Investor Presentation

Third Quarter 2019

PACIFIC PREMIER
BANCORP, INC.

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Forward Looking Statement

The statements contained herein 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 the Company including, without limitation, plans, strategies and goals, and statements about the Company's expectations regarding revenue and asset growth, financial performance and profitability, loan and deposit growth, yields and returns, loan diversification and credit management, stockholder value creation, tax rates and the impact of the acquisition of Grandpoint and other acquisitions.

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 we conduct 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/deflation, interest rate, market and monetary fluctuations; the effect of acquisitions we may make, 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; 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; the effectiveness of our risk management framework and quantitative models; changes in the level of our nonperforming assets and charge-offs; uncertainty regarding the future of LIBOR; the effect of changes in accounting policies and practices or accounting standards, as may be adopted from time-to-time by bank regulatory agencies, the U.S. Securities and Exchange Commission ("SEC"), the Public Company Accounting Oversight Board, the Financial Accounting Standards Board or other accounting standards setters, including ASU 2016-13 (Topic 326), "Measurement of Credit Losses on Financial Instruments," commonly referenced as the Current Expected Credit Loss ("CECL") model, which will change how we estimate credit losses and may increase the required level of our allowance for credit losses after adoption on January 1, 2020; possible other-than-temporary impairments of securities held by us; the impact of current governmental efforts to restructure the U.S. financial regulatory system, including any amendments to the Dodd-Frank Wall Street Reform and Consumer Protection Act; changes in consumer spending, borrowing and savings habits; the effects of our lack of a diversified loan portfolio, including the risks of geographic and industry concentrations; our ability to attract deposits and other sources of liquidity; the possibility that we may reduce or discontinue the payments of dividends on common stock; changes in the financial performance and/or condition of our 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; cybersecurity threats and the cost of defending against them, including the costs of compliance with potential legislation to combat cybersecurity at a state, national or global level; unanticipated regulatory or legal proceedings; and our 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 2018 Annual Report on Form 10-K of Pacific Premier Bancorp, Inc. filed with the SEC and available at the SEC's Internet site (http://www.sec.gov).

The Company undertakes no obligation to revise or publicly release any revision or update to these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.

Corporate Overview

Headquarters	Irvine, Ca
Exchange / Listing	NASDAQ: PPBI
Market Cap	$2.03 Billion[(1)]
Average Daily Volume	395,493 Shares[(2)]
Outstanding Shares	59,364,354[(1)]
Dividend Yield	2.57%[(1)(3)]
# of Research Analysts	7 Analysts
Focus	Small & Mid-Market Businesses
Total Assets	$11.81 Billion[(4)]
Branch Network	41 Full-Service Branch Locations

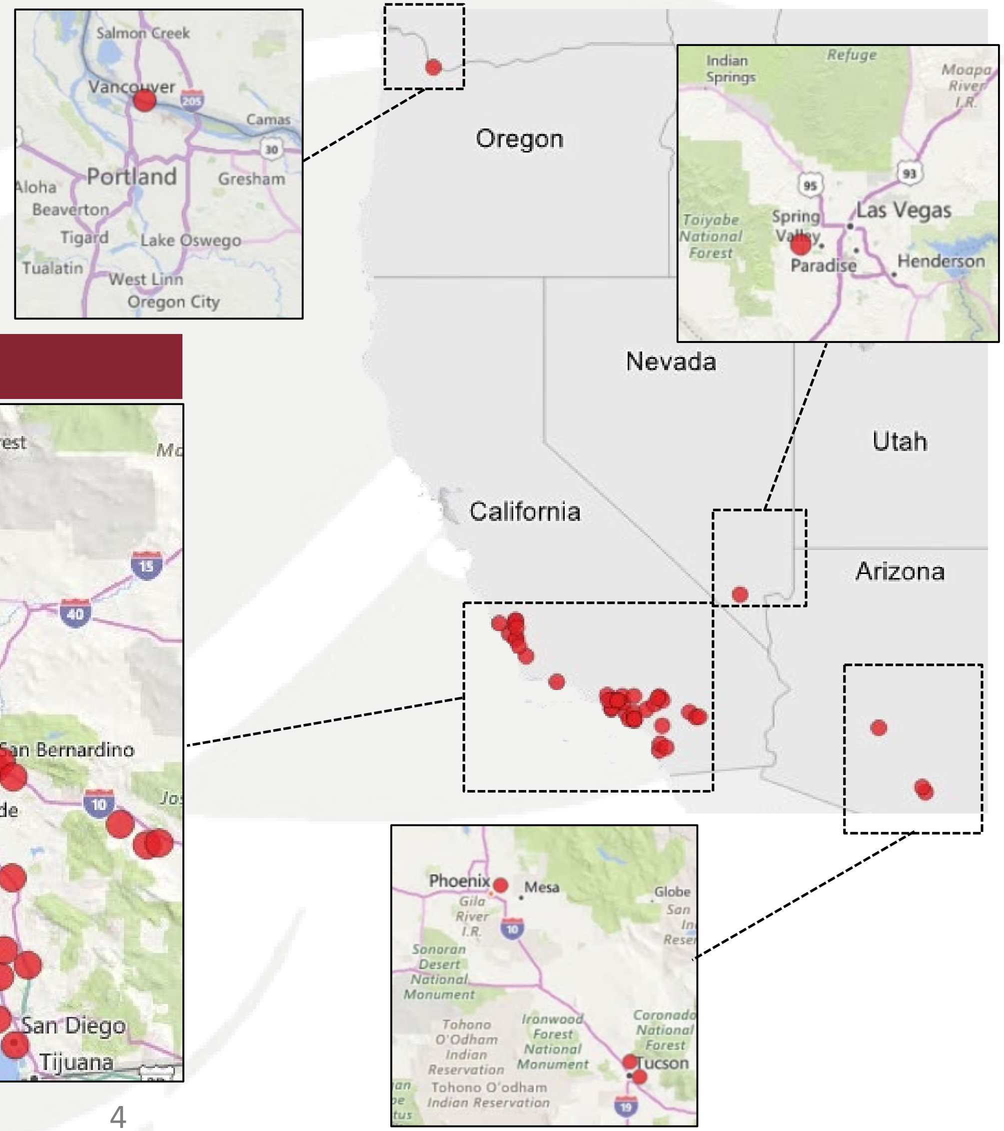
(1) Market data as of November 6, 2019
(2) 3-month average as of November 6, 2019
(3) Annualized
(4) As of 9/30/2019

Geographic Footprint

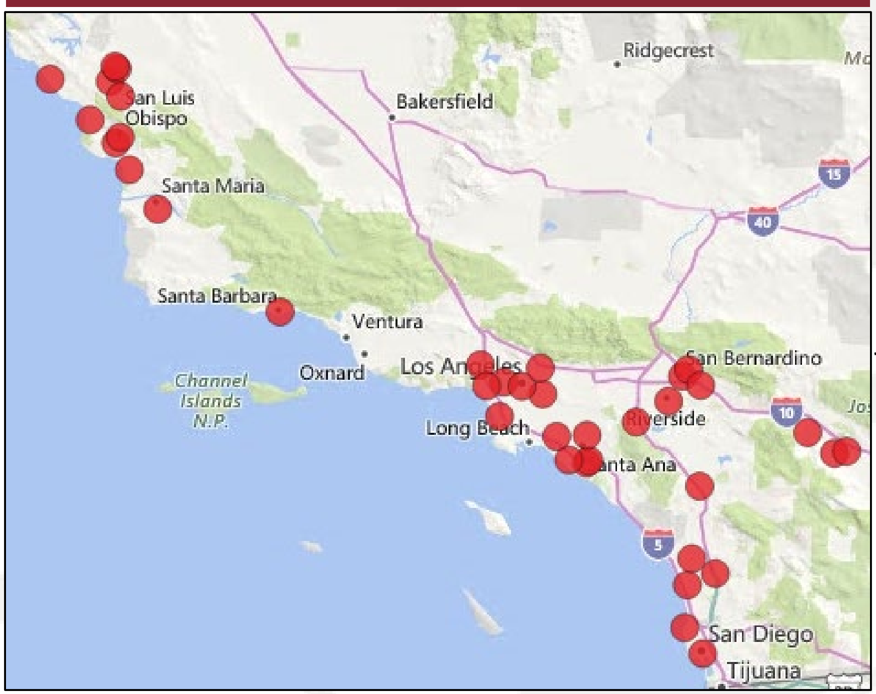
Premier banking franchise in the Western U.S. – well-positioned for further expansion

- 36 branches in Southern California and Central Coast California
- 3 branches in Arizona (Phoenix and Tucson)
- 1 branch in Las Vegas, Nevada
- 1 branch in Vancouver, Washington

Franchise Footprint



California Footprint



Highlights – Q3 2019

Strong, consistent financial returns and profile

Earnings	▪ Net income of $41.4 million or $0.69 per diluted share ▪ ROAA of 1.44%, and ROATCE of 16.27% ▪ Efficiency ratio of 50.9% (1) ▪ Net interest margin of 4.36%; core net interest margin of 4.12%(2)
Loans and Asset Quality	▪ Loan portfolio of $8.8 billion, a decrease of $14.5 million, or 0.2%, from Q2 2019 ▪ New loan commitments of $536.9 million for the quarter at a 5.28% weighted average rate ▪ Total delinquency as a percent of loans held for investment of 0.13% ▪ Nonperforming assets as a percent of total assets of 0.07% ▪ Classified assets to total assets of 0.33%
Deposits	▪ Non-maturity deposit growth of $214.3 million or 12% annualized ▪ Non-maturity deposits equal 85% of total deposits, noninterest-bearing deposits represent 41% ▪ Cost of funds decreased to 0.86% from 0.92% in Q2 2019 ▪ Cost of deposits decreased to 0.71% from 0.73% in Q2 2019 ▪ Cost of deposits at September 30, 2019 of 0.68%
Capital	▪ Tangible book value per share of $18.41, which increased by 15% year over year ▪ Declared a quarterly cash dividend of $0.22 per share which is payable in Q4 2019 ▪ Completed the $100 million stock repurchase program during Q3 2019

(1) Represents the ratio of noninterest expense less other real estate owned operations, core deposit intangible amortization and merger-related expenses to the sum of net interest income before provision for loan losses and total noninterest income, less gain / (loss) on sales of securities, OTTI impairment, gain / (loss) of other real estate owned, and gain / (loss) from debt extinguishment

(2) Please refer to non-U.S. GAAP reconciliation in appendix

Value Creation Strategy

Increase EPS and TBV by growing scale and operating leverage

Expand our market presence through disciplined organic and acquisitive growth

- Target ROAA of 1.50%
- Target ROATCE of 17% - 18%

Organic Growth

Focus on small and middle market commercial businesses

- Revenues of $5 - $250 million
- Emphasis on full banking relationships
- Full suite of commercial and SMID business products and services
- Complementary business centric nationwide lines of business:
  - HOA Management, QSR Franchise, SBA
- Disciplined sales process utilizing our customized Salesforce technology

Acquisitive Growth

Target commercial banks and specialized lines of business

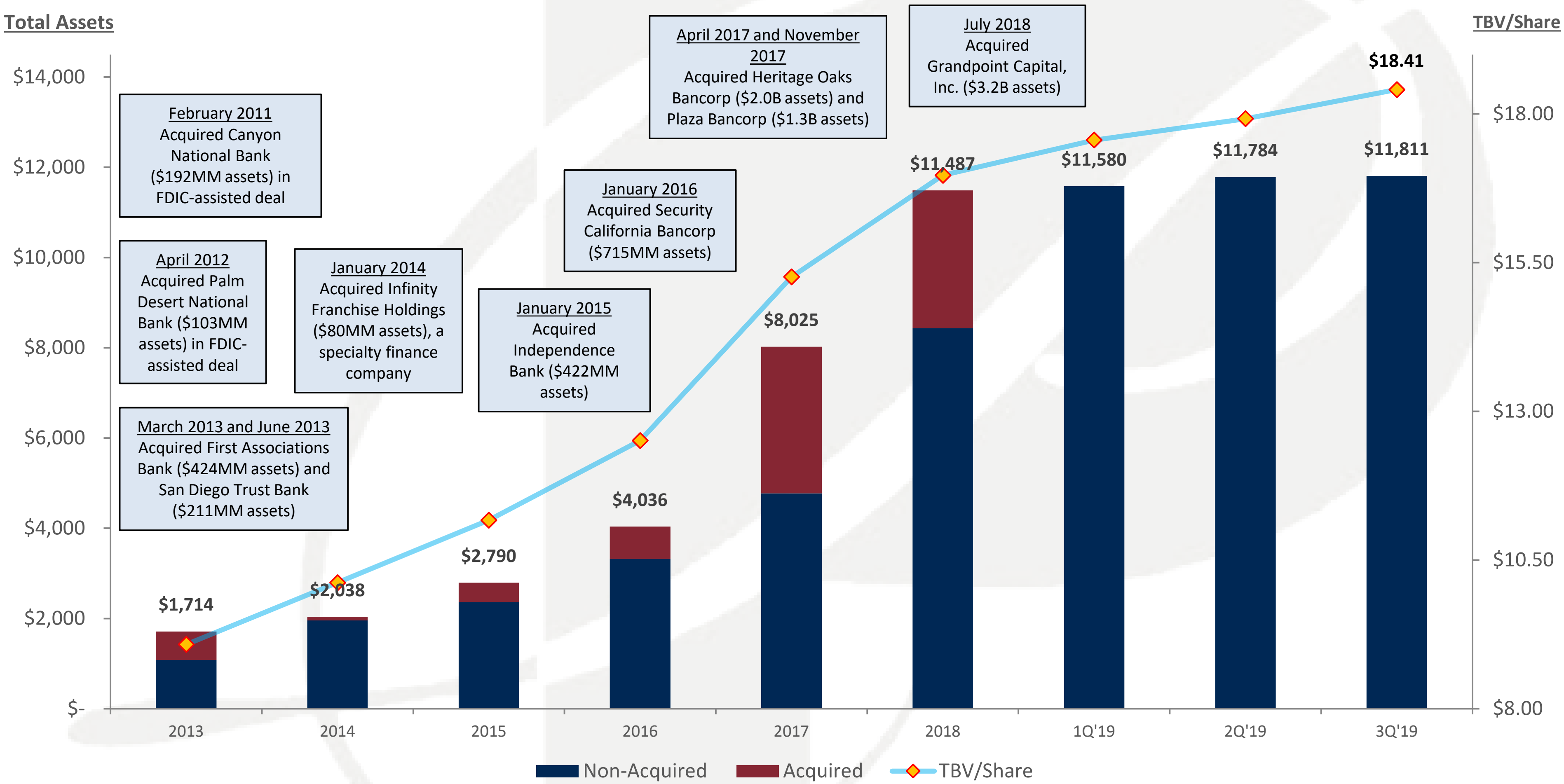
- Complementary geography / relationship focused / product expansion
- Attractive deposit profile with emphasis on non-maturity deposits
- Disciplined acquisition criteria:
  - Accretive to EPS 1st full year
  - < 3 years TBV dilution payback
  - +15% IRR
- Solid track record of delivering value for shareholders

Acquisition History

PPBI acquisitions have consistently enhanced franchise value

- Over the last 5 years, TBVPS has grown 13% compounded annually
- Assets have grown 40% compounded annually since 2013

Acquisition Timeline



Note: All dollars in millions, except per share data

Acquisition Execution

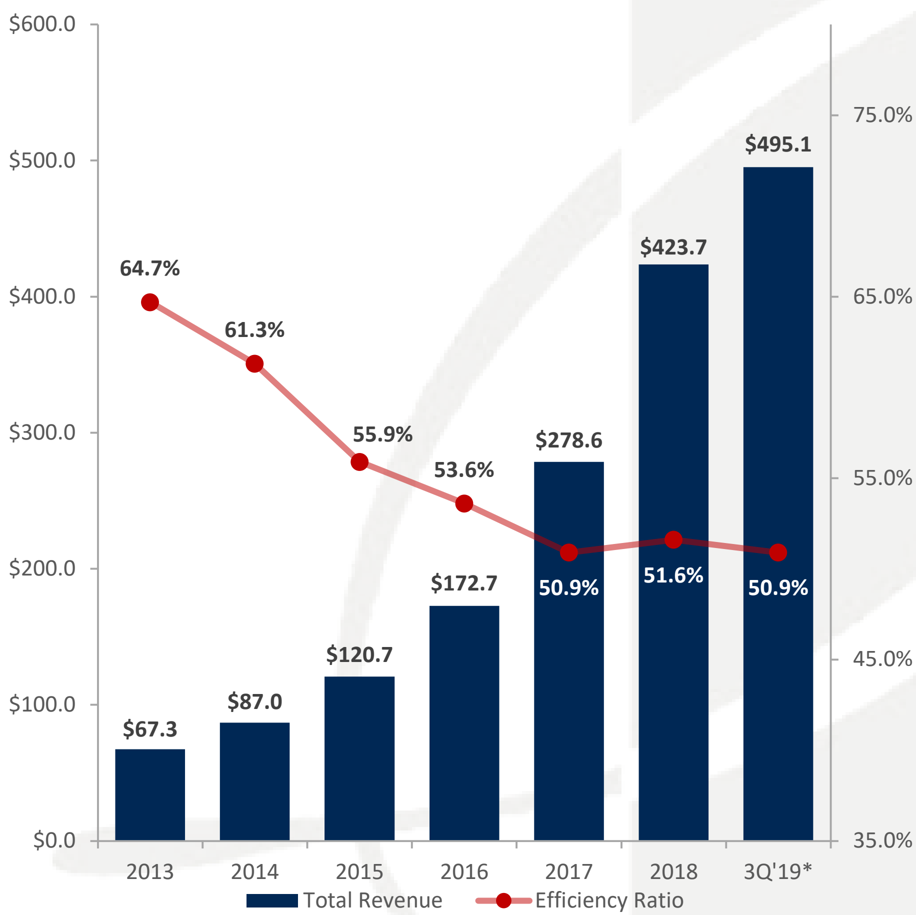
The Company has a well established and successful track record of executing on acquisitions

2008 - 2012	▪ Organic growth driven by dynamic and disciplined sales culture ▪ Geographic expansion through highly accretive FDIC-assisted acquisitions – Canyon National Bank (“CNB”) - $192 million in assets, closed on 2/11/2011 (FDIC-Assisted) – Palm Desert National Bank (“PDNB”) - $103 million in assets, closed on 4/27/2012 (FDIC-Assisted)
2013 - 2018	▪ Build out of commercial banking platform through acquisitions – First Associations Bank (“FAB”) - $424 million in assets, closed on 3/15/2013 (151 days) – San Diego Trust Bank (“SDTB”) - $211 million in assets, closed on 6/25/2013 (110 days) – Infinity Franchise Holdings (“IFH”) - $80 million in assets, closed on 1/30/2014 (73 days) – Independence Bank (“IDPK”) - $422 million in assets, closed on 1/26/2015 (96 days) – Security California Bancorp (“SCAF”) - $715 million in assets, closed 1/31/2016 (120 days) – Heritage Oaks Bancorp (“HEOP”) – $2 billion in assets, closed on 4/1/2017 (109 days) – Plaza Bancorp (“PLZZ”) - $1.3 billion in assets, closed on 11/1/2017 (84 days) – Grandpoint Capital, Inc. (“GPNC”) - $3.2 billion in assets, closed on 7/1/2018 (139 days)
2019 and Beyond	▪ Produce EPS growth from scale, efficiency and balance sheet leverage ▪ Disciplined organic and acquisitive growth, increasing franchise and shareholder value ▪ Board and management regularly assess strategic direction – Buy, Sell or Hold

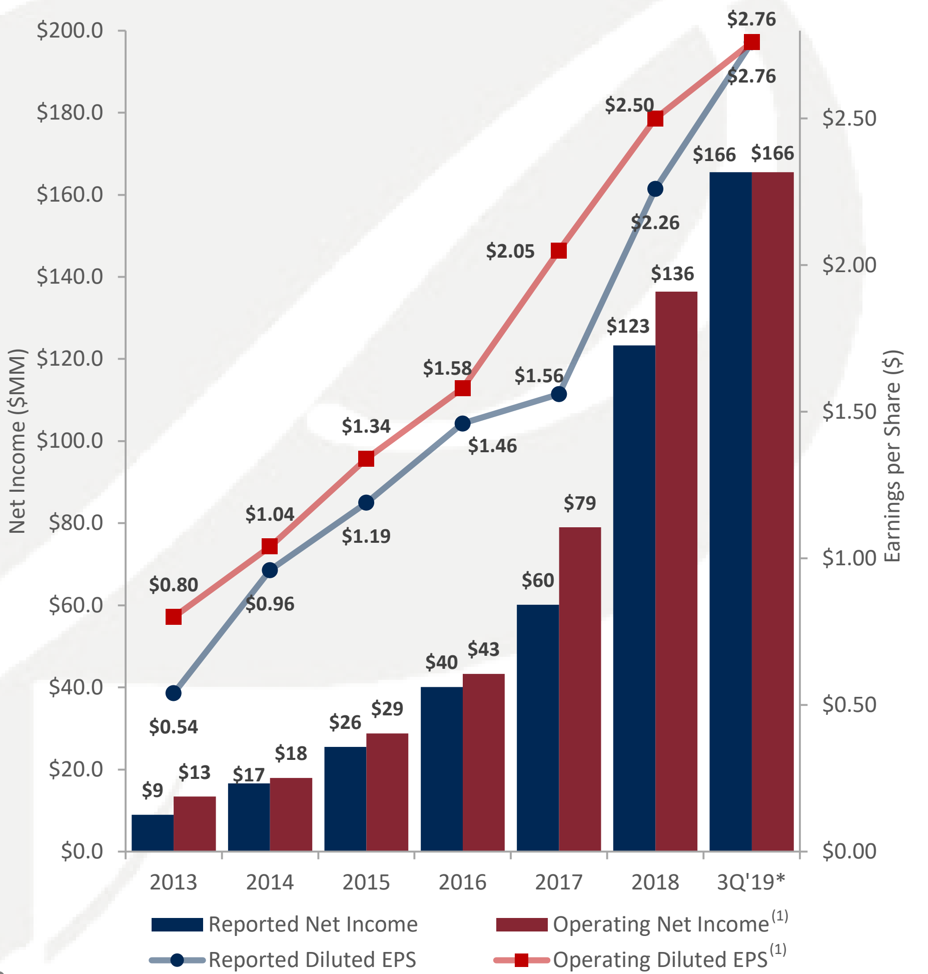
Strong Earnings Performance

The Company has consistently delivered leading earnings growth and shareholder value

Total Revenue and Efficiency Ratio



Net Income and Earnings Per Share



Note: All dollars in millions

(1) Please refer to non-U.S. GAAP reconciliation in appendix

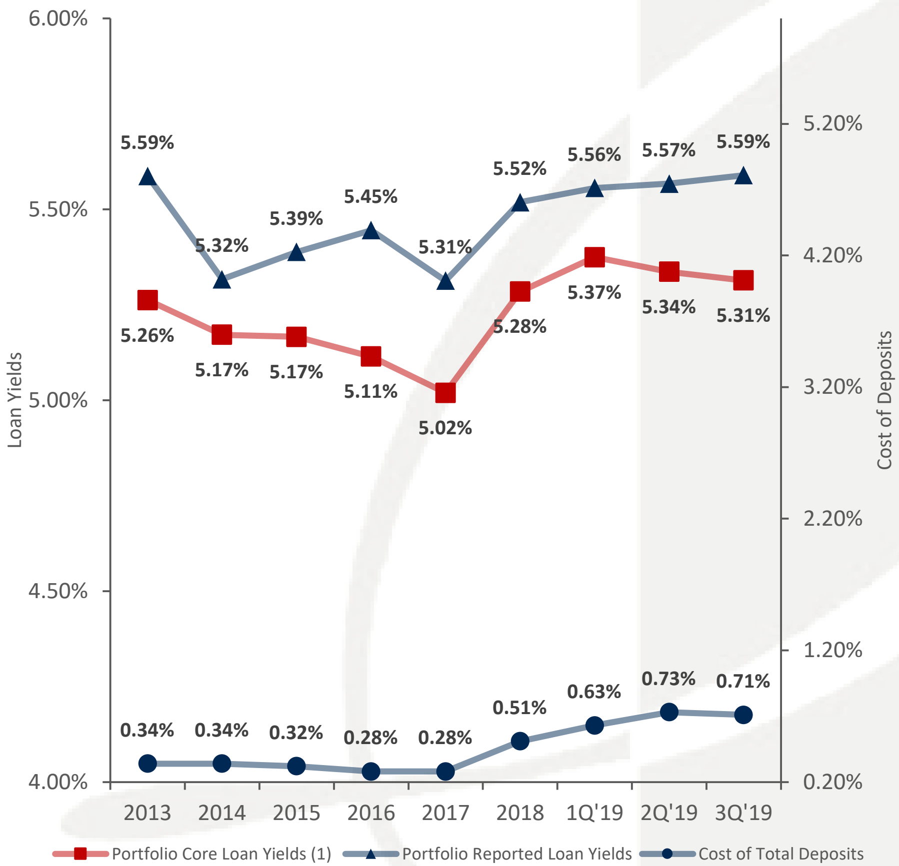
* Annualized

Net Interest Margin

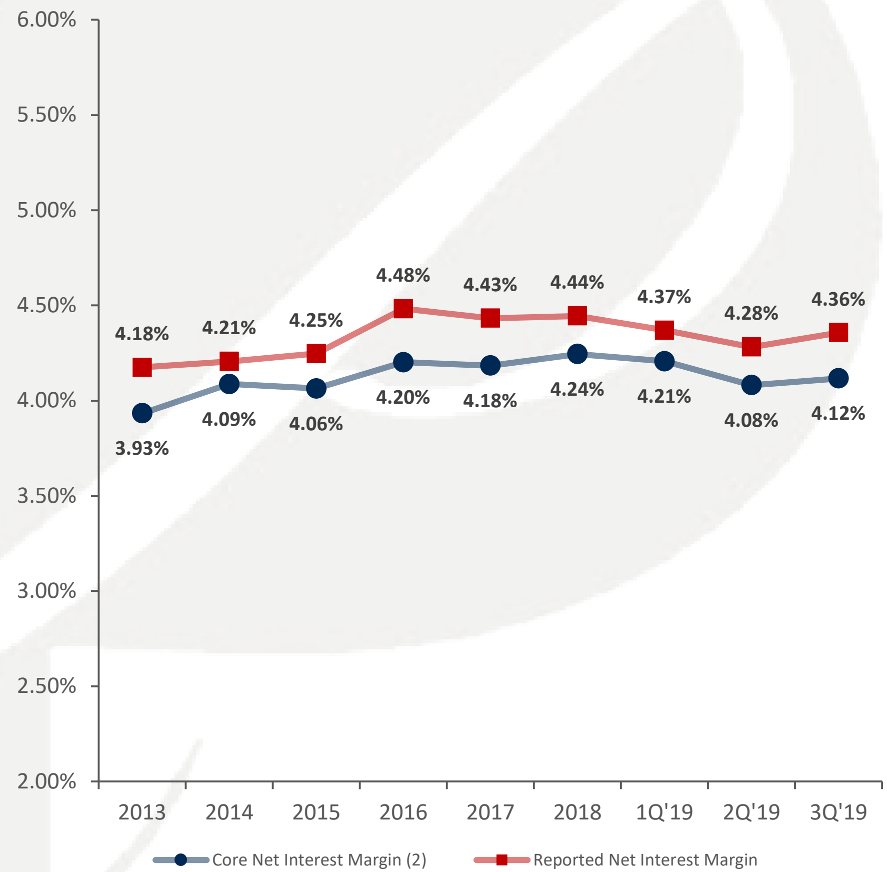
*Strong asset yields and low cost deposits - **NIM ranks in the top quartile[3]***

- Net interest income has grown 43% compounded annually since 2013

Loan Portfolio Reported Yields, Core Yields [1], and Total Deposit Costs



Reported and Core Net Interest Margin [2]



(1) Core loan yields exclude accretion and other one-time adjustments
(2) Please refer to non-U.S. GAAP reconciliation in appendix
(3) Source: SNL Financial – 2Q19 PPBI ranked 86th percentile of KRX banks

Capital Ratios & Capital Management

Capital management is a key focus of the Board and Management

- Quarterly dividend of $0.22 per share
- Completed the $100 million stock repurchase program during Q3 2019
  - 3.4 million shares repurchased, which was 5.4% of outstanding shares as of 3/31/2019

Holding Company Capital Ratios

	Q3 2019	Q2 2019
Leverage Ratio	10.34%	10.32%
Common Equity Tier-1 Ratio (CET-1)	10.93%	10.82%
Tier-1 Ratio	11.04%	11.07%
Risk Based Capital Ratio	13.40%	13.54%

Bank Level Capital Ratios

	Q3 2019	Q2 2019
Leverage Ratio	12.20%	11.66%
Common Equity Tier-1 Ratio (CET-1)	13.01%	12.51%
Tier-1 Ratio	13.01%	12.51%
Risk Based Capital Ratio	13.41%	12.90%

Expanding Our Capabilities

Key business initiatives enhancing products and processes to drive additional revenue and balance sheet growth

Technology enabled Business Development

Significant investment in customizing the Salesforce platform.

- Manage and monitor all facets of client relationship
- Enhanced analytics to consistently drive lead generation and new client acquisition
- Robust monitoring and reporting capabilities
- Productivity tracking and performance management

Product Enhancements

Foreign Currency

- Expanded International Banking Group
- Streamlined Foreign Currency Processing
- Improved Client Experience

Third Party Escrow

- M&A Transactions
- Capital Investments
- Contractor Retention
- Disbursement/Fund Control
- Qualified Escrow Accounts
- Large Asset Acquisition
- Dissolution of Assets

Treasury Management

- Enhanced Account Analysis Platform
- Expanded Lockbox Services
- Improved ACH Capabilities
- Invoice to Pay
- Check Printing Service

Premier API Banking & DataVault®

Modernizing the exchange of data between clients and the Bank

- Premier API Banking allows software developers, corporate clients and FinTechs to partner with Pacific Premier to create powerful applications and long lasting relationships

Technology Advancements

Pacific Premier Bank Data Services

- Core Banking Services
- Check Images
- Statement Images
- Transaction Details
- Account Transfers
- Electronic Payments

DataVault® API

Industry Accounting Platforms

FinTech Application

Corporate Clients

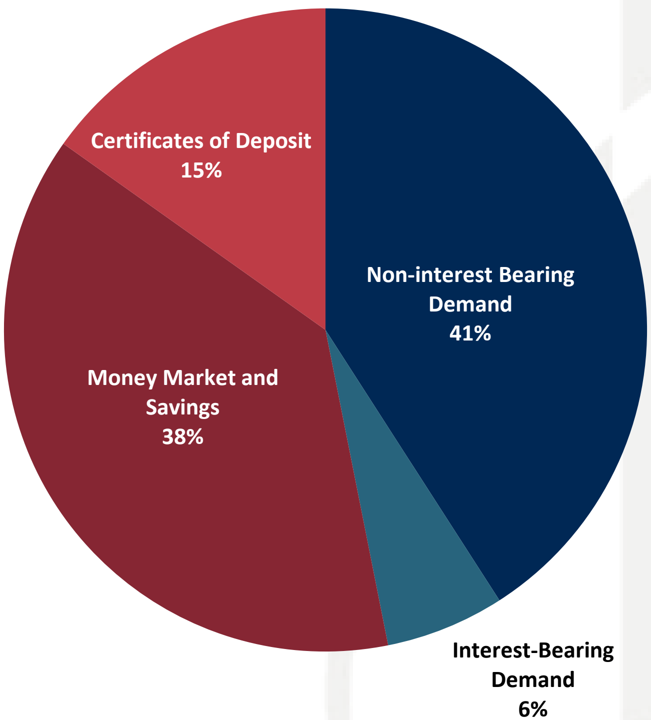
Expanded Market Opportunities

- HOA Software Partners
- FinTech Partners
- Accounting Software Partners
- Subscription Companies
- Healthcare
- Alternate lending models

Data flows through Bank systems to reach the client securely and directly.

Attractive Deposit Portfolio

***85% non-maturity deposit** composition with **41% in non-interest bearing** reflects strong client relationship based business model*

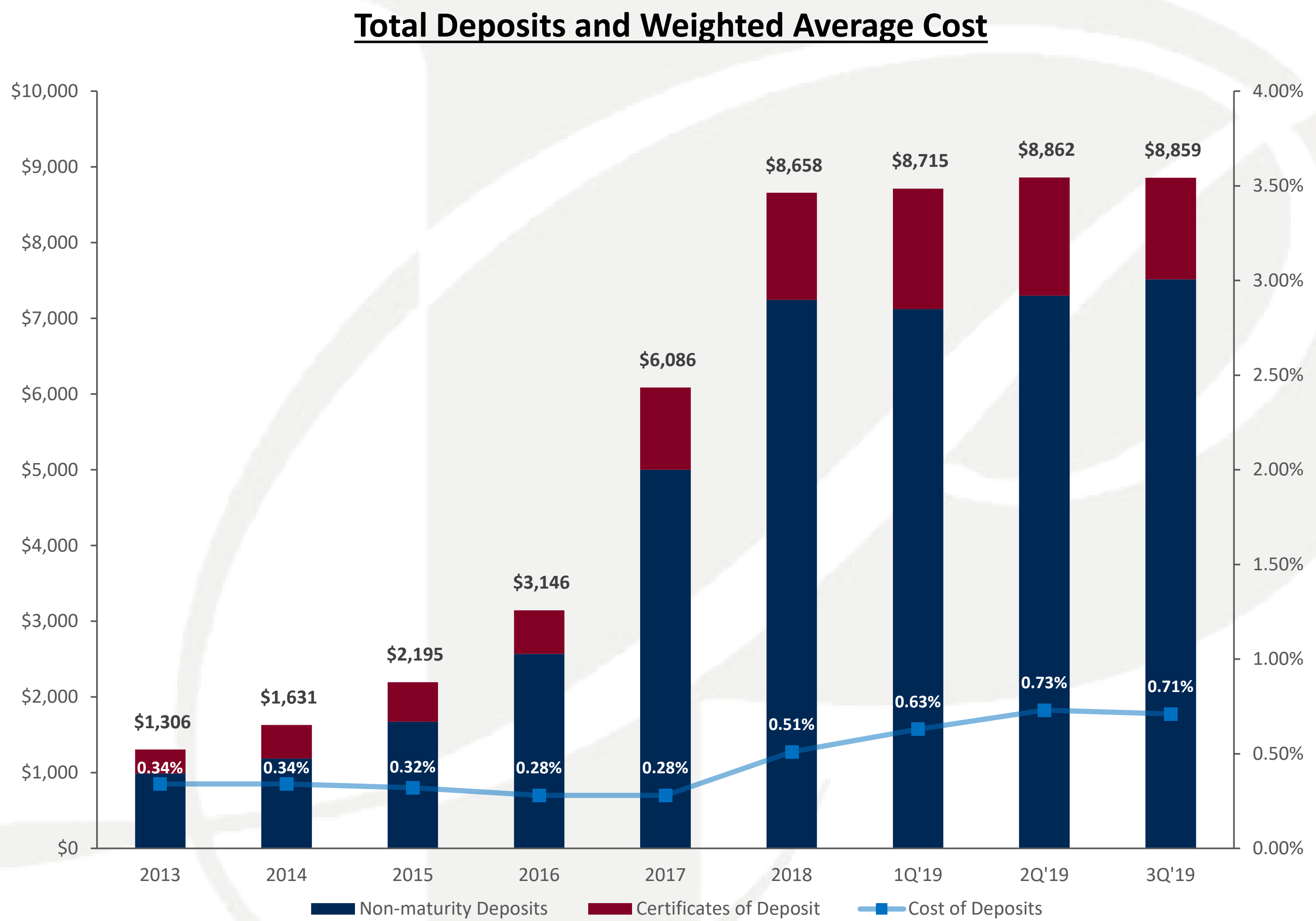


(dollars in thousands)	As of 9/30/2019	Cost of Deposits (1)
Deposits		
Non-interest bearing demand	$ 3,623,546	0.00%
Interest-bearing demand	529,401	0.49%
Money market and savings	3,362,453	0.93%
Total non-maturity deposits	*7,515,400*	*0.46%*
Retail certificates of deposit	1,019,433	1.85%
Wholesale brokered certificates of deposit	324,455	2.48%
Total certificates of deposit	*1,343,888*	*2.02%*
Total deposits	**$ 8,859,288**	**0.71%**

(1) Quarterly average cost

Deposit Cost Trends

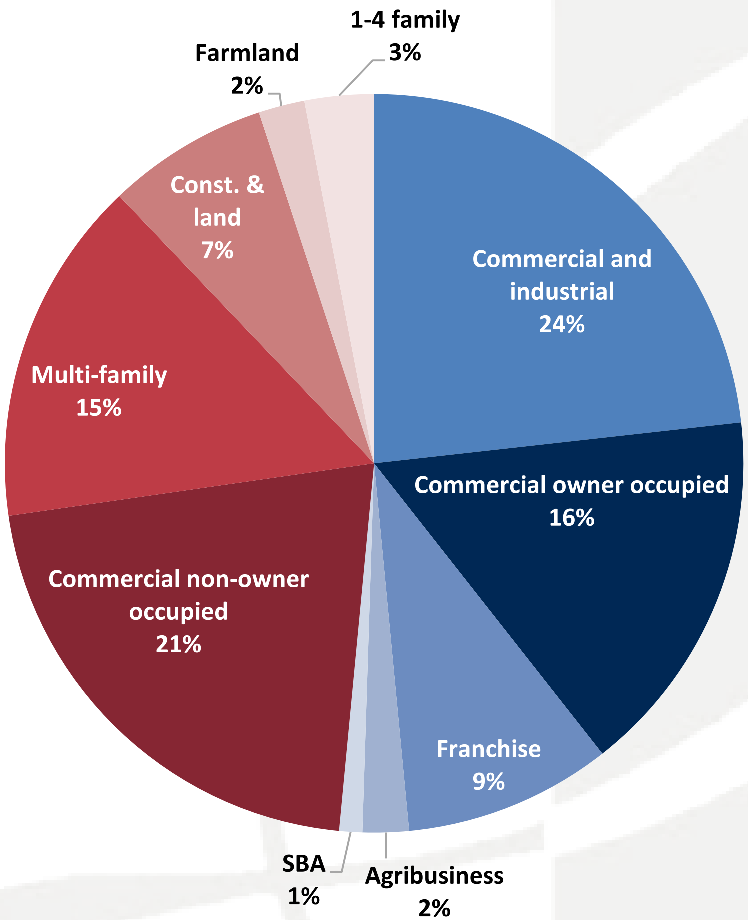
*PPBI's focus on client relationships has resulted in a low-cost, high value deposit base with **non-maturity deposits representing 85% of total deposits***



Loan Commitments and Balances

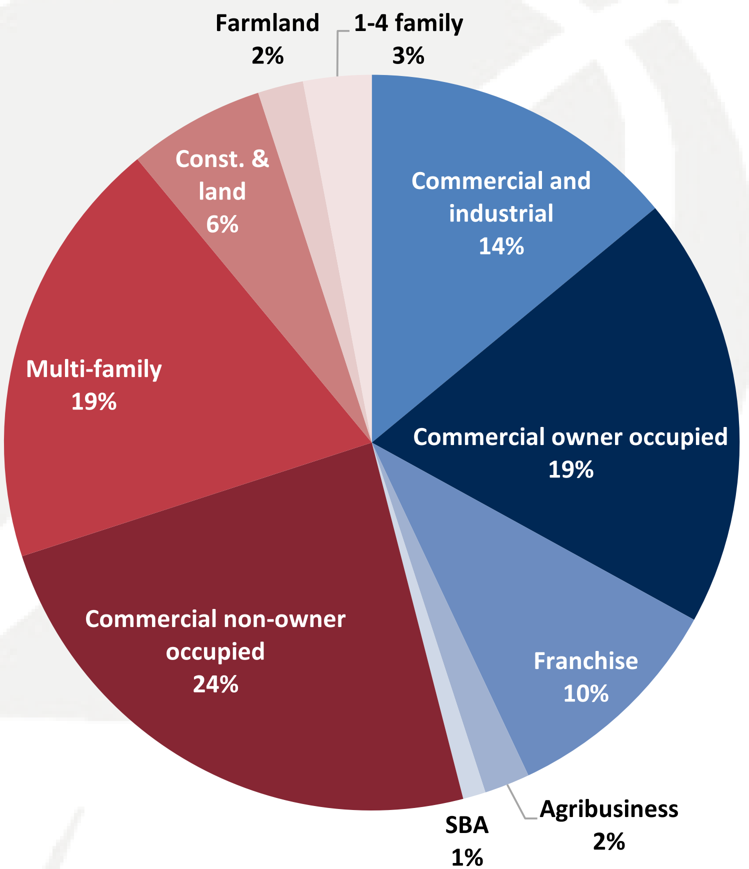
*Over $10 billion in loan commitments with **51% in business loan commitments***

Loan Commitments



$10.5 Billion

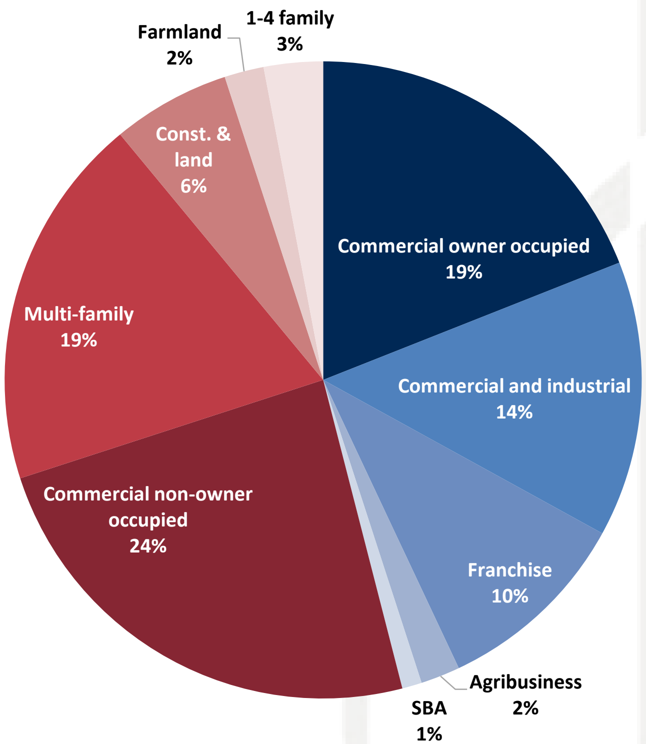
Outstanding Loan Balances



$8.8 Billion

Loan Portfolio Composition

Well diversified, high yielding commercial loan portfolio

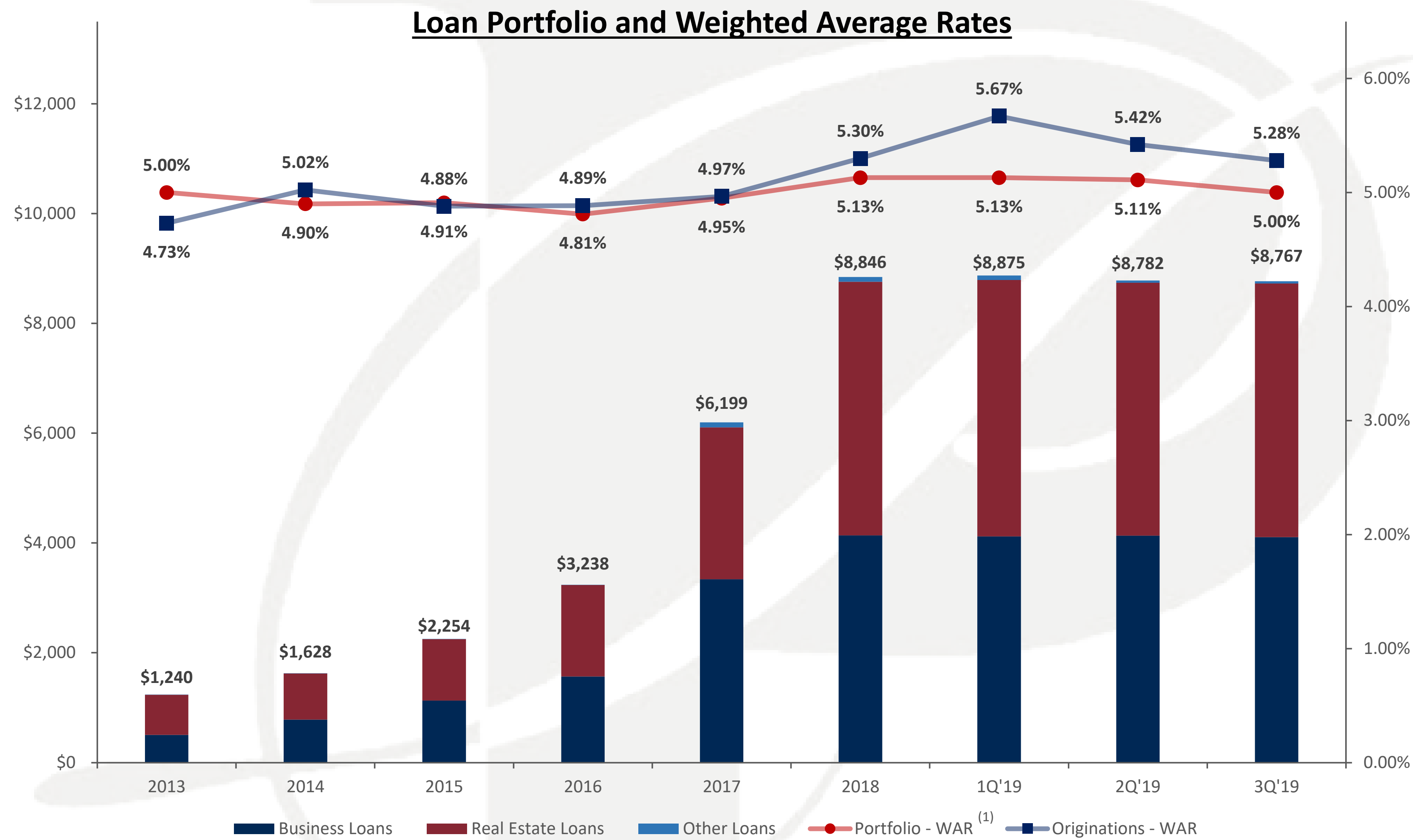


(dollars in thousands)	As of 9/30/2019	Weighted Average Rates[1]
Business loans		
Commercial and industrial	$ 1,233,938	5.43%
Franchise	894,023	5.57%
Commercial owner occupied	1,678,888	4.90%
SBA	179,965	7.34%
Agribusiness	119,633	5.25%
Total business loans	*4,106,447*	*5.32%*
Real estate loans		
Commercial non-owner occupied	2,053,590	4.62%
Multi-family	1,611,904	4.35%
One-to-four family	273,182	4.94%
Construction	478,961	6.13%
Farmland	171,667	4.70%
Land	30,717	5.43%
Total real estate loans	*4,620,021*	*4.71%*
Consumer loans	40,548	4.82%
Gross loans held for investment	**$ 8,767,016**	**5.00%**

(1) As of 9/30/19 and excluding the impact of fees, discounts and premiums

Loan Portfolio Trends

Prudent loan portfolio growth with disciplined pricing

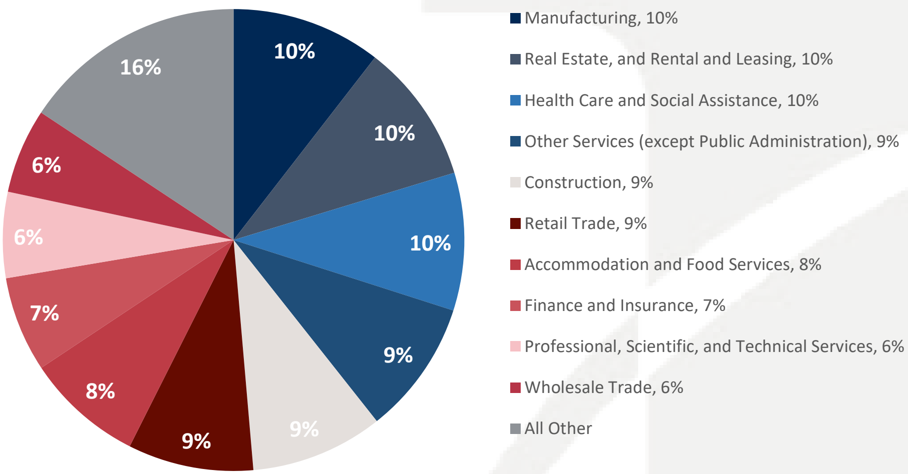


Note: All dollars in millions
(1) Excludes fees and discounts

High Quality Loan Portfolio

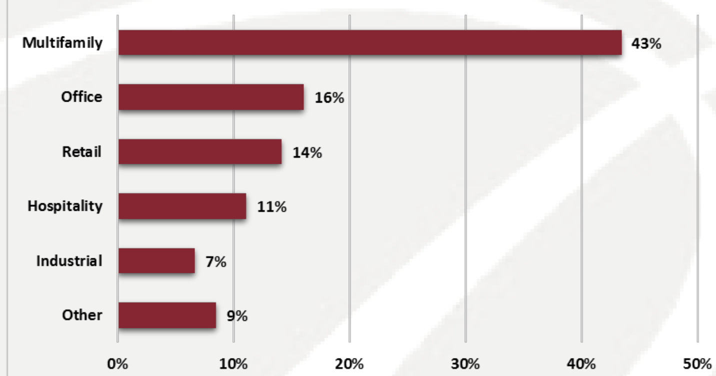
Diversified across the spectrum of business types with a high level of granularity

Distribution of C&I Portfolio By Industry[(1)]



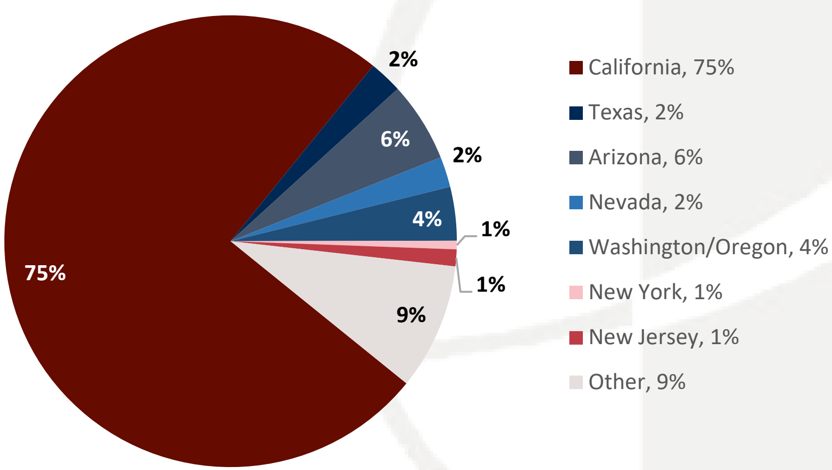
[1] Distribution by North American Industry Classification System (NAICS)
Includes C&I, Owner Occupied CRE, SBA and Agribusiness loans. Excludes Franchise loans.

CRE Property Type as a Percent of Total CRE



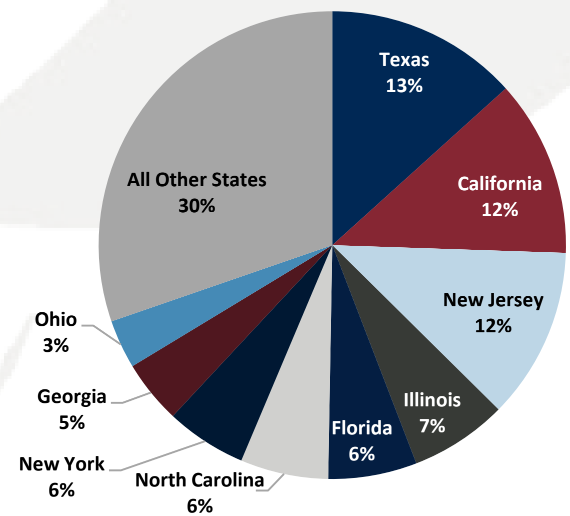
Wtd Avg LTV	Wtd Avg DSCR
59%	2.03
53%	1.62
47%	1.83
52%	1.98
47%	2.07
45%	2.54

Geographic Distribution of Loan Portfolio



*Based on state of primary real property collateral. If primary collateral is not real property, borrower address is used.

Geographic Distribution of Franchise Loans

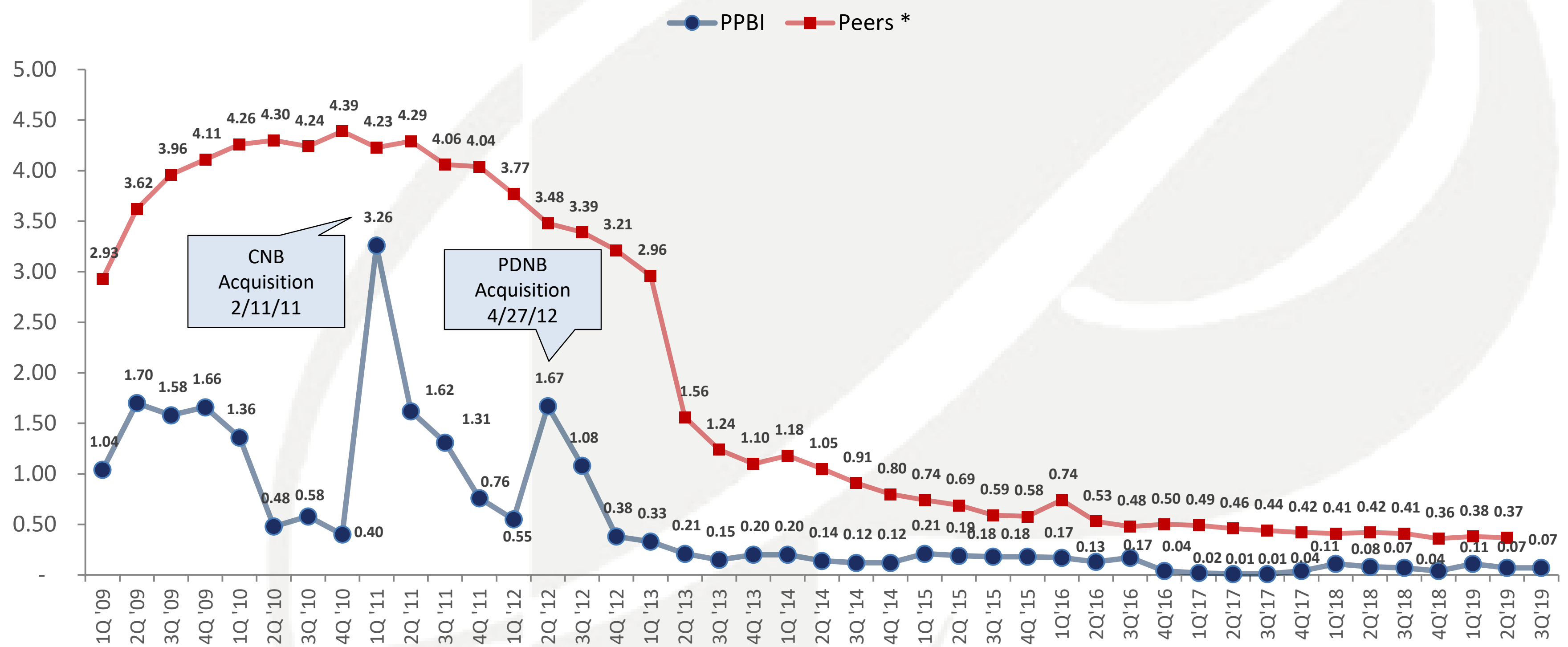


Credit Risk Management

The Company has a long running history of outperforming peers on asset quality

- Loan delinquencies to loans held for investment of 0.13% as of 9/30/2019
- Nonperforming assets to total assets of 0.07% at 9/30/2019

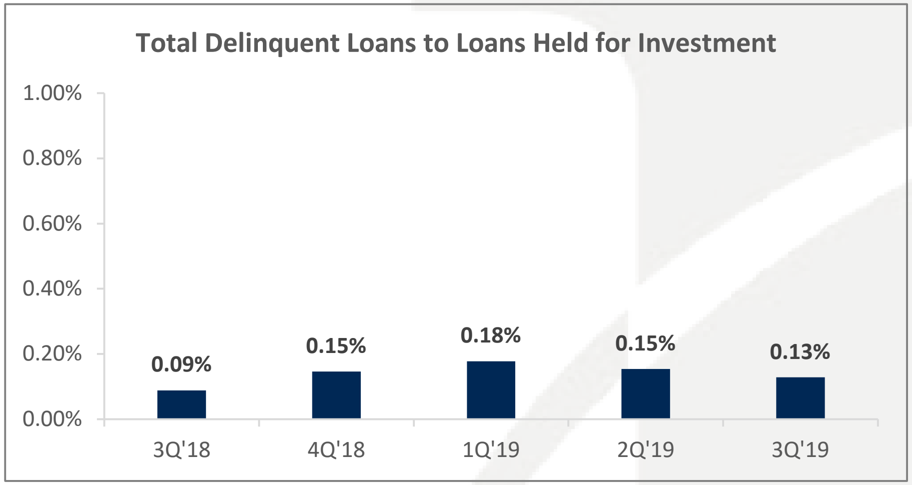
Nonperforming Assets to Total Assets Comparison

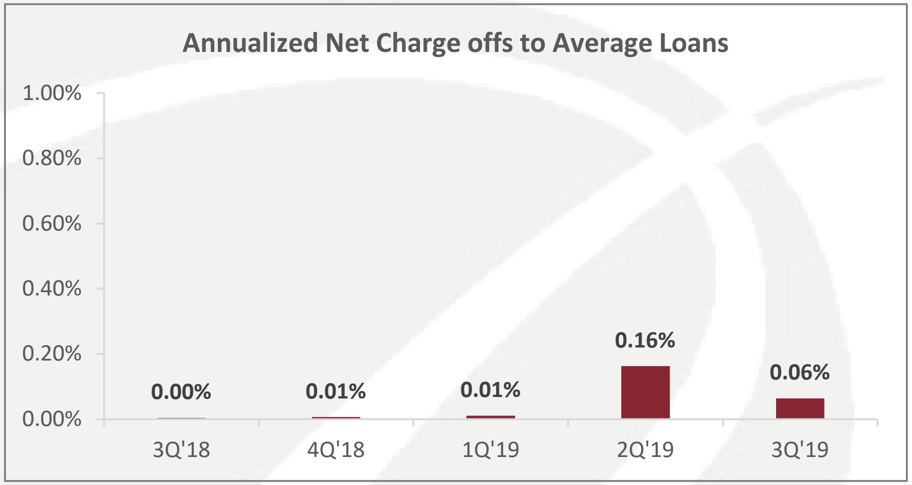


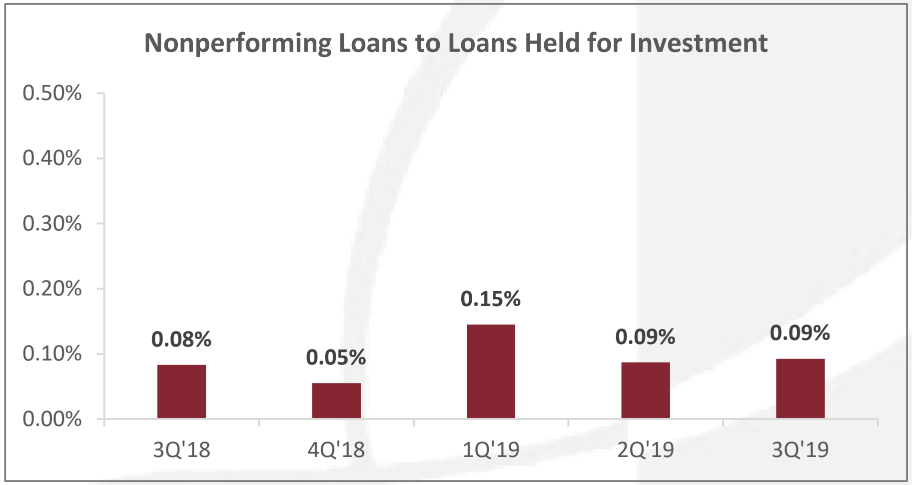
* California peer group consists of all insured California institutions, from SNL Financial.

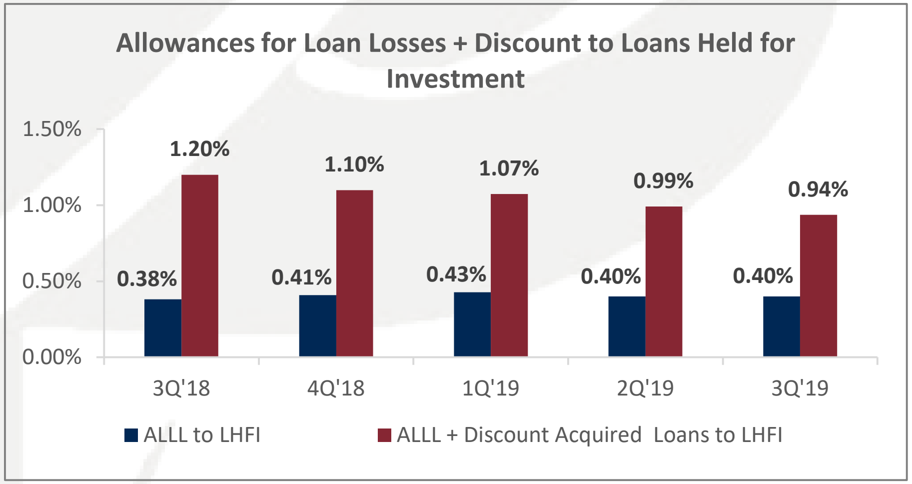
Asset Quality Measures

Highly disciplined credit risk management, proactive loss mitigation strategies









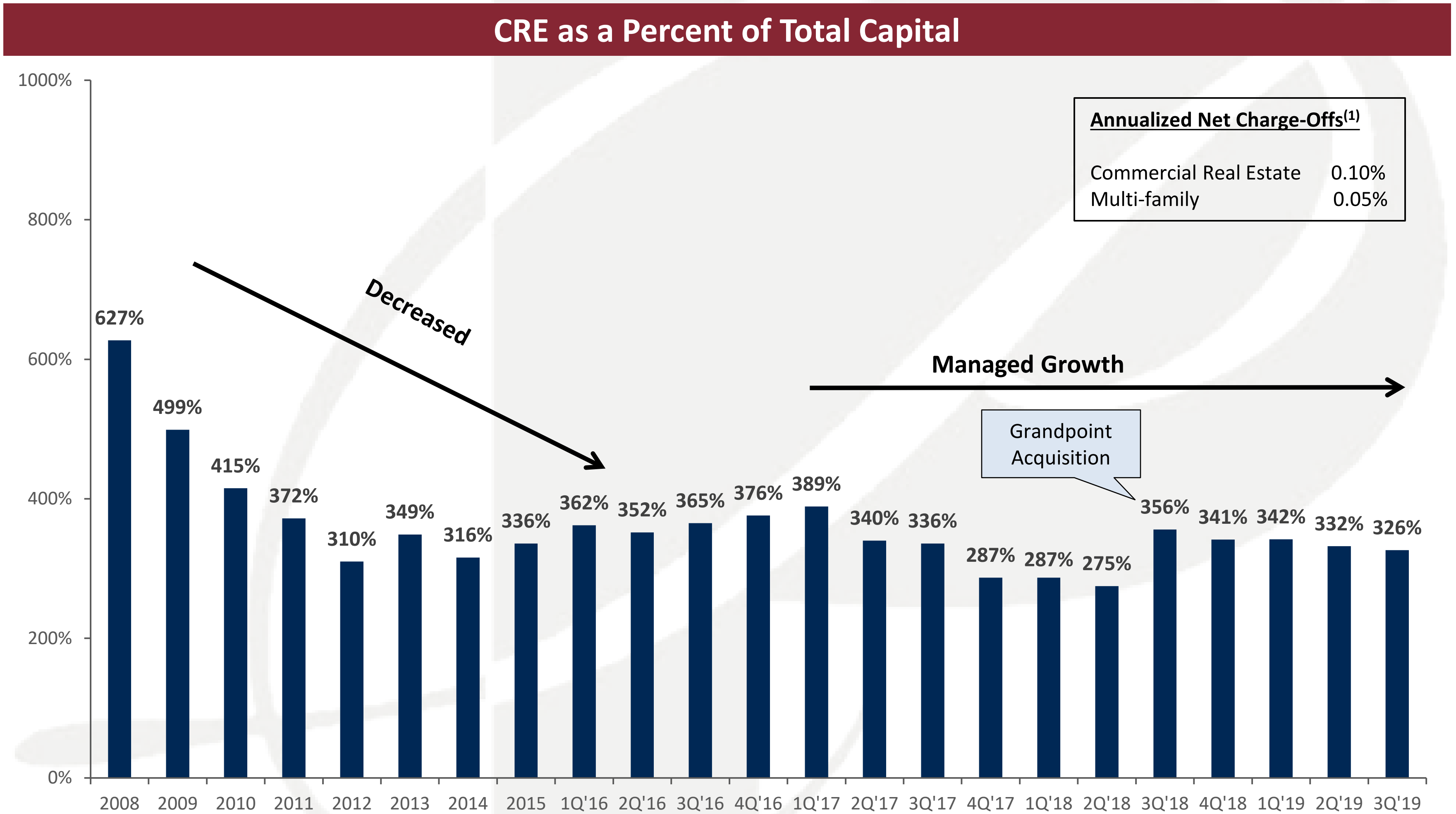
Notes:

- At September 30, 2019, 41% of loans held for investment include a fair value net discount of $46.8 million or 0.53% of loans held for investment.

CRE to Capital Concentration Ratio

Experience in managing CRE concentrations well in excess of 300%

- CRE concentrations are well-managed across the organization, and semi-annually stress tested



(1) January 1, 2009 – June 30, 2019

CECL Update

Based on current capital levels and expected earnings, we believe we are well-positioned to absorb the anticipated CECL transitionary impact

CECL Adoption in 1Q 2020

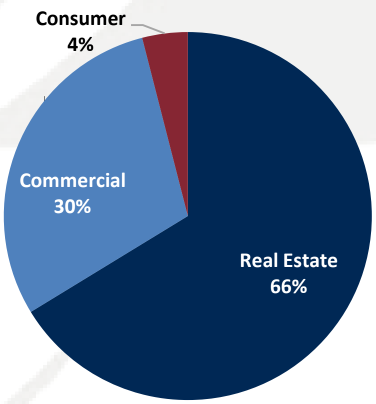
- **Life-of-loan CECL reserves** will be driven by our portfolio characteristics, risk-grading methodology, the macro-economic outlook, and modeling methodology
- **Key methodology assumptions**
  - Sophisticated model uses loan-level, PD/LGD discounted cashflows as the primary basis for loss estimation
  - Reasonable and supportable weighted, multi-scenario economic forecast
  - 3-year straight line reversion to mean historical loss
- **Key factors primarily affecting the increase in ACL**
  - Life of loan loss (CRE)
  - Economic scenarios
  - Fair valued acquired bank portfolios
  - Unfunded commitments

Currently Anticipated CECL Impact to ACL in 1Q 2020

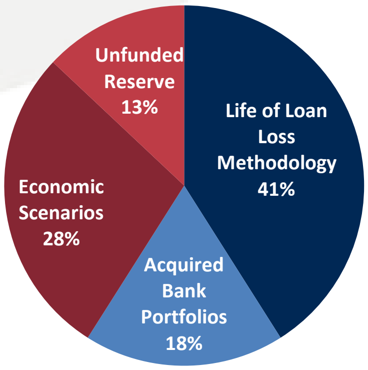
- **Anticipated ACL will increase \$40 to \$60 million from year-end 2019 levels**

Bank Capital Ratios	Proforma With +\$60MM ACL Increase[1]	Proforma Change From Actuals[1]
Leverage Ratio	11.79%	**-0.41%**
CET 1 Ratio	12.55%	**-0.46%**
Tier 1 Ratio	12.55%	**-0.46%**
RBC Ratio	13.55%	**0.15%**
TCE Ratio (Cons.)	9.67%	**-0.34%**

ACL by Collateral



ACL by Key Factor



(1) As of 9/30/2019

Scarcity Value in Southern California

PPBI is the 2nd largest publicly traded bank headquartered in Southern California(1)

	Company Name	State	Ticker	Exchange	Total Assets ($M)	Market Cap. ($M)	Price to Earnings (x)	Price to TBV (%)
1	PacWest Bancorp	CA	PACW	NASDAQ	26,725	4,593	10.1	200
2	Pacific Premier Bancorp, Inc.	CA	PPBI	NASDAQ	11,811	2,030	12.4	186
3	Axos Financial Inc.	NV	AX	NYSE	11,771	1,837	11.7	188
4	CVB Financial Corp.	CA	CVBF	NASDAQ	11,333	2,990	14.9	238
5	Banc of California, Inc.	CA	BANC	NYSE	8,625	729	NM	107
6	Opus Bank	CA	OPB	NASDAQ	7,771	916	28.7	133
7	Farmers & Merchants Bank of Long Beach	CA	FMBL	OTCQB	7,597	1,011	11.6	95
8	First Foundation Inc.	CA	FFWM	NASDAQ	6,358	733	13.3	145
9	American Business Bank	CA	AMBZ	OTC Pink	2,332	267	12.4	133
10	Pacific Mercantile Bancorp	CA	PMBC	NASDAQ	1,439	159	17.2	-
11	Malaga Financial Corporation	CA	MLGF	OTC Pink	1,232	158	10.6	113
12	Provident Financial Holdings, Inc.	CA	PROV	NASDAQ	1,105	156	31.2	128
	Median				**7,684**	**825**	**12.4**	**133**

Market data as of November 6, 2019. Financial data for the most recently reported quarter. Peer P/E ratio uses LTM EPS.
Source: SNL Financial
(1) Defined as banks with shares listed on the NYSE, NASDAQ or OTC exchanges, excludes ethnically focused banking institutions, sorted by total assets

Scarcity Value in the Western U.S.

Listed below are banks headquartered in the West with assets between $5B and $25B [(1)]

- PPBI ranks 2nd when measured by total assets for banks headquartered in Southern California… and 8th more broadly across the continental Western U.S.

	Company Name	State	Ticker	Exchange	Total Assets ($M)	Market Cap. ($M)	Price to Earnings (x)	Price to TBV (%)
1	PacWest Bancorp	CA	PACW	NASDAQ	26,725	4,593	10.1	200
2	Western Alliance Bancorporation	AZ	WAL	NYSE	26,324	5,245	10.9	202
3	Washington Federal, Inc.	WA	WAFD	NASDAQ	16,475	2,923	14.2	170
4	First Interstate BancSystem, Inc.	MT	FIBK	NASDAQ	14,702	1,856	16.0	223
5	Columbia Banking System, Inc.	WA	COLB	NASDAQ	13,758	2,875	15.2	214
6	Glacier Bancorp, Inc.	MT	GBCI	NASDAQ	13,719	4,047	18.7	283
7	Banner Corporation	WA	BANR	NASDAQ	12,098	1,918	13.0	165
8	Pacific Premier Bancorp, Inc.	CA	PPBI	NASDAQ	11,811	2,030	12.4	186
9	Axos Financial Inc.	NV	AX	NYSE	11,771	1,837	11.7	188
10	CVB Financial Corp.	CA	CVBF	NASDAQ	11,333	2,990	14.9	238
11	Banc of California, Inc.	CA	BANC	NYSE	8,625	729	NM	107
12	Opus Bank	CA	OPB	NASDAQ	7,771	916	28.7	133
13	HomeStreet, Inc.	WA	HMST	NASDAQ	6,836	760	37.5	116
14	Westamerica Bancorporation	CA	WABC	NASDAQ	5,616	1,805	22.8	305
	Median				**11,955**	**1,974**	**14.9**	**194**

Market data as of November 6, 2019. Financial data for the most recently reported quarter. Peer P/E ratio uses LTM EPS.
Source: SNL Financial
(1) Defined as banks headquartered in AZ, CA, ID, OR, MT, WA and WY with shares listed on the NYSE or NASDAQ exchanges, excludes ethnically focused banking institutions, sorted by total assets

Appendix Material

Consolidated Quarterly Financial Highlights

	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019
Summary Balance Sheet					
Total Assets	$11,503,881	$11,487,387	$11,580,495	$11,783,781	$11,811,497
Loans Held for Investment	8,759,204	8,836,818	8,865,855	8,771,938	8,757,476
Total Deposits	8,502,145	8,658,351	8,715,175	8,861,922	8,859,288
Loans Held for Investment/Total Deposits	103.0%	102.1%	101.7%	99.0%	98.9%
Summary Income Statement					
Total Revenue	$120,953	$124,516	$119,087	$116,965	$123,765
Total Noninterest Expense	82,782	67,239	63,577	63,936	65,336
Provision for Credit Losses	1,981	2,258	1,526	334	1,562
Net Income	28,392	39,643	38,718	38,527	41,375
Diluted EPS	$0.46	$0.63	$0.62	$0.62	$0.69
Performance Ratios					
Return on Average Assets (4)	1.00%	1.37%	1.34%	1.33%	1.44%
Return on Average Tangible Common Equity (4)	12.9%	16.7%	15.5%	15.2%	16.3%
Efficiency Ratio (1)*	53.5%	48.3%	49.3%	51.1%	50.9%
Net Interest Margin	4.38%	4.49%	4.37%	4.28%	4.36%
Asset Quality					
Delinquent Loans to Loans Held for Investment	0.09%	0.15%	0.18%	0.15%	0.13%
Allowance for Loan Losses to Loans Held for Investment	0.38%	0.41%	0.43%	0.40%	0.40%
Nonperforming Loans to Loans Held for Investment	0.08%	0.05%	0.15%	0.09%	0.09%
Nonperforming Assets to Total Assets (2)	0.07%	0.04%	0.11%	0.07%	0.07%
Classified Assets to Total Risk-Based Capital (3)	6.31%	4.98%	4.03%	2.81%	2.96%
Classified Assets to Total Assets (3)	0.65%	0.54%	0.44%	0.32%	0.33%
Capital Ratios					
Tangible Common Equity/Tangible Assets *	9.47%	10.02%	10.32%	9.96%	10.01%
Tangible Book Value Per Share *	$16.06	$16.97	$17.56	$17.92	$18.41
Common Equity Tier 1 Risk-based Capital Ratio	10.55%	10.88%	11.08%	10.82%	10.93%
Tier 1 Risk-based Ratio	10.81%	11.13%	11.32%	11.07%	11.04%
Risk-based Capital Ratio	12.05%	12.39%	12.58%	13.54%	13.40%

(1) Represents the ratio of noninterest expense less other real estate owned operations, core deposit intangible amortization and merger-related expenses to the sum of net interest income before provision for loan losses and total noninterest income, less gain / (loss) on sales of securities, OTTI impairment, gain / (loss) of other real estate owned, and gain / (loss) from debt extinguishment
(2) Nonperforming assets excludes nonperforming investment securities.
(3) Classified assets includes substandard loans, doubtful, substandard investment securities, and OREO.
(4) Annualized
* Please refer to non-U.S. GAAP reconciliation in appendix
Note: All dollars in thousands, except per share data

Non-U.S. GAAP Financial Measures

Tangible common equity to tangible assets (the "tangible common equity ratio") and tangible book value per share are a non-U.S. GAAP financial measures derived from U.S. 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-U.S. GAAP financial measures provide information that is important to investors and that is useful in understanding our capital position and ratios. However, these non-U.S. GAAP financial measures are supplemental and are not a substitute for an analysis based on U.S. 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-U.S. GAAP measure of tangible common equity ratio to the U.S. GAAP measure of common equity ratio and tangible book value per share to the U.S. GAAP measure of book value per share are set forth below.

	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019
Total stockholders' equity	$ 175,226	$ 199,592	$ 298,980	$ 459,740	$ 1,241,996	$ 1,969,697	$ 2,007,064	$ 1,984,456	$ 1,988,998
Less: Intangible assets	(24,056)	(28,564)	(58,002)	(111,941)	(536,343)	(909,282)	(904,846)	(900,162)	(895,882)
Tangible common equity	**$ 151,170**	**$ 171,028**	**$ 240,978**	**$ 347,799**	**$ 705,653**	**$ 1,060,415**	**$ 1,102,218**	**$ 1,084,294**	**$ 1,093,116**
Total assets	$ 1,714,187	$ 2,037,731	$ 2,789,599	$ 4,036,311	$ 8,024,501	$ 11,487,387	$ 11,580,495	$ 11,783,781	$ 11,811,497
Less: Intangible assets	(24,056)	(28,564)	(58,002)	(111,941)	(536,343)	(909,282)	(904,846)	(900,162)	(895,882)
Tangible assets	**$ 1,690,131**	**$ 2,009,167**	**$ 2,731,597**	**$ 3,924,370**	**$ 7,488,158**	**$ 10,578,105**	**$ 10,675,649**	**$ 10,883,619**	**$ 10,915,615**
Common Equity ratio	10.22%	9.79%	10.72%	11.39%	15.48%	17.15%	17.33%	16.84%	16.84%
Less: Intangible equity ratio	(1.28%)	(1.28%)	(1.90%)	(2.53%)	(6.06%)	(7.13%)	(7.01%)	(6.88%)	(6.83%)
Tangible common equity ratio	**8.94%**	**8.51%**	**8.82%**	**8.86%**	**9.42%**	**10.02%**	**10.32%**	**9.96%**	**10.01%**
Basic shares outstanding	16,656,279	16,903,884	21,570,746	27,798,283	46,245,050	62,480,755	62,773,147	60,509,994	59,364,340
Book value per share	$ 10.52	$ 11.81	$ 13.86	$ 16.54	$ 26.86	$ 31.52	$ 31.97	$ 32.80	$ 33.50
Less: Intangible book value per share	(1.44)	(1.69)	(2.69)	(4.03)	(11.60)	(14.55)	(14.41)	(14.88)	(15.09)
Tangible book value per share	**$ 9.08**	**$ 10.12**	**$ 11.17**	**$ 12.51**	**$ 15.26**	**$ 16.97**	**$ 17.56**	**$ 17.92**	**$ 18.41**

Note: All dollars in thousands, except per share data

Non-U.S. GAAP Financial Measures

For quarter period presented below, adjusted net income and adjusted diluted earnings per share are non-U.S. GAAP financial measures derived from U.S. GAAP-based amounts. We calculate these figures by excluding merger related expenses and DTA revaluations 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. For the quarter period presented below, adjusted net income for return on average tangible common equity and average tangible common equity are non-U.S. GAAP financial measures derived from U.S. 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-U.S. GAAP financial measures provide information that is important to investors and that is useful in understanding our capital position and ratios. However, these non-U.S. GAAP financial measures are supplemental and are not a substitute for an analysis based on U.S. 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-U.S. GAAP measures of return on average tangible common equity and adjusted return on average tangible common equity to the U.S. GAAP measure of return on common stockholders’ equity is set forth below.

	September 30, 2019
Net income	$41,375
Add: Merger-related expense	(4)
Less: Merger-related expense tax adjustment	(1)
Operating net income	**$41,372**
Less: Net income allocated to participating securities	432
Operating net income for earnings per share(2)	**$40,940**
Weighted average shares outstanding - diluted	59,670,855
Diluted earnings per share	**$0.69**
Average assets	$11,461,841
Operating return on average assets(1)	**1.44%**
Operating net income	$41,372
Add: CDI amortization	4,281
Less: CDI amortization expense tax adjustment	1,240
Operating net income for return on average tangible common equity	**$44,413**
Average stockholders' equity	$1,990,311
Less: Average core deposit intangible	90,178
Less: Average goodwill	808,322
Average tangible common equity	**$1,091,811**
Operating return on average tangible common equity(1)	**16.27%**

Note: All dollars in thousands, except per share data

(1) Annualized

(2) EPS presented using the two-class method beginning Q1 2019

Non-U.S. GAAP Financial Measures

For periods presented below, efficiency ratio is a non-U.S. GAAP financial measure derived from U.S. GAAP-based amounts. This figure represents the ratio of noninterest expense less other real estate owned operations, core deposit intangible amortization and 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, OTTI impairment - securities, gain/(loss) on sale of other real estate owned, and gain / (loss) from debt extinguishment. Management believes that the exclusion of such items from this financial measures provides useful information to gain an understanding of the operating results of our core business.

	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019
Total noninterest expense	$ 82,782	$ 67,239	$ 63,577	$ 63,936	$ 65,336
Less: CDI amortization	4,693	4,631	4,436	4,281	4,281
Less: Merger-related expense	13,978	2,597	655	5	(4)
Less: Other real estate owned operations, net	-	1	3	62	64
Noninterest expense, adjusted	**$ 64,111**	**$ 60,010**	**$ 58,483**	**$ 59,588**	**$ 60,995**
Net interest income	$ 112,713	$ 117,546	$ 111,406	$ 110,641	$ 112,335
Add: Total noninterest income (loss)	8,240	6,970	7,681	6,324	11,430
Less: Net gain (loss) from investment securities	1,063	-	427	212	4,261
Less: OTTI impairment - securities	-	-	-	-	2
Less: Net gain (loss) from other real estate owned	(6)	305	-	72	(20)
Less: Net gain (loss) from debt extinguishment	-	-	-	-	(214)
Revenue, adjusted	**$ 119,896**	**$ 124,211**	**$ 118,660**	**$ 116,681**	**$ 119,736**
Efficiency Ratio	**53.5%**	**48.3%**	**49.3%**	**51.1%**	**50.9%**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Total noninterest expense	$ 50,815	$ 54,993	$ 73,538	$ 98,583	$ 167,750	$ 249,905
Less: CDI amortization	764	75	1,350	2,039	6,144	13,594
Less: Merger-related expense	6,926	1,014	4,799	4,388	21,002	18,454
Less: Other real estate owned operations, net	618	1,490	121	385	72	4
Noninterest expense, adjusted	**$ 42,507**	**$ 52,414**	**$ 67,268**	**$ 91,771**	**$ 140,532**	**$ 217,853**
Net interest income	$ 58,444	$ 73,635	$ 106,299	$ 153,075	$ 247,502	$ 392,711
Add: Total noninterest income (loss)	8,811	13,377	14,388	19,602	31,114	31,027
Less: Net gain (loss) from investment securities	1,544	1,547	290	1,797	2,737	1,399
Less: OTTI impairment - securities	(4)	(29)	-	(205)	1	4
Less: Net gain (loss) from other real estate owned	-	-	-	-	46	281
Revenue, adjusted	**$ 65,715**	**$ 85,494**	**$ 120,397**	**$ 171,085**	**$ 275,832**	**$ 422,054**
Efficiency Ratio	**64.7%**	**61.3%**	**55.9%**	**53.6%**	**50.9%**	**51.6%**

Note: All dollars in thousands

Non-U.S. GAAP Financial Measures

Core net interest income and core net interest margin are non-U.S. GAAP financial measures derived from U.S. GAAP-based amounts. We calculate core net interest income by excluding scheduled accretion income, accelerated accretion income, CD mark-to-market and nonrecurring nonaccrual interest paid from net interest income. The core net interest margin is calculated as the ratio of core net interest income to average interest-earning assets. Management believes that the exclusion of such items from this financial measure provides useful information to gain an understanding of the operating results of our core business.

	2013	2014	2015	2016	2017	2018	March 31, 2019	June 30, 2019	September 30, 2019
Net interest income	$58,444	$73,635	$106,299	$153,075	$247,502	$392,711	$111,406	$110,641	$112,335
Less accretion income	3,241	1,927	4,387	9,178	12,901	16,082	3,805	4,950	6,026
Less CD mark-to-market	139	143	200	411	969	1,551	201	124	124
Less nonrecurring nonaccrual interest paid	-	-	-	-	-	-	161	107	37
Core net interest income	$55,064	$71,565	$101,712	$143,486	$233,632	$375,078	$107,239	$105,460	$106,148
Average interest-earning assets	$1,399,806	$1,750,871	$2,503,009	$3,414,847	$5,583,774	$8,836,075	$10,339,248	$10,363,988	$10,228,878
Net interest margin	**4.18%**	**4.21%**	**4.25%**	**4.48%**	**4.43%**	**4.44%**	**4.37%**	**4.28%**	**4.36%**
Core net interest margin	**3.93%**	**4.09%**	**4.06%**	**4.20%**	**4.18%**	**4.24%**	**4.21%**	**4.08%**	**4.12%**

Note: All dollars in thousands