

UMPQUA HOLDINGS CORP
Form 8-K
July 15, 2004

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

FORM 8-K

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

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

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

OREGON
(State or Other Jurisdiction of
Incorporation or Organization)

000-25597
(Commission File
Number)

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

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

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

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

Item 7. Financial Statements and Exhibits

(c) Exhibits.

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

Exhibit

99.1 Statistical Supplement

Item 9. Regulation FD Disclosure

Attached as Exhibit 99.1 is a Statistical Supplement that is being provided to shareholders and others who have requested additional financial and statistical information from the

Company that is not included in the Company's earnings release. This information is being furnished to satisfy Regulation FD, but is not deemed filed under the Securities Exchange Act of 1934.

SIGNATURES

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

UMPQUA HOLDINGS CORPORATION
(Registrant)

Dated: July 15, 2004

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

EXHIBIT 99.1

UMPQUA HOLDINGS CORPORATION
Statistical Supplement
(in thousands, except share data and ratios: unaudited)

| | 2nd Qtr 2004 | 1st Qtr 2004 | 4th Qtr 2003 |
|---|-----------------|-----------------|-----------------|
| Income Statement Data | | | |
| Interest income | \$ 38,646 | \$ 36,907 | \$ 36,608 |
| Interest expense | 7,557 | 7,392 | 6,804 |
| Net interest income | 31,089 | 29,515 | 29,804 |
| Provision for credit losses | 1,100 | 1,075 | 1,075 |
| Net interest income after provision for credit losses | 29,989 | 28,440 | 28,729 |
| Service fees | 3,273 | 3,127 | 3,188 |
| Brokerage fees & commissions | 3,014 | 2,891 | 2,554 |
| Mortgage banking revenue, net | 2,399 | 1,649 | 1,200 |
| Gain (loss) on sale of securities | 6 | - | 2 |
| Other income | 716 | 793 | 760 |
| Total noninterest income | 9,408 | 8,460 | 7,704 |
| Salaries and employee benefits | 13,753 | 13,665 | 13,583 |
| Premises and equipment | 4,153 | 4,115 | 3,770 |
| Other non interest expense | 6,550 | 5,946 | 6,077 |
| Total noninterest expense | 24,456 | 23,726 | 23,430 |
| Operating income before income tax & merger expense | 14,941 | 13,174 | 13,003 |
| Provision for income taxes | 5,464 | 4,645 | 4,412 |
| Net income before merger expenses | \$ 9,477 | \$ 8,529 | \$ 8,591 |
| Merger expenses net of tax benefit | 346 | 131 | - |
| Net income | \$ 9,131 | \$ 8,398 | \$ 8,591 |
| Share Data(1) | | | |
| Before Merger Expenses: | | | |
| Basic earnings per common share | \$ 0.33 | \$ 0.30 | \$ 0.30 |
| Diluted earnings per common share | \$ 0.33 | \$ 0.30 | \$ 0.30 |

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After Merger Expenses:

| | | | | |
|---|------------|------------|------------|-----|
| Basic earnings per common share | \$ 0.32 | \$ 0.30 | \$ 0.30 | \$ |
| Diluted earnings per common share | \$ 0.32 | \$ 0.29 | \$ 0.30 | \$ |
| Tangible book value per common share | \$ 5.76 | \$ 5.99 | \$ 5.61 | \$ |
| Book value per common share | \$ 11.41 | \$ 11.59 | \$ 11.23 | \$ |
| Cash dividends per common share | \$ 0.06 | \$ 0.04 | \$ 0.04 | \$ |
| Ratio of dividends declared to net income | 18.54% | 13.57% | 13.23% | |
| Shares outstanding | 28,219,677 | 28,489,267 | 28,411,816 | 28, |
| Basic weighted average shares of common stock outstanding | 28,339,080 | 28,445,316 | 28,389,064 | 28, |
| Common stock equivalents | 325,199 | 373,883 | 413,101 | |
| Fully diluted weighted average shares of common stock outstanding | 28,664,279 | 28,819,200 | 28,802,165 | 28, |

Operating Diluted Earnings Per Share Contribution

| | | | | |
|---|---------|---------|-----------|----|
| Core company (excluding mortgage group and gain (loss) on sale of securities) | \$ 0.31 | \$ 0.29 | \$ 0.31 | \$ |
| Mortgage group | \$ 0.02 | \$ 0.01 | \$ (0.01) | \$ |
| Gain (loss) on sale of securities | \$ 0.00 | \$ - | \$ 0.00 | \$ |
| Operating earnings per diluted share | \$ 0.33 | \$ 0.30 | \$ 0.30 | \$ |

Balance Sheet Data (at period end)

| | | | | |
|--|------------|------------|------------|----|
| Investment securities | \$ 574,009 | \$ 518,496 | \$ 517,781 | \$ |
| Loans & leases, gross (excl held-for-sale) | 2,152,417 | 2,073,875 | 2,003,587 | 1, |
| Less: Allowance for credit losses | 27,319 | 26,287 | 25,352 | |
| Loans & leases, net (excl held-for-sale) | 2,125,098 | 2,047,588 | 1,978,235 | 1, |
| Intangible assets | 159,575 | 159,661 | 159,585 | |
| Total assets | 3,153,291 | 2,997,782 | 2,963,815 | 2, |
| Total deposits | 2,479,115 | 2,428,926 | 2,378,192 | 2, |
| Total shareholders' equity | 322,039 | 330,237 | 318,969 | |

Balance Sheet Data (averages)

| | | | | |
|--|--------------|--------------|--------------|-------|
| Loans & leases, gross (excl held-for-sale) | \$ 2,125,031 | \$ 2,033,357 | \$ 1,945,568 | \$ 1, |
| Loans held for sale | 29,245 | 25,100 | 39,868 | |
| Earning assets | 2,751,467 | 2,581,349 | 2,499,933 | 2, |
| Total assets | 3,106,392 | 2,941,964 | 2,863,045 | 2, |
| Non interest bearing demand deposits | 607,543 | 571,131 | 585,655 | |
| Interest bearing deposits | 1,861,619 | 1,813,598 | 1,737,365 | 1, |
| Interest bearing liabilities | 2,145,309 | 2,021,049 | 1,937,556 | 1, |
| Total shareholders' equity | 327,064 | 324,191 | 314,184 | |

UMPQUA HOLDINGS CORPORATION
Statistical Supplement
(in thousands, except share data and ratios: unaudited)

| | 2nd Qtr 2004 | 1st Qtr 2004 | 4th Qtr 2003 | 3rd Qtr 2003 | 2nd Qtr 2003 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Other Financial Data | | | | | |
| Total loan charge-offs | \$ 415 | \$ 447 | \$ 1,591 | 2,045 | \$ 46 |
| Total loan recoveries | 347 | 307 | 556 | 991 | 294 |
| Net loan charge-offs (recoveries) | 68 | 140 | 1,035 | 1,054 | 172 |
| Loans 90 days past due and still accruing | 704 | 1,246 | 927 | 533 | 1,112 |
| Non-accrual loans | 11,648 | 10,554 | 10,498 | 12,861 | 20,767 |
| Total nonperforming loans | 12,352 | 11,800 | 11,425 | 13,394 | 21,879 |
| Other real estate owned | 724 | 1,711 | 2,529 | 2,452 | 2,504 |

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| | | | | | |
|---|--------|---------|---------|---------|---------|
| Nonperforming assets | 13,076 | 13,511 | 13,954 | 15,846 | 24,383 |
| Selected Ratios | | | | | |
| Before Merger Expenses : | | | | | |
| Return on average total assets (annualized) | 1.23% | 1.17% | 1.19% | 1.33% | 1.34% |
| Return on average tangible assets (annualized) | 1.29% | 1.23% | 1.28% | 1.43% | 1.43% |
| Return on average total shareholders' equity (annualized) | 11.65% | 10.58% | 10.85% | 12.02% | 11.72% |
| Return on average tangible shareholders' equity (annualized) | 22.76% | 20.84% | 22.10% | 25.31% | 25.19% |
| Efficiency ratio (3) - Umpqua Bank only | 55.11% | 58.16% | 56.89% | 55.94% | 57.51% |
| Efficiency ratio (3) | 60.09% | 62.13% | 62.10% | 59.98% | 61.55% |
| Non interest revenue to Total revenue (TE) | 23.12% | 22.16% | 20.42% | 24.49% | 30.00% |
| Effective tax rate | 36.57% | 35.26% | 33.93% | 34.97% | 35.32% |
| After Merger Expenses: | | | | | |
| Return on average total assets (annualized) | 1.18% | 1.15% | 1.19% | 1.30% | 1.24% |
| Return on average tangible assets (annualized) | 1.25% | 1.21% | 1.28% | 1.40% | 1.32% |
| Return on average total shareholders' equity (annualized) | 11.23% | 10.42% | 10.85% | 11.70% | 10.83% |
| Return on average tangible shareholders' equity (annualized) | 21.93% | 20.52% | 22.10% | 24.63% | 23.27% |
| Average yield on earning assets (2) (annualized) | 5.68% | 5.78% | 5.85% | 5.95% | 6.05% |
| Interest expense to interest bearing liabilities(2)(annualized) | 1.42% | 1.47% | 1.39% | 1.47% | 1.69% |
| Net interest spread (2) | 4.26% | 4.31% | 4.45% | 4.48% | 4.36% |
| Interest expense to earning assets (annualized) | 1.10% | 1.15% | 1.08% | 1.12% | 1.31% |
| Net interest margin (2) (annualized) | 4.57% | 4.63% | 4.77% | 4.82% | 4.74% |
| Net interest margin (2) (annualized) - Umpqua Bank only | 4.74% | 4.80% | 4.91% | 4.98% | 4.90% |
| Asset Quality Ratios | | | | | |
| Allowance for possible loan and lease losses to ending total loans and leases | 1.27% | 1.27% | 1.27% | 1.31% | 1.35% |
| Nonperforming loans to ending total loans and leases | 0.57% | 0.57% | 0.57% | 0.69% | 1.17% |
| Nonperforming assets to ending total assets | 0.41% | 0.45% | 0.47% | 0.56% | 0.89% |
| Net loan charge-offs (recoveries) to avg loans and leases (annualized) | 0.01% | 0.03% | 0.21% | 0.22% | 0.04% |
| Capital Ratio | | | | | |
| Average shareholders' equity to average assets | 10.53% | 11.02% | 10.97% | 11.08% | 11.43% |
| Year to Date Growth | | | | | |
| Loans & leases, gross (excl held-for-sale) | 7.43% | 3.51% | 12.67% | 8.84% | 5.56% |
| Deposits | 4.24% | 2.13% | 13.04% | 7.58% | 8.51% |
| Total assets | 6.39% | 1.15% | 15.96% | 9.99% | 7.48% |
| Mortgage Banking Revenue | | | | | |
| Gain (loss) on origination and sale | 1,903 | 1,273 | 1,208 | 2,424 | 4,867 |
| Servicing income before accelerated amortization | 314 | 307 | 299 | 318 | 323 |
| Accelerated servicing right amortization | (684) | (531) | (527) | (1,222) | (1,056) |
| Sub total before mortgage servicing right (MSR) valuation change | 1,533 | 1,049 | 980 | 1,520 | 4,134 |
| MSR valuation change | 866 | 600 | 220 | 1,640 | (1,700) |
| Total Mortgage Banking Revenue | 2,399 | 1,649 | 1,200 | 3,160 | 2,434 |
| Mortgage Servicing Right Asset | | | | | |
| Gross Mortgage Servicing Right Asset | 11,832 | 12,266 | 12,515 | 12,859 | 13,041 |
| less: valuation reserve | (441) | (1,307) | (1,907) | (2,127) | (3,767) |
| Net Mortgage Servicing Right Asset | 11,391 | 10,959 | 10,608 | 10,732 | 9,274 |
| Net Mortgage Servicing Right Asset as % of serviced loan portfolio | 1.02% | 0.95% | 0.91% | 0.91% | 0.77% |

(1) Per share data has been adjusted for subsequent stock dividends and stock splits.

(2) Tax exempt interest income has been adjusted to a tax equivalent basis at a 35% effective tax rate beginning in 2001. Prior years at 34%.

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(3) Efficiency ratio is noninterest expense divided by the sum of net interest income (tax equivalent basis) plus noninterest income.
