the year ended December 31, 2012, and in Sterling's Quarterly Report on Form 10-Q for the nine months ended September 30, 2013, which are incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

	At or For the Nine Months Ended September 30,		Years Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
(in thousands, except per share amounts)							
Income Statement Data:							
Interest income	\$ 281,218	\$ 294,946	\$ 389,200	\$ 404,292	\$ 445,133	\$ 599,347	\$ 715,062
Interest expense	41,362	66,375	84,522	109,097	161,106	255,370	355,510
Net interest income	239,856	228,571	304,678	295,195	284,027	343,977	359,552
Provision for credit losses		10,000	10,000	30,000	250,229	681,371	333,597
Net interest income (loss) after provision for credit losses	239,856	218,571	294,678	265,195	33,798	(337,394)	25,955
Noninterest income	111,459	123,026	154,253	126,328	136,965	123,814	91,895
Noninterest expense before impairment charge	248,941	265,664	355,253	352,390	395,045	369,974	305,517
Goodwill impairment						227,558	223,765
Total noninterest expense	248,941	265,664	355,253	352,390	395,045	597,532	529,282
Income (loss) before income taxes	102,374	75,933	93,678	39,133	(224,282)	(811,112)	(411,432)
Income tax (provision) benefit(1)	(30,887)	288,842	292,043			(26,982)	75,898
Net income (loss)	71,487	364,775	385,721	39,133	(224,282)	(838,094)	(335,534)
Preferred stock dividend					(11,598)	(17,369)	(1,208)
Other shareholder allocations(2)					(520,263)		
Net income (loss) applicable to common shareholders	\$ 71,487	\$ 364,775	\$ 385,721	\$ 39,133	\$ (756,143)	\$ (855,463)	\$ (336,742)
Earnings (loss) per common share:							
Basic(3)	\$ 1.15	\$ 5.87	\$ 6.21	\$ 0.63	\$ (53.05)	\$ (1,087.41)	\$ (429.70)
Diluted(3)	1.13	5.81	6.14	0.63	(53.05)	(1,087.41)	(429.70)
Dividends declared per common share(3)	\$ 0.75	\$ 0.15	\$ 0.80	\$ 0.00	\$ 0.00	\$ 0.00	\$ 19.80
Weighted average shares outstanding:							
Basic(3)	62,280,542	62,110,498	62,122,862	61,955,659	14,253,869	786,701	783,662
Diluted(3)	63,271,060	62,745,177	62,772,079	62,231,208	14,253,869	786,701	783,662
Other Data:							
Book value per common share(3)	\$ 19.51	\$ 20.14	\$ 19.58	\$ 14.16	\$ 12.45	\$ 36.80	\$ 1,075.14
	\$ 18.66	\$ 19.44	\$ 18.91	\$ 13.96	\$ 12.17	\$ 9.21	\$ 752.98

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

Tangible book value per common share(3)							
Return on average assets	1.00%	5.18%	4.10%	0.42%	(2.21)%	(6.81)%	(2.65)%
Return on average common equity	7.8%	45.5%	35.8%	4.8%	(297.2)%	(129.8)%	(28.8)%

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

Table of Contents

	At or For the Nine Months Ended September 30,		Years Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
	(in thousands, except per share amounts)						
Dividend payout ratio	65%	3%	13%	0%	0%	0%	*
Shareholders' equity to total assets	12.2%	13.2%	13.2%	9.6%	8.1%	3.0%	8.9%
Tangible common equity to tangible assets(4)	11.7%	12.8%	12.8%	9.4%	8.0%	0.1%	4.7%
Efficiency ratio(5)	68.7%	71.5%	71.1%	74.7%	81.9%	69.1%	61.7%
Tax equivalent net interest margin	3.66%	3.46%	3.46%	3.29%	2.83%	2.92%	3.08%
Nonperforming assets to total assets	1.36%	2.73%	2.28%	4.01%	8.83%	9.08%	4.77%
Employees (full-time equivalents)	2,564	2,527	2,532	2,496	2,498	2,641	2,481
Depository branches	169	183	174	175	178	178	178
Balance Sheet Data:							
Total assets	\$ 9,984,336	\$ 9,472,437	\$ 9,236,910	\$ 9,193,237	\$ 9,493,169	\$ 10,877,423	\$ 12,790,716
Loans receivable, net	7,024,326	5,990,365	6,101,749	5,341,179	5,379,081	7,344,199	8,807,094
Investments and MBS available for sale	1,498,377	2,049,961	1,513,157	2,547,876	2,825,010	2,160,325	2,639,290
Investments held to maturity	175	1,716	206	1,747	13,464	17,646	175,830
Deposits	6,854,442	6,739,910	6,436,117	6,485,818	6,911,007	7,775,190	8,350,407
FHLB advances	1,027,807	155,401	605,330	405,609	407,211	1,337,167	1,726,549
Securities sold under repurchase agreements and funds purchased	534,669	942,547	586,867	1,055,763	1,032,512	1,049,146	1,163,023
Other borrowings	245,298	245,293	245,294	245,290	245,285	248,281	248,276
Shareholders' equity	1,215,881	1,251,487	1,217,923	878,557	770,767	323,249	1,141,036
Regulatory Capital Ratios:							
Sterling:							
Tier 1 leverage ratio	11.8%	12.7%	12.1%	11.4%	10.1%	3.5%	9.2%
Tier 1 risk-based capital ratio	15.4%	17.6%	17.5%	17.8%	16.2%	4.9%	11.7%
Total risk-based capital ratio	16.7%	18.9%	18.7%	19.1%	17.5%	7.9%	13.0%
Tier 1 common capital ratio	12.2%	13.9%	13.6%	13.8%	12.4%	3.6%	9.3%
Sterling Bank:							
Tier 1 leverage ratio	11.6%	12.6%	12.0%	11.1%	9.8%	4.2%	8.3%
Tier 1 risk-based capital ratio	15.1%	17.5%	17.2%	17.4%	15.7%	5.9%	10.6%
Total risk-based capital ratio	16.3%	18.8%	18.5%	18.7%	17.0%	7.3%	11.8%

* Not meaningful.

(1) The income tax benefit during 2012 was from the release of a deferred tax asset valuation allowance.

(2) The August 26, 2010 conversion of Sterling's Series C preferred stock into common stock resulted in an increase in income available to common shareholders. The October 22, 2010 conversion of Sterling's Series B and D preferred stock into common stock resulted in a decrease in income available to common shareholders.

(3) Reflects the 1-for-66 reverse stock split in November 2010.

(4) Common shareholders' equity less goodwill and other intangible assets, divided by assets, less goodwill and other intangible assets.

(5) The efficiency ratio is noninterest expense, excluding OREO and amortization of core deposit intangibles, divided by net interest income (tax equivalent) plus noninterest income, excluding gain on sales of securities, other-than-temporary impairment losses on securities, charge on prepayment of debt and net gain on MT branch divestiture.

Table of Contents

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial information and explanatory notes show the impact on the historical financial positions and results of operations of Umpqua and Sterling and have been prepared to illustrate the effects of the merger involving Umpqua and Sterling under the acquisition method of accounting with Umpqua treated as the acquirer. The following unaudited pro forma condensed combined income statement and explanatory notes also separately show the impact on Umpqua's historical results of operations of its acquisition of Financial Pacific Holding Corp. ("FPHC"), and its subsidiary, Financial Pacific Leasing, Inc. ("FinPac Leasing"), and its subsidiaries, Financial Pacific Funding, Inc. ("FPF"), Financial Pacific Funding II, Inc. ("FPF II") and Financial Pacific Funding III, Inc. ("FPF III"). As part of the same transaction, Umpqua Holdings Corporation acquired two related entities, FPC Leasing Corporation ("FPC") and Financial Pacific Reinsurance Co, Ltd. ("FPR"). Prior to acquisition, all of the entities were consolidated as Financial Pacific Holdings LLC, and Subsidiaries ("FPH, LLC"). FPHC, FinPac Leasing, FPF, FPF II, FPF III, FPC and FPR are collectively referred to herein as "FinPac." The acquisition of FinPac occurred on July 1, 2013 (which we refer to as the "FinPac acquisition"). Under the acquisition method of accounting, the assets and liabilities of Sterling, as of the effective date of the merger, will be recorded by Umpqua at their respective fair values and the excess of the merger consideration over the fair value of Sterling's net assets will be allocated to goodwill. The unaudited pro forma condensed combined balance sheet as of September 30, 2013 is presented as if the merger with Sterling had occurred on September 30, 2013. The unaudited pro forma condensed combined income statements for the fiscal year ended December 31, 2012 and the nine months ended September 30, 2013 are presented as if the merger and the FinPac acquisition had occurred on January 1, 2012. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the merger and the FinPac acquisition and, with respect to the income statements only, expected to have a continuing impact on consolidated results of operations.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of the period presented. The adjustments included in these unaudited pro forma condensed combined financial statements are preliminary and may be revised. The unaudited pro forma condensed combined financial information also does not consider the impact of any potential revenue enhancements, anticipated cost savings and expense efficiencies, or asset dispositions, among other factors.

As explained in more detail in the accompanying notes to the unaudited pro forma condensed combined financial information, the pro forma allocation of purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Adjustments may include, but not be limited to, changes in (1) Sterling's balance sheet through the effective time of the merger; (2) the aggregate value of merger consideration paid if the price of Umpqua's stock varies from the assumed \$16.22 per share, which represents the closing price of Umpqua common stock on September 30, 2013; (3) total merger related expenses if consummation and/or implementation costs vary from currently estimated amounts; and (4) the underlying values of assets and liabilities if market conditions differ from current assumptions.

The unaudited pro forma condensed combined financial information is provided for informational purposes only. The unaudited pro forma condensed combined financial information is not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the merger and the FinPac acquisition been completed as of the dates indicated or that may be achieved in the future. The preparation of the unaudited pro forma condensed combined financial information and

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

Table of Contents

related adjustments required management to make certain assumptions and estimates. The unaudited pro forma condensed combined financial statements should be read together with:

The accompanying notes to the unaudited pro forma condensed combined financial information;

Umpqua's separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2012, included in Umpqua's Annual Report on Form 10-K for the year ended December 31, 2012;

Sterling's separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2012 included in Sterling's Annual Report on Form 10-K for the year ended December 31, 2012;

Umpqua's separate unaudited historical consolidated financial statements and accompanying notes as of and for the nine months ended September 30, 2013 included in Umpqua's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013;

Sterling's separate unaudited historical consolidated financial statements and accompanying notes as of and for the nine months ended September 30, 2013 included in Sterling's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013;

FinPac's separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2012 and separate unaudited historical condensed consolidated financial statements as of and for the six months ended June 30, 2013, along with the unaudited pro forma condensed consolidated financial information of Umpqua as of June 30, 2013 and for the year ended December 31, 2012 and the six months ended June 30, 2013, giving effect to the acquisition of FinPac, included in Umpqua's Current Report on Form 8-K/A filed on September 11, 2013. FPH, LLC was the sole equity holder of FinPac. There are no differences in the operations, assets, liabilities, and total equity of FPH, LLC and FinPac. The only balance sheet differences between FPH, LLC and FinPac are within the components of total equity between the entities due to the legal structure of the entities with equity holders of FPH, LLC having different classes of membership units and FinPac's equity holder having common stock along with differences in the classification of dividend payments to the respective equity owners; and

other information pertaining to Umpqua and Sterling contained in or incorporated by reference into this joint proxy statement/prospectus. See "Selected Consolidated Historical Financial Data of Umpqua" and "Selected Consolidated Historical Financial Data of Sterling" included elsewhere in this joint proxy statement/prospectus.

Unaudited Pro Forma Condensed Combined Balance Sheet as of September 30, 2013

	Umpqua Historical	Sterling Historical	Pro Forma Merger Adjustments	Notes	Pro Forma Combined
Assets					
Cash and due from banks	\$ 193,188	\$ 119,690	\$		\$ 312,878
Restricted cash		6,651			6,651
Interest bearing deposits	503,369	223,338	(352,487)	A	374,220
Temporary investments	534				534
Total cash and cash equivalents	697,091	349,679	(352,487)		694,283
Investment securities, trading	4,012				4,012
	1,910,082	1,498,377			3,408,459

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

Investment securities, available for
sale

Investment securities, held to maturity	5,766	175	5,941
---	-------	-----	-------

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

Table of Contents

	Umpqua Historical	Sterling Historical	Pro Forma Merger Adjustments	Notes	Pro Forma Combined
Loans held for sale	113,993	245,783			359,776
Non-covered loans and leases	7,228,904	7,163,024	(395,679)	B	13,996,249
Less: allowance for noncovered loan and lease losses	(84,694)	(138,698)	138,698	C	(84,694)
Non-covered loans and leases, net	7,144,210	7,024,326	(256,981)		13,911,555
Covered loans and leases, net of allowance	397,083				397,083
Restricted equity securities	31,444	95,159			126,603
Premises and equipment, net	173,876	100,370	(2,575)	D	271,671
Mortgage servicing rights	41,853	57,030	5,000	E	103,883
Goodwill	764,627	36,633	722,911	F	1,524,171
Other intangible assets, net	13,467	16,154	47,740	G	77,361
Non-covered other real estate owned	18,249	17,464	(3,493)	H	32,220
Covered other real estate owned	2,980				2,980
FDIC indemnification asset	29,427				29,427
Bank owned life insurance	96,276	189,906			286,182
Deferred tax asset	20,341	282,561	18,569	I	321,471
Accrued interest receivable	24,760	29,614			54,374
Other assets	79,760	41,105			120,865
Total assets	\$ 11,569,297	\$ 9,984,336	\$ 178,684		\$ 21,732,317
Liabilities					
Non-interest bearing demand deposits	\$ 2,421,008	\$ 1,818,194	\$ (55,157)	J	\$ 4,184,045
Interest bearing deposits	6,646,232	5,036,248	(150,738)	J	11,531,742
Total deposits	9,067,240	6,854,442	(205,895)		15,715,787
Securities sold under agreements to repurchase customer	215,310	34,669			249,979
Securities sold under agreements to repurchase broker/dealer		500,000			500,000
Term debt	252,017	1,027,807	5,000	K	1,284,824
Junior subordinated debentures, at fair value	86,718		154,298	L	241,016
Junior subordinated debentures, at amortized cost	101,979	245,298	(245,298)	M	101,979
Other liabilities	120,038	106,239			226,277
Total liabilities	9,843,302	8,768,455	(291,895)		18,319,862
Shareholders' equity					
Preferred stock					
Common stock	1,513,225	1,972,021	(233,561)	N	3,251,685
Surplus					
Retained earnings/accumulated deficit	209,597	(786,059)	734,059	O	157,597
Accumulated other comprehensive income	3,173	29,919	(29,919)	P	3,173
Total shareholders' equity	1,725,995	1,215,881	470,579		3,412,455
Total liabilities and shareholders' equity	\$ 11,569,297	\$ 9,984,336	\$ 178,684		\$ 21,732,317

Table of Contents

**Unaudited Pro Forma Condensed Combined Statement of Income for the
Nine Months Ended September 30, 2013**

	Umpqua Historical	FPH, LLC Historical to 6/30/2013	FinPac Pro Forma Merger Adjustments (1/1/2013 to 9/30/2013)	Notes	Sterling Historical	Sterling Pro Forma Merger Adjustments	Notes	Pro Forma Combined
Interest Income:								
Non-covered loans and leases	\$ 250,685	\$ 29,033	\$ (4,789)	Q	\$ 251,722	\$ 8,045	Q	\$ 534,696
Covered loans	41,167							41,167
Interest and dividends on investment securities	31,519				29,088			60,607
Temporary investments and interest bearing deposits	937				408	(563)	R	782
Total interest income	324,308	29,033	(4,789)		281,218	7,482		637,252
Interest Expense:								
Deposits	16,587				18,386	3,164	S	38,137
Federal funds purchased and securities sold under agreement to repurchase	99				14,243			14,342
Term debt	6,916	3,507			4,355	(1,857)	T	12,921
Junior subordinated debentures	5,815				4,378			10,193
Total interest expense	29,417	3,507			41,362	1,307		75,593
Net interest income	294,891	25,526	(4,789)		239,856	6,175		561,659
Provision for credit losses non-covered (Recapture of) provision for credit losses covered	12,989	3,272		U		(2,100)	U	14,161
Net interest income after provision for (recapture of) credit losses	286,646	22,254	(4,789)		239,856	8,275		552,242
Non-interest income:								
Service charges on deposit accounts	22,844				42,129	(10,259)	V	54,714
Brokerage commissions and fees	11,152				2,999			14,151
Mortgage banking revenue, net	62,928				50,468			113,396
Gain on sale of investment securities, net	18							18
Other than temporary impairment losses on investment securities								
Portion of other-than-temporary impairment losses transferred from OCI								
Loss on junior subordinated debentures carried at fair value	(1,643)					(2,890)	W	(4,533)
Bargain purchase gain on acquisition					7,544			7,544
Gain (loss) on other assets	169				915			1,084
Charge on prepayment of debt								
Gain on other loan sales	2,744				2,354			5,098
Bank owned life insurance	2,432				4,621			7,053
Change in FDIC indemnification asset	(19,841)							(19,841)
Other income	13,853	1,312			429			15,594
Total non-interest income	94,656	1,312			111,459	(13,149)		194,278
Non-interest expense:								
Salaries and employee benefits	157,271	3,790	477	X	135,297	(98)	X	296,737
Net occupancy and equipment	45,813	810			31,239			77,862

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

Communications	8,802	156		26,412		35,370
Marketing	3,753			6,025		9,778
Supplies	2,120			1,385		3,505
Services	18,339	1,382		12,030		31,751
FDIC assessments	5,032			4,693		9,725
Net (gain) loss on non-covered OREO	(303)			6,456		6,153
Net loss on covered OREO	154					154
Intangible amortization	3,595	354		5,046	5,859	14,854
Merger related expense	7,197			7,200		14,397
Other expenses	17,524	2,104	(758) Z	13,158	1,420	33,448
Total non-interest expense	269,297	8,596	(281)	248,941	7,181	533,734
Income before provision for income taxes	112,005	14,970	(4,508)	102,374	(12,055)	212,786
Provision for income taxes	38,914	5,835	(1,578) AA	30,887	(4,219) AA	69,839
Net income	\$ 73,091	\$ 9,135	\$ (2,930)	\$ 71,487	\$ (7,836)	\$ 142,947
Earnings per common share:						
Basic	\$ 0.65	\$		\$ 1.15		\$ 0.66
Diluted	\$ 0.65	\$		\$ 1.13		\$ 0.65
Weighted average number of common shares outstanding:						
Basic	111,934			62,281	41,790	216,005
Diluted	112,154			63,271	44,368	219,793

Table of Contents

**Unaudited Pro Forma Condensed Combined Statement of Income for the Year Ended
December 31, 2012**

	Umpqua Historical	FPH, LLC Historical	FinPac Pro Forma Merger Adjustments	Notes	Sterling Historical	Sterling Pro Forma Merger Adjustments	Notes	Pro Forma Combined
Interest Income:								
Non-covered loans and leases	\$ 313,294	\$ 58,210	\$ (5,332)	Q	\$ 331,514	\$ 11,652	Q	\$ 709,338
Covered loans	73,518							73,518
Interest and dividends on investment securities	68,345				56,931			125,276
Temporary investments and interest bearing deposits	928				755	(751)	R	932
Total interest income	456,085	58,210	(5,332)		389,200	10,901		909,064
Interest Expense:								
Deposits	31,133				37,697	13,657	S	82,487
Federal funds purchased and securities sold under agreement to repurchase	288				36,034			36,322
Term debt	9,279	7,401			4,254	(2,476)	T	18,458
Junior subordinated debentures	8,149				6,537			14,686
Total interest expense	48,849	7,401			84,522	11,181		151,953
Net interest income	407,236	50,809	(5,332)		304,678	(280)		757,111
Provision for credit losses non-covered (Recapture of) provision for credit losses covered	21,796	7,291		U	10,000	(2,500)	U	36,587
	7,405							7,405
Net interest income after provision for (recapture of) credit losses	378,035	43,518	(5,332)		294,678	2,220		713,119
Non-interest income:								
Service charges on deposit accounts	28,299				51,761	(13,642)	V	66,418
Brokerage commissions and fees	12,967				4,012			16,979
Mortgage banking revenue, net	84,216				97,292			181,508
Gain on sale of investment securities, net	4,023				23,835			27,858
Other than temporary impairment losses on investment securities	(51)							(51)
Portion of other-than-temporary impairment losses transferred from OCI	(104)				(6,819)			(6,923)
Loss on junior subordinated debentures carried at fair value	(2,203)					(3,853)	W	(6,056)
Bargain purchase gain on acquisition								
Gain (loss) on other assets	465				6,515			6,980
Charge on prepayment of debt					(35,342)			(35,342)
Gain on other loan sales					4,372			4,372
Bank owned life insurance	2,708				8,625			11,333
Change in FDIC indemnification asset	(15,234)							(15,234)
Other income	21,743	4,132			2			25,877
Total non-interest income	136,829	4,132			154,253	(17,495)		277,719
Non-interest expense:								
Salaries and employee benefits	200,946	7,527	544	X	189,025	(403)	X	397,639
Net occupancy and equipment	55,081	1,481			41,538			98,100
Communications	11,573	319			37,531			49,423
Marketing	5,064				12,688			17,752

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

Supplies	2,506			2,642		5,148
Services	25,823	2,806		16,691		45,320
FDIC assessments	7,308			7,493		14,801
Net (gain) loss on non-covered OREO	9,245			11,829		21,074
Net loss on covered OREO	3,410					3,410
Intangible amortization	4,816	708		6,780	8,601 Y	20,905
Merger related expense	2,338			11,976		14,314
Other expenses	31,542	3,260	(1,780) Z	17,060	1,446 Z	51,528
Total non-interest expense	359,652	16,101	(1,236)	355,253	9,644	739,414
Income before provision for income taxes	155,212	31,549	(4,096)	93,678	(24,919)	251,424
Provision for (benefit from) income taxes	53,321	12,192	(1,434) AA	(292,043)	(8,722) AA	236,686
Net income	\$ 101,891	\$ 19,357	\$ (2,662)	\$ 385,721	\$ (16,197)	\$ 488,110
Earnings per common share:						
Basic	\$ 0.90	\$		\$ 6.21		\$ 2.26
Diluted	\$ 0.90	\$		\$ 6.14		\$ 2.22
Weighted average number of common shares outstanding:						
Basic	111,935			62,123	41,684 AB	215,742
Diluted	112,151			62,772	44,603 AC	219,526

Table of Contents

Notes to Unaudited Pro Forma Condensed Combined Financial Information

Note 1 Basis of Presentation

The unaudited pro forma condensed combined financial information and explanatory notes have been prepared to illustrate the effects of the merger involving Umpqua and Sterling under the acquisition method of accounting with Umpqua treated as the acquirer. The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of each period presented, nor does it necessarily indicate the results of operations in future periods or the future financial position of the combined entities. Under the acquisition method of accounting, the assets and liabilities of Sterling, as of the effective date of the merger, will be recorded by Umpqua at their respective fair values and the excess of the merger consideration over the fair value of Sterling's net assets will be allocated to goodwill.

The merger, which is currently expected to be completed in the first half of 2014, provides for Sterling common shareholders to receive 1.671 shares of Umpqua common stock and \$2.18 in cash for each share of Sterling common stock they hold immediately prior to the merger. The value of the per share merger consideration would be approximately \$30.90 based upon the closing price of Umpqua common stock on the date of merger announcement multiplied by the exchange ratio of 1.671 and adding the cash portion of the merger consideration of \$2.18 per share. The pro forma allocation of purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Adjustments may include, but not be limited to, changes in (i) Sterling's balance sheet through the effective time of the merger; (ii) the aggregate value of merger consideration paid if the price of Umpqua's stock varies from the assumed \$16.22 per share, which represents the closing share price of Umpqua common stock on September 30, 2013; (iii) total merger related expenses if consummation and/or implementation costs vary from currently estimated amounts; and (iv) the underlying values of assets and liabilities if market conditions differ from current assumptions.

The accounting policies of both Umpqua and Sterling are in the process of being reviewed in detail. Upon completion of such review, conforming adjustments or financial statement reclassification may be determined.

Note 2 Estimated Merger and Integration Costs

In connection with the merger, the plan to integrate Umpqua's and Sterling's operations is still being developed. Over the next several months, the specific details of these plans will continue to be refined. Umpqua and Sterling are currently in the process of assessing the two companies' personnel, benefit plans, premises, equipment, computer systems, supply chain methodologies, and service contracts to determine where they may take advantage of redundancies or where it will be beneficial or necessary to convert to one system. Certain decisions arising from these assessments may involve involuntary termination of Sterling's personnel, vacating leased premises, changing information systems, canceling service contracts and selling or otherwise disposing of certain owned premises, furniture and equipment. Umpqua expects to incur merger-related expenses including system conversion costs, employee retention and severance agreements, communications to customers, among others. To the extent there are costs associated with these actions, the costs will be recorded based on the nature and timing of these related integration actions. Most acquisition and restructuring costs are recognized separately from a business combination and generally will be expensed as incurred. We estimate total merger related cost to be approximately \$80 million. We have incurred \$8.6 million of merger expense through September 30, 2013, and anticipate the majority of the remainder to be incurred in 2014.

Table of Contents

Note 3 Estimated Annual Cost Savings

Umpqua expects to realize \$87 million in annual pre-tax cost savings following the merger, which management expects to be phased-in over a two-year period, but there is no assurance that the anticipated cost savings will be realized on the anticipated time schedule or at all. These cost savings are not reflected in the presented pro forma financial information.

Note 4 Divestiture of Sterling Branches

Due to competitive considerations of the merger in accordance with regulatory guidelines, Sterling branches in several banking markets will be divested in conjunction with the merger in order to obtain regulatory approval. These amounts are reflected in the pro forma adjustments below. However, other asset dispositions not required as further discussed in Note 2 are not included in pro forma adjustments.

Note 5 Preliminary Purchase Accounting Allocation

The unaudited pro forma condensed combined financial information reflects the issuance of approximately 104,128,134 shares of Umpqua common stock and other purchase consideration totaling approximately \$1.7 billion as well as cash consideration of approximately \$135.8 million. The total purchase consideration includes an estimate of the fair value of the replacement stock options, warrants, and restricted stock units that is attributable to the pre-combination service period. The merger will be accounted for using the acquisition method of accounting; accordingly Umpqua will recognize Sterling's assets (including identifiable intangible assets) and liabilities at their respective estimated fair values as of the merger date. Accordingly, the pro forma purchase consideration and the

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

Table of Contents

assets acquired and the liabilities assumed based on their estimated fair values are summarized in the following table.

	September 30, 2013
	(dollars in thousands)
Fair value consideration paid to Sterling shareholders	
Cash paid (62,314,862 shares at \$2.18)	\$ 135,846
Fair value of common shares issued (62,314,862 shares at approximately \$27.10 price per share)	1,688,958
Fair value of warrants, common stock options, and restricted stock exchanged (6,056,814 shares at a weighted average pre-merger service period cost per share of approximately \$8.17)	49,502
Total pro forma purchase price	\$ 1,874,306
Fair value of assets acquired:	
Cash and cash equivalents	\$ 185,038
Investment securities	1,498,552
Non-covered loans and leases, net	7,013,128
Premises and equipment, net	97,795
Mortgage servicing rights	62,030
Other intangible assets, net	63,894
Non-covered other real estate owned	13,971
Bank owned life insurance	189,906
Deferred tax asset	301,130
Accrued interest receivable	29,614
Other assets	136,264
Total assets acquired	\$ 9,591,322
Fair value of liabilities assumed:	
Deposits	\$ 6,648,547
Securities sold under agreements to repurchase	534,669
Term debt	1,032,807
Junior subordinated debentures	154,298
Other liabilities	106,239
Total liabilities assumed	\$ 8,476,560
Net assets acquired	\$ 1,114,762
Preliminary pro forma goodwill	\$ 759,544

Table of Contents**Note 6 Pro Forma Adjustments**

The following pro forma adjustments have been reflected in the unaudited pro forma condensed combined financial information. All adjustments are based on current assumptions and valuations, which are subject to change.

Balance Sheet**(amounts in thousands)**

A	Adjustments to cash and cash equivalents		
	To reflect cash used to purchase Sterling	\$	(135,846)
	To reflect cash paid for merger expenses		(52,000)
	To reflect cash paid for divestiture of Sterling branches		(164,641)
		\$	(352,487)
B	Adjustments to non-covered loans and leases		
	To reflect estimated fair value at merger date. The adjustment to loans is primarily related to credit deterioration in the acquired loan portfolio. The credit adjustment to loans is calculated as 3.5% of gross loans. During Umpqua's due diligence on Sterling, Umpqua reviewed loan information across collateral types and geographic distributions. Umpqua applied traditional loan examination methodologies to arrive at the fair value adjustment. The rate adjustment to loans reflects estimated fair value at merger date based on current market rates for similar assets and will be accreted to income using the effective yield method over the contractual lives of the loans, which is approximately ten years.	\$	(302,000)
	To reflect loans sold with divestiture of Sterling branches at merger date.		(93,679)
		\$	(395,679)
C	Adjustment to allowance for non-covered loan and lease losses		
	To remove Sterling allowance at merger date as the credit risk is contemplated in the fair value adjustment in Adjustment B above.	\$	138,698
D	Adjustment to premises and equipment, net		
	To reflect divestiture of Sterling branches at merger date.	\$	(2,575)
E	Adjustment to mortgage servicing rights		
	To reflect estimated fair value at merger date based on current market rates for similar assets.	\$	5,000
F	Adjustments to goodwill		
	To remove Sterling goodwill at merger date	\$	(36,633)
	To reflect the goodwill associated with the merger		759,544
		\$	722,911
G	Adjustments to other intangible assets, net		
	To remove Sterling other intangible assets, net	\$	(16,154)
	To record the estimated fair value of acquired identifiable intangible assets, calculated as 1.25% of Sterling core deposits. The acquired core deposit intangible will be amortized over ten years using a sum-of-the-years-digits method.		63,894
		\$	47,740
H	Adjustment to non-covered other real estate owned		
	To record the estimated fair value of acquired non-covered other real estate owned.	\$	(3,493)

Table of Contents

Balance Sheet

(amounts in thousands)

I	Adjustments to deferred tax asset		
	To reflect deferred tax asset created in the merger, which is calculated as follows:		
	Adjustments to non-covered loans and leases	\$	302,000
	Adjustment to allowance for non-covered loan and lease losses		(138,698)
	Adjustment to mortgage servicing rights		(5,000)
	Adjustments to other intangible assets, net		(47,740)
	Adjustment to non-covered other real estate owned		3,493
	Adjustments to deposits		25,000
	Adjustments to term debt		5,000
	Adjustment to junior subordinated debentures		(91,000)
	Subtotal for fair value adjustments	\$	53,055
	Calculated deferred tax asset at Umpqua's estimated statutory tax rate of 35%	\$	18,569
J	Adjustments to deposits		
	To reflect estimated fair value at merger date based on current market rates for similar products. This adjustment will be accreted to interest expense over the estimated lives of the deposits, which is approximately three years.	\$	25,000
	To reflect deposits sold with divestiture of Sterling branches at merger date.		
	Non-interest bearing demand deposits		(55,157)
	Interest bearing deposits		(175,738)
		\$	(205,895)
K	Adjustment to term debt		
	To reflect estimated fair value at merger date based on current market rates and spreads for similar borrowings. This estimated premium will be accreted to interest expense over the remaining contractual life of such borrowings, which is approximately three years.	\$	5,000
L	Adjustment to junior subordinated debentures, at fair value		
	To reclassify junior subordinated debentures, at amortized cost to junior subordinated debentures, at fair value. Junior subordinated debentures acquired will be held at fair value.	\$	245,298
	To reflect estimated fair value at merger date based on third party valuation.		(91,000)
		\$	154,298
M	Adjustment to junior subordinated debentures, at amortized cost		
	To reclassify junior subordinated debentures, at amortized cost to junior subordinated debentures, at fair value. Junior subordinated debentures acquired will be held at fair value.	\$	(245,298)
N	Adjustments to common stock		
	To eliminate historical Sterling common stock	\$	(1,972,021)
	To reflect the issuance and exchange of Umpqua common stock to Sterling shareholders		1,738,460
		\$	(233,561)
O	Adjustment to retained earnings/accumulated deficit		
	To eliminate historical Sterling accumulated deficit	\$	786,059
	To adjust for after tax merger expenses		(52,000)
		\$	734,059
P	Adjustment to accumulated other comprehensive income		
	To eliminate historical Sterling accumulated other comprehensive income	\$	(29,919)

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

Table of Contents

Income Statements (amounts in thousands)		Nine Months Ended September 30, 2013	Year Ended December 31, 2012
Q	Adjustments to non-covered loans and leases interest income		
	FinPac		
	To reflect adjusted interest income from leases due to the estimated loss of income from the write-off of FinPac's loan mark and the amortization of the new interest rate mark and the accretion of the acquisition accounting adjustment relating to the credit mark. The amortization period will be the contractual lives of the leases, which is approximately four years, and will be amortized into income using the effective yield method.	\$ (4,789)	\$ (5,332)
	Sterling		
	To reflect accretion of loan rate discount resulting from non-covered loans and leases fair value pro forma Adjustment B using effective yield methodology over the estimated lives of the acquired loan portfolio, which is approximately ten years.	\$ 6,932	\$ 11,068
	To reclassify miscellaneous loan fees from service charges on deposit accounts to non-covered loans and leases interest income to conform with consolidated presentation.	4,444	5,967
	To reflect non-covered loans and leases interest income on branches divested at merger date.	(3,331)	(5,383)
		\$ 8,045	\$ 11,652
R	Adjustments to interest income on temporary investments and interest bearing deposits		
	Sterling		
	To reflect adjusted interest income on temporary investments and interest bearing cash due to cash paid for purchase and divestiture of Sterling branches.	\$ (563)	\$ (751)
S	Adjustments to interest expense on deposits		
	Sterling		
	To reflect amortization of deposit premium resulting from deposit fair value pro forma Adjustment J based on weighted average life of time deposits being approximately three years.	\$ 3,718	\$ 14,864
	To reflect interest expense on branches divested at merger date.	(554)	(1,207)
		\$ 3,164	\$ 13,657
T	Adjustments to interest expense on term debt		
	Sterling		
	To reflect amortization of term debt premium resulting from term debt fair value pro forma Adjustment K based on weighted average life of borrowings of 15.25 months.	\$ (1,857)	\$ (2,476)

Table of Contents

Income Statements (amounts in thousands)	Nine Months Ended September 30, 2013	Year Ended December 31, 2012
U Adjustments to provision for credit losses non-covered		
FinPac		
With acquired leases recorded at fair value, Umpqua would expect a reduction in the historical provision for loan and lease losses from FinPac, however no adjustment to the historical amount of FinPac provision for loan and lease losses is reflected in this pro forma financial information.		
Sterling		
To reclassify reserve for unfunded commitments from non-covered provision for credit losses to other expenses to conform with consolidated presentation.	\$ (2,100)	\$ (2,500)
With acquired loans recorded at fair value, Umpqua would expect a reduction in the provision for loan losses from Sterling, however no adjustment to the historical amount of Sterling provision for loan losses is reflected in this pro forma financial information.		
V Adjustments to service charges on deposit accounts		
Sterling		
To reflect service charges on deposit accounts on branches divested at merger date.	\$ (1,765)	\$ (2,275)
To reclassify miscellaneous loan fees from service charges on deposit accounts to non-covered loans and leases interest income to conform with consolidated presentation.	(4,444)	(5,967)
To reflect lower service charges on deposit accounts as a result of passing \$10 billion asset threshold.	(4,050)	(5,400)
	\$ (10,259)	\$ (13,642)
W Adjustment to loss on junior subordinated debentures carried at fair value		
Sterling		
To reflect change in fair value of junior subordinated debenture discount resulting from junior subordinated debenture fair value pro forma Adjustment L based on remaining average life of junior subordinated debentures of 23.6 years.	\$ (2,890)	\$ (3,853)

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

Table of Contents

Income Statements (amounts in thousands)		Nine Months Ended September 30, 2013	Year Ended December 31, 2012
X	Adjustments to salaries and employee benefits		
	FinPac		
	To reflect additional compensation expense related to restricted stock granted to FinPac management.	\$ 615	\$ 820
	To remove Financial Pacific Holdings LLC salaries and employee benefits	(308)	(276)
	To reclassify private equity compensation expense from other expense	170	
		\$ 477	\$ 544
	Sterling		
	To reflect salaries and employee benefits related to branches divested at merger date.	\$ (1,737)	\$ (2,588)
	To reflect additional compensation expense related to restricted stock granted to Sterling management and retention bonuses of top five retained executives.	1,639	2,185
		\$ (98)	\$ (403)
Y	Adjustments to amortization of intangibles		
	Sterling		
	To reflect amortization of acquired intangible assets based on amortization period of ten years and using the sum-of-the-years-digits method of amortization	\$ 5,859	\$ 8,601
Z	Adjustments to other expenses		
	FinPac		
	To remove management fees.	\$ (567)	\$ (1,219)
	To remove director compensation and travel fees.	(21)	(64)
	To remove Financial Pacific Holdings LLC other expenses		(497)
	To reclassify private equity compensation expense to salaries and employee benefits	(170)	
		\$ (758)	\$ (1,780)
	Sterling		
	To reclassify reserve for unfunded commitments from non-covered provision for credit losses to other expenses to conform with consolidated presentation.	\$ 2,100	\$ 2,500
	To reflect other expenses related to branches divested at merger date.	(680)	(1,054)
		\$ 1,420	\$ 1,446

Edgar Filing: UMPQUA HOLDINGS CORP - Form S-4/A

Table of Contents

Income Statements (amounts in thousands)		Nine Months Ended September 30, 2013	Year Ended December 31, 2012
AA	Adjustments to income tax provision (benefit)		
	FinPac		
	To reflect the income tax effect of pro forma adjustments at Umpqua's estimated statutory tax rate of 35%	\$ (1,578)	\$ (1,434)
	Sterling		
	To reflect the income tax effect of pro forma adjustments at Umpqua's estimated statutory tax rate of 35%	\$ (4,219)	\$ (8,722)
AB	Adjustments to weighted average number of common shares outstanding Basic		
	Sterling		
	To reflect acquisition of Sterling common shares.	(62,281)	(62,123)
	To reflect issuance of Umpqua common stock as Sterling shareholders will receive 1.671 shares of Umpqua common stock for each share of Sterling common stock they hold immediately prior to the merger.	104,071	103,807
		41,790	41,684
AC	Adjustments to weighted average number of common shares outstanding Diluted		
	Sterling		
	To reflect acquisition of Sterling common shares.	(63,271)	(62,772)
	To reflect issuance of Umpqua common stock as Sterling shareholders will receive 1.671 shares of Umpqua common stock for each share of Sterling common stock they hold immediately prior to the merger.	107,639	107,375
		44,368	44,603

Table of Contents

COMPARATIVE PER SHARE DATA

(Unaudited)

Presented below are unaudited per share basic and diluted earnings, cash dividends and book value for (1) Umpqua and Sterling on a historical basis, (2) Umpqua and FinPac on a pro forma combined basis and (3) Umpqua and Sterling on a pro forma combined and pro forma equivalent basis, in each case as of and for the fiscal year ended December 31, 2012 and as of and for the nine months ended September 30, 2013. The information presented below should be read together with the historical consolidated financial statements of Umpqua, FinPac and Sterling, including the related notes incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

The unaudited pro forma and pro forma per equivalent share information gives effect to the merger and the FinPac acquisition as if the merger and the FinPac acquisition had been effective on December 31, 2012 or September 30, 2013 in the case of the book value data, and as if the merger had been effective as of January 1, 2012 in the case of the earnings per share and the cash dividends data. The unaudited pro forma data combines separately the historical results of Sterling and FinPac into Umpqua's consolidated statement of income. While certain adjustments were made for the estimated impact of fair value adjustments and other acquisition-related activity, they are not indicative of what would have occurred had these acquisitions taken place on January 1, 2012.

The unaudited pro forma adjustments are based upon available information and certain assumptions that Umpqua and Sterling management believe are reasonable. The unaudited pro forma data, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of factors that may result as a consequence of the merger or the FinPac acquisition or consider any potential impacts of current market conditions or the merger or the FinPac acquisition on revenues, expense efficiencies, asset dispositions, among other factors, nor the impact of possible business model changes. As a result, unaudited pro forma data is presented for illustrative purposes only and does not represent an attempt to predict or suggest future results. Upon completion of the merger, the operating results of Sterling will be reflected in the consolidated financial statements of Umpqua on a prospective basis.

Table of Contents

	Umpqua	Pro Forma Combined Umpqua and FinPac	Sterling Historical	Umpqua Pro Forma Combined	Sterling Pro Forma Per Equivalent Sterling Share(1)
Basic Earnings					
Nine months ended September 30, 2013	\$ 0.65	\$ 0.71	\$ 1.15	\$ 0.66	\$ 1.11
Year ended December 31, 2012	\$ 0.90	\$ 1.06	\$ 6.21	\$ 2.26	\$ 3.78
Diluted Earnings					
Nine months ended September 30, 2013	\$ 0.65	\$ 0.71	\$ 1.13	\$ 0.65	\$ 1.09
Year ended December 31, 2012	\$ 0.90	\$ 1.06	\$ 6.14	\$ 2.22	\$ 3.72
Cash Dividends Paid(2)					
Nine months ended September 30, 2013	\$ 0.45	\$ 0.45	\$ 0.75	\$ 0.45	\$ 0.75
Year ended December 31, 2012	\$ 0.34	\$ 0.34	\$ 0.80	\$ 0.34	\$ 0.57
Book Value					
September 30, 2013	\$ 15.42	\$ 15.48	\$ 19.51	\$ 15.80	\$ 26.40
December 31, 2012	\$ 15.41	\$ 15.57	\$ 19.58	\$ 15.59	\$ 26.04

(1) Computed by multiplying the Umpqua pro forma combined amounts by the exchange ratio of 1.671.

(2) Pro forma combined cash dividends paid are based only upon Umpqua's historical amounts

Table of Contents

RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed under the section "Cautionary Statement Regarding Forward-Looking Statements," you should carefully consider the following risk factors in deciding how to vote on the proposals presented in this joint proxy statement/prospectus. You should also consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

Because the market price of Umpqua common stock will fluctuate, the value of the merger consideration to be received by Sterling shareholders is uncertain.

Upon completion of the merger, each share of Sterling common stock (except for specified shares of Sterling common stock held by Sterling or Umpqua and any dissenting shares) will be converted into 1.671 shares of Umpqua common stock and \$2.18 in cash, without interest. The market value of the shares of Umpqua common stock to be received as part of the merger consideration will vary from the closing price of Umpqua common stock on the date Umpqua and Sterling announced the merger, on the date that this joint proxy statement/prospectus is mailed to Sterling shareholders, on the date of the special meeting of the Sterling shareholders and on the date the merger is completed and thereafter. Any change in the market price of Umpqua common stock prior to the completion of the merger will affect the market value of the merger consideration that Sterling shareholders will receive upon completion of the merger, and there will be no adjustment to the merger consideration for changes in the market price of either shares of Umpqua common stock or shares of Sterling common stock. Stock price changes may result from a variety of factors that are beyond the control of Umpqua and Sterling, including, but not limited to, general market and economic conditions, changes in our respective businesses, operations and prospects and regulatory considerations. Therefore, at the time of the Sterling special meeting you will not know the precise market value of the consideration Sterling shareholders will receive at the effective time of the merger. You should obtain current market quotations for shares of Umpqua common stock and for shares of Sterling common stock.

The market price of Umpqua common stock after the merger may be affected by factors different from those affecting the shares of Sterling or Umpqua currently.

Upon completion of the merger, holders of Sterling common stock will become holders of Umpqua common stock. Umpqua's business differs in important respects from that of Sterling, and, accordingly, the results of operations of the combined company and the market price of Umpqua common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of Umpqua and Sterling. For a discussion of the businesses of Umpqua and Sterling and of some important factors to consider in connection with those businesses, see the documents incorporated by reference in this joint proxy statement/prospectus and referred to under "Where You Can Find More Information."

Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or that could have an adverse effect on the combined company following the merger.

Before the merger and the bank merger may be completed, Umpqua and Sterling must obtain approvals from the Federal Reserve Board, the FDIC and the Oregon Director, and file a notification to the Washington DFI. Other approvals, waivers or consents from regulators may also be required. In determining whether to grant these approvals the regulators consider a variety of factors, including the regulatory standing of each party and the factors described under "The Merger Regulatory Approvals Required for the Merger." An adverse development in either party's regulatory standing or these factors could result in an inability to obtain approval or delay its receipt. These regulators may impose

Table of Contents

conditions on the completion of the merger or the bank merger or require changes to the terms of the merger or the bank merger. Such conditions or changes could have the effect of delaying or preventing completion of the merger or the bank merger or imposing additional costs on or limiting the revenues of the combined company following the merger and the bank merger, any of which might have an adverse effect on the combined company following the merger. See "The Merger Regulatory Approvals Required for the Merger."

Combining the two companies may be more difficult, costly or time consuming than expected and the anticipated benefits and cost savings of the merger may not be realized.

Umpqua and Sterling have operated and, until the completion of the merger, will continue to operate, independently. The success of the merger, including anticipated benefits and cost savings, will depend, in part, on Umpqua's ability to successfully combine and integrate the businesses of Umpqua and Sterling in a manner that permits growth opportunities and does not materially disrupt the existing customer relations nor result in decreased revenues due to loss of customers. It is possible that the integration process could result in the loss of key employees, the disruption of either company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits and cost savings of the merger. The loss of key employees could adversely affect Umpqua's ability to successfully conduct its business, which could have an adverse effect on Umpqua's financial results and the value of its common stock. If Umpqua experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause Umpqua and/or Sterling to lose customers or cause customers to remove their accounts from Umpqua and/or Sterling and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of Umpqua and Sterling during this transition period and for an undetermined period after completion of the merger on the combined company. In addition, the actual cost savings of the merger could be less than anticipated.

The fairness opinions obtained by Umpqua and Sterling from their respective financial advisors will not reflect changes in circumstances between the date of the signing of the merger agreement and the completion of the merger.

Umpqua has obtained a fairness opinion dated September 10, 2013 from J.P. Morgan and Sterling has obtained a fairness opinion dated September 11, 2013 from Sandler O'Neill, and such opinions have not been updated as of the date of this document and will not be updated at the time of the completion of the merger. Changes in the operations and prospects of Umpqua or Sterling, general market and economic conditions and other factors that may be beyond the control of Umpqua and Sterling, and on which the fairness opinions were based, may alter the value of Umpqua or Sterling or the prices of shares of Umpqua common stock or Sterling common stock by the time the merger is completed. The fairness opinions do not address the fairness of the merger consideration, from a financial point of view, at the time the merger is completed or as of any other date than the date of the opinions. The fairness opinions that Sterling and Umpqua received from their respective financial advisors are attached as Annex D and Annex E to this joint proxy statement/prospectus. For a description of the opinions, see "The Merger Opinion of Sandler O'Neill" and "The Merger Opinion of J.P. Morgan." For a description of the other factors considered by Umpqua's board of directors in determining to approve the merger, see "The Merger Umpqua's Reasons for the Merger; Recommendation of Umpqua's Board of Directors." For a description of the other factors considered by Sterling's board of directors in determining to approve the merger, see "The Merger Sterling's Reasons for the Merger; Recommendation of Sterling's Board of Directors."