



PACIFIC PREMIER  
BANCORP, INC.

# Investor Presentation

First Quarter 2015

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# Forward-Looking Statements

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The statements contained in this presentation that are not historical facts are forward-looking statements based on management's current expectations and beliefs concerning future developments and their potential effects on Pacific Premier Bancorp, Inc. (the "Company"). Such statements involve inherent risks and uncertainties, many of which are difficult to predict and are generally beyond the control of the Company. There can be no assurance that future developments affecting the Company will be the same as those anticipated by management. The Company cautions readers that a number of important factors could cause actual results to differ materially from those expressed in, or implied or projected by, such forward-looking statements. These risks and uncertainties include, but are not limited to, the following: the strength of the United States economy in general and the strength of the local economies in which the Company conducts operations; the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System; inflation, interest rate, market and monetary fluctuations; the timely development of competitive new products and services and the acceptance of these products and services by new and existing customers; the impact of changes in financial services policies, laws and regulations including those concerning taxes, banking, securities and insurance, and the application thereof by regulatory bodies; technological and social media changes; the effect of acquisitions that the Company has made or may make, if any, including, without limitation, the failure to achieve the expected revenue growth and/or expense savings from such acquisitions, and/or the failure to effectively integrate an acquisition target into our operations; changes in the level of the Company's nonperforming assets and charge-offs; oversupply of inventory and deterioration in values of California real estate, both residential and commercial; the effect of changes in accounting policies and practices, as may be adopted from time-to-time by bank regulatory agencies, the Securities and Exchange Commission ("SEC"), the Public Company Accounting Oversight Board, the Financial Accounting Standards Board or other accounting standards setters; possible other-than-temporary impairments of securities held by the Company; changes in consumer spending, borrowing and savings habits; the effects of the Company's lack of a diversified loan portfolio, including the risks of geographic and industry concentrations; ability to attract deposits and other sources of liquidity; changes in the financial performance and/or condition of the Company's borrowers; changes in the competitive environment among financial and bank holding companies and other financial service providers; geopolitical conditions, including acts or threats of terrorism, actions taken by the United States or other governments in response to acts or threats of terrorism and/or military conflicts, which could impact business and economic conditions in the United States and abroad; unanticipated regulatory or judicial proceedings; and the Company's ability to manage the risks involved in the foregoing.

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed with the SEC and other filings made by the Company with the SEC. The Company specifically disclaims any obligation to update any factors or to publicly announce the result of revisions to any of the forward-looking statements included herein to reflect future events or developments.

# Company Profile

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Headquarters	Irvine, CA
Exchange / Listing	NASDAQ: PPBI
Market Cap	\$331.5 Million
Avg. Daily Volume	51,307 Shares
# of Research Analysts	5 Analysts
Focus	Small & Mid-Market Businesses
Total Assets	\$2.8 Billion
Branch Network	16 Full-Service Branch Locations

## Pacific Premier Branch Footprint



Note: Map does not include PPBI offices outside of California



Note: Financial information as of the quarter ending 3/31/2015  
Note: Market data as of 5/7/2015

# Strategic Plan Execution

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Pre 2008

- Conversion from a thrift to a commercial bank
  - Improve deposit base and diversify loan portfolio
  - Regimented approach to credit management
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2008 - 2012

- Organic growth driven by disciplined sales culture
  - Geographic expansion through highly accretive FDIC-assisted acquisitions
    - Canyon National Bank (CNB) - \$209 million in assets at closing on 2/11/2011 (FDIC-Assisted)
    - Palm Desert National Bank (PDNB) - \$121 million in assets at closing on 4/27/2012 (FDIC-Assisted)
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2013 - 2015

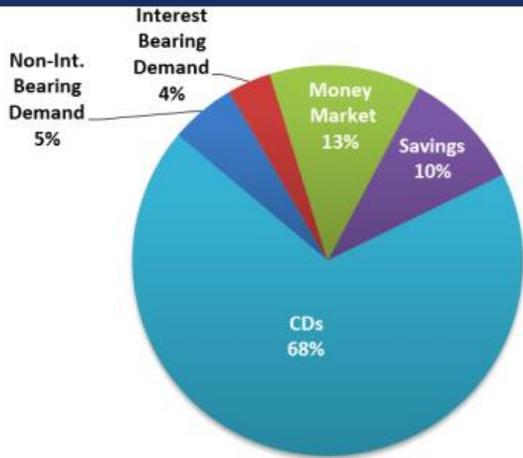
- Build out our commercial banking platform through acquisitions
    - First Associations Bank (FAB) - \$419 million in assets, closed on 3/15/2013 (151 days)
    - San Diego Trust Bank (SDTB) - \$208 million in assets, closed on 6/25/2013 (111 days)
    - Infinity Franchise Holdings (IFH) - \$80 million in assets, closed on 1/30/2014 (73 days)
    - Independence Bank (IDPK) - \$450 million in assets, closed on 1/26/2015 (96 days)
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Next Stage

- Focus on producing EPS growth from scale, efficiency, balance sheet leverage
- Increase revenue from recurring fee income through growth in SBA lending
- Increase non-interest bearing deposit accounts to over 35% of deposit base

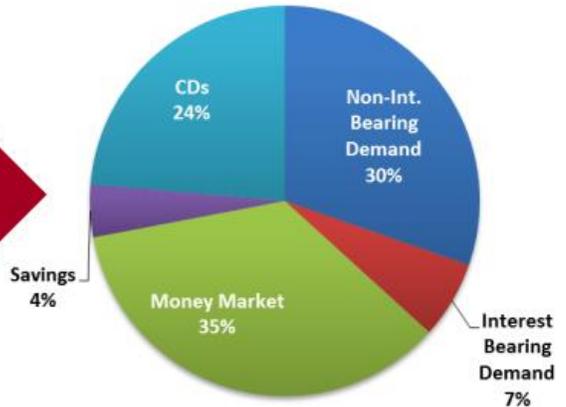
# Commercial Bank Transformation - Deposit Composition

**Deposit Composition - 12/31/2009**



**Total Deposits: \$618.7 Million**  
**Cost of Deposits: 1.79%**

**Deposit Composition - 3/31/2015**



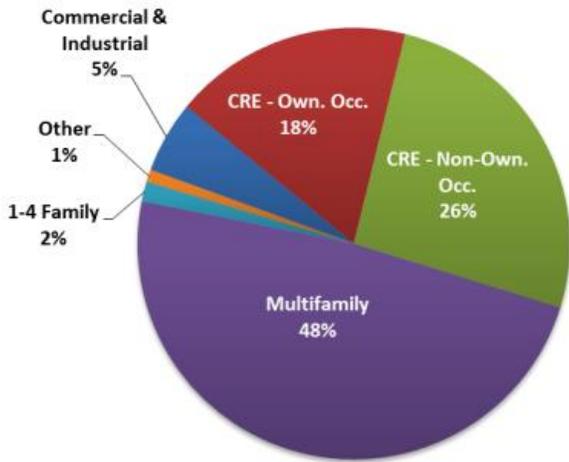
**Total Deposits: \$2.0 Billion**  
**Cost of Deposits: 0.33%**

- 76% of deposits are non-CD deposits
- 30% of deposit balances are non-interest bearing deposits
- 91% of deposit balances are Core deposits \*

\* Core deposits are all transaction accounts and non-brokered CD accounts below \$250,000

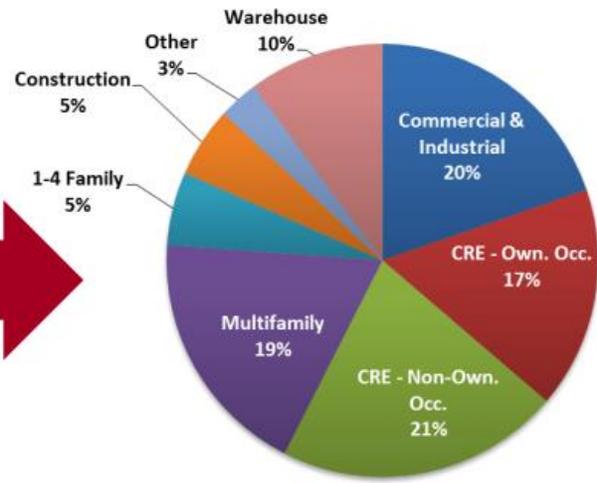
# Commercial Bank Transformation - Loan Composition

Loan Composition - 12/31/2009



Total Loans: \$576.3 Million

Loan Composition - 3/31/2015



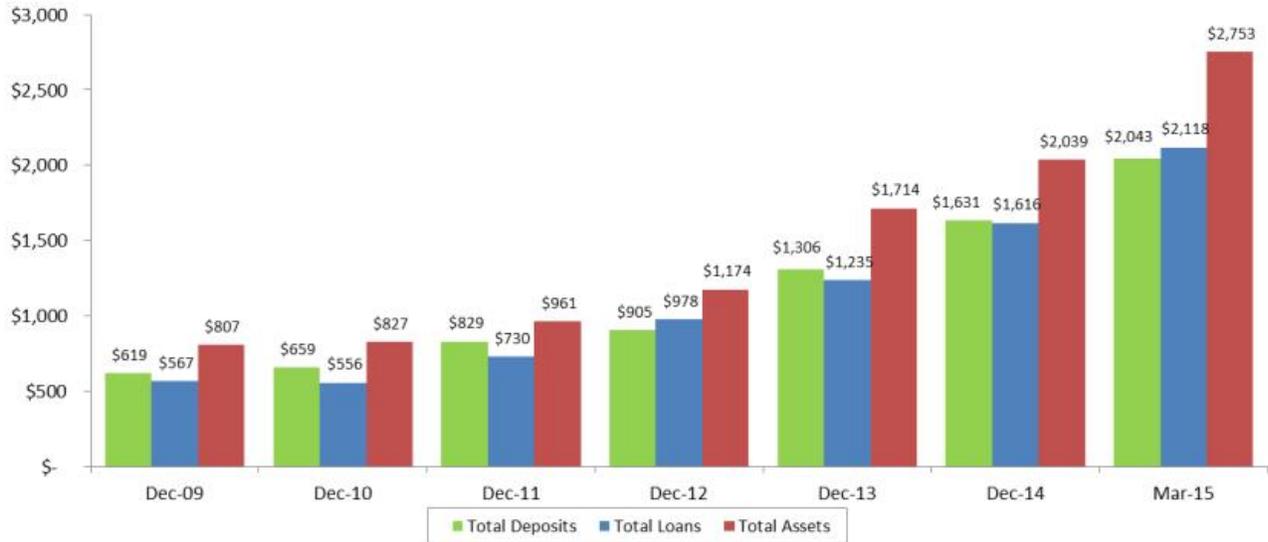
Total Loans: \$2.1 Billion

- Loan portfolio is high quality and well-diversified
- Business related loans represent 47% of total loans at 3/31/15

# Growth Driven Organically and Through M&A

- Total deposits compound annual growth rate of 26% since 2009
- Total loans compound annual growth rate of 29% since 2009
- Total assets compound annual growth rate of 26% since 2009

## Total Deposits, Total Loans and Total Assets

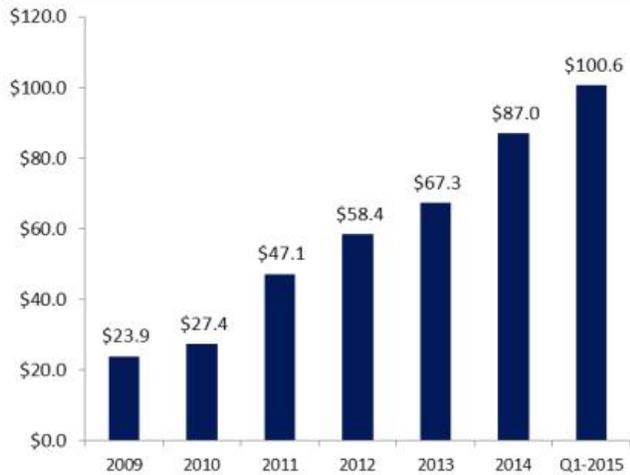


Note: All dollars in millions

# Operating Revenue & Net Interest Margin

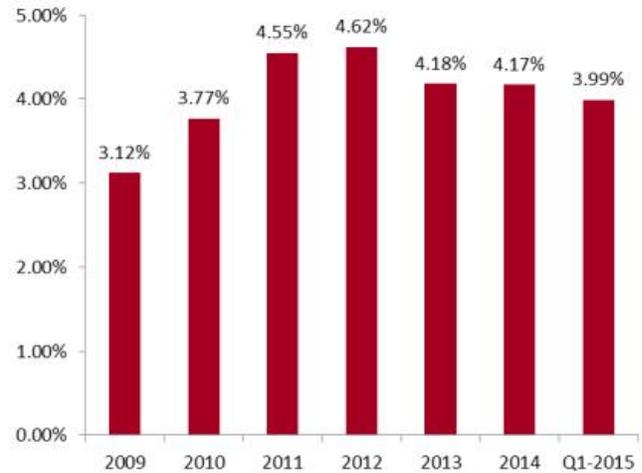
- Meaningful operating revenue growth in each of the last several years
- Strength in net interest margin through loan pricing discipline and growth in core deposits

## Operating Revenue



Note: Operating revenue = net interest income + noninterest income.  
\* Annualized

## Net Interest Margin

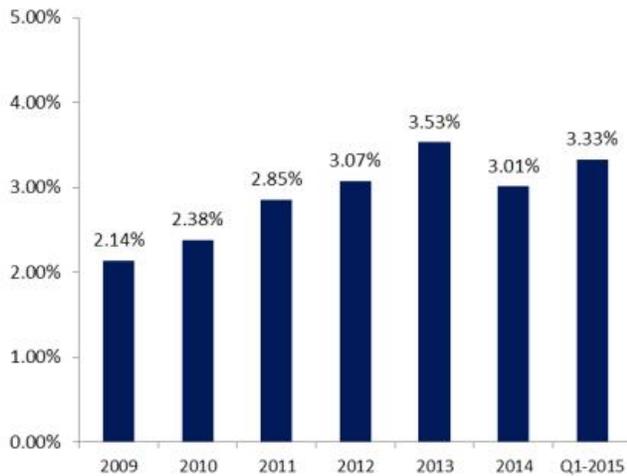


Note: All dollars in millions

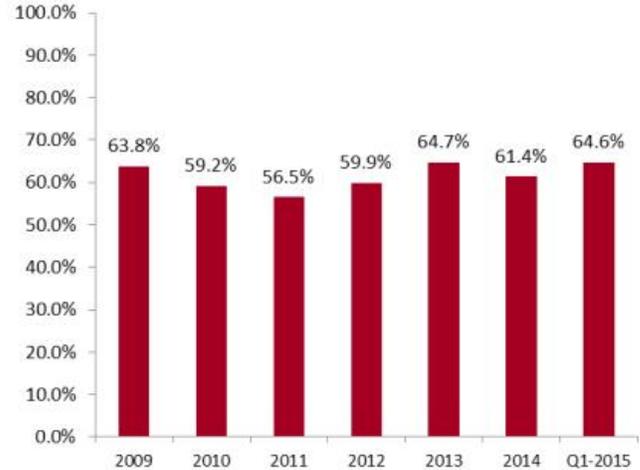
# Noninterest Expense & Efficiency

- The Company continues to support its growth efforts by investing in talented producers
- The Company will realize benefits from economies of scale as it continues to grow

### Noninterest Expense / Avg. Assets



### Efficiency Ratio

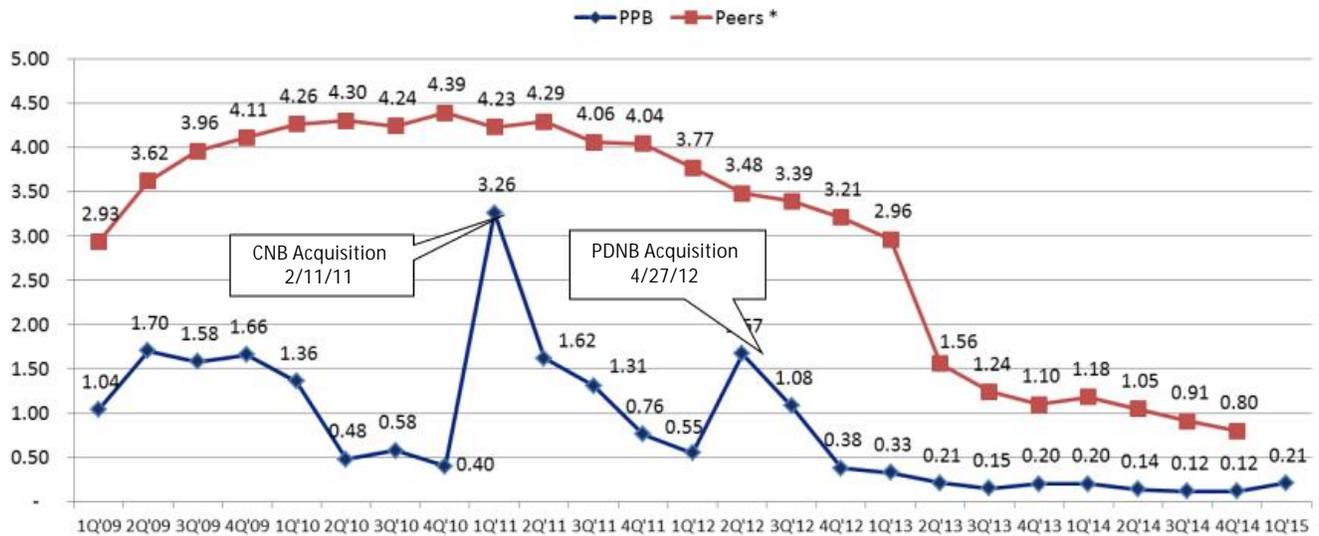


NOTE: Efficiency Ratio represents the ratio of noninterest expense less other real estate owned operations, core deposit intangible amortization and non-recurring merger related expense to the sum of net interest income before provision for loan losses and total noninterest income less gains/(loss) on sale of securities, other-than-temporary impairment recovery (loss) on investment securities, and gain on FDIC-assisted transactions.

# Conservative Credit Culture

- The Company has a history of pro-actively addressing credit issues through aggressive problem-asset resolution
  - No troubled debt restructurings (“TDRs”)
  - Loan sales utilized strategically to manage various risks

## Nonperforming Assets to Total Assets (%)



\* California peer group consists of all insured California institutions, from SNL Financial.

# Overview of Q1 2015 Highlights

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## Stockholder Highlights

- Independence Bank acquisition closed in 3 months after signing the definitive, fully integrated and system conversion, in less than six months
- Independence Bank at acquisition adds \$450 million in total assets, \$333 million in loans, \$336 million in deposits and \$4.0 million in merger related expenses
- Diluted earnings per share of \$0.09 adjusts to \$0.21 excluding merger related expenses
- Return on average tangible common equity \* of 4.04% adjusts to 9.24% excluding merger related expenses
- Return on average assets of 0.29% adjusts to 0.70% excluding merger related expenses

## Financial Highlights

- Near record, diversified loan originations of \$206 million during the first quarter
- Percent of total loans originated: Construction 21%, C&I 19%, Commercial owner occupied 11%, SBA 10%
- Organic loans increase approximately \$169 million, an annualized growth rate of 42%
- Loan yield of 5.38% positively impacted by 12 bps from discount accretion related to the Independence Bank acquisition
- Organic deposit growth of approximately \$76 million, an annualized growth rate of 19%
- Noninterest-bearing deposits increase to 30% of total deposits, while our cost of deposits dropped 3 bps to 33 bps

## Other Highlights

- SBA loan pipeline is the highest in our history at \$50 million
- No SBA sales in first quarter to maximize our return as we hold these loans for a slightly longer period
- Efficiency ratio of 64.63% without normal recurring loan sale gains

\*Please refer to non-GAAP reconciliation

# Creating Scarcity Value

- Ranked 14<sup>th</sup> largest among exchange listed banks by total assets in Southern California\*

Rank	Company	Exchange	City, State	Total Assets
1	City National Corporation	NYSE	Los Angeles, CA	32,700,000
2	East West Bancorp, Inc.	NASDAQ	Pasadena, CA	29,906,835
3	PacWest Bancorp	NASDAQ	Los Angeles, CA	16,643,940
4	Cathay General Bancorp	NASDAQ	Los Angeles, CA	11,910,089
5	CVB Financial Corp.	NASDAQ	Ontario, CA	7,442,951
6	BBCN Bancorp, Inc.	NASDAQ	Los Angeles, CA	7,267,905
7	Banc of California, Inc.	NYSE	Irvine, CA	5,971,571
8	Opus Bank	NASDAQ	Irvine, CA	5,561,574
9	Farmers & Merchants Bank of Long Beach	OTCQB	Long Beach, CA	5,559,897
10	BofI Holding, Inc.	NASDAQ	San Diego, CA	5,194,721
11	Wilshire Bancorp, Inc.	NASDAQ	Los Angeles, CA	4,413,278
12	Hanmi Financial Corporation	NASDAQ	Los Angeles, CA	4,083,887
13	Community Bank	OTCQB	Pasadena, CA	3,577,879
14	<b>Pacific Premier Bancorp, Inc.</b>	<b>NASDAQ</b>	<b>Irvine, CA</b>	<b>2,753,000</b>
15	CU Bancorp	NASDAQ	Los Angeles, CA	2,406,960
16	Preferred Bank	NASDAQ	Los Angeles, CA	2,139,405
17	American Business Bank	OTCQB	Los Angeles, CA	1,506,812
18	California Republic Bancorp	OTCQB	Irvine, CA	1,345,269
19	Pacific Mercantile Bancorp	NASDAQ	Costa Mesa, CA	1,060,189
20	Malaga Financial Corporation	OTCQB	Palos Verdes Estates, CA	973,000

Source: SNL Financial, as of 12/31/2014 or most recent quarter available  
 Note: Includes banks listed on NASDAQ/NYSE/OTCB. Excludes pending acquisition targets

\*Southern California includes LA, Orange, Imperial, Riverside, San Bernardino, San Diego Counties

# Commercial Banking Business Units

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## Business Banking

- Small and middle market business banking focus
- Full suite of business banking services, including: cash management, payroll and merchant card services
- Customized C&I and commercial real estate loans

## Franchise Lending

- Financing for established and experienced owner operators of Quick Serve Restaurants nationwide
- C&I and CRE loans secured by equipment and real estate

## HOA Banking

- Nationwide leader of customized cash management, electronic banking services and credit facilities for:
  - Home Owner Association ("HOA") Companies
  - HOA Management Companies

## Warehouse Lending

- Credit facilities and electronic banking services exclusively designed for large and small mortgage banking concerns

## SBA Lending

- Small Business Administration ("SBA") Loans
- California Capital Access Program ("Cal CAP") Loans
- United State Department of Agriculture ("USDA") Loans
- Bureau of Indian Affairs ("BIA") Loans

## Construction Lending

- Construction loans for developers and owner users on residential and CRE properties
- New team assembled in first half of 2013

## Income Property Lending

- Credit facilities and banking services for commercial real estate ("CRE") investors
- Structured CRE and bridge loan flexibility

## Nonprofit & Escrow Banking

- Customized credit solutions for nonprofits
- Specialized cash management and electronic banking products to meet escrow and title company needs

# Disciplined Sales Culture Drives Organic Growth

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- Business development team consists of early career sales executives with real estate or financial services experience
- Consistent calling effort identifies prospects
- Diligent monitoring and management of quantity and quality of lead generation
- Senior commercial bankers utilized to close new relationships

# Acquisition & Integration Strategy

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- Diligent approach to acquisitive growth and business integration

## General Acquisition Criteria

- Look for strategic, financially compelling and culturally compatible organizations
  - Favorable markets / demographics
  - Must complement our business banking strategy
- Disciplined approach to analysis, pricing and structuring of each transaction
  - Realistic cost savings assumptions
- Core customer retention
  - Keeping franchise value intact

## Integration Strategy

- Aggressive approach to timely and effective integration
- Identify key players that fit into our culture and who can add value to the organization
- Immediately meet with new customer base to begin cross-selling products and services
- Aggressive approach to disposition of any problem assets inherited in a transaction

# Capital Resources

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- Well capitalized and equipped to execute on the Company's growth strategy
- Pure common equity capital structure (no TARP / preferred equity)

	As of March 31, 2015		
	Well-Capitalized Requirement	Pacific Premier Bancorp, Inc.	Pacific Premier Bank
Shareholders' Equity		\$ 273,247	\$ 322,095
Tangible Common Equity <sup>(1)</sup>		\$ 214,034	\$ 262,882
Tier 1 Capital		\$ 226,917	\$ 265,765
<u>Regulatory Capital Ratios:</u>			
Tier 1 Leverage Capital Ratio	5.00%	9.43%	11.03%
Common Equity Tier 1 Risk-based Capital Ratio	6.50%	9.32%	11.46%
Tier 1 Risk-Based Capital Ratio	8.00%	9.75%	11.46%
Total Risk Based Capital Ratio	10.00%	12.93%	12.07%
Tangible Common Equity Ratio <sup>(1)</sup>		7.95%	9.79%

(1) Please refer to non-GAAP reconciliation

# Superior Market Performance (PPBI)

- The Company's stock price has significantly outperformed its publicly traded bank peers (SNL Bank Index / NASDAQ Bank Index) in the market over the last 3 years
  - Since March 2012, PPBI's stock price is up 105% versus the SNL Bank at 60% and NASDAQ bank indices at 53%



Source: SNL Financial, market information as of 3/31/2015

# PPBI Outlook

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## Continued Focus on Building Long-term Franchise Value

- Achieve economies of scale and operating leverage as a \$3.0 billion bank
- Positioned to deliver strong profitability through acquisition synergies
- Business lines that generate higher risk adjusted returns
- Proven track record of executing on acquisitions and organic growth
- Continue to evaluate attractive acquisition opportunities in California
- Deposit platform will fund continued loan growth
- Create scarcity value among banks in Southern California

## Appendix material

# Financial Highlight Trends

	At And For The Three Months Ended				
	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
<b>Balance Sheet</b>					
Total Assets	\$ 1,745,282	\$ 1,921,525	\$ 2,034,248	\$ 2,038,897	\$ 2,753,000
Total Gross Loans	1,325,469	1,466,350	1,547,911	1,628,445	2,130,853
Total Deposits	1,435,203	1,445,581	1,543,466	1,630,826	2,043,166
Gross Loans / Deposits	92.4%	101.4%	100.3%	99.9%	104.3%
<b>Financial Performance</b>					
Net Interest Income	\$ 16,635	\$ 17,698	\$ 19,020	\$ 19,267	\$ 23,118
Provision for Loan Losses	949	1,030	1,284	1,421	1,830
Total Non-Interest Income	2,052	2,471	4,467	5,402	2,026
Total Non-Interest Expense	13,541	11,641	13,343	16,468	20,469
Net Income before Taxes	4,197	7,498	8,860	6,780	2,845
Provision for Taxes	1,565	2,855	3,410	2,889	1,056
Net Income	2,632	4,643	5,450	3,891	1,789
Diluted EPS	\$ 0.15	\$ 0.27	\$ 0.31	\$ 0.23	\$ 0.09
<b>Performance &amp; Capital Ratios</b>					
Return on Average Assets	0.64%	1.06%	1.14%	0.78%	0.29%
Return on Average Equity	5.77%	9.79%	11.25%	7.88%	2.96%
Return on Average Tangible Common Equity *	7.22%	11.96%	13.60%	9.56%	4.04%
Net Interest Margin	4.30%	4.26%	4.14%	4.02%	3.99%
Tangible Common Equity/ Tangible Assets *	9.30%	8.62%	8.43%	8.51%	7.95%
Tangible Book Value Per Share *	\$ 9.26	\$ 9.56	\$ 9.90	\$ 10.12	\$ 10.01
Common Equity Tier 1 Risk-based Capital Ratio	N/A	N/A	N/A	N/A	9.32%
Tier 1 Risk-based Ratio	12.23%	10.99%	10.53%	10.30%	9.75%
Risk-based Capital Ratio	12.88%	11.62%	14.71%	14.46%	12.93%

Note: All dollars in thousands, except per share.

\*Please refer to non-GAAP reconciliation

# Non-GAAP Financial Measures

Tangible common equity to tangible assets (the "tangible common equity ratio") and tangible book value per share are a non-GAAP financial measures derived from GAAP-based amounts. We calculate the tangible common equity ratio by excluding the balance of intangible assets from common stockholders' equity and dividing by tangible assets. We calculate tangible book value per share by dividing tangible common equity by common shares outstanding, as compared to book value per common share, which we calculate by dividing common stockholders' equity by common shares outstanding. We believe that this information is consistent with the treatment by bank regulatory agencies, which exclude intangible assets from the calculation of risk-based capital ratios. Accordingly, we believe that these non-GAAP financial measures provide information that is important to investors and that is useful in understanding our capital position and ratios. However, these non-GAAP financial measures are supplemental and are not a substitute for an analysis based on GAAP measures. As other companies may use different calculations for these measures, this presentation may not be comparable to other similarly titled measures reported by other companies. A reconciliation of the non-GAAP measure of tangible common equity ratio to the GAAP measure of common equity ratio and tangible book value per share to the GAAP measure of book value per share are set forth below.

	PPBI				PPB	
	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	March 31, 2015	March 31, 2015
Total stockholders' equity	\$ 188,860	\$ 192,181	\$ 197,857	\$ 199,592	\$ 273,247	\$ 322,095
Less: Intangible assets	(29,324)	(29,071)	(28,817)	(28,564)	(59,213)	(59,213)
<b>Tangible common equity</b>	<b>\$ 159,536</b>	<b>\$ 163,110</b>	<b>\$ 169,040</b>	<b>\$ 171,028</b>	<b>\$ 214,034</b>	<b>\$ 262,882</b>
Total assets	\$ 1,745,282	\$ 1,921,525	\$ 2,034,248	\$ 2,038,897	\$ 2,753,000	\$ 2,743,909
Less: Intangible assets	(29,324)	(29,071)	(28,817)	(28,564)	(59,213)	(59,213)
<b>Tangible assets</b>	<b>\$ 1,715,958</b>	<b>\$ 1,892,454</b>	<b>\$ 2,005,431</b>	<b>\$ 2,010,333</b>	<b>\$ 2,693,787</b>	<b>\$ 2,684,696</b>
Common Equity ratio	10.82%	10.00%	9.73%	9.79%	9.93%	11.74%
Less: Intangibility equity ratio	(1.52%)	(1.38%)	(1.30%)	(1.28%)	(1.98%)	(1.95%)
<b>Tangible common equity ratio</b>	<b>9.30%</b>	<b>8.62%</b>	<b>8.43%</b>	<b>8.51%</b>	<b>7.95%</b>	<b>9.79%</b>
Basic shares outstanding	17,224,977	17,068,641	17,069,216	16,903,884	21,387,818	
Book value per share	\$ 10.96	\$ 11.26	\$ 11.59	\$ 11.81	\$ 12.78	
Less: Intangible book value per share	(1.70)	(1.70)	(1.69)	(1.69)	(2.77)	
<b>Tangible book value per share</b>	<b>\$ 9.26</b>	<b>\$ 9.56</b>	<b>\$ 9.90</b>	<b>\$ 10.12</b>	<b>\$ 10.01</b>	

Note: All dollars in thousands, except per share data.

# Non-GAAP Financial Measures

For the quarter periods presented below, adjusted net income for return on average tangible common equity, adjusted net income for adjusted return on average tangible common equity and average tangible common equity are non-GAAP financial measures derived from GAAP-based amounts. We calculate return on average tangible common equity by adjusting net income for the effect of CDI amortization and exclude the average CDI and average goodwill from the average stockholders' equity during the period. We calculate adjusted return on average tangible common equity by adjusting net income for the effect of CDI amortization and merger related expense and exclude the average CDI and average goodwill from the average stockholders' equity during the period. We believe that this is consistent with the treatment by bank regulatory agencies, which exclude intangible assets from the calculation of risk-based capital ratios. Accordingly, we believe that these non-GAAP financial measures provide information that is important to investors and that is useful in understanding our capital position and ratios. However, these non-GAAP financial measures are supplemental and are not a substitute for an analysis based on GAAP measures. As other companies may use different calculations for these adjusted measures, this presentation may not be comparable to other similarly titled adjusted measures reported by other companies. A reconciliation of the non-GAAP measures of return on average tangible common equity and adjusted return on average tangible common equity to the GAAP measure of return on common stockholders' equity is set forth below.

	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	March 31, 2015
Net income	\$ 2,632	\$ 4,643	\$ 5,450	\$ 3,891	\$ 1,789
Plus: Tax effected CDI amortization	159	157	156	145	160
<b>Adjusted net income for return on average tangible common equity</b>	<b>\$ 2,791</b>	<b>\$ 4,800</b>	<b>\$ 5,606</b>	<b>\$ 4,036</b>	<b>\$ 1,949</b>
Plus: merger related expenses, net of tax					2,510
<b>Adjusted net income for adjusted return on average tangible common equity</b>					<b>\$ 4,459</b>
Average stockholders' equity	\$ 182,313	\$ 189,673	\$ 193,844	\$ 197,620	\$ 241,644
Less: Average core deposit intangible	6,501	6,248	5,994	5,741	6,909
Less: Average goodwill	21,109	22,950	22,950	22,950	41,657
<b>Average tangible common equity</b>	<b>\$ 154,703</b>	<b>\$ 160,475</b>	<b>\$ 164,900</b>	<b>\$ 168,929</b>	<b>\$ 193,078</b>
Return on average common equity	5.77%	9.79%	11.25%	7.88%	2.96%
Plus: Intangible return on average tangible common equity	1.45%	2.17%	2.35%	1.68%	1.08%
<b>Return on average tangible common equity</b>	<b>7.22%</b>	<b>11.96%</b>	<b>13.60%</b>	<b>9.56%</b>	<b>4.04%</b>
<b>Adjusted return on average tangible common equity</b>					<b>9.24%</b>

Note: All dollars in thousands

# Non-GAAP Financial Measures

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For quarter period presented below, adjusted net income and adjusted diluted earnings per share are non-GAAP financial measures derived from GAAP-based amounts. We calculate these figures by excluding merger related expenses in the period results. Management believes that the exclusion of such items from these financial measures provides useful information to an understanding of the operating results of our core business. However, these non-GAAP financial measures are supplemental and are not a substitute for an analysis based on GAAP measures. As other companies may use different calculations for these adjusted measures, this presentation may not be comparable to other similarly titled adjusted measures reported by other companies.

	March 31, 2015
Net income	\$ 1,789
Plus merger related expenses, net of tax	<u>2,510</u>
<b>Adjusted net income</b>	<b><u>\$ 4,299</u></b>
Diluted earnings per share	\$ 0.09
Plus merger related expenses, net of tax	<u>0.12</u>
<b>Adjusted diluted earnings per share</b>	<b><u>\$ 0.21</u></b>
Return on average assets	0.29%
Plus merger related expenses, net of tax	<u>0.41%</u>
<b>Adjusted return on average assets</b>	<b><u>0.70%</u></b>

Note: All dollars in thousands