

Umpqua Bank Announces Acquisition of Financial Pacific Holding Corp

6/4/2013 - Umpqua Holdings Corporation UMPQ, parent company of Umpqua Bank and Umpqua Investments, Inc., announced today that Umpqua Holdings and Umpqua Bank have signed a definitive agreement to acquire Financial Pacific Holding Corp. (FinPac) for \$158 million in cash. FinPac is currently majority-owned by an affiliate of Flexpoint Ford, LLC, a Chicago-based private equity firm. FinPac is parent company of Financial Pacific Leasing, LLC, which provides business-essential commercial equipment leases and loans to various industries throughout the United States, and is based in Federal Way, Washington.

FinPac had total assets of \$279 million as of April 30, 2013, with tangible equity of \$57 million expected at close. Upon completion of the acquisition, Financial Pacific Leasing will become a subsidiary of Umpqua Bank, reporting directly to Cort O'Haver, EVP Commercial Banking of Umpqua Bank.

"Combining FinPac's talented staff and national reach with Umpqua Bank's funding will provide valuable diversification and enhance Umpqua's profitability," said Cort O'Haver, EVP Commercial Banking of Umpqua Bank. "The platform is scalable, and is consistent with other key expansion initiatives we've completed over the last three years, including our business banking, agriculture lending and home builder lending groups."

"We are excited to become a part of Umpqua Bank, which is one of the most respected community banks in the country," said Paul Menzel, President and Chief Executive Officer of Financial Pacific Holdings. "We're confident this transaction will create value for both organizations, and look forward to leveraging our combined strengths for continued growth in the future."

"This transaction, along with the dividend increase we announced last month, represents another effective use of our capital," said Ray Davis, president and CEO of Umpqua Bank. "At eight times 2012 earnings, this represents a disciplined acquisition which leverages excess capital, deploys excess liquidity into significantly higher yielding assets, provides growth and further diversification, and increases profitability. Further, this transaction does not rule out the possibility of additional strategic acquisitions in the future, as we continue to deploy remaining excess capital for the benefit of our shareholders."

The boards of both companies and Flexpoint Ford, LLC have approved the transaction. Completion of the acquisition is expected within 30 days.