

Umpqua Bank
Community Benefits Agreement
2022 – 2026

Umpqua Holdings Corporation (“Umpqua”) and its subsidiary bank, Umpqua Bank (“Umpqua Bank” or “Bank”), and Columbia Banking System, Inc. (“Columbia”) and its subsidiary, Columbia State Bank, have entered into a merger Agreement. Consummation of this transaction creates an opportunity for both legacy banks to illustrate their continued support for communities within the combined bank’s footprint. This Community Benefits Agreement (“Agreement”) articulates the combined bank’s (which will operate as Umpqua Bank) commitment to its communities for the period from January 1, 2023 through December 31, 2027, subject to consummation of the above referenced merger. The Agreement covers the communities where the combined bank has branch locations. Umpqua and Columbia collaborated with the National Community Reinvestment Coalition (“NCRC”) and its members in formulating this document.

The Bank agrees to meet the lending, investment, philanthropy, and supplier diversity spending commitments contained in this Agreement, with particular focus and attention on items identified as key priorities, noting that certain commitments may be subject to revision based on changing market or economic factors and in collaboration with NCRC and its members¹. The Bank will work with NCRC on creating a page on the Umpqua Bank website that has information on the Agreement.

The goals and targets incorporated into the Agreement demonstrate Umpqua’s and Columbia’s mutual commitment to ensuring the stability of the communities the combined bank will serve. The Agreement incorporates a host of underlying assumptions regarding economic, market, industry and governmental policy conditions that are essential to the feasibility of the targeted goals. These include macroeconomic conditions, interest rates, governmental policies, and financial system and institutional safety-and-soundness considerations that could require the combined institution to curtail lending activity to preserve capital and maintain liquidity.

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¹ See “Mortgage Lending Section” for additional variables.

Mortgage Lending

Umpqua Bank commits to lending equitably throughout its footprint, ensuring credit is flowing to underserved borrowers and neighborhoods with sub goals for mortgage lending to borrowers with low and moderate incomes, as well to Black, Latinx, and Asian borrowers and neighborhoods.

Mortgage Lending commitments are for originated loans on 1-4 family properties in Umpqua Bank's CRA assessment areas and do not factor changes that may be made to the Umpqua Bank Mortgage Lending business strategy at or following consummation of the Merger. In addition to revisions permitted under this Agreement on the basis of changing market or economic factors, Mortgage Lending commitments stated as units are subject to change based on changes to the Bank's Mortgage Lending business strategy. **Baseline** units shown below for all categories are the sum of Columbia Bank and Umpqua Bank 2018-2020 average units in counties where the banks have branches. The New 5 Year Goal units are the baseline after meeting a 20% annual increase, compounded annually for the 5-year term of this Agreement. In this way, the unit commitments are reflective of the two banks' historic production under each bank's historic Mortgage Lending strategy, making this section of the Agreement fluid.

With respect to unit counts, commitments can overlap with each other. For example, a home purchase loan to a borrower with low to moderate income ("LMI") in an LMI census tract can be credited to both categories. These are separate, non-mutually exclusive goals. For example, if a home purchase loan was made to an Asian borrower who also had a low or moderate income and lived in Oregon, that loan would be counted once in the Oregon goals for Asian borrowers, and once in the Oregon goals for borrowers with LMI.

The goals are not mutually exclusive because setting up mutually exclusive goals would create unintended consequences. For example, a mutually exclusive goal for mortgages in census tracts that are majority people of color would mean that goal could be satisfied by lending only to upper- and middle-income white borrowers in majority people of color census tracts.

Total Mortgage Goals in Loan Units

	Total		
	5 Year Baseline	New 5 Year Goal	Increase Over 5 YR
Black	392	852	117%
Latinx	2,317	4,186	81%
Asian	2,323	4,214	81%
LMIB	9,812	17,523	79%
LMICT	8,465	10,968	30%
MINT	4,752	6,188	30%

California Mortgage Goals in Loan Units

	Total		
	5 Year Baseline	New 5 Year Goal	Increase Over 5 YR
Black	80	144	80%
Latinx	738	1,319	79%
Asian	853	1,524	79%
LMIB	2,095	3,742	79%
LMICT	2,273	2,955	30%
MINT	2,870	3,731	30%

Idaho Mortgage Goals in Loan Units

	Total		
	5 Year Baseline	New 5 Year Goal	Increase Over 5 YR
Black	2	20	900%
Latinx	21	48	129%
Asian	18	51	183%
LMIB	330	590	79%
LMICT	210	273	30%

Nevada Mortgage Goals in Loan Units

	Total		
	5 Year Baseline	New 5 Year Goal	Increase Over 5 YR
Black	13	30	131%
Latinx	75	144	92%
Asian	50	90	80%
LMIB	175	313	79%
LMICT	109	142	30%
MINT	113	147	30%

Oregon Mortgage Goals in Loan Units

	Total		
	5 Year Baseline	New 5 Year Goal	Increase Over 5 YR
Black	124	302	144%
Latinx	588	1,080	84%
Asian	635	1,165	83%
LMIB	3,415	6,098	79%
LMICT	2,905	3,777	30%
MINT	401	521	30%

Washington Mortgage Goals in Loan Units

	Total		
	5 Year Baseline	New 5 Year Goal	Increase Over 5 YR
Black	172	358	108%
Latinx	895	1,596	78%
Asian	767	1,386	81%
LMIB	3,798	6,782	79%
LMICT	2,968	3,858	30%
MINT	1,368	1,778	30%

In addition to the aggregate goals and state-based mortgage goals detailed above, Umpqua Bank seeks to be a leader in mortgage lending to Black, Latinx and Asian borrowers in the following four markets: (i) Sonoma and Napa, CA; (ii) the Sacramento-Roseville CSA assessment area; (iii) the Portland-Vancouver-Hillsboro Multistate MSA assessment area; and (iv) the Seattle-Tacoma CSA assessment area. Notwithstanding unit goals that may change based on Umpqua Bank's Mortgage business strategy or due to market or economic factors, the Bank commits to annual mortgage originations to Black, Latinx and Asian borrowers exceeding the lending rates in the aggregate for each market by 20% by the end of year five of the Agreement term in each of the 4 markets identified. Progress will be tracked in each of the identified racial and geographic category on an annual basis.

Product Innovation, Staffing, and Partnerships (Mortgage Lending)

In order to increase inclusion and access, and to achieve the goals throughout this agreement, a **key priority** for Umpqua Bank will be to continue to collaborate with the Coalition for More Housing Choices and the Housing Development Consortium of the Puget Sound region, on their seven-point plan (Puget Sound Black Homeownership Initiative 7 Point Plan). The Bank will seek partnerships with similar

coalitions in Portland, Sacramento and Tacoma on parallel initiatives, and will apply these initiatives to Latinx, Asian and Native American communities.

In addition, Umpqua Bank commits to the following mortgage product and staffing innovations.

Underwriting and Access

- In order to achieve lending goals, Umpqua Bank commits to exploring mortgage product design that will ensure the bank's mortgages serve minority and LMI borrowers, such as aligning underwriting to match Fannie Mae's guidance on accepting rental payment histories in underwriting, or piloting a mortgage product with additional flexible underwriting features.
- Offering loans (as allowed by agency investors) to individuals that have Individual Taxpayer Identification Numbers (ITIN), as well as allowing for opening accounts, and participating in general banking business, for ITIN holders.
- Offering the legacy Umpqua Bank affordable loan products throughout the combined Bank's footprint, and considering expanding this product to include multiple forms of down payment assistance, closing cost assistance, allowing borrowers to obtain lower LTV mortgages with no mortgage insurance and lower interest rates, therefore lowering monthly payments amounts.
- Exploring the creation of a strong down payment assistance program.
- Retaining existing Umpqua Bank mortgage products for community land trusts and increasing access to financing for non-traditional shared equity housing models such as Community Land Trust and Limited Equity Cooperatives and Condominiums.
- Explore programs that help increase mortgage originations for Native American borrowers.
- Providing housing counseling for products designed to expand access to borrowers with LMI, and developing an adverse action processes that will refer declined borrowers to local organizations that offer housing counseling and credit repair services.
- Remaining a participant in the California Mortgage Relief Program, the Oregon Homeowner Assistance Fund and the Washington Homeowner Assistance Fund.

Support for Housing Counseling and Foreclosure Prevention

Umpqua Bank commits to increasing its support for housing counseling organizations and organizations offering credit repair, cradle-to-career financial education, financial empowerment, and working with homeowners to prevent foreclosure; including such organizations working in rural communities.

Umpqua Bank will consider expanding its participation in state-wide or regional financial education programs, such as the Oregon State Treasurer's Financial Education Program.

Umpqua Bank also commits to continued flexibility in working with homeowners and nonprofit organizations to prevent foreclosures as we navigate the new landscape of preventing default caused by COVID. Measures include offering loss mitigation tools that are in line with loss mitigation products available from Fannie Mae and Freddie Mac that have proven effective at both institutions prior to the merger. Additional measures include implementing policies that prohibit foreclosures (a) with "no

contact” and instead ensuring the borrower is referred to HUD approved housing counseling groups or (b) for borrowers with a pending Homeowner Assistance Fund application with the U.S. Department of the Treasury when notified by the borrower or a State agency.

- The Bank will provide referral sources to a HUD-certified counseling agency at the time of application and at the time of adverse action. Umpqua Bank will be intentional in ensuring that its support for housing counseling is targeted to communities that have been hardest hit by the pandemic and legacy of redlining, such as Black, Latinx, Asian, and Native American communities, and will target its housing counseling support to organizations that are led by people of color and or serve constituent populations of people of color.

Closing Racial Wealth Gaps

- Collaborating with organizations operating programs that aim to keep Black residents and businesses within communities they have been in for decades, recognizing that Black communities in several cities within the Bank’s footprint are facing displacement and gentrification.
- Proactively meeting with organizations that are located in and serve communities of color, people with disabilities, immigrant communities, the elderly and consult with them on mortgage products, and seek ways to work with those organizations to increase access to homeownership.
- Considering the recommendations of the Puget Sound Black Homeownership Initiative 7 Point Plan when developing mortgage products and outreach throughout the Bank’s footprint. Umpqua’s partnerships with community-based organizations will be a critical component essential to increasing the Bank’s impact in Black communities. The 7 Points detailed in the Plan are set forth in **Appendix A**.
- Training and supporting mortgage loan officers to work with local counseling agencies, realtors, and other community connectors to increase community awareness of Umpqua Bank’s products and programs that are designed to expand access to homeownership.
- Leveraging the bank’s Native American banking relationships and referral sources for mortgages to help increase mortgage originations for Native American borrowers.
- Considering additional tools to facilitate accomplishment of the above mortgage goals, such as expansion of FHA lending, participation in HUD Section 184 Indian Home Loan Guarantee Program, developing a special purpose credit program for mortgage lending, and developing mortgage financing relating to California Housing Opportunity and More Efficiency (HOME) Act and the Starter Home Revitalization Act.

Mortgage Staffing

- Hiring diverse mortgage loan officers (MLOs) that reflect the community and effectively support the multiple languages found in that specific community, as well as developing Black loan officers and future mortgage leaders.

- Developing relationships and collaborating with “trusted brokers” who interface with the community and provide credibility, assurance, and encouragement to Black households who could potentially become homeowners.
- Ensuring that MLOs are trained in layering complex and multiple down payment assistance for LMI and minority borrowers.
- Ensuring that MLOs are compensated in a way that encourages and incentivizes working with borrowers with low and moderate incomes and low dollar volume mortgages. Such incentives to MLO structure might include hiring MLOs specifically dedicated to reaching people of color and immigrant communities.

Small Business Lending

Baseline amounts for all categories are the sum of Columbia Bank 2017-2019 average loan units combined with the sum of Umpqua Bank 2017-2019 average loan units in the state specified.

Same as mortgage lending, these are separate goals for loans to businesses with under \$1 million in revenue, and to businesses in LMI census tracts, that are state specific and based on loan unit, and tracked separately so as not to be double counted, but not mutually exclusive so as to not make it so loans counted to businesses in LMI census tracts all had to make more than \$1 million in annual revenue.

Total Small Business Goals in Loan Units

	5 Year Baseline	New 5 Year Goal	Increase Percentage
Business Under \$1 Mil in Revenue	6610	7670	16%
Business in LMI Census Tract	4884	5668	16%

California Small Business Goals in Loan Units

	5 Year Baseline	New 5 Year Goal	Increase Percentage
Business Under \$1 Mil in Revenue	1432	1661	16%
Business in LMI Census Tract	1007	1168	16%

Idaho Small Business Goals in Loan Units

	5 Year Baseline	New 5 Year Goal	Increase Percentage
Business Under \$1 Mil in Revenue	414	481	16%
Business in LMI Census Tract	176	204	16%

Nevada Small Business Goals in Loan Units

	5 Year Baseline	New 5 Year Goal	Increase Percentage
Business Under \$1 Mil in Revenue	100	116	16%
Business in LMI Census Tract	138	161	16%

Oregon Small Business Goals in Loan Units

	5 Year Baseline	New 5 Year Goal	Increase Percentage
Business Under \$1 Mil in Revenue	2533	2939	16%

Business in LMI Census Tract	1868	2167	16%
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Washington Small Business Goals in Loan Units

	5 Year Baseline	New 5 Year Goal	Increase Percentage
Business Under \$1 Mil in Revenue	2132	2474	16%
Business in LMI Census Tract	1696	1968	16%

Umpqua commits to working with organizations that support Black owned businesses, Latinx owned businesses, Asian owned businesses, and Women owned businesses.

Product Innovation, Staffing, and Partnerships (Small Business)

In order to increase access to small business lending, Umpqua Bank commits to:

- Complying with the CFPB's Section 1071 rulemaking and upon implementation, will track small business borrower demographic data in an effort to ensure its loans are reaching BIPOC borrowers in a manner consistent with the new rule.
- Formalizing Umpqua's referral relationships with, and investing in, CDFIs that can assist small business applicants currently unable to get financing directly from the Bank ("second look" programs).
- Training and supporting business loan officers to work with nonprofits on marketing and outreach efforts about Umpqua Bank small business products. To further support this commitment, Umpqua will explore including a CDFI referral document to declined businesses.
- Participating in state and local programs designed to support small businesses where applicable.
- Ensuring that staff can assist small business owners in multiple languages, throughout the Umpqua Bank footprint, and exploring development of culturally inclusive business loans.
- Exploring development of a small business loan product for new and existing cooperative business borrowers, and for businesses seeking conversion to employee ownership.

Community Development Loans and Investments (CDLI)

Umpqua Bank commits to maintaining Columbia's leadership performance relative to CDLI production and specifically commits to 1.4% of combined assets (\$49,497,000,000 as of 9.30.2021) equating to \$700,000,000 or \$3,500,000,000 over five years.

Widespread Community Development (CDLI)

Umpqua Bank commits to distributing the community development goal across the Umpqua Bank footprint with each state getting an increase over the course of the agreement from the previous levels of community development financing achieved by Columbia Bank and Umpqua Bank. Umpqua Bank agrees to provide a breakdown of progress at the state level.

Umpqua Bank will explore community development lending to non-profits which includes (1) lines of credit for acquisition and construction, (2) direct lending to organizations that demonstrate a strong

balance sheet and performance track record and (3) including pre development support as part of project investment.

Staffing (CDLI)

Umpqua Bank will continue to progress in ensuring that all markets are served by staff that reflect the communities they serve and are knowledgeable of Umpqua Bank's community development loan and investment products, including more complex deals such as financing the acquisition of property for land banks and community land trusts. Umpqua Bank is committed to maintaining resource levels appropriate in order to achieve committed goals.

Community Development Loan and Investment Priorities

An initial and **key priority** for the combined bank will be to provide Community Development Corporations with reasonably priced lines or credit for acquisition and construction, to increase pre-development lending, and to create a fund for pre-development grants.

Umpqua Bank commits to re-examining its underwriting of community development loans, in order to determine where appropriate distinctions can be made between CRA-eligible community development lending and investments, vs. general commercial lending.

Umpqua Bank commits to increasing its community development loans and investments in rural communities in order to reverse the dramatic decline in housing stock in rural communities and will report on its progress at achieving this. As an additional commitment to rural communities, Umpqua commits to providing support to organizations working on broadband infrastructure projects throughout its footprint.

When the Columbia Bank-Umpqua Bank merger is finalized, Umpqua Bank will work with NCRC to ensure that its members, and community groups in general, have appropriate contacts in order to submit community development and philanthropy proposals related to the agreement. Umpqua Bank also commits to proactive outreach to nonprofit developers, CDCs, and community organizations to keep abreast of local needs, and will be prepared to respond to opportunities with loans, investments, and products.

In the course of implementing this agreement, Umpqua Bank commits to prioritize financing minority-led organizations engaged in economic or social development, with whom Columbia Bank and Umpqua Bank have not previously had a relationship. Umpqua Bank will ensure that a diverse array of community-based urban and rural organizations are represented in these new partnerships and report on the number, type, and racial and gender diversity of the leadership of the new organizations that receive support.

Umpqua Bank will increase its support for CDFIs in each state in its footprint. Included in these efforts, Umpqua Bank will offer capital to CDFIs at low interest rates with "patient" and flexible loan terms, expand its offering of unsecured loans with CDFIs, as well as expanding EQ2 investments with CDFIs. As part of Umpqua Bank's expansion of EQ2 investments, Umpqua Bank will offer EQ2 investments to CDFIs involved in housing, in addition to offering EQ2 investments to small business focused CDFIs. Small business focused CDFIs can provide flexible underwriting and high-touch micro-loans with technical support that large banks are not equipped to provide. Umpqua Bank will endeavor to simplify funding tools for CDFIs, which often face overly complex application and compliance requirements tied to bank financing. More on Umpqua Bank's support for CDFIs in the Philanthropic Priorities section.

Umpqua Bank will pursue New Markets Tax Credit and Low Income Housing Tax Credit projects throughout its footprint, including in rural areas, and will designate a contact that NCRC can direct interested members to about Umpqua Bank's progress, as well as to provide more information to interested groups about the tax credit process.

Construction and Preservation of Affordable Multi and Single Family Housing

Given the persistent and rising need for affordable housing, especially with so many tenants and housing providers impacted by the pandemic, Umpqua Bank will focus its multifamily financing on explicitly advancing the preservation and development of affordable housing.

Affordable Housing Community Development Goals

Umpqua will continue to dedicate lenders to Affordable Housing. Such lenders will continue to focus on preservation and permanent affordable housing, collaborating with organizations that work to reduce displacement of low-income and BIPOC communities.

Recognizing the limitations of LIHTC projects to adequately address the affordable housing crisis, Umpqua Bank will increase partnerships with non-LIHTC CDC projects, land trusts, shared equity initiatives, co-ops and land contracts. Umpqua Bank will work with NCRC members and other mission-driven developers, such as community development corporations and land banks, involved in the development and rehabilitation of affordable multi and single-family housing to realize this goal, including looking to improve upon Columbia Bank or Umpqua Bank's existing community development loan and investment products. The Bank will consider offering new products – such as pre-development loans, gap financing, acquisition and construction lines of credit, direct lending without an intermediary, and innovative collateralization.

- Umpqua Bank will explore partnerships with non-profit organizations and CDFIs that can purchase Umpqua Bank' REO properties in LMI and BIPOC communities rehab the properties and make them permanently affordable.
- Umpqua Bank will increase its community development loans and investments in Native CDFIs and other Native American led organizations.
- Umpqua Bank will support nonprofits through the pre-development phase of projects. This support may include a mix of grants, including recoverable grants / zero-interest loans, EQ2 investments, and other forms of low-interest, flexible, financing for the acquisition of land and buildings, construction and rehab. This support may entail the offering of lines of credit and pre-development lending to qualified lending organizations that may not have had access in the past; and to use networks such as the Housing Oregon and the King County Housing Development Consortium, to convene meetings with individual organizations to learn and understand the community development opportunities that are available through the bank and how to access them.
- Umpqua Bank will provide an in-depth review of Umpqua Bank's progress towards increasing development and preservation of affordable housing on a state-by-state level, including product and partnership innovations such as loan loss reserves, revolving loan funds for the financing of home purchase and rehab projects.

- Following finalization of the Columbia Bank-Umpqua Bank merger, Umpqua Bank will provide NCRC with contacts for appropriate local staff, who will meet with NCRC members upon request to explore new ways to fund housing development for that specific market.
- For Umpqua Bank's legacy and outstanding loans to CDFIs and non-profits, the new Umpqua Bank will not accelerate or otherwise make changes to loan terms that are unfavorable to borrowers so long as the CDFIs are meeting investment performance and covenants as originally presented

CRA Eligible Philanthropy

Umpqua Bank will continue and proportionately increase support of community development efforts through philanthropic means, including a focus on minority-led and minority-serving organizations. Philanthropic support will continue and proportionately increase to benefit community development priorities including affordable housing and economic development. Community services will continue and proportionately increase to benefit for low- and moderate-income people and to revitalize and stabilize communities.

Umpqua Bank recognizes the importance of minority led organizations in building community prosperity by addressing economic inequities. Umpqua will make grants for capacity building of minority led and serving organizations a priority of its community reinvestment and philanthropic initiatives. Umpqua will set a significant annual goal for this activity as a dedicated fund of a specified amount, serving at least thirty organizations during the term of this Agreement.

Previous Annual Baseline of Columbia Bank and Umpqua Bank combined \$2,823,160 average, \$14,115,800 over five years.

New Commitment: \$21,173,700 (Cumulative over five years)

Widespread Increase (Philanthropy)

Umpqua Bank commits to distributing this increase across Umpqua Bank's footprint with each state experiencing an increase over the course of the agreement. Umpqua Bank agrees to work with NCRC as part of the annual reporting of the progress of this agreement to provide a breakdown of progress.

Philanthropic Priorities

Umpqua Bank will publish its CRA-eligible philanthropy priorities and share the information with NCRC and its members, to ensure that grant applicants pursue grants that fit with the Bank's priorities.

As an initial **key priority**, Umpqua Bank will provide capacity building funding for minority-led and minority-serving organizations that are engaged in either economic development or social development.

In addition, Umpqua Bank will implement or continue and proportionately increase the following activity:

- Support Black-led businesses and Black-led small business technical support providers.
- Track CRA eligible philanthropic support to organizations with Black, Latinx, Asian, and Native American leadership or benefitting constituencies, and commit to increasing the amount of support over the term of the agreement. Commit to offering grants to additional community based nonprofit organizations that Columbia Bank and Umpqua Bank have not previously supported in the course of implementing this agreement. Umpqua Bank will ensure that a diverse array of organizations are represented in these new partnerships.

- Support capacity-building efforts for Black-led non-profit organizations with missions aligned to serve Black people and communities.
- Consider philanthropic funding for projects that address the economic consequences of climate related disasters and their impact on low and moderate income persons and communities of color. Participation in the climate disaster remediation industry would include support for organizations that help small business and workers participate in remediation in a more equitable way (including worker equity pilots) or that provide strategies to mitigate the economic impacts of climate related disasters on lower income persons and communities of color.
- Seek out and increase support for organizations that
 - Specialize in serving immigrant, rural farmworker, and Native American communities.
 - Engage in workforce development, including workforce initiatives for Black and immigrant youth.
 - Manage programs that are culturally specific, and address homelessness, hunger and food insecurity.
 - Provide free or reduced cost legal services to help tenants retain housing and to help homeowners avoid foreclosure.
 - Repair homes in underserved communities.
 - Serve rural communities.
 - Support low-income tenants, with resident services and other programs aimed at keeping tenants in their homes.

Small Business & CDFI Support

Umpqua Bank will increase philanthropic support for CDFIs and small business technical assistance providers in each state in its footprint, including general operating grant support for CDFIs dealing with COVID related defaults, and increase the number of CDFIs that Umpqua Bank is currently working with. In particular, Umpqua Bank will increase support for Black-led organizations or organizations with Black constituencies.

Included in support for CDFIs and technical assistance providers Umpqua Bank will

- Offer CDFIs low interest capital
- Work with CDFIs to develop programs for offering grant money to businesses that have been heavily impacted by COVID, particularly businesses owned by people of color that were less likely to benefit from the PPP program
- Increase grants to CDFIs and technical assistance providers specifically targeted to assisting startup businesses
- Umpqua Bank will also track and increase support for CDFIs and technical assistance providers with Black, Latinx, Asian, and Native American leadership or that support minority owned businesses, BIPOC people and communities

- Encourage branch staff and market leaders to engage with community-based organizations and mentor and volunteer with CDFIs

Umpqua Bank commits to connect small business technical assistance providers with an internal Umpqua Bank staff person focused on supplier diversity so that small business support organizations and CDFIs can work with Umpqua Bank to achieve its supplier diversity goals (more detail on Supplier Diversity below).

Workforce Development

Umpqua Bank will increase support for services that help people gain employment and get job training, particularly for people of color, immigrants, and returning citizens.

Recognizing that its employees have access to knowledge, sit on non-profit board of directors, and have technology resources that many organizations with whom Umpqua Bank has formed new partnerships pursuant to this agreement lack, Umpqua Bank will empower its employees to volunteer with such organizations to increase their access to digital tools, and to offer in kind donations and other assets.

Strategic Planning and Implementation

Throughout the term of this Agreement, Umpqua Bank will make it a **key priority** to work with metro area reinvestment coalitions to address ongoing reinvestment issues and continue to be a corporate public policy leader on initiatives that increase support for affordable housing and decrease poverty, such as the Oregon CARES Fund for Black Resiliency and Relief, which Umpqua Bank was selected to administer. The Bank will work with NCRC to create working groups through the Community Advisory Panel, supporting goals on minority homeownership, capacity building for minority organizations, and innovative development lending.

Umpqua Bank will direct their local market leaders and senior CRA staff to come up with specific plans for how the agreement will be implemented in their markets. Umpqua Bank local market leaders and senior CRA staff will collaborate with NCRC members and local coalitions during plan implementation.

Branches and Staffing

Umpqua Bank commits to opening at least four new branches in census tracts that are LMI and/or majority people of color, within a combination of the following areas: King County Washington, Northern California, Los Angeles, or another LMI or MMCT location where the Bank has identified an area of need. Umpqua will establish the current branch distribution as the minimum threshold in LMI census tracts and Majority-Minority areas post-merger. Umpqua Bank may explore alternatives such as retaining a small business and mortgage lending office in lieu of a full-service retail branch, and/or investing in or providing grant support to ensure technology and broadband access exists in the community that is losing the branch. If Umpqua Bank makes a decision to close a branch in an LMI or majority—minority census tract, Umpqua will provide a courtesy copy to the NCRC on any required notice to FDIC or the bank's state regulator.

Umpqua Bank commits to increasing racial and gender diversity at all levels of the organization, including among its branch staff. Umpqua will continue to publicly report diversity metrics.

Supplier Diversity

Umpqua Bank understands the importance of having a strong Supplier Diversity Program to benefit women- and minority-owned businesses and to continue to build upon an inclusive Bank brand and reputation. As part of this agreement, Umpqua Bank commits to further developing and implementing a Supplier Diversity Program by the end of 2023. Program maturation goals will align to source-able spend. The Supplier Diversity Program will include goals for yearly increases in dollars spent and number of suppliers reached will be considered along with guidance from the bank's Community Advisory Panel (CAP) and internal stakeholders. Once benchmarks are agreed upon by the CAP and the Bank, reporting will be included as part of the yearly CBA reporting requirement.

Umpqua Bank will provide information about procurement opportunities at Advisory Council meetings and in annual reports and establish clear supplier qualification metrics that detail how new suppliers can qualify for opportunities.

Umpqua Bank will seek out relationships with local organizations, such as Black and Hispanic Chambers of Commerce and Native American community based organizations, which can help them identify qualified businesses as well as helping Umpqua Bank with getting the word out about opportunities to do business with Umpqua Bank.

Retail Banking

Umpqua Bank will continue to offer the Columbia Bank Foundation Account, which is Bank On-certified, throughout the new combined bank's expanded footprint, and will take additional steps to reduce overdraft fees on consumer and small business checking accounts.

Umpqua Bank will continue to support initiatives related to decreasing the number of unbanked and underbanked households. Umpqua Bank will share staff contacts with NCRC that NCRC can direct interested members to discuss Umpqua Bank's activities to close the banking gap in communities of color and low to moderate income communities, and, in particular, how its products and services can serve individuals at or below 30% AML. Such initiatives could include an expansion in products and services.

Agreement Governance and Report Outs

Successfully achieving the goals set forth in this Agreement will require collaboration with community-based organizations and coalitions. Therefore, Umpqua commits to maintaining an ongoing relationship with NCRC-related reinvestment coalitions in their Oregon, Washington and California footprint.

As Columbia Bank and Umpqua Bank merge their existing Community Advisory Boards, the combined bank will expand the board to 16 members. NCRC will name 50% of the members subject to concurrence by the bank, in the new, expanded Community Advisory Board. The Advisory Board will meet at least twice a year (frequency may increase to ensure the successful set up of the Agreement or because of other new strategic objectives) and will review and discuss progress toward this Agreement's goals and objectives, as well as new issues and opportunities that arise during the implementation of this agreement.

Umpqua Bank will provide annual progress reports on this agreement, using a format mutually agreed upon with NCRC. Umpqua Bank will work with NCRC to release this report annually by the end of the second quarter; the first report will be available by the end of the second quarter of 2024. Umpqua

Bank commits to ensuring its staff, such as local market executives, maintain ongoing contact with community partners through the Advisory Board and on a local level.

In addition to the Advisory Board, Umpqua Bank also commits to having Umpqua Bank's CEO and other appropriate executives join a meeting in the third quarter of every year or otherwise mutually agreed upon timing to discuss the annual report, and gather community input on implementation issues, or new community priorities that arise. Umpqua Bank will also join a meeting in the third quarter of the first year of the agreement, 2023, to discuss initial progress in agreement execution. Umpqua Bank will work with NCRC on the guest list and agenda of the annual meetings.

This document is not an Agreement, Understanding or Arrangement with any Individual or Entity, and No Specific Individuals or Entities Are Intended Beneficiaries of Grants, Contributions or Loans. This document is not intended to represent an agreement of any kind but is an outline of the combined institution's plan to deploy loans, investments and services. No party has sought for the combined institution to provide or make, and nothing in this document can be read as a direct agreement to (i) provide, to one or more individuals or entities cash payments, grants, or other consideration; or (ii) make to one or more individuals or entities loans.

Attachment: Increasing Black Homeownership in the Puget Sound Region:
Initial Plan 2021 by Seven Focus Areas, Black Homeownership Initiative

THE SEVEN FOCUS AREAS:

The challenge of doubling the Black homeownership rate in the next two decades in the four-county region of King, Kitsap, Pierce, and Snohomish Counties could be expressed most simply as one of supply and demand. Unfortunately, this oversimplifies the complexity of what needs to be changed and amplified if we are to succeed. We have chosen rather to create a network that will focus on seven focus areas:

