

PACIFIC WESTERN BANK

2018 Fourth Quarter Results

Investor Presentation



Forward-Looking Statements

This communication contains certain forward-looking information about PacWest that is intended to be covered by the safe harbor for “forward-looking statements” provided by the Private Securities Litigation Reform Act of 1995. Such statements include future financial and operating results, expectations, intentions and other statements that are not historical facts. Such statements are based on information available at the time of this communication and are based on current beliefs and expectations of the Company’s management and are subject to significant risks, uncertainties and contingencies, many of which are beyond our control. Actual results may differ materially from those set forth or implied in the forward-looking statements due to a variety of factors, including the risk factors described in documents filed by the Company with the Securities and Exchange Commission.

We are under no obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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Company Overview

Company Overview

We are a commercial bank focused on core deposit growth paired with national lending and venture banking groups

- NASDAQ traded (PACW) with a market capitalization of \$4.7 billion ⁽¹⁾
- Average daily trading volume of 1,473,215 shares over the last three months ⁽¹⁾
- Dividend: \$2.40 per share, 6.15% yield ⁽¹⁾
- 5th largest publicly-traded bank headquartered in California with total assets of \$25.7 billion, loans and leases of \$18.0 billion and deposits of \$18.9 billion at December 31, 2018

Profitable Growth

- Net earnings of \$115.0 million, return on average assets (“ROAA”) of 1.84% and return on average tangible equity (“ROATE”) of 21.23% for 4Q18
- Net earnings of \$465.3 million, return on average assets of 1.91% and return on average tangible equity of 21.22% for full year 2018
- Industry leading tax equivalent NIM of 4.91% for 4Q18 and 5.05% for full year 2018
- Loan and lease production of \$1.57 billion for 4Q18 and \$4.89 billion for full year 2018
- \$16.3 billion of core deposits with cost of average total deposits of 62 bps for 4Q18 and 44 bps for full year 2018
- NPAs at 0.47% of total loans and leases and foreclosed assets for 4Q18
- Efficiency ratio of 41.0% for full year 2018

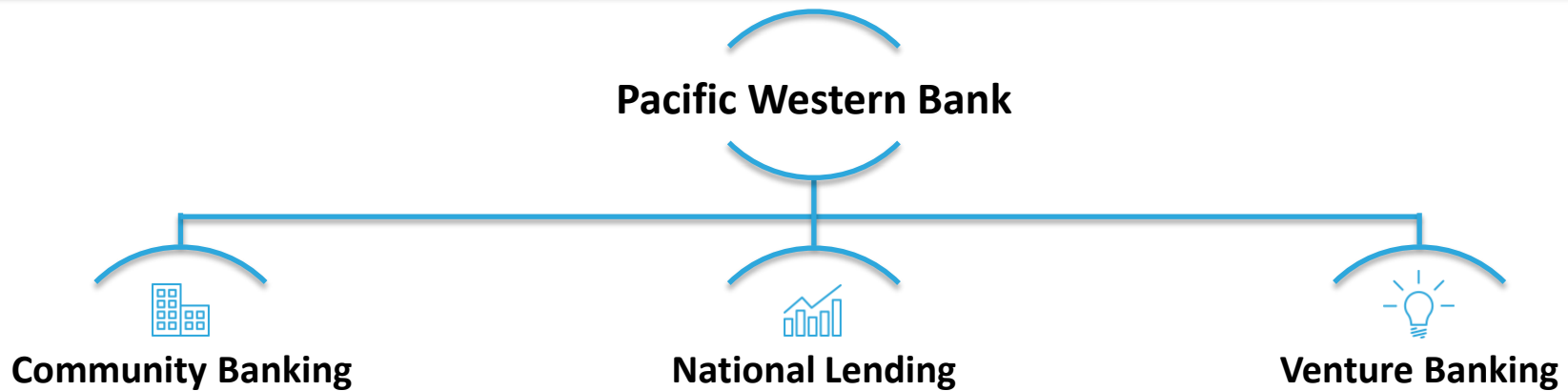
Experienced acquirer with 29 bank and finance company acquisitions since 2000

Analyst coverage: BMO Capital Markets, D.A. Davidson & Co., FIG Partners, JMP Securities, Keefe, Bruyette & Woods, Piper Jaffray, Raymond James, Sandler O’Neill & Partners, Stephens Inc., SunTrust Robinson Humphrey, Wedbush Morgan, Wells Fargo Securities



⁽¹⁾ As of January 25, 2019

Business Model

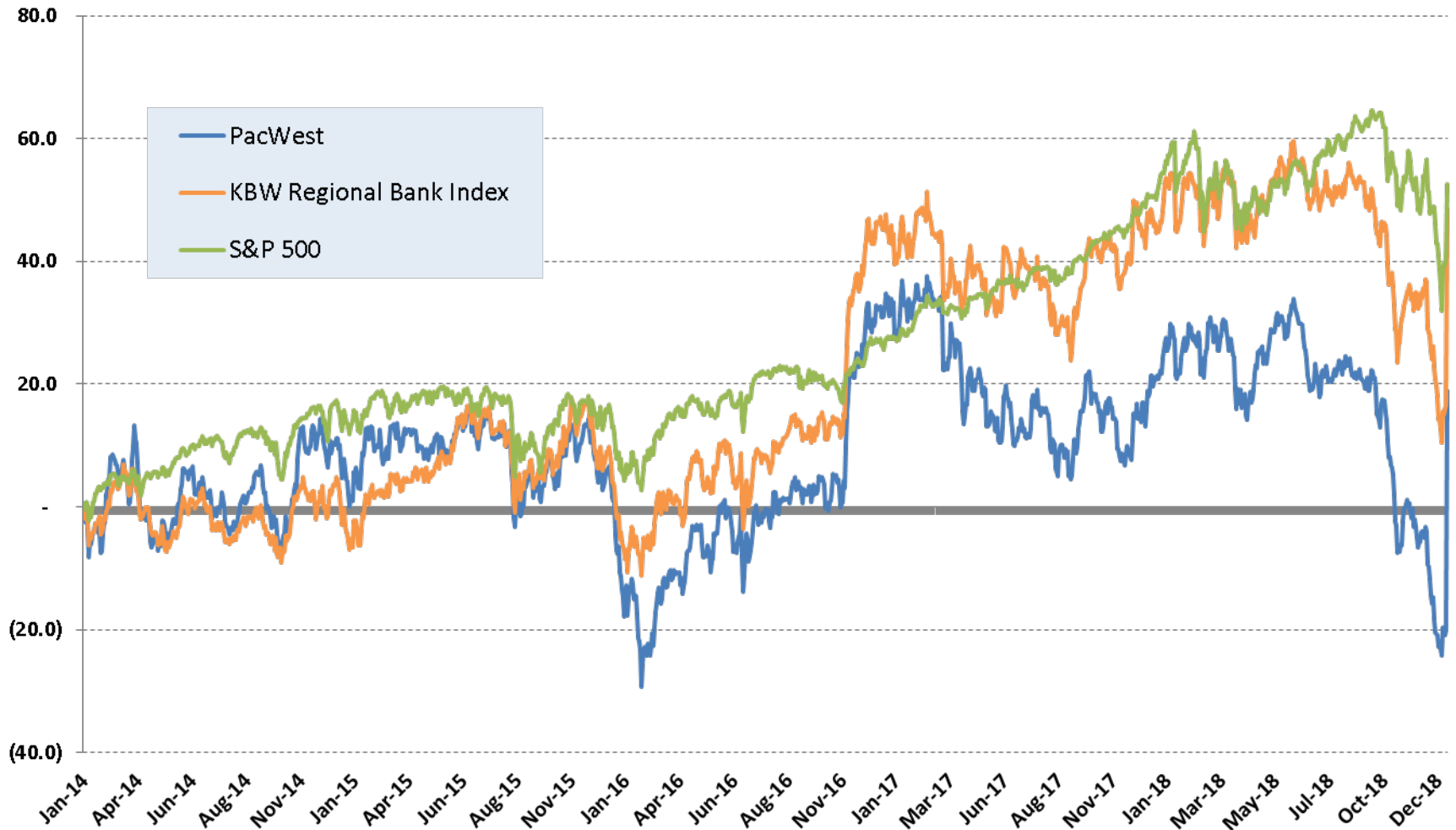


- Attractive branch network with 74 full service branches in California
- Offers a full suite of deposit products and services, including on-line banking
- Focused on business lending products, including commercial real estate and tax-exempt
- Limited consumer loan offerings
- Borrower relationships generally include a deposit account
- Efficient deposit model with average Community Banking branch size of \$162 million

- Diversified by loan and lease type, geography and industry
 - Asset-Based Lending (ABL)
 - Lender Finance & Timeshare, Equipment Financing, Premium Finance and General ABL
 - Security Cash Flow Lending
 - Commercial Real Estate
 - General, Multifamily, SBA, Healthcare and Construction
- Focus on small to middle-market businesses
- Expertise in niche segments limits new competitors
- Borrower relationships may include deposit accounts and treasury services

- Five banking groups: Technology, Life Sciences, Equity Funds Group, Structured Finance, Specialty Finance
- Operates a single branch in Durham, NC with \$6.9 billion in deposits
- Offices located in key innovative hubs across the United States
- Offers a comprehensive suite of financial services for venture-backed companies and their venture capital and private equity investors
- Provides comprehensive treasury management solutions, including credit cards and international-related products and services to clients
- Borrower relationships almost always include a deposit account
- Operates Square 1 Asset Management (registered investment advisor)

Five Year Total Return



Source: SNL Financial and FactSet Research Systems; Market data as of January 25, 2019.

Note: KBW Regional Bank Index (KRX) includes 50 institutions with a median market cap of \$4.5 billion as of December 31, 2018; median weighted by market capitalization.





Fourth Quarter Highlights

Fourth Quarter Highlights

Robust Earnings

- Net earnings of \$115.0 million
- EPS of \$0.93
- ROAA and ROATE of 1.84% and 21.23% ⁽¹⁾

Industry Leading Net Interest Margin

- Tax equivalent NIM of 4.91%; 5.05% for full year 2018
- Tax equivalent yield on average loans and leases of 6.27%

Low Efficiency Ratio

- Efficiency ratio of 41.7%
- Average branch size of \$252 million in deposits
- Noninterest expense to average assets of 2.07%

Profitable Deposit Base

- Cost of average total deposits of 62bps
- Core deposits steady at 87% of total deposits
- \$834 million of core deposit growth

Loan and Lease Production and Credit Quality

- Loan and lease production of \$1.57 billion
- Net loan and lease growth of \$728 million; full year loan growth of 5.8%
- NPAs to total loans and leases and foreclosed assets of 0.47%; 0.68% in 3Q18
- Net charge-offs to average loans and leases of 0.46%; 0.26% for full year 2018
- Net charge-offs 36% lower for full year 2018 compared to 2017

Strong Capital Levels

- Tangible common equity ratio of 9.60% ⁽¹⁾
 - CET1 and total capital ratios of 10.01% and 12.72%
-

(1) See “Non-GAAP Measurements” slides beginning on page 46.

Financial Highlights

<i>(\$ in millions, except per share amounts)</i>	4Q18	3Q18	Δ Q / Q
Total Assets	\$ 25,731	\$ 24,782	4%
Loans and Leases Held for Investment, net of deferred fees	\$ 17,958	\$ 17,230	4%
Total Deposits	\$ 18,871	\$ 17,880	6%
Core Deposits	\$ 16,347	\$ 15,513	5%
Net Earnings	\$ 115.0	\$ 116.3	-1%
Earnings Per Share	\$ 0.93	\$ 0.94	-1%
Return on Average Assets ("ROAA")	1.84%	1.89%	-0.05
Return on Average Tangible Equity ("ROATE") ⁽¹⁾	21.23%	21.61%	-0.38
Tangible Common Equity Ratio ⁽¹⁾	9.60%	9.61%	-0.01
Tangible Book Value Per Share ⁽¹⁾	\$ 18.02	\$ 17.28	4%
Tax Equivalent Net Interest Margin	4.91%	4.99%	-0.08
Efficiency Ratio	41.7%	40.9%	0.8%

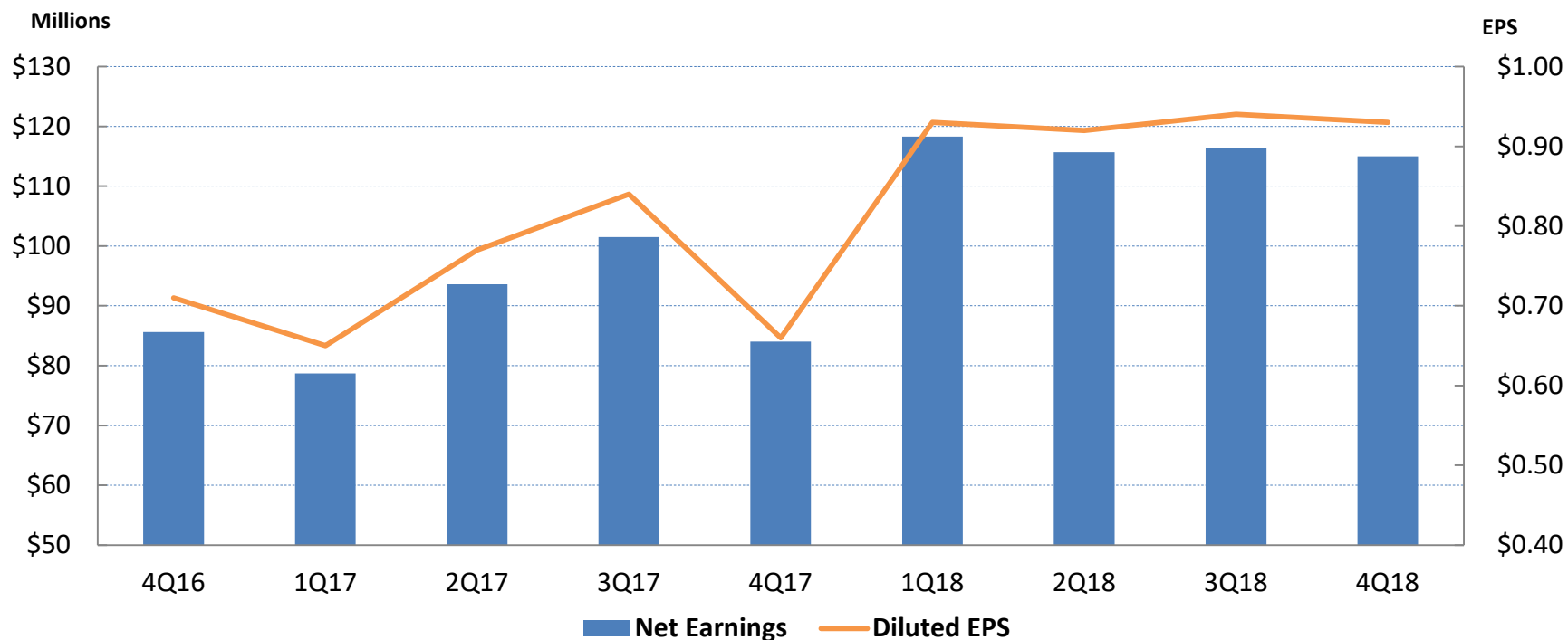
(1) See "Non-GAAP Measurements" slides beginning on page 46.

Year-Over-Year Financial Highlights

<i>(\$ in millions, except per share amounts)</i>	2018	2017	Δ Y / Y
Total Assets	\$ 25,731	\$ 24,995	3%
Loans and Leases Held for Investment, net of deferred fees	\$ 17,958	\$ 16,973	6%
Total Deposits	\$ 18,871	\$ 18,866	0%
Core Deposits	\$ 16,347	\$ 15,937	3%
Net Earnings	\$ 465.3	\$ 357.8	30%
Earnings Per Share	\$ 3.72	\$ 2.91	28%
Return on Average Assets ("ROAA")	1.91%	1.58%	0.33
Return on Average Tangible Equity ("ROATE") ⁽¹⁾	21.22%	15.15%	6.07
Tangible Common Equity Ratio ⁽¹⁾	9.60%	10.50%	-0.90
Tangible Book Value Per Share ⁽¹⁾	\$ 18.02	\$ 18.24	-1%
Tax Equivalent Net Interest Margin	5.05%	5.10%	-0.05
Efficiency Ratio	41.0%	40.8%	0.2

(1) See "Non-GAAP Measurements" slides beginning on page 46.

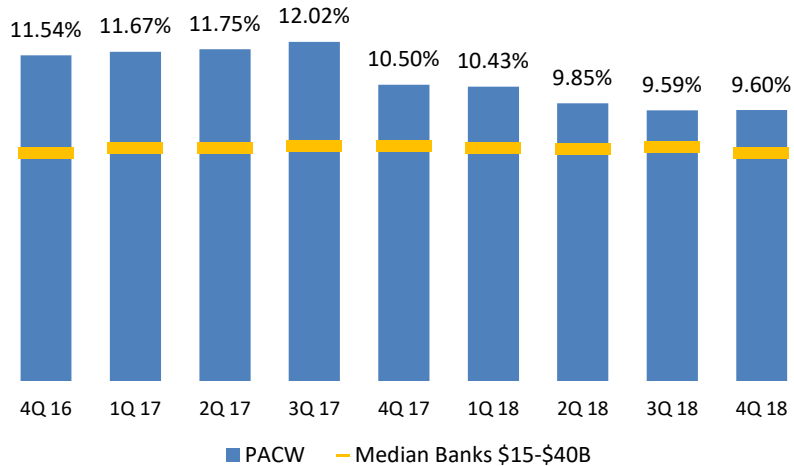
Solid Earnings Track Record



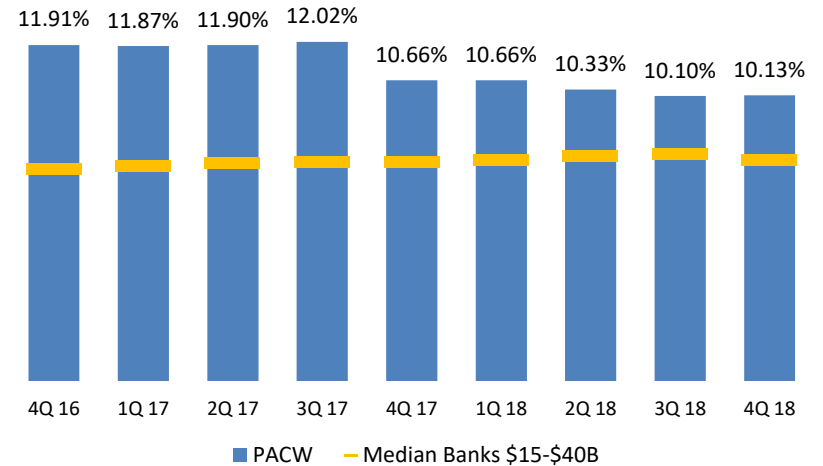
<i>(In millions, except EPS)</i>	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Net Earnings	\$ 85.6	\$ 78.7	\$ 93.6	\$ 101.5	\$ 84.0	\$ 118.3	\$ 115.7	\$ 116.3	\$ 115.0
Diluted EPS	\$ 0.71	\$ 0.65	\$ 0.77	\$ 0.84	\$ 0.66	\$ 0.93	\$ 0.92	\$ 0.94	\$ 0.93

Solid Capital Position – 4Q18

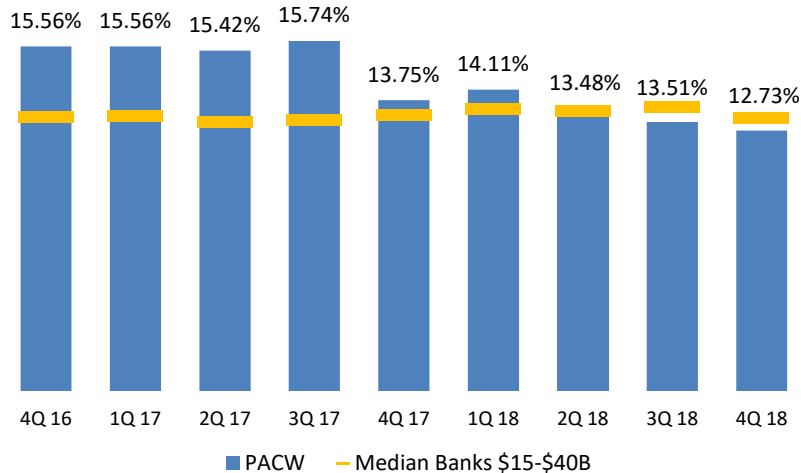
TCE / TA



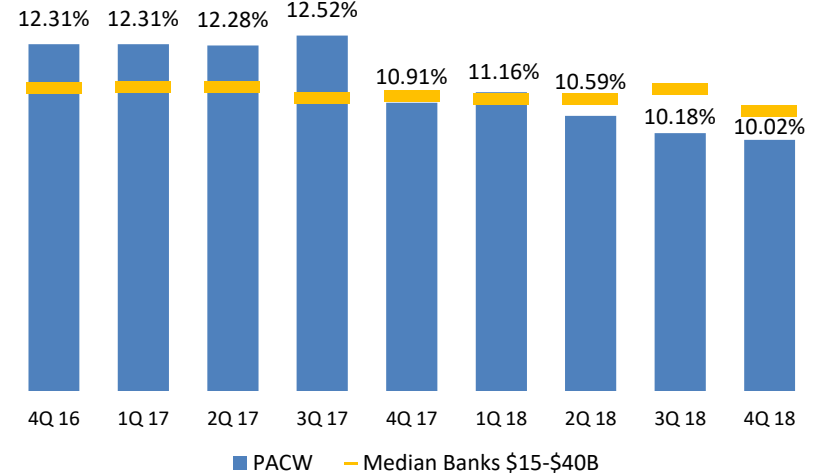
T1 Leverage



Total Capital



CET1



Source: SNL Financial using data as of January 25, 2019

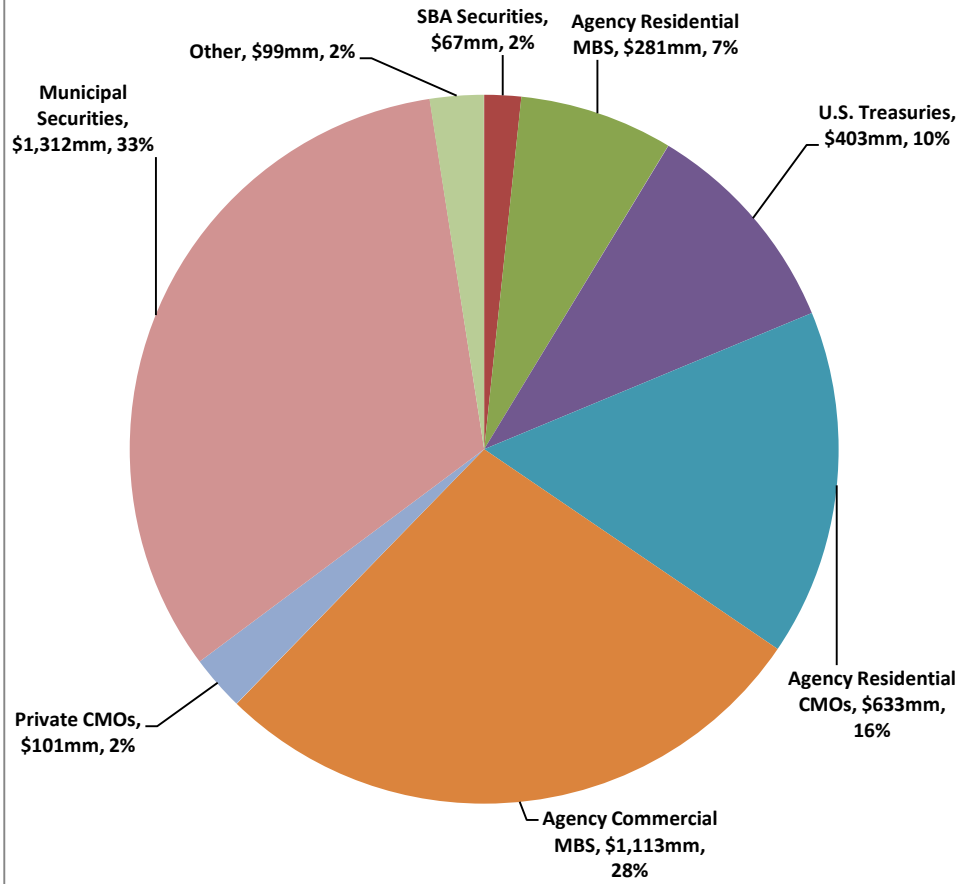


Investment Securities

Diversified Investment Portfolio

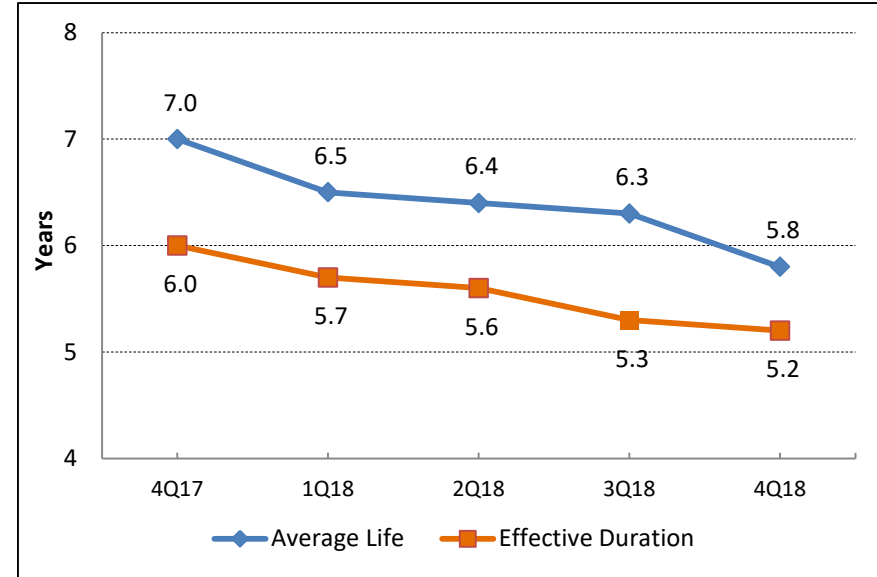
Investment Portfolio

\$4.0 Billion Total Portfolio (1)



3.15% overall portfolio tax equivalent yield (2)

Average Life and Effective Duration



Municipal Securities Composition

S&P Ratings	% Total	Issue Type	% Total
AAA	10%	G.O. Limited	6%
AA	80%	G.O. Unlimited	44%
A	3%	Revenue	50%
BBB	1%		
Not Rated ^(A)	6%		
	<u>100%</u>		<u>100%</u>

(A) Not rated category comprised primarily of not rated revenue bonds backed by an underlying agency security or CRA-related revenue bonds.



(1) Fair value at 12/31/18

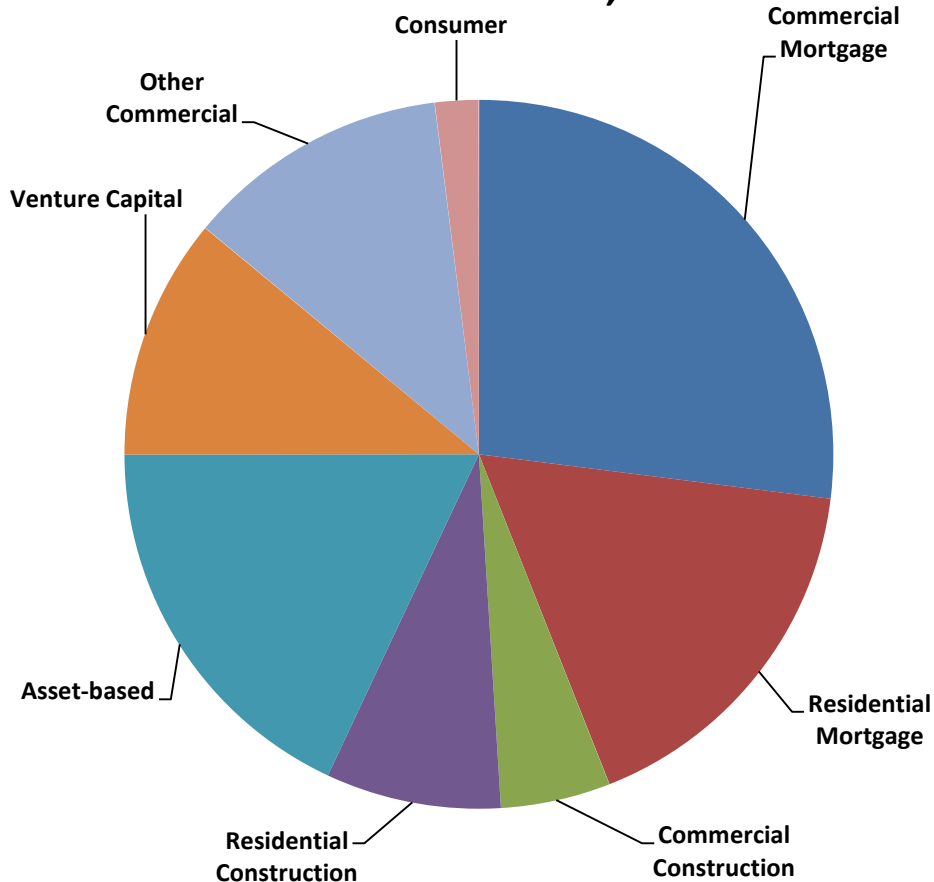
(2) Yield is for 4Q18



Loans and Leases

Diversified Loan and Lease Portfolio

As of December 31, 2018

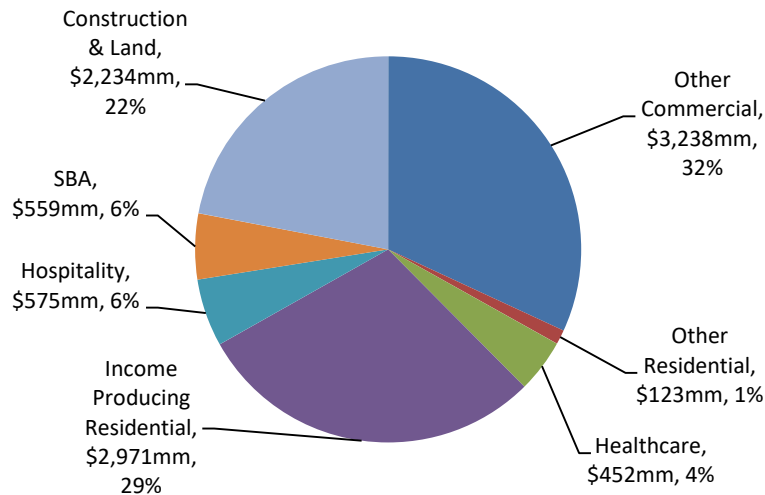


(\$ in millions)	12/31/2018		12/31/2017	
	\$	Mix	\$	Mix
Real Estate Mortgage:				
Commercial	\$ 4,824	27%	\$ 5,386	32%
Income producing and other residential	3,094	17%	2,467	14%
Total Real Estate Mortgage	7,918	44%	7,853	46%
RE Construction & Land:				
Commercial	913	5%	769	5%
Residential	1,321	8%	822	5%
Total RE Construction & Land	2,234	13%	1,591	10%
Total Real Estate	10,152	57%	9,444	56%
Commercial:				
Asset-based	3,305	18%	2,925	17%
Venture capital	2,039	11%	2,123	13%
Other commercial	2,061	12%	2,071	12%
Total Commercial	7,405	41%	7,119	42%
Consumer	401	2%	410	2%
Total Loans HFI⁽¹⁾	\$ 17,958	100%	\$ 16,973	100%
Unfunded commitments	<u>\$ 7,528</u>		<u>\$ 6,234</u>	

(1) Net of deferred fees and costs

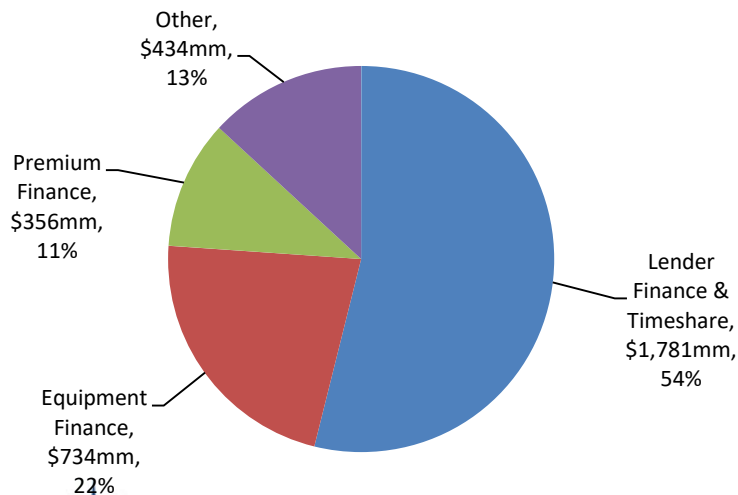
Diversified Loan and Lease Portfolio

Real Estate (\$10.2B)



(\$ in millions)	12/31/2018		12/31/2017	
	\$	Mix	\$	Mix
Real Estate:				
Other Commercial	\$ 3,238	32%	\$ 3,295	35%
Income Producing Residential	2,971	29%	2,245	24%
Construction & Land	2,234	22%	1,591	17%
Hospitality	575	6%	695	7%
SBA	559	6%	552	6%
Healthcare	452	4%	844	9%
Other Residential	123	1%	222	2%
Total Real Estate	\$ 10,152	100%	\$ 9,444	100%

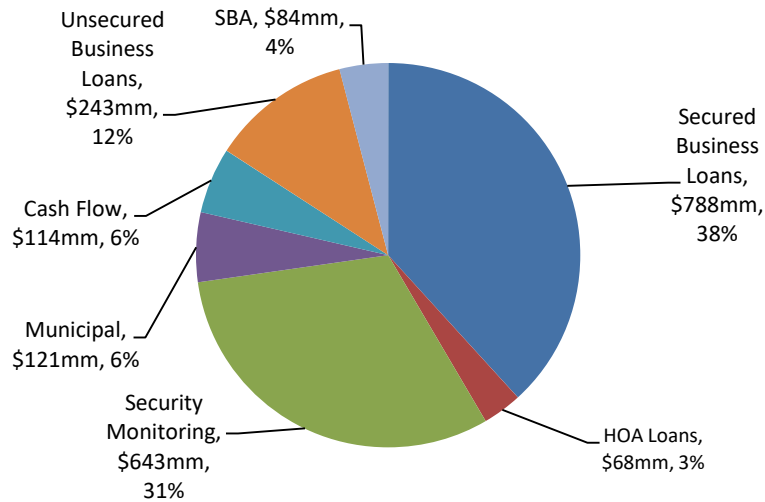
Asset-Based (\$3.3B)



(\$ in millions)	12/31/2018		12/31/2017	
	\$	Mix	\$	Mix
Asset-Based:				
Lender Finance & Timeshare	\$ 1,781	54%	\$ 1,610	55%
Equipment Finance	734	22%	657	22%
Premium Finance	356	11%	233	8%
Other	434	13%	425	15%
Total Asset-Based	\$ 3,305	100%	\$ 2,925	100%

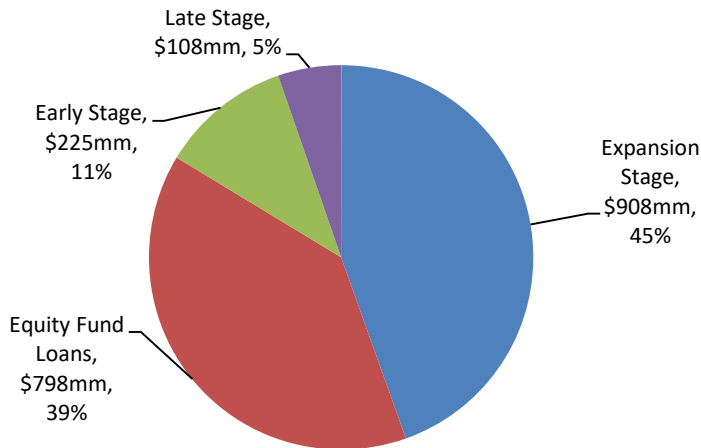
Diversified Loan and Lease Portfolio

Other Commercial (\$2.1B)



(\$ in millions)	12/31/2018		12/31/2017	
	\$	Mix	\$	Mix
Other Commercial:				
Secured Business Loans	\$ 788	38%	\$ 744	36%
Security Monitoring	643	31%	573	28%
Unsecured Business Loans	243	12%	249	12%
Municipal	121	6%	67	3%
Cash Flow	114	6%	279	13%
SBA	84	4%	95	5%
HOA Loans	68	3%	64	3%
Total Other Commercial	\$ 2,061	100%	\$ 2,071	100%

Venture Capital (\$2.0B)

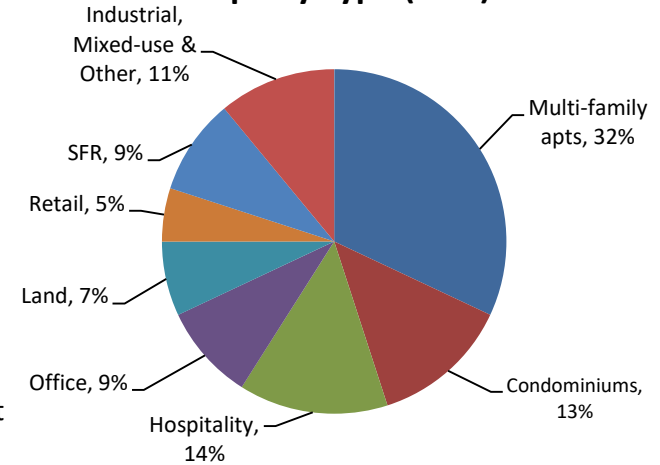


(\$ in millions)	12/31/2018		12/31/2017	
	\$	Mix	\$	Mix
Venture Capital:				
Expansion Stage	\$ 908	45%	\$ 953	45%
Equity Fund Loans	798	39%	471	22%
Early Stage	225	11%	444	21%
Late Stage	108	5%	255	12%
Total Venture Capital	\$ 2,039	100%	\$ 2,123	100%

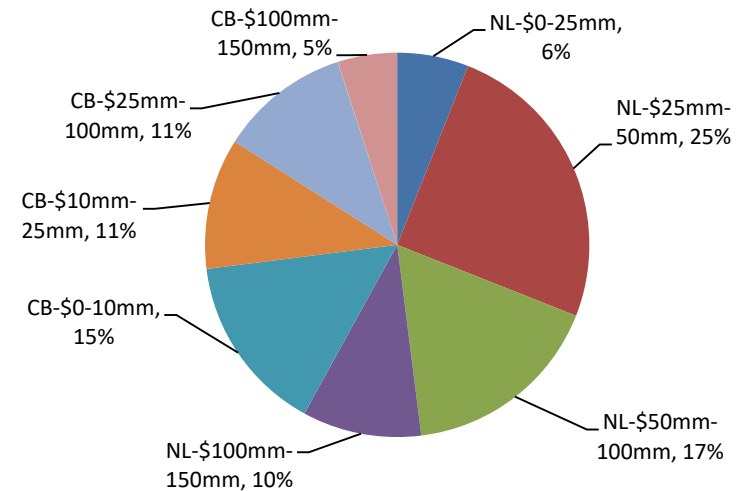
Construction & Land Loans - \$2.2 billion at 12/31/18

- PacWest originates construction loans in both its National Lending and Community Banking groups.
- The National Lending (NL) construction department was started in early 2015 with the hiring of a seasoned team with multiple years of experience working together.
- NL originates primarily non or limited recourse, primarily up to 60% loan-to-cost loans to high quality, experienced, well-capitalized institutional sponsors for ground-up construction and major renovation projects.
- NL commitments have completion guaranties, debt service guaranties, recourse guaranties triggered by bad acts, and environmental indemnities. Typically these commitments are not funded until after substantially all borrower equity and subordinated debt has been invested and the cost to complete the project has been re-evaluated, reducing credit risk from construction costs being more than anticipated and/or construction taking longer than anticipated.
- NL considers projects in the top 25 MSAs where the senior team has experience, market knowledge and contacts. Current concentrations are in California, New York City and Washington DC.
- Community Banking (CB) originates construction loans primarily within Pacific Western Bank's Southern California footprint.
- CB may advance up to 70% of cost, but on a full recourse basis to well-capitalized sponsors with whom the Bank has prior lending experience.

Total Construction Portfolio by Property Type (UPB)



Construction Commitments



(\$ in millions)	National Lending	Community Banking
	As of December 31, 2018	
Outstanding balance	\$ 1,111	\$ 1,123
Unfunded commitments	\$ 1,730	\$ 938
Weighted average coupon	6.79%	6.03%
Average commitment	\$ 43.0	\$ 3.7
Classified loans	\$ -	\$ 0.4



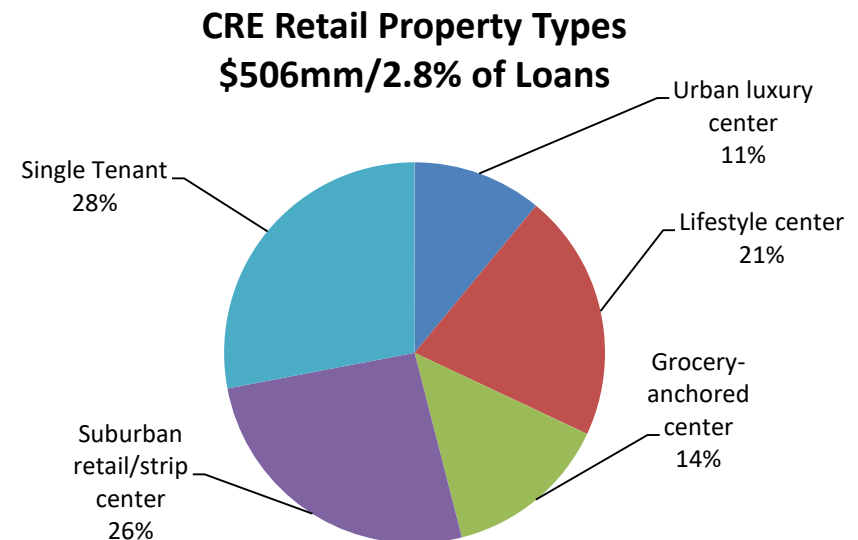
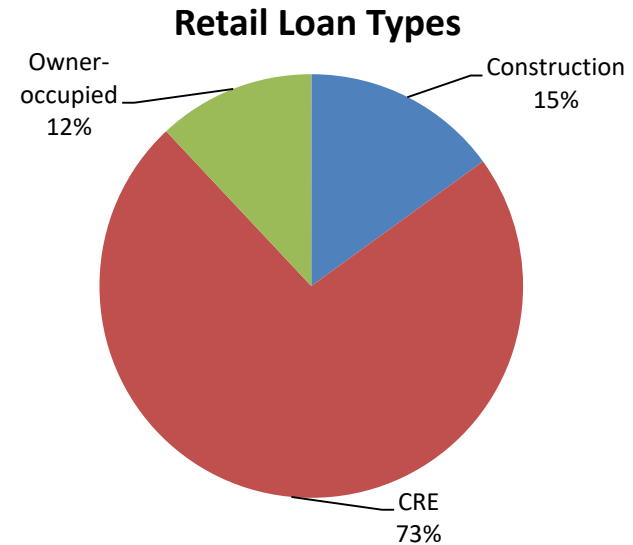
Retail Real Estate Portfolio Overview

Loan Types

- **Construction- significant projects include:**
 - A lifestyle center in Chula Vista, CA
 - A suburban retail center in Garden Grove, CA
 - A grocery-anchored community shopping center in Cary, N.C.
 - High traffic retail infill on San Vicente Blvd. in Los Angeles
- **Owner-Occupied**
 - Not adversely affected by rental market volatility
 - SBA retail is 100% owner-occupied
 - SBA guaranteed portions retained (75% average guaranty)
- **CRE**
 - Traditional retail-focused commercial real estate lending including:
 - National Lending \$163mm portfolio of 12 loans across 10 states with \$13.6mm average balance focused on lifestyle centers, urban luxury centers and grocery-anchored centers
 - Community Banking \$343mm portfolio almost entirely in California focused on suburban retail/strip centers and single tenant retail storefronts
 - No traditional retail mall exposure

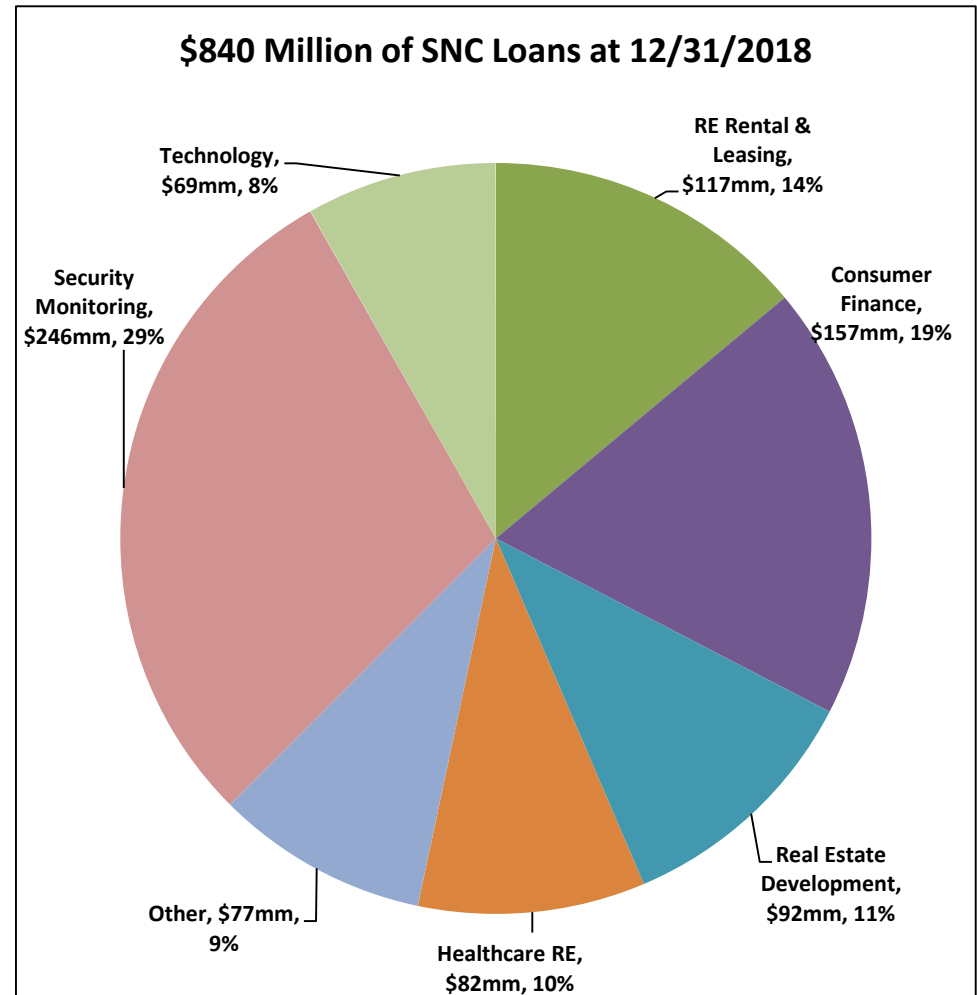
⁽¹⁾ \$31.1 million in classified loans at December 31, 2018 (down from \$43.5 million at September 30, 2018) with related SBA guaranties totaling \$0.3 million.

Outstanding balance: \$692mm ⁽¹⁾ /3.9% of Loans

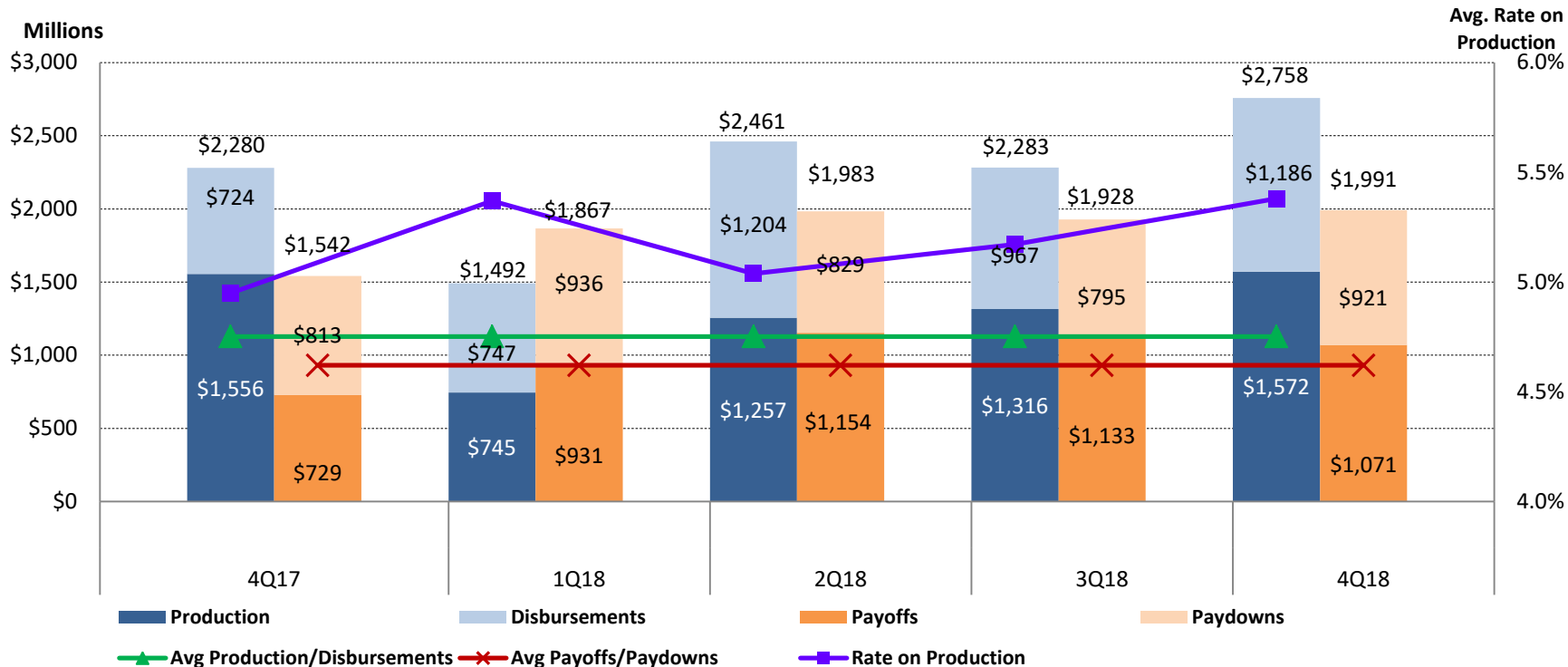


Shared National Credit (SNC) Relationships

- SNCs are not a line of business. SNC relationships are included in business line balances.
- SNCs are facilities greater than \$100 million with a federally supervised agent/lead bank shared by three or more federally supervised financial institutions.
- At December 31, 2018, 30 SNC borrowers with \$840 million outstanding; down 29% from \$1.190 billion at December 31, 2017.
- Credit underwriting standards are the same as standards applied to all loans.
- No energy-related SNCs.
- At December 31, 2018, no nonaccrual loans and \$67 million (7.9%) in classified loans. Classified loans includes \$54.6 million of security monitoring credits, a category with no prior loss history.



Loan and Lease Production of \$1.6 Billion in 4Q18



(\$ in millions)	Production/ Disbursements	Payoffs/ Paydowns	Net Difference	Rate on Production ⁽¹⁾⁽²⁾
4Q18	\$ 2,758	\$ 1,991	\$ 767	5.38%
3Q18	2,283	1,928	355	5.17%
2Q18	2,461	1,983	478	5.04%
1Q18	1,492	1,867	(375)	5.37%
4Q17	2,280	1,542	738	4.95%

(\$ in millions)	Loans Beginning Balance ⁽³⁾	Loans Ending Balance ⁽³⁾	Quarterly Change ⁽⁴⁾
4Q18	\$ 17,230	\$ 17,958	\$ 728
3Q18	16,885	17,230	345
2Q18	16,455	16,885	430
1Q18	16,973	16,455	(518)
4Q17	15,691	16,973	1,282

(1) The weighted average rate on production presents contractual rates and does not include amortized fees. Amortized fees added approximately 30 basis points to loan yields in 2017 and 31 basis points in 2018.

(2) 2018 rates are on a tax-equivalent basis

(3) Net of deferred fees and costs

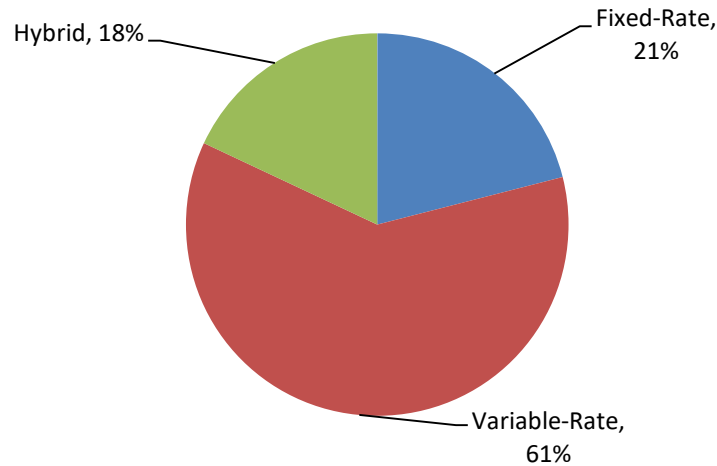
(4) Quarterly change equals "Net Difference" plus transfers to OREO, charge-offs, loan sales and acquired loans. 4Q17 includes \$2.1 billion of loans acquired from CUB and \$1.5 billion of cash flow loans sold.



Interest Rate Components of the Loan and Lease Portfolio

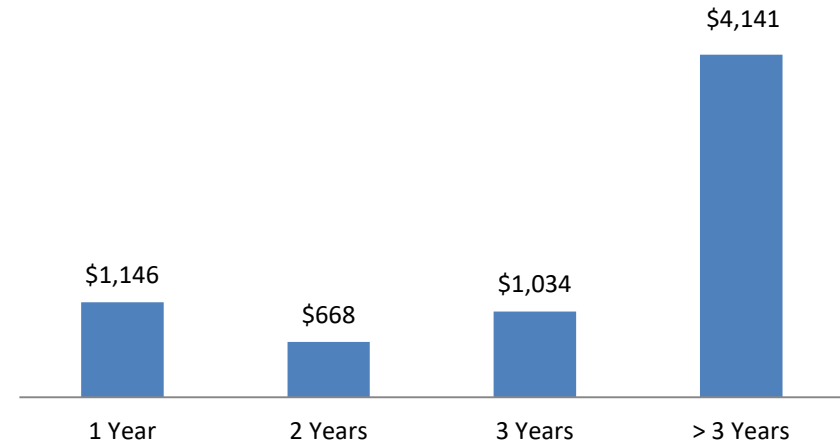
As of December 31, 2018

Loan Portfolio by Repricing Type



Fixed/Hybrid Years to Maturity/Repricing

(In Millions)



Variable-Rate and Hybrid Loans by Index

	Amount	%
	<i>(In millions)</i>	
1-month LIBOR	\$ 5,808	
2-month LIBOR	38	
3-month LIBOR	107	
6-month LIBOR	2,154	
12-month LIBOR	133	
Total LIBOR-based Loans	8,240	58%
Prime Rate	4,661	33%
Other Index	1,391	9%
Total Variable/Hybrid Loans	\$ 14,292	100%



Credit Quality

Quarterly Credit Quality Trends ⁽¹⁾

<i>(\$ in thousands)</i>		4Q17	1Q18	2Q18	3Q18	4Q18
Nonaccrual Loans and Leases HFI	\$	155,784	103,725	113,745	112,972	79,333
As a % of Loans and Leases HFI	%	0.92%	0.63%	0.67%	0.66%	0.44%
Nonperforming Assets	\$	157,113	105,461	115,976	117,379	84,632
As a % of Loans and Leases & Foreclosed Assets	%	0.93%	0.64%	0.69%	0.68%	0.47%
Classified Loans and Leases HFI ⁽²⁾	\$	278,405	208,042	236,292	260,459	237,110
As a % of Loans and Leases HFI	%	1.65%	1.26%	1.40%	1.51%	1.32%
Credit Loss Provision	\$	6,500	4,000	17,500	11,500	12,000
As a % of Average Loans and Leases (annualized)	%	0.15%	0.10%	0.42%	0.27%	0.28%
Trailing Twelve Months Net Charge-offs	\$	62,957	49,723	45,912	46,568	43,758
As a % of Average Loans and Leases	%	0.40%	0.31%	0.28%	0.28%	0.26%
Allowance for Credit Losses (ACL) ⁽³⁾	\$	161,647	167,136	167,500	177,281	169,333
As a % of Loans and Leases HFI	%	0.96%	1.02%	0.99%	1.03%	0.94%
ACL / Nonaccrual Loans and Leases HFI	%	103.76%	161.14%	147.26%	156.92%	213.45%

(1) Amounts and ratios related to 2018 periods are for total loans and leases. Amounts and ratios for the 2017 period are for Non-PCI loans and leases.

(2) Classified loans and leases are those with a credit risk rating of substandard or doubtful.

(3) Allowance for credit losses includes allowance for loan and lease losses and reserve for unfunded loan commitments.

Annual Credit Quality Trends⁽¹⁾

<i>(\$ in thousands)</i>		2016	2017	2018
Nonaccrual Loans and Leases HFI	\$	170,599	155,784	79,333
As a % of Loans and Leases HFI	%	1.11%	0.92%	0.44%
Nonperforming Assets (NPAs)	\$	183,575	157,113	84,632
As a % of Loans and Leases & Foreclosed Assets	%	1.20%	0.93%	0.47%
Classified Loans and Leases HFI ⁽²⁾	\$	409,645	278,405	237,110
As a % of Loans and Leases HFI	%	2.67%	1.65%	1.32%
Credit Loss Provision	\$	61,000	59,000 ⁽⁴⁾	45,000
As a % of Average Loans and Leases	%	0.42%	0.37%	0.27%
Trailing Twelve Months Net Charge-offs	\$	21,990	62,957	43,758
As a % of Average Loans and Leases	%	0.15%	0.40%	0.26%
Allowance for Credit Losses (ACL) ⁽³⁾	\$	161,278	161,647	169,333
As a % of Loans and Leases HFI	%	1.05%	0.96%	0.94%
ACL / Nonaccrual Loans and Leases HFI	%	94.54%	103.76%	213.45%

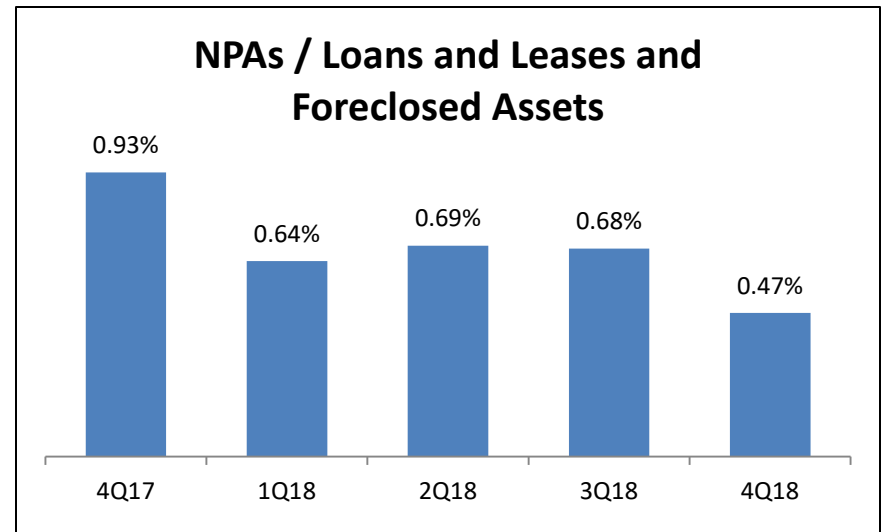
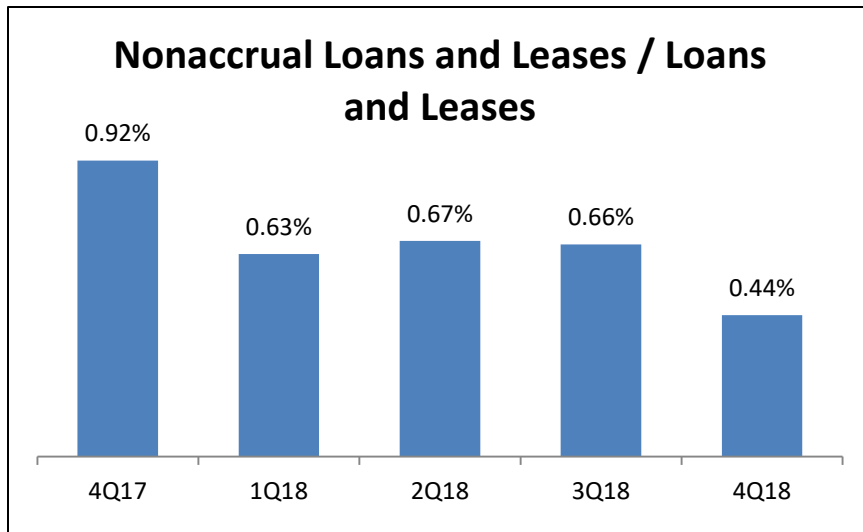
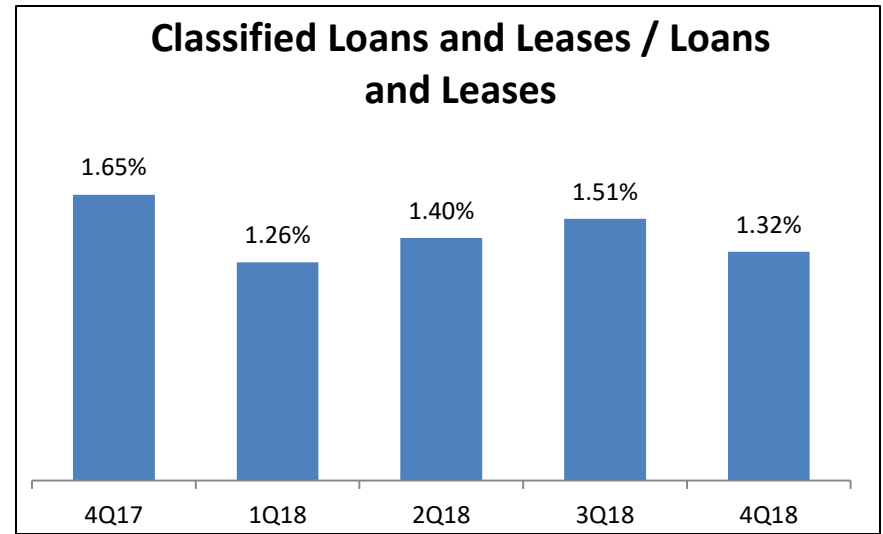
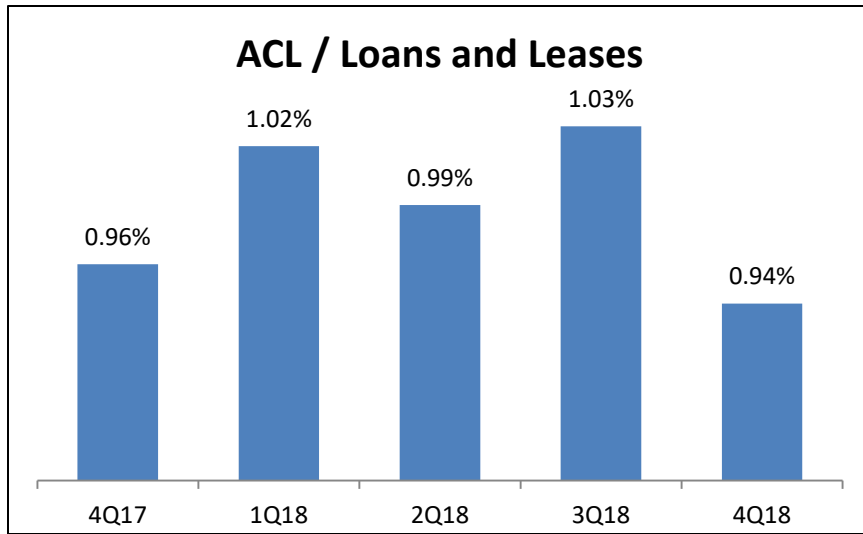
(1) Amounts and ratios related to 2018 are for total loans and leases. Amounts and ratios for 2017 and 2016 are for Non-PCI loans and leases.

(2) Classified loans and leases are those with a credit risk rating of substandard or doubtful.

(3) Allowance for credit losses includes allowance for loan and lease losses and reserve for unfunded loan commitments.

(4) Includes a \$14.1 million benefit adjustment recorded in connection with the sale of \$1.5 billion of cash flow loans.

Key Credit Trends – Loans HFI



Nonaccrual and Delinquent Loan and Lease Detail

(\$ in thousands)	Nonaccrual Loans and Leases				Accruing and 30 - 89 Days Past Due	
	12/31/2018		9/30/2018		12/31/2018	9/30/2018
	Balance	% of Loan Category	Balance	% of Loan Category	Balance	Balance
Real estate mortgage:						
Commercial	\$ 15,321	0.3%	\$ 29,723	0.6%	\$ 3,276	\$ 824
Income producing and other residential	2,524	0.1%	3,259	0.1%	1,557	5,436
Total real estate mortgage	17,845	0.2%	32,982	0.4%	4,833	6,260
Real estate construction and land:						
Commercial	442	0.0%	-	0.0%	-	-
Residential	-	0.0%	-	0.0%	1,527	8,498
Total R.E. construction and land	442	0.0%	-	0.0%	1,527	8,498
Commercial:						
Asset-based	32,324	1.0%	34,619	1.1%	47	-
Venture capital	20,299	1.0%	35,520	1.7%	1,028	1,028
Other commercial	7,380	0.4%	9,579	0.5%	2,467	222
Total commercial	60,003	0.8%	79,718	1.1%	3,542	1,250
Consumer	1,043	0.3%	272	0.1%	581	605
Total	<u>\$ 79,333</u>	0.4%	<u>\$ 112,972</u>	0.7%	<u>\$ 10,483</u>	<u>\$ 16,613</u>

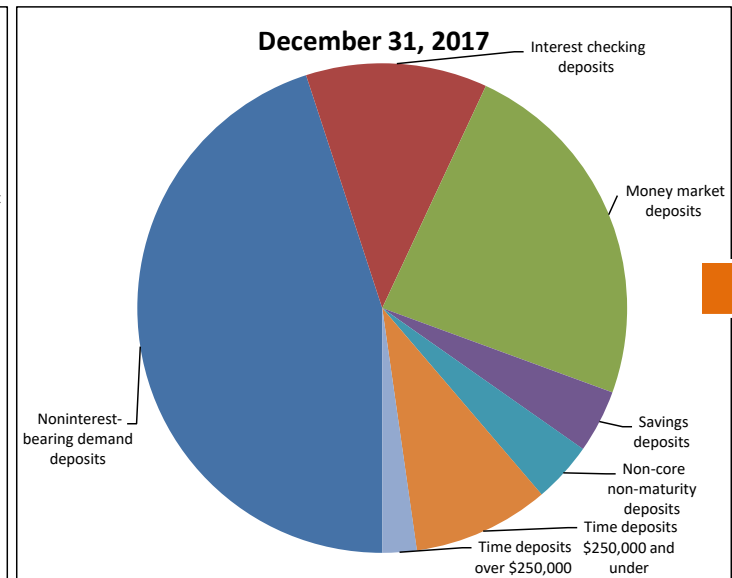
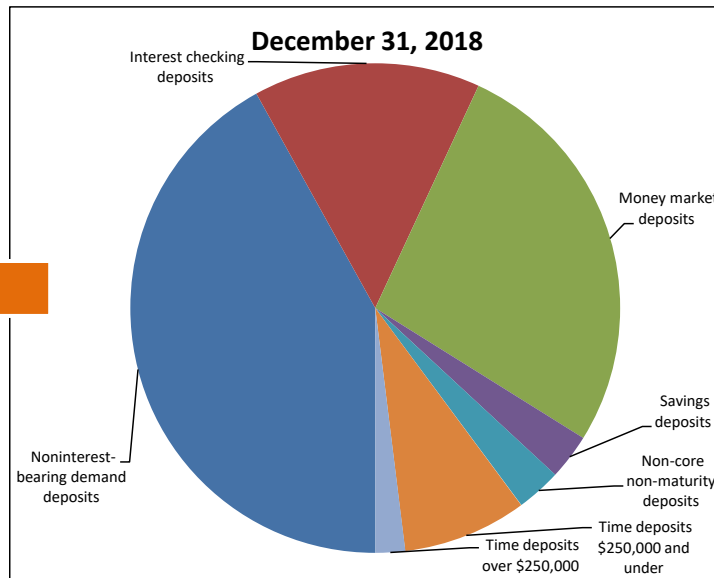
At December 31, 2018, the Company's three largest loan relationships on nonaccrual status had an aggregate book balance of \$41.9 million and represented 53% of total nonaccrual loans and leases.



Deposits

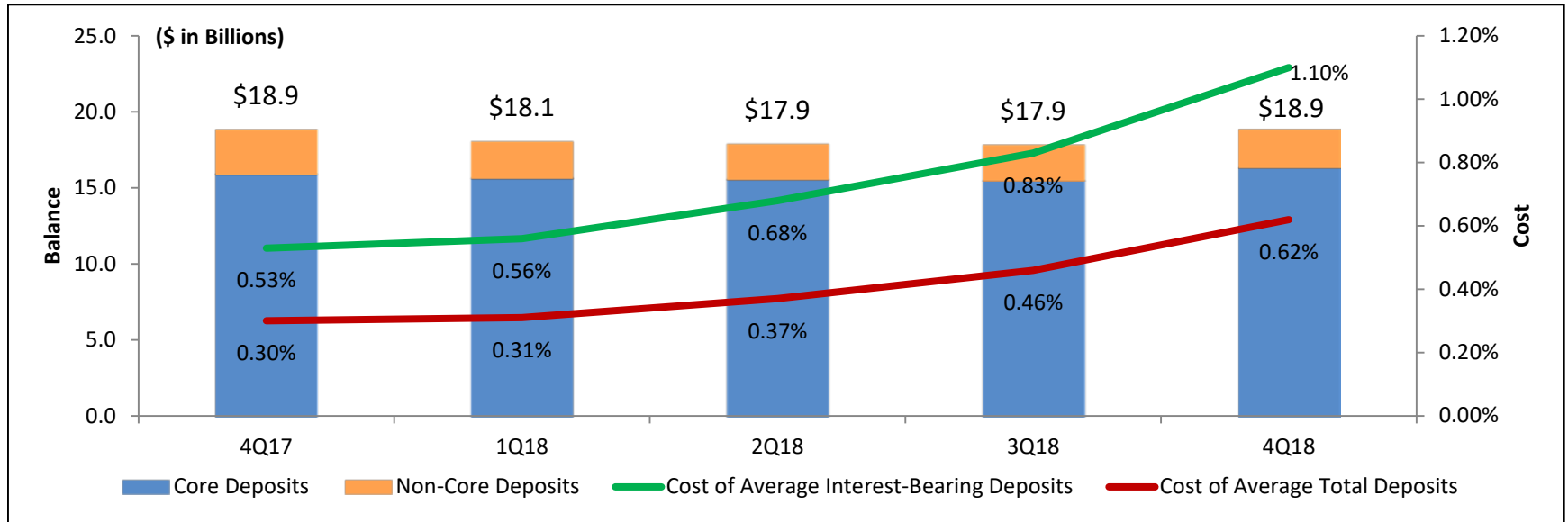
Deposit Detail

(\$ in millions) Deposit Category	At or For the Year Ended December 31, 2018			At or For the Year Ended December 31, 2017		
	Average \$	Year-End \$	Mix	Average \$	Year-End \$	Mix
Noninterest-bearing demand deposits	\$ 8,211	\$ 7,889	42%	\$ 7,076	\$ 8,508	45%
Interest checking deposits	2,306	2,843	15%	1,787	2,227	12%
Money market deposits	4,705	5,044	27%	4,019	4,512	24%
Savings deposits	642	571	3%	707	690	4%
Total core deposits	15,864	16,347	87%	13,589	15,937	85%
Non-core non-maturity deposits	542	518	3%	1,151	863	4%
Total non-maturity deposits	16,406	16,865	90%	14,740	16,800	89%
Time deposits \$250,000 and under	1,497	1,594	8%	1,862	1,710	9%
Time deposits over \$250,000	359	412	2%	385	356	2%
Total time deposits	1,856	2,006	10%	2,247	2,066	11%
Total deposits ⁽¹⁾	\$ 18,262	\$ 18,871	100%	\$ 16,987	\$ 18,866	100%



(1) Does not include \$1.9 billion and \$2.1 billion of client investment funds held at December 31, 2018 and December 31, 2017, respectively.

Deposit Portfolio



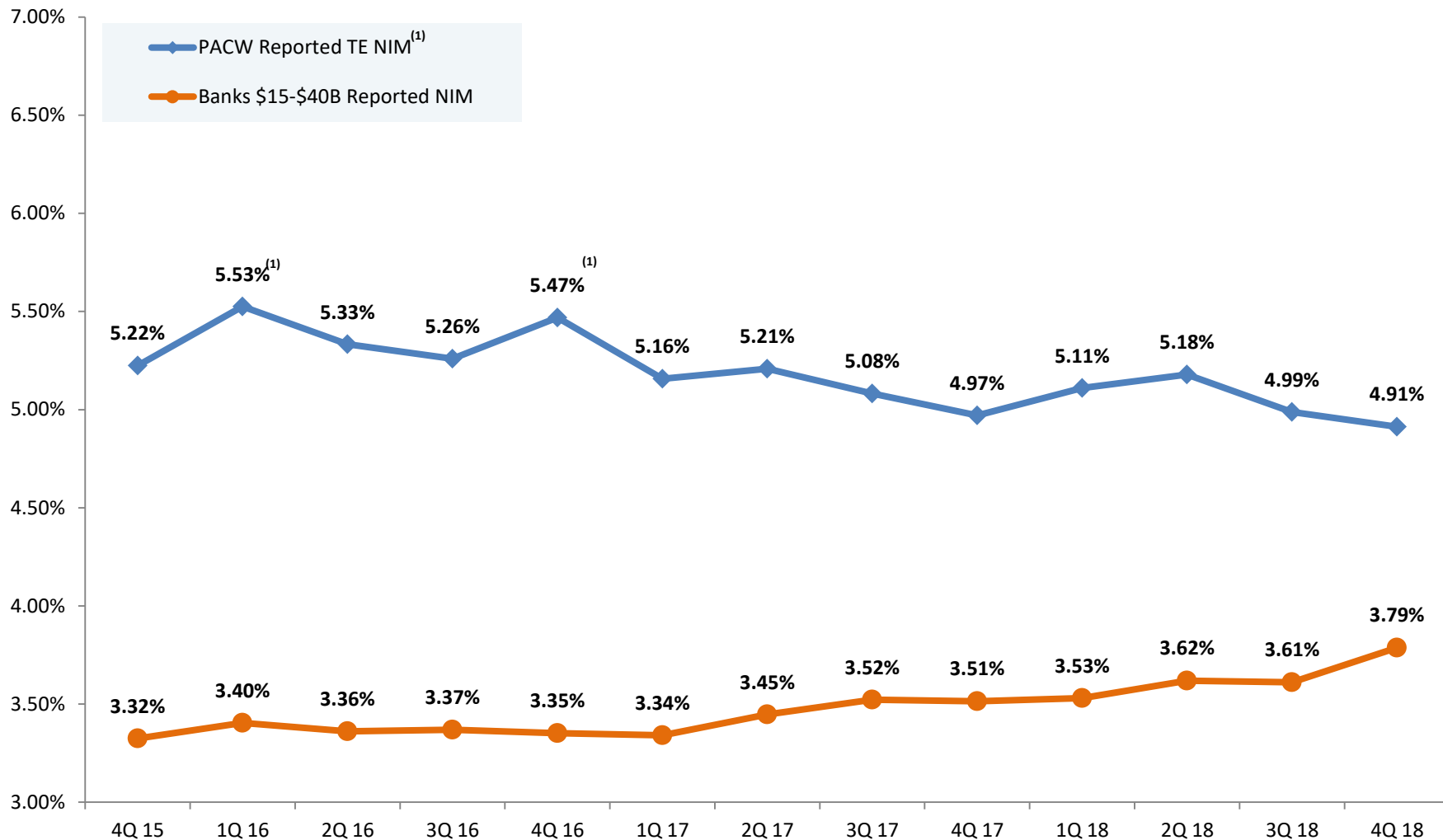
<i>(In millions)</i>	December 31, 2018		
	Time Deposits \$250,000 and Under	Time Deposits Over \$250,000	Total Time Deposits
Maturities			
Due in three months or less	\$ 642	\$ 171	\$ 813
Due in over three months through six months	395	87	482
Due in over six months through twelve months	465	135	600
Due in over 12 months through 24 months	68	17	85
Due in over 24 months	24	2	26
Total	\$ 1,594 ⁽¹⁾	\$ 412	\$ 2,006

(1) Includes brokered time deposits of \$729 million with a weighted average maturity of 4 months and a weighted average cost of 2.21%.



Net Interest Margin

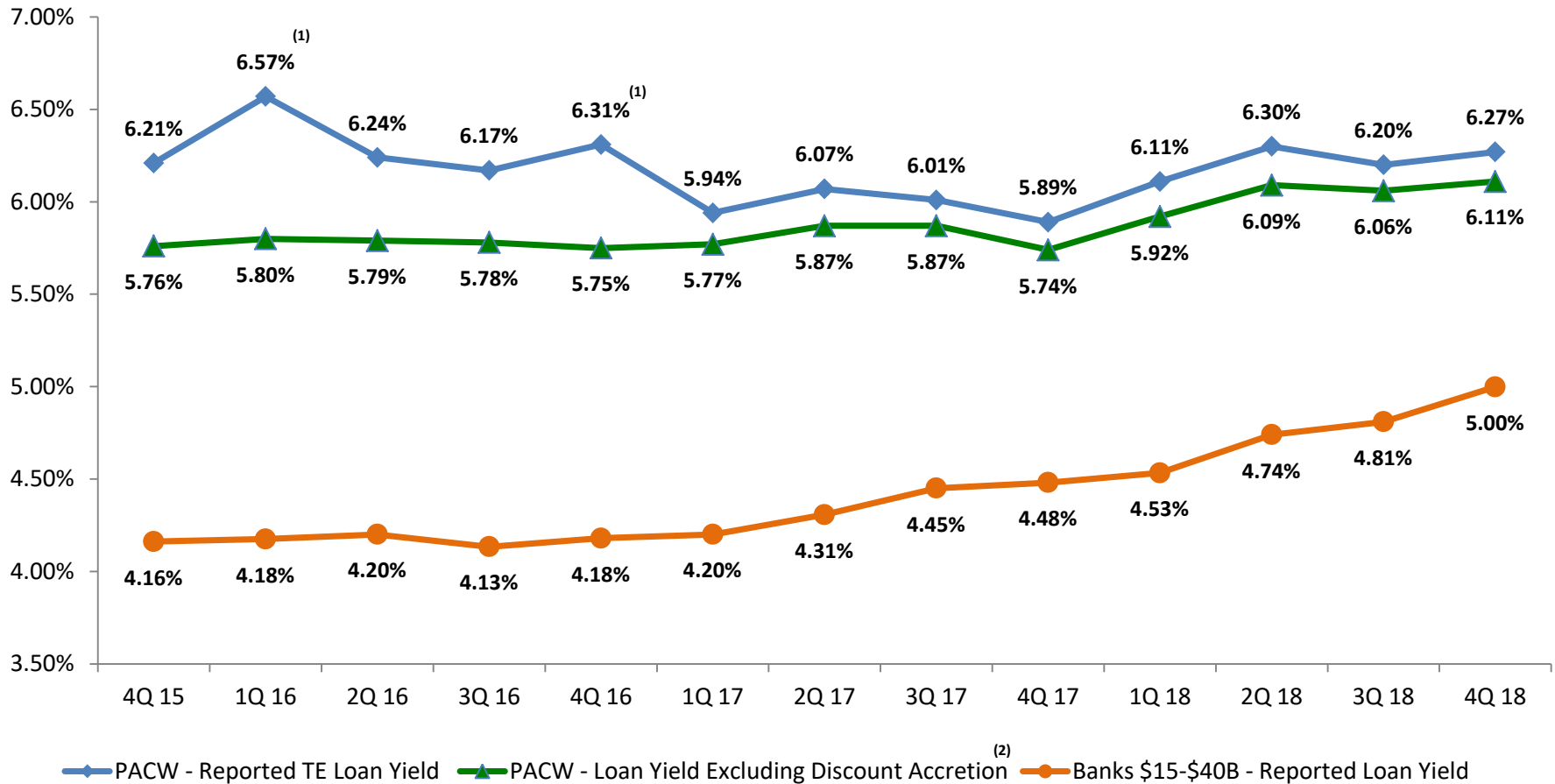
Industry Leading Tax Equivalent Net Interest Margin



(1) Includes 27bps in Q1 2016 and 29bps in Q4 2016 due to accelerated discount accretion from the payoff of nonaccrual PCI loans.
 Source: SNL Financial using data as of January 25, 2019



Higher Loan Yields From Disciplined & Diversified Lending



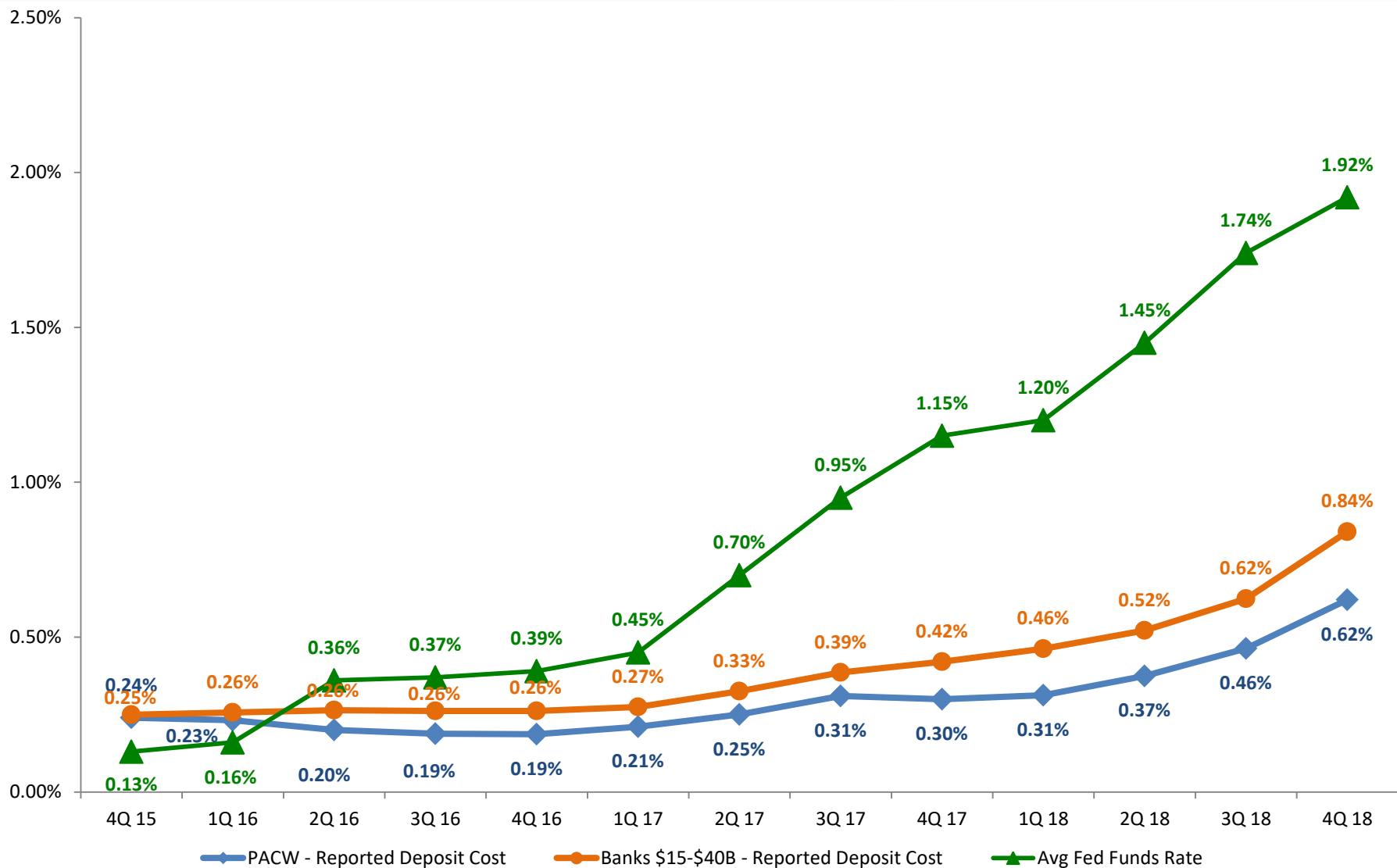
(1) Includes 34bps in Q1 2016 and 35bps in Q4 2016 due to accelerated discount accretion from the payoff of nonaccrual PCI loans.

(2) See "Non-GAAP Measurements" slides beginning on slide 46.

Source: SNL Financial using data as of January 25, 2019



Deposit Franchise: 4Q18 Deposit Cost of 62 Basis Points



Source: SNL Financial using data as of January 25, 2019

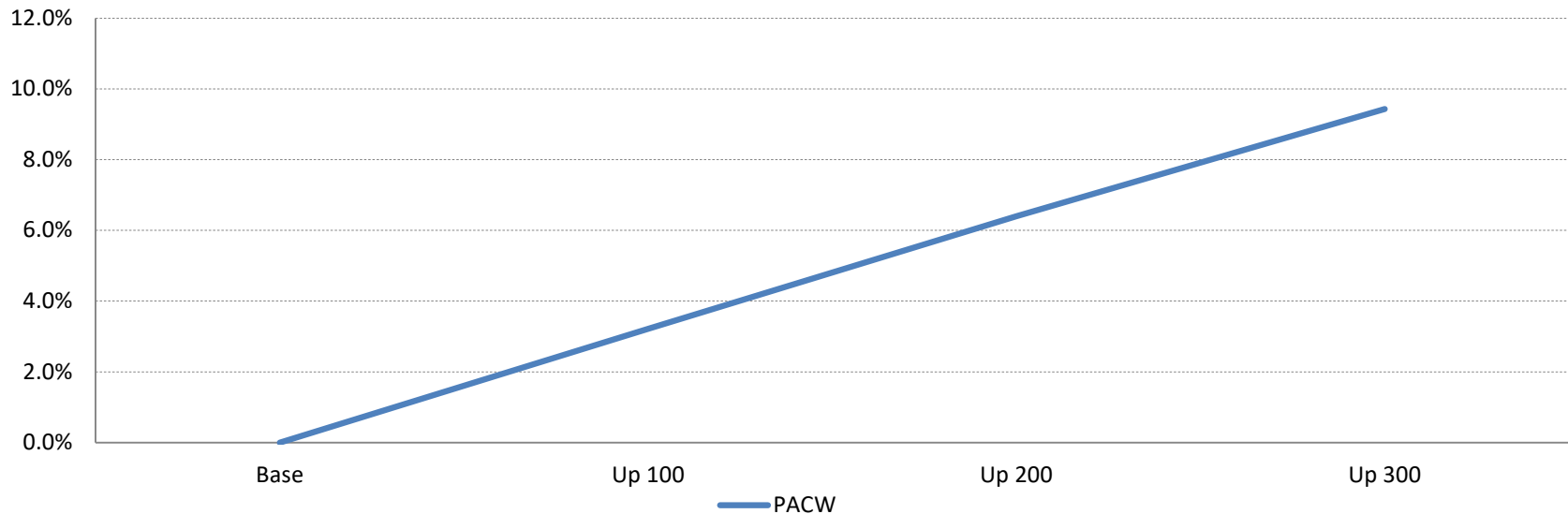
Asset-Sensitive Balance Sheet Benefits From Rising Rates

PacWest Bancorp

Pro Forma Combined IRR Model Results - % Change in NII - Year 1

Static Balance Sheet - December 31, 2018

Sudden Parallel Shocks



(\$ in millions)	December 31, 2018		
	Forecasted Net Interest Income (Tax Equivalent)	Percentage Change From Base	Forecasted Net Interest Margin (Tax Equivalent)
Up 300 basis points	\$ 1,147.6	9.4%	5.13%
Up 200 basis points	1,115.9	6.4%	4.98%
Up 100 basis points	1,082.4	3.2%	4.83%
Base case	1,048.7	-	4.68%

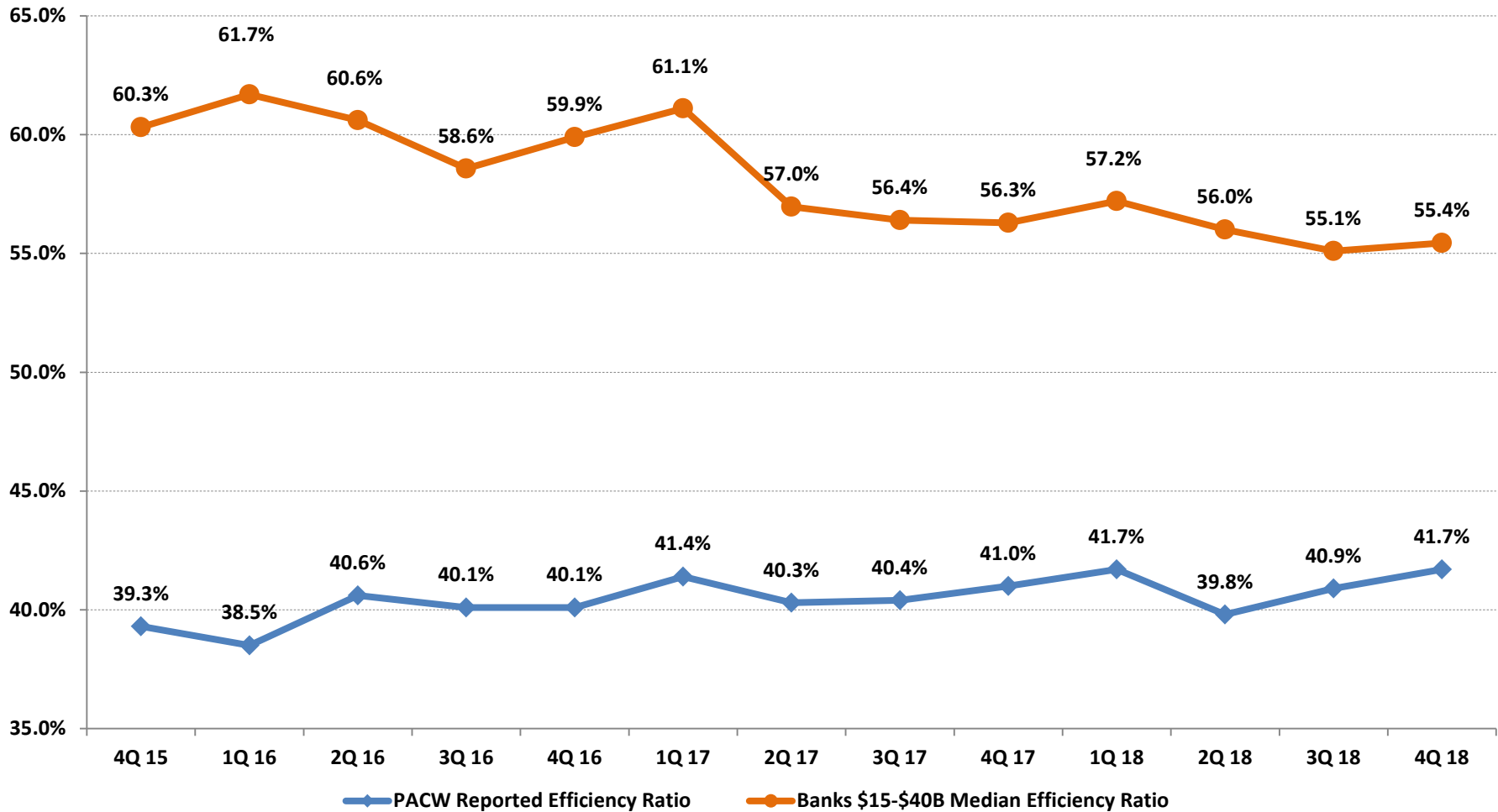
Note: The above table presents forecasted net interest income and net interest margin for the next 12 months using the forward yield curve as the base scenario and shocking the static balance sheet for immediate and sustained parallel upward movements in interest rates of 100, 200 and 300 basis points.





Controlled Expenses

Efficiency Ratio Trend

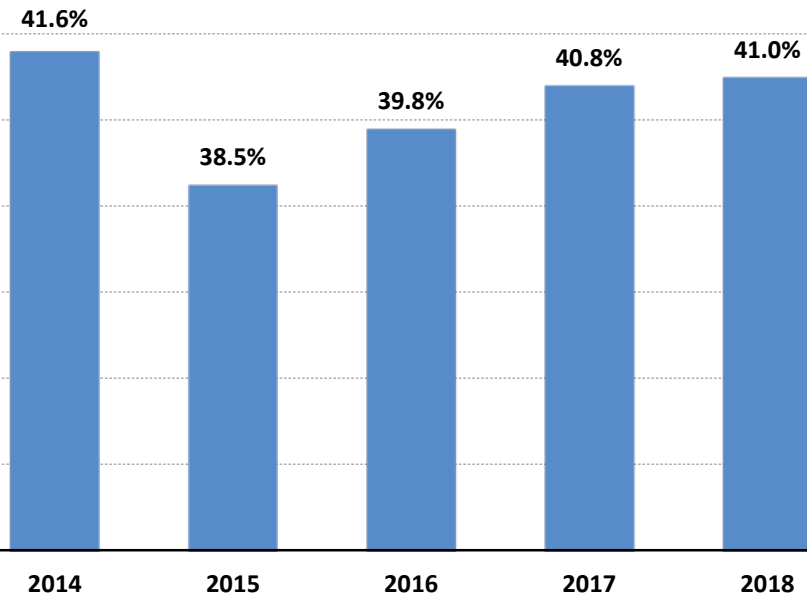


Source: SNL Financial using data as of January 25, 2019

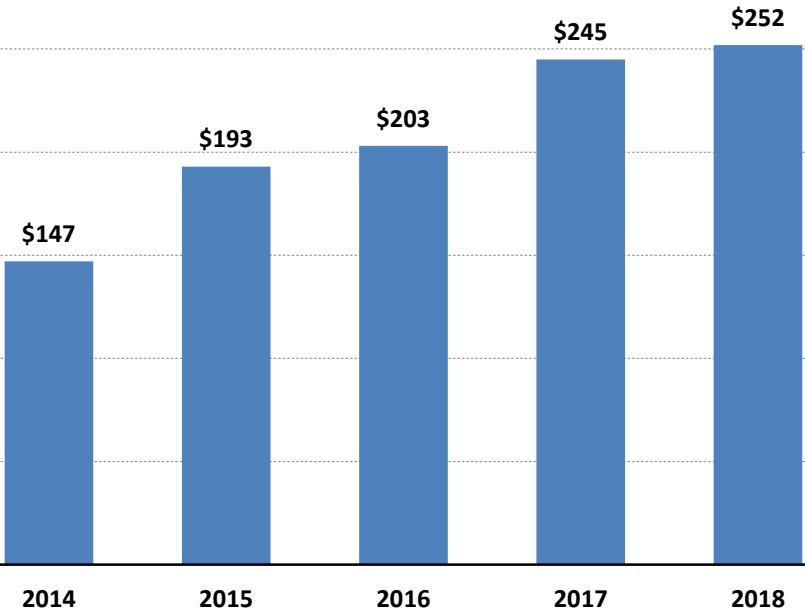


Focus and Execution Drive Efficiency

Efficiency Ratio



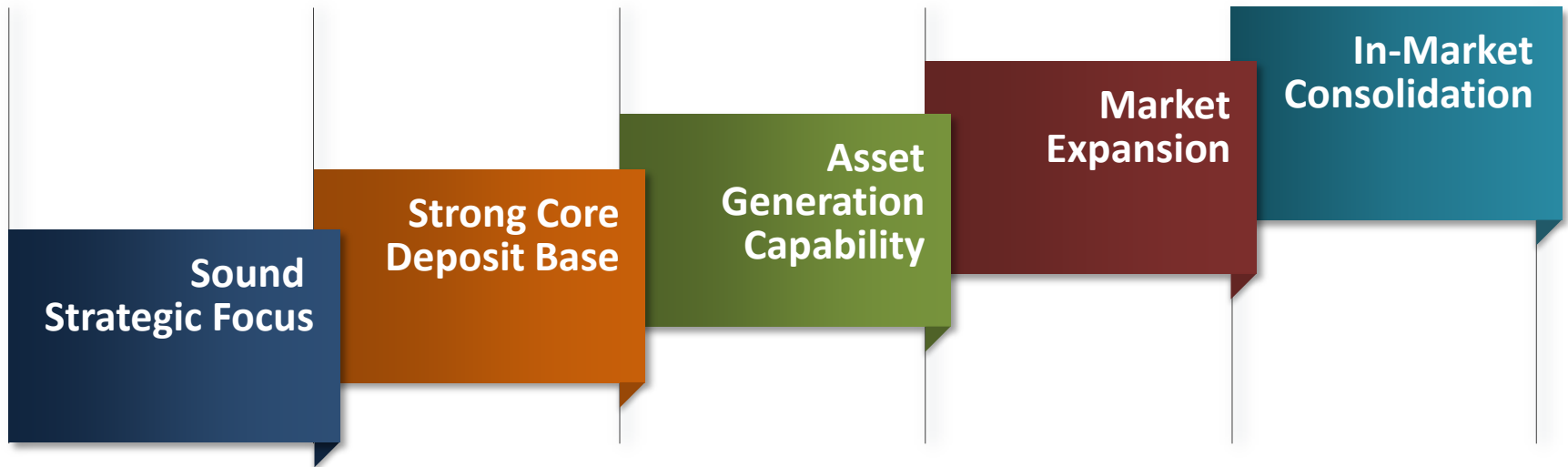
Average Branch Size (\$-M)





Acquisitions

Acquisition Strategy



Key Drivers of Accretion

Cost Savings

Customer Retention

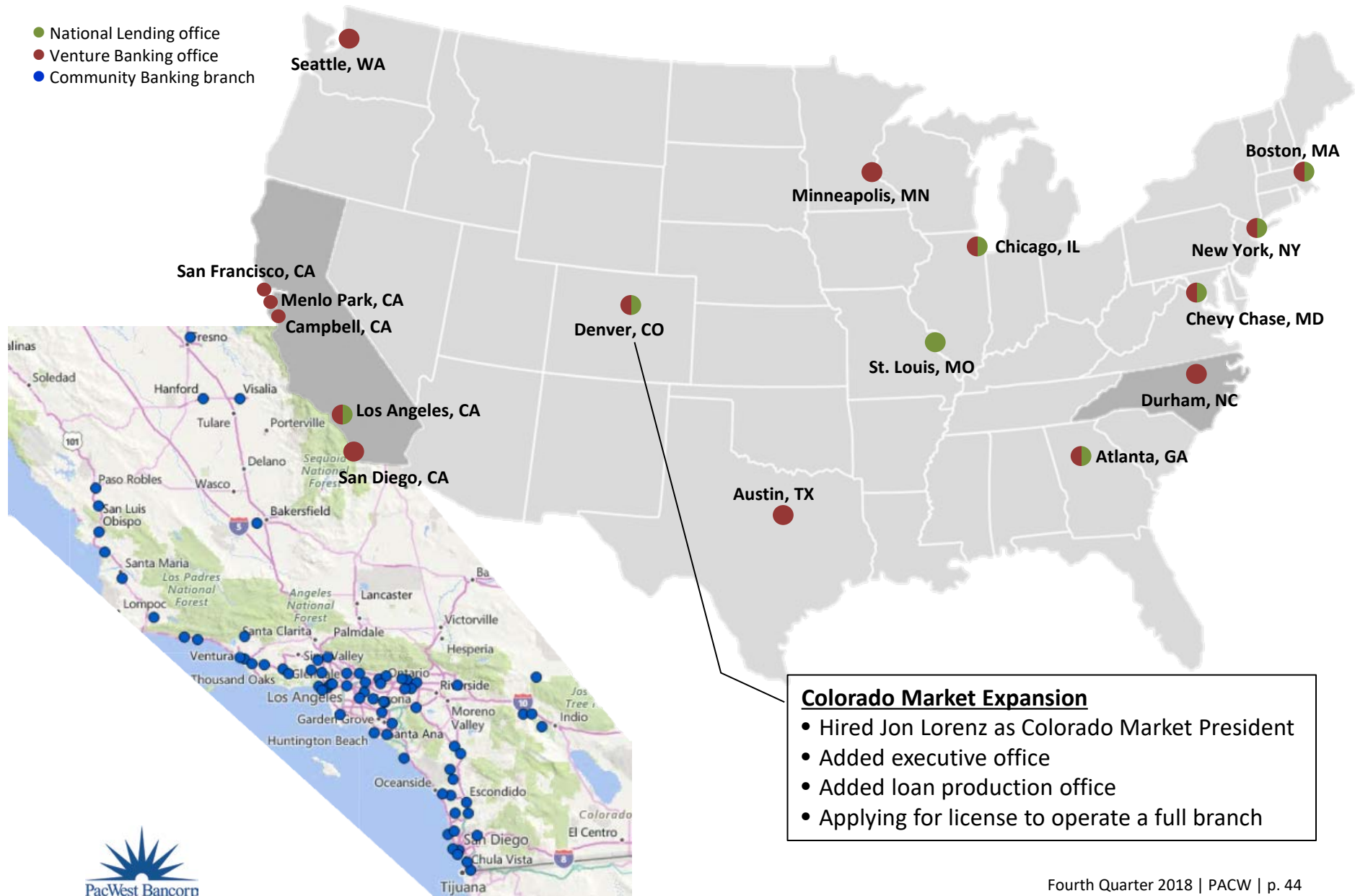
Margin Improvement



Strong Franchise Value

National Lending Combined With California Branch Network

- National Lending office
- Venture Banking office
- Community Banking branch



California-Based Public Banks and Thrifts

As of December 31, 2018

Rank	Company Name	Ticker	Assets (\$000)
1	Wells Fargo & Company	WFC	\$ 1,895,883,000
2	First Republic Bank	FRC	\$ 99,205,204
3	SVB Financial Group	SIVB	\$ 56,927,979
4	East West Bancorp, Inc.	EWBC	\$ 41,042,356
5	PacWest Bancorp	PACW	\$ 25,731,354
6	Cathay General Bancorp	CATY	\$ 16,785,760
7	Hope Bancorp, Inc.	HOPE	\$ 15,305,952
8	CVB Financial Corp.	CVBF	\$ 11,529,153
9	Pacific Premier Bancorp, Inc.	PPBI	\$ 11,487,387
10	Banc of California, Inc.	BANC	\$ 10,630,067
11	Axos Financial, Inc.	AX	\$ 9,791,520 *
12	Farmers & Merchants Bank of Long Beach	FMBL	\$ 7,308,236
13	Opus Bank	OPB	\$ 7,180,903
14	Luther Burbank Corporation	LBC	\$ 6,937,212
15	TriCo Bancshares	TCBK	\$ 6,318,865 *
16	Mechanics Bank	MCHB	\$ 6,004,338 *
17	Westamerica Bancorporation	WABC	\$ 5,568,526
18	Hanmi Financial Corporation	HAFC	\$ 5,502,219
19	First Foundation, Inc.	FFWM	\$ 5,466,282 *
20	Preferred Bank	PFBC	\$ 4,215,502
21	Farmers & Merchants Bancorp	FMCB	\$ 3,183,462 *
22	Heritage Commerce Corp	HTBK	\$ 3,096,562
23	1867 Western Financial Corporation	WFCL	\$ 3,055,266 *
24	RBB Bancorp	RBB	\$ 2,975,480
25	Exchange Bank	EXSR	\$ 2,612,514 *
26	Sierra Bancorp	BSRR	\$ 2,522,502
27	Bank of Marin Bancorp	BMRC	\$ 2,520,892
28	River City Bank	RCBC	\$ 2,183,436 *
29	American Business Bank	AMBZ	\$ 2,157,443
30	Pacific City Financial Corporation	PCB	\$ 1,697,028



* Assets are as of September 30, 2018. All assets amounts using data from SNL Financial as of January 29, 2019.

Non-GAAP Measurements

The Company uses certain non-GAAP financial measures to provide meaningful supplemental information regarding the Company's operational performance and to enhance investors' overall understanding of such financial performance. These non-GAAP financial measures should not be considered a substitute for financial information presented in accordance with GAAP and may be different from non-GAAP financial measures used by other companies.

The table below and on the following slide present reconciliations of certain GAAP to non-GAAP financial measures.

	Three Months Ended				
	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
Adjusted Loan and Lease Yield					
Reported loan and lease yield	5.89%	6.11%	6.30%	6.20%	6.27%
Less: Acquired loan discount accretion	(0.15)%	(0.19)%	(0.21)%	(0.14)%	(0.16)%
Loan and lease yield excluding discount accretion	<u>5.74%</u>	<u>5.92%</u>	<u>6.09%</u>	<u>6.06%</u>	<u>6.11%</u>

Non-GAAP Measurements

	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
<i>(\$ in thousands, except per share amounts)</i>					
Tangible Common Equity Ratio & Tangible Book Value Per Share					
Stockholders' equity	\$ 4,825,588	\$ 4,741,685	\$ 4,777,959	\$ 4,867,490	\$ 4,977,598
Less: Intangible assets	2,605,790	2,610,776	2,616,363	2,621,950	2,628,296
Tangible common equity	<u>\$ 2,219,798</u>	<u>\$ 2,130,909</u>	<u>\$ 2,161,596</u>	<u>\$ 2,245,540</u>	<u>\$ 2,349,302</u>
Total assets	\$ 25,731,354	\$ 24,782,126	\$ 24,529,557	\$ 24,149,330	\$ 24,994,876
Less: Intangible assets	2,605,790	2,610,776	2,616,363	2,621,950	2,628,296
Tangible assets	<u>\$ 23,125,564</u>	<u>\$ 22,171,350</u>	<u>\$ 21,913,194</u>	<u>\$ 21,527,380</u>	<u>\$ 22,366,580</u>
Equity to assets ratio	18.75%	19.13%	19.48%	20.16%	19.91%
Tangible common equity ratio ⁽¹⁾	9.60%	9.61%	9.86%	10.43%	10.50%
Book value per share	\$ 39.17	\$ 38.46	\$ 38.36	\$ 38.47	\$ 38.65
Tangible book value per share ⁽²⁾	\$ 18.02	\$ 17.28	\$ 17.35	\$ 17.75	\$ 18.24
Shares outstanding	123,189,833	123,283,450	124,567,950	126,537,871	128,782,878
Return on Average Tangible Equity					
Net earnings	<u>\$ 115,041</u>	<u>\$ 116,287</u>	<u>\$ 115,735</u>	<u>\$ 118,276</u>	<u>\$ 84,037</u>
Average stockholders' equity	\$ 4,758,401	\$ 4,748,819	\$ 4,832,480	\$ 4,901,207	\$ 4,920,498
Less: Average intangible assets	2,608,497	2,614,055	2,619,351	2,625,593	2,495,876
Average tangible common equity	<u>\$ 2,149,904</u>	<u>\$ 2,134,764</u>	<u>\$ 2,213,129</u>	<u>\$ 2,275,614</u>	<u>\$ 2,424,622</u>
Return on average equity	9.59%	9.72%	9.61%	9.79%	6.78%
Return on average tangible equity ⁽³⁾	21.23%	21.61%	20.98%	21.08%	13.75%

(1) Tangible common equity divided by tangible assets

(2) Tangible common equity divided by shares outstanding

(3) Annualized net earnings divided by average tangible common equity