

2019 Third Quarter Results

Earnings Release Presentation

October 16, 2019

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 the 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 U.S. 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.

Presentation Index

Third Quarter Highlights	4
Loans and Leases	9
Credit Quality	13
Deposits	17
Investment Securities	19
Controlled Expenses	20
Non-GAAP Measurements	21

Third Quarter Highlights

Robust Earnings

- Net earnings of \$110.0 million
- Earnings per share of \$0.92
- ROAA of 1.65%
- ROATE of 19.01%

High Performing

- Net interest margin of 4.46%
- Loan and lease yield of 5.91%
- Cost of deposits of 83 bps
- Efficiency ratio of 42.3%
- Noninterest expense to average assets of 1.91%

Loan Growth & Credit Quality

- Loan production of \$1.2 billion
- Annualized loan growth of 6%
- Classified loans to total loans of 1.01%
- Net charge-offs of \$4.5 million; 10bps of average loans and leases
- Provision for credit losses of \$7.0 million

Strong Deposit Base & Capital

- Record core deposits growth of \$854 million
- Core deposits at 84% of total deposits
- Noninterest-bearing demand deposits at 38% of total deposits
- Tangible common equity ratio of 9.65%
- CET1 ratio of 9.55%



Quarter-Over-Quarter Financial Highlights

<i>(\$ in millions, except per share amounts)</i>	3Q19	2Q19	Δ Q / Q
Total Assets	\$ 26,725	\$ 26,344	1%
Loans and Leases HFI, net of deferred fees	\$ 18,736	\$ 18,473	1%
Total Deposits	\$ 19,733	\$ 18,806	5%
Core Deposits	\$ 16,471	\$ 15,617	5%
Net Earnings	\$ 110.0	\$ 128.1	-14%
Earnings Per Share	\$ 0.92	\$ 1.07	-14%
Return on Average Assets ("ROAA") ⁽¹⁾	1.65%	1.99%	-0.34
Return on Average Tangible Equity ("ROATE") ⁽¹⁾⁽²⁾	19.01%	23.15%	-4.14
Tangible Common Equity Ratio ⁽²⁾	9.65%	9.50%	0.15
Tangible Book Value Per Share ⁽²⁾	\$ 19.43	\$ 18.83	3%
Tax Equivalent Net Interest Margin	4.46%	4.72%	-0.26
Efficiency Ratio	42.3%	41.6%	0.7

(1) ROAA of 1.74% and ROATE of 20.26% in 2Q19 if securities gains are excluded.

(2) See "Non-GAAP Measurements" slide on page 21.



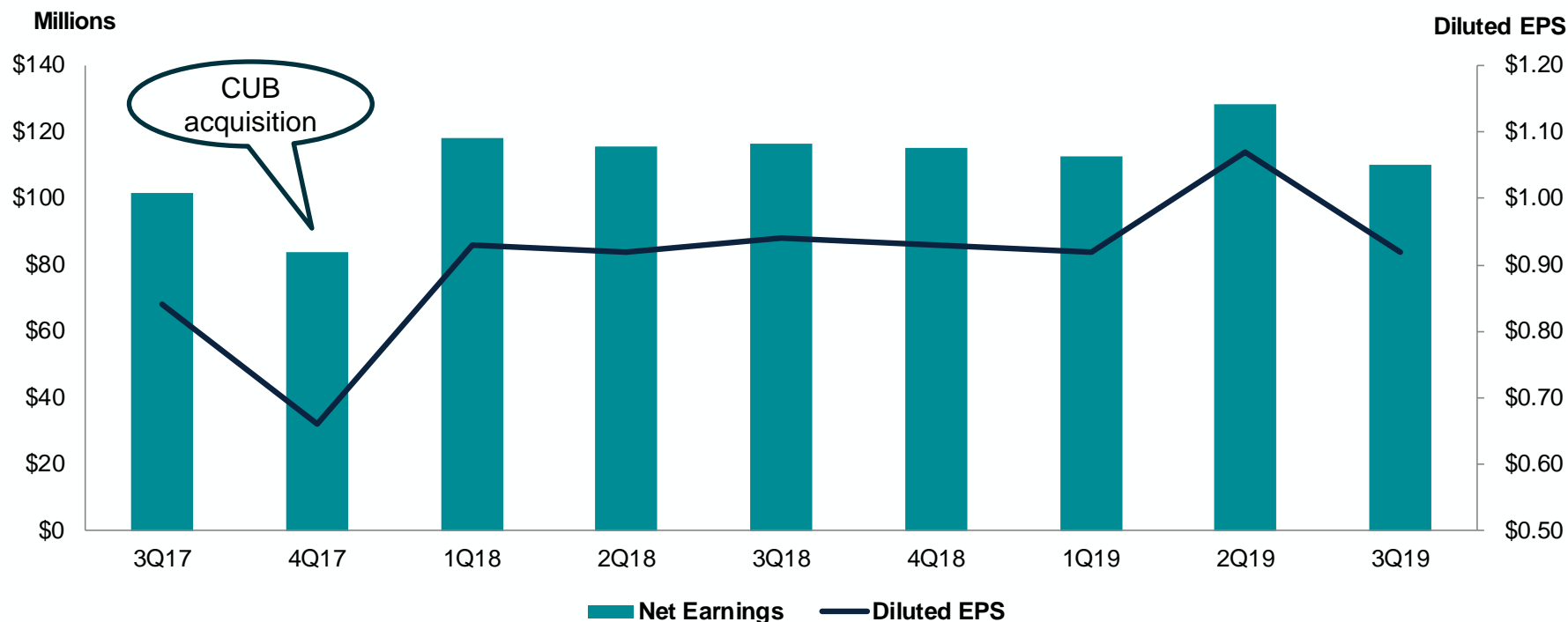
Year-Over-Year Financial Highlights

<i>(\$ in millions, except per share amounts)</i>	3Q19	3Q18	Δ Y / Y
Total Assets	\$ 26,725	\$ 24,782	8%
Loans and Leases HFI, net of deferred fees	\$ 18,736	\$ 17,230	9%
Total Deposits	\$ 19,733	\$ 17,880	10%
Core Deposits	\$ 16,471	\$ 15,513	6%
Net Earnings	\$ 110.0	\$ 116.3	-5%
Earnings Per Share	\$ 0.92	\$ 0.94	-2%
Return on Average Assets ("ROAA")	1.65%	1.89%	-0.24
Return on Average Tangible Equity ("ROATE") ⁽¹⁾	19.01%	21.61%	-2.60
Tangible Common Equity Ratio ⁽¹⁾	9.65%	9.61%	0.04
Tangible Book Value Per Share ⁽¹⁾	\$ 19.43	\$ 17.28	12%
Tax Equivalent Net Interest Margin	4.46%	4.99%	-0.53
Efficiency Ratio	42.3%	40.9%	1.4

(1) See "Non-GAAP Measurements" slide on page 21.



Solid Earnings Track Record

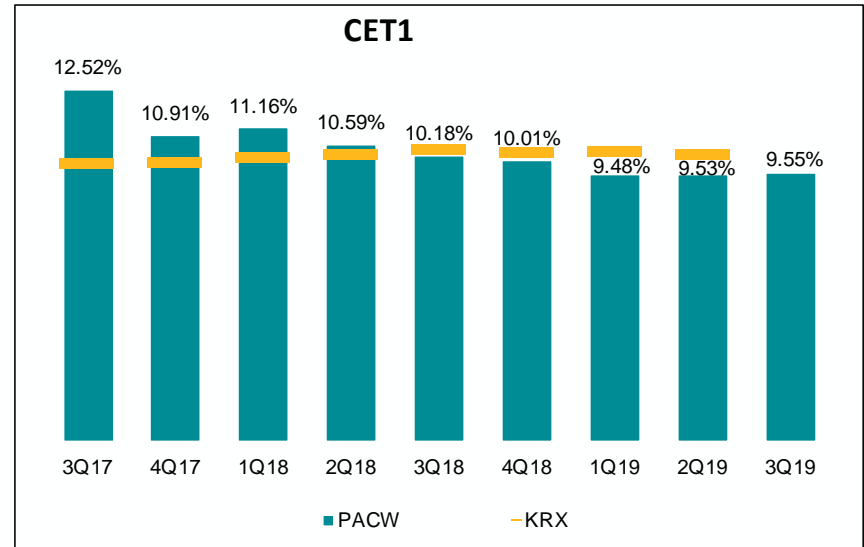
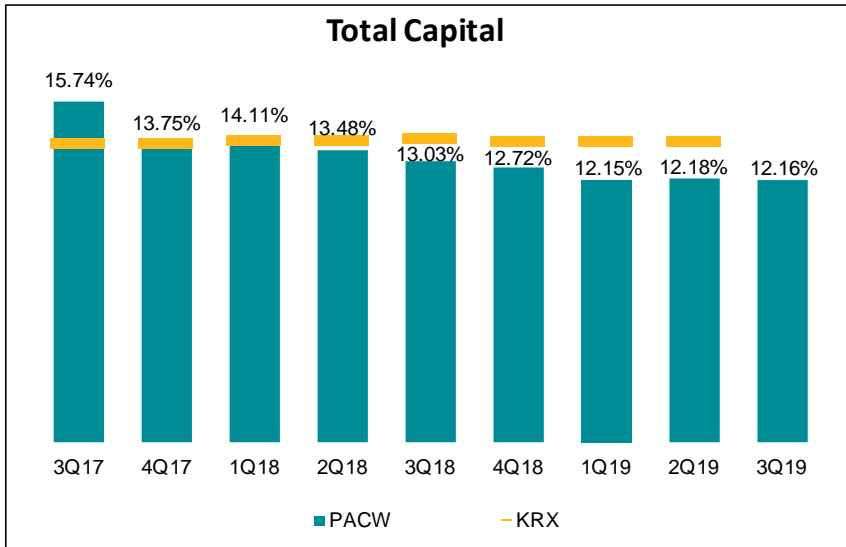
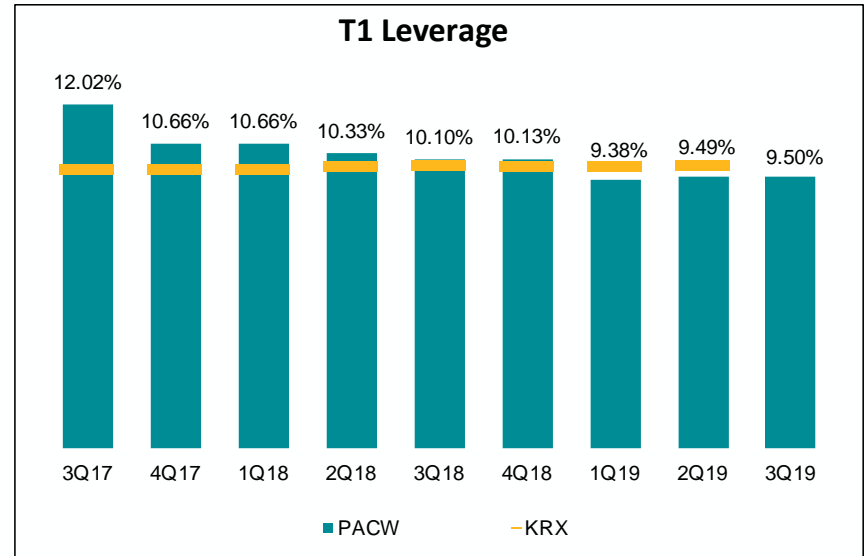
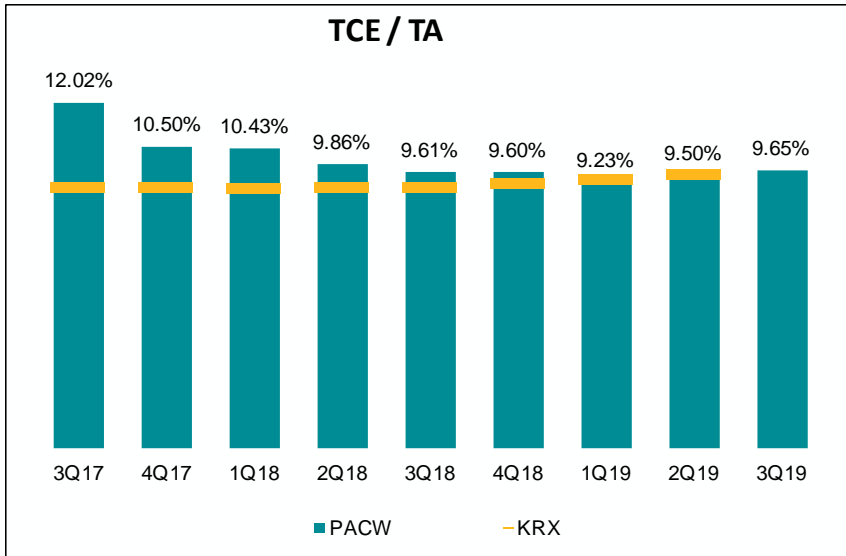


(\$ in millions, except Diluted EPS)	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19 ⁽¹⁾	3Q19
Net Earnings	\$ 101.5	\$ 84.0	\$ 118.3	\$ 115.7	\$ 116.3	\$ 115.0	\$ 112.6	\$ 128.1	\$ 110.0
Diluted EPS	\$ 0.84	\$ 0.66	\$ 0.93	\$ 0.92	\$ 0.94	\$ 0.93	\$ 0.92	\$ 1.07	\$ 0.92

(1) 2Q19 includes \$22.2 million of pre-tax gains on the sale of securities or \$0.13 per diluted share.



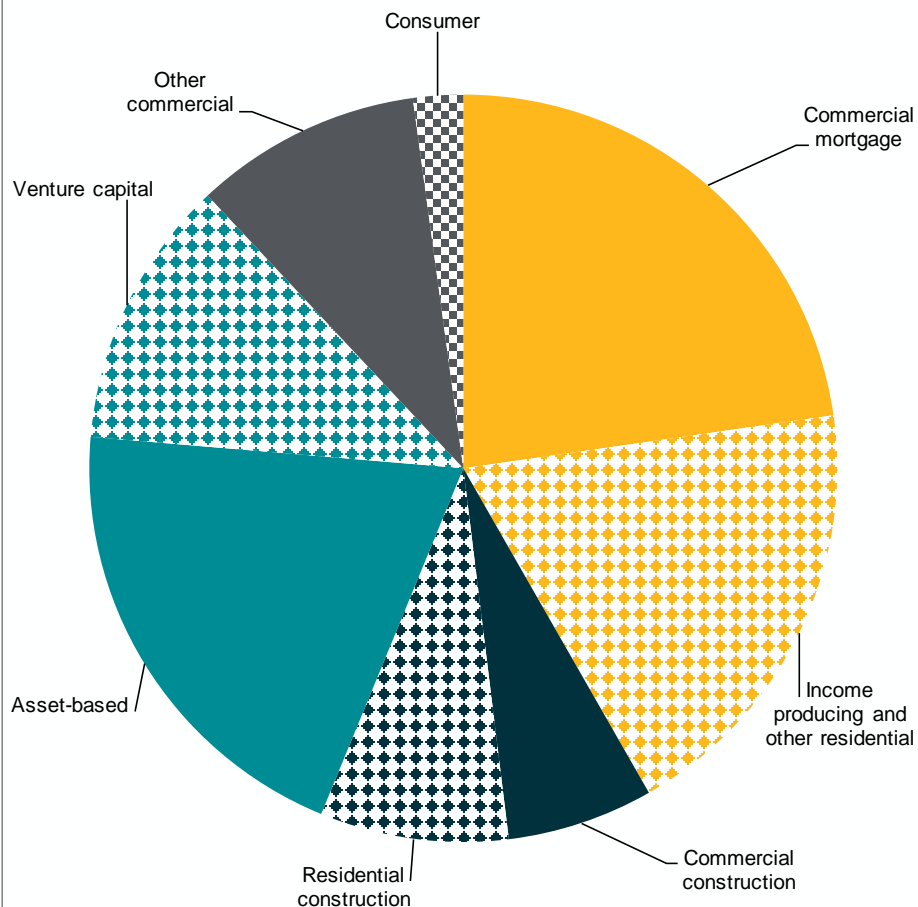
Solid Capital Position – 3Q19 (Preliminary)



Source: S&P Global Market Intelligence. Peer data through 2Q19.
Peer group is banks in the KBW Regional Bank Index – “KRX”

Diversified Loan and Lease Portfolio

As of September 30, 2019

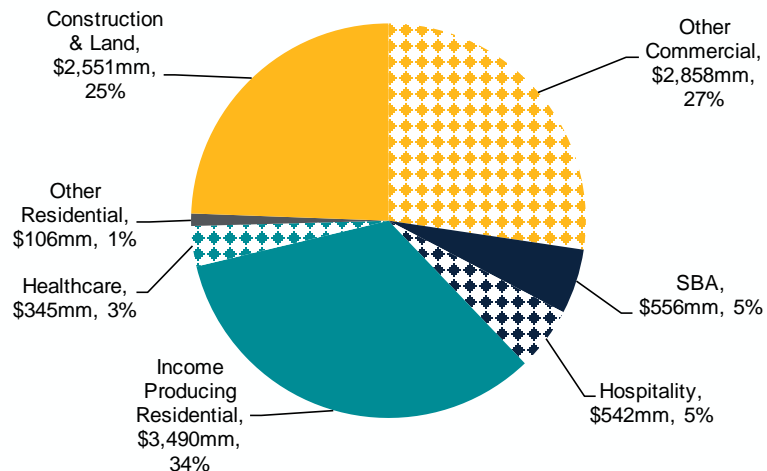


(\$ in millions)	9/30/2019		9/30/2018	
	\$	Mix	\$	Mix
Real Estate Mortgage:				
Commercial	\$ 4,301	23%	\$ 4,933	28%
Income producing and other residential	3,596	19%	2,746	16%
Total Real Estate Mortgage	7,897	42%	7,679	44%
RE Construction & Land:				
Commercial	1,009	6%	854	5%
Residential	1,542	8%	1,147	7%
Total RE Construction & Land	2,551	14%	2,001	12%
Total Real Estate	10,448	56%	9,680	56%
Commercial:				
Asset-based	3,810	20%	3,222	19%
Venture capital	2,210	12%	2,032	12%
Other commercial	1,858	10%	1,898	11%
Total Commercial	7,878	42%	7,152	42%
Consumer	409	2%	398	2%
Total Loans HFI⁽¹⁾	\$ 18,735	100%	\$ 17,230	100%
Unfunded commitments	<u>\$ 7,791</u>		<u>\$ 7,056</u>	

(1) Net of deferred fees and costs

Diversified Loan and Lease Portfolio

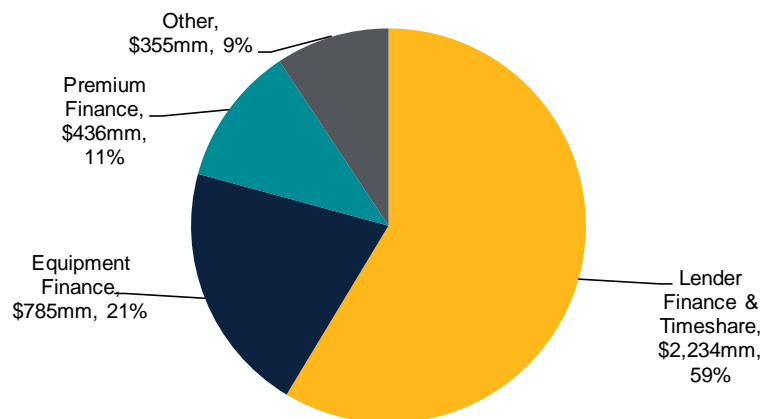
Real Estate (\$10.4B)



(\$ in millions)	9/30/2019		9/30/2018	
	\$	Mix	\$	Mix
Real Estate:				
Income Producing Residential	\$ 3,490	34%	\$ 2,619	27%
Other Commercial	2,858	27%	3,310	34%
Construction & Land ⁽¹⁾	2,551	25%	2,001	21%
SBA	556	5%	551	6%
Hospitality	542	5%	552	6%
Healthcare	345	3%	483	5%
Other Residential	106	1%	127	1%
Total Real Estate	\$ 10,448	100%	\$ 9,680	100%

(1) Of which land represents \$170 million and \$186 million as of 9/30/19 and 9/30/18.

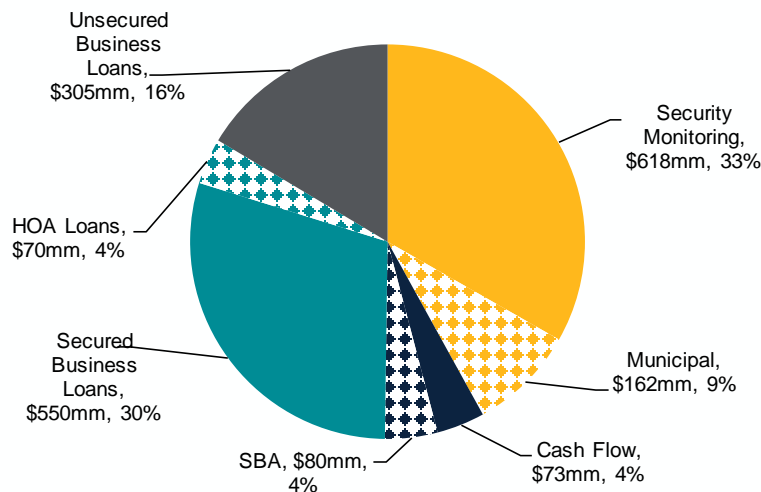
Asset-Based (\$3.8B)



(\$ in millions)	9/30/2019		9/30/2018	
	\$	Mix	\$	Mix
Asset-Based:				
Lender Finance & Timeshare	\$ 2,234	59%	\$ 1,817	56%
Equipment Finance	785	21%	683	21%
Premium Finance	436	11%	315	10%
Other	355	9%	407	13%
Total Asset-Based	\$ 3,810	100%	\$ 3,222	100%

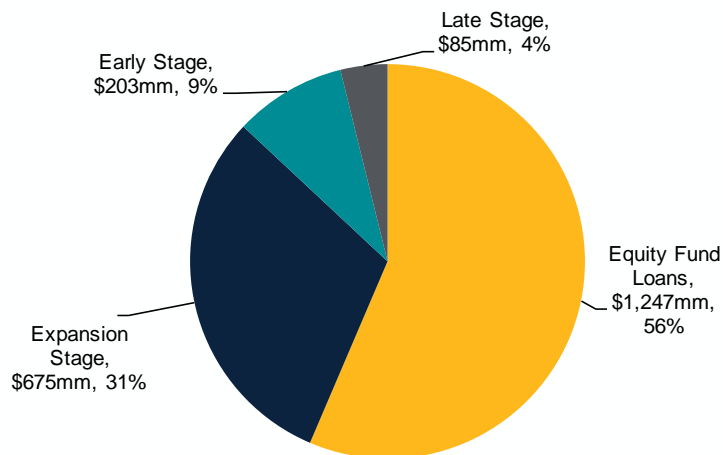
Diversified Loan and Lease Portfolio

Other Commercial (\$1.9B)



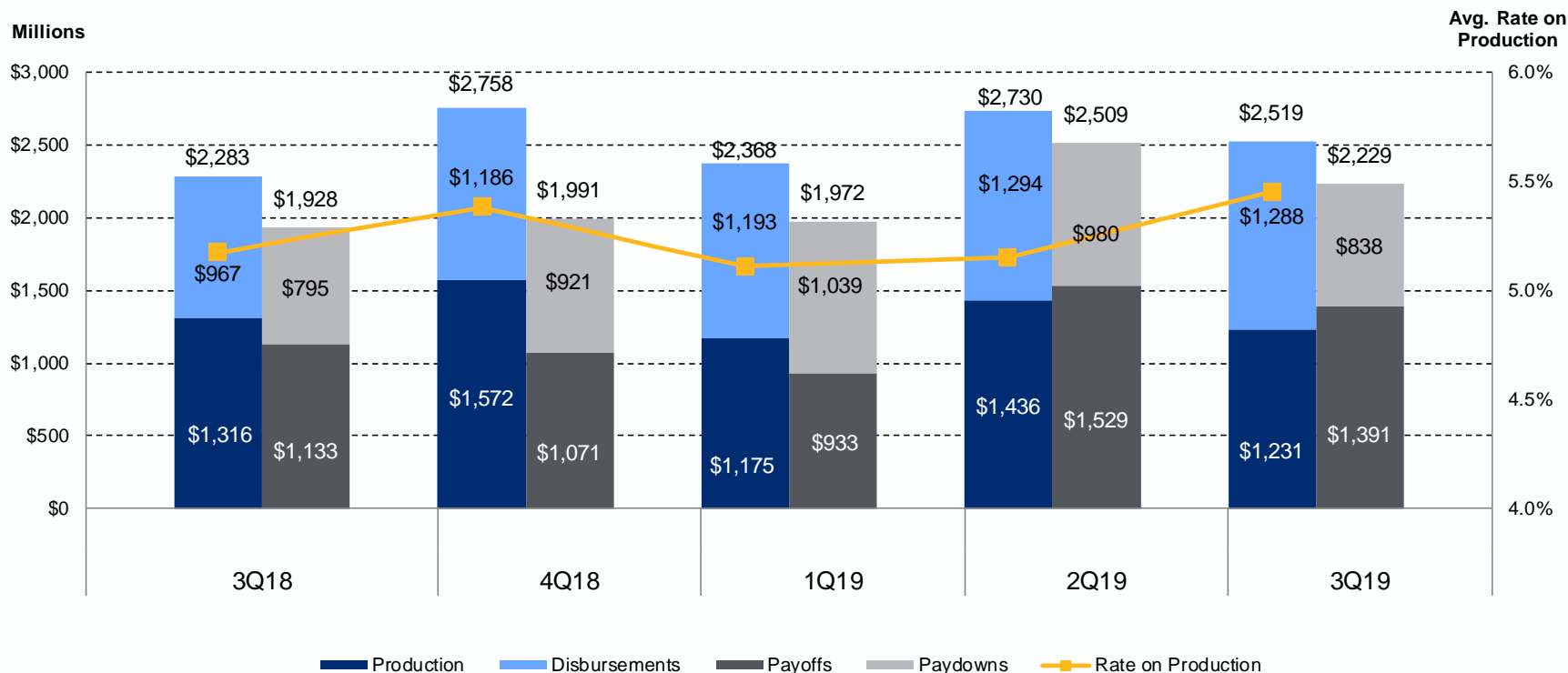
(\$ in millions)	9/30/2019		9/30/2018	
	\$	Mix	\$	Mix
Other Commercial:				
Security Monitoring	\$ 618	33%	\$ 607	32%
Secured Business Loans	550	30%	693	38%
Unsecured Business Loans	305	16%	223	12%
Municipal	162	9%	115	6%
SBA	80	4%	109	6%
Cash Flow	73	4%	83	4%
HOA Loans	70	4%	68	3%
Total Other Commercial	\$ 1,858	100%	\$ 1,898	101%

Venture Capital (\$2.2B)



(\$ in millions)	9/30/2019		9/30/2018	
	\$	Mix	\$	Mix
Venture Capital:				
Equity Fund Loans	\$ 1,247	56%	\$ 628	31%
Expansion Stage	675	31%	975	48%
Early Stage	203	9%	293	14%
Late Stage	85	4%	136	7%
Total Venture Capital	\$ 2,210	100%	\$ 2,032	100%

Loan and Lease Production of \$1.2 Billion in 3Q19



(\$ in millions)	Production/ Disbursements	Payoffs/ Paydowns	Net Difference	Rate on Production ⁽¹⁾
3Q19	\$ 2,519	\$ 2,229	\$ 290	5.45%
2Q19	2,730	2,509	221	5.15%
1Q19	2,368	1,972	396	5.11%
4Q18	2,758	1,991	767	5.38%
3Q18	2,283	1,928	355	5.17%

(\$ in millions)	Loans Beginning Balance ⁽²⁾	Loans Ending Balance ⁽²⁾	Quarterly Change ⁽³⁾
3Q19	\$ 18,473	\$ 18,736	\$ 263
2Q19	18,308	18,473	165
1Q19	17,958	18,308	350
4Q18	17,230	17,958	727
3Q18	16,885	17,230	345

- (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 2019 and 31 basis points in 2018.
- (2) Net of deferred fees and costs
- (3) Quarterly change equals "Net Difference" plus transfers to loans held for sale, transfers to OREO, charge-offs and loan sales.



Quarterly Credit Quality Trends

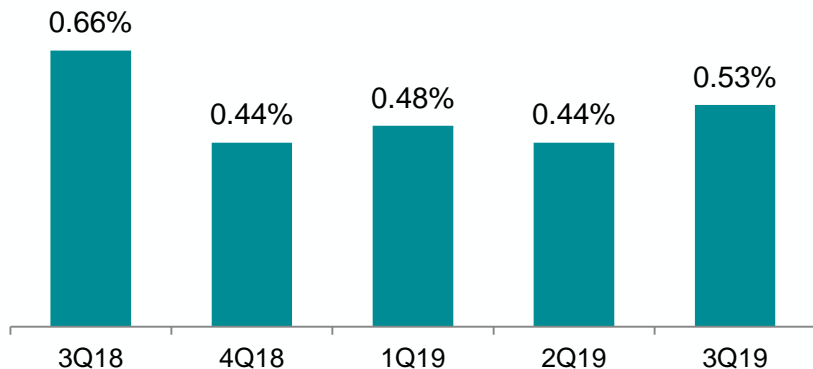
(\$ in thousands)	3Q18	4Q18	1Q19	2Q19	3Q19
Nonaccrual Loans and Leases HFI	\$ 112,972	79,333	88,527	81,265	99,113
As a % of Loans and Leases HFI	% 0.66%	0.44%	0.48%	0.44%	0.53%
Nonperforming Assets	\$ 117,379	84,632	91,818	82,737	100,479
As a % of Loans and Leases & Foreclosed Assets	% 0.68%	0.47%	0.50%	0.45%	0.54%
Classified Loans and Leases HFI ⁽¹⁾	\$ 260,459	237,110	190,305	190,979	188,607
As a % of Loans and Leases HFI	% 1.51%	1.32%	1.04%	1.03%	1.01%
Credit Loss Provision	\$ 11,500	12,000	4,000	8,000	7,000
As a % of Average Loans and Leases (annualized)	% 0.27%	0.28%	0.09%	0.18%	0.15%
Net Charge-offs	\$ 1,719	19,948	191	11,244	4,485
As a % of Average Loans and Leases (annualized)	% 0.04%	0.46%	0.00%	0.25%	0.10%
Trailing Twelve Months Net Charge-offs	\$ 46,568	43,758	38,994	33,102	35,868
As a % of Average Loans and Leases	% 0.28%	0.26%	0.22%	0.18%	0.20%
Allowance for Credit Losses (ACL) ⁽²⁾	\$ 177,281	169,333	173,142	169,898	172,413
As a % of Loans and Leases HFI	% 1.03%	0.94%	0.95%	0.92%	0.92%
ACL / Nonaccrual Loans and Leases HFI	% 156.92%	213.45%	195.58%	209.07%	173.96%

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

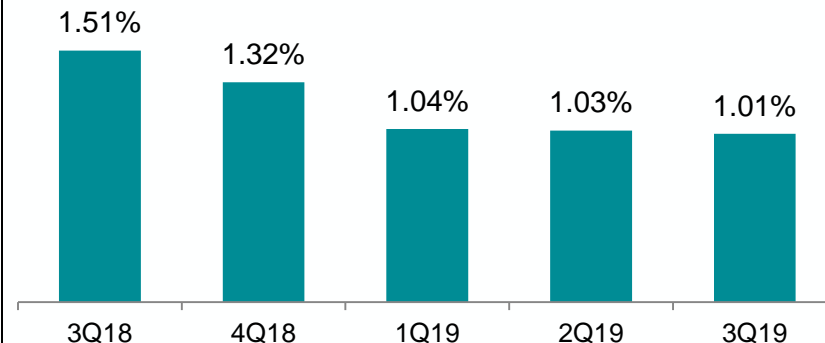
(2) Allowance for credit losses includes allowance for loan and lease losses and reserve for unfunded loan commitments.

Key Credit Trends – Loans HFI

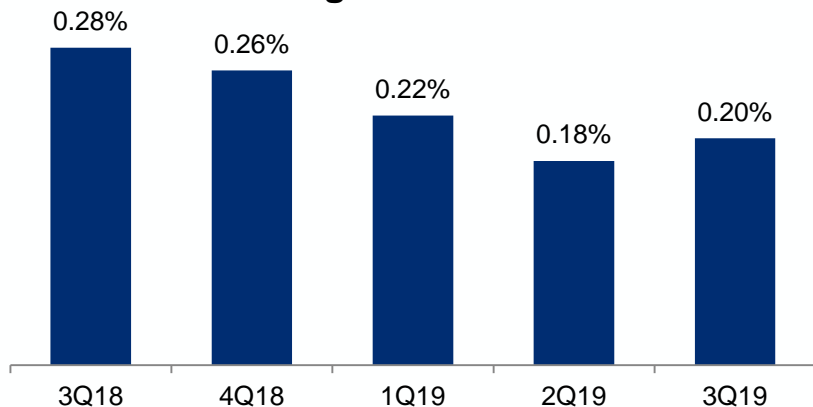
Nonaccrual Loans and Leases / Loans and Leases



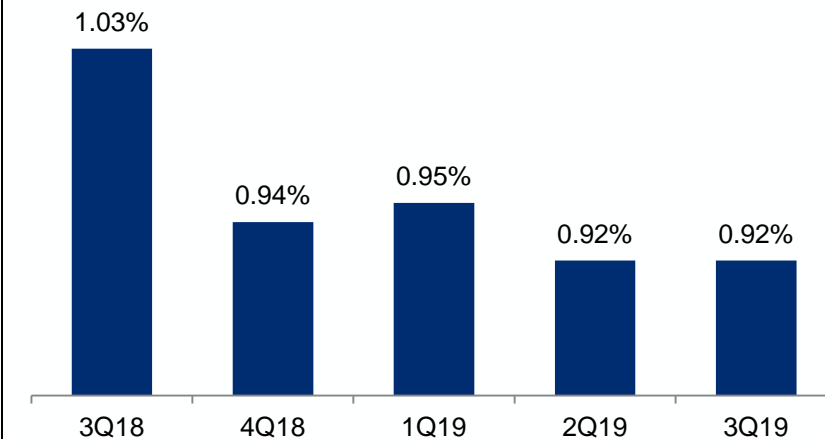
Classified Loans and Leases/ Loans and Leases



Trailing Twelve Months Net Charge-offs / Average Loans and Leases



ACL / Loans and Leases



Credit Quality Trends⁽¹⁾

(\$ in thousands)	2016	2017	2018	YTD 2019
Nonaccrual Loans and Leases HFI	\$ 170,599	155,784	79,333	99,113
As a % of Loans and Leases HFI	% 1.11%	0.92%	0.44%	0.53%
Nonperforming Assets	\$ 183,575	157,113	84,632	100,479
As a % of Loans and Leases & Foreclosed Assets	% 1.20%	0.93%	0.47%	0.54%
Classified Loans and Leases HFI ⁽²⁾	\$ 409,645	278,405	237,110	188,607
As a % of Loans and Leases HFI	% 2.67%	1.65%	1.32%	1.01%
Credit Loss Provision	\$ 61,000	59,000 ⁽³⁾	45,000	19,000
As a % of Average Loans and Leases (annualized)	% 0.42%	0.37%	0.27%	0.14%
Net Charge-offs	\$ 21,990	62,957	43,758	15,920
As a % of Average Loans and Leases (annualized)	% 0.15%	0.40%	0.26%	0.12%
Allowance for Credit Losses (ACL) ⁽⁴⁾	\$ 161,278	161,647	169,333	172,413
As a % of Loans and Leases HFI	% 1.05%	0.96%	0.94%	0.92%
ACL / Nonaccrual Loans and Leases HFI	% 94.54%	103.76%	213.45%	173.96%

(1) Amounts and ratios related to 2019 and 2018 periods 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) Net of \$14.1 million negative provision recorded in conjunction with the sale of \$1.5 billion of cash flow loans.

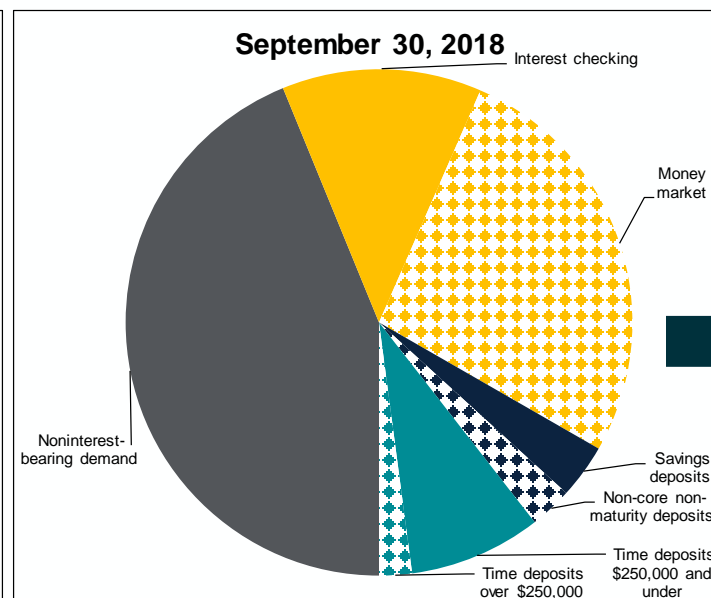
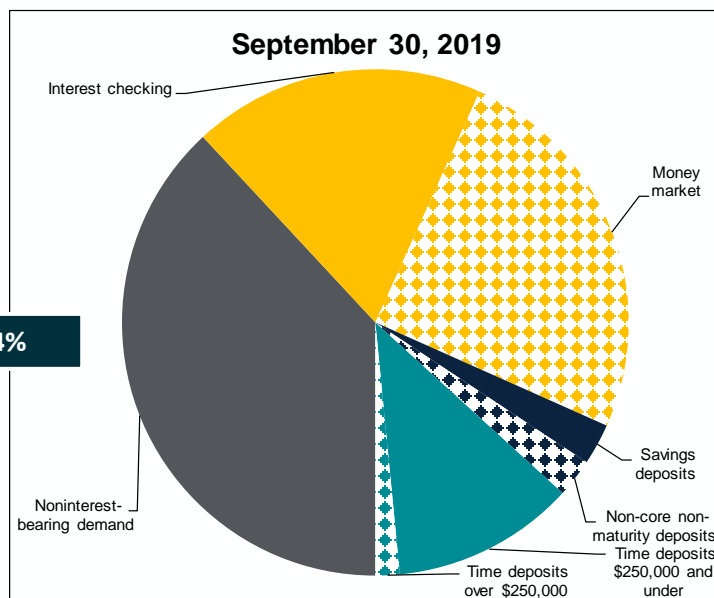
(4) Allowance for credit losses includes allowance for loan and lease losses and reserve for unfunded loan commitments.

Nonaccrual & Delinquent Loan and Lease Detail

(\$ in thousands)	Nonaccrual Loans and Leases				Accruing and 30 -89 Days Past Due	
	9/30/2019		6/30/2019		9/30/2019	6/30/2019
	Balance	% of Loan Category	Balance	% of Loan Category	Balance	Balance
Real estate mortgage:						
Commercial	\$ 19,515	0.5%	\$ 17,012	0.4%	\$ -	\$ 3,948
Income producing and other residential	2,868	0.1%	2,883	0.1%	3,750	3,262
Total real estate mortgage	22,383	0.3%	19,895	0.2%	3,750	7,210
Real estate construction and land:						
Commercial	377	0.0%	390	0.0%	-	-
Residential	-	0.0%	-	0.0%	2,622	4,672
Total R.E. construction and land	377	0.0%	390	0.0%	2,622	4,672
Commercial:						
Asset-based	33,015	0.9%	32,236	0.9%	48	12,382
Venture capital	20,131	0.9%	22,501	1.0%	-	-
Other commercial	22,554	1.2%	5,799	0.3%	4,068	439
Total commercial	75,700	1.0%	60,536	0.8%	4,116	12,821
Consumer	653	0.2%	444	0.1%	795	964
Total	\$ 99,113	0.5%	\$ 81,265	0.4%	\$ 11,283	\$ 25,667

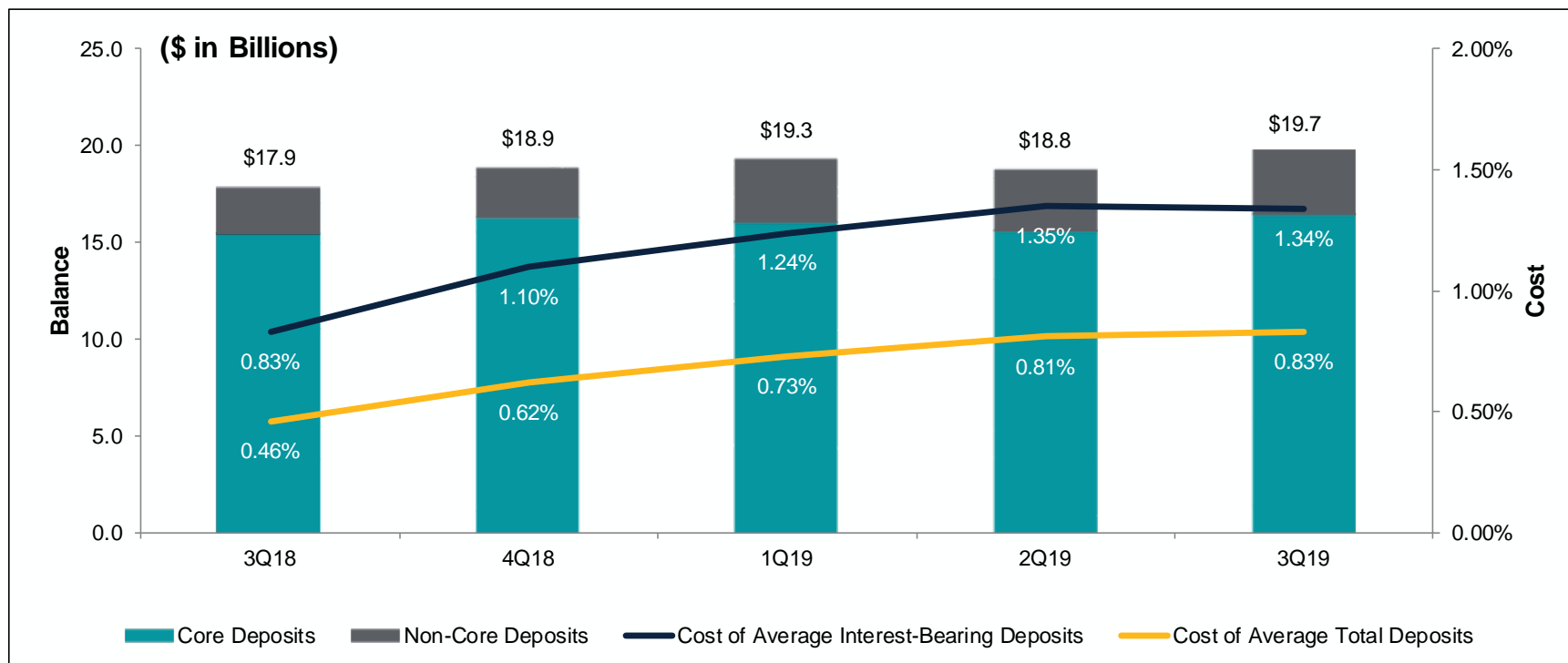
Deposit Detail

Deposit Category	At or For the Quarter Ended September 30, 2019			At or For the Quarter Ended September 30, 2018		
	Average \$	Quarter-End \$	Mix	Average \$	Quarter-End \$	Mix
Noninterest-bearing demand	\$ 7,488	\$ 7,441	38%	\$ 8,120	\$ 7,834	44%
Interest checking	3,557	3,646	18%	2,306	2,278	13%
Money market	4,718	4,870	25%	4,895	4,783	27%
Savings	516	514	3%	629	618	3%
Total core deposits	16,279	16,471	84%	15,950	15,513	87%
Non-core non-maturity deposits	445	480	2%	503	484	3%
Total non-maturity deposits	16,724	16,951	86%	16,453	15,997	90%
Time deposits \$250,000 and under	2,316	2,283	12%	1,427	1,509	8%
Time deposits over \$250,000	479	499	2%	352	374	2%
Total time deposits	2,795	2,782	14%	1,779	1,883	10%
Total deposits ⁽¹⁾	\$ 19,519	\$ 19,733	100%	\$ 18,232	\$ 17,880	100%



(1) Does not include \$1.8 billion and \$2.0 billion of client investment funds held at September 30, 2019 and September 30, 2018, respectively.

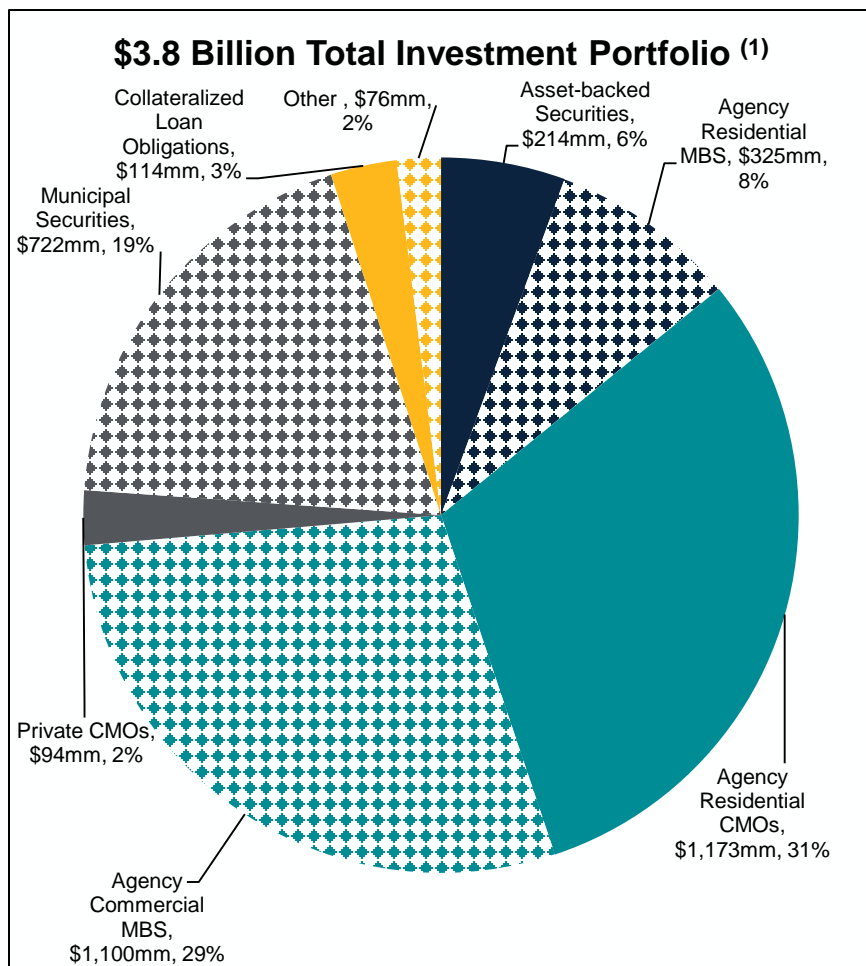
Deposit Portfolio



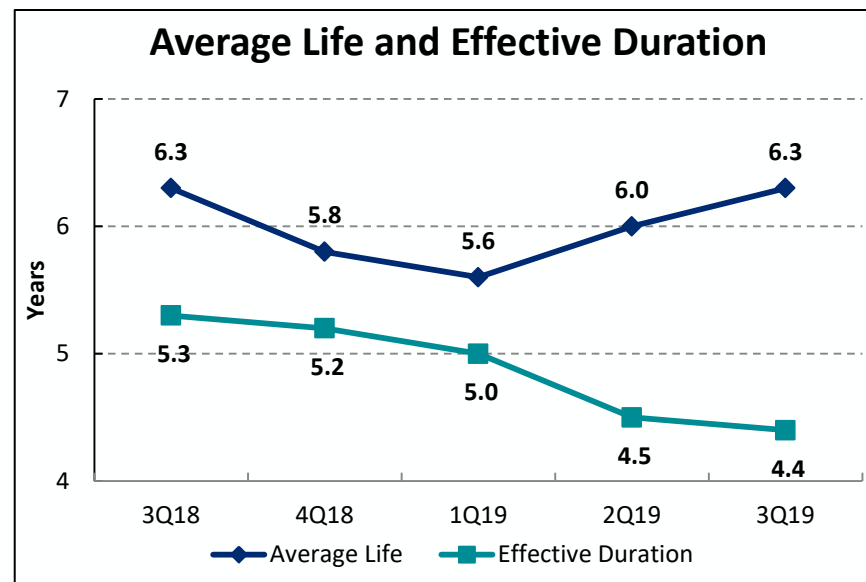
(\$ in millions) Maturities	September 30, 2019		
	Time Deposits \$250,000 and Under	Time Deposits Over \$250,000	Total Time Deposits
Due in three months or less	\$ 1,004	\$ 223	\$ 1,227
Due in over three months through six months	680	143	823
Due in over six months through twelve months	502	110	612
Due in over 12 months through 24 months	78	20	98
Due in over 24 months	19	3	22
Total	\$ 2,283⁽¹⁾	\$ 499	\$ 2,782

(1) Includes brokered deposits of \$1.3 billion with a weighted average maturity of 4 months and a weighted average cost of 2.13%.

Diversified Investment Portfolio



3.36% overall portfolio tax equivalent yield (2)



Municipal Securities Composition

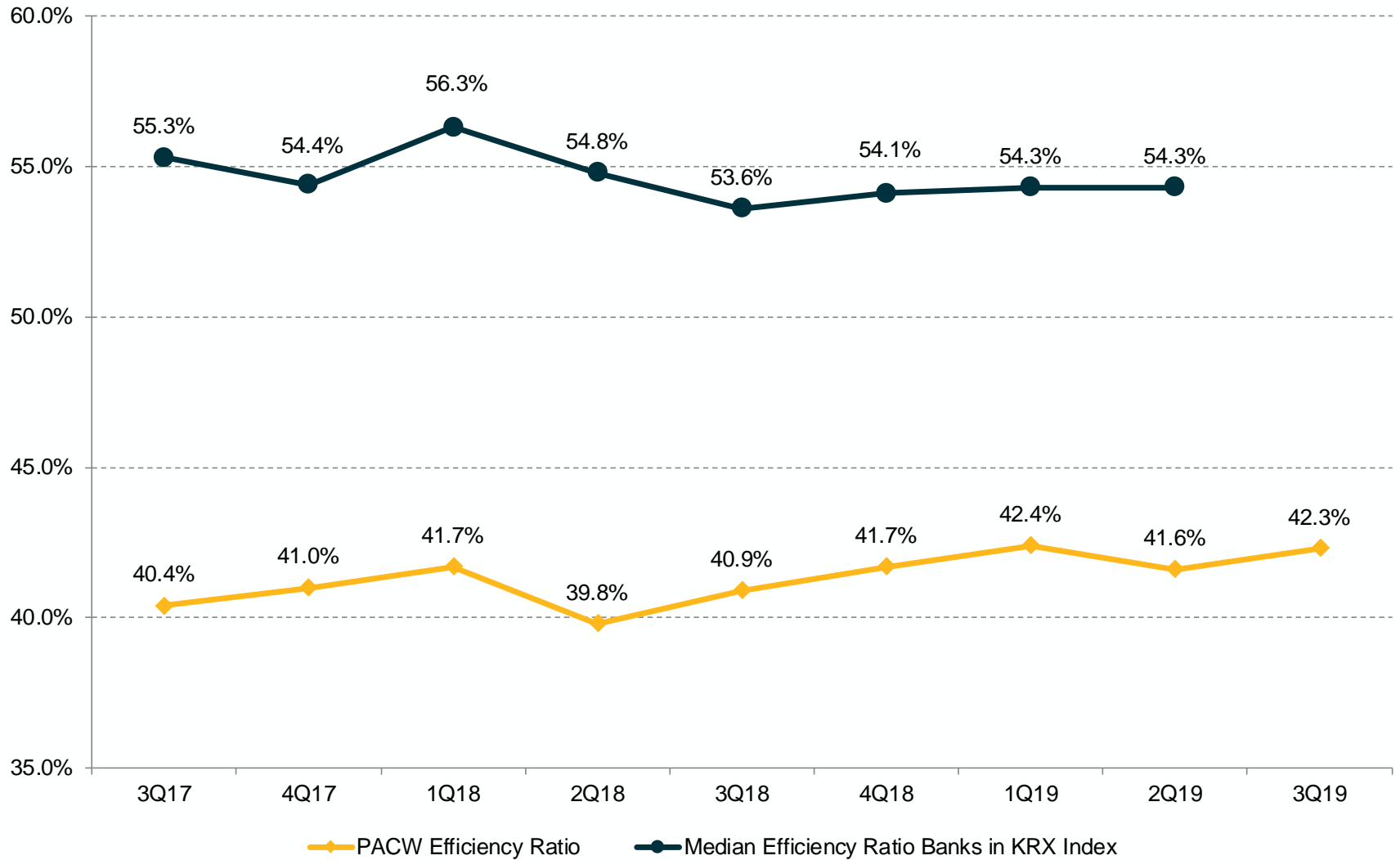
S&P Ratings	% Total	Issue Type	% Total
AAA	8%	G.O. Limited	5%
AA	79%	G.O. Unlimited	44%
A	3%	Revenue	51%
BBB	1%		
Not Rated (3)	9%		
	100%		100%

(1) Fair value at 9/30/19

(2) Yield is for 3Q19

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

Efficiency Ratio Trend



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 measures presented in accordance with GAAP and may be different from non-GAAP financial measures used by other companies.

The table below presents reconciliations of certain GAAP to non-GAAP financial measures:

(\$ in thousands, except per share amounts)	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Tangible Common Equity Ratio & Tangible Book Value Per Share					
Stockholders' equity	\$ 4,920,108	\$ 4,852,010	\$ 4,790,982	\$ 4,825,588	\$ 4,741,685
Less: Intangible assets	2,591,217	2,596,050	2,600,920	2,605,790	2,610,776
Tangible common equity	<u>\$ 2,328,891</u>	<u>\$ 2,255,960</u>	<u>\$ 2,190,062</u>	<u>\$ 2,219,798</u>	<u>\$ 2,130,909</u>
Total assets	\$ 26,724,627	\$ 26,344,414	\$ 26,324,138	\$ 25,731,354	\$ 24,782,126
Less: Intangible assets	2,591,217	2,596,050	2,600,920	2,605,790	2,610,776
Tangible assets	<u>\$ 24,133,410</u>	<u>\$ 23,748,364</u>	<u>\$ 23,723,218</u>	<u>\$ 23,125,564</u>	<u>\$ 22,171,350</u>
Equity to assets ratio	18.41%	18.42%	18.20%	18.75%	19.13%
Tangible common equity ratio ⁽¹⁾	9.65%	9.50%	9.23%	9.60%	9.61%
Book value per share	\$ 41.06	\$ 40.49	\$ 39.86	\$ 39.17	\$ 38.46
Tangible book value per share ⁽²⁾	\$ 19.43	\$ 18.83	\$ 18.22	\$ 18.02	\$ 17.28
Shares outstanding	119,831,192	119,829,104	120,201,149	123,189,833	123,283,450
Return on Average Tangible Equity					
Net earnings	\$ 110,026	\$ 128,125	\$ 112,604	\$ 115,041	\$ 116,287
Average stockholders' equity	\$ 4,890,746	\$ 4,818,889	\$ 4,815,965	\$ 4,758,401	\$ 4,748,819
Less: Average intangible assets	2,593,925	2,598,762	2,603,842	2,608,497	2,614,055
Average tangible common equity	<u>\$ 2,296,821</u>	<u>\$ 2,220,127</u>	<u>\$ 2,212,123</u>	<u>\$ 2,149,904</u>	<u>\$ 2,134,764</u>
Return on average equity	8.93%	10.66%	9.48%	9.59%	9.72%
Return on average tangible equity ⁽³⁾	19.01%	23.15%	20.64%	21.23%	21.61%

(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.

