

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____

[Statement 4](#)

18 Can any resulting loss be recognized? ▶ [Statement 5](#)

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [Statement 6](#)

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ _____ Date ▶ _____

Print your name ▶ [Jeff Krumpoch](#) Title ▶ [SVP/Corporate Controller](#)

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Square 1 Financial, Inc.

EIN: 20-1872698

Form 8937

Statement 1

On October 6, 2015, (the "Effective Date") Square 1 Financial, Inc. ("Square 1") merged with and into PacWest Bancorp ("PacWest"), with PacWest as the surviving entity.

Statement 2

Pursuant to the terms and conditions of the Merger Agreement (the "Merger Agreement"), each outstanding share of Square 1 common stock was converted into the right to receive 0.5997 of a share of PacWest common stock, with cash paid for any fractional share.

The aggregate tax basis of PacWest common shares received by Square 1 as the result of the merger will be the same as the aggregate tax basis in the Square 1 shares surrendered in exchange, as further described in line 16 (Statement 3).

The holding period for the shares of PacWest common stock received in the merger generally will include the holding period for the shares of Square 1 common stock exchanged therefor.

Statement 3

For federal income tax purposes, the aggregate tax basis of PacWest common shares received by Square 1 shareholders as the result of the merger will be the same as the aggregate tax basis of the Square 1 shares surrendered in exchange. A former Square 1 shareholder must allocate the tax basis so calculated across the total number of the shareholder's new PacWest common shares received in the merger. To the extent that a Square 1 shareholder received cash in lieu of a fractional share, a portion of the tax basis must be allocated to the fractional share and such fractional share will be deemed to be received and then exchanged for cash.

Statement 4

The merger of Square 1 into PacWest on October 6, 2015 is intended to qualify as a reorganization within the meaning of section 368(a) of the Internal Revenue Code of 1986, as amended. In general, the income tax consequences to the former Square 1 shareholders are determined under the Internal Revenue Code sections 354, 356, 358, 1001 and 1221.

Statement 5

Square 1 shareholders generally will not recognize loss for U.S. federal income tax purposes by reason of the merger, though gain or loss can result with respect to the cash received in lieu of a fractional share of PacWest common stock. If a Square 1 shareholder receives cash in lieu of a fractional share of PacWest common stock, the Square 1 shareholder will be treated as having received a fractional share of PacWest common stock pursuant to the merger and then as having sold the fractional share of PacWest common stock for cash. As a result, the Square 1 shareholder will recognize a gain or loss equal to the difference between the amount of cash received and the Square 1 shareholder's tax basis in the fractional share of PacWest common stock as set forth in line 16 (Statement 3) above.

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Statement 6

The merger became effective on October 6, 2015; therefore, any gain or loss recognized with respect to the fractional shares should be reported by Square 1 shareholders in the tax year which includes October 6, 2015 (e.g. calendar-year shareholder would report the transaction on his or her federal income tax return filed for the 2015 calendar year).

The information in this document does not constitute tax advice. Square 1 shareholders are urged to consult their own tax advisors with respect to their individual tax consequences of the merger.