



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

February 11, 2016

Julie A. Kunetka, Esq.
Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654

Dear Ms. Kunetka:

This letter responds to your request dated December 30, 2015, on behalf of Warburg Pincus & Co., New York, New York, and certain related entities (collectively, “Warburg Pincus”)¹ for relief from commitments that Warburg Pincus made to the Board of Governors of the Federal Reserve System (“Board”) in connection with Warburg Pincus’s investment in Umpqua Holdings Corporation (“Umpqua”), Portland, the parent of Umpqua Bank (“Bank”), Roseburg, both of Oregon. The requested relief would relieve Warburg Pincus from commitments that the Board relied on in determining that Warburg Pincus would not be able to exercise a controlling influence over Umpqua for purposes of the Bank Holding Company Act of 1956, as amended.²

Warburg Pincus acquired its shares of Umpqua through Umpqua’s merger with Sterling Financial Corporation, Spokane, Washington, in April 2014. Warburg Pincus sold all of its shares of Umpqua through a series of transactions between August and November 2014. Warburg Pincus does not have the right to appoint a director or nonvoting observer to the board of directors of Umpqua or any of its affiliates. Further, there are no existing or contemplated business relationships between Warburg Pincus and Umpqua or any of its affiliates,

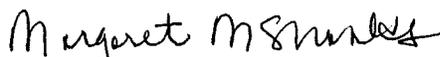
¹ Warburg Pincus includes Warburg Pincus & Co.; Warburg Pincus LLC; Warburg Pincus Partners LLC; Warburg Pincus X LLC; Warburg Pincus X, L.P.; Warburg Pincus Private Equity X, L.P.; and Warburg Pincus X Partners, L.P.

² 12 U.S.C. § 1841 *et seq.*

including Bank. Warburg Pincus does not have any formal or informal agreements with Umpqua or its affiliates relating to the management or policies of Umpqua or its affiliates. In addition, Warburg Pincus does not have any attributed interests in Umpqua or ability to influence Umpqua through any relationships with other shareholders of Umpqua. Warburg Pincus has provided a written representation that it would not exercise or attempt to exercise a controlling influence over the management or policies of Umpqua or its affiliates.

Based on all the facts of record, the Director of the Division of Banking Supervision and Regulation, acting pursuant to authority delegated by the Board under section 265.7(a)(2) of the Board's Rules Regarding Delegation of Authority (12 CFR 265.7(a)(2)), and after consulting with the General Counsel, has approved Warburg Pincus's request for relief from the commitments it provided in connection with its investment in Umpqua. This action is based on the representations and commitments set forth in your correspondence related to your request, including the representations discussed above. Any change in the facts presented could result in a different conclusion and should be reported to Board staff immediately. This determination should not be construed as granting relief from any other conditions or commitments to which Warburg Pincus may be subject.

Sincerely yours,



Margaret McCloskey Shanks
Deputy Secretary of the Board