

PACIFIC PREMIER BANCORP INC
Form S-4
April 06, 2018

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[INDEX TO GRANDPOINT CONSOLIDATED FINANCIAL STATEMENTS](#)

[Table of Contents](#)

[INDEX](#)

[Appendix F](#)

[Table of Contents](#)

As filed with the Securities and Exchange Commission on April 6, 2018

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

PACIFIC PREMIER BANCORP, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

6022
(Primary Standard Industrial
Classification Code No.)
17901 Von Karman Ave., Suite 1200
Irvine, California 92614
(949) 864-8000
(Address, including zip code and telephone number, including
area code, of Registrant's principal executive offices)

33-0743196
(I.R.S. Employer
Identification No.)

Steven R. Gardner
President and Chief Executive Officer
Pacific Premier Bancorp, Inc.
17901 Von Karman Ave., Suite 1200
Irvine, California 92614
(949) 864-8000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

with a copy to:

Norman B. Antin, Esq.
 Jeffrey D. Haas, Esq.
 Shawn M. Turner, Esq.
 Holland & Knight LLP
 800 17th Street, NW, Suite 1100
 Washington, DC 20006
 Telephone: (202) 955-3000

Patrick S. Brown, Esq.
 Sullivan & Cromwell LLP
 1888 Century Park East, Suite 2100
 Los Angeles, CA 90067
 Telephone: (310) 712-6600

Approximate date of commencement of proposed sale to the public:

As soon as practicable following the effectiveness of this Registration Statement, satisfaction or waiver of the other conditions to closing of the merger described herein, and consummation of the merger.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
		(Do not check if a smaller reporting company)	Emerging growth company <input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

Calculation of Registration Fee

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share or Unit	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Common Stock, par value \$0.01 per share	17,071,464(1)	N/A	\$325,638,183	\$40,542

(1) Based upon an estimate of the maximum number of shares of common stock of Pacific Premier Bancorp, Inc., or Pacific Premier, to be issued pursuant to the Agreement and Plan of Reorganization, dated as of February 9, 2018, or the merger agreement, by and between Pacific Premier and Grandpoint Capital, Inc., or Grandpoint, based on (a) 33,174,925 shares of Grandpoint common stock outstanding, (b) 2,765,000 shares of Grandpoint common stock that may be issued upon exercise of outstanding stock options, and (c) an exchange ratio 0.4750 of a share of Pacific Premier common stock for each share of Grandpoint common stock being exchanged for shares of Pacific Premier common stock. Pursuant to Rule 416 under the Securities Act

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

of 1933, as amended, or the Securities Act, this Registration Statement also covers additional securities that may be issued as a result of stock splits, stock dividends or similar transactions.

- (2) Pursuant to Rule 457(f) under the Securities Act, and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is based on \$19.075, which is the average high and low prices reported for Grandpoint's common stock on the OTC Market Group Pink Sheets on April 4, 2018, which was within five business days prior to the date of filing of this Registration Statement, in accordance with Rule 457(f)(1).
- (3) Determined in accordance with Section 6(b) of the Securities Act at a rate of \$124.50 per \$1,000,000 of the proposed maximum aggregate offering price.
-

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

THE INFORMATION IN THIS PROSPECTUS/PROXY AND CONSENT SOLICITATION STATEMENT IS NOT COMPLETE AND MAY BE CHANGED. PACIFIC PREMIER BANCORP, INC. MAY NOT ISSUE THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS/PROXY AND CONSENT SOLICITATION STATEMENT IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

**PRELIMINARY PROSPECTUS/PROXY AND CONSENT SOLICITATION STATEMENT
SUBJECT TO COMPLETION, DATED APRIL 6, 2018**

**17901 Von Karman Avenue, Suite 1200
Irvine, California 92614**

To the shareholders of Pacific Premier Bancorp, Inc.:

On February 9, 2018, Pacific Premier Bancorp, Inc., which we refer to as Pacific Premier, entered into an agreement and plan of reorganization, which we refer to as the merger agreement, to acquire Grandpoint Capital, Inc., which we refer to as Grandpoint. If the required shareholder and regulatory approvals are obtained, all closing conditions are satisfied or waived and the merger is subsequently completed, Grandpoint will be merged with and into Pacific Premier, with Pacific Premier as the surviving entity, which we refer to as the merger. Immediately thereafter, Grandpoint's wholly-owned bank subsidiary, Grandpoint Bank, will be merged with and into Pacific Premier Bank, the wholly-owned bank subsidiary of Pacific Premier, with Pacific Premier Bank as the surviving entity.

You are cordially invited to attend a special meeting of shareholders of Pacific Premier, referred to as the Pacific Premier special meeting, to be held at _____ a.m., Pacific Time, on _____, 2018 at 17901 Von Karman Avenue, Suite 1200, Irvine, California 92614. At the Pacific Premier special meeting, the Pacific Premier shareholders will be asked to consider and vote upon a proposal to approve the issuance of shares of common stock of Pacific Premier, which we refer to as Pacific Premier common stock, in connection with the merger. Grandpoint will be conducting a consent solicitation to have its shareholders consider the proposed merger agreement and related matters. Pacific Premier and Grandpoint cannot complete the proposed merger unless Pacific Premier's shareholders vote to approve the issuance of shares of Pacific Premier common stock in connection with the merger and Grandpoint's shareholders consent to adoption of the merger agreement. This letter is accompanied by the attached prospectus/proxy and consent solicitation statement, which Pacific Premier's board of directors is providing to solicit your proxy to vote for the approval of the issuance of shares of Pacific Premier common stock in connection with the merger. We refer to this solicitation as the Pacific Premier proxy solicitation.

If the required shareholder and regulatory approvals are obtained and the merger is subsequently completed, upon effectiveness of the merger, each outstanding share of Grandpoint common stock will be converted into, and cancelled in exchange for, the right to receive 0.4750 of a share of Pacific Premier common stock, which we refer to as the exchange ratio. Cash will be paid in lieu of any fractional share interest. We refer to the aggregate consideration to be paid to the Grandpoint shareholders in the merger as the merger consideration.

The implied value of the merger consideration to be paid to Grandpoint shareholders is based on the exchange ratio of 0.4750 of a share of Pacific Premier common stock for each share of Grandpoint common stock. The implied value on _____, 2018, was \$ _____ million, which amount was based on the \$ _____ closing price per share of Pacific Premier common stock on that date. The value of the merger consideration will fluctuate based on the market price of Pacific Premier common stock. Consequently, the value of the merger consideration will not be known at the time you vote on the issuance of shares of Pacific Premier common stock in connection with the merger. Pacific Premier expects to issue approximately 15,758,089 shares of Pacific Premier common stock in the aggregate upon completion of the merger. **Pacific Premier's common stock is listed on the NASDAQ Global Select Market under the symbol "PPBL." You should obtain current market quotations for the Pacific Premier common stock.**

Based on our reasons for the merger described in the accompanying document, including the fairness opinion issued by our financial advisor, Raymond James & Associates, Inc., our board of directors believes that the issuance of shares of Pacific Premier common stock in connection with the merger is fair to the Pacific Premier shareholders and in your best interests. **Accordingly, our board of directors unanimously recommends that you vote "FOR" the issuance of shares of Pacific Premier common stock in connection with the merger.** The accompanying prospectus/proxy and consent solicitation statement gives you detailed information about the Pacific Premier special meeting, the merger and the issuance of shares of Pacific Premier common stock in connection with the merger and related matters. In addition to being a proxy statement of Pacific Premier, this document is the consent solicitation statement for the solicitation of consents from Grandpoint shareholders to vote to adopt the merger agreement and is the prospectus of Pacific Premier for the shares of its common stock that will be issued to Grandpoint shareholders in connection with the merger.

We encourage you to read this entire document carefully, including the considerations discussed under "Risk Factors" beginning on page 32, and the appendices to the accompanying prospectus/proxy and consent solicitation statement, which include the merger agreement.

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Your vote is very important. The merger cannot be completed unless the holders of a majority of the shares for which votes are cast at the Pacific Premier special meeting vote in favor of approval of the issuance of shares of Pacific Premier common stock in connection with the merger. Whether or not you plan to attend the Pacific Premier special meeting, please take the time to vote by completing and mailing the enclosed proxy card or by following the instructions to vote via the Internet or by telephone indicated on the proxy card.

We appreciate your continuing loyalty and support and, should you choose to attend, we look forward to seeing you at the Pacific Premier special meeting.

Sincerely,

Steven R. Gardner

Chairman, President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the shares of Pacific Premier common stock to be issued in the merger or determined if this prospectus/proxy and consent solicitation statement is accurate or adequate. Any representation to the contrary is a criminal offense.

The securities to be issued in connection with the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This prospectus/proxy and consent solicitation statement is dated _____, 2018 and is being first mailed to shareholders of Pacific Premier and Grandpoint on or about _____, 2018.

Table of Contents

GRANDPOINT CAPITAL, INC.

**333 South Grand Avenue
Los Angeles, California 90071**

To the shareholders of Grandpoint Capital, Inc.:

On February 9, 2018, Pacific Premier Bancorp, Inc., which we refer to as Pacific Premier, entered into an agreement and plan of reorganization, which we refer to as the merger agreement, to acquire Grandpoint Capital, Inc., which we refer to as Grandpoint. If the required shareholder and regulatory approvals are obtained, all closing conditions are satisfied or waived and the merger is subsequently completed, Grandpoint will be merged with and into Pacific Premier, with Pacific Premier as the surviving entity, which we refer to as the merger. Immediately thereafter, Grandpoint's wholly-owned bank subsidiary, Grandpoint Bank, will be merged with and into Pacific Premier Bank, the wholly-owned bank subsidiary of Pacific Premier, with Pacific Premier Bank as the surviving entity.

If the required shareholder and regulatory approvals are obtained and the merger is subsequently completed, upon effectiveness of the merger, each outstanding share of common stock of Grandpoint, which we refer to as Grandpoint common stock, and which is comprised of both Grandpoint voting common stock, which we refer to as Grandpoint voting common stock, and Grandpoint non-voting common stock, which we refer to as Grandpoint non-voting common stock, will be converted into, and cancelled in exchange for, the right to receive shares of common stock of Pacific Premier, which we refer to as Pacific Premier common stock, at an exchange ratio of 0.4750 of a share of Pacific Premier common stock for each share of Grandpoint common stock, which we refer to as the exchange ratio. Cash will be paid in lieu of any fractional share interest. We refer to the aggregate consideration to be paid to Grandpoint shareholders in the merger as the merger consideration.

The implied value of the merger consideration to be paid to Grandpoint shareholders is based on the exchange ratio of 0.4750 of a share of Pacific Premier common stock for each share of Grandpoint common stock. The implied value per share of Grandpoint common stock on _____, 2018 was \$ _____, which amount was based on the \$ _____ closing price per share of Pacific Premier common stock on that date. The value of the merger consideration will fluctuate based on the market price of Pacific Premier common stock. Consequently, the value of the merger consideration will not be known at the time you vote on the merger agreement. Based on the current number of shares of Grandpoint common stock outstanding, Pacific Premier expects to issue approximately 15,758,089 shares of Pacific Premier common stock in the aggregate upon completion of the merger. **Pacific Premier's common stock is listed on the NASDAQ Global Select Market under the symbol "PPBI." You should obtain current market quotations for the Pacific Premier common stock. Grandpoint's common stock is traded on the OTC Market Group Pink Sheets under the symbol "GPNC." You should obtain current market quotations for the Grandpoint common stock.**

The enclosed prospectus/proxy and consent solicitation statement is being delivered to you on behalf of the board of directors of Grandpoint, which we refer to as the Grandpoint board, in connection with a consent solicitation, which we refer to as the Grandpoint consent solicitation. In connection with the Grandpoint consent solicitation, the Grandpoint board requests that holders of Grandpoint voting common stock as of the record date of _____, 2018, execute and return written consents to adopt the merger agreement.

The accompanying prospectus/proxy and consent solicitation statement describes the merger agreement and the transactions contemplated therein, including the Grandpoint consent solicitation, and provides additional information about the parties involved. In addition to being a consent solicitation statement of Grandpoint, this document is the proxy statement for the solicitation of proxies from Pacific Premier shareholders to vote to approve the issuance of shares of Pacific Premier common stock in connection with the merger and is the prospectus of Pacific Premier for the shares of its common stock that will be issued to the Grandpoint shareholders in connection with the merger.

We encourage you to read this entire document carefully, including the considerations discussed under "Risk Factors" beginning on page 32, and the appendices to the accompanying prospectus/proxy and consent solicitation statement, which include the merger agreement.

You will be entitled to appraisal rights in connection with the merger. A summary of the appraisal rights that may be available to you is described in the section entitled "The Merger Appraisal Rights" beginning on page _____ of the enclosed prospectus/proxy and consent solicitation statement. Please note that if you wish to exercise appraisal rights, you must not sign or return a written consent adopting the merger agreement, or sign or deliver a consent without indicating a decision on the proposal. However, so long as you do not return a consent form at all, it is not necessary to affirmatively vote against or disapprove the merger in order to preserve your appraisal rights. In addition, you must take all other steps necessary to perfect your appraisal rights.

The Grandpoint board has carefully considered the merger, the terms thereof and the other transactions contemplated by the merger agreement and has declared that the merger agreement, the terms thereof, the merger and the other transactions contemplated by the merger agreement are advisable and fair to and in the best interests of Grandpoint and its shareholders. Accordingly, the Grandpoint board recommends that Grandpoint shareholders adopt the merger agreement by returning their written consent form.

Please complete, date and sign the written consent furnished with this prospectus/proxy and consent solicitation statement and return it promptly to Grandpoint by the means described in the section entitled "Grandpoint Solicitation of Written Consents Submission of Consents" beginning on page of the accompanying prospectus/proxy and consent solicitation statement.

Thank you for your prompt attention to these matters.

Sincerely,

Don M. Griffith
Chairman and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the shares of Pacific Premier common stock to be issued in the merger or determined if this prospectus/proxy and consent solicitation statement is accurate or adequate. Any representation to the contrary is a criminal offense.

The securities to be issued in connection with the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This prospectus/proxy and consent solicitation statement is dated _____, 2018 and is being first mailed to shareholders of Grandpoint and Pacific Premier on or about _____, 2018.

Table of Contents

PACIFIC PREMIER BANCORP, INC.

17901 Von Karman Avenue, Suite 1200
Irvine, California 92614

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
To Be Held on _____, 2018**

To the shareholders of Pacific Premier Bancorp, Inc.:

We will hold a special meeting of shareholders of Pacific Premier Bancorp, Inc., or Pacific Premier, at _____ a.m., Pacific Time, on _____, 2018 at 17901 Von Karman Avenue, Suite 1200, Irvine, California 92614, for the following purposes:

1.

Approval of the Issuance of Shares of Pacific Premier Common Stock. To consider and vote upon a proposal to approve the issuance of shares of Pacific Premier common stock to the shareholders of Grandpoint Capital, Inc., pursuant to an Agreement and Plan of Reorganization, dated as of February 9, 2018, by and between Pacific Premier and Grandpoint Capital, Inc., referred to in this notice as the merger agreement, pursuant to which Grandpoint Capital, Inc. will merge with and into Pacific Premier, with Pacific Premier as the surviving institution. This transaction is referred to in this notice as the merger. A copy of the merger agreement is attached as Appendix A to the accompanying prospectus/proxy and consent solicitation statement of which this notice is a part; and

2.

Adjournment. To consider and vote upon a proposal to adjourn the Pacific Premier special meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the Pacific Premier special meeting to approve the issuance of shares of Pacific Premier common stock in connection with the merger.

No other business may be conducted at the Pacific Premier special meeting.

We have fixed the close of business on _____, 2018 as the record date for the determination of shareholders entitled to notice of and to vote at the Pacific Premier special meeting. Only holders of Pacific Premier common stock of record at the close of business on that date will be entitled to notice of and to vote at the Pacific Premier special meeting or any adjournment or postponement of the special meeting.

The Pacific Premier board of directors has unanimously approved the merger agreement and the transactions contemplated therein and has determined that the merger is in the best interests of Pacific Premier and its shareholders, and unanimously recommends that shareholders vote "FOR" approval of the issuance of shares of Pacific Premier common stock in connection with the merger and "FOR" approval of the proposal to adjourn the Pacific Premier special meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the Pacific Premier special meeting to approve the issuance of shares of Pacific Premier common stock in connection with the merger.

If you have any questions concerning the merger or would like additional copies of the prospectus/proxy and consent solicitation statement or need help voting your shares of Pacific Premier common stock, please contact Steven R. Gardner, Pacific Premier's Chairman, President and Chief Executive Officer, at (949) 864-8000, or Ronald J. Nicolas, Jr., Pacific Premier's Senior Executive Vice President and Chief Financial Officer, at (949) 864-8000.

Your vote is very important. Whether or not you plan to attend the Pacific Premier special meeting, please promptly complete, sign, date and return your proxy card in the enclosed envelope or vote via the Internet or by telephone pursuant to the instructions provided on the enclosed proxy card.

By Order of the Board of Directors

Steven R. Gardner

Chairman, President and Chief Executive Officer

Irvine, California
, 2018

Table of Contents

ADDITIONAL INFORMATION

PACIFIC PREMIER SHAREHOLDERS

If you are a Pacific Premier shareholder and have questions about the issuance of shares of Pacific Premier common stock in connection with the merger or the Pacific Premier special meeting, need additional copies of this prospectus/proxy and consent solicitation statement or need to obtain proxy cards or other information related to the Pacific Premier proxy solicitation, you may contact Steven R. Gardner, Pacific Premier's Chairman, President and Chief Executive Officer, or Ronald J. Nicolas, Jr., Pacific Premier's Senior Executive Vice President and Chief Financial Officer, at the following address:

Pacific Premier Bancorp, Inc.,
17901 Von Karman Ave.
Suite 1200
Irvine, California 92614

or at the following telephone number:

(949) 864-8000

GRANDPOINT SHAREHOLDERS

If you are a Grandpoint shareholder and have questions about the merger, the merger agreement or the Grandpoint consent solicitation, need additional copies of this prospectus/proxy and consent solicitation statement or need to obtain written consents or other information related to the Grandpoint consent solicitation, you may contact Janet M. Marantz, Grandpoint's Senior Vice President and Corporate Secretary, at the following address:

Grandpoint Capital, Inc.
333 South Grand Avenue
Suite 4250
Los Angeles, California 90071

or at the following telephone number:

(213) 542-4405

Shareholders of Pacific Premier and Grandpoint should only rely on the information contained in this document. We have not authorized anyone to provide shareholders of Pacific Premier and Grandpoint with different information. The document is dated _____, 2018; shareholders of Pacific Premier and Grandpoint should not assume that information contained in this document is accurate as of any date other than that date. Neither the mailing of this document to Grandpoint or Pacific Premier shareholders nor the issuance by Pacific Premier of Pacific Premier common stock in connection with the transactions contemplated by the merger agreement will create any implications to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy any securities, or the solicitation of a consent, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

Table of Contents

TABLE OF CONTENTS

<u>ADDITIONAL INFORMATION</u>	
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER, THE PACIFIC PREMIER SPECIAL MEETING AND THE GRANDPOINT CONSENT SOLICITATION SUMMARY</u>	<u>1</u>
<u>SELECTED HISTORICAL FINANCIAL DATA</u>	<u>9</u>
<u>Selected Consolidated Historical Financial Data of Pacific Premier</u>	<u>21</u>
<u>Selected Consolidated Historical Financial Data of Grandpoint</u>	<u>21</u>
<u>UNAUDITED PRO FORMA COMBINED CONDENSED CONSOLIDATED FINANCIAL DATA</u>	<u>23</u>
<u>UNAUDITED COMPARATIVE PER SHARE DATA</u>	<u>24</u>
<u>RISK FACTORS</u>	<u>31</u>
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	<u>32</u>
<u>GENERAL INFORMATION</u>	<u>37</u>
<u>THE PACIFIC PREMIER SPECIAL MEETING</u>	<u>38</u>
<u>Time, Date and Place</u>	<u>38</u>
<u>Matters to be Considered</u>	<u>38</u>
<u>Recommendation of the Pacific Premier Board</u>	<u>39</u>
<u>Shares Outstanding and Entitled to Vote; Record Date</u>	<u>39</u>
<u>How to Vote Shares of Pacific Premier Common Stock</u>	<u>39</u>
<u>Revocation of Proxies</u>	<u>40</u>
<u>Quorum</u>	<u>40</u>
<u>Vote Required</u>	<u>41</u>
<u>Solicitation of Proxies</u>	<u>41</u>
<u>Attending the Pacific Premier Special Meeting</u>	<u>41</u>
<u>Adjournments and Postponements</u>	<u>42</u>
<u>Questions and Additional Information</u>	<u>42</u>
<u>GRANDPOINT SOLICITATION OF WRITTEN CONSENTS</u>	<u>42</u>
<u>Recommendation of the Grandpoint Board</u>	<u>42</u>
<u>Shares Outstanding and Entitled to Consent; Consent Required; Record Date</u>	<u>42</u>
<u>Grandpoint Support Agreements; Voting by Grandpoint's Executive Officers and Certain Directors</u>	<u>43</u>
<u>Submission of Consents</u>	<u>43</u>
<u>Executing Consents; Revocation of Consents</u>	<u>44</u>
<u>Solicitation of Consents</u>	<u>44</u>
<u>THE MERGER</u>	<u>44</u>
<u>Structure of the Merger</u>	<u>44</u>
<u>Background of the Merger</u>	<u>45</u>
<u>Pacific Premier's Reasons for the Merger and Factors Considered by Pacific Premier's Board of Directors</u>	<u>47</u>
<u>Grandpoint's Reasons for the Merger and Recommendation of Grandpoint's Board of Directors</u>	<u>48</u>
<u>Opinion of Pacific Premier's Financial Advisor</u>	<u>50</u>
<u>Opinion of Grandpoint's Financial Advisor</u>	<u>57</u>

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

<u>The Merger Consideration</u>	<u>72</u>
<u>Grandpoint Options</u>	<u>73</u>
<u>Procedures for Exchanging Grandpoint Common Stock Certificates</u>	<u>73</u>
<u>Conditions to the Merger</u>	<u>74</u>
<u>Bank Regulatory Approvals</u>	<u>76</u>
<u>Business Pending the Merger</u>	<u>77</u>
<u>Grandpoint Board's Covenant to Recommend the Merger Agreement</u>	<u>82</u>
<u>No Solicitation</u>	<u>82</u>
<u>Representations and Warranties of the Parties</u>	<u>84</u>
<u>Effective Time of the Merger</u>	<u>84</u>
<u>Amendment of the Merger Agreement</u>	<u>84</u>
<u>Termination of the Merger Agreement</u>	<u>84</u>
<u>Termination Fee</u>	<u>86</u>
<u>Certain Employee Matters</u>	<u>86</u>
<u>Assumption of Grandpoint Indenture Obligations</u>	<u>88</u>
<u>Interests of Certain Grandpoint Officers and Directors in the Merger</u>	<u>88</u>
<u>Material Federal Income Tax Consequences</u>	<u>94</u>
<u>Accounting Treatment of the Merger</u>	<u>97</u>
<u>Expenses of the Merger</u>	<u>97</u>
<u>Listing of the Pacific Premier Common Stock</u>	<u>97</u>
<u>Resale of Pacific Premier Common Stock</u>	<u>97</u>
<u>Grandpoint Support Agreements and Grandpoint Shareholder Agreements</u>	<u>98</u>
<u>Appraisal Rights</u>	<u>99</u>
<u>MARKET FOR COMMON STOCK AND DIVIDENDS</u>	<u>105</u>
<u>Pacific Premier Market Information and Dividends</u>	<u>105</u>
<u>Grandpoint Market Information and Dividends</u>	<u>105</u>
<u>Grandpoint Securities Authorized for Issuance Under Equity Compensation Plans</u>	<u>107</u>
<u>Equivalent Market Value Per Share of Grandpoint Common Stock</u>	<u>108</u>
<u>INFORMATION ABOUT PACIFIC PREMIER</u>	<u>108</u>
<u>General</u>	<u>108</u>
<u>Management and Additional Information; New Director Appointment in Connection with Merger</u>	<u>109</u>
<u>INFORMATION ABOUT GRANDPOINT</u>	<u>110</u>
<u>Business</u>	<u>110</u>
<u>Competition</u>	<u>110</u>
<u>Premises</u>	<u>110</u>
<u>Employees</u>	<u>111</u>
<u>Legal Proceedings</u>	<u>111</u>
<u>Supervision and Regulation</u>	<u>111</u>
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF GRANDPOINT AND SUBSIDIARIES</u>	<u>121</u>
<u>CERTAIN BENEFICIAL OWNERSHIP OF GRANDPOINT COMMON STOCK</u>	<u>136</u>
<u>UNAUDITED PRO FORMA COMBINED CONDENSED CONSOLIDATED FINANCIAL DATA</u>	<u>138</u>
<u>UNAUDITED COMPARATIVE PER SHARE DATA</u>	<u>145</u>
<u>DESCRIPTION OF PACIFIC PREMIER CAPITAL STOCK</u>	<u>146</u>
<u>Common Stock</u>	<u>146</u>

Table of Contents

<u>Preferred Stock</u>	<u>147</u>
<u>Anti-takeover Provisions</u>	<u>147</u>
<u>Restrictions on Ownership</u>	<u>148</u>
<u>COMPARISON OF THE RIGHTS OF SHAREHOLDERS</u>	<u>149</u>
<u>LEGAL MATTERS</u>	<u>158</u>
<u>EXPERTS</u>	<u>158</u>
<u>HOUSEHOLDING</u>	<u>159</u>
<u>PACIFIC PREMIER ANNUAL MEETING SHAREHOLDER PROPOSALS</u>	<u>159</u>
<u>GRANDPOINT ANNUAL MEETING SHAREHOLDER PROPOSALS</u>	<u>160</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>160</u>
<u>INDEX TO GRANDPOINT CONSOLIDATED FINANCIAL STATEMENTS</u>	<u>FS-1</u>
<u>APPENDIX A</u>	<u>Agreement and Plan of Reorganization</u>
<u>APPENDIX B</u>	<u>Opinion of Raymond James & Associates, Inc.</u>
<u>APPENDIX C</u>	<u>Opinion of Keefe, Bryette & Woods, Inc.</u>
<u>APPENDIX D</u>	<u>Section 262 of the Delaware General Corporation Law</u>
<u>APPENDIX E</u>	<u>Pacific Premier Annual Report on Form 10-K for the Year Ended December 31, 2017</u>
<u>APPENDIX F</u>	<u>Excerpts of Proxy Statement (representing items incorporated by reference into Part III of the Annual Report on Form 10-K for the Year Ended December 31, 2017) on Schedule 14A filed on April , 2018</u>

Table of Contents

**QUESTIONS AND ANSWERS
ABOUT THE MERGER, THE PACIFIC PREMIER SPECIAL MEETING AND
THE GRANDPOINT CONSENT SOLICITATION**

The following are some questions that you may have regarding the merger, the Pacific Premier special meeting and the Grandpoint consent solicitation, and brief answers to those questions. Pacific Premier and Grandpoint advise you to read carefully the remainder of this prospectus/proxy and consent solicitation statement because the information in this section does not provide all of the information that might be important to you with respect to the merger, the Pacific Premier special meeting and the Grandpoint consent solicitation.

Q: What am I being asked to vote on?

A: Pacific Premier and Grandpoint have entered into the merger agreement, pursuant to which Pacific Premier would acquire Grandpoint. If the required shareholder and regulatory approvals are obtained and the merger is subsequently completed, Grandpoint will be merged with and into Pacific Premier with Pacific Premier as the surviving entity. Immediately thereafter, Grandpoint's wholly-owned bank subsidiary, Grandpoint Bank, will be merged with and into Pacific Premier Bank, the wholly-owned bank subsidiary of Pacific Premier, with Pacific Premier Bank as the surviving entity.

If you are a Pacific Premier shareholder, you are being asked to vote to approve the issuance of Pacific Premier common stock in connection with the merger. If you are a Grandpoint shareholder, you are being asked to vote to adopt the merger agreement through the Grandpoint consent solicitation. As a result of the merger, Grandpoint will cease to exist and Grandpoint shareholders will exchange each of their shares of Grandpoint common stock for 0.4750 of a share of Pacific Premier common stock, which we refer to as the exchange ratio, as further described in "The Merger The Merger Consideration" beginning on page .

The Pacific Premier shareholders are also being asked to consider and vote upon a proposal to grant discretionary authority to adjourn the Pacific Premier special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the Pacific Premier special meeting to approve the matter being presented at the Pacific Premier special meeting.

The merger cannot be completed unless the Pacific Premier shareholders approve the issuance of Pacific Premier common stock in the merger and the Grandpoint shareholders adopt the merger agreement. Pacific Premier is soliciting its shareholders to approve the issuance of Pacific Premier common stock in the merger at the Pacific Premier special meeting, which we refer to as the Pacific Premier shareholder approval. Grandpoint is conducting the Grandpoint consent solicitation in order to obtain the shareholder approval necessary to adopt the merger agreement, which we refer to as the Grandpoint shareholder approval.

We will be unable to complete the merger unless the Pacific Premier and Grandpoint shareholder approvals are obtained.

We have included in this prospectus/proxy and consent solicitation statement important information about the merger, the merger agreement, a copy of which is included as Appendix A to this prospectus/proxy and consent solicitation statement, the Pacific Premier proxy solicitation and the Grandpoint consent solicitation. You should read this information carefully and in its entirety.

This document constitutes a proxy solicitation statement of Pacific Premier, a consent solicitation statement of Grandpoint and a prospectus of Pacific Premier. It is a proxy solicitation statement of Pacific Premier because the Pacific Premier board of directors is soliciting proxies using this document for its shareholders, and a consent solicitation statement of Grandpoint because the

Table of Contents

Grandpoint board of directors is soliciting consents using this document for its shareholders. It is a prospectus because Pacific Premier, in connection with the merger, is offering shares of Pacific Premier common stock in exchange for outstanding shares of Grandpoint common stock in the merger.

Q: Will Grandpoint shareholders be able to trade the Pacific Premier common stock that they receive in the merger?

A: Yes. The Pacific Premier common stock to be issued in the merger to Grandpoint shareholders will be listed on the NASDAQ Global Select Market under the symbol "PPBI." Unless you are deemed an "affiliate" of Pacific Premier after the merger is completed, you may sell the shares of Pacific Premier common stock you receive in the merger without restriction.

Q: Why is my vote important?

A: The merger agreement must be adopted by the holders of a majority of the outstanding shares of Grandpoint voting common stock. The issuance of the Pacific Premier common stock in connection with the merger must be approved by the holders of Pacific Premier common stock constituting at least of a majority of the shares for which votes are cast at the Pacific Premier special meeting. The merger cannot be completed unless the Pacific Premier shareholders approve the issuance of Pacific Premier common stock in the merger and the Grandpoint shareholders adopt the merger agreement. The Pacific Premier shareholders will vote on the applicable proposals necessary to complete the merger at the Pacific Premier special meeting and the Grandpoint shareholders will vote on the applicable proposals necessary to complete the merger through the Grandpoint consent solicitation. Information about the Pacific Premier special meeting and the Grandpoint consent solicitation, the merger and other matters to be considered by shareholders of each of Pacific Premier and Grandpoint is contained in this document.

Grandpoint shareholders who collectively own approximately 87.9% of the outstanding Grandpoint voting common stock as of the date of this prospectus/proxy and consent solicitation statement, whom we refer to as the Grandpoint Investors, are parties to support agreements with Pacific Premier, which we refer to as the Grandpoint support agreements, and Grandpoint's executive officers and certain directors who collectively own approximately 9.7% of the outstanding Grandpoint voting common stock, are parties to shareholder agreements with Pacific Premier, which we refer to as the Grandpoint shareholder agreements. Pursuant to the Grandpoint support agreements and the Grandpoint shareholder agreements, such shareholders have agreed to vote in favor of the adoption of the merger agreement by written consent. Pacific Premier has the right to terminate the merger agreement to the extent that within three business days following the registration statement on Form S-4, of which this prospectus/proxy and consent solicitation statement is a part, being declared effective by the Securities and Exchange Commission, which we refer to as the Commission, Pacific Premier has not received a sufficient number of Grandpoint shareholder written consents to satisfy the majority approval requirement described above. See "Grandpoint Solicitation of Written Consents Grandpoint Support Agreements; Voting by Grandpoint's Executive Officers and Certain Directors" on page of this prospectus/proxy and consent solicitation statement. The form of Grandpoint support agreement and the form of Grandpoint shareholder agreement are included in this prospectus/proxy and consent solicitation statement as Annexes A and B, respectively, to the merger agreement, which is attached as Appendix A and incorporated by reference into this prospectus/proxy and consent solicitation statement.

If you are a Grandpoint shareholder and you do not vote, it will have the same effect as a vote against the merger agreement.

Table of Contents

If a Pacific Premier shareholder does not vote, it will have no impact on the proposal to approve the issuance of the Pacific Premier common stock in connection with the merger.

Q: Why must the Pacific Premier shareholders approve the issuance of shares of Pacific Premier common stock in connection with the merger?

A: The Pacific Premier shareholders are required to approve the issuance of shares of the Pacific Premier common stock in connection with the merger, which is estimated to equate to approximately % of Pacific Premier's issued and outstanding shares of common stock, because Pacific Premier is listed on the NASDAQ Global Select Market and is subject to the NASDAQ Global Select Market listing rules. Because Pacific Premier will likely issue in excess of 20% of its outstanding shares of common stock to the Grandpoint shareholders in connection with the merger, under the NASDAQ Global Select Market listing rules, the shareholders of Pacific Premier are required to approve the issuance of shares of Pacific Premier common stock in connection with the merger. The merger cannot be completed unless the Pacific Premier shareholders approve the issuance of shares of Pacific Premier common stock in the merger.

Q: What do each of the boards of directors of Pacific Premier and Grandpoint recommend?

A: The Pacific Premier board of directors, which we refer to as the Pacific Premier board, unanimously recommends that Pacific Premier shareholders vote **"FOR"** approval of the issuance of Pacific Premier common stock in connection with the merger and **"FOR"** approval of the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the issuance of Pacific Premier common stock in connection with the merger.

The Grandpoint board of directors, which we refer to as the Grandpoint board, determined that the terms of the merger agreement and the transactions contemplated therein, including the merger, are fair to and in the best interest of Grandpoint and its shareholders, and accordingly approved and declared advisable the merger agreement, the merger and the other transactions contemplated by the merger agreement on the terms and subject to the conditions set forth in the merger agreement and recommended that Grandpoint shareholders adopt the merger agreement in connection with the Grandpoint consent solicitation. **Accordingly, the Grandpoint board recommends that Grandpoint shareholders provide their written consent to adopt the merger agreement.**

See the sections entitled "The Merger Grandpoint's Reasons for the Merger and Recommendation of the Grandpoint Board of Directors" beginning on page for a more detailed discussion of the Grandpoint board's recommendations and reasons therefor. In addition, certain of Grandpoint's officers and directors have financial interests in the transactions contemplated by the merger agreement that are different from, or in addition to, the interests of Grandpoint's shareholders. These interests are described in more detail in the section titled "The Merger Interests of Certain Grandpoint Officers and Directors in the Merger" beginning on page .

Q: Will Grandpoint shareholders have appraisal rights in connection with the merger?

A: Yes. If you are a Grandpoint shareholder who does not approve the merger by delivering a written consent adopting the merger agreement, you will, by strictly complying with Section 262 of the Delaware General Corporation Law, which we refer to as the DGCL, be entitled to appraisal rights. Section 262 of the DGCL is attached to this prospectus/proxy and consent solicitation statement as Appendix D. Failure to follow precisely any of the statutory procedures set forth in Appendix D may result in the loss or waiver of appraisal rights under Delaware law. Following Grandpoint's receipt of sufficient written consents to adopt the merger agreement, we will send all non-consenting Grandpoint shareholders who satisfy the other statutory conditions the notice

Table of Contents

regarding the adoption of the merger agreement and the availability of appraisal rights. A Grandpoint shareholder wishing to exercise his, her or its appraisal rights will need to take action at that time, in response to that notice, but this description is being provided to all Grandpoint shareholders now so they can determine whether they wish to preserve their ability to demand appraisal rights in the future in response to that notice. If you elect to exercise appraisal rights with respect to your shares of Grandpoint common stock, you must deliver to Grandpoint or to Pacific Premier (as the surviving corporation in the merger), as applicable, at the specific address which will be included in the notice, a written demand for appraisal of your shares of Grandpoint common stock within 20 days after the date of the mailing of the subsequent notice that will be sent to non-consenting Grandpoint shareholders. **Do not submit a demand before the date of that subsequent notice because, under Delaware case law, a demand that is made before the notice is mailed may not be effective to perfect your appraisal rights.**

Q: Are there any risks that should be considered in deciding whether to vote or execute a written consent for the matters required to be voted on or consented to by the respective shareholders of Pacific Premier and Grandpoint?

A: Yes. Set forth under the heading of "Risk Factors," beginning on page 32, are a number of risk factors that each of the shareholders of Pacific Premier and Grandpoint should consider carefully.

Q: When do Pacific Premier and Grandpoint expect to complete the merger?

A: The parties expect to complete the merger during the third quarter of 2018. However, there is no assurance when or if the merger will occur. Prior to the consummation of the merger, Grandpoint shareholders must adopt the merger agreement pursuant to the Grandpoint consent solicitation, Pacific Premier shareholders must approve the issuance of Pacific Premier common stock in connection with the merger at the Pacific Premier special meeting, and all requisite bank regulatory approvals must be obtained and other conditions to the consummation of the merger must be satisfied.

Q: If the merger is completed, when can Grandpoint shareholders expect to receive the merger consideration?

A: Promptly following the completion of the merger, Pacific Premier will mail to each former Grandpoint shareholder of record written instructions detailing how its shareholders of record can exchange their shares of Grandpoint common stock for shares of Pacific Premier common stock.

Q: Will the value of the merger consideration change between the date of the prospectus/proxy and consent solicitation statement and the time the merger is completed?

A: Yes. Because Pacific Premier will issue a fixed fraction of a share of Pacific Premier common stock at the closing in exchange for each share of Grandpoint common stock, the value of the merger consideration that Grandpoint shareholders will receive in the merger will depend on the market price for a share of Pacific Premier common stock at the time the merger is completed. The market price for a share of Pacific Premier common stock when Grandpoint shareholders receive such shares after the merger is completed could be greater than, less than or the same as the market price of shares of Pacific Premier common stock on the date of this prospectus/proxy and consent solicitation statement.

Q: What do I need to do now?

A: Read and consider the information contained in this prospectus/proxy and consent solicitation statement, including the appendices, carefully and then please submit as soon as possible either

Table of Contents

your Pacific Premier proxy, in the case of Pacific Premier shareholders, or your written consent for your Grandpoint voting common stock, in the case of Grandpoint shareholders.

Q: Whom should I call if I have questions?

A: If you are a Grandpoint shareholder and have any questions concerning the merger or prospectus/proxy and consent solicitation statement, would like additional copies of the prospectus/proxy and consent solicitation statement or the process for returning your written consent, please contact Janet M. Marantz, Senior Vice President and Corporate Secretary, at (213) 542-4405, or David L. Dayton, Executive Vice President and Chief Financial Officer, at (213) 542-4416.

If you are a Pacific Premier shareholder and have any questions concerning the merger or prospectus/proxy and consent solicitation statement, would like additional copies of the prospectus/proxy and consent solicitation statement or need help voting your shares of Pacific Premier common stock, please contact Steven R. Gardner, Pacific Premier's Chairman, President and Chief Executive Officer, at (949) 864-8000, or Ronald J. Nicolas, Jr., Pacific Premier's Senior Executive Vice President and Chief Financial Officer, at (949) 864-8000.

MATTERS PERTAINING TO THE PACIFIC PREMIER SPECIAL MEETING

Q: When and where is the Pacific Premier special meeting?

A: The Pacific Premier special meeting will be held at _____ a.m., Pacific Time, on _____, 2018 at 17901 Von Karman Avenue, Suite 1200, Irvine, California 92614.

Q: Who is entitled to vote at the Pacific Premier special meeting?

A: The holders of record of Pacific Premier common stock at the close of business on _____, 2018, which is the date Pacific Premier's board of directors has fixed as the record date for the Pacific Premier special meeting, which we refer to as the Pacific Premier record date, are entitled to vote at the Pacific Premier special meeting.

Q: How many votes do shareholders of Pacific Premier have?

A: Pacific Premier shareholders are entitled to one vote in the Pacific Premier proxy solicitation for each share of Pacific Premier common stock held as of the Pacific Premier record date. As of the close of business on the Pacific Premier record date, there were _____ outstanding shares of Pacific Premier common stock.

Q: What if I abstain from voting or fail to instruct my bank, broker or other nominee?

A: Abstentions and broker non votes of shares of Pacific Premier common stock will not have any effect on the approval of the issuance of Pacific Premier common stock in connection with the merger or the adjournment of the Pacific Premier special meeting.

Q: Can I attend the Pacific Premier special meeting and vote my shares in person?

A: Yes. While not required to, all Pacific Premier shareholders are invited to attend the Pacific Premier special meeting. Shareholders of record can vote in person at the Pacific Premier special meeting. If your shares are held in street name, then you are not the shareholder of record and you must bring a legal proxy from your broker, bank or other nominee confirming that you are the beneficial owner of the shares in order to vote in person at the applicable special meeting.

Table of Contents

Q: Can I change my vote?

A: Yes. Regardless of the method used to cast a vote, you may change your vote at any time before your proxy is voted at the Pacific Premier special meeting. You may do so in one of the following ways:

by delivering to Pacific Premier prior to the Pacific Premier special meeting, a written notice of revocation addressed to Ronald Nicolas, Senior Executive Vice President and Chief Financial Officer, Pacific Premier Bancorp, Inc., 17901 Von Karman Ave., Suite 1200, Irvine, California 92614;

completing, signing and returning a new proxy card with a later date before the date of the Pacific Premier special meeting, and any earlier proxy will be revoked automatically; or

attending the Pacific Premier special meeting and voting in person, and any earlier proxy will be revoked. However, simply attending the Pacific Premier special meeting without voting will not revoke an earlier proxy voted by such person.

If you have instructed a bank, broker or other nominee to vote your shares of Pacific Premier common stock, you must follow directions received from the bank, broker or other nominee to change such vote.

Q: What if I am a record holder and I do not indicate a decision with respect to the matters required to be voted on by the shareholders of Pacific Premier?

A: If you are a Pacific Premier record holder and you returned a signed proxy card without indicating your decision on the proposal to approve the issuance of Pacific Premier common stock in connection with the merger, you will have given your approval to issue Pacific Premier common stock in connection with the merger.

MATTERS PERTAINING TO THE GRANDPOINT CONSENT SOLICITATION

Q: Who is soliciting Grandpoint written consents?

A: The Grandpoint board is providing the Grandpoint consent solicitation materials to shareholders of Grandpoint to request that holders of Grandpoint voting common stock execute and return written consents to adopt the merger agreement.

Q: Who is entitled to give a written consent in the Grandpoint consent solicitation?

A: The Grandpoint board has set _____, 2018, as the record date, which we refer to as the Grandpoint record date, for determining holders of shares of Grandpoint voting common stock entitled to execute and deliver written consents with respect to the Grandpoint consent solicitation. Holders of Grandpoint voting common stock on the Grandpoint record date will be entitled to give or withhold consent using the written consent furnished with this prospectus/proxy and consent solicitation statement. If you are a Grandpoint shareholder on the Grandpoint record date and you are entitled to vote on the proposal, you will be able to give or withhold consent with respect to the adoption of the merger agreement.

As of _____, 2018, the Grandpoint Investors owned approximately 87.9% of the outstanding shares of Grandpoint voting common stock entitled to provide consents in the Grandpoint consent solicitation. In addition, Grandpoint's executive officers and certain directors beneficially owned approximately 9.7% of the outstanding shares of Grandpoint voting common stock entitled to provide consents in the Grandpoint consent solicitation. Pursuant to the Grandpoint support agreements and the Grandpoint shareholder agreements, such shareholders have agreed to deliver written consents in favor of the adoption of the merger agreement.

Table of Contents

Q: How many votes do shareholders of Grandpoint have?

A: Grandpoint shareholders are entitled to one vote in the Grandpoint consent solicitation for each share of Grandpoint voting common stock held as of the Grandpoint record date. As of the closing of business on the Grandpoint record date, there were _____ outstanding shares of Grandpoint voting common stock.

Q: What is the deadline for returning Grandpoint written consents?

A: The Grandpoint board has set _____, 2018, as the targeted final date for receipt of written consents. Grandpoint reserves the right to extend the final date for receipt of written consents beyond _____, 2018. Any such extension may be made without notice to Grandpoint shareholders.

Q: How do Grandpoint shareholders provide their written consent?

A: If you hold shares of Grandpoint voting common stock as of the Grandpoint record date for granting written consent and you wish to submit your consent, you must fill out the enclosed written consent, date and sign it, and promptly return it to Grandpoint. Once you have completed, dated and signed your written consent, you should deliver it to Grandpoint by faxing your written consent to Janet M. Marantz, Senior Vice President and Corporate Secretary, at (213) 542-4405, by emailing a .pdf copy of your written consent to JMarantz@grandpointbank.com, or by mailing your written consent to Grandpoint, Attention Corporate Secretary, 333 South Grand Avenue, Suite 4250, Los Angeles, California 90071.

Pacific Premier has the right to terminate the merger agreement to the extent that within three business days following the registration statement on Form S-4, of which this prospectus/proxy and consent solicitation statement is a part, being declared effective by the Commission, Pacific Premier has not received a sufficient number of written consents required to adopt the merger agreement. Because of the commitments made pursuant to the Grandpoint support agreements and the Grandpoint shareholder agreements, Grandpoint expects to receive Grandpoint shareholder approval within three business days of the Commission declaring the registration statement on Form S-4 effective. As a result, Grandpoint will not be holding a shareholders' meeting to consider the proposal to adopt the merger agreement, and therefore you will be unable to vote in person by attending a shareholders' meeting.

Q: Can I change or revoke my written consent?

A: Yes. If you are a record holder of Grandpoint voting common stock on the Grandpoint record date, you may change or revoke your consent to the proposal to adopt the merger agreement at any time before the consents of a sufficient number of shares to adopt the merger agreement have been delivered to Grandpoint. If you wish to change or revoke your consent before that time, you may do so by delivering a notice of revocation or by sending in a new written consent with a later date, in each case, by one of the means described in the section entitled "Grandpoint Solicitation of Written Consents Submission of Consents" beginning on page _____.

Q: What if I am a record holder and I do not indicate a decision with respect to the matters required to be consented to by the shareholders of Grandpoint?

A: If you are a Grandpoint record holder and you return a signed written consent without indicating your decision on the proposal to adopt the merger agreement, you will have given your consent to adopt the merger agreement.

Table of Contents

Q: Whom may I contact if I cannot locate my Grandpoint stock certificate(s)?

A: If you cannot locate your certificates representing shares of Grandpoint voting common stock and believe them to be lost, stolen or destroyed, please follow the instructions in the letter of transmittal you will receive from the exchange agent dealing with lost, stolen or destroyed certificates. You will then be provided with an affidavit of lost stock certificates to complete and return to Grandpoint, or if you provide such affidavit after the merger occurs, to the exchange agent.

Q: How do I deliver a written consent with respect to shares held in street name?

A: Grandpoint shareholders whose shares of Grandpoint voting common stock are held in "street name" in the name of their bank, broker or other nominee should refer to their written consent card or the information forwarded by their nominee to confirm how to tender their written consent.

Q: If my shares are held in street name by my bank, broker, or other nominee will my bank, broker or other nominee automatically deliver a written consent with respect to my shares for me?

A: No. Your bank, broker or other nominee will not be able to deliver a written consent with respect to shares held by it in street name on your behalf without instructions from you. You should instruct your bank, broker or other nominee to deliver a written consent with respect to your shares of Grandpoint voting common stock by following the directions your bank, broker or other nominee provides to you.

Table of Contents

SUMMARY

This summary highlights selected information from this prospectus/proxy and consent solicitation statement and may not contain all of the information that is important to the shareholders of Pacific Premier and the shareholders of Grandpoint. To more fully understand the merger and for a more complete description of the legal terms of the merger, you should read carefully this entire prospectus/proxy and consent solicitation statement, including the merger agreement and the other documents included with this prospectus/proxy and consent solicitation statement. Page references are included in this summary to direct the reader to a more complete description of the topics.

Throughout this prospectus/proxy and consent solicitation statement, "Pacific Premier" refers to Pacific Premier Bancorp, Inc. and "Grandpoint" refers to Grandpoint Capital, Inc. Also, throughout this prospectus/proxy and consent solicitation statement, the Agreement and Plan of Reorganization, dated as of February 9, 2018, by and between Pacific Premier and Grandpoint, is referred to as the "merger agreement." The merger of Grandpoint with and into Pacific Premier is referred to as the "merger" and the Pacific Premier common stock to be issued to Grandpoint shareholders in consideration for their Grandpoint common stock, as well as any cash issued in lieu of fractional shares, is referred to as the "merger consideration."

Parties to the Proposed Merger (Page)

Pacific Premier Bancorp, Inc. Pacific Premier is a Delaware-chartered bank holding company for Pacific Premier Bank, a California-chartered commercial bank. Pacific Premier's principal asset is all of the capital stock of Pacific Premier Bank. Pacific Premier Bank provides banking services to businesses, professionals, real estate investors, non-profit organizations and consumers in its primary market area of Southern California currently through 33 locations in the counties of Orange, Los Angeles, Riverside, San Bernardino, San Diego, San Luis Obispo and Santa Barbara, California, as well as Clark County, Nevada. Through Pacific Premier Bank's branches and its Internet website at www.ppbi.com, Pacific Premier Bank offers a broad array of deposit products and services for both businesses and consumer customers, including checking, money market and savings accounts, cash management services, electronic banking services, and on-line bill payment. Pacific Premier Bank also offers a wide array of loan products, such as commercial business loans, lines of credit, U.S. Small Business Administration loans, commercial real estate loans, residential home loans, construction loans and consumer loans. Pacific Premier also offers specialty banking products for homeowners associations and franchise lending nationwide.

As of December 31, 2017, Pacific Premier had, on a consolidated basis, total assets of \$8.0 billion, total stockholders' equity of \$1.2 billion and total deposits of \$6.1 billion. At December 31, 2017, Pacific Premier had gross loans held for investment of \$6.2 billion, with real estate loans and business loans collateralized by real estate totaling 65% of its gross loan portfolio.

Pacific Premier's principal executive offices are located at 17901 Von Karman Ave., Suite 1200, Irvine, California 92614 and its telephone number is (949) 864-8000.

Grandpoint Capital, Inc. Grandpoint is a Delaware-chartered bank holding company for Grandpoint Bank, a California-chartered commercial bank. Grandpoint's principal asset is all of the capital stock of Grandpoint Bank. Grandpoint Bank is headquartered in Los Angeles, California and is a full-service commercial bank focused on professionals, entrepreneurs and privately held companies through its fourteen (14) banking offices located in Southern California, Arizona and Vancouver, Washington. As of December 31, 2017, Grandpoint, on a consolidated basis, had total assets of \$3.2 billion and gross loans of \$2.4 billion, total shareholders' equity of \$349.5 million and total deposits of \$2.4 billion.

Table of Contents

Grandpoint's principal executive offices are located at 333 South Grand Avenue, Los Angeles, California 90071 and its telephone number is (213) 542-2700.

The Merger (Page)

The merger agreement is attached to this prospectus/proxy and consent solicitation statement as Appendix A, which is incorporated by reference into this prospectus/proxy and consent solicitation statement. Please read the entire merger agreement. It is the legal document that governs the merger. Pursuant to the terms and conditions set forth in the merger agreement, Grandpoint will be acquired by Pacific Premier in a transaction in which Grandpoint will merge with and into Pacific Premier, with Pacific Premier as the surviving institution. Immediately following the consummation of the merger, Grandpoint Bank will be merged with and into Pacific Premier Bank, with Pacific Premier Bank as the surviving institution, which is referred to as the "bank merger." Although no assurance can be given, the parties expect to complete the merger and bank merger during the third quarter of 2018.

Pacific Premier's Reasons for the Merger and Factors Considered by Pacific Premier's Board of Directors (Page)

As part of its business strategy, Pacific Premier evaluates opportunities to acquire bank holding companies, banks and other financial institutions, which is an important element of its growth strategy. The acquisition of Grandpoint is consistent with this strategy. Among other things, the acquisition of Grandpoint will (i) expand and deepen Pacific Premier's geographic footprint into Los Angeles County, a strategically key market, (ii) add to its presence in San Diego County and Orange County, California, (iii) establish a presence in the Phoenix and Tucson, Arizona and Vancouver, Washington markets, and (iv) create opportunities for Pacific Premier Bank to provide additional products and services to the Grandpoint customers.

Based on Pacific Premier's reasons for the merger described in this prospectus/proxy and consent solicitation statement, the Pacific Premier board of directors, or Pacific Premier board, believes that the merger is fair to Pacific Premier's shareholders and in their best interests, and unanimously recommends that Pacific Premier shareholders vote "**FOR**" approval of the issuance of Pacific Premier common stock in connection with the merger. For a discussion of the circumstances surrounding the merger and the factors considered by the Pacific Premier board in approving the merger agreement, see "The Merger Pacific Premier's Reasons for the Merger" beginning on page .

Grandpoint's Reasons for the Merger and Factors Considered by Grandpoint's Board of Directors (Page)

Based on Grandpoint's reasons for the merger described in this prospectus/proxy and consent solicitation statement, the Grandpoint board of directors, or Grandpoint board, believes that the merger is in the Grandpoint shareholders' best interests, and unanimously recommends that Grandpoint adopt the merger agreement through the Grandpoint consent solicitation. For a discussion of the circumstances surrounding the merger and the factors considered by Grandpoint's board in approving the merger agreement, see "The Merger Grandpoint's Reasons for the Merger" beginning on page .

Pacific Premier's Financial Advisor believes that the Exchange Ratio in the Merger is Fair, From a Financial Point of View, to Pacific Premier (Page)

At the February 9, 2018 Pacific Premier board meeting, representatives of Raymond James rendered Raymond James's oral opinion to the Pacific Premier board that the exchange ratio was fair, from a financial point of view, to Pacific Premier. The oral opinion was subsequently confirmed by Raymond James's delivery of its written opinion to the Pacific Premier board, dated February 9, 2018,

Table of Contents

as to the fairness, as of such date, of the exchange ratio to Pacific Premier in the merger pursuant to the merger agreement, based upon and subject to the qualifications, assumptions and other matters considered in connection with the preparation of its opinion.

The full text of the written opinion of Raymond James is attached as Appendix B to this prospectus/ proxy and consent solicitation statement. The summary of the opinion of Raymond James set forth in this prospectus/ proxy and consent solicitation statement is qualified in its entirety by reference to the full text of such written opinion. Raymond James provided its opinion for the information of the Pacific Premier board (solely in its capacity as such) in connection with its consideration of the proposed merger. The opinion only addresses the fairness, from a financial point of view, of the exchange ratio in the merger pursuant to the merger agreement to Pacific Premier, and does not address any other term, aspect or implication of the merger agreement, the merger or any other agreement, arrangement or understanding entered into in connection therewith or otherwise. Raymond James's opinion does not constitute a recommendation to the Pacific Premier board, any shareholder of Pacific Premier or any other party as to how to vote or act on any matter relating to the proposed merger or otherwise.

For a more complete description of Raymond James's opinion, see "Opinion of Pacific Premier's Financial Advisor" beginning on page of this prospectus/ proxy and consent solicitation statement.

Opinion of Grandpoint's Financial Advisor (Page)

In connection with the merger, Grandpoint's financial advisor, Keefe, Bruyette & Woods, Inc., whom we refer to as KBW, delivered a written opinion, dated February 9, 2018, to the Grandpoint board as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of Grandpoint common stock of the exchange ratio in the proposed merger. The full text of the opinion, which describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion, is attached as Appendix C to this prospectus/proxy and consent solicitation statement. **The opinion was for the information of, and was directed to, the Grandpoint board (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion did not address the underlying business decision of Grandpoint to engage in the merger or enter into the merger agreement or constitute a recommendation to the Grandpoint board in connection with the merger, and it does not constitute a recommendation to any holder of Grandpoint common stock or any shareholder of any other entity as to how to vote or act in connection with the merger or any other matter (including, with respect to holders of Grandpoint common stock, whether any such shareholder should provide its written consent).**

Grandpoint Shareholders Will Receive Shares of Pacific Premier Common Stock for Each Share of Grandpoint Common Stock Exchanged in the Merger (Page)

At the effective time of the merger, each outstanding share of Grandpoint common stock will, by virtue of the merger and without any action on the part of a Grandpoint shareholder, be converted into, and cancelled in exchange for, the right to receive 0.4750 of a share of Pacific Premier common stock, which is referred to as the exchange ratio. Cash will be paid in lieu of any fractional share interest.

Aggregate Merger Consideration.

The total consideration to be paid by Pacific Premier to the Grandpoint shareholders in connection with the merger is referred to in this prospectus/proxy and consent solicitation statement as the aggregate merger consideration. The term aggregate merger consideration does not include the consideration, if any, payable to holders of options to purchase shares of Grandpoint common stock. In

Table of Contents

this prospectus/proxy and consent solicitation statement, we refer to stock options to purchase shares of Grandpoint's common stock as Grandpoint options.

Upon completion of the merger and based on a \$39.10 closing price of Pacific Premier's common stock on February 9, 2018, approximately \$641.2 million of aggregate merger consideration will be payable to the Grandpoint shareholders. The foregoing sentence does not include the payment of cash (or shares of Pacific Premier common stock in the event any such Grandpoint options are exercised prior to the effective date of the merger) to the holders of Grandpoint options, and assumes that (i) there are 33,174,925 shares of Grandpoint common stock outstanding at the closing of the merger, which we refer to as the closing, and (ii) the Grandpoint shareholders will receive an aggregate of approximately 15,758,089 shares of Pacific Premier common stock after applying the exchange ratio of 0.4750. If all Grandpoint options are exercised prior to the closing, a maximum of an additional 1,313,375 shares of Pacific Premier common stock could be issued as merger consideration, though it is impossible to predict how many Grandpoint options will actually be exercised prior to the closing, if any.

Fractional Shares.

No fractional shares of Pacific Premier common stock will be issued, and in lieu thereof, each holder of Grandpoint common stock who would otherwise be entitled to a fractional share interest will receive an amount in cash, without interest, determined by multiplying such fractional interest by the average closing price per share of Pacific Premier common stock, as reported on the NASDAQ Global Select Market, for the twenty (20) trading days ending on and including the fifth trading day prior to the closing date of the merger, which we refer to as the Pacific Premier average share price, rounded to the nearest whole cent.

What Will Happen to Outstanding Grandpoint Options (Page)

At the effective time of the merger, each Grandpoint option which is outstanding and unexercised immediately prior to the effective time will be cancelled in exchange for the right to receive from Grandpoint, immediately prior to the effective time, a single lump sum cash payment, equal to the product of (i) the number of shares of Grandpoint common stock subject to such Grandpoint option immediately prior to the effective time, and (ii) the excess, if any, of (A) the Pacific Premier average share price multiplied by the exchange ratio over (B) the exercise price per share of such Grandpoint option, less any applicable taxes required to be withheld with respect to such payment. If the exercise price per share of any such Grandpoint option is equal to or greater than the Pacific Premier average share price multiplied by the exchange ratio, the Grandpoint option will be canceled without any cash payment being made in respect thereof. For Grandpoint options that are exercised before the closing, the underlying shares of Grandpoint common stock received upon exercise will be exchanged for the merger consideration in accordance with the exchange ratio.

Transmittal Materials (Page)

After the transmittal materials have been received and processed following the closing of the merger, Grandpoint shareholders will be sent the Pacific Premier common stock and any cash in lieu of fractional shares to which they are entitled. If a Grandpoint shareholder holds shares in street name, he or she will receive information from his or her bank, broker or other nominee advising such Grandpoint shareholder of the process for receiving the Pacific Premier common stock and any cash in lieu of fractional shares to which he or she is entitled.

Each Grandpoint shareholder will need to surrender his or her Grandpoint common stock certificates or follow instructions for the transfer of shares of Grandpoint common stock held in book-entry form, to receive the appropriate merger consideration. Grandpoint shareholders should not

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

send any certificates now. Each Grandpoint shareholder will receive detailed instructions on how to exchange his or her share certificates or book-entry shares along with transmittal materials promptly following the closing of the merger.

Per Share Market Price and Dividend Information (Page)

Shares of Pacific Premier common stock currently trade on the NASDAQ Global Select Market under the symbol "PPBI." Shares of Grandpoint common stock are quoted on the OTC Market Group Pink Sheets, under the symbol "GPNC."

The following table sets forth the closing sale prices of (i) Pacific Premier common stock as reported on the NASDAQ Global Select Market, and (ii) Grandpoint common stock as quoted on the OTC Market Group Pink Sheets, on February 9, 2018, the last trading-day before Pacific Premier announced the merger, and on , 2018, the last practicable trading-day before the distribution of this prospectus/proxy and consent solicitation statement. To help illustrate the market value of the per share merger consideration to be received by Grandpoint's shareholders, the following table also presents the equivalent market value per share of Grandpoint common stock as of February 9, 2018 and , 2018, which were determined by multiplying the closing price for the Pacific Premier common stock on those dates by the exchange ratio of 0.4750 of a share of Pacific Premier common stock for each share of Grandpoint common stock. See "The Merger The Merger Consideration" beginning on page for additional information about the merger consideration to be received by holders of Grandpoint common stock.

	Pacific Premier Common Stock	Grandpoint Common Stock	Equivalent Market Value Per Share of Grandpoint
At February 9, 2018	\$ 39.10	\$ 20.00	\$ 18.57
At , 2018			

The market price of Pacific Premier common stock and Grandpoint common stock will fluctuate prior to the date of the Pacific Premier special meeting and the start of the Grandpoint consent solicitation and the date such Grandpoint shareholder receives the merger consideration. Grandpoint shareholders should obtain a current price quotation for the shares of Pacific Premier common stock to update the implied value for a share of Grandpoint common stock.

Although Pacific Premier has never declared or paid dividends on its common stock, instead electing to retain earnings to provide funds for use in its business, the Pacific Premier board periodically reviews whether to declare or pay cash dividends taking into account, among other things, general business conditions, Pacific Premier's financial results, future prospectus, capital requirements, legal and regulatory restrictions, and such other factors as the Pacific Premier board may deem relevant.

Grandpoint has been paying a regular quarterly dividend on the Grandpoint common stock. Pursuant to the merger agreement, Grandpoint may not make, declare, pay or set aside for payment any dividend on or in respect of, or declare or make any distribution on any shares of Grandpoint common stock, except that, dependent on when the closing occurs, Grandpoint may declare and pay regular quarterly cash dividends on the Grandpoint common stock equal to \$0.15 per share of Grandpoint common stock in the ordinary course of business consistent with past practice, including as to the declaration, payment and record dates. See "The Merger Business Pending the Merger" beginning on page .

Table of Contents

Material Federal Income Tax Consequences of the Merger (Page)

The merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, and it is a condition to completion of the merger that Pacific Premier and Grandpoint receive a legal opinion to that effect. If the merger is completed, the merger consideration that will be paid to the holders of Grandpoint common stock will consist of shares of Pacific Premier common stock and cash for any fractional shares.

Assuming the merger qualifies as a reorganization, subject to the limitations and more detailed discussion set forth in "The Merger Material Federal Income Tax Consequences" beginning on page , a Grandpoint shareholder that is a U.S. holder generally will not recognize gain or loss on such exchange, other than with respect to cash received in lieu of fractional shares of Pacific Premier common stock.

Tax matters are complicated, and the tax consequences of the merger to a particular Grandpoint shareholder will depend in part on such shareholder's individual circumstances. Accordingly, each Grandpoint shareholder is urged to consult his or her own tax advisor for a full understanding of the tax consequences of the merger to such shareholder, including the applicability and effect of federal, state, local and foreign income and other tax laws.

Date, Time and Location of the Pacific Premier Special Meeting (Page)

The Pacific Premier special meeting will be held at a.m., Pacific Time, on , 2018 at 17901 Von Karman Avenue, Suite 1200, Irvine, California 92614. At the Pacific Premier special meeting, Pacific Premier shareholders will be asked to:

approve the issuance of Pacific Premier common stock in connection with the merger; and

approve a proposal to adjourn the Pacific Premier special meeting if necessary to permit further solicitation of proxies if there are not sufficient votes at the time of the Pacific Premier special meeting to approve the issuance of Pacific Premier common stock in connection with the merger.

Grandpoint Consent Solicitation (Page)

The Grandpoint board is providing this prospectus/proxy and consent solicitation statement to Grandpoint shareholders. Grandpoint shareholders are being asked to adopt the merger agreement by executing and delivering the written consent furnished with this prospectus/proxy and consent solicitation statement. See "Grandpoint Solicitation of Written Consents" beginning on page .

Record Date and Voting Rights for the Pacific Premier Special Meeting (Page)

Each Pacific Premier shareholder is entitled to vote at the Pacific Premier special meeting if he or she owned shares of Pacific Premier common stock as of the close of business on the , 2018 Pacific Premier record date. Each Pacific Premier shareholder will have one vote at the Pacific Premier special meeting for each share of Pacific Premier common stock that he or she owned on that date.

Pacific Premier shareholders of record may vote by mail or by attending the Pacific Premier special meeting and voting in person. Each proxy returned to Pacific Premier by a holder of Pacific Premier common stock, which is not revoked, will be voted in accordance with the instructions indicated thereon. If no instructions are indicated on a signed Pacific Premier proxy that is returned, such proxy will be voted **"FOR"** approval of the issuance of Pacific Premier common stock in connection with the merger and **"FOR"** the proposal to adjourn the Pacific Premier special meeting if necessary to permit

Table of Contents

further solicitation of proxies on the proposal to approve the issuance of Pacific Premier common stock in connection with the merger.

Record Date and Voting Rights for the Grandpoint Consent Solicitation (Page)

Each Grandpoint shareholder is entitled to vote in the Grandpoint consent solicitation if he or she owned shares of Grandpoint voting common stock as of the close of business on the , 2018 Grandpoint record date. Each Grandpoint shareholder will have one vote in the Grandpoint consent solicitation for each share of Grandpoint voting common stock that he or she owned on that date. Holders of Grandpoint voting common stock on the Grandpoint record date will be entitled to give or withhold consent using the written consent furnished with this consent prospectus/proxy and consent solicitation statement. If you are a Grandpoint shareholder on the record date and you are entitled to vote on the proposal, you will be able to give or withhold consent with respect to the adoption of the merger agreement. If a Grandpoint shareholder does not return a written consent, it will have the same effect as a vote against the proposal. If a Grandpoint shareholder is a record holder and returns a signed and dated written consent without indicating a decision on the proposal, the Grandpoint shareholder will have given its consent to adopt the merger agreement as described in the accompanying form of written consent.

Approval of the Issuance of Pacific Premier Common Stock in Connection with the Merger by the Pacific Premier Shareholders Requires that a Majority of the Shares of Pacific Premier Common Stock for which Votes Are Cast at the Pacific Premier Special Meeting to be Voted in Favor of the Issuance of Pacific Premier Common Stock in Connection with the Merger (Page)

The affirmative vote of the holders of a majority of shares of Pacific Premier common stock for which votes are cast at the Pacific Premier special meeting is necessary to approve the issuance of the Pacific Premier common stock in connection with the merger. At the close of business on the Pacific Premier record date, there were shares of Pacific Premier common stock outstanding held by holders of record. Each holder of record of Pacific Premier common stock on the Pacific Premier record date is entitled to one vote for each share held on all matters to be voted upon at the Pacific Premier special meeting. If a Pacific Premier shareholder does not vote, it will have no impact on the proposal to approve the issuance of the Pacific Premier common stock in connection with the merger.

Management of Pacific Premier Owns Shares Which May Be Voted at the Pacific Premier Special Meeting (Page)

As of the Pacific Premier record date, the executive officers and directors of Pacific Premier, as a group, held shares of Pacific Premier common stock, or approximately % of the outstanding Pacific Premier common stock. While the executive officers and directors of Pacific Premier have not entered into voting agreements agreeing to vote their shares of Pacific Premier common stock in a particular manner, it is anticipated that the executive officers and directors of Pacific Premier will vote consistent with the recommendation of the Pacific Premier board, which is to vote "FOR" the Pacific Premier proposal to approve the issuance of Pacific Premier common stock in connection with the merger.

Adoption of the Merger Agreement Requires the Affirmative Vote of Holders of a Majority of the Issued and Outstanding Shares of Grandpoint Voting Common Stock (Page)

The affirmative vote of the holders of a majority of the issued and outstanding shares of Grandpoint voting common stock is necessary to adopt the merger agreement on behalf of Grandpoint. At the close of business on the Grandpoint record date, there were shares of Grandpoint voting common stock outstanding and entitled to vote, held by holders of record. Each

Table of Contents

holder of record of Grandpoint voting common stock on the Grandpoint record date is entitled to one vote for each share held on all matters to be voted upon in the Grandpoint consent solicitation.

As of _____, 2018, the Grandpoint Investors beneficially owned approximately 87.9% of the outstanding shares of Grandpoint voting common stock entitled to provide consents in the Grandpoint consent solicitation. In addition, Grandpoint's executive officers and certain directors beneficially owned approximately 9.7% of the outstanding shares of Grandpoint voting common stock entitled to provide consents in the Grandpoint consent solicitation. Pursuant to the Grandpoint support agreements and the Grandpoint shareholder agreements, such shareholders have agreed to deliver written consent in favor of the adoption of the merger agreement. The merger agreement provides that Pacific Premier may terminate the merger agreement if consents representing greater than a majority of the outstanding Grandpoint common stock, voting in favor of the merger agreement, shall not have been delivered to Pacific Premier by 6:00 p.m., Pacific Time, on the third business day after the registration statement on Form S-4, of which this prospectus/proxy and consent solicitation statement is a part, has been declared effective by the Commission. Consequently, Grandpoint expects to receive Grandpoint shareholder approval within three business days of the Commission declaring the registration statement on Form S-4 effective. As a result, Grandpoint will not be holding a shareholders' meeting to consider the proposal to adopt the merger agreement.

Appraisal Rights (Page _____)

Pursuant to Section 262 of the DGCL, a copy which is attached as Appendix D to this prospectus/proxy and consent solicitation statement, holders of Grandpoint common stock who comply with the applicable requirements of Section 262 of the DGCL and do not otherwise withdraw or lose the right to appraisal under Delaware law have the right to seek appraisal of the fair value of their shares of Grandpoint common stock, as determined by the Delaware Court of Chancery, if the merger is completed. The "fair value" of shares of Grandpoint common as determined by the Delaware Court of Chancery may be more or less than, or the same as, the value of the merger consideration per share that Grandpoint shareholders are otherwise entitled to receive under the terms of the merger agreement. Holders of Grandpoint common stock who do not consent to the adoption of the merger agreement and who wish to preserve their appraisal rights must so advise Grandpoint by submitting a demand for appraisal within the period prescribed by Section 262 of the DGCL after receiving a notice from Grandpoint or from Pacific Premier, as the surviving corporation, that appraisal rights are available to them, and must otherwise precisely follow the procedures prescribed by Section 262 of the DGCL. Failure to follow any of the statutory procedures set forth in Section 262 of the DGCL will result in the loss or waiver of appraisal rights under Delaware law. A person having a beneficial interest in shares of Grandpoint common stock held of record in the name of another person, such as a broker, bank or other nominee, must act promptly to cause the record holder to follow the steps summarized in this prospectus/proxy and consent solicitation statement and in a timely manner to perfect appraisal rights. In view of the complexity of Section 262 of the DGCL, Grandpoint shareholders who may wish to pursue appraisal rights should consult their legal and financial advisors. See "The Merger Appraisal Rights" beginning on page _____.

Grandpoint is Prohibited from Soliciting Other Offers (Page _____)

Grandpoint has agreed that, while the merger is pending, it will not solicit, initiate, encourage or, subject to some limited exceptions, engage in discussions with any third party other than Pacific Premier regarding extraordinary transactions such as a merger, business combination or sale of a material amount of its assets or capital stock.

Table of Contents

Pacific Premier and Grandpoint Must Meet Several Conditions to Complete the Merger (Page)

Completion of the merger depends on meeting a number of conditions, including the following:

shareholders of Pacific Premier must approve the issuance of Pacific Premier common stock in connection with the merger;

shareholders of Grandpoint must adopt the merger agreement pursuant to the Grandpoint consent solicitation;

Pacific Premier and Grandpoint must receive all required regulatory approvals for the merger and the bank merger, and any waiting periods required by law must have passed and no such approval may contain any conditions, restrictions or requirements that would require Pacific Premier or Grandpoint to take any action or commit to take any action that would (i) reasonably be likely to have a material adverse effect (as defined under "The Merger Conditions to the Merger" on page) on Pacific Premier (measured on a scale relative to Grandpoint) or a material adverse effect on Grandpoint, (ii) reasonably be likely to impose a material burden on Pacific Premier or any of its subsidiaries (including, after the effective time of the merger, Grandpoint and its subsidiaries) or (iii) require the sale by Pacific Premier or any of its subsidiaries (including, after the effective time of the merger, Grandpoint and its subsidiaries) of any material portion of their respective assets;

no statute, rule, regulation, judgment, decree, injunction or other order shall have been enacted, issued, promulgated, enforced or entered which prohibits the consummation of the merger;

the Pacific Premier common stock to be issued in the merger must have been approved for listing on the NASDAQ Global Select Market;

the representations and warranties of each of Pacific Premier and Grandpoint in the merger agreement must be true and correct, subject to the materiality standards provided in the merger agreement;

Pacific Premier and Grandpoint must have complied in all material respects with their respective obligations in the merger agreement;

Pacific Premier and Grandpoint must have received a written opinion that the merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code;

as of the month end prior to the closing date, the aggregate outstanding balance of Grandpoint Bank's non-maturity deposits must not be less than \$2.2 billion;

as of the closing date, Grandpoint's tangible common equity (as defined and subject to certain specified adjustments set forth in the merger agreement) must not be less than \$291.8 million; and

dissenting shares of Grandpoint common stock must not represent 10% or more of the outstanding shares of Grandpoint common stock.

Unless prohibited by law, either Pacific Premier or Grandpoint could elect to waive a condition that has not been satisfied and complete the merger. The parties cannot be certain whether or when any of the conditions to the merger will be satisfied, or waived where permissible, or that the merger will be completed.

Table of Contents

Pacific Premier and Grandpoint Will File Regulatory Applications to Seek Regulatory Approvals to Complete the Merger (Page)

To complete the merger, the parties need the prior approval from the Board of Governors of the Federal Reserve System, which we refer to as the Federal Reserve, and the California Department of Business Oversight, which we refer to as CA DBO. The Department of Justice, or DOJ, is also able to provide input into the approval process of federal banking agencies and will have between fifteen (15) and thirty (30) days following any approval of a federal banking agency to challenge the approval on antitrust grounds. Pacific Premier and Grandpoint will file all necessary applications with the Federal Reserve and the CA DBO. Pacific Premier and Grandpoint cannot predict whether the required regulatory approvals will be obtained or whether any such approvals will have conditions which would be detrimental to Pacific Premier following completion of the merger.

Pacific Premier and Grandpoint May Terminate the Merger Agreement (Page)

Pacific Premier and Grandpoint can mutually agree at any time to terminate the merger agreement before completing the merger, even if Grandpoint shareholders have already voted to approve it pursuant to the Grandpoint consent solicitation.

Pacific Premier or Grandpoint can also terminate the merger agreement:

if the terminating party is not in material breach of any representation, warranty, covenant, or agreement contained in the merger agreement, in the event of a breach by the other party of any representation, warranty, covenant, or agreement contained in the merger agreement that (i) cannot be or has not been cured within the earlier of (A) thirty (30) days of the giving of written notice to the breaching party or parties and (B) December 31, 2018, and (ii) would entitle the non-breaching party not to consummate the merger;

in the event that the merger is not consummated by December 31, 2018, except to the extent that the failure to consummate the merger by such date is due to (i) the failure of the party seeking to terminate to perform or observe its covenants and agreements set forth in the merger agreement, or (ii) the failure of any of the Grandpoint shareholders (if Grandpoint is the party seeking to terminate) to perform or observe their respective covenants under their respective Grandpoint shareholder agreements with Pacific Premier;

in the event the approval of any governmental authority required for consummation of the merger or the bank merger have been denied by final, non-appealable action of the governmental authority, or any governmental authority shall have issued a final, non-appealable injunction permanently enjoining or otherwise prohibiting the consummation of the merger or the bank merger, or an application for approval has been permanently withdrawn by mutual agreement of Pacific Premier and Grandpoint at the formal or informal request of a governmental authority, provided that no party has the right to terminate the merger agreement if the party seeking to terminate the merger agreement failed to perform or observe its covenants; or

if the approval of the issuance of shares of Pacific Premier common stock in connection with the merger by Pacific Premier shareholders has not been obtained by reason of the failure to obtain the required vote at the Pacific Premier special meeting or at any adjournment or postponement thereof.

In addition, Pacific Premier may terminate the merger agreement if the holders of not less than a majority of the outstanding shares of Grandpoint voting common stock have not delivered to PPBI written consents adopting the merger agreement prior to 6:00 pm, Pacific Time, on the third business day following the date of declaration of effectiveness by the Commission of the registration statement on Form S-4, of which this prospectus/proxy and consent solicitation statement is a part.

Table of Contents

Pacific Premier may also terminate the merger agreement at any time prior to the Grandpoint shareholder approval if the Grandpoint board withdraws, modifies or changes its recommendation to the Grandpoint shareholders in any way which is adverse to Pacific Premier.

Pacific Premier may terminate the merger agreement in the event that (i) the Pacific Premier average share price is greater than \$45.655 and (ii) the Pacific Premier average share price outperforms the KBW Regional Banking Index by greater than 15%.

Grandpoint may also terminate the merger agreement if, prior to receipt of adoption of the merger agreement by Grandpoint shareholders, (i) the Grandpoint board authorizes Grandpoint to enter into a binding written agreement with respect to a superior proposal, as defined in the merger agreement, and (ii) Grandpoint pays to Pacific Premier the termination fee described below substantially concurrent with the termination of the merger agreement.

Grandpoint may also terminate the merger agreement in the event that (i) the Pacific Premier average share price is less than \$33.745 and (ii) the Pacific Premier average share price underperforms the KBW Regional Banking Index by greater than 15%.

Termination Fee (Page)

Grandpoint must pay Pacific Premier a termination fee of \$23.0 million if the merger agreement is terminated under specified circumstances.

Pacific Premier and Grandpoint May Amend the Merger Agreement (Page)

The parties may amend or supplement the merger agreement by written agreement at any time before the merger actually takes place; provided, however, no amendment or supplement that by law requires further approval by the Grandpoint shareholders may be made after the receipt of approval of the merger agreement by the requisite vote of the Grandpoint shareholders through the Grandpoint consent solicitation without first obtaining such approval.

Grandpoint's Directors and Officers Have Some Interests in the Merger that Are in Addition to or Different than the Interests of Grandpoint Shareholders (Page)

Grandpoint directors and officers have interests in the merger as individuals that are in addition to, or different from, their interests as shareholders of Grandpoint, which are:

upon consummation of the merger, each outstanding and unexercised Grandpoint option, including unvested Grandpoint options, which will accelerate and vest in full immediately prior to the effective time, will be cancelled in exchange for the right to receive from Grandpoint, immediately prior to the effective time of the merger, a single-lump sum cash payment;

the agreement of Pacific Premier to honor indemnification obligations of Grandpoint for a period of six (6) years, as well as to purchase liability insurance for Grandpoint's directors and officers for six (6) years following the merger, subject to the terms of the merger agreement;

cash payments to certain officers of Grandpoint in the aggregate amount of approximately \$6.5 million, on a pre-tax basis, pursuant to the terms of their respective employment or change in control agreements with Grandpoint or Grandpoint Bank;

retention bonuses that may be paid to certain officers of Grandpoint in recognition of their efforts in connection with the merger, which are not expected to exceed \$1.2 million in the aggregate; and

pursuant to the terms of the merger agreement, Pacific Premier is required to take all action necessary to appoint or elect, effective as of the effective time of the merger, two (2) individuals,

Table of Contents

each of whom must be mutually agreeable to Pacific Premier and Grandpoint, one of whom shall be Don M. Griffith, the chairman and chief executive officer of Grandpoint, as directors of Pacific Premier and Pacific Premier Bank. Each individual will serve until the first annual meeting of shareholders of Pacific Premier following the effective time of the merger and until his or her successor is elected and qualified. Subject to the fiduciary duties of the Pacific Premier board, Pacific Premier is required to include such individuals on the list of nominees for director presented by the Pacific Premier board and for which the Pacific Premier board will solicit proxies at the first annual meeting of shareholders of Pacific Premier following the effective time of the merger.

The board of directors of Pacific Premier and Grandpoint were aware of the foregoing interests and considered them, among other matters, in approving the merger agreement and the merger.

Accounting Treatment of the Merger (Page)

The merger will be accounted for under the acquisition method of accounting under U.S. generally accepted accounting principles, or GAAP.

Assumption of Grandpoint Indenture Obligations (Page)

Pacific Premier has agreed to assume, or to cause one of its subsidiaries to assume, Grandpoint's obligations under a trust indenture related to an outstanding issuance of junior subordinated debentures, which had a carrying value of approximately \$5.2 million as of December 31, 2017.

Shareholders of Pacific Premier and Grandpoint Have Different Rights (Page)

Each of Pacific Premier and Grandpoint is incorporated under the laws of the State of Delaware. The rights of holders of Pacific Premier common stock are governed by the DGCL as well as its amended and restated certificate of incorporation, as amended, and amended and restated bylaws. Pacific Premier has recommended to its shareholders that they approve certain amendments to Pacific Premier's amended and restated certificate of incorporation, as amended, at Pacific Premier's 2018 annual meeting of shareholders, which will be held prior to the consummation of the merger. If those amendments are approved, the rights of holders of Pacific Premier common stock will be governed, in part, by Pacific Premier's Second Amended and Restated Certificate of Incorporation, as well as further amended and restated bylaws, which will become effective when the Second Amended and Restated Articles of Incorporation becomes effective.

The rights of holders of Grandpoint common stock are also governed by the DGCL, as well as by its amended and restated certificate of incorporation and its bylaws. Following the closing of the merger, shareholders of Grandpoint will receive shares of Pacific Premier common stock in exchange for their shares of Grandpoint common stock and become shareholders of Pacific Premier, and their rights as shareholders of Pacific Premier will be governed by Pacific Premier's amended and restated certificate of incorporation, as amended, amended and restated bylaws and the DGCL.

Table of Contents

SELECTED HISTORICAL FINANCIAL DATA

The following tables present selected consolidated historical financial data of Pacific Premier and selected consolidated historical financial data of Grandpoint.

Selected Consolidated Historical Financial Data of Pacific Premier

Set forth below are selected historical financial data derived from Pacific Premier's audited consolidated financial statements as of and for the years ended December 31, 2017, 2016, 2015, 2014 and 2013. You should read the information set forth below, together with Pacific Premier's consolidated financial statements and related notes, included in Pacific Premier's Annual Report on Form 10-K for

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

the year ended December 31, 2017, a copy of which is attached as Appendix E to this prospectus/proxy and consent solicitation statement.

	At or For the Year Ended December 31,				
	2017	2016	2015	2014	2013
	(Dollars in thousands, except per share data)				
Selected Balance Sheet Data:					
Securities, FHLB, FRB and other stock	\$ 871,601	\$ 426,832	\$ 312,207	\$ 218,705	\$ 271,539
Loans held for sale, at lower of cost or fair value	23,426	7,711	8,565		3,147
Loans held for investment, net	6,167,532	3,220,317	2,236,998	1,616,422	1,231,923
Allowance for loan losses	28,936	21,296	17,317	12,200	8,200
Total assets	8,024,501	4,036,311	2,789,599	2,037,731	1,714,187
Total deposits	6,085,868	3,145,485	2,195,123	1,630,826	1,306,286
Total borrowings	641,410	397,354	265,388	185,787	214,401
Total liabilities	6,782,505	3,576,571	2,490,619	1,838,139	1,538,961
Total stockholders' equity	1,241,996	459,740	298,980	199,592	175,226
Operating Data:					
Interest income	\$ 270,005	\$ 166,605	\$ 118,356	\$ 81,339	\$ 63,800
Interest expense	22,503	13,530	12,057	7,704	5,356
Net interest income before provision for loan losses	247,502	153,075	106,299	73,635	58,444
Provision for loan losses	8,640	8,776	6,425	4,684	1,860
Net interest income after provision for loan losses	238,862	144,299	99,874	68,951	56,584
Net gains from loan sales	12,468	9,539	7,970	6,300	3,228
Other noninterest income	18,646	10,063	6,418	7,077	5,583
Noninterest expense	167,750	98,583	73,538	54,993	50,815
Income before income tax	102,226	65,318	40,724	27,335	14,580
Income tax	42,126	25,215	15,209	10,719	5,587
Net income	\$ 60,100	\$ 40,103	\$ 25,515	\$ 16,616	\$ 8,993
Per Share Data:					
Net income per share basic	\$ 1.59	\$ 1.49	\$ 1.21	\$ 0.97	\$ 0.57
Net income per share diluted	1.56	1.46	1.19	0.96	0.54
Weighted average common shares outstanding basic	37,705,556	26,931,634	21,156,668	17,046,660	15,798,885
Weighted average common shares outstanding diluted	38,511,261	27,439,159	21,488,698	17,343,977	16,609,954
Book value per common share basic	\$ 26.86	\$ 16.54	\$ 13.86	\$ 11.81	\$ 10.52
Book value per common share diluted	26.73	16.78	13.78	11.73	10.44
Performance Ratios:					
Return on average assets	0.99%	1.11%	0.97%	0.91%	0.62%
Return on average equity	6.75	9.30	9.31	8.76	5.61
Average equity to average assets	14.62	11.97	10.45	10.38	11.13
Equity to total assets at end of period	15.48	11.39	10.72	9.79	10.22
Net interest rate spread	4.18	4.22	4.01	4.01	3.99
Net interest margin	4.43	4.48	4.25	4.21	4.18
Efficiency ratio(1)	50.90	53.6	55.9	61.3	64.7
Average interest-earnings assets to average interest-bearing liabilities	164.66	166.42	149.17	145.45	147.58
Asset Quality Ratios:					
Nonperforming loans, net to total loans	0.05%	0.04%	0.18%	0.09%	0.18%
Nonperforming assets, net as a percent of total assets	0.04	0.04	0.18	0.12	0.20
Net charge-offs to average total loans, net	0.02	0.17	0.06	0.05	0.16
Allowance for loan losses to total loans at period end	0.47	0.66	0.77	0.75	0.66
Allowance for loan losses as a percent of nonperforming loans, gross at period end	881	1,866	436	845	364
Pacific Premier Bank Capital Ratios(2):					
Tier 1 leverage ratio	11.68%	10.94%	11.41%	11.29%	10.11%
Common equity tier 1 to risk-weighted assets	11.88	11.65	12.35	N/A	N/A
Tier 1 capital to risk-weighted assets	11.88	11.65	12.35	12.75	12.37
Total capital to risk-weighted assets	12.33	12.29	13.07	13.47	13.00
Pacific Premier Bancorp, Inc. Capital Ratios(2):					
Tier 1 leverage ratio	10.70%	9.78%	9.52%	9.17%	10.32%
Common equity tier 1 to risk-weighted capital assets	10.59	10.12	9.91	N/A	N/A
Tier 1 capital to total risk-weighted assets	10.88	10.41	10.28	10.32	12.58

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Total capital to risk-weighted assets	12.57	12.72	13.43	14.49	13.21
---------------------------------------	-------	-------	-------	-------	-------

- (1) Represents the ratio of noninterest expense less other real estate owned operations, core deposit intangible amortization and merger related and litigation expenses, to the sum of net interest income before provision for loan losses and total noninterest income less gains/(loss) on sale of securities, gains/(loss) on sale of other real estate owned, other-than-temporary impairment recovery (loss) on investment securities, and gain on acquisitions.
- (2) Pacific Premier adopted the Basel III rule effective January 1, 2015. All ratios subsequent to the effective date reflect its adoption, while ratios for the prior periods reflect the previous capital rules under Basel I.

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

Selected Consolidated Historical Financial Data of Grandpoint

Set forth below is certain consolidated financial data of Grandpoint derived from Grandpoint's audited consolidated financial statements as of and for the years ended December 31, 2017, 2016, 2015, 2014 and 2013. You should read the information set forth below, together with Grandpoint's consolidated financial statements and related notes as of and for the years ended December 31, 2017 and 2016, which are included in this document and from which this information is derived. See "Index to Grandpoint Consolidated Financial Statements" beginning on page FS-1.

	At or for the Year Ended December 31,				
	2017	2016	2015	2014	2013
	(Dollars in thousands, except share amounts)				
Results of Operations:					
Interest income	\$ 128,367	\$ 123,511	\$ 114,714	\$ 102,882	\$ 93,618
Interest expense	12,242	8,256	5,883	4,826	4,248
Net interest income	116,125	115,255	108,831	98,056	89,370
Provision for loan losses	335	1,135	3,732	4,317	3,799
Net interest income after provision for loan losses	115,790	114,120	105,099	93,739	85,571
Non-interest income	7,955	5,946	6,660	6,049	7,061
Non-interest expense	71,630	64,594	62,651	70,804	81,891
Income before income taxes	52,115	55,472	49,108	28,984	10,741
Income taxes	27,673	22,286	19,364	11,814	4,328
Net income	\$ 24,442	\$ 33,186	\$ 29,744	\$ 17,170	\$ 6,413

Per Common Share Data:

Earnings per share basic	\$ 0.74	\$ 1.01	\$ 0.91	\$ 0.53	\$ 0.20
Earnings per share diluted	0.72	0.98	0.89	0.52	0.20
Book value per share	10.53	11.60	10.96	10.10	9.44
Tangible book value per share	8.75	9.76	9.06	8.12	7.40
Shares outstanding at year end	33,174,924	33,022,742	32,894,185	32,445,179	32,424,261
Weighted average shares outstanding basic	33,087,935	32,969,268	32,775,500	32,425,008	32,400,172
Weighted average shares outstanding diluted	34,070,755	33,903,041	33,458,413	32,766,640	N/A

Selected Balance Sheet Data:

Cash and cash equivalents	\$ 183,794	\$ 241,534	\$ 196,738	\$ 351,440	\$ 212,207
Investment securities	502,615	579,275	573,260	266,479	230,591
Loans, net of deferred loan fees and costs	2,363,547	2,369,804	2,286,847	1,987,640	1,698,366
Allowance for loan losses	18,939	18,552	17,245	14,018	12,087
Goodwill	53,323	53,323	53,323	53,323	53,101
Core deposit and other intangibles	5,865	7,493	9,209	11,063	12,765
Total Assets	3,193,934	3,326,936	3,196,988	2,758,969	2,275,289
Deposits	2,376,929	2,576,095	2,545,718	2,405,831	1,937,699
Other borrowings	450,000	350,000	275,000		11,000
Junior subordinated debt	5,155	5,155	5,155	5,155	5,155
Shareholders' equity	349,497	382,990	360,521	327,753	305,939

Selected Other Balance Sheet Data:

Average assets	\$ 3,219,254	\$ 3,233,279	\$ 2,970,101	\$ 2,435,517	\$ 2,200,729
Average earning assets	3,047,444	3,064,620	2,794,116	2,273,669	2,036,290
Average shareholder's equity	383,550	372,340	347,992	316,079	304,008

Selected Financial and Liquidity Ratios:

Return on average assets	0.76%	1.03%	1.00%	0.70%	0.29%
Efficiency Ratio	57.73	53.29	54.25	68.01	84.92
Return on average shareholder's equity	6.37	8.66	8.25	5.24	2.10
Net interest margin	3.81	3.76	3.90	4.31	4.39
Loan to deposit ratio	99.4	92.0	89.8	82.6	87.6

Capital Ratios:

Tier 1 leverage capital ratio	9.4%	10.2%	9.9%	10.6%	10.5%
-------------------------------	------	-------	------	-------	-------

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Common Equity Tier 1 Capital	10.6	11.5	12.8	N/A	N/A
Tier 1 risk-based capital ratio	10.8	11.6	12.8	12.7	12.9
Total risk-based capital ratio	11.5	12.3	13.5	13.4	13.6
Average equity to average assets	11.9	11.5	11.7	13.0	13.8
Selected Asset Quality Ratios:					
Nonperforming loans to total loans	0.44%	0.64%	0.62%	0.75%	1.57%
Nonperforming assets to total assets	0.36	0.49	0.52	0.72	1.41
Allowance for loan losses to loans	0.80	0.78	0.76	0.71	0.71
Net recoveries (charge-offs) to average loans	0.00	0.01	(0.02)	(0.13)	(0.30)

23

Table of Contents

**UNAUDITED PRO FORMA COMBINED CONDENSED
CONSOLIDATED FINANCIAL DATA**

The following Unaudited Pro Forma Combined Condensed Consolidated Statements of Financial Condition as of December 31, 2017 combine the historical Consolidated Statements of Financial Condition of Pacific Premier and the historical Consolidated Balance Sheet of Grandpoint as of such date (i) on an actual historical basis and (ii) assuming the completion of the merger at such date using the acquisition method of accounting and giving effect to the related pro forma adjustments described in the accompanying Notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Statements. The unaudited Pro Forma Combined Condensed Consolidated Statements of Financial Condition as of December 31, 2017 gives effect to the completion of Pacific Premier's acquisition of Grandpoint, as well as its acquisitions of Plaza Bancorp, or Plaza, and Heritage Oaks Bancorp, or HEOP, which were completed on November 1, 2017 and April 1, 2017, respectively.

The following Unaudited Pro Forma Combined Condensed Consolidated Statements of Operations for the year ended December 31, 2017 combine the historical Consolidated Statements of Operations of Pacific Premier and the historical Consolidated Statements of Income of Grandpoint for such period, giving effect to the merger as if the merger had become effective at the beginning of the period presented, using the acquisition method of accounting and giving effect to the pro forma adjustments described in the accompanying Notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Statements. The Unaudited Pro Forma Combined Condensed Consolidated Statement of Operations for the year ended December 31, 2017 also gives effect to Pacific Premier's acquisitions of HEOP and Plaza, giving effect to such mergers as if such mergers had become effective at the beginning of such period, using the acquisition method of accounting and giving effect to the pro forma adjustments described in the accompanying Notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Statements.

Although pro forma financial information is not a measurement of performance calculated in accordance with GAAP, Pacific Premier and Grandpoint believe that pro forma financial information is important because it gives effect to the merger and the transactions referenced above. The manner in which Pacific Premier and Grandpoint calculate pro forma financial information may differ from similarly titled measures reported by other companies.

The unaudited pro forma combined condensed consolidated financial information included in this prospectus/proxy and consent solicitation statement are presented for informational purposes only. This information includes various estimates and may not necessarily be indicative of the financial condition or results of operations that would have occurred if the merger or the other transactions referenced above had been completed on the dates or at the beginning of the periods indicated or which may be obtained in the future. The unaudited pro forma combined condensed consolidated financial information has been derived from and should be read in conjunction with the respective period's historical consolidated financial statements and the related notes of Pacific Premier, Grandpoint, HEOP and Plaza. The historical consolidated financial statements of Pacific Premier are included in Pacific Premier's Annual Report on Form 10-K for the year ended December 31, 2017, which is attached as Appendix E to this prospectus/proxy and consent solicitation statement. The historical consolidated financial statements of Grandpoint are included elsewhere in this prospectus/proxy and consent solicitation statement. See "Index to Grandpoint Consolidated Financial Statements" beginning on page FS-1.

The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the opportunities to earn additional revenue and does not include certain assumptions as to cost savings and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had the companies been combined during the periods presented.

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

The unaudited pro forma combined condensed consolidated stockholders' equity and net income are qualified by the statements set forth under this caption and should not be considered indicative of the market value of Pacific Premier's common stock or the actual or future results of operations of Pacific Premier for any period. Actual results may be materially different than the pro forma information presented.

	At December 31, 2017				
	Historical Pacific Premier	Historical Grandpoint	Pro Forma Adjustments for Grandpoint Acquisition	Footnote Reference	Pro Forma Combined with Grandpoint(1)
	(Dollars in thousands)				
Assets					
Cash and cash equivalents	\$ 200,064	\$ 183,794	\$ (42,275)	(2)	\$ 341,583
Interest-bearing time deposits with financial institutions	3,693	1,001			4,694
Investment securities (including held to maturity)	805,720	502,615	(2,513)	(3)	1,305,822
Loans held for sale, at lower of cost or fair value	23,426				23,426
Loans held for investment	6,196,468	2,363,547	(33,327)	(4)	8,526,688
Allowance for loan losses	(28,936)	(18,939)	18,939	(5)	(28,936)
Loans held for investment, net	6,167,532	2,344,608	(14,388)		8,497,752
Premises and equipment	53,155	6,201	1,430	(6)	60,786
Goodwill	493,329	53,323	277,373	(7)	824,025
Intangible assets	43,014	5,865	39,376	(8)	88,255
Other assets	234,568	96,527	(5,776)	(9)	325,319
Total assets	\$ 8,024,501	\$ 3,193,934	\$ 253,227		\$ 11,471,662
Liabilities					
Deposits	\$ 6,085,868	\$ 2,376,929	\$ (227)	(10)	\$ 8,462,570
Short term borrowings	456,309	450,000			906,309
Long term debt	185,101	5,155	737	(11)	190,993
Other liabilities	55,227	12,353			67,580
Total liabilities	6,782,505	2,844,437	510		9,627,452
Stockholders' equity					
Preferred stock					
Common stock	458	332	(174)	(12)	616
Additional paid in capital	1,063,974	320,935	281,121	(12)	1,666,030
Retained earnings	177,149	29,018	(29,018)	(12)	177,149
Accumulated other comprehensive income/(loss)	415	(788)	788	(12)	415
Total stockholders' equity	1,241,996	349,497	252,717		1,844,210
Total liabilities and stockholders' equity	\$ 8,024,501	\$ 3,193,934	\$ 253,227		\$ 11,471,662

The accompanying Notes are an integral part of the Unaudited Pro Forma Combined Condensed Consolidated Financial Information.

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

For the Year Ended December 31, 2017

	Historical Pacific Premier	Historical HEOP	Pro Forma Adjustments for HEOP Acquisition	Footnote Reference	Historical Plaza	Pro Forma Adjustments for Plaza Acquisition	Footnote Reference	Historical Grandpoint	Pro Forma Adjustments for Grandpoint Acquisition	Footnote Reference	Pro Forma Combined with HEOP, Plaza and Grandpoint(1)
(Dollars in thousands, except per share data)											
Interest income	\$ 270,005	\$ 17,937	\$ 1,938	(13)	\$ 53,865	\$ 693	(13)	\$ 128,367	\$ 8,332	(19)	\$ 481,137
Interest expense	22,503	1,577	(329)	(14)	6,729	(469)	(17)	12,242	(146)	(20)	42,107
Net interest income	247,502	16,360	2,267		47,136	1,162		116,125	8,478		439,030
Provision for loan losses	8,640				351			335			9,326
Net interest income after provision for loan losses	238,862	16,360	2,267		46,785	1,162		115,790	8,478		429,704
Noninterest income	31,114	2,118			5,675			7,955			46,862
Noninterest expense	167,750	17,399	1,278	(15)	38,634	947	(18)	71,630	7,219	(18)	304,857
Income before income tax expense	102,226	1,079	989		13,826	215		52,115	1,259		171,709
Income tax	42,126	516	395		6,482	86		27,673	334		77,612
Net income	\$ 60,100	\$ 563	\$ 594		\$ 7,344	\$ 129		\$ 24,442	\$ 925		\$ 94,097
Per common share											
Net income basic	\$ 1.59										\$ 1.53
Net income diluted	1.56										1.51
Weighted average common shares											
Basic	37,705,556	2,948,800	(16)		5,038,382	(16)		15,758,089	(16)		61,450,827
Diluted	38,511,261	2,948,800	(16)		5,038,382	(16)		15,758,089	(16)		62,256,532

The accompanying Notes are an integral part of the Unaudited Pro Forma Combined Condensed Consolidated Financial Information.

Table of Contents

Notes to Unaudited Pro Forma Combined Condensed Consolidated Financial Statements

Note A Basis of Presentation

The Unaudited Pro Forma Combined Condensed Consolidated Statements of Financial Condition and explanatory notes as of December 31, 2017 combines the historical Consolidated Statement of Financial Condition of Pacific Premier and the historical Consolidated Balance Sheet of Grandpoint as of such date (i) on an actual historical basis and (ii) assuming the completion of the merger at such date, using the acquisition method of accounting and giving effect to the related pro forma adjustments described in the accompanying Notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Statements. The Unaudited Pro Forma Combined Condensed Consolidated Statements of Financial Condition as of December 31, 2017 gives effect to the completion of Pacific Premier's acquisition of Grandpoint.

The Unaudited Pro Forma Combined Condensed Consolidated Statements of Operations and explanatory notes for the year ended December 31, 2017 combine the historical Consolidated Statements of Operations of Pacific Premier and the historical Consolidated Statements of Income of Grandpoint for such period, giving effect to the merger as if the merger had become effective at the beginning of the period presented, using the acquisition method of accounting and giving effect to the pro forma adjustments described in the accompanying Notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Statements. The Unaudited Pro Forma Combined Condensed Consolidated Statements of Operations for the year ended December 31, 2017 also gives effect to Pacific Premier's acquisitions of HEOP and Plaza, giving effect to the mergers as if the mergers had become effective at the beginning of such period using the acquisition method of accounting and giving effect to the pro forma adjustments described in the accompanying Notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Statements.

Since the merger is recorded using the acquisition method of accounting, all loans are recorded at fair value, including adjustments for credit quality, and no allowance for credit losses is carried over to Pacific Premier's balance sheet. In addition, certain anticipated costs associated with the merger such as professional fees, legal fees and conversion-related expenditures are not reflected in the pro forma statements of operations.

While the recording of the acquired loans at their fair value will impact the prospective determination of the provision for credit losses and the allowance for credit losses, for purposes of the Unaudited Pro Forma Combined Condensed Consolidated Statements of Operations for the year ended December 31, 2017, Pacific Premier assumed no adjustments to the historical amounts of Grandpoint's, HEOP's and Plaza's provisions for credit losses. If such adjustments were estimated, there could be an increase or a reduction to the historical amounts of Grandpoint's, HEOP's and Plaza's provisions for credit losses presented. In addition, the fair value of the loan portfolio is not necessarily reflective of the allowance for loan losses calculated under the probable incurred loss model, as the fair value also takes into account an interest and liquidity component.

Note B Accounting Policies and Financial Statement Classifications

The accounting policies of Grandpoint are in the process of being reviewed in detail by Pacific Premier. Upon completion of such review, conforming adjustments or financial statement reclassifications may be determined.

Note C Merger and Acquisition Integration Costs

In connection with the merger, the plan to integrate Pacific Premier's and Grandpoint's operations is still being developed. The specific details of this plan will continue to be refined over the next several months, and will include assessing personnel, benefit plans, premises, equipment, and service contracts

Table of Contents

to determine where they may take advantage of redundancies. Certain decisions arising from these assessments may involve involuntary termination of employees, vacating leased premises, changing information systems, canceling contracts with certain service providers, and selling or otherwise disposing of certain furniture and equipment. Pacific Premier also expects to incur merger-related costs including professional fees, legal fees, system conversion costs and costs related to communications with customers and others. To the extent there are costs associated with these actions, the costs will be recorded based on the nature of the cost and in the period incurred.

Note D Estimated Annual Cost Savings

Pacific Premier expects to realize cost savings following the merger. These cost savings are not reflected in the pro forma financial information and there can be no assurance they will be achieved in the amount or manner currently contemplated.

Note E Pro Forma Adjustments

The following pro forma adjustments have been reflected in the unaudited pro forma combined condensed consolidated financial information. All adjustments are based on current assumptions and valuations, which are subject to change.

- (1) The pro forma data in this column presents the unaudited financial data for Pacific Premier on a pro forma combined basis reflecting the consummation of the mergers with Grandpoint, Plaza and HEOP, as applicable, if the mergers had taken place as of the date indicated, or at the beginning of the period indicated, after giving effect to the pro forma adjustments described in the other footnotes to this table.
- (2) Adjustment includes: (a) \$11 million for estimated seller transactions costs and (b) \$25 million to holders of Grandpoint options and (c) \$6.6 million for the cash out of options and RSUs tax benefit
- (3) Fair market value adjustment for investment securities.
- (4) Adjustment made to reflect the preliminary estimated market value of loans, which includes an estimate of lifetime credit losses, as well as an interest rate and liquidity component. Loans include net deferred costs and unearned discounts.
- (5) Purchase accounting reversal of allowance for loan losses, which is not carried over.
- (6) Estimated fair market value adjustment for property and leases.
- (7) Represents the recognition of goodwill resulting from the difference between the consideration paid to Grandpoint shareholders less the net fair value of the acquired assets and assumed

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

liabilities. Goodwill can be summarized as follows (dollars in thousands, except share and per share data):

	Grandpoint December 31, 2017
Pacific Premier shares issued to shareholders, net of fractional shares	15,758,089
Pacific Premier issue price per share	\$ 39.10
Value of stock consideration paid to shareholders	\$ 616,141
Value in-the-money from options	25,030
Total pro forma aggregate merger consideration paid	\$ 641,171
Carrying value of net assets	\$ 349,497
Fair value adjustment to assets and liabilities:	
Securities	(2,513)
Loans held for investment	(33,327)
Allowance for loan loss	18,939
Loans, net	(14,388)
Premises and equipment	1,430
Core deposit intangible	39,376
Deferred tax effect of adjustments, excluding transactions costs	(5,026)
Other assets	(750)
Deposits	(227)
Short term borrowings	
Long term debt	737
Other liabilities	
Total fair value adjustments	18,639
Fair value of net assets acquired	368,136
Add: Capitalized merger-related expense	10,971
Less: Cash out of options/RSU's tax benefit	6,633
Pro forma goodwill	\$ 277,373

- (8) Purchase accounting adjustment in recognition of the fair value of core deposit intangible assets, which is assumed to be 2.15% of core deposits for Grandpoint.
- (9) Deferred tax liability created from transaction expenses and fair market value adjustments of other assets.
- (10) Fair market value adjustment for time deposits.
- (11) Estimated fair market value adjustment for borrowings.
- (12) Purchase accounting reversal of common equity accounts, and adjustments to additional paid in capital includes consideration paid, transaction costs, fair market value adjustments, tax adjustments and goodwill created.

- (13) The amortization/accretion of fair value adjustments related to loans over the estimated lives of the related asset, which approximates 36 months.
- (14) The amortization/accretion of fair value adjustments related to deposits, short term borrowings and long term debt, over the weighted average life of 18, 5 and 72 months, respectively.
- (15) Adjustment includes amortization of core deposit intangibles over a 10 accelerated year life, fixed asset accretion over 36 months and adjustments for acquisition related costs. Acquisition

Table of Contents

costs for professional, legal and conversion related expenditures are not reflected as they are nonrecurring expenses. Acquisition costs incurred in the historical financial results are included in the pro-forma adjustments. These costs will be expensed by Pacific Premier as required by GAAP.

- (16) Adjustment reflects the elimination of the acquired entity's weighted average shares outstanding, offset by the issuance of common stock by acquirer for each outstanding share of acquired entity's common stock to be issued in connection with the merger.
- (17) The amortization/accretion of fair value adjustments related to deposits and long term debt are recognized over 60 and 96 months, respectively, based on sum of year digits accelerated method.
- (18) Adjustment includes amortization of core deposit intangibles over a 10-year life, based on sum of year digits accelerated method, and fixed asset accretion straight lined over 24 months.
- (19) The amortization/accretion of fair value adjustments related to loans over the estimated lives of the related asset, which approximates 48 months.
- (20) The amortization/accretion of fair value adjustments related to deposits and long term debt are recognized over 48 months, based on sum of year digits accelerated method, and 60 months straight lined, respectively.

Table of Contents**UNAUDITED COMPARATIVE PER SHARE DATA**

The following table sets forth certain historical, pro forma and pro forma equivalent per share financial information for the Pacific Premier common stock and the Grandpoint common stock. The pro forma and pro forma equivalent per share information for the year ended December 31, 2017 gives effect to (i) the completion of Pacific Premier's acquisition of Plaza, which was completed on November 1, 2017, and HEOP, which was completed on April 1, 2017, as if the transactions had been effective on the first day of the period, in the case of income and dividend data, and (ii) the merger as if the transaction had been effective on the last date of the period, in the case of book value data, and as if the transaction had been effective on the first day of the period, in the case of income and dividend data. The pro forma information in the below table assumes that the merger is accounted for under the acquisition method of accounting. The information in the following table is based on, and should be read together with, (i) the historical consolidated financial statements of Pacific Premier included in Pacific Premier's Annual Report on Form 10-K for the year ended December 31, 2017, a copy of which is attached as Appendix E to the prospectus/proxy and consent solicitation statement, and (ii) the historical consolidated financial statements of Grandpoint that are included elsewhere in this prospectus/proxy and consent solicitation statement (See "Index to Consolidated Grandpoint Financial Statements").

	At or For the Twelve Months Ended December 31, 2017
Net Income Per Common Share(1):	
Historical Pacific Premier	
Basic	\$ 1.59
Diluted	1.56
Historical Grandpoint	
Basic	0.74
Diluted	0.72
Pro Forma for Grandpoint acquisition(1)	
Basic	1.53
Diluted	1.51
Equivalent pro forma for Grandpoint acquisition(1)(2)	
Basic	0.74
Diluted	0.72
Dividends Declared Per Common Share(3):	
Historical Pacific Premier	
Historical Grandpoint	1.82
Equivalent pro forma for Grandpoint acquisition	
Book Value Per Common Share (at period end):	
Historical Pacific Premier	
Historical Grandpoint	26.86
Historical Grandpoint	10.53
Pro Forma for Grandpoint acquisition	29.74
Equivalent pro forma for Grandpoint acquisition(2)	14.13

- (1) Pro forma shares are calculated by adding together the historical shares reported by Pacific Premier and historical shares reported by Grandpoint, adjusted for the estimated purchase accounting adjustments to be recorded in connection with the Grandpoint acquisition to equate to an estimated 15,758,089 of Pacific Premier shares to be issued in connection with the Grandpoint acquisition based on the terms of the merger agreement.
- (2) The equivalent pro forma per share data combined for Grandpoint is computed by multiplying the pro forma combined amounts by the exchange ratio of 0.4750.
- (3) Pacific Premier has not paid dividends on its common stock, therefore the equivalent pro forma cash dividends per common share is zero.

Table of Contents

RISK FACTORS

*In addition to the other information included in this prospectus/proxy and consent solicitation statement, including the matters addressed in the section entitled "Cautionary Statement Concerning Forward-Looking Statements" beginning on page , you should be aware of and carefully consider the following risks and uncertainties that are applicable to the merger agreement, the merger, Pacific Premier and Grandpoint before deciding whether (i) if you are a Pacific Premier shareholder, to vote for the issuance of shares of Pacific Premier common stock to the Grandpoint shareholders in connection with the merger and the approval of the adjournment of the Pacific Premier special meeting, if necessary, to solicit additional proxies to approve the issuance of shares of Pacific Premier common stock, or (ii) if you are a Grandpoint shareholder, to deliver a written consent with respect to the adoption of the merger agreement. **You should also consider the risks relating to the businesses of Pacific Premier and ownership of Pacific Premier common stock contained in Part I, Item 1A of Pacific Premier's Annual Report on Form 10-K for the year ended December 31, 2017 that has been filed with the Commission, a copy of which is attached as Appendix E to this prospectus/proxy and consent solicitation statement.***

Because the market price of Pacific Premier common stock will fluctuate, the Grandpoint shareholders cannot be sure of the exact value of the merger consideration they will receive.

Upon the effective time of the merger, each share of Grandpoint common stock will be converted into, and shall be cancelled in exchange for, the right to receive the merger consideration, consisting of 0.4750 of a share of Pacific Premier common stock for each share of Grandpoint common stock. Because the price of Pacific Premier common stock will fluctuate during the period of time between the date of this prospectus/proxy and consent solicitation statement and the time the Grandpoint shareholders actually receive their shares of Pacific Premier common stock as merger consideration, the Grandpoint shareholders will be subject to the risk of a decline in the price of Pacific Premier common stock during this period. Pursuant to the merger agreement, Grandpoint may terminate the merger agreement in the event that (i) the Pacific Premier average share price is less than \$33.745 and (ii) the Pacific Premier average share price underperforms the KBW Regional Banking Index by greater than 15%. In addition, Pacific Premier may terminate the merger agreement in the event that (i) the Pacific Premier average share price is greater than \$45.655 and (ii) the Pacific Premier average share price outperforms the KBW Regional Banking Index by greater than 15%. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in geopolitical conditions, changes in the values and perceptions of financial services stocks generally and Pacific Premier in particular, changes in Pacific Premier's business, operations and prospects and regulatory considerations. Many of these factors are beyond Pacific Premier's control. Accordingly, at the time that the Grandpoint consent solicitation is initiated and conducted, Grandpoint shareholders will not know or be able to calculate the exact value of the shares of Pacific Premier common stock they will receive upon completion of the merger.

Directors and officers of Grandpoint have interests in the merger that are in addition to or different than the interests of Grandpoint shareholders.

Grandpoint directors and officers have interests in the merger as individuals that are in addition to, or different from, their interests as shareholders of Grandpoint, which are:

upon consummation of the merger, each outstanding and unexercised Grandpoint option will be cancelled in exchange for the right to receive from Grandpoint, immediately prior to the effective time of the merger, a single-lump sum cash payment;

the agreement of Pacific Premier to honor indemnification obligations of Grandpoint for a period of six (6) years, as well as to purchase liability insurance for Grandpoint's directors and officers for six (6) years following the merger, subject to the terms of the merger agreement;

Table of Contents

cash payments to certain officers of Grandpoint in the aggregate amount of approximately \$6.5 million, on a pre-tax basis, pursuant to the terms of their respective employment and change-in control agreements with Grandpoint or Grandpoint Bank;

retention bonuses that may be paid to certain officers of Grandpoint in recognition of their efforts in connection with the merger, which are not expected to exceed \$1.2 million in the aggregate; and

pursuant to the terms of the merger agreement, Pacific Premier is required to take all action necessary to appoint or elect, effective as of the effective time of the merger, two (2) individuals, each of whom must be mutually agreeable to Pacific Premier and Grandpoint, one of whom shall be Don M. Griffith, the chairman and chief executive officer of Grandpoint, as directors of Pacific Premier and Pacific Premier Bank. Each individual will serve until the first annual meeting of shareholders of Pacific Premier following the effective time of the merger and until his or her successor is elected and qualified. Subject to the fiduciary duties of the Pacific Premier board, Pacific Premier is required to include such individuals on the list of nominees for director presented by the Pacific Premier board and for which the Pacific Premier board will solicit proxies at the first annual meeting of shareholders of Pacific Premier following the effective time of the merger.

These arrangements may create potential conflicts of interest. These interests of Grandpoint's directors and officers may cause some of these persons to view the proposed transaction differently than how other Grandpoint shareholders view it. The Grandpoint and Pacific Premier boards of directors were aware of these interests and considered them, among other things, in their approval of the merger agreement and the transactions contemplated by the merger agreement. Grandpoint shareholders should consider these interests in conjunction with the recommendation of the Grandpoint board with respect to approval of the merger. See "The Merger Interests of Certain Grandpoint Officers and Directors in the Merger" beginning on page .

The termination fee, as well as the restrictions on solicitation contained in the merger agreement, may discourage other companies from trying to acquire Grandpoint.

Until the completion of the merger, with some limited exceptions, Grandpoint is prohibited from soliciting, initiating, encouraging or participating in any discussion of or otherwise considering any inquiries or proposals that may lead to an acquisition proposal, such as a merger or other business combination transaction, with any person other than Pacific Premier. In addition, Grandpoint has agreed to pay a termination fee to Pacific Premier in specified circumstances. See "The Merger Termination Fee" beginning on page . These provisions could discourage other companies from trying to acquire Grandpoint even though those other companies might be willing to offer greater value to Grandpoint shareholders than Pacific Premier has offered in the merger. The payment of the termination fee could also have a material adverse effect on Grandpoint's financial condition.

Pacific Premier may fail to realize the anticipated benefits of the merger.

The success of the merger will depend on, among other things, Pacific Premier's ability to realize the anticipated revenue enhancements and efficiencies and to combine the businesses of Pacific Premier and Grandpoint in a manner that does not materially disrupt the existing customer relationships of Grandpoint or result in decreased revenues resulting from any loss of customers and that permits growth opportunities to occur. If Pacific Premier is not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

Pacific Premier and Grandpoint have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of

Table of Contents

key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect Pacific Premier's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. Integration efforts between the two companies could also divert management attention and resources. These integration matters could have an adverse effect on each of Pacific Premier and Grandpoint during the transition period and on the combined company following completion of the merger.

The market price of Pacific Premier common stock after the merger may be affected by factors different from those affecting the shares of Grandpoint or Pacific Premier currently.

Upon completion of the merger, holders of Grandpoint common stock will become holders of Pacific Premier common stock. Pacific Premier's business differs from that of Grandpoint, and, accordingly, the financial condition and results of operations of the combined company and the market price of Pacific Premier common stock after the completion of the merger may be affected by factors different from those currently affecting the financial condition and results of operations of Grandpoint or Pacific Premier on a standalone basis.

The fairness opinion received by the Pacific Premier board from its financial advisor, Raymond James, and the fairness opinion received by the Grandpoint board from Grandpoint's financial advisor, KBW, do not reflect any changes since the date of such opinions, which were both delivered prior to the signing of the merger agreement.

Changes in the operations and prospects of Pacific Premier or Grandpoint, general market and economic conditions and other factors that may be beyond the control of Pacific Premier and Grandpoint may alter the value of Pacific Premier or Grandpoint or the market price for shares of Pacific Premier common stock or Grandpoint common stock by the time the merger is completed. Neither the fairness opinion delivered by Raymond James to the Pacific Premier board nor the fairness opinion delivered by KBW to the Grandpoint board speaks as of any date other than the date of such opinions, which was February 9, 2018 in the case of both Raymond James' opinion and KBW's opinion. Raymond James' fairness opinion is attached as Appendix B to this prospectus/proxy and consent solicitation statement and KBW's fairness opinion is attached as Appendix C to this prospectus/proxy and consent solicitation statement. For a description of Raymond James' opinion, see "The Merger Opinion of Pacific Premier's Financial Advisor" beginning on page . For a description of KBW's opinion, see "The Merger Opinion of Grandpoint's Financial Advisor" beginning on page . For a description of the other factors considered by the Pacific Premier board in determining to approve the merger, see "The Merger Pacific Premier's Reasons for the Merger" beginning on page . For a description of the other factors considered by the Grandpoint board in determining to approve the merger, see "The Merger Grandpoint's Reasons for the Merger" beginning on page .

Sales of substantial amounts of Pacific Premier's common stock in the open market by former Grandpoint shareholders could depress Pacific Premier's stock price.

Shares of Pacific Premier common stock that are issued to Grandpoint shareholders in the merger will be freely tradable without restrictions under the Securities Act. As of the close of business on , 2018, Pacific Premier had approximately shares of common stock outstanding. Based on the number of Grandpoint shares of common stock outstanding as of the date of this prospectus/proxy and consent solicitation statement, Pacific Premier anticipates issuing approximately shares of its common stock in connection with the merger.

Because of the significantly enhanced liquidity of Pacific Premier common stock as compared to Grandpoint common stock on account of trading on the NASDAQ Global Select Market and the greater public float and trading volume of shares of Pacific Premier common stock relative to shares of Grandpoint common stock, if the merger is completed, Grandpoint's former shareholders may sell

Table of Contents

substantial amounts of Pacific Premier common stock in the public market following completion of the merger. Any such sales may cause the market price of Pacific Premier common stock to decrease.

Pacific Premier expects to incur expenses related to the merger that may have a negative impact on Pacific Premier's results of operations.

Pacific Premier will incur certain expenses in connection with consummation of the merger and integrating Grandpoint's business, operations, systems, technologies and procedures. Although Pacific Premier has assumed that a certain level of transaction and integration expenses would be incurred, there are a number of factors beyond Pacific Premier's control that could affect the total amount or the timing of these expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. These expenses may have a negative impact on Pacific Premier's results of operations, although the timing and magnitude of any such impact is uncertain at present.

The merger is subject to the receipt of approvals or waivers from regulatory authorities that may be denied or may impose conditions that could have an adverse effect on Pacific Premier.

Before the merger can be completed, various approvals or waivers must be obtained from bank regulatory authorities. Regulatory approval or waivers are not guaranteed and even if granted, the bank regulatory authorities may impose conditions on the completion of the merger or require changes to the terms of the merger. Although Pacific Premier and Grandpoint do not currently expect that any such application or waiver request will be denied, or that any such conditions or changes will be imposed, there can be no assurance that they will not be, and such denials, conditions or changes could have the effect of delaying completion of the merger, imposing additional costs on, or limiting the revenues of Pacific Premier following the merger or causing the merger transaction between Pacific Premier and Grandpoint to terminate. See "The Merger Bank Regulatory Approvals" beginning on page and "The Merger Conditions to the Merger" beginning on page .

The merger cannot be completed unless the Pacific Premier shareholders approve the issuance of Pacific Premier common stock in the merger and the Grandpoint shareholders adopt the merger agreement.

In order for the merger to be completed, the Pacific Premier shareholders must approve the issuance of Pacific Premier common stock in the merger and the Grandpoint shareholders must adopt the merger agreement. While a vote of Pacific Premier's shareholders is not required to approve the merger, the approval of Pacific Premier's shareholders is required under applicable NASDAQ rules in order for Pacific Premier to be authorized to issue the shares of Pacific Premier common stock to Grandpoint shareholders as the merger consideration. Approval of the issuance of Pacific Premier common stock to Grandpoint stockholders under NASDAQ rules requires approval of at least a majority of the total votes cast at the Pacific Premier special meeting. The adoption of the merger agreement by the Grandpoint shareholders requires the affirmative vote of the holders of a majority of the outstanding shares of Grandpoint voting common stock through the Grandpoint consent solicitation. If either or both of these required votes is not obtained from the shareholders of each of the respective companies, the merger may not be consummated. Pacific Premier may terminate the merger agreement if the holders of not less than a majority of the outstanding shares of Grandpoint voting common stock have not delivered to PPBI written consents adopting the merger agreement prior to 6:00 pm, Pacific Time, on the third business day following the date of declaration of effectiveness by the Commission of the registration statement on Form S-4, of which this prospectus/proxy and consent solicitation statement is a part.

Table of Contents

The merger is subject to certain closing conditions that, if not satisfied or waived, will result in the merger not being completed, which may cause the prices of Pacific Premier common stock and Grandpoint common stock to decline.

Consummation of the merger is subject to customary conditions to closing in addition to the receipt of the required regulatory approvals and adoption of the Grandpoint shareholders of the merger agreement and the approval of the Pacific Premier shareholders of the issuance of Pacific Premier common stock in connection with the merger. If any condition to the merger is not satisfied or waived, to the extent permitted by law, the merger will not be completed. In addition, Pacific Premier and Grandpoint may terminate the merger agreement under certain circumstances even if the merger agreement is adopted by Grandpoint shareholders and the issuance of Pacific Premier common stock in connection with the merger is approved by Pacific Premier shareholders, including if the merger has not been completed on or before December 31, 2018. If the merger is not completed, the respective trading prices of Pacific Premier common stock on the NASDAQ Global Stock Market or quotations of Grandpoint common stock on the OTC Market Group Pink Sheets may decline to the extent that the current prices reflect a market assumption that the merger will be completed. In addition, neither company would realize any of the expected benefits of having completed the merger. For more information on closing conditions to the merger agreement, see "The Merger - Conditions to the Merger" beginning on page .

The unaudited condensed pro forma combined financial data included in this prospectus/proxy and consent solicitation statement are presented for illustrative purposes only and may not be an indication of the combined company's financial condition or results of operations following the merger.

The unaudited condensed pro forma combined financial data contained in this prospectus/proxy and consent solicitation statement are presented for illustrative purposes only, are based on various adjustments, assumptions and preliminary estimates and may not be an indication of the combined company's financial condition or results of operations following the merger for several reasons. The actual financial condition and results of operations of the combined company following the merger may not be consistent with, or evident from, these unaudited pro forma condensed combined financial data. In addition, the assumptions used in preparing the unaudited pro forma condensed combined financial data may not prove to be accurate, and other factors may affect the combined company's financial condition or results of operations following the merger. Any potential decline in the combined company's financial condition or results of operations may cause significant variations in the stock price of the combined company.

The shares of Pacific Premier common stock to be received by Grandpoint shareholders as a result of the merger will have different rights than shares of Grandpoint common stock.

Upon completion of the merger, Grandpoint shareholders will become Pacific Premier shareholders and their rights as shareholders will be governed by the Pacific Premier amended and restated certificate of incorporation, as amended, the Pacific Premier amended and restated bylaws, unless and until these items are further amended and restated in connection with Pacific Premier's 2018 annual meeting of shareholders, as well as the DGCL. The rights associated with Grandpoint common stock are different from the rights associated with Pacific Premier common stock. See "Comparison of the Rights of Shareholders" beginning on page .

Table of Contents

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus/proxy and consent solicitation statement contains a number of forward-looking statements regarding the financial condition, results of operations, earnings outlook and business prospects of Pacific Premier, Pacific Premier Bank, Grandpoint and Grandpoint Bank and the potential combined company and may include statements for the periods following the completion of the merger. Shareholders of either Pacific Premier or Grandpoint can find many of these statements by looking for words such as "expects," "projects," "anticipates," "believes," "intends," "estimates," "strategy," "plan," "potential," "possible" and other similar expressions. Statements about the expected timing, completion and effects of the merger and all other statements in this prospectus/proxy and consent solicitation statement other than historical facts constitute forward-looking statements. Forward-looking statements involve certain risks and uncertainties that are subject to change based on factors which are, in many instances, beyond Pacific Premier's or Grandpoint's control. The ability of either Pacific Premier or Grandpoint to predict results or actual effects of its plans and strategies, or those of the combined company, is inherently uncertain. Accordingly, actual results may differ materially from those expressed in, or implied by, the forward-looking statements. Some of the factors that may cause actual results or earnings to differ materially from those contemplated by the forward-looking statements include, but are not limited to, those discussed under "Risk Factors" and those discussed in Pacific Premier's Annual Report on Form 10-K for the year ended December 31, 2017, a copy of which is attached as Appendix E to this prospectus/proxy and consent solicitation statement, as well as the following:

estimated revenue enhancements, costs savings and financial benefits from the merger may not be fully realized within the expected time frames or at all;

deposit attrition, customer loss or revenue loss following the merger may occur or be greater than expected;

required regulatory, shareholder or other approvals may not be obtained or other closing conditions may not be satisfied in a timely manner or at all;

reputational risks and the reaction of the companies' customers to the merger;

diversion of management time on merger-related issues;

competitive pressure among depository and other financial institutions may increase significantly;

costs or difficulties related to the integration of the businesses of Pacific Premier and Grandpoint may be greater than expected;

changes in the interest rate environment may affect interest margins;

the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Federal Reserve;

general economic or business conditions, either nationally or in the states or regions in which Pacific Premier and Grandpoint do business, may be less favorable than expected, resulting in, among other things, a deterioration in credit quality or a reduced demand for credit;

legislation or changes in regulatory requirements may adversely affect the businesses in which Pacific Premier and Grandpoint are engaged;

adverse changes may occur in the securities markets; and

competitors of Pacific Premier may have greater financial resources and develop products and technology that enable those competitors to compete more successfully than Pacific Premier.

Table of Contents

Because these forward-looking statements are subject to assumptions and uncertainties, Pacific Premier's and Grandpoint's actual results may differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements are predicated on the beliefs and assumptions of the management of each of Pacific Premier and Grandpoint based on information known to them as of the date of this prospectus/proxy and consent solicitation statement. Grandpoint and Pacific Premier shareholders are cautioned not to place undue reliance on these statements, which speak only as of the date of this prospectus/proxy and consent solicitation statement.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this prospectus/proxy and consent solicitation statement and attributable to Pacific Premier or Grandpoint or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Pacific Premier and Grandpoint undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this prospectus/proxy and consent solicitation statement or to reflect the occurrence of unanticipated events, unless obligated to do so under the federal securities laws.

GENERAL INFORMATION

This prospectus/proxy and consent solicitation statement serves as (i) the Grandpoint consent solicitation statement, pursuant to which Grandpoint shareholders are being asked to provide written consents for the adoption of the merger agreement, (ii) a proxy statement for Pacific Premier shareholders pursuant to which Pacific Premier shareholders are being asked to consider and vote upon a proposal at the Pacific Premier special meeting to approve the issuance of shares of Pacific Premier common stock in connection with the merger pursuant to the merger agreement, and (iii) a prospectus for Pacific Premier common stock that Grandpoint shareholders will be entitled to receive as a result of the merger.

Pacific Premier has supplied all of the information contained herein relating to Pacific Premier and Pacific Premier Bank, and Grandpoint has supplied all of the information contained herein relating to Grandpoint and Grandpoint Bank.

THE PACIFIC PREMIER SPECIAL MEETING

Time, Date and Place

A special meeting of shareholders of Pacific Premier will be held at _____ a.m., Pacific Time, on _____, 2018 at 17901 Von Karman Avenue, Suite 1200, Irvine, California 92614.

Matters to be Considered

The purposes of the Pacific Premier special meeting are to:

consider and vote upon a proposal to approve the issuance of shares of Pacific Premier common stock to the shareholders of Grandpoint in connection with the merger pursuant to the merger agreement; and

consider and vote upon a proposal to adjourn the Pacific Premier special meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the Pacific Premier special meeting to approve the issuance of shares of Pacific Premier common stock in connection with the merger.

No other business may be conducted at the Pacific Premier special meeting. A copy of the merger agreement is included in prospectus/proxy and consent solicitation statement as Appendix A, and Pacific Premier shareholders are encouraged to read it carefully in its entirety.

Table of Contents

Recommendation of the Pacific Premier Board

The Pacific Premier board has unanimously (i) determined that each of the merger agreement and the transactions contemplated by the merger agreement is fair and reasonable, advisable and in the best interests of Pacific Premier and its shareholders; (ii) approved the merger agreement, the merger and the transactions contemplated thereby and (iii) recommends that the Pacific Premier shareholders approve the issuance of shares of Pacific Premier common stock to Grandpoint shareholders pursuant to the merger agreement. The Pacific Premier board unanimously recommends that Pacific Premier shareholders vote **"FOR"** the proposal to approve the issuance of shares of Pacific Premier common stock to Grandpoint shareholders pursuant to the merger agreement. See "The Merger Pacific Premier's Reasons for the Merger" beginning on page .

The Pacific Premier board also unanimously recommends that Pacific Premier shareholders vote **"FOR"** the proposal to adjourn the Pacific Premier special meeting, if necessary, to permit further solicitation of proxies on the proposal to approve the issuance of shares of Pacific Premier common stock to the Grandpoint shareholders pursuant to the merger agreement.

Shares Outstanding and Entitled to Vote; Record Date

The close of business on , 2018 has been fixed by Pacific Premier as the Pacific Premier record date, for the determination of Pacific Premier shareholders entitled to notice of and to vote at the Pacific Premier special meeting and any adjournment or postponement of the Pacific Premier special meeting. At the close of business on the Pacific Premier record date, there were shares of Pacific Premier common stock outstanding and entitled to vote, held by holders of record. Each share of Pacific Premier common stock entitles the holder to one vote at the Pacific Premier special meeting on all matters properly presented at the Pacific Premier special meeting.

How to Vote Shares of Pacific Premier Common Stock

Shareholders of Record.

Pacific Premier shareholders of record may vote by mail, telephone, via the Internet or by attending the Pacific Premier special meeting and voting in person. If a Pacific Premier shareholder chooses to vote by mail, he or she should simply mark the enclosed proxy card, date and sign it, and return it in the postage paid envelope provided. Internet and telephone voting is available until 11:59 p.m., Eastern Time, on .

Shares Held in "Street Name."

If a Pacific Premier shareholder's shares of Pacific Premier common stock are held through a bank, broker or other nominee, such Pacific Premier shareholder is considered the beneficial owner of such shares held in "street name." In such case, this prospectus/proxy and consent solicitation statement has been forwarded by such Pacific Premier shareholder's bank, broker or other nominee, who is considered, with respect to such shares, the shareholder of record. As the beneficial owner, a Pacific Premier shareholder has the right to direct such bank, broker or other nominee how to vote the shares by following the voting instructions that they have sent, or will send, to the Pacific Premier shareholder. Without specific instructions from the Pacific Premier shareholder, the bank, broker or other nominee is not empowered to vote a Pacific Premier shareholder's shares on non routine matters such as the proposal to approve the issuance of shares of common stock of Pacific Premier to the shareholders of Grandpoint pursuant to the merger agreement or the proposal of the Pacific Premier board of directors to adjourn the Pacific Premier special meeting, if necessary. Not voting these shares will not have any effect on the vote to approve the proposal to issue of shares of common stock of Pacific Premier to the shareholders of Grandpoint pursuant to the merger agreement or the proposal of the Pacific Premier board of directors to adjourn the special meeting, if necessary. When the vote is tabulated for the

Table of Contents

proposals, broker non votes, if any, will only be counted for purposes of determining whether a quorum is present. Accordingly, we advise each Pacific Premier shareholder to promptly give instructions to his or her bank, broker or other nominee to vote **"FOR"** approval of the issuance of shares of Pacific Premier common stock to the Grandpoint shareholders pursuant to the merger agreement and **"FOR"** the proposal to adjourn the Pacific Premier special meeting, if necessary, by using the voting instruction card provided to such Pacific Premier shareholder by his or her bank, broker or other nominee. Alternatively, if a Pacific Premier shareholder is a beneficial owner and wishes to vote in person at the Pacific Premier special meeting, the Pacific Premier shareholder must provide a proxy executed in such Pacific Premier shareholder's favor by the bank, broker or other nominee.

Revocation of Proxies

A Pacific Premier shareholder can revoke a proxy at any time before his or her shares are voted. If the Pacific Premier shareholder is a shareholder of record, the Pacific Premier shareholder can revoke a proxy by:

delivering to Pacific Premier prior to the Pacific Premier special meeting a written notice of revocation addressed to:
Secretary, Pacific Premier Bancorp, Inc., 17901 Von Karman Avenue, Suite 1200, Irvine, California 92614;

completing, signing and returning a new proxy card with a later date before the date of the Pacific Premier special meeting, and any earlier dated proxy will be revoked automatically;

calling the toll free number listed on the Pacific Premier proxy card or by accessing the Internet site listed on the Pacific Premier proxy card to change his or her vote by 11:59 p.m., Eastern Time, on _____, in which case the later submitted proxy via telephone or Internet, as the case may be, will be recorded and the earlier dated proxy will be revoked;
or

attending the Pacific Premier special meeting and voting in person, and any earlier proxy will be revoked. However, simply attending the Pacific Premier special meeting without voting will not revoke a Pacific Premier proxy.

If a Pacific Premier shareholder has instructed a bank, broker or other nominee to vote such Pacific Premier shareholder's shares of Pacific Premier common stock, the Pacific Premier shareholder must follow directions received from the bank, broker or other nominee to change his or her vote.

Attendance at the Pacific Premier special meeting will not, in and of itself, constitute revocation of a proxy.

Each proxy returned to Pacific Premier (and not revoked) by a holder of Pacific Premier common stock will be voted in accordance with the instructions indicated thereon. If no instructions are indicated on a signed proxy that is returned, such proxy will be voted **"FOR"** approval of the proposal to issue shares of Pacific Premier common stock to the Grandpoint shareholders pursuant to the merger agreement and **"FOR"** the proposal to adjourn the Pacific Premier special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the Pacific Premier special meeting to approve the issuance of shares of Pacific Premier common stock in connection with the merger.

Quorum

A quorum, consisting of the holders of a majority of the shares entitled to vote at the Pacific Premier special meeting, must be present in person or by proxy before any action may be taken at the Pacific Premier special meeting. Once a share of Pacific Premier common stock is represented at the Pacific Premier special meeting, it will be counted for the purpose of determining a quorum not only at the Pacific Premier special meeting but also at any adjournment or postponement of the Pacific

Table of Contents

Premier special meeting. In the event that a quorum is not present at the Pacific Premier special meeting, it is expected that the Pacific Premier special meeting will be adjourned or postponed.

Abstentions and broker non votes will not be counted for purposes of determining the number of votes cast on a proposal but will be treated as present for quorum purposes. "Broker non votes" are shares held by banks, brokers or nominees as to which voting instructions have not been received from the beneficial owners or the persons entitled to vote those shares and the bank, broker or nominee does not have discretionary voting power under the applicable New York Stock Exchange rules. Under these rules, the proposals to approve the issuance of shares of Pacific Premier common stock to the shareholders of Grandpoint pursuant to the merger agreement and to adjourn the Pacific Premier special meeting, if necessary, are not items on which brokerage firms may vote in their discretion on behalf of their clients if such clients have not furnished voting instructions.

Vote Required

The affirmative vote of holders of the majority of the shares for which votes are cast at the Pacific Premier special meeting is needed to approve the issuance of the shares of Pacific Premier common stock to the shareholders of Grandpoint pursuant to the merger agreement. The affirmative vote of holders of the majority of the shares for which votes are cast at the Pacific Premier special meeting is needed to approve the proposal to adjourn the Pacific Premier special meeting, if necessary.

Abstentions and broker non votes will not be counted as votes cast and, therefore, will not affect either proposal. Further, the failure to vote, either by proxy or in person, will not have an effect on either proposal.

Unless instructions to the contrary are specified in a proxy properly voted and returned through available channels, the proxies will be voted **"FOR"** approval of the issuance of shares of Pacific Premier common stock to the Grandpoint shareholders in connection with the merger and **"FOR"** the proposal to adjourn the Pacific Premier special meeting, if necessary, to permit further solicitation of proxies on the proposal to approve the issuance of shares of Pacific Premier common stock to the Grandpoint shareholders in connection with the merger.

Solicitation of Proxies

Pacific Premier will pay the costs of soliciting its shareholders' proxies, as well as all other costs incurred by it in connection with the solicitation of proxies from its shareholders on behalf of its board of directors. In addition to solicitation by mail, directors, officers and employees of Pacific Premier may solicit proxies from shareholders of Pacific Premier in person or by telephone, facsimile or other electronic methods without compensation other than reimbursement for their actual expenses. Pacific Premier has engaged DF King & Co. as its proxy solicitation firm. Such firm will be paid its customary fee of \$10,500 and out of pocket expenses.

Arrangements also will be made with custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of stock held of record by such persons, and Pacific Premier will reimburse such custodians, nominees and fiduciaries for their reasonable out of pocket expenses in connection therewith.

Attending the Pacific Premier Special Meeting

While not required, all holders of Pacific Premier common stock, including shareholders of record and shareholders who hold their shares in street name through banks, brokers or other nominees, are invited to attend the Pacific Premier special meeting. Pacific Premier shareholders of record can vote in person at the Pacific Premier special meeting. If a Pacific Premier shareholder is not a shareholder of record and would like to vote in person at the Pacific Premier special meeting, such Pacific Premier

Table of Contents

shareholder must produce a proxy executed in his or her favor by the record holder of such Pacific Premier shareholder's shares. In addition, such Pacific Premier shareholder must bring a form of personal photo identification with him or her in order to be admitted at the Pacific Premier special meeting. Pacific Premier reserves the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the Pacific Premier special meeting is prohibited without Pacific Premier's express written consent.

Adjournments and Postponements

Although it is not currently expected, the Pacific Premier special meeting may be adjourned or postponed, including for the purpose of soliciting additional proxies, if there are insufficient votes at the time of the Pacific Premier special meeting to approve the issuance of shares of Pacific Premier common stock to the Grandpoint shareholders in connection with the merger pursuant to the merger agreement or if a quorum is not present at the Pacific Premier special meeting. Other than an announcement to be made at the Pacific Premier special meeting of the time, date and place of an adjourned meeting, an adjournment generally may be made without notice. Any adjournment or postponement of the Pacific Premier special meeting for the purpose of soliciting additional proxies will allow the shareholders who have already sent in their proxies to revoke them at any time prior to their use at the Pacific Premier special meeting as adjourned or postponed.

Questions and Additional Information

If a Pacific Premier shareholder has questions about the proposal to issue shares of Pacific Premier common stock to the Grandpoint shareholders in connection with the merger, or the process for voting, or if additional copies of this document or a replacement proxy card are needed, please contact Investor Relations, Pacific Premier Bancorp, Inc., at (949) 864 8000.

GRANDPOINT SOLICITATION OF WRITTEN CONSENTS

This section contains information for Grandpoint shareholders regarding the Grandpoint solicitation of written consents to adopt the merger agreement by executing and delivering the written consent furnished with this prospectus/proxy and consent solicitation statement.

Matters to be Considered

The Grandpoint board is providing these consent solicitation materials to Grandpoint shareholders. Grandpoint shareholders are being asked to adopt the merger agreement by executing and delivering the written consent furnished with this prospectus/proxy and consent solicitation statement.

Recommendation of the Grandpoint Board

The Grandpoint board has carefully considered the merger and the terms thereof and has determined that the merger and the terms thereof are advisable and fair to and in the best interests of Grandpoint and its shareholders. Accordingly, the Grandpoint board recommends that Grandpoint shareholders adopt the merger agreement pursuant to the Grandpoint consent solicitation.

Shares Outstanding and Entitled to Consent; Consent Required; Record Date

Only Grandpoint shareholders of record owning Grandpoint voting common stock at the close of business on the Grandpoint record date of _____, 2018, will be notified of and be entitled to execute and deliver a written consent. On the Grandpoint record date, the outstanding Grandpoint voting common stock eligible to consent with respect to the adoption of the merger agreement consisted of _____ shares of Grandpoint voting common stock. Under the Grandpoint amended and

Table of Contents

restituted certificate of incorporation and the DGCL, each holder of Grandpoint voting common stock is entitled to one vote for each share of Grandpoint voting common stock held of record.

Adoption of the merger agreement requires approval by written consent by the holders of a majority of the outstanding shares of Grandpoint voting common stock entitled to vote.

Grandpoint shareholders whose shares of Grandpoint voting common stock are held in "street name" in the name of their bank, broker or other nominee should refer to their written consent card or the information forwarded by their nominee to confirm how to tender their written consent.

Grandpoint Support Agreements; Voting by Grandpoint's Executive Officers and Certain Directors

The Grandpoint Investors, who collectively own approximately 87.9% of the outstanding Grandpoint voting common stock, are parties to the Grandpoint support agreements, and Grandpoint's executive officers and certain directors, who collectively own approximately 9.7% of the outstanding Grandpoint voting common stock, are parties to the Grandpoint shareholder agreements. Pursuant to those agreements, such shareholders agreed to vote by written consent in favor of the adoption of the merger agreement.

The merger agreement provides that Pacific Premier may terminate the merger agreement if written consents representing a majority of the outstanding Grandpoint voting common stock, voting in favor of the merger agreement, shall not have been delivered to Pacific Premier by 6:00 p.m., Pacific Time, on the third business day after the registration statement on Form S-4, of which this prospectus/proxy and consent solicitation statement is a part, has been declared effective by the Commission. The form of Grandpoint support agreements and the form of Grandpoint shareholder agreements are included in this prospectus/proxy and consent solicitation statement as Annexes A and B, respectively, to the merger agreement, which is attached as Appendix A to this prospectus/proxy and consent solicitation statement.

Submission of Consents

You may consent to the proposal with respect to your shares of Grandpoint voting common stock by completing, dating and signing the written consent furnished with this prospectus/proxy and consent solicitation statement and returning it to Grandpoint.

If you hold shares of Grandpoint voting common stock as of the Grandpoint record date and you wish to give your written consent, you must fill out the enclosed written consent, date and sign it, and promptly return it to Grandpoint. Once you have completed, dated and signed the written consent, you may deliver it to Grandpoint by faxing it to Janet M. Marantz, Senior Vice President and Corporate Secretary, at (213) 617-0765, by emailing a .pdf copy of your written consent to JMarantz@grandpointbank.com or by mailing your written consent to Grandpoint, Attention: Corporate Secretary, 333 South Grand Avenue, Suite 4250, Los Angeles, California 90071.

The Grandpoint board has set _____, 2018, as the targeted final date for receipt of written consents. Grandpoint reserves the right to extend the final date for receipt of written consents beyond _____, 2018. Any such extension may be made without notice to Grandpoint shareholders. Once a sufficient number of consents to adopt the merger agreement have been received, the consent solicitation will conclude. **As noted in the section entitled "The Merger Appraisal Rights" beginning on page _____, the delivery of a signed and dated consent adopting the merger agreement, or delivery of a signed and dated consent without indicating a decision on the proposal, will result in a loss of appraisal rights under Section 262 of the DGCL.**

Table of Contents

Executing Consents; Revocation of Consents

You may execute a written consent to adopt the merger agreement (which is equivalent to a vote "**FOR**" the proposal), or disapprove the proposal (which is equivalent to a vote "**AGAINST**" the proposal). Under Delaware law, your consent must bear the date of your signature. If you do not return your written consent, it will have the same effect as a vote against the proposal. If you are a record holder and you return a signed and dated written consent without indicating your decision on the proposal, you will have given your consent to adopt the merger agreement as described in the enclosed form of written consent.

Your written consent to the proposal may be changed or revoked at any time before the written consents of a sufficient number of shares to adopt the merger agreement have been delivered to Grandpoint. If you wish to change or revoke a previously given written consent before that time, you may do so by delivering a new written consent with a later date or by delivering or faxing a notice of revocation to Grandpoint.

Solicitation of Consents

Officers of Grandpoint may solicit consents by telephone and personally, in addition to solicitation by mail. These persons will receive their regular salaries but no special compensation for soliciting consents.

THE MERGER

The following information describes the material aspects of the merger agreement and the merger. This description does not purport to be complete and is qualified in its entirety by reference to the appendices to this prospectus/proxy and consent solicitation statement, including the merger agreement which is attached as Appendix A and incorporated by reference into this prospectus/proxy and consent solicitation statement. Shareholders of both Pacific Premier and Grandpoint should carefully read the appendices in their entirety.

Structure of the Merger

Pursuant to the terms and conditions set forth in the merger agreement, Grandpoint will be acquired by Pacific Premier in a transaction in which Grandpoint will merge with and into Pacific Premier, with Pacific Premier as the surviving corporation, which is referred to as the merger. Immediately following the consummation of the merger, Grandpoint Bank will be merged with and into Pacific Premier Bank, with Pacific Premier Bank as the surviving institution, which is referred to as the bank merger. Following consummation of the bank merger, Pacific Premier Bank intends to continue to operate all of the branches acquired from Grandpoint Bank.

Following the consummation of the merger, Pacific Premier's amended and restated certificate of incorporation, as amended, and amended and restated bylaws as in effect immediately prior to the merger will continue as the governing corporate documents of Pacific Premier. The directors and executive officers of Pacific Premier immediately prior to the merger will continue as the directors and executive officers of Pacific Premier after the merger, in each case, until their respective successors are duly elected or appointed and qualified. In addition, pursuant to the terms of the merger agreement, Pacific Premier is required to take all action necessary to appoint or elect, effective as of the effective time of the merger, two (2) individuals, each of whom must be mutually agreeable to Pacific Premier and Grandpoint, one of whom shall be Don M. Griffith, the chairman and chief executive officer of Grandpoint, as directors of Pacific Premier and Pacific Premier Bank. Each individual will serve until the first annual meeting of shareholders of Pacific Premier following the effective time of the merger and until his or her successor is elected and qualified. Subject to the fiduciary duties of the Pacific Premier board, Pacific Premier is required to include such individuals on the list of nominees for director presented by the Pacific Premier board, and for which the Pacific Premier board will solicit

Table of Contents

proxies at the first annual meeting of shareholders of Pacific Premier following the effective time of the merger.

Background of the Merger

The Grandpoint board and executive management team regularly review and assess strategic opportunities that may be available to Grandpoint, with the goal of enhancing value for Grandpoint's shareholders. These assessments have included periodic discussion with respect to potential transactions that would further Grandpoint's strategic objectives, and the potential benefits and risks of such transactions. Such discussions have included consideration of purchasing other financial institutions, being acquired by another financial institution or other business combinations, in an effort to seek better efficiencies and economies of scale for Grandpoint and its shareholders.

In the spring of 2016, Grandpoint, with the assistance of Sullivan & Cromwell LLP, counsel to Grandpoint and referred to as S&C, and Grandpoint's financial advisor, KBW, undertook a review of Grandpoint's potential strategic alternatives. As part of this review, Grandpoint commenced a process to solicit indications of interest in a potential business combination with Grandpoint. Continuing through May and June 2016, Grandpoint and its advisors held discussions with a number of potential counterparties, some of whom conducted due diligence on Grandpoint and three of whom, Pacific Premier, Bidder A and Bidder B, provided Grandpoint with non-binding proposals with respect to a potential business combination with Grandpoint. In July 2016, Grandpoint entered into a non-binding indication of interest with Bidder A, but ultimately no transaction was pursued and discussions with Bidder A ceased.

Following this and continuing into late fall of 2016 and early-2017, Grandpoint and the Grandpoint board continued to consider Grandpoint's potential alternatives, including whether to continue with the process of seeking indications of interest considering a business combination or acquisition of Grandpoint or whether to pursue alternative strategic initiatives including additional potential acquisitions and capital raising transactions. During this period, Grandpoint continued discussions from time to time with potential counterparties, including renewed discussions with Pacific Premier in September 2016 that did not proceed and discussions with Bidder C in late-2016 and early-2017. On April 26, 2017, Grandpoint received a revised offer from Pacific Premier. Discussions continued and in May 2017, Grandpoint received non-binding letters of interest from Pacific Premier and Bidder C. Between May 22, 2017 and mid-June 2017, Grandpoint and Pacific Premier continued business discussions and negotiations around pricing and the structure of a possible transaction. Pacific Premier ultimately determined to withdraw from discussions on June 15, 2017 after the parties were unable to come to agreement on the business terms.

Following this, Grandpoint and Bidder D held discussions concerning a potential business combination.

In July 2017, Bidder D commenced preliminary due diligence and Grandpoint's board received a preliminary non-binding indication of interest from Bidder D in September 2017, outlining the principal elements of a proposed business combination between Bidder D and Grandpoint. Discussions with Bidder D terminated in mid-October 2017 when Bidder D indicated it was not prepared to proceed with a transaction at that time.

On December 1, 2017, Grandpoint and Pacific Premier entered into a confidentiality agreement to begin diligence and recommence negotiations concerning a potential transaction. These discussions culminated on December 28, 2017 with Grandpoint and Pacific Premier executing a non-binding letter of interest. The letter of interest proposed an implied value of \$18.82 per common share, or an aggregate transaction value of \$650.0 million based on a fixed exchange ratio of 0.4836 of a share of Pacific Premier common stock for each share of Grandpoint common stock. The letter of interest included that the definitive agreement would provide for Grandpoint to designate two individuals to

Table of Contents

serve on the Pacific Premier board upon the closing of the transaction, with the anticipation that Mr. Don Griffith would be selected as one of two people to serve on the Pacific Premier board. The letter of interest also provided that Pacific Premier would purchase directors' and officers' liability insurance following the consummation of the transaction and that Grandpoint executive management not retained by Pacific Premier following the transaction would enter into customary confidentiality and non-solicitation agreements. Pacific Premier then provided an initial list requesting certain diligence materials from Grandpoint.

Grandpoint received an organizational book from Pacific Premier on January 2, 2018, which organizational book included a timeline and responsibilities schedule and due diligence request list. Grandpoint provided Pacific Premier with a reverse due diligence request list on January 5, 2018.

Holland & Knight LLP, counsel to Pacific Premier and which is referred to as H&K, provided an initial draft definitive agreement to S&C on January 12, 2018. Between January 12, 2018 and February 9, 2018, representatives of Grandpoint and Pacific Premier, with the assistance of their respective legal and financial advisors, negotiated the terms of the definitive agreement. During the course of negotiations, the terms of the definitive agreement remained substantially similar to the terms outlined in the letter of interest. The parties also negotiated a form of support agreement and a form of shareholder agreement to be executed by Grandpoint's private equity investors and the directors and executive officers of Grandpoint and Grandpoint Bank, other than directors who did not own shares of Grandpoint common stock.

On January 15, 2018, Grandpoint, received access to Pacific Premier's reverse due diligence data room and commenced reverse due diligence. Over the course of the next four weeks, Grandpoint conducted its diligence on Pacific Premier. Similarly, Pacific Premier conducted its diligence process on Grandpoint.

On January 22, 2018, members of the Grandpoint board and observers to the board discussed the draft definitive agreement with S&C and KBW telephonically. Members of the Grandpoint board and representatives of S&C discussed the proposed definitive agreement, including the requirement that non-employee directors execute non-solicitation agreements. Certain business and legal points were agreed to and the Grandpoint board agreed to continue negotiations on the definitive agreement. On January 22, S&C provided a revised draft of the definitive agreement to H&K.

Don Griffith and Steve Gardner met on February 6, 2018, to discuss the pricing of the transaction. On February 7, 2018, Pacific Premier proposed a decrease in the exchange ratio to 0.4750 of a share of Pacific Premier common stock in exchange for each share of Grandpoint common stock, representing a decrease of 1.8% in the exchange ratio. During this period, the parties continued their due diligence.

On February 9, 2018, the Grandpoint board held a special telephonic meeting. At the meeting, Grandpoint's executive management presented on the business, legal, regulatory, credit and other diligence conducted on Pacific Premier. S&C presented on the terms of the draft definitive agreement and the Grandpoint board's fiduciary duties to Grandpoint's shareholders in the context of a strategic transaction. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered to the Grandpoint board an opinion to the effect that, as of that date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the exchange ratio in the merger was fair, from a financial point of view, to the holders of Grandpoint common stock. The Grandpoint board voted to approve the transaction with Pacific Premier and the merger agreement.

On February 9, 2018, the Pacific Premier board held a special board meeting for the purposes of considering the merger agreement. At that meeting, the Pacific Premier board thoroughly discussed and considered the terms and conditions of the merger and the merger agreement. H&K advised the Pacific Premier board respecting its duties in connection with the transaction and the terms of the merger

Table of Contents

agreement. Raymond James reviewed the financial aspects of the proposed merger. After deliberation, the Pacific Premier board voted unanimously to approve the merger agreement and the transactions contemplated by the merger agreement, and authorized Pacific Premier management to execute the merger agreement.

Following the Grandpoint and Pacific Premier board meetings, the terms of the merger agreement and related agreements were finalized, and the agreements were executed. The transaction was publicly announced on the morning of February 12, 2018, in a press release issued by Pacific Premier prior to the opening of the stock market. Based on a \$39.10 closing price of Pacific Premier's common stock as of February 9, 2018, the aggregate merger consideration was approximately \$641.2 million, or \$18.57 per share.

Pacific Premier's Reasons for the Merger and Factors Considered by Pacific Premier's Board of Directors

As part of Pacific Premier's business strategy, it evaluates opportunities to acquire bank holding companies, banks and other financial institutions. The acquisition of Grandpoint and Grandpoint Bank is consistent with this strategy. In reaching its conclusion to approve the merger, the Pacific Premier board consulted with Raymond James, its financial advisor, with respect to the financial aspects of the proposed acquisition and with its legal counsel, H&K, as to its legal duties and the terms of the merger agreement and related agreements. Pacific Premier entered into the merger agreement with Grandpoint because, among other things, Pacific Premier believes that the acquisition of Grandpoint and Grandpoint Bank will:

expand and deepen Pacific Premier's geographic footprint into Los Angeles County, California, a strategically key market, expand its presence in San Diego and Orange Counties in California, and establish a presence in the Phoenix and Tucson, Arizona and Vancouver, Washington markets;

create opportunities for Pacific Premier Bank to provide additional products and services to the Grandpoint customers;

improve and strengthen Pacific Premier Bank's existing deposit base by acquiring a business banking franchise with an attractive non-maturity deposit base, which was comprised of 45.8% non-interest bearing demand deposits at December 31, 2017;

offer estimated costs savings of approximately 40% of Grandpoint's non-interest expense, with 75% of the cost savings phased-in during 2018 and the remainder during 2019;

based on the projected cost savings, be immediately accretive to Pacific Premier's earnings per share in 2018, excluding merger-related expenses, and result in an anticipated earnings per share accretion of approximately 8.6% in fiscal year 2019;

based on the projected cost savings, result in anticipated tangible book value dilution of 2.4% with an anticipated earn back period of approximately 1.2 years;

offer an internal rate of return anticipated to be greater than 20% based on the projected cost savings;

enable Pacific Premier to offer its broader range of products and services to Grandpoint Bank customers;

result in a broader market presence providing greater opportunities for future in-market acquisitions; and

allow Pacific Premier to deploy a portion of its capital into what its board of directors believes is a compelling investment.

Table of Contents

The Pacific Premier board also considered the potential adverse consequences of the proposed merger, including:

the possible disruption to Pacific Premier's or Grandpoint's business that may result from the announcement of the merger;

the risk that the cost savings, operational synergies and other benefits expected result from the merger might not be fully realized or not realized at all;

the possibility that the merger may not be completed or may be unduly delayed because conditions to closing may not be satisfied, including:

the condition that Pacific Premier's shareholders approve the issuance of shares of Pacific Premier common stock to Grandpoint's shareholders in connection with the merger;

the condition that Grandpoint's shareholders approve the merger, and

other conditions which are outside of Pacific Premier's control;

the risk that the merger might not be completed and the effect of the resulting public announcement of termination of the merger agreement on:

the market price of Pacific Premier's common stock, and

Pacific Premier's operating results, particularly in light of the costs incurred in connection with the merger; and

the potential risk of diverting management focus and resources from operational matters and other strategic opportunities while working to implement the merger.

Based on the reasons stated above, the Pacific Premier board believes that the merger is in the best interest of Pacific Premier and its shareholders and unanimously recommends that the Pacific Premier shareholders vote **"FOR"** the proposal to approve the issuance of Pacific Premier common stock in connection with the merger and **"FOR"** the proposal to adjourn the Pacific Premier special meeting, if necessary, to permit further solicitation of proxies on the proposal to approve the issuance of shares of Pacific Premier common stock to Grandpoint shareholders in connection with the merger.

Grandpoint's Reasons for the Merger and Recommendation of Grandpoint's Board of Directors

After carefully considering all of its options, and cognizant of its fiduciary duty to shareholders and the current competitive and regulatory environment and a number of other factors discussed in this prospectus/proxy and consent solicitation statement, the Grandpoint board unanimously recommended adoption of the merger agreement, determining that the merger, on the terms provided in the merger agreement is fair to Grandpoint's shareholders and in their best interests.

In evaluating the merger and the merger agreement, the Grandpoint board consulted with Grandpoint's financial advisor, KBW, with respect to the financial aspects of the proposed sale, and consulted with Grandpoint's legal counsel, S&C, as to its legal duties and the terms of the merger agreement and related agreements. All material factors considered by the Grandpoint board have been disclosed in this prospectus/proxy and consent solicitation statement. In reaching its conclusion to approve the merger and recommend adoption of the merger agreement to the Grandpoint shareholders, the Grandpoint board considered a number of factors, including the following, without assigning any specific or relative weights to the factors:

the belief that the terms of the merger and the merger agreement are fair to and in the best interest of all Grandpoint shareholders;

Table of Contents

the financial terms of the merger, including the relationship of the merger consideration to the book value of Grandpoint common stock and the earnings of Grandpoint;

the belief, as of the date of the merger agreement, that the aggregate merger consideration represents a fair price to Grandpoint shareholders;

the structure of the value of the aggregate merger consideration payable in shares of Pacific Premier common stock, which will allow Grandpoint shareholders to participate in the future performance of the combined company's business and synergies resulting from the merger, including an expanded geographic footprint and complementary business lines;

the need for greater liquidity for Grandpoint shareholders, and the fact that the Pacific Premier common stock is registered under the Exchange Act, and publicly traded on the NASDAQ Global Select Market;

the advantages of being part of a larger financial institution, such as Pacific Premier, including the potential for operating efficiencies, the effect of a higher lending limit with respect to Grandpoint's customers, and the generally higher trading multiples of larger financial institutions;

the ability of a larger financial institution, such as Pacific Premier, to compete in the banking environment and to leverage overhead costs;

the anticipated impact on the communities served by Grandpoint, and the increased ability to serve the communities and its customer base through a larger branch network;

the ability of Pacific Premier's management team to successfully integrate and operate the business of the combined company after the merger, as evidenced by the success of Pacific Premier and Pacific Premier Bank in completing and integrating previous mergers of community banks;

the merger agreement does not include any unrealistic closing conditions based on the financial performance of Grandpoint between signing and closing of the transaction;

the likelihood that the merger will be completed on a timely basis, including the likelihood that the merger will receive all necessary regulatory approvals in a timely manner;

the current and prospective economic, regulatory and competitive environment facing the financial services industry generally, and Grandpoint in particular, including the continued rapid consolidation in the financial services industry and the competitive effects of increased consolidation on relatively smaller financial institutions such as Grandpoint;

the tax-free nature of the shares of Pacific Premier common stock being offered as merger consideration;

the prices paid and the terms of other recent comparable combinations of banks and bank holding companies;

results that could be expected to be obtained by Grandpoint if it continued to operate independently, and the likely value to be realized by Grandpoint shareholders if such course were followed, as compared with the value of the aggregate merger

consideration being offered by Pacific Premier;

the financial presentation, dated February 9, 2018, of KBW, to the Grandpoint board and the opinion, dated February 9, 2018, of KBW, to the Grandpoint board, as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of Grandpoint common stock of the exchange ratio in the merger, as more fully described below under "Opinion of Grandpoint's Financial Advisor;" and

Table of Contents

Grandpoint's employees having more opportunities for advancement at a larger financial institution such as Pacific Premier.

The Grandpoint board also considered the potential adverse consequences of the proposed merger, including:

the risk that Grandpoint may not be able to meet one or more of the financial, or other, closing conditions that operate in favor of Pacific Premier, and therefore the merger may not close;

the possible effects on Grandpoint should the parties fail to complete the merger, including the possible effects on the price of Grandpoint common stock, and the associated business and opportunity costs;

the possibility that the merger and the related integration process could disrupt Grandpoint's on-going business and result in the loss of customers and the fact that Grandpoint's officers and employees will have to focus extensively on actions required to complete the merger, which will divert their attention from Grandpoint's business, and that Grandpoint will incur substantial transaction costs even if the merger is not consummated;

the merger agreement's restrictions on Grandpoint's ability to solicit or engage in discussions or negotiations with third parties, and the effect of a termination fee in favor of Pacific Premier, including the risk that the termination fee might discourage third parties from proposing an alternative transaction that may be more advantageous to Grandpoint's shareholders;

the potential reaction of Grandpoint's customers to the proposed merger with Pacific Premier and Pacific Premier Bank;

employee attrition and the potential effect on business and customer relationships;

the interests of Grandpoint's and Grandpoint Bank's officers and directors with respect to the merger apart from their interests as holders of Grandpoint common stock, and the risk that these interests might influence their decision with respect to the merger; and

that while the merger is pending, Grandpoint will be subject to certain limited restrictions on how it conducts business that could delay or prevent Grandpoint from pursuing business opportunities or preclude it from taking actions that would be advisable if it was to remain independent.

Based on the reasons stated, the Grandpoint board believes that the merger is in the best interest of Grandpoint and the Grandpoint shareholders and unanimously recommends that the Grandpoint shareholders provide their written consent voting "**FOR**" adoption of the merger agreement in the Grandpoint consent solicitation.

Opinion of Pacific Premier's Financial Advisor

At the February 9, 2018 meeting of the Pacific Premier board, representatives of Raymond James rendered Raymond James's oral opinion to the Pacific Premier board that the exchange ratio was fair, from a financial point of view, to Pacific Premier. The oral opinion was subsequently confirmed by Raymond James's delivery of its written opinion to the Pacific Premier board, dated February 9, 2018, as to the fairness, as of such date, from a financial point of view, to Pacific Premier of the exchange ratio in the merger pursuant to the merger agreement, based upon and subject to the qualifications, assumptions and other matters considered in connection with the preparation of its opinion.

The full text of the written opinion of Raymond James is attached as Appendix B to this prospectus/proxy and consent solicitation statement. The summary of the opinion of Raymond James set forth in this document is qualified in its entirety by reference to the full text of such written opinion. Raymond James provided its opinion for the information of the Pacific Premier board (solely

Table of Contents

in its capacity as such) in connection with its consideration of the proposed merger. No limitations were imposed by the Pacific Premier board upon Raymond James with respect to the investigations made or procedures followed in rendering its opinion. The opinion only addresses the fairness, from a financial point of view, to Pacific Premier of the exchange ratio provided for in the merger pursuant to the merger agreement, and does not address any other term, aspect or implication of the merger agreement, the merger or any other agreement, arrangement or understanding entered into in connection therewith or otherwise. Raymond James's opinion does not constitute a recommendation to the Pacific Premier board, any shareholder of Pacific Premier or any other party as to how to vote or act on any matter relating to the proposed merger or otherwise. Furthermore, as provided by the terms of Raymond James's engagement by Pacific Premier, Raymond James's opinion should not be construed as creating any fiduciary duty on the part of Raymond James to the Pacific Premier board, any shareholder of Pacific Premier or any other party, regardless of any prior or ongoing advice or relationships.

In connection with its review of the proposed merger and the preparation of its opinion, Raymond James, among other things:

reviewed the financial terms and conditions as stated in the draft dated February 7, 2018 of the merger agreement;

reviewed certain information related to the historical, current and future operations, financial condition and prospects of Pacific Premier and Grandpoint made available to Raymond James by Pacific Premier or Grandpoint, including, but not limited to, financial projections prepared by the management of Pacific Premier relating to Pacific Premier and Grandpoint for the periods ending December 31, 2017 through December 31, 2022, as approved for Raymond James's use by Pacific Premier, referred to as the projections;

reviewed Pacific Premier's recent public filings and certain other publicly available information regarding Pacific Premier and Grandpoint;

reviewed financial, operating and other information regarding Pacific Premier and Grandpoint, including audited and unaudited financial statements, and the industry in which it operates;

compared the financial and operating performance of Pacific Premier and Grandpoint with that of certain other public companies that Raymond James deemed to be relevant;

reviewed the current and historical market prices and trading volume for the Pacific Premier common stock, and the current market prices of the publicly traded securities of certain other companies that Raymond James deemed to be comparable to Pacific Premier;

conducted such other financial studies, analyses and inquiries and considered such other information and factors as Raymond James deemed appropriate;

reviewed and considered the pro forma financial impact of the merger on Pacific Premier based on the Projections and certain pro forma adjustments, as provided by the management of Pacific Premier;

reviewed a certificate addressed to Raymond James from a member of senior management of Pacific Premier regarding, among other things, the accuracy of the information, data and other materials (financial or otherwise) provided to, or discussed with, Raymond James by or on behalf of Pacific Premier; and

discussed with members of the senior management of Pacific Premier and Grandpoint certain information relating to the aforementioned and any other matters which Raymond James deemed relevant to its inquiry.

Table of Contents

With Pacific Premier's consent, Raymond James assumed and relied upon the accuracy and completeness of all information supplied by or on behalf of Pacific Premier and Grandpoint or otherwise reviewed by or discussed with Raymond James, and Raymond James did not undertake any duty or responsibility to verify independently, and did not so verify, any of such information. In addition, Raymond James did not make or obtain an independent appraisal or valuation of the assets or liabilities (fixed, contingent, derivative, off-balance sheet or otherwise) of Pacific Premier or Grandpoint.

With respect to the projected financial information and other information and data prepared by the management of Pacific Premier and Grandpoint and provided to or otherwise reviewed by or discussed with Raymond James, Raymond James, with Pacific Premier's consent, assumed that such projected financial information and other information and data were reasonably prepared in good faith on bases reflecting the best available estimates and judgments of management of Pacific Premier and Grandpoint, and Raymond James relied upon Pacific Premier to advise Raymond James promptly if any information previously provided became inaccurate or was required to be updated during the period of its review. Raymond James was authorized by Pacific Premier to rely upon such projected financial information and Raymond James expressed no view as to any such projected financial information or other information or data, or the bases or assumptions on which they were prepared. Raymond James relied on all such information without independent verification or analysis and has not in any respect assumed any responsibility or liability for the accuracy or completeness thereof. Raymond James assumed that the final form of the merger agreement, when executed by the parties thereto, would be consistent in all material respects to the draft of the merger agreement reviewed by Raymond James, and that the merger will be consummated in accordance with the terms of the merger agreement without waiver or amendment of any conditions thereto. Furthermore, Raymond James assumed, in all respects material to its analysis, that the representations and warranties of each party contained in the merger agreement are true and correct and that each such party will perform all of the covenants and agreements required to be performed by it under the merger agreement without being waived.

Raymond James relied upon and assumed, without independent verification, that (i) the merger will be consummated in a manner that complies in all respects with all applicable international, federal and state statutes, rules and regulations, (ii) the merger will constitute a tax-free reorganization and (iii) all governmental, regulatory, and other consents and approvals necessary for the consummation of the merger will be obtained and that no delay, limitations, restrictions or conditions will be imposed or amendments, modifications or waivers made that would have an effect on the merger or Pacific Premier that would be material to its analyses or its opinion. Raymond James expressed no opinion as to the legal, regulatory, accounting and tax matters relating to the merger and relied upon, without independent verification, the assessment of Pacific Premier's management and its legal, tax, accounting and regulatory advisors with respect to all legal, tax, accounting and regulatory matters, including without limitation that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code.

Raymond James relied upon and assumed, without independent verification, that there were no changes in the business, assets, liabilities, financial condition, results of operations, cash flows or prospects of Pacific Premier or Grandpoint since the respective dates of the most recent financial statements and other information, financial or otherwise, provided to Raymond James that would be material to Raymond James's analyses or its opinion, and that there is no information or any facts that would make any of the information reviewed by Raymond James incomplete or misleading in any material respect.

Raymond James served as financial advisor to Pacific Premier with respect to the proposed merger but Raymond James expressed no opinion as the underlying business decision of the Pacific Premier board to effect the merger, the structure or tax consequences of the merger or the availability or

Table of Contents

advisability of any alternatives to the merger. Raymond James did not recommend any specific amount of consideration or that any specific consideration constituted the only appropriate consideration for the merger. Raymond James did not advise Pacific Premier with respect to its strategic alternatives. Raymond James did not express any opinion as to the value of Pacific Premier common stock following the merger or the likely trading range of Pacific Premier common stock following the merger, which may vary depending on numerous factors that generally impact the price of securities or on the financial condition of Pacific Premier at that time.

Raymond James's opinion is limited to the fairness, from a financial point of view, to Pacific Premier of the exchange ratio in the merger pursuant to the merger agreement. Raymond James expressed no opinion with respect to any other reasons, legal, business, or otherwise, that may support the decision of the Pacific Premier board to approve or consummate the merger. Furthermore, no opinion, advice or interpretation was intended or provided by Raymond James on matters that require legal, accounting or tax advice.

In formulating its opinion, Raymond James considered only what it understood to be the exchange ratio in the merger as described in its opinion, and Raymond James did not consider and Raymond James expressed no opinion on the fairness of the amount or nature of any compensation to be paid or payable to any of Grandpoint's officers, directors or employees, or class of such persons, whether relative to the exchange ratio or otherwise. Raymond James was not requested to opine as to, and its opinion did not express an opinion as to or otherwise address, among other things, (i) the fairness of the merger, relative or otherwise, to the holders of any class of securities, creditors, or other constituencies of Pacific Premier, or to any other party or (ii) the fairness of the merger to any one class or group of Pacific Premier's or any other party's security holders or other constituencies vis-à-vis any other class or group of Pacific Premier's or such other party's security holders or other constituents (including, without limitation, the allocation of any such consideration to be received in the merger amongst or within such classes or groups of security holders or other constituents). Raymond James did not express any opinion as to the impact of the merger on the solvency or viability of Pacific Premier or Grandpoint or the ability of Pacific Premier or Grandpoint to pay their respective obligations when they come due.

Material Financial Analyses

The following summarizes the material financial analyses reviewed by Raymond James with the Pacific Premier board during its meeting on February 9, 2018. Unless the context indicates otherwise, the analyses relied upon the closing price of the common stock of the selected companies listed below as of February 8, 2018. Unless otherwise indicated, for each of the following analyses performed by Raymond James, financial and market data and earnings per share estimates for the selected companies were based on the companies' filings with the Commission and certain publicly available research analyst estimates for those companies.

Contribution Analysis. Raymond James analyzed the relative contribution of Pacific Premier and Grandpoint to certain financial and operating metrics for the pro forma combined company resulting from the merger. Such financial and operating metrics included: (i) gross loans; (ii) deposits; (iii) tangible common equity; (iv) 2017 net income; (v) 2018 estimated net income based on the projected financial information provided to Raymond James by Pacific Premier management (vi) 2019 estimated net income estimates based on the projected financial information provided to Raymond James by Pacific Premier management. The relative contribution analysis did not give effect to any

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

synergies or purchase accounting adjustments as a result of the merger. The results of this analysis are summarized in the table below:

	Relative Contribution		Implied Exchange
	Pacific Premier	Grandpoint	
Gross Loans	72.5%	27.5%	0.5168x
Deposits	71.9	28.1	0.5307
Tangible Common Equity	70.9	29.1	0.5580
2017 Net Income	71.1	28.9	0.5518
2018E Net Income	76.1	23.9	0.4294
2019E Net Income	76.8	23.2	0.4144
Exchange Ratio in the Merger			0.4750

Selected Companies Analysis. Raymond James reviewed certain data for two selected groups of companies with publicly traded equity securities that it deemed relevant for its analysis. The two selected groups represent companies believed comparable for Pacific Premier and Grandpoint, respectively. The financial data reviewed included (i) tangible book value per share; (ii) 2017 earnings per share, for which data was available (which was year ended December 31, 2017); and (iii) publicly available analysts' consensus estimates for earnings per share for the fiscal years 2018 and 2019. No company used in the analyses described below is identical or directly comparable to Pacific Premier or Grandpoint. The selected companies and resulting data are below:

Pacific Premier Comparable Group

Banner Corp. (BANR)

BofI Holding Inc. (BOFI)

CVB Financial Corp. (CVBF)

Opus Bank (OPB)

HomeStreet Inc. (HMST)

Luther Burbank Corp. (LBC)

Westamerica Bancorp (WABC)

Hanmi Financial Corp. (HAFC)

Grandpoint Comparable Group

National Bank Holdings Corp (NBHC)

TriCo Bancshares (TCBK)

First Foundation Inc. (FFWM)

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Heritage Financial Corp. (HFWA)

CoBiz Financial Inc. (COBZ)

Preferred Bank (PFBC)

Community Bank (CYHT)

Guaranty Bancorp (GBNK)

Farmers & Merchants Bancorp (FMCB)

1867 Western Financial Corp. (WFCL)

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

Heritage Commerce Corp. (HTBK)

Exchange Bank (EXSR)

Bank of Marin Bancorp (BMRC)

Sierra Bancorp (BSRR)

River City Bank (RCBC)

	Pacific Premier Multiples		Grandpoint Multiples	
	Mean	Median	Mean	Median
Tangible Book Value	196%	174%	195%	183%
2017 EPS	19.4x	19.5x	20.5x	20.8x
2018E EPS	15.6x	15.8x	14.9x	14.7x
2019E EPS	13.5x	13.0x	13.1x	12.9x

Taking into account the results of the selected companies analysis, Raymond James applied the mean and median of the price to tangible book value ratio and price to earnings per share multiples to corresponding financial data for each of Pacific Premier and Grandpoint. For Pacific Premier, Raymond James used the means and medians of the banks and thrifts for the Pacific Premier Comparable Group above, which group it deemed to include companies with operating results similar to Pacific Premier. For Grandpoint, Raymond James used the banks and thrifts in the Grandpoint Comparable Group above. Raymond James reviewed the ranges of implied per share values and calculated a range of implied exchange ratios by dividing the higher implied per share value of Grandpoint by the lower implied per share value of Pacific Premier to calculate the high implied exchange ratio, and by dividing the lower implied per share value of Grandpoint by the higher implied per share value of Pacific Premier to calculate the low implied exchange ratio. The results of the selected companies analysis are summarized below:

	Implied Equity Value				Implied Exchange Ratio	
	Pacific Premier		Grandpoint		Low/High	High/Low
	Mean	Median	Mean	Median		
Tangible Book Value	29.86	26.50	17.10	16.02	0.5364x - 0.6452x	
2017 EPS	30.24	30.40	15.19	15.38	0.4995x - 0.5087x	
2018E EPS	41.62	42.16	17.72	17.47	0.4143x - 0.4257x	
2019E EPS	40.62	39.37	17.04	16.78	0.4131x - 0.4329x	
Exchange Ratio in the Merger					0.4750x	

Discounted Cash Flow Analysis. Raymond James performed a discounted cash flow analysis of Pacific Premier and Grandpoint based on the projected financial information provided to Raymond James and approved for use by Pacific Premier management. In performing this analysis, Raymond James applied two different methodologies for calculating the terminal values for each of Pacific Premier and Grandpoint. Raymond James applied a range of terminal values using (i) multiples of 11.0x to 13.0x applied to estimated 2023 earnings for Pacific Premier and Grandpoint. Raymond James arrived at its terminal value multiple ranges by observing the price to 2019 estimated earnings for both selected company groups. For Pacific Premier, Raymond James used discount rates ranging from 10.0% to 11.5%. For Grandpoint, Raymond James used discount rates ranging from 11.5% to 13.5%. Raymond James arrived at its discount ranges by using the Modified CAPM methodology as presented in the 2017 Duff & Phelps Valuation Handbook. Raymond James reviewed the ranges of implied per share values indicated by the discounted cash flow analysis for each of Pacific Premier and Grandpoint and calculated a range of implied exchange ratios by dividing the maximum implied per share value of Grandpoint by the minimum implied per share value of Pacific Premier common stock to calculate the

Table of Contents

maximum implied exchange ratio, and by dividing the minimum implied per share value of Grandpoint by the maximum implied per share value of Pacific Premier to calculate the minimum implied exchange ratio. The results of the discounted cash flow analysis are summarized in the table below:

	Implied Equity Value				Implied Exchange Ratio	
	Pacific Premier		Grandpoint		Low/High	High/Low
	Low	High	Low	High		
Net Income Terminal Multiple	\$ 35.31	\$ 48.84	\$ 13.26	\$ 18.22	0.27x - 0.52x	
Exchange Ratio in the Merger					0.4750x	

Pro Forma Impact Analysis. Raymond James performed a pro forma financial impact analysis that combined projected income statement and balance sheet information of Pacific Premier and Grandpoint. Using (i) closing balance sheet estimates as of June 30, 2018 for Pacific Premier and Grandpoint based on Pacific Premier's management estimates; (ii) financial forecasts and projections of Pacific Premier and Grandpoint for the years ending 2018 through 2023, as provided by Pacific Premier management and (iii) pro forma assumptions (including, without limitation, the cost savings expected to result from the merger as well as the purchase accounting adjustments and restructuring charges assumed with respect thereto) provided by Pacific Premier management. Raymond James analyzed the estimated financial impact of the merger on certain projected financial results. This analysis indicated that the merger could be dilutive to Pacific Premier's estimated tangible book value per share at June 30, 2018, accretive to Pacific Premier's estimated full year 2018 earnings per share (excluding the impact of one-time deal charges) and accretive to Pacific Premier's estimated 2019 earnings per share. For all of the above analysis, the actual results achieved by Pacific Premier following the merger may vary from the projected results, and the variations may be material.

Additional Considerations. The preparation of a fairness opinion is a complex process and is not susceptible to a partial analysis or summary description. Raymond James believes that its analyses must be considered as a whole and that selecting portions of its analyses, without considering the analyses taken as a whole, would create an incomplete view of the process underlying its opinion. In addition, Raymond James considered the results of all such analyses and did not assign relative weights to any of the analyses, but rather made qualitative judgments as to significance and relevance of each analysis and factor.

In performing its analyses, Raymond James made numerous assumptions with respect to industry performance, general business, economic and regulatory conditions and other matters, many of which are beyond the control of Pacific Premier and Grandpoint. The analyses performed by Raymond James are not necessarily indicative of actual values, trading values or actual future results which might be achieved, all of which may be significantly more or less favorable than suggested by such analyses. The analyses do not purport to be appraisals or to reflect the prices at which companies may actually be sold, and such estimates are inherently subject to uncertainty. The opinion of Raymond James was one of many factors taken into account by the Pacific Premier board in making its determination to approve the merger. Neither Raymond James's opinion nor the analyses described above should be viewed as determinative of positions held by the Pacific Premier board or Pacific Premier management with respect to Pacific Premier, Grandpoint or the merger.

Raymond James's opinion was based upon market, economic, financial and other circumstances and conditions existing and disclosed to Raymond James as of February 8, 2018. Although subsequent developments may affect the opinion of Raymond James, Raymond James does not have any obligation to update, revise or reaffirm its opinion.

Raymond James is actively engaged in the investment banking business and regularly undertakes the valuation of investment securities in connection with public offerings, private placements, business combinations and similar transactions. Pacific Premier selected Raymond James to serve as financial

Table of Contents

advisor with request to proposed merger in part because it is a nationally recognized investment banking firm that regularly advises companies in connection with mergers and acquisitions and because of its familiarity with Pacific Premier and the financial services industry generally.

For its services as financial advisor to Pacific Premier in connection with the merger, Raymond James will receive a customary transaction fee of \$4.0 million, which fee is contingent upon successful completion of the merger. Upon the rendering of its opinion, Raymond James became entitled to a fee of \$300,000, which fee is not contingent upon the successful completion of the merger.

In the ordinary course of Raymond James's business, Raymond James may trade in the securities of Pacific Premier for its own account or for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities. In the ordinary course of Raymond James's business, Raymond James may trade in the securities of Grandpoint for its own account or for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities.

Opinion of Grandpoint's Financial Advisor

Grandpoint engaged KBW to render financial advisory and investment banking services to Grandpoint, including an opinion to the Grandpoint board as to the fairness, from a financial point of view, to the holders of Grandpoint common stock of the exchange ratio in the proposed merger of Grandpoint with and into Pacific Premier. Grandpoint selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger. As part of its investment banking business, KBW is continually engaged in the valuation of financial services businesses and their securities in connection with mergers and acquisitions.

As part of its engagement, representatives of KBW attended the meeting of the Grandpoint board held on February 9, 2018, at which the Grandpoint board evaluated the proposed merger. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered to the Grandpoint board an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in its opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of Grandpoint common stock. The Grandpoint board approved the merger agreement at this meeting.

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as Appendix C to this prospectus/proxy and consent solicitation statement and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion.

KBW's opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the Grandpoint board (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion addressed only the fairness, from a financial point of view, of the exchange ratio in the merger to the holders of Grandpoint common stock. It did not address the underlying business decision of Grandpoint to engage in the merger or enter into the merger agreement or constitute a recommendation to the Grandpoint board in connection with the merger, and it does not constitute a recommendation to any holder of Grandpoint common stock or any shareholder of any other entity as to how to vote or act in connection with the merger or any other matter (including, with respect to holders of Grandpoint common stock, whether any such shareholder should provide its written consent), nor does it constitute a recommendation regarding whether or not any such shareholder should enter into a support, voting, shareholders', or affiliates' agreement with respect to the merger or exercise any dissenters' or appraisal rights that may be available to such shareholder.

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

KBW's opinion was reviewed and approved by KBW's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

In connection with the opinion, KBW reviewed, analyzed and relied upon material bearing upon the financial and operating condition of Grandpoint and Pacific Premier and bearing upon the merger, including, among other things:

a draft of the merger agreement dated February 7, 2018 (the most recent draft then made available to KBW);

the audited financial statements for the three fiscal years ended December 31, 2016 of Grandpoint;

the unaudited quarterly financial statements for the periods ended March 31, 2017, June 30, 2017 and September 30, 2017 of Grandpoint;

certain unaudited quarterly and year-end financial results for the quarter and fiscal year ended December 31, 2017 of Grandpoint (provided to KBW by representatives of Grandpoint);

the audited financial statements and Annual Reports on Form 10-K for the three fiscal years ended December 31, 2016 of Pacific Premier;

the unaudited quarterly financial results and Quarterly Report on Form 10-Q for the periods ended March 31, 2017, June 30, 2017 and September 30, 2017 of Pacific Premier;

certain unaudited quarterly and year-end financial results for the quarter and fiscal year ended December 31, 2017 of Pacific Premier (contained in the Current Report on Form 8-K filed by Pacific Premier with the Commission on January 30, 2018);

certain regulatory filings of Grandpoint and Pacific Premier and their respective subsidiaries, including the quarterly reports on Form FR Y-9C and call reports filed with respect to each quarter during the three-year period ended December 31, 2017;

certain other interim reports and other communications of Grandpoint and Pacific Premier to their respective shareholders; and

other financial information concerning the businesses and operations of Grandpoint and Pacific Premier that was furnished to KBW by Grandpoint and Pacific Premier or which KBW was otherwise directed to use for purposes of KBW's analyses.

KBW's consideration of financial information and other factors that it deemed appropriate under the circumstances or relevant to its analyses included, among others, the following:

the historical and current financial position and results of operations of Grandpoint and Pacific Premier;

the assets and liabilities of Grandpoint and Pacific Premier;

the nature and terms of certain other merger transactions and business combinations in the banking industry;

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

a comparison of certain financial and stock market information for Grandpoint and Pacific Premier with similar information for certain other companies the securities of which were publicly traded;

financial and operating forecasts and projections of Grandpoint that were prepared by, and provided to KBW and discussed with KBW by, Grandpoint management and that were used and

Table of Contents

relied upon by KBW at the direction of such management and with the consent of the Grandpoint board;

publicly available consensus "street estimates" of Pacific Premier, as well as assumed long-term Pacific Premier growth rates provided to KBW by Pacific Premier management, all of which information was discussed with KBW by Pacific Premier management and used and relied upon by KBW based on such discussions, at the direction of Grandpoint management and with the consent of the Grandpoint board; and

estimates regarding certain pro forma financial effects of the merger on Pacific Premier (including, without limitation, the cost savings and related expenses expected to result or be derived from the merger) that were prepared by, and provided to and discussed with KBW by, Pacific Premier management and that were used and relied upon by KBW based on such discussions, at the direction of Grandpoint management and with the consent of the Grandpoint board.

KBW also performed such other studies and analyses as it considered appropriate and took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuation and knowledge of the banking industry generally. KBW also participated in discussions held by the managements of Grandpoint and Pacific Premier regarding the past and current business operations, regulatory relations, financial condition and future prospects of their respective companies and such other matters as KBW deemed relevant to its inquiry. In addition, KBW considered the results of the efforts undertaken by Grandpoint, with KBW's assistance, to solicit indications of interest from third parties regarding a potential transaction with Grandpoint.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information that was provided to it or that was publicly available and did not independently verify the accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied upon the management of Grandpoint as to the reasonableness and achievability of the financial and operating projections of Grandpoint referred to above (and the assumptions set forth therein and bases therefor), and KBW assumed that such forecasts and projections were reasonably prepared and represented the best currently available estimates and judgments of such management and that such forecasts and projections would be realized in the amounts and in the time periods estimated by such management. KBW further relied, with the consent of Grandpoint, upon Pacific Premier management as to the reasonableness and achievability of the publicly available consensus "street estimates" of Pacific Premier, the assumed Pacific Premier long-term growth rates, and the estimates regarding certain pro forma financial effects of the merger on Pacific Premier, all as referred to above (and the assumptions set forth in and bases for all such information, including, without limitation, the cost savings and related expenses expected to result or be derived from the merger), and KBW assumed that all such information was reasonably prepared and represented, or in the case of the Pacific Premier "street estimates" referred to above that such estimates were consistent with, the best currently available estimates and judgments of Pacific Premier management and that the forecasts, projections and estimates reflected in such information would be realized in the amounts and in the time periods estimated.

It is understood that the portion of the foregoing financial information of Grandpoint and Pacific Premier that was provided to KBW was not prepared with the expectation of public disclosure, that all of the foregoing financial information, including the publicly available consensus "street estimates" of Pacific Premier referred to above, was based on numerous variables and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions and that, accordingly, actual results could vary significantly from those set forth in such

Table of Contents

information. KBW assumed, based on discussions with the respective managements of Grandpoint and Pacific Premier and with the consent of the Grandpoint board, that all such information provided a reasonable basis upon which KBW could form its opinion and KBW expressed no view as to any such information or the assumptions or bases therefor. KBW relied on all such information without independent verification or analysis and did not in any respect assume any responsibility or liability for the accuracy or completeness thereof.

KBW also assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of either Grandpoint or Pacific Premier since the date of the last financial statements of each such entity that were made available to KBW. KBW is not an expert in the independent verification of the adequacy of allowances for loan and lease losses and KBW assumed, without independent verification and with Grandpoint's consent, that the aggregate allowances for loan and lease losses for Grandpoint and Pacific Premier are adequate to cover such losses. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals or physical inspection of the property, assets or liabilities (contingent or otherwise) of Grandpoint or Pacific Premier, the collateral securing any of such assets or liabilities, or the collectability of any such assets, nor did KBW examine any individual loan or credit files, nor did it evaluate the solvency, financial capability or fair value of Grandpoint or Pacific Premier under any state or federal laws, including those relating to bankruptcy, insolvency or other matters. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold. Because such estimates are inherently subject to uncertainty, KBW assumed no responsibility or liability for their accuracy.

KBW assumed, in all respects material to its analyses:

that the merger and any related transactions (including the subsidiary bank merger) would be completed substantially in accordance with the terms set forth in the merger agreement (the final terms of which KBW assumed would not differ in any respect material to KBW's analyses from the draft reviewed and referred to above) with no adjustments to the exchange ratio and with no other consideration or payments in respect of Grandpoint common stock;

that the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement were true and correct;

that each party to the merger agreement and all related documents would perform all of the covenants and agreements required to be performed by such party under such documents;

that there were no factors that would delay or subject to any adverse conditions, any necessary regulatory or governmental approval for the merger or any related transactions (including the bank merger) and that all conditions to the completion of the merger and any related transaction would be satisfied without any waivers or modifications to the merger agreement or any of the related documents; and

that in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger and any related transaction (including the bank merger), no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, would be imposed that would have a material adverse effect on the future results of operations or financial condition of Grandpoint, Pacific Premier or the pro forma entity, or the contemplated benefits of the merger, including without limitation the cost savings and related expenses expected to result or be derived from the merger.

KBW assumed that the merger would be consummated in a manner that complies with the applicable provisions of the Securities Act, the Exchange Act and all other applicable federal and state statutes, rules and regulations. KBW was further advised by representatives of Grandpoint that Grandpoint relied upon advice from its advisors (other than KBW) or other appropriate sources as to

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

all legal, financial reporting, tax, accounting and regulatory matters with respect to Grandpoint, Pacific Premier, the merger and any related transaction (including the subsidiary bank merger), and the merger agreement. KBW did not provide advice with respect to any such matters.

KBW's opinion addressed only the fairness, from a financial point of view, as of the date of the opinion, of the exchange ratio in the merger to the holders of Grandpoint common stock, without regard to any differences between Grandpoint voting common stock and Grandpoint non-voting common stock and without regard to the individual circumstances of any specific holders which may distinguish such holders. KBW expressed no view or opinion as to any other terms or aspects of the merger or any term or aspect of any related transaction (including the subsidiary bank merger), including without limitation, the form or structure of the merger or any such related transaction, any consequences of the merger or any such related transaction to Grandpoint, its shareholders, creditors or otherwise, or any terms, aspects, merits or implications of any employment, consulting, voting, support, shareholder or other agreements, arrangements or understandings contemplated or entered into in connection with the merger or otherwise. KBW's opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through such date. Developments subsequent to the date of KBW's opinion may have affected, and may affect, the conclusion reached in KBW's opinion and KBW did not and does not have an obligation to update, revise or reaffirm its opinion. KBW's opinion did not address, and KBW expressed no view or opinion with respect to:

the underlying business decision of Grandpoint to engage in the merger or enter into the merger agreement;

the relative merits of the merger as compared to any strategic alternatives that are, have been or may be available to or contemplated by Grandpoint or the Grandpoint board;

the fairness of the amount or nature of any compensation to any of Grandpoint's officers, directors or employees, or any class of such persons, relative to the compensation to the holders of Grandpoint common stock;

the effect of the merger or any related transaction on, or the fairness of the consideration to be received by, holders of any class of securities of Grandpoint (other than the holders of Grandpoint common stock solely with respect to the exchange ratio as described in KBW's opinion and not relative to the consideration to be received by holders of any other class of securities) or holders of any class of securities of Pacific Premier or any other party to any transaction contemplated by the merger agreement;

the relative fairness of the exchange ratio as between holders of Grandpoint voting common stock and Grandpoint non-voting common stock;

the actual value of Pacific Premier common stock to be issued in the merger;

the prices, trading range or volume at which Pacific Premier common stock and Grandpoint common stock would trade following the public announcement of the merger or the prices, trading range or volume at which Pacific Premier common stock would trade following the consummation of the merger;

any advice or opinions provided by any other advisor to any of the parties to the merger or any other transaction contemplated by the merger agreement; or

any legal, regulatory, accounting, tax or similar matters relating to Grandpoint, Pacific Premier, their respective shareholders, or relating to or arising out of or as a consequence of the merger or any related transaction (including the bank merger), including whether or not the merger would qualify as a tax-free reorganization for United States federal income tax purposes.

Table of Contents

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, Grandpoint and Pacific Premier. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the Grandpoint board in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the Grandpoint board with respect to the fairness of the exchange ratio. The type and amount of consideration payable in the merger were determined through negotiation between Grandpoint and Pacific Premier and the decision of Grandpoint to enter into the merger agreement was solely that of the Grandpoint board.

The following is a summary of the material financial analyses presented by KBW to the Grandpoint board in connection with its opinion. The summary is not a complete description of the financial analyses underlying the opinion or the presentation made by KBW to the Grandpoint board, but summarizes the material analyses performed and presented in connection with such opinion. The financial analyses summarized below includes information presented in tabular format. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion.

For purposes of the financial analyses described below, KBW utilized an implied transaction value for the proposed merger of \$18.86 per outstanding share of Grandpoint common stock based on the 0.4750x exchange ratio in the merger and the closing price of Pacific Premier common stock on February 6, 2018.

Pacific Premier Selected Companies Analyses. Using publicly available information, KBW compared the financial performance, financial condition and market performance of Pacific Premier to 15 selected banks which were traded on NASDAQ, the New York Stock Exchange or the New York Stock Exchange Market, were headquartered in the United States, had total assets between \$8 billion and \$25 billion, had a core return on average assets, or Core ROAA, greater than 1.25% for the most recent available completed quarterly period, or MRQ, and had nonperforming assets as a percentage of gross loans and other real estate owned, or OREO, less than 1.25%. Saving banks, thrifts, merger targets and ethnic-focused institutions were excluded from the selected companies.

Table of Contents

The selected companies were as follows:

Bank of the Ozarks	Home BancShares, Inc.
Chemical Financial Corporation	International Bancshares Corporation
Columbia Banking System, Inc.	PacWest Bancorp
Community Bank System, Inc.	Pinnacle Financial Partners, Inc.
CVB Financial Corp.	Renasant Corporation
FCB Financial Holdings, Inc.	South State Corporation
First Merchants Corporation	Western Alliance Bancorporation
Hilltop Holdings Inc.	

To perform this analysis, KBW used profitability and other financial information for the latest 12 months, or LTM, or most recent completed quarterly period available (which in the case of Pacific Premier was the period ended December 31, 2017) or as of the end of such period and market price information as of February 6, 2018. KBW also used 2018 and 2019 earnings per share, or EPS, estimates taken from publicly available consensus "street estimates" for Pacific Premier and the selected companies. Where consolidated holding company level financial data for the selected companies was unreported, subsidiary bank level data was utilized to calculate ratios. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in Pacific Premier's historical financial statements, or the data prepared by Pacific Premier's financial advisor presented under the section "The Merger Opinion of Pacific Premier's Financial Advisor", as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance of Pacific Premier and the selected companies:

	Selected Companies				
	Pacific Premier	25 th Percentile	Median	Average	75 th Percentile
MRQ Core Return on Average Assets(1)	1.46%	1.31%	1.37%	1.45%	1.51%
MRQ Core Return on Average Equity(1)	9.38	8.77	9.45	9.97	10.74
MRQ Core Return on Average Tangible Common Equity(1)	15.78	11.84	13.44	14.20	16.79
MRQ Net Interest Margin	4.60	3.69	4.10	4.06	4.42
MRQ Fee Income / Revenue(2)	10.8	11.4	18.5	22.3	25.8
MRQ Efficiency Ratio	48.3	53.8	50.7	49.5	41.6

- (1) MRQ core earnings excluded realized gain on sale of securities, nonrecurring revenue and expenses, goodwill impairment and amortization of intangibles, extraordinary items and one-time tax expenses related to the revaluation of deferred tax assets due to the Tax Cuts and Jobs Act of 2017.
- (2) Excluded gains/losses on sale of securities.

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

KBW's analysis also showed the following concerning the financial condition of Pacific Premier and the selected companies:

	Selected Companies				
	Pacific Premier	25 th Percentile	Median	Average	75 th Percentile
Tangible Common Equity / Tangible Assets	9.42%	9.17%	9.56%	10.20%	11.06%
Total Capital Ratio	12.57	12.92	13.69	14.50	15.85
Loans / Deposits	101.8	94.6	92.0	88.3	80.1
Loan Loss Reserves / Loans	0.47	0.59	0.80	0.81	1.01
Nonperforming Assets / Loans + OREO	0.06	0.91	0.61	0.70	0.46
Net Charge-offs / Average Loans	0.03	0.18	0.04	0.12	0.02

In addition, KBW's analysis showed the following concerning the market performance of Pacific Premier and, to the extent publicly available, the selected companies:

	Selected Companies				
	Pacific Premier	25 th Percentile	Median	Average	75 th Percentile
One-Year Stock Price Change	1.7%	(8.6)%	1.5%	0.8%	5.5%
One-Year Total Return	1.7	(7.2)	3.0	2.4	7.6
Year-To-Date Stock Price Change	(0.7)	(2.8)	(0.2)	(0.2)	1.9
Price / Tangible Book Value per Share	2.60x	2.30x	2.62x	2.53x	2.74x
Price / LTM Core EPS(1)	18.8	16.9	17.7	17.7	18.7
Price / 2018E EPS	14.8	13.7	14.4	14.6	15.1
Price / 2019E EPS	13.0	12.6	12.9	13.3	13.6
Dividend Yield	0.0%	1.2%	1.7%	1.7%	2.1%
LTM Dividend Payout Ratio	0.0	21.0	32.5	33.9	46.2

- (1) LTM core earnings excluded realized gain on sale of securities, nonrecurring revenue and expenses, goodwill impairment and amortization of intangibles, extraordinary items and one-time tax expenses related to the revaluation of deferred tax assets due to the Tax Cuts and Jobs Act of 2017.

No company used as a comparison in the above selected companies analysis is identical to Pacific Premier. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Grandpoint Selected Companies Analyses. Using publicly available information, KBW compared the financial performance, financial condition and market performance of Grandpoint to 10 selected banks which were traded on NASDAQ, the New York Stock Exchange or the New York Stock Exchange Market, were headquartered in the Western United States region (defined as Alaska, Arizona, California, Colorado, Hawaii, Idaho, New Mexico, Nevada, Montana, Oregon, Utah, Washington or Wyoming) and had total assets between \$2 billion and \$5 billion. Saving banks, thrifts, merger targets and ethnic-focused institutions were excluded from the selected companies.

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

The selected companies were as follows:

Bank of Marin Bancorp	Heritage Financial Corporation
CoBiz Financial Inc.	National Bank Holdings Corporation
First Foundation Inc.	People's Utah Bancorp
Guaranty Bancorp	Sierra Bancorp
Heritage Commerce Corp	TriCo Bancshares

To perform this analysis, KBW used profitability and other financial information for the latest 12 months or most recent completed quarterly period available (which in the case of Grandpoint was the period ended December 31, 2017) or as of the end of such period and market price information as of February 6, 2018. KBW also used 2018 and 2019 EPS estimates taken from financial forecasts and projections of Grandpoint provided by Grandpoint management and publicly available consensus "street estimates" for the selected companies. Where consolidated holding company level financial data for the selected companies was unreported, subsidiary bank level data was utilized to calculate ratios. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in Grandpoint's historical financial statements, or the data prepared by Pacific Premier's financial advisor presented under the section "The Merger Opinion of Pacific Premier's Financial Advisor", as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance of Grandpoint and the selected companies:

	Selected Companies				
	Grandpoint	25 th Percentile	Median	Average	75 th Percentile
MRQ Core Return on Average Assets(1)	0.78%	0.96%	1.18%	1.16%	1.34%
MRQ Core Return on Average Equity(1)	6.66	9.08	11.36	10.88	12.84
MRQ Core Return on Average Tangible Common Equity(1)	7.92	10.19	13.11	12.31	14.08
MRQ Net Interest Margin	3.89	3.82	3.94	3.96	4.20
MRQ Fee Income / Revenue(2)	7.0	16.2	18.8	17.6	19.3
MRQ Efficiency Ratio	67.4	61.1	59.9	58.4	55.2

- (1) MRQ core earnings excluded realized gain on sale of securities, nonrecurring revenue and expenses, goodwill impairment and amortization of intangibles, extraordinary items and one-time tax expenses related to the revaluation of deferred tax assets due to the Tax Cuts and Jobs Act of 2017.
- (2) Excluded gains/losses on sale of securities.

KBW's analysis also showed the following concerning the financial condition of Grandpoint and the selected companies:

	Selected Companies				
	Grandpoint	25 th Percentile	Median	Average	75 th Percentile
Tangible Common Equity / Tangible Assets	9.26%	8.66%	9.42%	9.33%	9.80%
Total Capital Ratio	11.44	13.48	14.20	14.09	14.66
Loans / Deposits	99.4	94.0	81.9	84.8	78.2
Loan Loss Reserves / Loans	0.80	0.86	0.99	0.95	1.12
Nonperforming Assets / Loans + OREO	0.56	1.25	1.20	1.03	0.73
Net Charge-offs / Average Loans	(0.05)	0.01	(0.00)	(0.01)	(0.02)

Table of Contents

In addition, KBW's analysis showed the following concerning the market performance of Grandpoint and, to the extent publicly available, the selected companies:

	Selected Companies				
	Grandpoint	25 th Percentile	Median	Average	75 th Percentile
One-Year Stock Price Change	25.0%	(0.8)%	9.7%	8.4%	16.0%
One-Year Total Return	37.0	1.1	11.8	10.2	18.7
Year-To-Date Stock Price Change	(0.7)	(2.9)	(1.3)	(1.8)	(0.5)
Price / Tangible Book Value per Share	2.29x	1.84x	2.13x	2.16x	2.45x
Price / LTM Core EPS(1)	21.5	17.9	19.1	20.3	23.2
Price / 2018E EPS	15.6	14.6	15.2	15.5	16.4
Price / 2019E EPS	13.8	12.5	13.4	13.4	14.2
Dividend Yield	3.0%(2)	1.2%	1.7%	1.6%	1.8%
LTM Dividend Payout Ratio	245.9(3)	32.8	39.6	39.4	46.4

- (1) LTM core earnings excluded realized gain on sale of securities, nonrecurring revenue and expenses, goodwill impairment and amortization of intangibles, extraordinary items and one-time tax expenses related to the revaluation of deferred tax assets due to the Tax Cuts and Jobs Act of 2017.
- (2) Based on Grandpoint's regular quarterly cash dividend.
- (3) Based on Grandpoint's regular quarterly cash dividend and one-time special dividend paid in the fourth quarter of 2017.

KBW also compared the market performance of Grandpoint and the selected companies described above to the implied transaction multiples for the proposed merger (based on the implied transaction value for the proposed merger of \$18.86 per outstanding share of Grandpoint common stock) of 2.15x Grandpoint's tangible book value per share as of December 31, 2017, 20.3x Grandpoint's LTM EPS, 14.8x Grandpoint's estimated 2018 EPS and 13.0x Grandpoint's estimated 2019 EPS.

No company used as a comparison in the above selected companies analysis is identical to Grandpoint. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Select Transactions Analysis Nationwide Transactions. KBW reviewed publicly available information related to 25 selected U.S. whole bank transactions announced since January 1, 2016 with announced transaction values between \$250 million and \$1 billion. Transactions with non-bank buyers, merger-of-equals transactions, transactions with buyers with MRQ noninterest income as a percentage of operating revenue greater than 50%, transactions with no reported deal value (as defined by S&P Global Market Intelligence), terminated transactions and 100% cash transactions were excluded from the selected transactions.

Table of Contents

The selected transactions were as follows:

Acquiror	Acquired Company
Ameris Bancorp	Hamilton State Bancshares, Inc.
Cathay General Bancorp	SinoPac Bancorp
CenterState Bank Corporation	HCBF Holding Company, Inc.
Columbia Banking System, Inc.	Pacific Continental Corporation
Community Bank System, Inc.	Merchants Bancshares, Inc.
First Interstate BancSystem, Inc.	Cascade Bancorp
First Merchants Corporation	Independent Alliance Banks, Inc.
First Midwest Bancorp, Inc.	Standard Bancshares, Inc.
Home BancShares, Inc.	Stonegate Bank
Independent Bank Group, Inc.	Carlisle Bancshares, Inc.
OceanFirst Financial Corp.	Sun Bancorp, Inc.
Old National Bancorp	Anchor Bancorp, Inc.
Pacific Premier Bancorp, Inc.	Heritage Oaks Bancorp
PacWest Bancorp	CU Bancorp
People's United Financial, Inc.	Suffolk Bancorp
Sandy Spring Bancorp, Inc.	WashingtonFirst Bankshares, Inc.
Simmons First National Corporation	First Texas BHC, Inc.
Simmons First National Corporation	Southwest Bancorp, Inc.
South State Corporation	Park Sterling Corporation
South State Corporation	Southeastern Bank Financial Corporation
TowneBank	Paragon Commercial Corporation
TriCo Bancshares	FNB Bancorp
Union Bankshares Corporation	Xenith Bankshares, Inc.
United Bankshares, Inc.	Cardinal Financial Corporation
Valley National Bancorp	USAmeriBancorp, Inc.

For each selected transaction, KBW derived the following implied transaction statistics, in each case based on the transaction consideration value paid for the acquired company and using financial data based on the acquired company's then latest publicly available financial statements and, to the extent publicly available, then next year EPS consensus "street estimates" prior to the announcement of the respective transaction:

Price per common share to tangible book value per share of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by total tangible common equity);

Price per common share to LTM EPS of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by LTM earnings);

Price per common share to next year estimated EPS of the acquired company in the fourteen selected transactions in which consensus "street estimates" for the acquired company were then available; and

Tangible equity premium to core deposits (total deposits less time deposits greater than \$100,000) of the acquired company, referred to as core deposit premium.

KBW also reviewed the price per common share paid for the acquired company for the 17 selected transactions involving publicly traded acquired companies as a premium to the closing price of the acquired company one day prior to the announcement of the acquisition (expressed as a percentage and referred to as the one day market premium). The above transaction statistics for the selected

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

transactions were compared with the corresponding transaction statistics for the proposed merger based on the implied transaction value for the proposed merger of \$18.86 per outstanding share of Grandpoint common stock and using historical financial information for Grandpoint as of or for the 12 month period ended December 31, 2017, financial forecasts and projections of Grandpoint for the next twelve months ending December 31, 2018 provided by Grandpoint management and the closing price of Grandpoint common stock on February 6, 2018.

The results of the analysis are set forth in the following table (excluding the impact of the LTM EPS multiples for four of the selected transactions and the next year estimated EPS multiple for one of the selected transactions, which multiples were considered to be not meaningful because it was greater than 30.0x or negative):

	Pacific Premier / Grandpoint	Selected Transactions			
		25 th Percentile	Median	Average	75 th Percentile
Price / Tangible Book Value per Share	2.15x	1.94x	2.15x	2.18x	2.45x
Price / LTM EPS	20.3	18.2	22.0	21.3	25.3
Price / Next Year EPS	14.8(1)	17.9	18.8	19.4	20.2
Core Deposit Premium	16.3%	11.9%	16.4%	15.9%	18.7%
One-Day Market Premium	(5.7)(1)	2.8	10.4	18.4	29.1

(1) For reference purposes only.

No company or transaction used as a comparison in the above selected transaction analysis is identical to Grandpoint or the proposed merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Select Transactions Analysis California Transactions. KBW reviewed publicly available information related to six selected whole bank transactions with acquired companies headquartered in California announced since January 1, 2016 with announced transaction values greater than \$100 million. Transactions with non-bank buyers, merger-of-equals transactions, transactions with buyers with MRQ noninterest income as a percentage of operating revenue greater than 50%, transactions with no reported deal value (as defined by S&P Global Market Intelligence), terminated transactions and 100% cash transactions were excluded from the selected transactions.

The selected transactions were as follows:

Acquiror	Acquired Company
Cathay General Bancorp	SinoPac Bancorp
First Foundation Inc.	PBB Bancorp
Pacific Premier Bancorp, Inc.	Plaza Bancorp
Pacific Premier Bancorp, Inc.	Heritage Oaks Bancorp
PacWest Bancorp	CU Bancorp
TriCo Bancshares	FNB Bancorp

For each selected transaction, KBW derived the following implied transaction statistics, in each case based on the transaction consideration value paid for the acquired company and using financial data based on the acquired company's then latest publicly available financial statements and, to the extent publicly available, then next year EPS consensus "street estimates" prior to the announcement of the respective transaction:

Price per common share to tangible book value per share of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by total tangible common equity);

Table of Contents

Price per common share to LTM EPS of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by LTM earnings);

Price per common share to next year estimated EPS of the acquired company in the fourteen selected transactions in which consensus "street estimates" for the acquired company were then available; and

Tangible equity premium to core deposits (total deposits less time deposits greater than \$100,000) of the acquired company, referred to as core deposit premium.

KBW also reviewed the one day market premiums for the five selected transactions involving publicly traded acquired companies. The above transaction statistics for the selected transactions were compared with the corresponding transaction statistics for the proposed merger based on the implied transaction value for the proposed merger of \$18.86 per outstanding share of Grandpoint common stock and using historical financial information for Grandpoint as of or for the 12 month period ended December 31, 2017, financial forecasts and projections of Grandpoint for the next twelve months ending December 31, 2018 provided by Grandpoint management and the closing price of Grandpoint common stock on February 6, 2018.

The results of the analysis are set forth in the following table (excluding the impact of the LTM EPS multiple for one of the selected transactions, which multiple was considered to be not meaningful because it was greater than 30.0x):

	Selected Transactions				
	Pacific Premier / Grandpoint	25 th Percentile	Median	Average	75 th Percentile
Price / Tangible Book Value per Share	2.15x	1.91x	2.09x	2.10x	2.48x
Price / LTM EPS	20.3	19.2	24.2	22.2	25.3
Price / Next Year EPS	14.8(1)	19.2	19.5	19.5	19.9
Core Deposit Premium	16.3%	13.2%	15.6%	15.4%	16.4%
One-Day Market Premium	(5.7)(1)	7.6	12.2	18.7	15.5

(1) For reference purposes only.

No company or transaction used as a comparison in the above selected transaction analysis is identical to Grandpoint or the proposed merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Relative Contribution Analysis. KBW analyzed the relative standalone contribution of Pacific Premier and Grandpoint to various pro forma balance sheet and income statement items of the combined entity. This analysis did not include purchase accounting adjustments or cost savings. To perform this analysis, KBW used (i) balance sheet and income statement data for Pacific Premier and Grandpoint as of or for the year ended December 31, 2017, (ii) 2018 and 2019 EPS consensus "street estimates" for Pacific Premier, and (iii) financial forecasts and projections relating to the net income of Grandpoint provided by Grandpoint management. The results of KBW's analysis are set forth in the following table, which also compares the results of KBW's analysis with the implied pro forma

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

ownership percentages of Pacific Premier and Grandpoint shareholders in the combined company based on the 0.4750x exchange ratio in the merger:

	Pacific Premier % of Total	Grandpoint % of Total
Ownership:		
100% Stock	74.6%	25.4%
Balance Sheet:		
Total Assets	71.5	28.5
Gross Loans	72.5	27.5
Total Deposits	71.9	28.1
Tangible Common Equity	70.9	29.1
Income Statement:		
2017 Core Net Income(1)	71.8	28.2
2018E Core Net Income	73.9	26.1
2019E Core Net Income	74.0	26.0

(1)

2017 core earnings excluded realized gain on sale of securities, nonrecurring revenue and expenses, goodwill impairment and amortization of intangibles, extraordinary items and one-time tax expenses related to the revaluation of deferred tax assets due to the Tax Cuts and Jobs Act of 2017.

Forecasted Pro Forma Financial Impact Analysis. KBW performed a pro forma financial impact analysis that combined projected income statement and balance sheet information of Pacific Premier and Grandpoint. Using (i) closing balance sheet estimates as of June 30, 2018 for Pacific Premier and Grandpoint, extrapolated from historical data using growth rates provided by Pacific Premier management in the case of Pacific Premier and provided by Grandpoint management in the case of Grandpoint, (ii) publicly available consensus "street estimates" for Pacific Premier, (iii) financial forecasts and projections relating to the net income of Grandpoint provided by Grandpoint management, and (iv) pro forma assumptions (including, without limitation, the cost savings and related expenses expected to result from the merger and certain accounting adjustments and restructuring charges assumed with respect thereto) provided by Pacific Premier management, KBW analyzed the potential financial impact of the merger on certain projected financial results of Pacific Premier. This analysis indicated the merger could be accretive to Pacific Premier's estimated 2018 EPS and estimated 2019 EPS and dilutive to Pacific Premier's estimated tangible book value per share as of June 30, 2018. Furthermore, the analysis indicated that, pro forma for the merger, each of Pacific Premier's tangible common equity to tangible assets ratio, Common Equity Tier 1 Ratio, Leverage Ratio, Tier 1 Risk-Based Capital Ratio and Total Risk Based Capital Ratio as of June 30, 2018 could be lower. For all of the above analysis, the actual results achieved by Pacific Premier following the merger may vary from the projected results, and the variations may be material.

Pacific Premier Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis of Pacific Premier to estimate a range for the implied equity value of Pacific Premier. In this analysis, KBW used publicly available consensus "street estimates" of Pacific Premier and assumed long-term growth rates for Pacific Premier provided by Pacific Premier management, and assumed discount rates ranging from 11.0% to 17.0%. A range of values was derived by adding (i) the present value of the estimated excess cash flows that Pacific Premier could generate over the five-year period from 2018 to 2022 as a standalone company, and (ii) the present value of Pacific Premier's implied terminal value at the end of such period. KBW assumed that Pacific Premier would maintain a tangible common equity to tangible asset ratio of 8.00% and would retain sufficient earnings to maintain that level. In calculating the terminal value of Pacific Premier, KBW applied a range of 13.0x to 17.0x Pacific

Table of Contents

Premier's estimated 2023 net income. This discounted cash flow analysis resulted in a range of implied values per share of Pacific Premier common stock of \$37.49 per share to \$57.30 per share.

The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates, and discount rates. The foregoing discounted cash flow analyses did not purport to be indicative of the actual values or expected values of Pacific Premier or the pro forma combined company.

Grandpoint Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis of Grandpoint to estimate a range for the implied equity value of Grandpoint. In this analysis, KBW used financial forecasts and projections relating to the net income and assets of Grandpoint provided by Grandpoint management, and assumed discount rates ranging from 11.0% to 17.0%. A range of values was derived by adding (i) the present value of the estimated excess cash flows that Grandpoint could generate over the five-year period from 2018 to 2022 as a standalone company and (ii) the present value of Grandpoint's implied terminal value at the end of such period. KBW assumed that Grandpoint would maintain a tangible common equity to tangible asset ratio of 8.00% and would retain sufficient earnings to maintain that level. In calculating the terminal value of Grandpoint, KBW applied a range of 13.0x to 17.0x Grandpoint's estimated 2023 net income. This discounted cash flow analysis resulted in a range of implied values per share of Grandpoint common stock of \$16.03 per share to \$23.80 per share.

The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates, and discount rates. The foregoing discounted cash flow analyses did not purport to be indicative of the actual values or expected values of Grandpoint.

Miscellaneous. KBW acted as financial advisor to Grandpoint and not as an advisor to or agent of any other person. As part of its investment banking business, KBW is continually engaged in the valuation of bank and bank holding company securities in connection with acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for various other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. KBW and its affiliates, in the ordinary course of its and their broker-dealer businesses (and further to existing sales and trading relationships between a KBW broker dealer affiliate and each of Grandpoint and Pacific Premier), may from time to time purchase securities from, and sell securities to, Grandpoint and Pacific Premier. In addition, as market makers in securities, KBW and its affiliates may from time to time have a long or short position in, and buy or sell, debt or equity securities of Grandpoint or Pacific Premier for its and their own respective accounts and for the accounts of its and their respective customers and clients.

Pursuant to the KBW engagement agreement, Grandpoint agreed to pay KBW a total cash fee equal to 0.92% of the aggregate merger consideration, \$500,000 of which became payable to KBW with the rendering of its opinion and the balance of which is contingent upon the closing of the merger. Grandpoint also agreed to reimburse KBW for reasonable out-of-pocket expenses and disbursements incurred in connection with its retention and to indemnify KBW against certain liabilities relating to or arising out of KBW's engagement or KBW's role in connection therewith. Other than in connection with this present engagement, during the two years preceding the date of its opinion, KBW has not provided investment banking and financial advisory services to Grandpoint. During the two years preceding the date of its opinion, KBW has not provided investment banking or financial advisory services to Pacific Premier. KBW may in the future provide investment banking and financial advisory services to Grandpoint or Pacific Premier and receive compensation for such services.

Table of Contents

The Merger Consideration

General.

At the effective time of the merger, each share of Grandpoint common stock outstanding immediately before the effective time of the merger will, by virtue of the merger and without any action on the part of a Grandpoint shareholder, be converted into, and shall be canceled in exchange for, the right to receive whole shares of common stock of Pacific Premier. Cash will be paid in lieu of fractional shares of Pacific Premier common stock. Since the federal income tax consequences will be dependent on the form of consideration received, you are urged to read carefully the information set forth below under " Material Federal Income Tax Consequences" beginning on page .

Merger Consideration.

Upon consummation of the merger, each share of Grandpoint common stock issued and outstanding immediately prior to the effective time of the merger will be canceled and converted into, and shall be canceled in exchange for, the right to receive 0.4750 of a share of Pacific Premier common stock, which is referred to as the exchange ratio. Upon completion of the merger, and based on shares of Grandpoint common stock outstanding as of the date of this prospectus/proxy and consent solicitation statement, Grandpoint shareholders are expected to receive an aggregate of 15,758,089 shares of Pacific Premier common stock, which does not include any shares of Pacific Premier common stock that may be issuable to holders of Grandpoint options that are exercised prior to the merger. Following the completion of the merger, and based on 46,504,586 shares of Pacific Premier common stock outstanding as of , 2018, the former Grandpoint shareholders will own approximately 25.31% of the outstanding shares of Pacific Premier common stock and the current shareholders of Pacific Premier will own the remaining approximately 74.69% of the outstanding shares of Pacific Premier common stock.

Aggregate Merger Consideration.

The total consideration to be paid by Pacific Premier to the Grandpoint shareholders in connection with the merger is referred to in this prospectus/proxy and consent solicitation statement as the aggregate merger consideration. The term aggregate merger consideration does not include the consideration, if any, payable to holders of Grandpoint options to purchase shares of Grandpoint common stock.

Upon completion of the merger and based on a \$39.10 closing price of Pacific Premier's common stock on February 9, 2018, approximately \$641.2 million of aggregate merger consideration will be payable to the Grandpoint shareholders. The foregoing sentence does not include the payment of cash (or shares of Pacific Premier common stock in the event any such Grandpoint options are exercised prior to the effective date of the merger) to the holders of Grandpoint options, and assumes (i) there are 33,174,925 shares of Grandpoint common stock outstanding at the closing, and (ii) the Grandpoint shareholders will receive an aggregate of approximately 15,758,089 shares of Pacific Premier common stock after applying the exchange ratio of 0.4750. If all Grandpoint options were exercised prior to the closing, a maximum of an additional 1,313,375 shares of Pacific Premier common stock could be issued as merger consideration, though it is impossible to predict how many Grandpoint options will actually be exercised prior to the closing, if any.

Fractional Shares.

No fractional shares of Pacific Premier common stock will be issued, and in lieu thereof, each holder of Grandpoint common stock who would otherwise be entitled to a fractional share interest will receive an amount in cash, without interest, determined by multiplying such fractional interest by the Pacific Premier average share price, rounded to the nearest whole cent. No such holder shall be

Table of Contents

entitled to dividends, voting rights or any other rights in respect of any fractional share of Pacific Premier common stock.

Grandpoint Options

At the effective time of the merger, each Grandpoint option which is outstanding and unexercised immediately prior to the effective time of the merger will be cancelled in exchange for the right to receive, from Grandpoint immediately prior to the effective time of the merger, a single lump sum cash payment, equal to the product of (i) the number of shares of Grandpoint common stock subject to such Grandpoint option immediately prior to the effective time, and (ii) the excess, if any, of (A) the Pacific Premier average share price multiplied by the exchange ratio over (B) the exercise price per share of such Grandpoint option, less any applicable taxes required to be withheld with respect to such payment. If the exercise price per share of any such Grandpoint option is equal to or greater than the Pacific Premier average share price multiplied by the exchange ratio, the Grandpoint option will be canceled without any cash payment being made in respect thereof. For Grandpoint options that are exercised before the closing, the underlying shares of Grandpoint common stock received upon exercise will be exchanged for the merger consideration in accordance with the exchange ratio.

Procedures for Exchanging Grandpoint Common Stock Certificates

Promptly following the closing of the merger, American Stock Transfer & Trust Company, the exchange agent, will mail to each holder of record of Grandpoint common stock a notice and form of transmittal letter advising such holder of the effectiveness of the merger and the procedure for surrendering to the exchange agent certificates representing shares or book-entry shares of Grandpoint common stock in exchange for the merger consideration allocated to them. Upon surrender of a stock certificate or book-entry shares of Grandpoint common stock for exchange and cancellation to the exchange agent, together with a duly executed transmittal letter, the holder of such certificate or book-entry shares will be entitled to receive the merger consideration allocated to him or her and the certificate or book-entry shares for Grandpoint common stock so surrendered will be canceled. No interest will be paid or accrued on any cash paid in lieu of fractional shares of Pacific Premier common stock.

Grandpoint shareholders who surrender their stock certificates or book-entry shares and complete the transmittal materials, or who have taken other steps to surrender the evidence of their stock interest in Grandpoint in accordance with the instructions accompanying the transmittal letter, will, upon the exchange agent's acceptance of such stock certificates or book-entry shares and transmittal materials or stock interest, be entitled to evidence of issuance in book entry form, or upon written request of such holder, a certificate or certificates representing, the number of whole shares of Pacific Premier common stock in to which the aggregate number of shares of Grandpoint common stock surrendered have been converted pursuant to the merger agreement.

Any Grandpoint shareholder who receives shares of Pacific Premier common stock in the merger will receive dividends on Pacific Premier common stock or other distributions declared after the completion of the merger only if he or she has surrendered his or her Grandpoint stock certificates. Only then will the Grandpoint shareholder be entitled to receive all previously withheld dividends and distributions, without interest. Although Pacific Premier has never declared or paid dividends on its common stock, the Pacific Premier board periodically reviews whether to declare or pay cash dividends, taking into account, among other things, general business conditions, Pacific Premier's financial results, future prospects, capital requirements, legal and regulatory restrictions, and such other factors as the Pacific Premier board may deem relevant.

After completion of the merger, no transfers of Grandpoint common stock issued and outstanding immediately prior to the completion of the merger will be allowed. Grandpoint stock certificates that

Table of Contents

are presented for transfer after the completion of the merger will be canceled and exchanged for the appropriate merger consideration.

Pacific Premier will only issue a Pacific Premier stock certificate in a name other than the name in which a surrendered Grandpoint stock certificate is registered if a Grandpoint shareholder presents the exchange agent with all documents required to show and effect the unrecorded transfer of ownership of the shares of Grandpoint common stock formerly represented by such Grandpoint stock certificate, and that the Grandpoint shareholder has paid any applicable stock transfer taxes.

If a Grandpoint shareholder has lost his or her Grandpoint stock certificate, or the Grandpoint stock certificate has been lost, stolen or destroyed, the Grandpoint shareholder may be required to deliver an affidavit and a lost certificate bond as a condition to receiving any merger consideration to which he or she may be entitled.

Conditions to the Merger

Completion of the merger is subject to the satisfaction of certain conditions set forth in the merger agreement, or the waiver of such conditions by the party entitled to do so, at or before the closing date of the merger. Each of the parties' obligation to consummate the merger under the merger agreement is subject to the following conditions:

the holders of a majority of the outstanding shares of Pacific Premier common stock for which votes are cast at the Pacific Premier special meeting must approve the issuance of the shares of Pacific Premier common stock in connection with the merger;

the holders of a majority of the outstanding shares of Grandpoint voting common stock must have adopted the merger agreement pursuant to the Grandpoint consent solicitation;

all regulatory approvals required to consummate the merger and the bank merger by any governmental authority must have been obtained and must remain in full force and effect, all statutory waiting periods in respect thereof must have expired, and no required approval may contain any conditions, restrictions or requirements that would require Pacific Premier or Grandpoint to take any action or commit to take any action that would (i) reasonably be likely to have a material adverse effect on Pacific Premier (measured on a scale relative to Grandpoint) or a material adverse effect on Grandpoint, (ii) reasonably be likely to impose a material burden on Pacific Premier or any of its subsidiaries (including, after the effective time, Grandpoint and its subsidiaries) or (iii) require the sale by Pacific Premier or any of its subsidiaries (including, after the effective time, Grandpoint and its subsidiaries) of any material portion of their respective assets;

no statute, rule, regulation, judgment, decree, injunction or other order shall have been enacted, issued, promulgated, enforced or entered which prohibits the consummation of the merger;

the registration statement of Pacific Premier, of which this document is a part, must have become effective under the Securities Act, and no stop order suspending the effectiveness of such registration statement shall have been issued and no proceedings for that purpose shall have been initiated by the Commission and not withdrawn;

the shares of Pacific Premier common stock to be issued in connection with the merger must have been approved for listing on the NASDAQ Global Select Market (or on any securities exchange on which the Pacific Premier common stock may then be listed); and

each of Pacific Premier and Grandpoint must have received an opinion of Holland & Knight LLP to the effect that the merger will constitute a reorganization within the meaning of Section 368(a) of the Code.

Table of Contents

In addition to the foregoing conditions, the obligation of Pacific Premier to consummate the merger under the merger agreement is subject to the following conditions, which may be waived by Pacific Premier:

the representations and warranties of Grandpoint in the merger agreement must be true and correct as of the date of the merger agreement and as of the effective time of the merger, except as to any representation or warranty which specifically relates to an earlier date and other than, in most cases, those failures to be true and correct that have not had or are reasonably likely not to have a material adverse effect (as defined below) on Grandpoint, and Pacific Premier shall have received a certificate signed by the chief executive officer and chief financial officer of Grandpoint to that effect;

Grandpoint must have performed in all material respects all obligations required to be performed by it at or prior to consummation of the merger, and Pacific Premier shall have received a certificate signed by the chief executive officer and chief financial officer of Grandpoint to that effect;

as of the month-end prior to the closing date, Grandpoint Bank must have an aggregate outstanding balance of non-maturity deposits equal to at least \$2.2 billion;

as of the closing date, Grandpoint's tangible common equity (as defined and subject to certain specified adjustments set forth in the merger agreement) must not be less than \$291.8 million;

dissenting shares of Grandpoint commons stock must not represent 10% or more of the outstanding shares of Grandpoint common stock; and

Pacific Premier must have received such certificates of Grandpoint's officers or others and such other documents to evidence fulfillment of the conditions to its obligations as Pacific Premier may reasonably request.

In addition to the other conditions set forth above, the obligation of Grandpoint to consummate the merger under the merger agreement is subject to the following conditions, which may be waived by Grandpoint:

the representations and warranties of Pacific Premier in the merger agreement must be true and correct as of the date of the merger agreement and as of the effective time of the merger, except as to any representation or warranty which specifically relates to an earlier date and other than those failures to be true and correct that have not had or are reasonably likely not to have a material adverse effect (as defined below) on Pacific Premier, and Grandpoint shall have received a certificate signed by the chief executive officer and chief financial officer of Pacific Premier to that effect;

Pacific Premier must have performed in all material respects all obligations required to be performed by it at or prior to consummation of the merger, and Grandpoint shall have received a certificate signed by the chief executive officer and chief financial officer of Pacific Premier to that effect; and

Grandpoint must have received such certificates of Pacific Premier's officers or others and such other documents to evidence fulfillment of the conditions to its obligations as Grandpoint may reasonably request.

Under the terms of the merger agreement, a material adverse effect on either Pacific Premier or Grandpoint is defined to mean any effect that (i) is material and adverse to the financial condition, results of operations or business of Pacific Premier and its subsidiaries taken as a whole or Grandpoint and its subsidiaries taken as a whole, as the case may be, or (ii) would materially impair the ability of any of Pacific Premier and its subsidiaries, or Grandpoint and its subsidiaries, as the case may be, to

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

perform their respective obligations under the merger agreement or otherwise materially impede the consummation of the merger. However, under the terms of the merger agreement, none of the following would be deemed to constitute a material adverse effect under subclause (i) above:

changes after February 9, 2018 in laws or regulations of general applicability to banks, savings institutions and their holding companies or interpretations of them by governmental authorities or the interpretation or implementation thereof;

changes after February 9, 2018 in generally accepted accounting principles, or GAAP, or regulatory accounting requirements applicable to banks, savings institutions and their holding companies generally or the interpretation or implementation thereof;

any outbreak or escalation of hostilities, declared or undeclared acts of war or terrorism or other international or national calamity or any material worsening or escalation of such conditions;

changes resulting from conditions affecting the banking and financial services industry or changes in global, national or regional political, regulatory, or market, business, financial, credit or general economic conditions (including changes in prevailing interest rates or exchange rates) affecting banks, savings institutions and their holding companies generally;

the public announcement or pendency of the merger, including the impact of the merger on relationships with customers or employees;

any modifications or changes to valuation policies and practices in connection with the merger or restructuring charges taken in connection with the merger, in each case in accordance with GAAP;

the failure, in and of itself, to meet earnings projections or internal financial forecasts, but not including the underlying causes unless otherwise excluded, or changes in the trading price or volume of Pacific Premier's or Grandpoint's common stock, in and of itself, but not including the underlying causes thereof unless otherwise excluded;

with respect to Grandpoint, the effects of any action or omission taken with the prior consent of Pacific Premier or as otherwise contemplated by the merger agreement; and

any hurricane, earthquake, flood, fire or other natural disaster or act of God,

provided that the effect of the changes described in the first, second, third and ninth bullet points above will not be excluded as a material adverse effect to the extent of a materially disproportionate impact, if any, that they have on Pacific Premier and its subsidiaries as a whole on the one hand, or Grandpoint and its subsidiaries on the other hand, as measured relative to similarly situated companies in the banking industry.

Bank Regulatory Approvals

The merger cannot be completed unless the parties receive prior approvals from the CA DBO and the Federal Reserve.

California Department of Business Oversight Division of Financial Institutions; Board of Governors of the Federal Reserve System.

In order to consummate the merger, the prior approval of the CA DBO will be required under the California Financial Code, which is referred to as the CFC, and the prior approval of the Federal Reserve will be required under the Bank Merger Act as well as the Bank Holding Company Act of 1956, as amended, which is referred to as the BHC Act. In reviewing the merger, the CA DBO and the Federal Reserve will take competitive considerations into account, as well as capital adequacy, quality of management and earnings prospects. The regulators will also take into account the record of

Table of Contents

performance of Pacific Premier Bank in meeting the credit needs of the communities that it serves and Pacific Premier Bank's regulatory rating under the Community Reinvestment Act, or CRA. Pacific Premier Bank and Grandpoint Bank both received at least a "satisfactory" performance rating in their most recent CRA evaluations. In considering the merger, the CFC also requires the CA DBO to consider whether the proposed transaction will be fair, just, and equitable to the bank being acquired and the surviving depository institution.

Any transaction approved by the Federal Reserve under the Bank Merger Act and BHC Act may not be completed until thirty (30) days after the Federal Reserve's approval, during which time the DOJ may challenge such transaction on antitrust grounds. With the approval of the Federal Reserve and the DOJ, the waiting period may be reduced to fifteen (15) days. While Pacific Premier and Grandpoint do not know of any reason that the DOJ would challenge regulatory approval by the Federal Reserve and believe that the likelihood of such action is remote, there can be no assurance that the DOJ will not initiate such a proceeding, or if such a proceeding is initiated, the result of any such challenge.

Other Regulatory Approvals.

Neither Pacific Premier nor Grandpoint is aware of any other regulatory approvals that would be required for completion of the merger except as described above. Should any other approvals be required, it is presently contemplated that such approvals would be sought. There can be no assurance, however, that any other approvals, if required, will be obtained.

Status of Applications.

Pacific Premier will file all required applications with the CA DBO and the Federal Reserve. There can be no assurance that all requisite approvals will be obtained, that such approvals will be received on a timely basis or that such approvals will not impose conditions, restrictions or requirements that would require Pacific Premier or Grandpoint to take any action or commit to take any action that would (i) reasonably be likely to have a material adverse effect on Pacific Premier (measured on a scale relative to Grandpoint) or a material adverse effect on Grandpoint, (ii) reasonably be likely to impose a material burden on Pacific Premier or any of its subsidiaries (including, after the effective time, Grandpoint and its subsidiaries) or (iii) require the sale by Pacific Premier or any of its subsidiaries (including, after the effective time, Grandpoint and its subsidiaries) of any material portion of their respective assets. See "Conditions to the Merger" beginning on page . The approval of any application or notice merely implies satisfaction of regulatory criteria for approval, and does not include review of the merger from the standpoint of the adequacy of the merger consideration to be received by, or fairness to, Grandpoint shareholders. Regulatory approval does not constitute an endorsement or recommendation of the proposed merger.

Business Pending the Merger

The merger agreement contains certain covenants of the parties regarding the conduct of their respective businesses pending consummation of the merger. These covenants, which are contained in Article IV of the merger agreement included as Appendix A to this prospectus/proxy and consent solicitation statement, are briefly described below.

Pending consummation of the merger, except as expressly contemplated or permitted by the merger agreement, as disclosed to Pacific Premier or as permitted by applicable law, Grandpoint may not, and will cause each of its subsidiaries not to, among other things, take the following actions without the prior written consent of Pacific Premier:

conduct its business other than in the ordinary and usual course consistent with past practice or fail to use commercially reasonable efforts to preserve its business organization, keep available

Table of Contents

the present services of its employees (except in the case of terminations of employees for cause) and preserve for itself and Pacific Premier the goodwill of the customers of Grandpoint, its subsidiaries and others with whom material business relations exist;

except for the issuances of shares of Grandpoint common stock pursuant to previously issued Grandpoint options, issue, sell or otherwise permit to become outstanding, or authorize the creation of, any additional shares of capital stock or rights to acquire stock, or permit any additional shares of stock to become subject to grants of employee or director stock options or other rights;

make, declare, pay or set aside for payment any dividend on or in respect of, or declare or make any distribution on any shares of Grandpoint common stock; provided however, that dependent on when the closing occurs, Grandpoint may declare and pay regular quarterly cash dividends on the Grandpoint common stock equal to \$0.15 per share of Grandpoint common stock in the ordinary course of business consistent with past practice, including as to the declaration, payment and record dates;

directly or indirectly adjust, split, combine, redeem, reclassify, purchase or otherwise acquire any shares of Grandpoint common stock;

enter into or amend or renew any employment, consulting, severance, change in control, bonus, salary continuation or similar agreement or arrangement with any director or executive officer of Grandpoint or its subsidiaries (other than with respect to employment agreements that provide for automatic renewal in accordance with their terms), grant or announce any salary or wage increase (other than annual merit increases adopted in the ordinary and usual course of business consistent with past practice and not to exceed three percent (3%) in the aggregate across all employees), grant or announce any severance or termination pay (other than pursuant to a previously disclosed severance arrangement or policy) or increase any employee benefit (including incentive or bonus payments), except for changes that are required by applicable law or in accordance with Grandpoint's existing employee benefits plans and as previously disclosed to Pacific Premier;

hire any person as a senior officer of Grandpoint or any of its subsidiaries or promote any employee to a senior officer position, except (i) to satisfy contractual obligations existing as of the date of the merger agreement and previously disclosed to Pacific Premier, and (ii) persons hired to fill any senior officer vacancies either existing as of the date of the merger agreement and previously disclosed to Pacific Premier or arising after the date of the merger agreement whose employment is terminable at the will of Grandpoint or a subsidiary of Grandpoint and who are not subject to or eligible for any severance, change in control, bonus or similar benefits or payments that would become payable as a result of the merger agreement, or consummation thereof, or enter into any agreement with a labor union, guild or association representing any employee;

except as set previously disclosed to Pacific Premier, (i) enter into, establish, adopt, amend or terminate, or make any contributions to any pension, retirement, stock option, stock purchase, savings, profit sharing, deferred compensation, consulting, bonus, group insurance or other employee benefit, incentive or welfare contract, plan or arrangement, or any trust agreement (or similar arrangement) related thereto, in respect of any current or former director, officer or employee of Grandpoint or (ii) take any action to accelerate the vesting or exercisability of stock options, restricted stock, restricted stock units or other compensation or benefits payable thereunder, in each case except (y) to satisfy contractual obligations existing as of the date of the merger agreement and previously disclosed to Pacific Premier, or (z) as may be required by applicable law;

Table of Contents

except for sales of investment securities otherwise permitted pursuant to the merger agreement, sell, transfer, mortgage, encumber or otherwise dispose of or discontinue any of its material assets, deposits, business or properties, except for (i) sales, transfers, mortgages, encumbrances, dispositions or discontinuances which are in the ordinary course of business, consistent with past practices and not material to Grandpoint and its subsidiaries taken as a whole and (ii) sales of loans or loan participations which are in the ordinary course of business and consistent with past practice;

except for capital expenditures, acquisitions of investment securities or the origination of loans, in each case as otherwise permitted pursuant to the merger agreement, acquire (other than by way of foreclosures or acquisitions of control in a bona fide fiduciary capacity or in satisfaction of debts previously contracted in good faith, in each case in the ordinary and usual course of business consistent with past practice), including without limitation, by merger or consolidation or by investment in a partnership or joint venture, all or any portion of the assets, business, securities, deposits or properties of any other entity;

except as previously disclosed to Pacific Premier, make any capital expenditures, other than capital expenditures in the ordinary course of business consistent with past practice not exceeding \$50,000 individually or \$100,000 in the aggregate;

amend the Grandpoint amended and restated certificate of incorporation or the bylaws of Grandpoint or the articles of incorporation or bylaws (or equivalent documents) of any subsidiary of Grandpoint;

implement or adopt any material change in its accounting principles, practices or methods other than as may be required by changes in laws or regulations or GAAP;

except as otherwise permitted under the merger agreement, enter into, cancel, fail to renew or terminate any material contract or amend or modify in any material respect any of its existing material contracts;

enter into any settlement or similar agreement with respect to any action, suit, proceeding, order or investigation to which Grandpoint or any of its subsidiaries is or becomes a party after the date of the merger agreement, which settlement, agreement or action involves payment by Grandpoint or any of its subsidiaries of an amount which exceeds \$50,000 and/or would impose any material restriction on the business of Pacific Premier or any of its subsidiaries following the consummation of the merger (including Grandpoint and Grandpoint Bank) or create precedent for claims that are reasonably likely to be material to Pacific Premier and its subsidiaries, taken as a whole, following the consummation of the merger;

enter into any new material line of business; introduce any material new products or services; change its material lending, investment, underwriting, loan, deposit or fee pricing, servicing, risk and asset liability management and other material banking and operating policies, or the manner in which its investment securities or loan portfolio is classified or reported, except as required by applicable law, regulation, policies imposed by any governmental authority or in conformity with GAAP; invest in any mortgage-backed or mortgage-related security that would be risk-weighted over 100% according to BASEL III regulatory capital guidelines; or file any application or enter into any contract with respect to the opening, relocation or closing of, or open, relocate or close, any branch, office, service center or other facility;

introduce any material new sales compensation or incentive programs or arrangements (except if the material terms have been fully disclosed in writing to Pacific Premier prior to the date of the merger agreement);

enter into any derivatives contract;

Table of Contents

incur any indebtedness for borrowed money (other than deposits, federal funds purchased, cash management accounts, Federal Home Loan Bank and Federal Reserve Bank borrowings that mature within 90 days and that have no put or call features and securities sold under agreements to repurchase that mature within 90 days, in each case, in the ordinary course of business consistent with past practice); or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other individual or entity, other than with respect to the collection of checks and other negotiable instruments in the ordinary course of business consistent with past practice;

(i) acquire (other than by way of foreclosure or acquisitions in a bona fide fiduciary capacity or in satisfaction of debts previously contracted in good faith, in each case in the ordinary course of business consistent with past practice) any debt security, collateralized loan obligation or equity investment or (ii) dispose of any debt security or equity investment; provided, however, that in the case of clauses (i) and (ii), Grandpoint and its subsidiaries may acquire any debt security, collateralized loan obligation or equity investment if, within two (2) business days after Grandpoint requests in writing (which request shall describe in detail such securities to be purchased and the price thereof) that Pacific Premier consent to the making of any such purchase, and Pacific Premier has approved such request in writing or has not responded in writing to such request;

(i) make, renew or modify any loan, loan commitment, letter of credit or other extension of credit, which are collectively referred to as loans, other than loans made in the ordinary course of business consistent with past practice that are not in excess of \$10.0 million individually; (ii) take any action that would result in any discretionary release of collateral or guarantees, or otherwise restructure any loans; (iii) enter into any loan securitization or create any special purpose funding entity; (iv) purchase any consumer loan; or (v) enter into any agreement or arrangement providing for the purchase of a loan participation. Notwithstanding the foregoing, Grandpoint and its subsidiaries may make, renew, modify or enter into loans that exceed the foregoing dollar limitation to the extent Grandpoint provides to Pacific Premier in writing a complete loan package for such loan and Pacific Premier does not object to such proposed loan within three (3) business days of receipt of such written notice;

except as previously disclosed to Pacific Premier, make any investment or commitment to invest in real estate or in any real estate development project (other than by way of foreclosure or acquisitions in a bona fide fiduciary capacity or in satisfaction of a debt previously contracted in good faith, in each case in the ordinary course of business consistent with past practice);

make or change any material tax election, settle or compromise any material tax liability of Grandpoint or any of its subsidiaries, agree to an extension or waiver of the statute of limitations with respect to the assessment or determination of an amount of taxes of Grandpoint or any of its subsidiaries (or the assets and liabilities of Grandpoint or any of its subsidiaries), enter into any closing agreement with respect to any material amount of taxes or surrender any right to claim a material tax refund, adopt or change any method of accounting with respect to taxes or file any amended income or other material tax return;

take any action that would cause the merger agreement or the merger to be subject to the provisions of any state antitakeover law or state law that purports to limit or restrict business combinations or the ability to acquire or vote shares, or to exempt or make not subject to the provisions of any state antitakeover law or state law that purports to limit or restrict business combinations or the ability to acquire or vote shares, any person (other than Pacific Premier or its subsidiaries) or any action taken thereby, if that person or action would otherwise have been subject to the restrictive provisions of that law;

Table of Contents

make or propose to make any loan to or enter into any transaction with any of Grandpoint's or any of its subsidiaries' directors or executive officers (other than those entered into on an arm's length basis, in the ordinary course and consistent with past practice and in compliance with applicable law, regulation and policies imposed by any governmental authority);

take any action that would or is reasonably likely to result in (i) the merger not qualifying as a "reorganization" within the meaning of Section 368(a) of the Code, (ii) any of the representations and warranties of Grandpoint set forth in the merger agreement being or becoming untrue in any material respect at or prior to the effective time of the merger, such that Pacific Premier would be able to terminate the merger agreement, (iii) any of the other conditions to the merger set forth in the merger agreement not being satisfied, (iv) a material delay in the ability of Pacific Premier or Grandpoint to perform any of their obligations under the merger agreement on a timely basis, or (v) a material delay in the ability of Pacific Premier to obtain any required regulatory approvals; or

enter into any contract with respect to, or otherwise agree or commit to do, any of the foregoing.

The merger agreement also provides that pending consummation of the merger, except as expressly contemplated or permitted by the merger agreement or as required by applicable law, regulation or policies imposed by any governmental authority, Pacific Premier may not, and will cause each of its subsidiaries not to, take the following actions without the prior written consent of Grandpoint:

conduct its business other than in the ordinary and usual course consistent with past practice or fail to use commercially reasonable best efforts to preserve its business organization and preserve for itself and Grandpoint the goodwill of the customers of Pacific Premier and its subsidiaries and others with whom material business relations exist;

make, declare, pay or set aside for payment any dividend on or in respect of, or declare or make any distribution on any shares of Pacific Premier common stock;

except as reasonably required to effect the corporate governance changes described in Pacific Premier's current report on Form 8-K filed with the Commission on November 16, 2017, amend the Pacific Premier amended and restated certificate of incorporation, as amended, or the Pacific Premier amended and restated bylaws;

take any action that would cause the merger agreement or the merger to be subject to the provisions of any state antitakeover law or state law that purports to limit or restrict business combinations or the ability to acquire or vote shares, or to exempt or make not subject to the provisions of any state antitakeover law or state law that purports to limit or restrict business combinations or the ability to acquire or vote shares, any person (other than Grandpoint or its subsidiaries) or any action taken thereby, if that person or action would otherwise have been subject to the restrictive provisions of that law;

take any action that is or would be reasonably likely to result in (i) the merger not qualifying as a "reorganization" within the meaning of Section 368(a) of the Code, (ii) any of the representations and warranties of Pacific Premier set forth in the merger agreement being or becoming untrue in any material respect at or prior to the effective time of the merger, such that Grandpoint would be able to terminate the merger agreement, (iii) any of the other conditions to the merger set forth in the merger agreement not being satisfied, (iv) a material delay in the ability of Pacific Premier or Grandpoint to perform any of their obligations under the merger agreement on a timely basis, or (v) a material delay in the ability of Pacific Premier to obtain any required regulatory approvals; or

Table of Contents

enter into any contract with respect to, or otherwise agree or commit to do, any of the foregoing.

Grandpoint Board's Covenant to Recommend the Merger Agreement

Pursuant to the merger agreement, the Grandpoint board is required to include a form of written consent to accompany this prospectus/proxy and consent solicitation statement that solicits Grandpoint shareholders to adopt the merger agreement and the transactions provided for therein. The Grandpoint board may not withdraw, modify or qualify in any manner adverse to Pacific Premier such recommendation or take any other action or make any other public statement in connection with the solicitation of Grandpoint shareholder consents inconsistent with such recommendation, except as described below.

The Grandpoint board is permitted to change its recommendation if Grandpoint has complied with the merger agreement and the Grandpoint board, based on the advice of its outside counsel and financial advisor, has determined in good faith that failure to do so would be inconsistent with such Grandpoint board's fiduciary duties under applicable law. If the Grandpoint board intends to change its recommendation following an acquisition proposal, as described in " No Solicitation" below, it must have first concluded in good faith, after giving effect to all of the adjustments to the terms and conditions of the merger agreement that may be offered by Pacific Premier, that another acquisition proposal constitutes a superior proposal, as defined in " No Solicitation" below. Grandpoint also must notify Pacific Premier at least three (3) business days in advance of its intention to change its recommendation in response to the superior proposal, including attaching the current version of any written agreement relating to the transaction that constitutes such superior proposal. Prior to changing its recommendation, Grandpoint must, and must cause its financial and legal advisors to, during the period following its delivery of the required notice, negotiate in good faith with Pacific Premier for a period of up to three (3) business days to the extent Pacific Premier desires to negotiate to make adjustments in the terms and conditions of the merger agreement so that the other acquisition proposal ceases to constitute a superior proposal.

No Solicitation

The merger agreement provides that Grandpoint will, and will direct and use its reasonable best efforts to cause its affiliates, directors, officers, employees, agents and representatives to, immediately cease any discussions or negotiations with any other parties that have been ongoing with respect to the possibility or consideration of any acquisition proposal and will use its reasonable best efforts to enforce any confidentiality or similar agreement relating to any acquisition proposal. For purposes of the merger agreement, "acquisition proposal" is defined to mean any inquiry, proposal or offer, filing of any regulatory application or notice or disclosure of an intention to do any of the foregoing from any person relating to any (i) direct or indirect acquisition or purchase of a business that constitutes 10% or more of the total revenues, net income, assets, or deposits of Grandpoint and its subsidiaries taken as a whole; (ii) direct or indirect acquisition or purchase of any class of equity securities representing 10% or more of the voting power of Grandpoint or Grandpoint Bank; (iii) tender offer or exchange offer that if consummated would result in any person beneficially owning 10% or more of any class of equity securities of Grandpoint or Grandpoint Bank; or (iv) merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving Grandpoint or Grandpoint Bank, other than the transactions contemplated by the merger agreement.

Table of Contents

From the date of the merger agreement through the effective time of the merger, Grandpoint will not, and will use reasonable efforts to cause its directors, officers or employees or any other representative retained by it not to, directly or indirectly through another person (i) solicit, initiate, or encourage, including by way of furnishing information or assistance, or take any other action designed to facilitate or that is likely to result in, any inquiries or the making of any proposal or offer that constitutes, or is reasonably likely to lead to, any acquisition proposal, (ii) provide any confidential information or data to any person relating to any acquisition proposal, (iii) participate in any discussions or negotiations regarding any acquisition proposal, (iv) waive, terminate, modify, or fail to enforce any provision of any contractual "standstill" or similar obligations of any person other than Pacific Premier or its affiliates, (v) approve or recommend, propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, merger agreement, asset purchase agreement or share exchange agreement, option agreement or similar agreement related to any acquisition proposal or propose to take any of these actions, or (vi) make or authorize any statement, recommendation, or solicitation in support of any acquisition proposal.

However, prior to the time that Grandpoint receives the requisite approval by the Grandpoint shareholders to approve the merger under the DGCL, if the Grandpoint board determines in good faith, after consulting with its outside legal and financial advisors, that the failure to do so would breach, or would reasonably be expected to result in a breach of, its fiduciary duties under applicable law, Grandpoint may, in response to a bona fide, written acquisition proposal not solicited in violation of the merger agreement that the Grandpoint board determines in good faith constitutes a superior proposal:

furnish information with respect to itself and its subsidiaries to any person making the superior proposal pursuant to a confidentiality agreement, as determined by Grandpoint after consultation with its outside counsel, on terms that are in all material respects no less restrictive to the person than the terms contained in the confidentiality agreement between Grandpoint and Pacific Premier are to Pacific Premier; and

participate in discussions or negotiations regarding the superior proposal.

For purposes of the merger agreement, "superior proposal" is defined to mean any bona fide written proposal made by a third party to acquire, directly or indirectly, including pursuant to a tender offer, exchange offer, merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction, for consideration consisting of cash and/or securities, more than 50% of the combined voting power of the shares of Grandpoint common stock then outstanding or all or substantially all of Grandpoint's consolidated assets, that the Grandpoint board determines in good faith, after taking into account all legal, financial, regulatory, and other aspects of the proposal and the person making the proposal, including any break-up fees, expense reimbursement provisions, and conditions to consummation, and after taking into account the advice of Grandpoint's financial advisor, which will be a recognized investment banking firm, and outside counsel, (i) is more favorable from a financial point of view to its shareholders than the merger, (ii) is reasonably likely to be consummated on the terms set forth, and (iii) for which financing, to the extent required, is then committed or which, in the good faith judgment of the Grandpoint board, is reasonably likely to be obtained by the third party.

In addition to these obligations, Grandpoint will promptly, within 24 hours, advise Pacific Premier orally and in writing of its receipt of any acquisition proposal.

Grandpoint has agreed that any violations of the restrictions set forth in the merger agreement by any representative of Grandpoint or its subsidiaries will be deemed a breach of the merger agreement by Grandpoint.

Table of Contents

Representations and Warranties of the Parties

Pursuant to the merger agreement, Pacific Premier and Grandpoint made certain customary representations and warranties relating to their respective companies, subsidiaries, businesses and matters related to the merger. For detailed information concerning these representations and warranties, reference is made to Article V of the merger agreement included as Appendix A to this prospectus/proxy and consent solicitation statement. Such representations and warranties generally must remain accurate through the completion of the merger, unless the fact or facts that caused a breach of a representation and warranty has not had or is not reasonably likely to have a material adverse effect on the party making the representation and warranty. See " Conditions to the Merger" beginning on page .

The merger agreement contains representations and warranties that Pacific Premier and Grandpoint made to and solely for the benefit of each other. These representations and warranties are subject to materiality standards which may differ from what may be viewed as material by investors and shareholders, and, in certain cases, were used for the purpose of allocating risk among the parties rather than establishing matters as facts. The assertions embodied in those representations and warranties also are qualified by information in confidential disclosure schedules that the parties have exchanged in connection with signing the merger agreement. Although neither Pacific Premier nor Grandpoint believes that the disclosure schedules contain information that the federal securities laws require to be publicly disclosed, the disclosure schedules do contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the merger agreement.

Accordingly, neither shareholders of either Grandpoint or Pacific Premier should rely on the representations and warranties as characterizations of the actual state of facts, since they were only made as of the date of the merger agreement and are modified in important part by the underlying disclosure schedules. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the merger agreement, which subsequent information may or may not be fully reflected in Pacific Premier's or Grandpoint's (if any) public disclosures.

Effective Time of the Merger

Pursuant to the terms and conditions set forth in the merger agreement, Grandpoint will be acquired by Pacific Premier in a transaction in which Grandpoint will merge with and into Pacific Premier, with Pacific Premier as the surviving institution. The merger will become effective upon the acceptance of a certificate of merger to be filed with the Secretary of State of the State of Delaware in accordance with the provisions of applicable Delaware law.

Amendment of the Merger Agreement

To the extent permitted under applicable law, the merger agreement may be amended or supplemented at any time by written agreement of the parties whether before or after the approval of the shareholders of Grandpoint, except that after shareholders of Grandpoint have approved the principal terms of the merger agreement, except as described in the next sentence, no amendment or supplement that by law requires further approval by the shareholders of Grandpoint may be made without first obtaining such approval. The merger agreement provides that, by adopting the principal terms of the merger agreement, Grandpoint shareholders will be deemed to have approved any amendment to the December 31, 2018 termination date, which is described below.

Termination of the Merger Agreement

The merger agreement may be terminated:

by the mutual written consent of Pacific Premier and Grandpoint;

Table of Contents

if the terminating party is not in material breach of any representation, warranty, covenant, or agreement contained in the merger agreement, by Pacific Premier or Grandpoint, in the event of a breach by the other party of any representation, warranty, covenant, or agreement contained in the merger agreement that (i) cannot be or has not been cured by the earlier of (A) thirty (30) days of the giving of written notice to the breaching party or parties and (B) December 31, 2018, and (ii) would entitle the non-breaching party not to consummate the merger;

by Pacific Premier or Grandpoint, in the event that the merger is not consummated by December 31, 2018, except to the extent that the failure to consummate the merger by such date is due to (i) the failure of the party seeking to terminate to perform or observe its covenants and agreements set forth in the merger agreement, or (ii) the failure of any of the Grandpoint shareholders (if Grandpoint is the party seeking to terminate) to perform or observe their respective covenants under their respective Grandpoint shareholder agreements with Pacific Premier;

by Pacific Premier or Grandpoint, in the event the approval of any governmental authority required for consummation of the merger or the bank merger have been denied by final non-appealable action of the governmental authority, or any governmental authority shall have issued a final, non-appealable injunction permanently enjoining or otherwise prohibiting the consummation of the merger or the bank merger, or an application for approval has been permanently withdrawn by mutual agreement of Pacific Premier and Grandpoint at the formal or informal request of a governmental authority, provided that no party has the right to terminate the merger agreement if the party seeking to terminate the merger agreement failed to perform or observe its covenants;

by Pacific Premier, if Grandpoint shareholder consents representing a majority of the outstanding shares of Grandpoint voting common stock, referred to as Grandpoint shareholder approval, shall not have been delivered to Pacific Premier prior to 6:00 p.m., Pacific Time, on the third business day immediately following the date that the Commission declared effective the registration statement on Form S-4, of which this prospectus/proxy and consent solicitation statement is a part;

by Pacific Premier or Grandpoint, if the approval of the issuance of shares of Pacific Premier common stock in connection with the merger by Pacific Premier shareholders has not been obtained by reason of the failure to obtain the required vote at the Pacific Premier special meeting or at any adjournment or postponement thereof;

prior to receipt of Grandpoint shareholder approval, by Pacific Premier, if the Grandpoint board withdraws, modifies or changes its recommendation to the Grandpoint shareholders in a manner that is adverse to Pacific Premier;

prior to receipt of Grandpoint shareholder approval, by Grandpoint, if the Grandpoint board (i) authorizes Grandpoint to enter into a binding written agreement with respect to a superior proposal and (ii) Grandpoint has paid the termination fee referenced below under " Termination Fee" to Pacific Premier;

by Pacific Premier, in the event that (i) the Pacific Premier average share price is greater than \$45.655 and (ii) the Pacific Premier average share price outperforms the KBW Regional Banking Index by greater than 15%; or

by Grandpoint, in the event that (i) the Pacific Premier average share price is less than \$33.745 and (ii) the Pacific Premier average share price underperforms the KBW Regional Banking Index by greater than 15%.

Table of Contents

Termination Fee

The merger agreement provides that Grandpoint must pay Pacific Premier a \$23.0 million termination fee under the circumstances and in the manner described below:

if the merger agreement is terminated by Grandpoint for the reason described in the eighth bullet point under " Termination of the Merger Agreement" above, Grandpoint must pay the termination fee to Pacific Premier no later than the time of such termination;

if the merger agreement is terminated by Pacific Premier for the reason described in the seventh bullet point under " Termination of the Merger Agreement" above, Grandpoint must pay the termination fee to Pacific Premier within two business days after such termination; or

if the merger agreement is terminated by Pacific Premier pursuant to the third or fifth bullet points under " Termination of the Merger Agreement" above, and prior to the time of the termination, an acquisition proposal shall have been made (whether or not conditional) to Grandpoint or its shareholders (or any person shall have publicly announced an intention, whether or not conditional, to make an acquisition proposal), and such acquisition proposal or publicly announced intention shall not have been publicly withdrawn without qualifications, and within twelve (12) months after the termination, Grandpoint or a Grandpoint subsidiary enters into an agreement with respect to an "acquisition proposal" (as defined under " No Solicitation" above, except that all references to 10% shall be deemed references to 50%) or an "acquisition proposal" is consummated, then Grandpoint shall pay to Pacific Premier an amount equal to \$23.0 million on the earlier of the date of execution of such agreement or upon consummation of any such acquisition proposal.

Any termination fee that becomes payable pursuant to the merger agreement shall be paid by wire transfer of immediately available funds to an account designated by Pacific Premier.

If Grandpoint fails to timely pay the termination fee to Pacific Premier, Grandpoint will be obligated to pay the costs and expenses (including reasonable legal fees and expenses) incurred by Pacific Premier to collect such payment, provided Pacific Premier prevails on the merits, together with interest.

Certain Employee Matters

The merger agreement contains certain agreements of the parties with respect to various employee matters, which are described below.

Within sixty days from the date of the merger agreement, Pacific Premier is required to identify those Grandpoint employees for whom Pacific Premier agrees to continue employment following the closing of the merger, provided they are employed by, and in good standing with, Grandpoint and its subsidiaries immediately prior to the closing of the merger, whom we refer to as the transferred employees. As soon as administratively practicable after the effective time of the merger, Pacific Premier shall transition transferred employees of Grandpoint and its subsidiaries from the benefit plans of Grandpoint and its subsidiaries to the corresponding Pacific Premier benefit plans and take all reasonable action so that transferred employees of Grandpoint and its subsidiaries shall be entitled to participate in each Pacific Premier benefit plan of general applicability to the same extent as similarly-situated employees of Pacific Premier and its subsidiaries (with the parties acknowledging that inclusion of the transferred employees of Grandpoint and its subsidiaries in the Pacific Premier benefit plans may occur at different times with respect to different plans), provided that coverage shall be continued under the corresponding benefit plans of Grandpoint and its subsidiaries until such transferred employees are permitted to participate in the Pacific Premier benefit plans, and provided further, however, that nothing contained in the merger agreement shall require Pacific Premier or any of its

Table of Contents

subsidiaries to make any grants to any former employee of Grandpoint and its subsidiaries under any discretionary equity compensation plan of Pacific Premier.

Pacific Premier shall cause each Pacific Premier benefit plan in which employees of Grandpoint and its subsidiaries are eligible to participate to recognize, for purposes of determining eligibility to participate in, the vesting of benefits and for all other purposes (but not for accrual of pension benefits) under the Pacific Premier benefit plans, the service of such transferred employees with Grandpoint and its subsidiaries to the same extent as such service was credited for such purpose by Grandpoint and its subsidiaries, provided, however, that such service shall not be recognized to the extent that such recognition would result in a duplication of benefits or to the extent not otherwise permissible under the terms of a Pacific Premier benefit plan. Nothing in the merger agreement is intended to limit the ability of Pacific Premier to amend or terminate any of the Pacific Premier benefit plans or the Grandpoint benefit plans in accordance with their terms at any time.

In the event Pacific Premier transitions transferred employees of Grandpoint and its subsidiaries from the group medical, dental, health, life or long-term disability plan of Grandpoint and its subsidiaries to the corresponding Pacific Premier benefit plan at any time prior to the end of the applicable plan year of the group medical, dental, health, life or long-term disability plan of Grandpoint and its subsidiaries, at such time as transferred employees of Grandpoint and its subsidiaries become eligible to participate in a medical, dental, health, life or long-term disability plan of Pacific Premier or its subsidiaries at any time prior to the end of the applicable plan year of the group medical, dental, health, life or long-term disability plan of Grandpoint and its subsidiaries, Pacific Premier will cause each such plan to:

waive any preexisting condition limitations to the extent such conditions are covered under the applicable medical, health or dental plans of Pacific Premier;

provide full credit under such medical, health or dental plans for any deductibles, co-payment and out-of-pocket expenses incurred by the employees and their beneficiaries during the portion of the calendar year prior to such participation; and

waive any waiting period limitation or evidence of insurability requirement which would otherwise be applicable to such employee on or after the effective time of the merger to the extent such employee had satisfied any similar limitation or requirement under a corresponding Grandpoint plan prior to the effective time of the merger; provided, however, that such waiver shall not be required to the extent that such waiver would result in a duplication of benefits or to the extent not otherwise permissible under the terms of a contract insuring benefits under the Pacific Premier benefit plans.

At and following the effective time of the merger, Pacific Premier shall honor and shall continue to be obligated to perform, in accordance with their terms, all change-in-control agreements and supplemental employee retirement plans of Grandpoint and its subsidiaries to the extent that each of the foregoing (including amounts accrued or otherwise payable pursuant thereto) has been previously disclosed to Pacific Premier.

Effective as of, and subject to, the closing date of the merger, Grandpoint and its subsidiaries shall terminate the employment of those employees who are not transferred employees and shall pay any severance, retention, change in control, accrued and unused paid time off, amounts payable pursuant to the merger agreement with respect to Grandpoint options (which shall be payable by Grandpoint to all employees, regardless of whether they are transferred employees), or other similar payments, in each case, which have been previously disclosed to Pacific Premier, obtain an executed general release of claims that has not been revoked, and pay to the proper taxing authorities any income and employment tax withholding as well as the employer portions of any applicable employment taxes. Pacific Premier shall remain responsible for payment to any transferred employee of any severance or similar

Table of Contents

compensation and benefits payable following a termination of employment. Those employees of Grandpoint and its subsidiaries who do not continue their employment with Pacific Premier or its subsidiaries following the effective time of the merger, who are not a party to an employment agreement or otherwise entitled to an existing severance package and who sign and deliver a termination and release agreement (which will be negotiated between Pacific Premier and Grandpoint) within 60 days of the effective time, shall be entitled to receive a single lump sum payment of severance equal to two (2) weeks of base salary plus an additional two (2) weeks of salary for each completed year of service up to a maximum of 26 weeks. The merger agreement provides that if Grandpoint or any of its subsidiaries has any other severance pay plan or arrangement, then any amounts paid pursuant to that plan or arrangement shall reduce the amount that the employee will receive under the merger agreement, and in no event shall there be any duplication of severance pay. Nothing contained in the merger agreement shall be construed or interpreted to limit or modify in any way Pacific Premier or its subsidiaries at will employment policy or provide any third party beneficiary rights to employees of Grandpoint or any of its subsidiaries. In no event shall severance pay be taken into account in determining the amount of any other benefit (including but not limited to, an individual's benefit under any retirement plan or policy).

Prior to the closing of the merger, Grandpoint and its subsidiaries are required to have paid into Grandpoint's 401(k) retirement plan, which we refer to as the Grandpoint retirement plan, all employer contributions, including any employer matching contributions, profit sharing contributions or other non-elective contributions. Prior to the closing of the merger, Grandpoint shall (i) adopt written resolutions (or take such other necessary or appropriate action), in form and substance reasonably acceptable to Pacific Premier, to terminate the Grandpoint retirement plan in compliance with its terms and requirements of applicable law, effective no later than the business day preceding the closing date and (ii) provide for full vesting of all non-elective contributions under the Grandpoint retirement plan for all participants who currently maintain an account under the Grandpoint retirement plan, such termination and vesting to be effective no later than the business day preceding the closing date.

Assumption of Grandpoint Indenture Obligations

Grandpoint and Pacific Premier have agreed that as of the effective time of the merger, Pacific Premier shall have assumed or caused one of its subsidiaries to assume the obligations under Grandpoint's existing indenture pursuant to which Grandpoint had junior subordinated debentures issued and outstanding with a carrying value of \$5.2 million as of December 31, 2017. Grandpoint and Pacific Premier are required to execute and deliver any supplemental indentures and other documents reasonably requested to make such assumption effective.

Interests of Certain Grandpoint Officers and Directors in the Merger

When Grandpoint shareholders are considering the recommendation of the Grandpoint board with respect to adopting the merger agreement in the Grandpoint consent solicitation, Grandpoint shareholders should be aware that Grandpoint directors and officers have interests in the merger as individuals that are in addition to, or different from, their interests as shareholders of Grandpoint. The Grandpoint board was aware of these factors and considered them, among other matters, in approving the merger agreement and the merger. These interests are described below.

Stock Ownership.

The Grandpoint Investors beneficially owned and had the power to vote as of _____ 2018, a total of _____ shares of Grandpoint voting common stock, representing approximately 87.9% of the outstanding shares of Grandpoint voting common stock as of that date. The directors and executive officers of Grandpoint, as a group, beneficially owned and had the power to vote as of _____ 2018, a total of _____ shares of Grandpoint voting common stock, representing approximately 9.7% of

Table of Contents

the outstanding shares of Grandpoint voting common stock as of that date. All of the shares of Grandpoint voting common stock beneficially owned by the Grandpoint Investors and all of the shares of Grandpoint voting common stock beneficially owned by the directors and executive officers of Grandpoint are expected to be voted by written consent in favor of the merger agreement pursuant to the Grandpoint support agreements entered into by Pacific Premier and the Grandpoint Investors and the Grandpoint shareholder agreements entered into by Pacific Premier and each of the executive officers and certain directors of Grandpoint. See "Grandpoint Support Agreements and Grandpoint Shareholder Agreements" beginning on page . Each of these entities and persons will receive the same merger consideration for their shares of Grandpoint common stock as the other Grandpoint shareholders.

Grandpoint Options.

At the effective time of the merger, each Grandpoint option which is outstanding and unexercised immediately prior to the effective time, including unvested Grandpoint options, which will accelerate and vest in full immediately prior to the effective time, will be cancelled in exchange for the right to receive from Grandpoint, immediately prior to the effective time, a single lump sum cash payment, equal to the product of (i) the number of shares of Grandpoint common stock subject to such Grandpoint option immediately prior to the effective time, and (ii) the excess, if any, of (A) the Pacific Premier average share price multiplied by the exchange ratio over (B) the exercise price per share of such Grandpoint option, less any applicable taxes required to be withheld with respect to such payment. If the exercise price per share of any such Grandpoint option is equal to or greater than the Pacific Premier average share price multiplied by the exchange ratio, the Grandpoint option will be canceled without any cash payment being made in respect thereof. For Grandpoint options that are exercised before the closing, the underlying shares of Grandpoint common stock received upon exercise will be exchanged for the merger consideration in accordance with the exchange ratio.

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

The following table discloses the shares and dollar value of the Grandpoint options held by each of Grandpoint's officers and directors, including those unvested Grandpoint options that will accelerate and vest in connection with, and as a result of, the consummation of the merger.

Name	Grandpoint Options	
	Shares	Value(1)
Don M. Griffith <i>Chairman and CEO</i>	211,000	\$ 2,261,577
Richard Lehmann <i>Director</i>	20,000	214,368
R. Russell Meyer <i>Director</i>	50,000	535,919
M. Christian Mitchell <i>Director</i>	50,000	535,919
Ronald Spogli <i>Director</i>	20,000	214,368
Joseph Wender <i>Director</i>	50,000	535,919
Thomas Young <i>Director</i>	20,000	214,368
Deborah A. Marsten <i>Chief Operating Officer</i>	590,000	6,323,841
David L. Dayton <i>Chief Financial Officer</i>	252,500	2,706,390
Mark P. Phillips <i>Chief Credit Officer</i>	200,000	2,143,675
Loraine White <i>Director of Human Resources and Chief Administrative Officer</i>	150,000(2)	1,582,506(2)
Susan Wahba <i>Chief Risk Officer</i>	30,000	321,551

(1) Represents the aggregate amount resulting when (a) the shares of Grandpoint common stock subject to the stock options held by the named executive officer are multiplied by (b) the excess, if any, of (i) the product resulting when the Pacific Premier average share price is multiplied by 0.4750, which is the exchange ratio, over (ii) the exercise price per share of such Grandpoint options. This amount assumes a Pacific Premier average share price of \$42.57, determined as of April 4, 2018 in accordance with the merger agreement and does not reflect any tax withholdings.

(2) Includes unvested Grandpoint options to acquire 10,000 shares of Grandpoint common stock valued at \$97,108.

Appointment of the Grandpoint Nominees to the Boards of Directors of Pacific Premier and Pacific Premier Bank.

Pursuant to the terms of the merger agreement, Pacific Premier is required to take all action necessary to appoint or elect, effective as of the effective time of the merger, two (2) individuals, referred to as the Grandpoint nominees, each of whom must be mutually agreeable to Pacific Premier and Grandpoint, one of whom shall be Don M. Griffith, the chairman and chief executive officer of Grandpoint, as directors of Pacific Premier and Pacific Premier Bank. Each individual will serve until the first annual meeting of shareholders of Pacific Premier following the effective time of the merger

Table of Contents

and until his or her successor is elected and qualified. Subject to the fiduciary duties of the Pacific Premier board, Pacific Premier is required to include such individuals on the list of nominees for director presented by the Pacific Premier board and for which the Pacific Premier board will solicit proxies at the first annual meeting of shareholders of Pacific Premier following the effective time of the merger.

As a director of Pacific Premier and Pacific Premier Bank, the Grandpoint nominees will be entitled to receive the same compensation as the current non-employee directors of Pacific Premier and Pacific Premier Bank. During 2018, non-employee directors receive cash annual retainer fees in the amount of \$59,000, additional cash annual retainers for board committee service in amounts ranging between \$1,000 and \$15,000, depending on the committee and whether the non-employee director serves as committee chair, restricted stock grants. Non-employee directors may elect to receive all or a portion of their annual cash retainer in the form of shares of Pacific Premier common stock.

Merger Related Payments Under Employment Agreements and Change in Control Agreements; Other Merger-Related Payments

Employment Agreements. Grandpoint Bank is party to employment agreements with each of Don M. Griffith, Grandpoint Bank's chief executive officer, Deborah A. Marsten, Grandpoint Bank's chief operating officer, Roger M. Lavery, Grandpoint Bank's president, David L. Dayton, Grandpoint Bank's executive vice president and chief financial officer, Mark Phillips, Grandpoint's executive vice president and chief credit officer, David J. Ross, Grandpoint Bank's executive vice president and chief credit officer, and Susan Wahba, Grandpoint Bank's executive vice president and chief risk officer. Each of these agreements provide for severance benefits in the event of certain qualifying terminations of employment, including a termination by the executive due to a change in control.

Pursuant to each of the employment agreements, the merger will constitute a "change in control" entitling the executive to severance benefits in the event that Grandpoint Bank or Pacific Premier elect to terminate the executive's employment after consummation of the merger, other than for cause, or if the executive terminates his or her employment as a result of (i) subsequent to the merger, and without the executive's express written consent, the assignment to the executive of any duties substantially inconsistent with the executive's positions, duties, responsibilities and status with Grandpoint Bank immediately prior to the merger, or a substantial change in the executive's reporting responsibilities, titles or officers as in effect immediately prior to the merger, or any removal of the executive from or failure to re-elect the executive to any such positions (other than for cause), (ii) subsequent to the merger, a ten percent (10%) or greater reduction in the executive's base salary and benefits as in effect in the effective date of the employment agreement or as the same may be increased from time to time, (iii) subsequent to the merger, and without the executive's express written consent, requiring the executive to be based anywhere other than within twenty-five (25) miles of Grandpoint Bank's present main office location, exclusive of required travel on Grandpoint Bank's business, or (iv) the failure by Grandpoint, or Grandpoint Bank, to obtain the assumption of the employment agreement by Pacific Premier.

Upon such a termination of employment, each of Don M. Griffith, Deborah A. Marsten, Roger M. Lavery, David L. Dayton, Mark Phillips, David J. Ross and Susan Wahba will be entitled to a lump sum severance payment in an amount equal to twelve (12) months of his or her then base salary, continuation of his or her group medical insurance benefits or payment of COBRA continuation benefits for twelve (12) months, and such incentive bonus to which he or she would be entitled, which shall be prorated for the period of such year actually worked.

Additionally, Grandpoint Bank has three (3) other employment agreements with other officers, two (2) of which were assumed when Grandpoint Bank acquired other financial institutions. The agreement originally entered into by Grandpoint Bank provides for the same benefits as described

Table of Contents

above. The agreements with the two (2) other Grandpoint Bank officers that were assumed from acquired institutions include similar severance benefits in the event of certain qualifying terminations of employment.

Change in Control Agreements. Grandpoint Bank is also a party to six (6) change in control agreements with certain officers. Each of these agreements provide for severance benefits in the event of a termination of employment in connection with a change in control.

Pursuant to five (5) of the change in control agreements, the merger will constitute a "change in control," entitling the executive to severance benefits if the officer's employment is terminated (other than for cause) by Grandpoint Bank within a specified amount of time, as listed in the officer's change in control agreement, following the consummation of the merger, or if the officer terminates his or her employment as a result of (i) the assignment of duties substantially inconsistent with the executive's positions, duties, responsibilities (other than for cause) or (ii) a five percent (5%) or greater reduction in the executive's salary as in effect prior to the merger.

Upon a termination of employment in connection with a change in control within twelve (12) months following the merger, such officers will be entitled to lump sum severance payments ranging between payments equal to six (6) months current annual salary to twelve (12) months current annual salary, less applicable state and/or federal taxes. Under the one other change in control agreement, upon a termination within twenty-four (24) months following the merger, the officer will be entitled to a lump sum severance payment of ninety-five thousand dollars (\$95,000), less applicable state and/or federal taxes.

In addition to his employment agreement noted above, under a change in control agreement, Don M. Griffith will be entitled, in the event of a termination of employment in connection with a change in control within twenty-four (24) months following the merger, to a lump sum severance payment of five hundred thousand dollars (\$500,000), less applicable state and/or federal taxes.

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

Summary of Payments to Certain Executive Officers.

The following table summarizes certain payments to be received by the executive officers of Grandpoint as a result of the consummation of the merger.

Name	Cash Severance	Acceleration of Stock Options(1)	COBRA Payments	Prorata Bonus(2)	Other	Total Payout
Don Griffith <i>Chairman and CEO</i>	\$ 525,000	\$ 2,261,577		\$ 262,500	\$ 500,000(3)	\$ 3,549,077
Deborah Marsten <i>Chief Operating Officer</i>	475,000	6,323,841	24,404	237,500		7,060,745
David Dayton <i>Chief Financial Officer</i>	377,000	2,706,390	28,967	141,375		3,253,732
Rocky Laverty <i>President</i>	375,000	214,368	13,963	140,625	490,000(3)	1,233,958
Mark Phillips <i>Chief Credit Officer</i>	324,500	2,143,675	29,027	73,012		2,570,214
Loraine White <i>Director of Human Resources and Chief Administrative Officer</i>	324,500	1,582,506	41,384	73,012		2,021,402
Susan Wahba <i>Chief Risk Officer</i>	312,000	321,551	41,384	70,000	700,000(4)	1,444,935

- (1) Represents the aggregate amount resulting when (a) the shares of Grandpoint common stock subject to the stock options held by the named executive officer are multiplied by (b) the excess, if any, of (i) the product resulting when the Pacific Premier average share price is multiplied by 0.4750, which is the exchange ratio, over (ii) the exercise price per share of such Grandpoint options. This amount assumes a Pacific Premier average share price of \$42.57, determined as of April 4, 2018 in accordance with the merger agreement and does not reflect any tax withholdings.
- (2) Amount represents pro rata portions of annual incentive bonuses.
- (3) Represents additional bonus amounts payable to Messrs. Griffith and Laverty upon closing of the merger.
- (4) Represents retention bonus amount payable by Grandpoint in the event Ms. Wahba is employed by Grandpoint immediately prior to the consummation of the merger.

Indemnification.

Grandpoint's directors, officers and employees are entitled to continuing indemnification against certain liabilities by virtue of provisions contained in the Grandpoint amended and restated certificate of incorporation, and bylaws, indemnity agreements between Grandpoint and the directors and officers of Grandpoint and the merger agreement. Grandpoint's amended and restated certificate of incorporation is referred to as the Grandpoint certificate of incorporation, and Grandpoint's bylaws is referred to as the Grandpoint bylaws. Pursuant to the merger agreement, Pacific Premier agreed for a period of six (6) years from the closing of the merger, to indemnify and hold harmless each present and former director, officer and employee of Grandpoint or a subsidiary of Grandpoint, as applicable, determined as of the effective time of the merger, against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of matters existing or occurring at or prior to the effective time of the merger, whether

Table of Contents

asserted or claimed prior to, at or after the effective time of the merger, arising in whole or in part out of or pertaining to the fact that he or she was a director, officer, employee, fiduciary or agent of Grandpoint or its subsidiaries or is or was serving at the request of Grandpoint or its subsidiaries as a director, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust or other enterprise including, without limitation, matters related to the negotiation, execution and performance of the merger agreement or the consummation of any of the transactions contemplated by the merger agreement, to the fullest extent to which such indemnified parties would be entitled under the Grandpoint certificate of incorporation and Grandpoint bylaws, or any agreement, arrangement or understanding previously disclosed by Grandpoint to Pacific Premier pursuant to the merger agreement, in each case as in effect on the date of the merger agreement.

Pursuant to the merger agreement, Pacific Premier has agreed to maintain Grandpoint's existing directors' and officers' liability insurance policy for Grandpoint's directors and officers or a substitute policy which shall provide such directors and officers with coverage following the effective time of the merger for an additional six (6) years, provided that if the cost of such insurance exceeds 300% of the annual premiums paid by Grandpoint for its existing directors' and officers' liability insurance, which is referred to as the maximum insurance amount, Pacific Premier will obtain the most advantageous coverage as is available for the maximum insurance amount.

Other than as set forth above, no director or officer of Grandpoint has any direct or indirect material interest in the merger, except insofar as ownership of Grandpoint common stock might be deemed such an interest.

Material Federal Income Tax Consequences

The following is a general description of the anticipated material U.S. federal income tax consequences of the merger. This discussion is based upon the Code, Treasury regulations, judicial authorities and published positions of the Internal Revenue Service, or IRS, all as currently in effect and all of which are subject to change. Accordingly, the U.S. federal income tax consequences of the merger to the holders of Grandpoint common stock could differ from those described below.

Except as specifically stated herein, this discussion is limited to U.S. holders (as defined below) that hold shares of Grandpoint common stock as a capital asset within the meaning of Section 1221 of the Code for U.S. federal income tax purposes. This discussion does not address the tax consequences applicable to Grandpoint shareholders that are not U.S. holders, nor does it address all of the tax consequences that may be relevant to particular U.S. holders that are subject to special treatment under U.S. federal income tax laws, including, without limitation, financial institutions, insurance companies, partnerships and other pass-through entities, tax-exempt organizations, regulated investment companies, real estate investment trusts, dealers in securities or currencies, U.S. persons whose functional currency is not the U.S. dollar, traders in securities that elect to use a mark-to-market method of accounting, persons that hold Grandpoint common stock as part of a straddle, hedge, constructive sale or conversion transaction, and U.S. holders that acquired their shares of Grandpoint common stock through the exercise of an employee stock option, vesting of restricted shares or otherwise as compensation.

If a partnership or other entity taxed as a partnership holds Grandpoint common stock, the tax treatment of a partner in the partnership will depend upon the status of the partner and the activities of the partnership. Partnerships holding Grandpoint common stock and partners in such partnerships should consult with their tax advisors about the tax consequences of the merger to them.

This discussion does not address the tax consequences of the merger under state, local or foreign tax laws. This discussion also does not address the tax consequences of any transaction other than the merger.

Table of Contents

For purposes of this section, the term "U.S. holder" means a beneficial owner of Grandpoint common stock that is for U.S. federal income tax purposes (i) an individual who is a citizen or resident of the United States, (ii) a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state or a political subdivision thereof, (iii) an estate that is subject to U.S. federal income tax on its income regardless of its source, or (iv) a trust, the substantial decisions of which are controlled by one or more U.S. persons and which is subject to the primary supervision of a U.S. court, or that has validly elected under applicable Treasury regulations to be treated as a U.S. person for U.S. federal income tax purposes.

Tax Consequences of the Merger.

The merger has been structured to qualify as a "reorganization" under Section 368(a) of the Code for U.S. federal income tax purposes. As a condition to the completion of the merger, Holland & Knight LLP is required to deliver an opinion, dated the closing date of the merger, to the effect that the merger will be treated as a "reorganization" for U.S. federal income tax purposes within the meaning of Section 368(a) of the Code. The opinion will assume that the merger will be completed according to the terms of the merger agreement and that the parties will report the merger in a manner consistent with the opinion. The opinion will rely on the facts as stated in the merger agreement, the registration statement on Form S-4 filed by Pacific Premier in connection with the merger (of which this prospectus/proxy and consent solicitation statement is a part) and certain other documents. In rendering the opinion, counsel will rely on the representations of Pacific Premier and Grandpoint, to be delivered at the time of closing (and counsel will assume that any representation that is qualified by belief, knowledge or materiality is true, correct and complete without such qualification). If any assumption or representation is or becomes inaccurate, the U.S. federal income tax consequences of the merger could be adversely affected. The opinion will be based on statutory, regulatory and judicial authority existing as of the date of the opinion.

An opinion of counsel represents such counsel's best legal judgment but is not binding on the IRS or on any court. Neither Pacific Premier nor Grandpoint intends to request any ruling from the IRS as to the U.S. federal income tax consequences of the merger. Consequently, no assurance can be given that the IRS will not assert, or that a court will not sustain, a position contrary to any of the tax consequences set forth below or any of the tax consequences described in the opinion.

Based on representations to be contained in representation letters of officers of Pacific Premier and Grandpoint, all of which must continue to be true and accurate in all material respects as of the effective time of the merger, and subject to the other matters set forth above, it is the opinion of Holland & Knight LLP that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Based upon the foregoing, the material U.S. federal income tax consequences of the merger will be as described below.

Tax Consequences of the Merger for Pacific Premier and Grandpoint.

No gain or loss will be recognized by Pacific Premier or Grandpoint as a result of the merger.

Tax Consequences of the Merger for U.S. Holders of Grandpoint Common Stock.

Except as described below under "Cash in Lieu of Fractional Shares of Pacific Premier Common Stock," a U.S. holder that exchanges all of its shares of Grandpoint common stock for shares of Pacific Premier common stock pursuant to the merger will not recognize gain or loss in connection with such exchange.

A U.S. holder's aggregate tax basis in the Pacific Premier common stock received in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below under "Cash in Lieu of Fractional Shares of Pacific Premier Common Stock," will equal such

Table of Contents

U.S. holder's aggregate tax basis in the Grandpoint common stock surrendered by such U.S. holder in the merger. The holding period for the shares of Pacific Premier common stock received by such U.S. holder in the merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below under "Cash in Lieu of Fractional Shares of Pacific Premier Common Stock," will include the holding period for the shares of Grandpoint common stock exchanged therefor.

Cash in Lieu of Fractional Shares of Pacific Premier Common Stock.

A U.S. holder that receives cash instead of a fractional share of Pacific Premier common stock will be treated as having received the fractional share of Pacific Premier common stock pursuant to the merger and then having exchanged the fractional share of Pacific Premier common stock for cash in a redemption by Pacific Premier. This deemed redemption will be treated as a sale or exchange and a U.S. holder will recognize gain or loss equal to the difference between (i) the amount of cash received by such U.S. holder and (ii) the portion of the basis of the shares of Grandpoint common stock allocable to such fractional interest. Such gain or loss will constitute capital gain or loss and will be long-term capital gain or loss if the U.S. holder's holding period for the Grandpoint common stock exchanged by such U.S. holder is greater than one year as of the effective time of the merger. Long-term capital gains of non-corporate U.S. holders are generally subject to reduced rates of taxation. The deductibility of capital losses is subject to limitations. Capital gains recognized by individuals, trusts and estates also may be subject to a 3.8% federal Medicare contribution tax on "net investment income" as provided in Section 1411 of the Code.

Notwithstanding the previous paragraph, if the receipt of the cash is deemed to be essentially equivalent to the distribution of a dividend to the U.S. holder, the cash would be treated as dividend income. While a dividend from Pacific Premier would generally be treated as a "qualified dividend" and taxed at the same rates applicable to long-term capital gains, a U.S. holder would not be able to apply any portion of its basis to reduce the amount of such dividend and such basis would instead be reallocated to such U.S. holder's other Pacific Premier shares.

Information Reporting and Backup Withholding.

Cash payments received in the merger by a U.S. holder may, under certain circumstances, be subject to information reporting and backup withholding at a current rate of 24% of the cash payable to the U.S. holder, unless the U.S. holder provides proof of an applicable exemption, furnishes its taxpayer identification number (in the case of individuals, their social security number) and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a U.S. holder under the backup withholding rules are not additional tax and will be allowed as a refund or credit against the U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Reporting Requirements.

A U.S. holder that receives shares of Pacific Premier common stock as a result of the merger will be required to retain records pertaining to the merger. Each U.S. holder that is required to file a U.S. tax return and that is a "significant holder" that receives Pacific Premier common stock in the merger will be required to file a statement with the significant holder's U.S. federal income tax return setting forth such significant holder's basis (determined immediately before the exchange) in the Grandpoint common stock surrendered and the fair market value (determined immediately before the exchange) of the Grandpoint common stock that is exchanged by such significant holder. A "significant holder" is a U.S. holder that receives shares of Pacific Premier common stock in the merger and that, immediately before the merger, owned at least 5% of the outstanding stock of Grandpoint (by vote or value) or securities of Grandpoint with a tax basis of \$1 million or more.

Table of Contents

THE FOREGOING IS NOT A SUBSTITUTE FOR AN INDIVIDUAL ANALYSIS OF THE TAX CONSEQUENCES OF THE MERGER TO GRANDPOINT SHAREHOLDERS. GRANDPOINT SHAREHOLDERS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE MERGER IN THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE APPLICABILITY AND EFFECT OF U.S. FEDERAL (INCLUDING THE ALTERNATIVE MINIMUM TAX), STATE, LOCAL OR FOREIGN AND OTHER TAX LAWS AND OF CHANGES IN THOSE LAWS.

Accounting Treatment of the Merger

The merger will be accounted for under the acquisition method of accounting under GAAP. Under this method, Grandpoint's assets and liabilities as of the date of the merger will be recorded at their respective fair values and added to those of Pacific Premier. Any excess between the purchase price for Grandpoint and the fair value of the identifiable net assets acquired (including core deposit intangibles) will be recorded as goodwill. In accordance with FASB Accounting Standards Codification (ASC) Topic 350, "Intangibles Goodwill and Other," the goodwill resulting from the merger will not be amortized to expense, but instead will be reviewed for impairment at least annually and to the extent goodwill is impaired, its carrying value will be written down to its implied fair value and a charge will be made to earnings. Core deposit and other intangibles with definite useful lives recorded by Pacific Premier in connection with the merger will be amortized to expense. The financial statements of Pacific Premier issued after the merger will reflect the results attributable to the acquired operations of Grandpoint beginning on the date of completion of the merger.

Expenses of the Merger

The merger agreement provides that each of Grandpoint and Pacific Premier will bear and pay all costs and expenses incurred by it in connection with the transactions contemplated by the merger agreement, including fees and expenses of its own financial consultants, accountants and counsel.

Listing of the Pacific Premier Common Stock

Pacific Premier has agreed to use its reasonable best efforts to cause the shares of Pacific Premier common stock to be issued to Grandpoint shareholders as the merger consideration to be approved for listing on the NASDAQ Global Select Market.

Resale of Pacific Premier Common Stock

The shares of common stock that Grandpoint shareholders receive as a result of the merger will be registered under the Securities Act. Grandpoint shareholders may freely trade these shares of Pacific Premier common stock if such Grandpoint shareholder is not considered an "affiliate" of Pacific Premier, as that term is defined in the federal securities laws. Generally, "affiliates" include directors, certain executive officers and holders of 10% or more of the outstanding Pacific Premier common stock.

Pacific Premier's affiliates may not sell their shares of Pacific Premier common stock acquired in the merger, unless those shares are registered under an effective registration statement under the Securities Act, or by complying with an applicable exemption from the registration requirements of the Securities Act. Pacific Premier may also place restrictive legends on certificates representing shares of Pacific Premier common stock issued to all persons who will be considered "affiliates" of Pacific Premier.

Table of Contents

Grandpoint Support Agreements and Grandpoint Shareholder Agreements

As an inducement for Pacific Premier to enter into the merger agreement, the Grandpoint Investors, who own approximately 87.9% of the outstanding shares of Grandpoint voting common stock as of the date of this prospectus/proxy and consent solicitation statement, entered into support agreements with Pacific Premier, the form of which is set forth as Annex A to the merger agreement, which is attached to this prospectus/proxy and consent solicitation statement as Appendix A, pursuant to which the Grandpoint Investors agreed, among other things, to deliver a written consent with respect to all shares of Grandpoint voting common stock beneficially owned by them in favor of adoption of the merger agreement in connection with the Grandpoint consent solicitation. The Grandpoint Investors also have agreed to certain restrictions on their ability to transfer their shares of Grandpoint common stock, discussed below.

In addition, each executive officer and certain directors of Grandpoint who own shares of Grandpoint common stock, reflecting an aggregate of approximately 9.7% of the outstanding Grandpoint voting common stock as of the date of this prospectus/proxy and consent solicitation statement, entered into a shareholder agreement with Pacific Premier, the form of which is set forth as Annex B to the merger agreement, which is attached to this prospectus/proxy and consent solicitation statement as Appendix A, pursuant to which he or she agreed, among other things, to deliver a written consent with respect to all shares of Grandpoint voting common stock beneficially owned by him or her in favor of adoption of the merger agreement in connection with the Grandpoint consent solicitation. Each such director and executive officer of Grandpoint also agreed to certain restrictions on their ability to transfer their shares of Grandpoint common stock, discussed below.

Pacific Premier has the right to terminate the merger agreement if written consents in an amount sufficient to constitute Grandpoint shareholder approval are not received by Pacific Premier prior to 6:00 p.m., Pacific Time, on the third business day immediately following the date that Pacific Premier's registration statement on Form S-4, of which this prospectus/proxy and consent solicitation statement is a part, is declared effective by the Commission.

Pursuant to each of the Grandpoint support agreements and the Grandpoint shareholder agreements, which we refer to in this section as the agreements, each Grandpoint Investor, each executive officer and each Grandpoint director who entered into a shareholder agreement also agreed, while such agreements are in effect, not to, without the prior written approval of Pacific Premier, sell, transfer, pledge, encumber, distribute by gift or donation, or otherwise dispose of any of the shares of Grandpoint common stock whether by actual disposition, physical settlement, or effective economic disposition through hedging transactions, derivative transactions or other means, except for charitable gifts or donations where the recipient enters into a voting agreement binding the recipient to vote its shares of Grandpoint common stock in the same manner as described herein. Each person and entity who entered into such agreement also agreed not to deposit any shares in a voting trust, grant any proxy, or enter into any voting agreement or similar agreement or arrangement with respect to any shares of Grandpoint common stock. The restrictions on transfer of shares of Grandpoint common stock described herein shall no longer apply once the requisite Grandpoint shareholder approval has been obtained.

In addition, as of the closing and for a period of two (2) years thereafter, each executive officer of Grandpoint who is not a transferred employee has agreed not to:

- (i) solicit any employees of Grandpoint or its Subsidiaries prior to the closing of the merger, other than general solicitations through newspapers or other media of general circulation not targeted at such employees, provided, however, that the foregoing shall not apply to any employee of Grandpoint or its subsidiaries (1) who does not become an employee of Pacific Premier or any of its subsidiaries or is terminated by Pacific Premier or any of its subsidiaries without cause on or after the closing date of the merger; or
- (2) whose employment terminated more than six months

Table of Contents

prior to the time that such employee of Grandpoint or its subsidiaries is first solicited for employment following the closing date of the merger;

(ii) knowingly induce, persuade, encourage or influence or attempt to induce, persuade, encourage or influence any person having a business relationship with Grandpoint or their respective subsidiaries and affiliates prior to the closing date, to discontinue, reduce or restrict such relationship with Pacific Premier or its subsidiaries after the closing date of the merger; or

(iii) knowingly solicit depositors, borrowers or customers of Grandpoint or its subsidiaries on the date of the merger agreement and/or as of the day of the closing of the merger, except for general solicitations that are directed to the general public and not directed specifically to persons who were depositors, borrowers or customers of Grandpoint on the date of the merger agreement or as of the closing date of the merger.

Except for the non-solicitation provisions referenced in the paragraph above with respect to the Grandpoint shareholder agreements entered into with executive officers of Grandpoint who are not transferred employees, which will survive for a period of two (2) years following the consummation of the merger, the Grandpoint support agreements and the Grandpoint shareholder agreements shall remain in effect until the earlier to occur of the date, if any, of termination of the merger agreement in accordance with its terms, or the effective time of the merger.

Appraisal Rights

Grandpoint shareholders are entitled to appraisal rights under Section 262 of the DGCL in connection with the merger. Under the DGCL, as more fully described below, if you are a Grandpoint shareholder and you do not wish to accept the merger consideration provided for in the merger agreement and the merger is consummated, you have the right to seek appraisal of your shares of Grandpoint common stock and to receive payment in cash for the fair value of your Grandpoint common stock, exclusive of any element of value arising from the accomplishment or expectation of the merger, as determined by the Court of Chancery of the State of Delaware, which we refer to as the Delaware Court of Chancery, together with interest, if any, to be paid upon the amount determined to be fair value. The "fair value" of your shares of Grandpoint common stock as determined by the Delaware Court of Chancery may be more or less than, or the same as, the per share merger consideration that you are otherwise entitled to receive under the terms of the merger agreement. We refer to these rights as appraisal rights. Grandpoint shareholders who elect to exercise appraisal rights must not vote in favor of or consent in writing to the proposal to adopt the merger agreement and must comply with the provisions of Section 262 of the DGCL, which we refer to as Section 262, to perfect their rights. **A holder of Grandpoint common stock who wishes to exercise appraisal rights, or preserve the ability to do so, must not sign and deliver a written consent adopting the merger agreement, or sign and deliver a consent without indicating a decision on the proposal. Any written consent returned without indicating a decision on the proposal will be counted as approving the proposal as described in the enclosed form of written consent, which will also effectively waive any appraisal rights.**

This section is intended as a brief summary of the material provisions of the Delaware statutory procedures that a shareholder must follow to seek and perfect appraisal rights. This summary, however, is not a complete statement of all applicable requirements, and it is qualified in its entirety by reference to Section 262, the full text of which appears in Appendix C to this prospectus/proxy and consent solicitation statement. The following summary does not constitute any legal or other advice, nor does it constitute a recommendation that shareholders exercise their appraisal rights under Section 262.

A HOLDER OF GRANDPOINT COMMON STOCK WHO WISHES TO EXERCISE APPRAISAL RIGHTS OR WHO WISHES TO PRESERVE THE RIGHT TO DO SO SHOULD

Table of Contents

REVIEW THE FOLLOWING DISCUSSIONS AND APPENDIX C CAREFULLY. FAILURE TO COMPLY PRECISELY WITH THE PROCEDURES CONTAINED IN SECTION 262 OF THE DGCL IN A TIMELY AND PROPER MANNER WILL RESULT IN THE LOSS OF APPRAISAL RIGHTS. BECAUSE OF THE COMPLEXITY OF THE PROCEDURES FOR EXERCISING APPRAISAL RIGHTS, IF YOU WISH TO EXERCISE YOUR APPRAISAL RIGHTS, YOU SHOULD CONSULT WITH YOUR OWN LEGAL AND FINANCIAL ADVISORS IN CONNECTION WITH COMPLIANCE UNDER SECTION 262 OF THE DGCL. INVESTMENT BANKER OPINIONS AS TO THE FAIRNESS FROM A FINANCIAL POINT OF VIEW OF THE CONSIDERATION PAYABLE IN A TRANSACTION SUCH AS THE MERGER ARE NOT OPINIONS AS TO, AND DO NOT ADDRESS IN ANY RESPECT, FAIR VALUE UNDER SECTION 262 OF THE DGCL. A GRANDPOINT SHAREHOLDER WHO LOSES HIS, HER OR ITS APPRAISAL RIGHTS WILL BE ENTITLED TO RECEIVE THE MERGER CONSIDERATION.

Section 262 requires that, where a merger agreement is adopted by written consent of stockholders in lieu of a meeting, certain stockholders must be given notice that appraisal rights are available. A copy of Section 262 must be included with such notice. The notice must be provided either before the effective date of the merger or within ten (10) days after the merger agreement is approved by the company's shareholders. Only those Grandpoint shareholders who did not submit a consent in favor of the proposal to adopt the merger agreement and who have otherwise complied with Section 262 are entitled to receive such notice. The notice may be given by Grandpoint, if sent prior to effectiveness of the merger, or Pacific Premier, if given after effectiveness. If given on or after the effective date, the notice must also specify the effective date of the merger; otherwise, a supplementary notice will provide this information.

Following Grandpoint's receipt of sufficient written consents to adopt the merger agreement, we will send all non-consenting Grandpoint shareholders who satisfy the other statutory conditions the notice regarding the adoption of the merger agreement and the availability of appraisal rights. A Grandpoint shareholder wishing to exercise his, her or its appraisal rights will need to take action at that time, in response to that notice, but this description is being provided to all Grandpoint shareholders now so they can determine whether they wish to preserve their ability to demand appraisal rights in the future in response to that notice.

In order to preserve your right to receive notice and demand appraisal rights, you must not deliver a written consent in favor of the adoption of the merger agreement or deliver a consent without indicating a decision on the proposal. Consents that are signed and delivered without indicating a decision on the proposal will be counted as approving the proposal, which will also effectively waive appraisal rights. As described below, you must also continue to hold your shares through the effective time of the merger.

If you elect to exercise appraisal rights with respect to your shares of Grandpoint common stock, you must deliver to Grandpoint or to Pacific Premier (as the surviving corporation in the merger), as applicable, at the specific address which will be included in the notice, a written demand for appraisal of your shares of Grandpoint common stock within 20 days after the date of the mailing of the subsequent notice that will be sent to non-consenting Grandpoint shareholders. Do not submit a demand before the date of that subsequent notice because, under Delaware case law, a demand that is made before the notice is mailed may not be effective to perfect your appraisal rights.

A holder of shares of Grandpoint common stock wishing to exercise appraisal rights must hold of record the shares of Grandpoint common stock on the date the written demand for appraisal is made and must continue to hold the shares of Grandpoint common stock of record through the effective date of the merger, because appraisal rights will be lost if the shares of Grandpoint common stock are

Table of Contents

transferred prior to the effective time. If you are not the shareholder of record, you will need to follow special procedures as discussed further below.

If you and/or the record holder of your shares fail to comply with all of the conditions required by Section 262 to perfect your rights, and the merger is completed, you (assuming that you hold your shares through the effective time of the merger) will be entitled to receive the merger consideration for your shares of Grandpoint common stock as provided for in the merger agreement, but you will lose your appraisal rights with respect to your shares of Grandpoint common stock.

In order to satisfy Section 262, a demand for appraisal in respect of shares of Grandpoint common stock must reasonably inform Grandpoint or Pacific Premier (as the surviving corporation in the merger), as applicable, of the identity of the shareholder of record and the shareholder's intent to seek appraisal rights. The demand should be executed by or on behalf of the holder of record, fully and correctly, as the holder's name appears on the holder's stock certificates, should specify the holder's name and mailing address and the number of shares registered in the holder's name and must state that the person intends thereby to demand appraisal of the holder's shares in connection with the merger. The demand cannot be made by the beneficial owner if he or she does not also hold the shares of Grandpoint common stock of record. The beneficial holder must, in such cases, have the registered owner, such as a bank, broker or other nominee, submit the required demand in respect of those shares of common stock.

IF YOU HOLD YOUR SHARES IN BANK OR BROKERAGE ACCOUNTS OR OTHER NOMINEE OR INTERMEDIARY FORMS, AND YOU WISH TO EXERCISE APPRAISAL RIGHTS, YOU SHOULD CONSULT WITH YOUR NOMINEE OR INTERMEDIARY TO DETERMINE THE APPROPRIATE PROCEDURES FOR THE BANK, BROKERAGE FIRM OR OTHER NOMINEE OR INTERMEDIARY TO MAKE A DEMAND FOR APPRAISAL OF THOSE SHARES. IF YOU HAVE A BENEFICIAL INTEREST IN SHARES HELD OF RECORD IN THE NAME OF ANOTHER PERSON, SUCH AS A NOMINEE OR INTERMEDIARY, YOU MUST ACT PROMPTLY TO CAUSE THE HOLDER OF RECORD TO FOLLOW PROPERLY AND IN A TIMELY MANNER THE STEPS NECESSARY TO PERFECT YOUR APPRAISAL RIGHTS. IF YOU HOLD YOUR SHARES THROUGH A BANK OR BROKERAGE WHO IN TURN HOLDS THE SHARES THROUGH A CENTRAL SECURITIES DEPOSITORY NOMINEE, SUCH AS THE DEPOSITORY TRUST COMPANY, A DEMAND FOR APPRAISAL OF SUCH SHARES MUST BE MADE BY OR ON BEHALF OF THE DEPOSITORY NOMINEE AND MUST IDENTIFY THE DEPOSITORY NOMINEE AS THE HOLDER OF RECORD.

If shares of Grandpoint common stock are owned of record by a person other than the beneficial owner, including a broker, fiduciary (such as a trustee, guardian or custodian) or other nominee, a demand for appraisal must be executed by or for such record holder. If the shares of Grandpoint common stock are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand should be executed by or for all joint owners. An authorized agent, including an authorized agent for two or more joint owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record holder or owners and expressly disclose the fact that, in executing the demand, he or she is acting as agent for the record holder. A record holder, such as a broker, who holds shares of Grandpoint common stock as a nominee for others, may exercise his or her right of appraisal with respect to the shares of Grandpoint common stock held for one or more beneficial owners, while not exercising this right for other beneficial owners. In that case, the written demand should state the number of shares of Grandpoint common stock as to which appraisal is sought. Where no number of shares of Grandpoint common stock is expressly mentioned, the demand will be presumed to cover all shares of Grandpoint common stock held in the name of the record holder.

Table of Contents

At any time within 60 days after the effective time of the merger, any shareholder who has not commenced an appraisal proceeding or joined a proceeding as a named party may withdraw the demand and accept the merger consideration for that stockholder's shares of Grandpoint common stock by delivering to Pacific Premier (as the surviving corporation in the merger) a written withdrawal of the demand for appraisal. However, any such attempt to withdraw the demand made more than 60 days after the effective time of the merger will require written approval by Pacific Premier (as the surviving corporation in the merger). Unless the demand is properly withdrawn by the stockholder within 60 days after the effective date of the merger, no appraisal proceeding in the Delaware Court of Chancery will be dismissed as to any shareholder without the approval of the Delaware Court of Chancery, and such approval may be conditioned upon such terms as the Court deems just. If Pacific Premier (as the surviving corporation in the merger) does not approve a request to withdraw a demand for appraisal when that approval is required, or if the Delaware Court of Chancery does not approve the dismissal of an appraisal proceeding, the shareholder will be entitled to receive only the appraised value determined in any such appraisal proceeding, which value could be less than, equal to or more than the value of the consideration offered pursuant to the merger agreement.

Within 120 days after the effective time of the merger, but not thereafter, either Pacific Premier (as the surviving corporation in the merger) or any shareholder who has complied with the requirements of Section 262 and is entitled to appraisal rights under Section 262 may commence an appraisal proceeding by filing a petition in the Delaware Court of Chancery demanding a determination of the fair value of the shares of Grandpoint common stock held by all stockholders entitled to appraisal. Upon the filing of such a petition by a shareholder, service of a copy of such petition shall be made upon Pacific Premier (as the surviving corporation in the merger). Pacific Premier has no present intent, as the combined company, to file such a petition and has no obligation to cause such a petition to be filed, and holders should not assume that Pacific Premier (as the surviving corporation in the merger) will file a petition. Accordingly, the failure of a shareholder to file such a petition within the period specified could result in no appraisal rights being available for any shareholder notwithstanding prior written demands for appraisal having been delivered to Pacific Premier (as the surviving corporation in the merger). In addition, within 120 days after the effective time of the merger, any shareholder who has properly filed a written demand for appraisal and who did not submit a consent in favor of the proposal to adopt the merger agreement, upon written request, will be entitled to receive from Pacific Premier (as the surviving corporation in the merger) a statement setting forth the aggregate number of shares of Grandpoint common stock not voted in favor of the proposal to adopt the merger agreement and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. The statement must be mailed within 10 days after such written request has been received by Pacific Premier (as the surviving corporation in the merger) or within 10 days after the expiration of the period for delivery of demands, whichever is later. A person who is the beneficial owner of shares of Grandpoint common stock held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file a petition for appraisal or request from Pacific Premier (as the surviving corporation in the merger) such statement.

If a petition for appraisal is duly filed by a shareholder and a copy of the petition is delivered to Pacific Premier (as the surviving corporation in the merger), then Pacific Premier (as the surviving corporation in the merger) will be obligated, within 20 days after receiving service of a copy of the petition, to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of all shareholders who have demanded payment for their shares of Grandpoint common stock and with whom agreements as to the value of their shares of Grandpoint common stock have not been reached. After notice to shareholders who have demanded appraisal, if such notice is ordered by the Delaware Court of Chancery, the Delaware Court of Chancery is empowered to conduct a hearing upon the petition and to determine those shareholders who have complied with Section 262 and who have become entitled to the appraisal rights provided by Section 262. The Delaware Court of Chancery

Table of Contents

may require shareholders who have demanded payment for their shares of Grandpoint common stock and who hold stock represented by certificates to submit their stock certificates to the Register in Chancery for notation of the pendency of the appraisal proceedings; and if any shareholder fails to comply with that direction, the Delaware Court of Chancery may dismiss the proceedings as to that shareholder.

After determination of the shareholders entitled to appraisal of their shares of Grandpoint common stock, the Delaware Court of Chancery will appraise the shares of Grandpoint common stock, determining their fair value as of the effective time after taking into account all relevant factors exclusive of any element of value arising from the accomplishment or expectation of the merger, together with interest, if any, to be paid upon the amount determined to be the fair value. When the value is determined, the Delaware Court of Chancery will direct the payment of such value upon surrender by those shareholders of the certificates representing their shares of Grandpoint common stock. Unless the Court in its discretion determines otherwise for good cause shown, interest from the effective date of the merger through the date of payment of the judgment will be compounded quarterly and will accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective time and the date of payment of the judgment.

No representation is made as to the outcome of the appraisal of fair value as determined by the Court and stockholders should recognize that such an appraisal could result in a determination of a value higher or lower than, or the same as, the value of the merger consideration. Moreover, we do not anticipate offering more than the merger consideration to any shareholder exercising appraisal rights and reserve the right to assert, in any appraisal proceeding, that, for purposes of Section 262, the "fair value" of a share of Grandpoint common stock is less than the value of the merger consideration.

Costs of the appraisal proceeding (which do not include attorneys' fees or the fees and expenses of experts) may be determined by the Delaware Court of Chancery and imposed upon Pacific Premier (as the surviving corporation in the merger) and the shareholders participating in the appraisal proceeding by the Delaware Court of Chancery, as it deems equitable in the circumstances. Each shareholder seeking appraisal is responsible for his or her attorneys' fees and expert witness expenses, although, upon the application of a shareholder, the Delaware Court of Chancery may order all or a portion of the expenses incurred by any shareholder in connection with the appraisal proceeding, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts used in the appraisal proceeding, to be charged pro rata against the value of all shares of Grandpoint common stock entitled to appraisal. Any shareholder who duly demanded appraisal in compliance with Section 262 will not, after the effective time of the merger, be entitled to vote shares of Grandpoint common stock subject to that demand for any purpose or to receive payments of dividends or any other distribution with respect to those shares of Grandpoint common stock, other than with respect to payment as of a record date prior to the effective time. However, if no petition for appraisal is filed within 120 days after the effective time, or if the shareholder otherwise fails to perfect his, her or its appraisal rights, successfully withdraws his, her or its demand for appraisal or loses his, her or its right to appraisal, then the right of that shareholder to appraisal will cease and that shareholder will be entitled to receive the per share merger consideration for his, her or its shares of Grandpoint common stock pursuant to the merger agreement.

THE PROCESS OF DEMANDING AND EXERCISING APPRAISAL RIGHTS REQUIRES STRICT COMPLIANCE WITH THE TECHNICAL PREREQUISITES OF SECTION 262 OF THE DGCL. FAILING TO FOLLOW PROPER STATUTORY PROCEDURES WILL RESULT IN LOSS OF YOUR APPRAISAL RIGHTS. IF YOU INTEND TO EXERCISE YOUR APPRAISAL RIGHTS, YOU SHOULD CONSULT WITH YOUR OWN LEGAL AND FINANCIAL ADVISORS IN CONNECTION WITH COMPLIANCE UNDER SECTION 262 OF THE DGCL. TO THE EXTENT THERE ARE ANY

Table of Contents

INCONSISTENCIES BETWEEN THE FOREGOING SUMMARY AND SECTION 262 OF THE DGCL, THE DGCL WILL GOVERN.

THIS IS NOT THE NOTICE OF APPRAISAL RIGHTS PURSUANT TO SECTION 262 OF THE DGCL. YOU WILL RECEIVE A LATER NOTICE OF APPRAISAL RIGHTS. DO NOT SEND IN YOUR DEMAND PRIOR TO THE MAILING OF SUCH LATER NOTICE. ANY DEMAND FOR APPRAISAL MADE PRIOR TO YOUR RECEIPT OF SUCH LATER NOTICE MAY NOT BE EFFECTIVE TO PERFECT YOUR RIGHTS.

Table of Contents**MARKET FOR COMMON STOCK AND DIVIDENDS****Pacific Premier Market Information and Dividends***Market Information.*

Pacific Premier's common stock is traded on the NASDAQ Global Select Market under the symbol "PPBI." As of _____, 2018, there were 46,504,586 shares of Pacific Premier common stock outstanding, which were held by _____ holders of record. Such numbers of shareholders do not reflect the number of individuals or institutional investors holding stock in nominee name through banks, brokerage firms and others.

The following table sets forth during the periods indicated the high and low sales prices of Pacific Premier common stock as reported on the NASDAQ Global Select Market.

	Pacific Premier	
	Market Price	
	High	Low
Year Ending December 31, 2018		
First Quarter	\$ 45.10	\$ 38.15
Second Quarter (through April 4, 2018)	40.35	39.50
Year Ending December 31, 2017		
First Quarter	21.66	18.63
Second Quarter	25.07	20.32
Third Quarter	27.39	23.68
Fourth Quarter	35.85	24.75
Year Ending December 31, 2016		
First Quarter	41.90	34.35
Second Quarter	38.75	33.15
Third Quarter	38.70	32.05
Fourth Quarter	42.55	36.25

Dividends.

During the periods presented in the table above, Pacific Premier did not pay any dividends on its common stock. It has been Pacific Premier's current policy to retain earnings to provide funds for use in its business. Although Pacific Premier has never declared or paid dividends on its common stock, the Pacific Premier board periodically reviews whether to declare or pay cash dividends, taking into account, among other things, general business conditions, Pacific Premier's financial results, future prospects, capital requirements, legal and regulatory restrictions, and such other factors as the Pacific Premier board may deem relevant.

Grandpoint Market Information and Dividends*Market Information.*

Grandpoint's common stock is traded on the OTC Market Group Pink Sheets under the symbol "GPNC." As of _____, 2018, there were 33,174,925 shares of Grandpoint common stock outstanding, which were held by _____ holders of record. Such number of shareholders does not reflect the number of individuals or institutional investors holding stock in nominee name through banks, brokerage firms and others.

The following table sets forth the high and low closing bids for shares of Grandpoint's common stock during the periods indicated. Bid prices are based on information received from the OTC Market Group Pink Sheets based on all transactions reported on the OTC Market Group Pink Sheets. Such

Table of Contents

information reflects inter-dealer prices, without retail markups, markdowns or commissions and may not reflect actual transactions.

	Grandpoint	
	Market Price	
	High	Low
Year Ending December 31, 2018		
First Quarter	\$ 21.50	\$ 19.26
Second Quarter (through April 4, 2018)	19.26	19.00
Year Ending December 31, 2017		
First Quarter	16.00	13.35
Second Quarter	16.00	16.00
Third Quarter	19.00	16.00
Fourth Quarter	21.00	17.15
Year Ending December 31, 2016		
First Quarter	10.50	9.69
Second Quarter	10.25	10.25
Third Quarter	10.25	10.25
Fourth Quarter	13.35	10.25

The last reported trade of Grandpoint's common stock prior to the filing of this prospectus/proxy and consent solicitation statement was on _____, 2018, at \$ _____. The last reported trade of Grandpoint's common stock on the date prior to the announcement of the merger was on February 6, 2018, at \$20.00.

Dividends.

The Grandpoint board has responsibility for the oversight and approval of the declarations of dividends. Dividends Grandpoint declares are subject to the restrictions set forth in the DGCL. The DGCL permits a Delaware corporation to declare and pay dividends out of surplus or, if there is no surplus, out of net profits for the fiscal year in which the dividend is declared and/or for the preceding fiscal year as long as the amount of capital of the corporation following the declaration and payment of the dividend is not less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets. Further, it is the policy of the Federal Reserve that bank holding companies, such Grandpoint, should generally pay dividends on common stock only out of income available over the past year, and only if prospective earnings retention is consistent with the organization's expected future needs and financial condition. It is also the Federal Reserve's policy that bank holding companies should not maintain dividend levels that undermine their ability to be a source of strength to their banking subsidiaries.

The principal source of funds from which Grandpoint may pay dividends is the receipt of dividends from Grandpoint Bank. The availability of dividends from Grandpoint Bank is limited by various statutes and regulations. Grandpoint Bank is subject first to corporate restrictions on its ability to pay dividends. Further, Grandpoint Bank may not pay a dividend if it would be undercapitalized for bank regulatory purposes after the dividend payment is made. The payment of cash dividends by Grandpoint Bank is subject to restrictions set forth in the CFC. The CFC provides that a bank may not make a cash distribution to its shareholders in excess of the lesser of (a) bank's retained earnings; or (b) bank's net income for its last three fiscal years, less the amount of any distributions made by the bank or by any majority-owned subsidiary of the bank to the shareholders of the bank during such period. However, a bank may, with the approval of the CA DBO, make a distribution to its shareholders in an amount not exceeding the greatest of (a) its retained earnings; (b) its net income for its last fiscal year; or (c) its net income for its current fiscal year. In the event that the CA DBO determines that the

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

shareholders' equity of a bank is inadequate or that the making of a distribution by the bank would be unsafe or unsound, the CA DBO may order the bank to refrain from making a proposed distribution. The FDIC may also restrict the payment of dividends if such payment would be deemed unsafe or unsound or if after the payment of such dividends, the bank would be included in one of the "undercapitalized" categories for capital adequacy purposes pursuant to federal law. While the Federal Reserve has no general restriction with respect to the payment of cash dividends by an adequately capitalized bank to its parent holding company, the Federal Reserve, under certain circumstances, place restrictions on the ability of a particular bank to pay dividends based upon peer group averages and the performance and maturity of the particular bank, or object to management fees to be paid by a subsidiary bank to its holding company on the basis that such fees cannot be supported by the value of the services rendered or are not the result of an arm's length transaction.

The following table provides information at _____, 2018, with respect to dividends declared on shares of Grandpoint common stock since January 1, 2016:

Quarters Ended	Amount Per Share	Amount Paid	Total Paid QTR	Total Paid YTD
	(dollars in thousands except per share data)			
June 30, 2018 (through April 4, 2018)	\$	\$	\$	\$
March 31, 2018	0.15	4,976,239	4,976,239	4,976,239
December 31, 2017(1)	1.40	46,441,080	46,441,080	60,330,844
September 30, 2017	0.15	4,972,424	4,972,424	13,889,764
June 30, 2017	0.15	4,954,611	4,954,611	8,917,340
March 31, 2017	0.12	3,962,729	3,962,729	3,962,729
December 31, 2016	0.12	3,958,584	3,958,584	15,823,834
September 30, 2016	0.12	3,958,584	3,958,584	11,865,250
June 30, 2016	0.12	3,953,364	3,953,364	7,906,666
March 31, 2016	0.12	3,953,302	3,953,302	3,953,302

- (1) Includes dividends in the amount of \$0.15 per share and \$1.25 per share declared on October 19, 2017 and November 16, 2017, respectively, in the aggregate amounts of \$4,972,424 and \$41,468,656.

Grandpoint Securities Authorized for Issuance Under Equity Compensation Plans

Grandpoint administers two equity compensation plans, the 2011 Equity Incentive Award Plan, as amended, or the 2011 Plan, and the 2012 Incentive Award Plan, or the 2012 Plan. Pursuant to the 2011 Plan, which has been approved by Grandpoint's shareholders, employees and directors may be granted incentive stock options and nonqualified stock options. An aggregate of 10% of the outstanding Grandpoint common stock on a fully-diluted basis is available for issuance under the 2011 Plan, which amount is calculated quarterly. Stock options are granted at an exercise price not less than 100% of the fair market value of the stock on the date of grant, unless the option is granted to a Grandpoint shareholder owning more than 10% of the Grandpoint common stock, in which case the exercise price is 110% of the fair market value of the stock on the date of the grant, and all options awarded expire not more than 10 years from the date of grant, as specified in each award agreement. Upon adoption by the Grandpoint shareholders of an agreement such as the merger agreement, the Grandpoint board committee which administers the 2011 Plan is authorized to provide, among other things, that all awards granted under the 2011 Plan shall become fully vested and exercisable immediately prior to the transaction in question.

Pursuant to the 2012 Plan, which was not submitted to Grandpoint shareholders, employees and directors, other than directors designated by a Grandpoint Investor, may be granted awards of

Table of Contents

restricted shares of Grandpoint common stock and/or stock appreciation rights, or SARs, which may be either time based or performance based. The aggregate number of shares of Grandpoint common stock and SARs which may be issued under the 2012 Plan is limited to 3% of the outstanding Grandpoint common stock on a fully-diluted basis, but excluding shares subject to issuance under the 2011 Plan, which amount is calculated quarterly. Restricted shares and SARs generally vest over five years from the date granted, and expire no later than 10 years from the award date. All restrictions, terms, criteria and conditions applicable to restricted shares and SARs awarded under the 2012 Plan shall be deemed lapsed and satisfied, and each holder shall be 100% vested with respect to all awards under the 2012 Plan upon consummation of a transaction such as the merger contemplated by the merger agreement.

The following table provides information at February 9, 2018, with respect to shares of Grandpoint common stock that may be issued under Grandpoint's existing equity compensation plans:

Plan Category	Number of Securities to be issued upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance
Equity compensation plans approved by security holders (2011 Plan)	2,765,000	9.52	181,417
Equity compensation plans not approved by security holders (2012 Plan)	0	N/A	868,081

Equivalent Market Value Per Share of Grandpoint Common Stock

The following table sets forth the closing sale prices of (i) Pacific Premier common stock as reported on the NASDAQ Global Select Market, and (ii) Grandpoint common stock as reported on the OTC Market Group Pink Sheets, on February 9, 2018, the last trading-day before Pacific Premier announced the merger, and on February 9, 2018, the last practicable trading-day before the distribution of this prospectus/proxy and consent solicitation statement. To help illustrate the market value of the per share stock consideration to be received by Grandpoint's shareholders, the following table also presents the equivalent market value per share of Grandpoint common stock as of February 9, 2018 and February 9, 2018, which were determined by multiplying the closing price for Pacific Premier's common stock on those dates by the exchange ratio of 0.4750 of a share of Pacific Premier common stock for each share of Grandpoint common stock.

	Pacific Premier Common Stock	Grandpoint Common Stock	Equivalent Market Value Per Share of Grandpoint Common Stock
At February 9, 2018	\$ 39.10	\$ 20.00	\$ 18.57
At February 9, 2018	\$	\$	\$

Grandpoint shareholders are advised to obtain current market quotations for Pacific Premier common stock. The market price of Pacific Premier common stock at the effective time of the merger or at the time the Grandpoint shareholders receive Pacific Premier common stock in the merger following the consummation of the merger may be higher or lower than the market price at the time the merger agreement was executed, at the date of mailing of this prospectus/proxy and consent solicitation statement or at the time of the special meeting. See "Risk Factors" beginning on page 108.

INFORMATION ABOUT PACIFIC PREMIER

General

Pacific Premier is a Delaware-chartered bank holding company for Pacific Premier Bank, a California-chartered commercial bank. Pacific Premier's principal asset is all of the capital stock of

Table of Contents

Pacific Premier Bank. Pacific Premier Bank provides banking services to businesses, professionals, real estate investors, non-profit organizations and consumers in its primary market area of Southern California currently through 33 locations in the counties of Orange, Los Angeles, Riverside, San Bernardino, San Diego, San Luis Obispo and Santa Barbara, California, as well as Clark County, Nevada. Through Pacific Premier Bank's branches and its Internet website at www.ppbi.com, Pacific Premier Bank offers a broad array of deposit products and services for both businesses and consumer customer, including checking, money market and savings accounts, cash management services, electric banking services, and on-line bill payment. Pacific Premier Bank also offers a wide array of loan products, such as commercial business loans, lines of credit, U.S. Small Business Administration loans, commercial real estate loans, residential home loans, construction loans and consumer loans. Pacific Premier also offers specialty banking products for homeowners associations and franchise lending nationwide.

As of December 31, 2017, Pacific Premier had, on a consolidated basis, total assets of \$8.0 billion, total stockholders equity of \$1.2 billion and total deposits of \$6.1 billion. At December 31, 2017, Pacific Premier had gross loans held for investment of \$6.2 billion, with real estate loans and business loans collateralized by real estate totaling 65% of its gross loan portfolio.

Pacific Premier's principal executive offices are located at 17901 Von Karman Ave., Suite 1200, Irvine, California 92614 and its telephone number is (949)864-8000.

Pacific Premier's Annual Report on Form 10-K for the year ended December 31, 2017, a copy of which is attached as Appendix E to this prospectus/proxy and consent solicitation statement, contains the historical consolidated financial statements of Pacific Premier as well as a discussion of Pacific Premier's business, management's discussion and analysis of financial condition and results of operations and other information with respect to Pacific Premier.

Management and Additional Information; New Director Appointment in Connection with Merger

Certain information relating to director and executive compensation, benefit plans, voting securities and the principal holders thereof, certain relationships and related transactions and other related matters as to Pacific Premier is set forth in Appendix F to this prospectus/proxy and consent solicitation statement.

Pursuant to the terms of the merger agreement, Pacific Premier is required to take all action necessary to appoint or elect, effective as of the effective time of the merger, two (2) individuals, referred to as the Grandpoint nominees, each of whom must be mutually agreeable to Pacific Premier and Grandpoint, one of whom shall be Don M. Griffith, the chairman and chief executive officer of Grandpoint, as directors of Pacific Premier and Pacific Premier Bank. Each individual will serve until the first annual meeting of shareholders of Pacific Premier following the effective time of the merger and until his or her successor is elected and qualified. Set forth below is certain information relating to Mr. Griffith:

Don Griffith, 74, has been the Chairman and Chief Executive Officer of Grandpoint since 2010. From 1993 to 2007, Mr. Griffith was the founder of two banks, Peninsula Bank and First Coastal Bank, where he served as Chairman and Chairman, President and Chief Executive Officer, respectively. In 1989, Mr. Griffith founded D.M. Griffith & Co., an investment and advisory firm that he started with the financial backing of Kohlberg Kravis Roberts & Co., or KKR. KKR, with the assistance of the Mr. Griffith's firm, invested \$284 million in the Fleet Financial Group in 1991. The transaction was the cornerstone of the financing for the purchase of the Bank of New England from the FDIC, an acquisition D.M. Griffith & Co. helped develop and structure. From 1979 to 1988, Mr. Griffith served as Executive Vice President and Chief Financial Officer of First Interstate Bancorp, the 8th largest bank in the U.S. at that time. Prior to that, he worked at Bank of America for five years, serving as head of the Energy and Natural Resources Lending Group in Los Angeles. He began his banking

Table of Contents

career with Citibank in New York and Mexico City. Mr. Griffith formerly served on the Board of Trustees of Chadwick School as well as the Board of Directors of Wedbush, Inc., the parent holding company of Wedbush, Morgan Securities, Inc., and various start-up companies. He earned a master's degree in business administration from Harvard Business School, a master's degree in political science from the University of California, Berkeley, and a bachelor's degree in political science from Stanford University.

INFORMATION ABOUT GRANDPOINT

Business

Grandpoint is a Delaware corporation that was incorporated in June 2007. Prior to acquiring its banking subsidiaries in 2010, Grandpoint was involved in organizational activities including acquiring a management team, raising capital and filing applications with various regulatory agencies to operate as a bank holding company.

Grandpoint has one banking subsidiary, Grandpoint Bank. Grandpoint Bank is a California state-chartered depository institution headquartered in Los Angeles, California with fourteen (14) branches located in Southern California, Arizona and Vancouver, Washington. Grandpoint Bank is licensed to operate as a commercial bank under the CFC and is subject to supervision by the CA DBO. In accordance with the Federal Deposit Insurance Act, the Federal Deposit Insurance Corporation or FDIC, insures the deposits of Grandpoint Bank up to the maximum legal limit. Grandpoint Bank's primary source of revenue is from providing loans to customers, who are predominately small to medium-sized businesses and high net worth individuals, and investment securities. Grandpoint also has a non-banking subsidiary, Peoria Holdings, LLC, to service and sell certain classified loans and assets.

As of December 31, 2017, Grandpoint, on a consolidated basis, had total assets of \$3.2 billion and gross loans of \$2.4 billion, total shareholders' equity of \$349.5 million and total deposits of \$2.4 billion.

Grandpoint's principal executive offices are located at 333 South Grand Avenue, Los Angeles, California 90071 and its telephone number is (213) 542-2700.

Competition

The banking business in California, generally, and in Grandpoint Bank's service areas, specifically, is highly competitive with respect to both loans and deposits and is dominated by a number of major banks that have many offices operating over wide geographic areas. Grandpoint Bank competes for deposits and loans principally with these commercial banks, savings associations, credit unions, consumer finance companies, pension trusts, mutual funds, insurance companies, mortgage bankers and brokers, brokerage and investment banking firms, asset-based non-bank lenders, government agencies and certain other non-financial institutions, including retail stores, that may offer more favorable financing alternatives than Grandpoint Bank. Grandpoint Bank also competes with companies located outside of its market that provide financial services to persons within its market. Some of Grandpoint Bank's current and potential competitors have larger customer bases, greater brand recognition, and significantly greater financial, marketing and other resources than Grandpoint Bank, and some of them are not subject to the same degree of regulation as Grandpoint Bank.

Premises

Grandpoint leases office locations under lease agreements which call for various monthly payments expiring at dates through the year 2022. Grandpoint believes that its premises will be adequate for present and anticipated needs. Grandpoint also believes that it has adequate insurance to cover its premises.

Table of Contents

Employees

At December 31, 2017, Grandpoint had 318 full-time equivalent employees. Management of Grandpoint considers its relations with its employees to be good. Grandpoint is not a party to any collective bargaining agreement.

Legal Proceedings

Grandpoint is from time to time involved in legal proceedings arising in the normal course of business. Other than proceedings incidental to Grandpoint's business, it is not a party to, nor is any of its property the subject of, any material pending legal or administrative proceedings.

Supervision and Regulation

General. Bank holding companies, such as Grandpoint, and banks, such as Grandpoint Bank, are subject to extensive regulation and supervision by federal and state regulators. Various requirements and restrictions under state and federal law affect Grandpoint's operations, including reserves against deposits, ownership of deposit accounts, loans, investments, mergers and acquisitions, borrowings, dividends, locations of branch offices and capital requirements. The following is a summary of certain statutes and rules applicable to Grandpoint and Grandpoint Bank. This summary is qualified in its entirety by reference to the particular statute and regulatory provision referred to below and is not intended to be an exhaustive description of all applicable statutes and regulations.

As a bank holding company, Grandpoint is subject to regulation and supervision by the Federal Reserve. Grandpoint is required to file with the Federal Reserve quarterly and annual reports and such additional information as the Federal Reserve may require pursuant to the BHC Act. The Federal Reserve may conduct examinations of bank holding companies and their subsidiaries. Grandpoint is also a bank holding company within the meaning of the CFC. As such, Grandpoint and its subsidiaries are subject to examination by, and may be required to file reports with, the CA DBO.

Under changes made by the Dodd-Frank Wall Street Reform and Consumer Protection Act, or Dodd-Frank Act, a bank holding company must act as a source of financial and managerial strength to each of its subsidiary banks and to commit resources to support each such subsidiary bank. In order to fulfill its obligations as a source of strength, the Federal Reserve may require a bank holding company to make capital injections into a troubled subsidiary bank. In addition, the Federal Reserve may charge the bank holding company with engaging in unsafe and unsound practices if the bank holding company fails to commit resources to a subsidiary bank or if it undertakes actions that the Federal Reserve believes might jeopardize the bank holding company's ability to commit resources to such subsidiary bank. The Federal Reserve also has the authority to require a bank holding company to terminate any activity or to relinquish control of a nonbank subsidiary (other than a nonbank subsidiary of a bank) upon the Federal Reserve's determination that such activity or control constitutes a serious risk to the financial soundness and stability of any bank subsidiary of the bank holding company.

As a California state-chartered commercial bank, which is a member of the Federal Reserve, Grandpoint Bank is subject to supervision, periodic examination and regulation by the CA DBO and the Federal Reserve. Grandpoint Bank's deposits are insured by the FDIC through the Deposit Insurance Fund, or DIF. Pursuant to the Dodd-Frank Act, federal deposit insurance coverage was permanently increased to \$250,000 per depositor for all insured depository institutions. As a result of this deposit insurance function, the FDIC also has certain supervisory authority and powers over Grandpoint Bank as well as all other FDIC insured institutions. If, as a result of an examination of Grandpoint Bank, the regulators should determine that the financial condition, capital resources, asset quality, earnings prospects, management, liquidity or other aspects of Grandpoint Bank's operations are unsatisfactory or that Grandpoint Bank or its management is violating or has violated any law or regulation, various remedies are available to the regulators. Such remedies include the power to enjoin

Table of Contents

unsafe or unsound practices, to require affirmative action to correct any conditions resulting from any violation or practice, to issue an administrative order that can be judicially enforced, to direct an increase in capital, to restrict growth, to assess civil monetary penalties, to remove officers and directors and ultimately to request the FDIC to terminate Grandpoint Bank's deposit insurance. As a California-chartered commercial bank, Grandpoint Bank is also subject to certain provisions of California law.

Legislative and regulatory initiatives are from time-to-time introduced, which necessarily impacts the regulation of the financial services industry. Grandpoint cannot predict whether or when potential legislation or new regulations will be enacted, and if enacted, the effect that new legislation or any implemented regulations and supervisory policies would have on its financial condition and results of operations. Moreover, bank regulatory agencies can be more aggressive in responding to concerns and trends identified in examinations, which could result in an increased issuance of enforcement actions to financial institutions requiring action to address credit quality, liquidity and risk management and capital adequacy, as well as other safety and soundness concerns.

Dodd-Frank Act. The Dodd-Frank Act, which was signed into law in July 2010, implemented far-reaching changes across the financial regulatory landscape, including provisions that, among other things, repealed the federal prohibitions on the payment of interest on demand deposits, thereby permitting depository institutions to pay interest on business transaction and other accounts, and increased the authority of the Federal Reserve to examine bank holding companies, such as Grandpoint, and its non-bank subsidiaries.

Many aspects of the Dodd-Frank Act continue to be subject to rulemaking and have yet to take full effect, making it difficult to anticipate the overall financial impact on Grandpoint, its customers or the financial industry generally. Provisions in the legislation that affect deposit insurance assessments, payment of interest on demand deposits and interchange fees could increase the costs associated with deposits as well as place limitations on certain revenues those deposits may generate.

In 2017, both the House of Representatives and the Senate introduced legislation that would repeal or modify provisions of the Dodd-Frank Act and significantly impact financial services regulation. Although the bills vary in content, certain key aspects include revisions to rules related to mortgage loans, delayed implementation of rules related to the Home Mortgage Disclosure Act, reform and simplification of certain Volcker Rule requirements, and raising the threshold for applying enhanced prudential standards to bank holding companies with total consolidated assets equal to or greater than \$50 billion to those with total consolidated assets equal to or greater than \$250 billion. In 2018, the Senate passed a bill modifying and relaxing certain aspects of the Dodd-Frank Act. The bill would, among other things, raise the asset threshold for classifying financial institutions as systematically important from \$50 billion to \$250 billion, increase the asset threshold for stress testing and enhanced prudential standards from \$50 billion to \$250 billion, limit the application of the Volcker Rule and waive certain residential loan requirements for certain financial institutions with assets of \$10 billion or less.

Activities of Bank Holding Companies. The activities of bank holding companies are generally limited to the business of banking, managing or controlling banks, and other activities that the Federal Reserve has determined to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. Bank holding companies that qualify and register as "financial holding companies" are also able to engage in certain additional financial activities, such as merchant banking and securities and insurance underwriting, subject to limitations set forth in federal law. Grandpoint is not a "financial holding company."

The BHC Act requires a bank holding company to obtain prior approval of the Federal Reserve before: (i) taking any action that causes a bank to become a controlled subsidiary of the bank holding company; (ii) acquiring direct or indirect ownership or control of voting shares of any bank or bank

Table of Contents

holding company, if the acquisition results in the acquiring bank holding company having control of more than 5% of the outstanding shares of any class of voting securities of such bank or bank holding company, unless such bank or bank holding company is majority-owned by the acquiring bank holding company before the acquisition; (iii) acquiring all or substantially all the assets of a bank; or (iv) merging or consolidating with another bank holding company.

Permissible Activities of the Bank. Because California permits commercial banks chartered by the state to engage in any activity permissible for national banks, Grandpoint Bank can form subsidiaries to engage in activities "closely related to banking" or "nonbanking" activities and expanded financial activities. However, to form a financial subsidiary, Grandpoint Bank must be well capitalized and would be subject to the same capital deduction, risk management and affiliate transaction rules as applicable to national banks. Generally, a financial subsidiary is permitted to engage in activities that are "financial in nature" or incidental thereto, even though they are not permissible for the national bank to conduct directly within the bank. The definition of "financial in nature" includes, among other items, underwriting, dealing in or making a market in securities, including, for example, distributing shares of mutual funds. The subsidiary may not, however, engage as principal in underwriting insurance (other than credit life insurance), issue annuities or engage in real estate development, investment or merchant banking.

Incentive Compensation. Federal banking agencies have issued guidance on incentive compensation policies intended to ensure that the incentive compensation policies of banking organizations do not undermine the safety and soundness of such organizations by encouraging excessive risk-taking. The guidance, which covers all employees that have the ability to materially affect the risk profile of an organization, is based upon the key principles that a banking organization's incentive compensation arrangements should (i) provide incentives that do not encourage risk-taking beyond the organization's ability to effectively identify and manage risks, (ii) be compatible with effective internal controls and risk management, and (iii) be supported by strong corporate governance, including active and effective oversight by the organization's board of directors. In accordance with the Dodd-Frank Act, the federal banking agencies prohibit incentive-based compensation arrangements that encourage inappropriate risk taking by covered financial institutions (generally institutions that have over \$1 billion in assets) and are deemed to be excessive, or that may lead to material losses.

The Federal Reserve will review, as part of the regular, risk-focused examination process, the incentive compensation arrangements of banking organizations, such as Grandpoint, that are not "large, complex banking organizations." These reviews will be tailored to each organization based on the scope and complexity of the organization's activities and the prevalence of incentive compensation arrangements. The findings of the supervisory initiatives will be included in reports of examination. Deficiencies will be incorporated into the organization's supervisory ratings, which can affect the organization's ability to make acquisitions and take other actions. Enforcement actions may be taken against a banking organization if its incentive compensation arrangements, or related risk-management control or governance processes, pose a risk to the organization's safety and soundness and the organization is not taking prompt and effective measures to correct the deficiencies. The scope and content of the U.S. banking regulators' policies on executive compensation may continue to evolve in the near future.

Capital Requirements. Bank holding companies and banks are subject to various regulatory capital requirements administered by state and federal agencies. These agencies may establish higher minimum requirements if, for example, a banking organization previously has received special attention or has a high susceptibility to interest rate risk. Risk-based capital requirements determine the adequacy of capital based on the risk inherent in various classes of assets and off-balance sheet items. Under the Dodd-Frank Act, the Federal Reserve must apply consolidated capital requirements to depository institution holding companies that are no less stringent than those currently applied to depository institutions. The Dodd-Frank Act additionally requires capital requirements to be countercyclical so that the required amount of capital increases in times of economic expansion and decreases in times of economic contraction, consistent with safety and soundness.

Table of Contents

Under federal regulations, bank holding companies and banks must meet certain risk-based capital requirements. Effective as of January 1, 2015, the Basel III final capital framework, among other things, (i) introduces as a new capital measure "Common Equity Tier 1", or CET1, (ii) specifies that Tier 1 capital consists of CET1 and "Additional Tier 1 capital" instruments meeting specified requirements, (iii) defines CET1 narrowly by requiring that most adjustments to regulatory capital measures be made to CET1 and not to the other components of capital and (iv) expands the scope of the adjustments as compared to existing regulations. Beginning January 1, 2016, financial institutions are required to maintain a minimum capital conservation buffer to avoid restrictions on capital distributions and other payments. The minimum capital conservation buffer is phased in over a four year transition period with minimum buffers of 0.625%, 1.25%, 1.875%, and 2.50% during 2016, 2017, 2018, and 2019, respectively.

When fully phased-in by January 1, 2019, Basel III requires banks will be subject to the following risk-based capital requirements:

a minimum ratio of CET1 to risk-weighted assets of at least 4.5%, plus a 2.5% "capital conservation buffer";

a minimum ratio of Tier 1 capital to risk-weighted assets of at least 6.0%, plus the capital conservation buffer, or 8.5%;

a minimum ratio of Total (Tier 1 plus Tier 2) capital to risk-weighted assets of at least 8.0%, plus the capital conservation buffer, or 10.5%; and

a minimum leverage ratio of 4%, calculated as the ratio of Tier 1 capital to balance sheet exposures plus certain off-balance sheet exposures.

The Basel III final framework provides for a number of deductions from and adjustments to CET1. These include, for example, the requirement that mortgage servicing rights, deferred tax assets dependent upon future taxable income and significant investments in non-consolidated financial entities be deducted from CET1 to the extent that any one such category exceeds 10% of CET1 or all such categories in the aggregate exceed 15% of CET1. Basel III also includes, as part of the definition of CET1 capital, a requirement that banking institutions include the amount of Additional Other Comprehensive Income, or AOCI, which primarily consists of unrealized gains and losses on available for sale securities, which are not required to be treated as other-than-temporary impairment, net of tax) in calculating regulatory capital. Banking institutions had the option to opt out of including AOCI in CET1 capital if they elected to do so in their first regulatory report following January 1, 2015. As permitted by Basel III, Grandpoint and Grandpoint Bank have elected to exclude AOCI from CET1.

Basel III also includes the following significant provisions:

An additional countercyclical capital buffer to be imposed by applicable national banking regulators periodically at their discretion, with advance notice, that would be a CET1 add-on to the capital conservation buffer in the range of 0% and 2.5% when fully implemented;

Restrictions on capital distributions and discretionary bonuses applicable when capital ratios fall within the buffer zone;

Deduction from common equity of deferred tax assets that depend on future profitability to be realized; and

For capital instruments issued on or after January 13, 2013 (other than common equity), a loss absorbency requirement that the instrument must be written off or converted to common equity if a triggering event occurs, either pursuant to applicable law or at the direction of the banking regulator.

Table of Contents

A triggering event is an event that would cause the banking organization to become nonviable without the write off or conversion, or without an injection of capital from the public sector. Banking institutions that do not satisfy the minimum capital conservation buffer (or below the combined capital conservation buffer and countercyclical capital buffer, when the latter is applied) may face constraints on its ability to pay dividends, effect equity repurchases and pay discretionary bonuses to executive officers, which constraints vary based on the amount of the shortfall.

The Dodd-Frank Act excludes trust preferred securities issued after May 19, 2010 from being included in Tier 1 capital, unless the issuing company is a bank holding company with less than \$500 million in total assets. Trust preferred securities issued prior to that date will continue to count as Tier 1 capital for bank holding companies with less than \$15 billion in total assets.

Basel III changed the manner of calculating risk-weighted assets. New methodologies for determining risk-weighted assets in the general capital rules are included, including revisions to recognition of credit risk mitigation, including a greater recognition of financial collateral and a wider range of eligible guarantors. They also include risk weighting of equity exposures and past due loans; and higher (greater than 100%) risk-weighting for certain commercial real estate exposures that have higher credit risk profiles, including higher loan to value and equity components. In particular, loans categorized as "high-volatility commercial real estate" loans, or HVCRE loans, are required to be assigned a 150% risk weighting, and require additional capital support. HVCRE loans are defined to include any credit facility that finances or has financed the acquisition, development or construction of real property, unless it finances: 1-4 family residential properties; certain community development investments; agricultural land used or usable for, and whose value is based on, agricultural use; or commercial real estate projects in which: (i) the loan to value is less than the applicable maximum supervisory loan to value ratio established by the bank regulatory agencies; (ii) the borrower has contributed cash or unencumbered readily marketable assets, or has paid development expenses out of pocket, equal to at least 15% of the appraised "as completed" value; (iii) the borrower contributes its 15% before the bank advances any funds; and (iv) the capital contributed by the borrower, and any funds internally generated by the project, is contractually required to remain in the project until the facility is converted to permanent financing, sold or paid in full.

In addition to the uniform risk-based capital guidelines and regulatory capital ratios that apply across the industry, the regulators have the discretion to set individual minimum capital requirements for specific institutions at rates significantly above the minimum guidelines and ratios. Future changes in regulations or practices could further reduce the amount of capital recognized for purposes of capital adequacy. Such a change could affect Grandpoint Bank's ability to grow and could restrict the amount of profits, if any, available for the payment of dividends. In addition, the Dodd-Frank Act requires the federal banking agencies to adopt capital requirements that address the risks that the activities of an institution poses to the institution and the public and private stakeholders, including risks arising from certain enumerated activities.

Basel III became applicable to Grandpoint and Grandpoint Bank on January 1, 2015. Overall, Grandpoint believes that implementation of the Basel III Rule has not had and will not have a material adverse effect on Grandpoint or Grandpoint Bank's capital ratios, earnings, shareholder's equity, or its ability to pay dividends, effect stock repurchases or pay discretionary bonuses to executive officers.

In September 2017, the federal bank regulators proposed to revise and simplify the capital treatment for certain deferred tax assets, mortgage servicing assets, investments in non-consolidated financial entities and minority interests for banking organizations, such as Grandpoint and Grandpoint Bank, that are not subject to the advanced approaches requirements. In November 2017, the federal banking regulators revised the Basel III Rules to extend the current transitional treatment of these items for non-advanced approaches banking organizations until the September 2017 proposal is

Table of Contents

finalized. The September 2017 proposal would also change the capital treatment of certain commercial real estate loans under the standardized approach.

In December 2017, the Basel Committee published standards that it described as the finalization of the Basel III post-crisis regulatory reforms (the standards are commonly referred to as "Basel IV"). Among other things, these standards revise the Basel Committee's standardized approach for credit risk (including by recalibrating risk weights and introducing new capital requirements for certain "unconditionally cancellable commitments," such as unused credit card lines of credit) and provides a new standardized approach for operational risk capital. Under the Basel framework, these standards will generally be effective on January 1, 2022, with an aggregate output floor phasing in through January 1, 2027. Under the current U.S. capital rules, operational risk capital requirements and a capital floor apply only to advanced approaches institutions, and not to Grandpoint or Grandpoint Bank.

Prompt Corrective Action Regulations. The federal banking regulators are required to take "prompt corrective action" with respect to capital-deficient institutions. Federal banking regulations define, for each capital category, the levels at which institutions are "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" and "critically undercapitalized." Under regulations effective through December 31, 2017, Grandpoint Bank was "well capitalized", which means it had a common equity Tier 1 capital ratio of 6.5% or higher; a Tier 1 risk-based capital ratio of 8.0% or higher; a total risk-based capital ratio of 10.0% or higher; a leverage ratio of 5.0% or higher; and was not subject to any written agreement, order or directive requiring it to maintain a specific capital level for any capital measure.

As noted above, Basel III integrates the new capital requirements into the prompt corrective action category definitions. The following capital requirements have applied to Grandpoint since January 1, 2015.

Capital Category	Total Risk-Based Capital Ratio	Tier 1 Risk-Based Capital Ratio	Common Equity Tier 1 (CET1) Capital Ratio	Leverage Ratio	Tangible Equity to Assets	Supplemental Leverage Ratio
Well Capitalized	10% or greater	8% or greater	6.5% or greater	5% or greater	n/a	n/a
Adequately Capitalized	8% or greater	6% or greater	4.5% or greater	4% or greater	n/a	3% or greater
Undercapitalized	Less than 8%	Less than 6%	Less than 4.5%	Less than 4%	n/a	Less than 3%
Significantly Undercapitalized	Less than 6%	Less than 4%	Less than 3%	Less than 3%	n/a	n/a
Critically Undercapitalized	n/a	n/a	n/a	n/a	Less than 2%	n/a

As of December 31, 2017, Grandpoint had a consolidated ratio of 11.5% of total capital to risk-weighted assets, a consolidated ratio of 10.8% of Tier 1 capital to risk-weighted assets, and a consolidated ratio of 10.6% of CET1 capital to risk-weighted assets, and a consolidated ratio of 9.4% of Tier 1 capital to average assets. As of December 31, 2017, Grandpoint Bank had a ratio of 11.3% of total capital to risk-weighted assets, a ratio of 10.6% of Tier 1 capital to risk-weighted assets, a ratio of 10.6% of CET1 to risk-weighted assets, and a ratio of 9.2% of Tier 1 capital to risk-weighted assets.

An institution may be downgraded to, or deemed to be in, a capital category that is lower than indicated by its capital ratios if it is determined to be in an unsafe or unsound condition or if it receives an unsatisfactory examination rating with respect to certain matters. An institution's capital category is determined solely for the purpose of applying prompt corrective action regulations, and the capital category may not constitute an accurate representation of the institution's overall financial condition or prospects for other purposes. In the event an institution becomes "undercapitalized," it must submit a capital restoration plan. The capital restoration plan will not be accepted by the regulators unless each company having control of the undercapitalized institution guarantees the subsidiary's compliance with the capital restoration plan up to a certain specified amount. Any such

Table of Contents

guarantee from a depository institution's holding company is entitled to a priority of payment in bankruptcy. The aggregate liability of the holding company of an undercapitalized bank is limited to the lesser of 5% of the institution's assets at the time it became undercapitalized or the amount necessary to cause the institution to be "adequately capitalized."

The bank regulators have greater power in situations where an institution becomes "significantly" or "critically" undercapitalized or fails to submit a capital restoration plan. In addition to requiring undercapitalized institutions to submit a capital restoration plan, bank regulations contain broad restrictions on certain activities of undercapitalized institutions including asset growth, acquisitions, branch establishment and expansion into new lines of business. With certain exceptions, an insured depository institution is prohibited from making capital distributions, including dividends, and is prohibited from paying management fees to control persons if the institution would be undercapitalized after any such distribution or payment. As an institution's capital decreases, the regulators' enforcement powers become more severe. A significantly undercapitalized institution is subject to mandated capital raising activities, restrictions on interest rates paid and transactions with affiliates, removal of management, and other restrictions. A regulator has limited discretion in dealing with a critically undercapitalized institution and is virtually required to appoint a receiver or conservator.

Banks with risk-based capital and leverage ratios below the required minimums may also be subject to certain administrative actions, including the termination of deposit insurance upon notice and hearing, or a temporary suspension of insurance without a hearing in the event the institution has no tangible capital. In addition to the federal regulatory capital requirements described above, the CA DBO has authority to take possession of the business and properties of a bank in the event that the tangible stockholders' equity of a bank is less than the greater of (i) 4% of the bank's total assets or (ii) \$1.0 million.

Dividends. It is the Federal Reserve's policy that bank holding companies, such as Grandpoint, should generally pay dividends on common stock only out of income available over the past year, and only if prospective earnings retention is consistent with the organization's expected future needs and financial condition. It is also the Federal Reserve's policy that bank holding companies should not maintain dividend levels that undermine their ability to be a source of strength to its banking subsidiaries. Additionally, in consideration of the current financial and economic environment, the Federal Reserve has indicated that bank holding companies should carefully review their dividend policy and has discouraged payment ratios that are at maximum allowable levels unless both asset quality and capital are very strong. See "Market for Common Stock and Dividends Grandpoint Market Information and Dividends Dividends," beginning on page .

Grandpoint Bank's ability to pay dividends to Grandpoint is subject to restrictions set forth in the CFC. The CFC provides that a bank may not make a cash distribution to its stockholders in excess of the lesser of a bank's (1) retained earnings; or (2) net income for its last three fiscal years, less the amount of any distributions made by the bank or by any majority-owned subsidiary of the bank to the stockholders of the bank during such period. However, a bank may, with the approval of the CA DBO, make a distribution to its stockholders in an amount not exceeding the greatest of (a) its retained earnings; (b) its net income for its last fiscal year; or (c) its net income for its current fiscal year. In the event that bank regulators determine that the stockholders' equity of a bank is inadequate or that the making of a distribution by the bank would be unsafe or unsound, the regulators may order the bank to refrain from making a proposed distribution. The payment of dividends could, depending on the financial condition of a bank, be deemed to constitute an unsafe or unsound practice.

FDIC Insurance of Certain Accounts and Regulation by the FDIC. Grandpoint Bank is an FDIC insured financial institution whereby the FDIC provides deposit insurance for a certain maximum dollar amount per customer. Grandpoint Bank, as is the case with all FDIC insured banks, is subject to deposit insurance assessments as determined by the FDIC. The amount of the deposit insurance

Table of Contents

assessment for institutions with less than \$10.0 billion in assets, which includes Grandpoint Bank, is based on its risk category, with certain adjustments for any unsecured debt or brokered deposits held by the insured bank. Institutions assigned to higher risk categories (that is, institutions that pose a higher risk of loss to the DIF) pay assessments at higher rates than institutions that pose a lower risk. An institution's risk classification is assigned based on a combination of its financial ratios and supervisory ratings, reflecting, among other things, its capital levels and the level of supervisory concern that the institution poses to the regulators. In addition, the FDIC can impose special assessments in certain instances. Deposit insurance assessments fund the DIF.

The Dodd-Frank Act changed the way that deposit insurance premiums are calculated. The assessment base is no longer the institution's deposit base, but rather its average consolidated total assets less its average tangible equity. The Dodd-Frank Act also increased the minimum designated reserve ratio of the DIF from 1.15% to 1.35% of the estimated amount of total insured deposits by 2020, eliminates the upper limit for the reserve ratio designated by the FDIC each year, and eliminates the requirement that the FDIC pay dividends to depository institutions when the reserve ratio exceeds certain thresholds. Continued action by the FDIC to replenish the DIF, as well as the changes contained in the Dodd Frank Act, may result in higher assessment rates, which could reduce Grandpoint's profitability or otherwise negatively impact its operations.

Transactions with Related Parties. Depository institutions are subject to the restrictions contained in the Federal Reserve Act, or FRA, with respect to loans to directors, executive officers and principal stockholders. Under the FRA, loans to directors, executive officers and stockholders who own more than 10% of a depository institution and certain affiliated entities of any of the foregoing, may not exceed, together with all other outstanding loans to such person and affiliated entities, the institution's loans-to-one-borrower limit as discussed in the above section. Federal regulations also prohibit loans above amounts prescribed by the appropriate federal banking agency to directors, executive officers, and stockholders who own more than 10% of an institution, and their respective affiliates, unless such loans are approved in advance by a majority of the board of directors of the institution. Any "interested" director may not participate in the voting. The proscribed loan amount, which includes all other outstanding loans to such person, as to which such prior board of director approval is required, is the greater of \$25,000 or 5% of capital and surplus up to \$500,000. The Federal Reserve also requires that loans to directors, executive officers, and principal stockholders be made on terms substantially the same as offered in comparable transactions to non-executive employees of the bank and must not involve more than the normal risk of repayment. There are additional limits on the amount a bank can loan to an executive officer.

Transactions between a bank and its "affiliates" are quantitatively and qualitatively restricted under Sections 23A and 23B of the FRA. Section 23A restricts the aggregate amount of covered transactions with any individual affiliate to 10% of the capital and surplus of the financial institution. The aggregate amount of covered transactions with all affiliates is limited to 20% of the institution's capital and surplus. Certain transactions with affiliates are required to be secured by collateral in an amount and of a type described in Section 23A and the purchase of low quality assets from affiliates are generally prohibited. Section 23B generally provides that certain transactions with affiliates, including loans and asset purchases, must be on terms and under circumstances, including credit standards, that are substantially the same or at least as favorable to the institution as those prevailing at the time for comparable transactions with non-affiliated companies. The Federal Reserve has promulgated Regulation W, which codifies prior interpretations under Sections 23A and 23B of the FRA and provides interpretive guidance with respect to affiliate transactions. Affiliates of a bank include, among other entities, a bank's holding company and companies that are under common control with the bank. Grandpoint is considered to be an affiliate of Grandpoint Bank.

The Dodd-Frank Act generally enhanced the restrictions on transactions with affiliates under Section 23A and 23B of the FRA, including an expansion of the definition of "covered transactions"

Table of Contents

and an increase in the amount of time for which collateral requirements regarding covered credit transactions must be satisfied. Insider transaction limitations are expanded through the strengthening of loan restrictions to insiders and the expansion of the types of transactions subject to the various limits, including derivatives transactions, repurchase agreements, reverse repurchase agreements and securities lending or borrowing transactions. Restrictions are also placed on certain asset sales to and from an insider to an institution, including requirements that such sales be on market terms and, in certain circumstances, approved by the institution's board of directors.

Safety and Soundness Standards. The federal banking agencies have adopted guidelines designed to assist the federal banking agencies in identifying and addressing potential safety and soundness concerns before capital becomes impaired. The guidelines set forth operational and managerial standards relating to: (i) internal controls, information systems and internal audit systems; (ii) loan documentation; (iii) credit underwriting; (iv) asset growth; (v) earnings; and (vi) compensation, fees and benefits.

In addition, the federal banking agencies have also adopted safety and soundness guidelines with respect to asset quality and for evaluating and monitoring earnings to ensure that earnings are sufficient for the maintenance of adequate capital and reserves. These guidelines provide six standards for establishing and maintaining a system to identify problem assets and prevent those assets from deteriorating. Under these standards, an insured depository institution should: (i) conduct periodic asset quality reviews to identify problem assets; (ii) estimate the inherent losses in problem assets and establish reserves that are sufficient to absorb estimated losses; (iii) compare problem asset totals to capital; (iv) take appropriate corrective action to resolve problem assets; (v) consider the size and potential risks of material asset concentrations; and (vi) provide periodic asset quality reports with adequate information for management and the board of directors to assess the level of asset risk.

Loans to One Borrower. Under California law, Grandpoint Bank's ability to make aggregate secured and unsecured loans-to-one-borrower is limited to 25% and 15%, respectively, of unimpaired capital and surplus. At December 31, 2017, Grandpoint Bank's limit on aggregate secured loans-to-one-borrower was \$91.8 million and unsecured loans-to-one borrower was \$55.1 million. Grandpoint Bank has established internal loan limits, which are lower than the legal lending limits for a California bank.

Community Reinvestment Act and the Fair Lending Laws. Grandpoint Bank is subject to certain fair lending requirements and reporting obligations involving home mortgage lending operations and Community Reinvestment Act, or CRA activities. The CRA generally requires the federal banking regulators to evaluate the record of a financial institution in meeting the credit needs of their local communities, including low and moderate income neighborhoods. In addition to substantial penalties and corrective measures that may be required for a violation of certain fair lending laws, the federal banking agencies may take compliance with such laws and CRA into account when regulating and supervising other activities. A bank's compliance with its CRA obligations is based on a performance-based evaluation system, which bases CRA ratings on an institution's lending, service and investment performance, resulting in a rating by the appropriate bank regulator of "outstanding," "satisfactory," "needs to improve" or "substantial noncompliance." Based on its last CRA examination, Grandpoint Bank received a "satisfactory" rating.

Bank Secrecy Act and Money Laundering Control Act. In 1970, Congress passed the Currency and Foreign Transactions Reporting Act, otherwise known as the Bank Secrecy Act, or BSA, which established requirements for recordkeeping and reporting by banks and other financial institutions. The BSA was designed to help identify the source, volume and movement of currency and other monetary instruments into and out of the U.S. in order to help detect and prevent money laundering connected with drug trafficking, terrorism and other criminal activities. The primary tool used to implement BSA requirements is the filing of Suspicious Activity Reports. Today, the BSA requires that all banking

Table of Contents

institutions develop and provide for the continued administration of a program reasonably designed to assure and monitor compliance with certain recordkeeping and reporting requirements regarding both domestic and international currency transactions. These programs must, at a minimum, provide for a system of internal controls to assure ongoing compliance, provide for independent testing of such systems and compliance, designate individuals responsible for such compliance and provide appropriate personnel training.

USA Patriot Act. Under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act, commonly referred to as the USA Patriot Act or the Patriot Act, financial institutions are subject to prohibitions against specified financial transactions and account relationships, as well as enhanced due diligence standards intended to detect, and prevent, the use of the United States financial system for money laundering and terrorist financing activities. The Patriot Act requires financial institutions, including banks, to establish anti-money laundering programs, including employee training and independent audit requirements, meet minimum standards specified by the act, follow minimum standards for customer identification and maintenance of customer identification records, and regularly compare customer lists against lists of suspected terrorists, terrorist organizations and money launderers. The costs or other effects of the compliance burdens imposed by the Patriot Act or future anti-terrorist, homeland security or anti-money laundering legislation or regulation cannot be predicted with certainty.

Consumer Laws and Regulations. Grandpoint Bank is also subject to certain consumer laws and regulations that are designed to protect consumers in transactions with banks. These laws include, among others: Truth in Lending Act; Truth in Savings Act; Electronic Funds Transfer Act; Expedited Funds Availability Act; Equal Credit Opportunity Act; Fair and Accurate Credit Transactions Act; Fair Housing Act; Fair Credit Reporting Act; Fair Debt Collection Act; Home Mortgage Disclosure Act; Real Estate Settlement Procedures Act; laws regarding unfair and deceptive acts and practices; and usury laws. These laws and regulations mandate certain disclosure requirements and regulate the manner in which financial institutions must deal with customers when taking deposits or making loans to such customers. Grandpoint Bank must comply with the applicable provisions of these consumer protection laws and regulations as part of their ongoing customer relations. Many states and local jurisdictions have consumer protection laws analogous, and in addition, to those listed above. Failure to comply with these laws and regulations could give rise to regulatory sanctions, customer rescission rights, action by state and local attorneys general, and civil or criminal liability.

Pursuant to the Dodd-Frank Act, the Consumer Financial Protection Bureau, or the CFPB, has broad authority to regulate and supervise the retail consumer financial products and services activities of banks and various non-bank providers. The CFPB has authority to promulgate regulations, issue orders, guidance and policy statements, conduct examinations and bring enforcement actions with regard to consumer financial products and services. Notwithstanding the foregoing, banks with assets of \$10.0 billion or less will continue to be examined for consumer compliance by their primary federal banking regulator. Following the closing of the acquisition of Grandpoint, Pacific Premier's assets will exceed \$10.0 billion, and Pacific Premier will be examined for consumer compliance by the CFPB. The creation of the CFPB by the Dodd-Frank Act has led to, and is likely to continue to lead to, enhanced and strengthened enforcement of consumer financial protection laws.

In addition, federal law currently contains extensive customer privacy protection provisions. Under these provisions, a financial institution must provide to its customers, at the inception of the customer relationship and annually thereafter, the institution's policies and procedures regarding the handling of customers' nonpublic personal financial information. These provisions also provide that, except for certain limited exceptions, a financial institution may not provide such personal information to unaffiliated third parties unless the institution discloses to the customer that such information may be so provided and the customer is given the opportunity to opt out of such disclosure.

Table of Contents

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF GRANDPOINT AND SUBSIDIARIES

This discussion presents Grandpoint's and its subsidiaries' management's analysis of the financial results of Grandpoint as of and for the years ended December 31, 2017 and December 31, 2016. This discussion is designed to provide a more comprehensive review of the financial position and operating results of Grandpoint than could be obtained from an examination of the consolidated financial statements alone. The discussion should be read in conjunction with the consolidated financial statements of Grandpoint and the notes thereto which appear elsewhere in this prospectus/proxy and consent solicitation statement. See "Index to Grandpoint Consolidated Financial Statements" on page FS-1.

Statements contained in this prospectus/proxy and consent solicitation statement that are not purely historical are forward-looking statements within the meaning of Section 21E of the Exchange Act, including Grandpoint's expectations, intentions, beliefs or strategies regarding the future. All forward-looking statements included in this prospectus/proxy and consent solicitation statement are based on information available to Grandpoint as of the date of this prospectus/proxy and consent solicitation statement, and Grandpoint assumes no obligation to update any such forward-looking statements. It is important to note that Grandpoint's actual results could materially differ from those in such forward-looking statements. Factors that could cause results to differ materially from those in such forward-looking statements are fluctuations in interest rates, inflation, government regulations, economic conditions and competitive product and pricing pressures in the geographic and business areas in which Grandpoint conducts its operations. See "Cautionary Statement Concerning Forward-Looking Statements" beginning on page .

General

Grandpoint is a bank holding company incorporated under the laws of the State of Delaware and headquartered in Los Angeles, California. Grandpoint provides a full spectrum of deposits, lending, treasury management and online banking products and services through its wholly-owned banking subsidiary, Grandpoint Bank.

Grandpoint Bank serves its clients through 14 branch offices in Southern California, Arizona and Vancouver, Washington. In Phoenix, Arizona, Grandpoint Bank operates under The Biltmore Bank of Arizona division. In Tucson, Arizona, Grandpoint Bank operates under the Bank of Tucson division. In San Diego County, California and Vancouver, Washington, Grandpoint Bank operates under the Regents Bank division.

Grandpoint also has one non-bank subsidiary, Peoria Holdings, LLC, which holds and manages certain non-performing loans and OREO. Peoria Holdings, LLC has been inactive since mid-2016.

At December 31, 2017, Grandpoint had \$3.2 billion in total assets, \$183.8 million in cash and cash equivalents, \$2.4 billion in net loans, \$2.4 billion in deposits and \$349.5 million in shareholders' equity.

Financial Results Highlights of 2017 and 2016

Net income for Grandpoint was \$24.4 million or \$0.74 per share of Grandpoint common stock for 2017 compared to \$33.2 million, or \$1.01 per share of Grandpoint Common Stock for 2016. The return on average assets decreased to 0.76% in 2017 compared to 1.03% in 2016.

The significant factors impacting earnings for Grandpoint in 2017 were:

- a) Net interest income increased \$870,000 to \$116.1 million in 2017 compared to \$115.3 million in 2016.

Table of Contents

- b) The provision for loan losses decreased \$800,000 to \$335,000 in 2017 compared to \$1.1 million in 2016.
- c) Noninterest income increased \$2.0 million to \$7.9 million in 2017 compared to \$5.9 million in 2016.
- d) Noninterest expense increased by \$7.0 million to \$71.6 million in 2017 compared to \$64.6 million in 2016.
- e) Income tax expense increased \$5.4 million to \$27.7 million in 2017 compared to \$22.3 million in 2016.

Net income for Grandpoint was \$33.2 million, or \$1.01 per share of Grandpoint common stock, for 2016 compared to \$29.7 million, or \$0.91 per share of Grandpoint common stock, for 2015. The return on average assets increased to 1.03% in 2016 compared to 1.00% in 2015.

The significant factors impacting earnings for Grandpoint in 2016 were:

- a) Net interest income increased \$6.4 million to \$115.3 million in 2016 compared to \$108.8 million in 2015.
- b) The provision for loan losses decreased \$2.6 million to \$1.1 million in 2016 compared to \$3.7 million in 2015.
- c) Noninterest income decreased \$714,000 to \$5.9 million in 2016 compared to \$6.7 million in 2015.
- d) Noninterest expense increased by \$1.9 million to \$64.6 million in 2016 compared to \$62.7 million in 2015.

The impact to Grandpoint from these items, and others of both a positive and negative nature, are discussed in more detail in the following sections.

Table of Contents**Net Interest Income**

The following tables set forth the average balances, interest income and interest expense for the periods indicated:

	For the Year Ended December 31,					
	2017			2016		
	Average Balance	Interest	(dollars in thousands) Average Yield / Cost	Average Balance	Interest	Average Yield / Cost
Assets						
Interest-Earning Assets:						
Loans, net of fees and costs(1)(2)	\$ 2,424,807	\$ 112,521	4.64%	\$ 2,308,630	\$ 107,662	4.66%
Investment securities	488,549	13,252	2.71	619,735	13,346	2.15
Overnight investments and other(3)	134,088	2,594	1.93	136,255	2,503	1.84
Total Interest-Earning Assets	3,047,444	128,367	4.21	3,064,620	123,511	4.03
All Other Assets	190,381			186,192		
Allowance for Loan Losses	(18,571)			(17,533)		
Total Assets	\$ 3,219,254			\$ 3,233,279		
Liabilities and Shareholders' Equity						
Interest-Bearing Liabilities:						
Interest-bearing transaction						
accounts	\$ 144,695	\$ 132	0.09	\$ 137,920	\$ 117	0.08
Savings and money market	1,082,769	6,335	0.59	1,163,007	4,740	0.41
Time certificates of deposit	326,630	2,601	0.80	351,429	1,854	0.53
Total interest-bearing deposits	1,554,094	9,068	0.58	1,652,356	6,711	0.41
Short-term borrowings	283,036	2,935	1.04	298,850	1,336	0.45
Subordinated debenture	5,155	239	4.64	5,155	209	4.05
Total Interest-Bearing Liabilities	1,842,285	12,242	0.66	1,956,361	8,256	0.42
Demand Deposits	972,832			893,022		
Other Liabilities	20,587			11,556		
Shareholders' Equity	383,550			372,340		
Total Liabilities and Shareholders' Equity	\$ 3,219,254			\$ 3,233,279		
Net Interest Income and Margin		\$ 116,125	3.81		\$ 115,255	3.76

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

- (1) Interest earned on loans includes accretion of fair value discounts of \$1,310 in 2017 and \$1,960 in 2016 and net loan costs of \$763 in 2017 and \$1,359 in 2016.
- (2) Includes non-accrual loans.
- (3) Includes dividends earned on bank stocks.

Table of Contents

	For the Year Ended December 31,					
	2016			2015		
	(dollars in thousands)					
	Average Balance	Interest	Average Yield / Cost	Average Balance	Interest	Average Yield / Cost
Assets						
Interest-Earning Assets:						
Loans, net of fees and costs(1)(2)	\$ 2,308,630	\$ 107,662	4.66%	\$ 2,128,887	\$ 103,475	4.86%
Investment securities	619,735	13,346	2.15	502,095	9,321	1.86
Overnight investments and other(3)	136,255	2,503	1.84	163,134	1,918	1.18
Total Interest-Earning Assets	3,064,620	123,511	4.03	2,794,116	114,714	4.11
All Other Assets	186,192			191,831		
Allowance for Loan Losses	(17,533)			(15,846)		
Total Assets	\$ 3,233,279			\$ 2,970,101		
Liabilities and Shareholders' Equity						
Interest-Bearing Liabilities:						
Interest-bearing transaction						
accounts	\$ 137,920	\$ 117	0.08	\$ 139,395	\$ 116	0.08
Savings and money market	1,163,007	4,740	0.41	1,142,323	3,718	0.33
Time certificates of deposit	351,429	1,854	0.53	289,435	1,430	0.49
Total interest-bearing deposits	1,652,356	6,711	0.41	1,571,153	5,264	0.34
Short-term borrowings	298,850	1,336	0.45	187,576	426	0.23
Subordinated debenture	5,155	209	4.05	5,155	193	3.74
Total Interest-Bearing Liabilities	1,956,361	8,256	0.42	1,763,884	5,883	0.33
Demand Deposits	893,022			844,145		
Other Liabilities	11,556			14,080		
Shareholders' Equity	372,340			347,992		
Total Liabilities and Shareholders' Equity	\$ 3,233,279			\$ 2,970,101		
Net Interest Income and Margin		\$ 115,255	3.76		\$ 108,831	3.90

(1)

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Interest earned on loans includes accretion of fair value discounts of \$1,960 in 2016 and \$3,397 in 2015 and net loan costs of \$1,359 in 2016 and \$1,506 in 2015.

- (2) Includes non-accrual loans.
- (3) Includes dividends earned on bank stocks.

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

The following tables report the change in interest income and expense for each period due to changes in volume and changes in rate. Changes due to both volume and rate have been allocated based on the absolute value of the change due to volume and the change in rate.

	Year Ended December 31, 2017 over Year Ended December 31, 2016		
	(dollars in thousands)		
	Increase (Decrease) Due to Change in		
	Volume	Rate	Total
Interest-Earning Assets:			
Loans	\$ 5,393	\$ (534)	\$ 4,859
Investment Securities	(3,154)	3,060	(94)
Overnight investments and other	(40)	131	91
Total Interest Income	2,199	2,657	4,856
Interest-Bearing Liabilities:			
Interest-bearing transaction accounts	\$ 6	\$ 9	15
Savings and money market	(346)	1,941	1,595
Time certificates of deposit	(139)	886	747
Short-term borrowings	(74)	1,673	1,599
Subordinated debenture		30	30
Total Interest Expense	(553)	4,539	3,986
Net Interest Income	\$ 2,752	\$ (1,882)	\$ 870

	Year Ended December 31, 2016 over Year Ended December 31, 2015		
	Increase (Decrease) Due to Change in		
	Volume	Rate	Total
Interest-Earning Assets:			
Loans	\$ 8,497	\$ (4,310)	\$ 4,187
Investment Securities	2,392	1,633	4,025
Overnight investments and other	(356)	941	585
Total Interest Income	10,533	(1,736)	8,797
Interest-Bearing Liabilities:			
Interest-bearing transaction accounts	\$ (3)	\$ 4	1
Savings and money market	(684)	1,706	1,022
Time certificates of deposit	218	206	424
Short-term borrowings	53	857	910
Subordinated debenture	(15)	31	16
Total Interest Expense	(431)	2,804	2,373
Net Interest Income	\$ 10,964	\$ (4,540)	\$ 6,424

Table of Contents

Comparison of Interest Income, Interest Expense and Net Interest Income

Grandpoint's primary source of revenue is interest income. During 2017, net interest income was \$116.1 million, resulting in a net margin of 3.81% compared to \$115.3 million and 3.76%, respectively, in 2016.

Interest income in 2017 totaled \$128.4 million based on average earning assets of \$3.05 billion yielding 4.21%, compared to \$123.5 million in 2016 based on average earning assets of \$3.06 billion yielding 4.03% for a net increase of \$4.9 million. During 2017, Grandpoint's interest-earning assets were essentially flat. Loans, which were Grandpoint's highest yielding earning asset, increased \$116 million compared to 2016 resulting in higher interest income of \$5.4 million, which was partially offset by declining yields. The net increase in interest income on loans accounted for effectively all of the 2017 increase in interest income as increasing yields on investments were offset by declining balances.

Interest expense totaled \$12.2 million in 2017 on interest bearing liabilities of \$1.84 billion resulting in a cost of 0.66%, compared to interest expense of \$8.3 million in 2016 on interest bearing liabilities of \$1.96 billion resulting in a cost of 0.42%. Overall interest expense increased \$4.0 million, driven mainly by increasing rates in 2017.

During 2016, net interest income was \$115.3 million resulting in a net margin of 3.76%, compared to \$108.8 million and 3.9%, respectively, in 2015.

Interest income in 2016 totaled \$123.5 million based on average earning assets of \$3.06 billion yielding 4.03%, compared to \$114.7 million in 2015 based on average earning assets of \$2.79 billion yielding 4.11%. During 2016, Grandpoint increased earning assets by \$270.5 million, with \$179.7 million of that growth coming from loans, the highest yielding earning asset. This increase was funded by increased deposits and borrowings as well as a \$27 million reduction in the overnight funds, the lowest yielding earning assets. Yields on loans were impacted by the overall yield compression facing the banking industry as well as a \$1.4 million reduction on accretion income from discounts on purchased loans. Excluding interest accretion on purchased loans, the yield on loans in 2016 would have been 4.6% compared to 4.7% in 2015.

Interest expense totaled \$8.3 million in 2016 on interest bearing liabilities of \$1.96 billion resulting in a cost of 0.42%, compared to \$5.9 million in 2015 on interest bearing liabilities of \$1.57 billion resulting in a cost of 0.33%. Interest expense on deposits increased \$1.4 million due to increased volumes as well as increased rates. Interest paid on short term borrowings increased \$910,000 in 2016 as Grandpoint increased its overnight borrowings at Grandpoint Bank to help fund asset growth while the rate paid on these borrowings increased from 0.23% in 2015 to 0.45% in 2016.

Provision for Loan Losses

The provision for loan losses is reflected as a reduction in earnings for the year. The provision is equal to the amount required to maintain the allowance for loan losses at a level that is adequate to absorb probable loan losses inherent in the loan portfolio.

The provision for loan losses decreased \$800,000 to \$335,000 for the year ended December 31, 2017, compared to \$1.1 million for the year ended December 31, 2016 due primarily to a decline in loans in 2017 plus nominal recoveries on loans previously charged off. As of December 31, 2017, the allowance for loan losses equaled 0.80% of total loans compared to 0.78% as of December 31, 2016.

The provision for loan losses decreased \$2.6 million to \$1.1 million for the year ended December 31, 2016, compared to \$3.7 million for the year ended December 31, 2015 due to a reduction in net charge offs in 2016 compared to 2015 and improvement in several large classified

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

loans. As of December 31, 2016, the allowance for loan losses equaled 0.78% of total loans compared to 0.76% as of December 31, 2015.

Noninterest Income

The following table presents a summary of noninterest income for the years presented.

	2017	Increase (Decrease)	2016	Increase (Decrease)	2015
(dollars in thousands)					
Service charges on deposit accounts	\$ 1,916	\$ (101)	\$ 2,017	\$ (146)	\$ 2,163
Earnings on cash surrender value of life insurance	790	(62)	852	(87)	939
Gain on sale of loans	2,837	2,194	643	643	
Bank and credit card interchange fees	373	(30)	403	(80)	483
Loan servicing income	122	(74)	196	(173)	369
Foreign currency fees	183	5	178	(297)	475
Operational recoveries	45	(43)	88	(390)	478
Gain on sale of other real estate owned	505	349	156	102	54
Gain (loss) on sale of investment securities	170	142	28	34	(6)
Other income	1,014	(371)	1,385	(320)	1,705
	\$ 7,955	\$ 2,009	\$ 5,946	\$ (714)	\$ 6,660

As a percentage of Average Assets 0.25% 0.18% 0.22%

Noninterest income increased \$2.0 million in 2017 over 2016 due primarily to higher gains recognized on loans sales as Grandpoint liquidated loans to help manage its concentration of commercial real estate loans in its portfolio.

Noninterest income decreased \$714,000 in 2016 over 2015 due primarily to an increase in gain on sale of loans offset by a reduction in the operational recoveries, foreign currency fees and loan servicing income.

Noninterest Expense

The following table presents a summary of non-interest income for the years presented.

	2017	Increase (Decrease)	2016	Increase (Decrease)	2015
(dollars in thousands)					
Salaries and benefits	\$ 47,406	\$ 6,944	\$ 40,462	\$ 1,743	\$ 38,719
Occupancy	5,439	34	5,405	219	5,186
Furniture and equipment	3,435	152	3,283	(5)	3,288
Promotion	1,358	66	1,292	75	1,217
Data Processing	2,120	105	2,015	107	1,908
Professional	3,105	422	2,683	(26)	2,709
Merger, acquisition, conversion and restructuring	236	236			
Office	1,390	32	1,358	(64)	1,422
Assessments and insurance	1,859	(529)	2,388	(76)	2,464
Other expense	5,282	(426)	5,708	(30)	5,738
	\$ 71,630	\$ 7,036	\$ 64,594	\$ 1,943	\$ 62,651

As a percentage of Average Assets 2.23% 2.00% 2.11%
 Efficiency Ratio 57.73 53.29 54.25

Table of Contents

Noninterest expense increased \$7.0 million to \$71.6 million in 2017 compared to 2016, which represents an 11% increase from the \$64.6 million reported in 2016. Increased salaries and benefits represented 90% of this increase due primarily to cost of living increases as well as significant increases to incentive compensation and year-end bonuses paid in 2017.

Noninterest expense increased \$1.9 million to \$64.6 million in 2016 compared to 2015, which represents a 3% increase from the \$62.7 million reported in 2015. Increased salaries and benefits represented 90% of this increase due primarily to cost of living increases as well as increases to incentive compensation.

Income Taxes

The effective income tax rate increased materially for Grandpoint in 2017 to 53.1% compared to 40.2% in 2016, 39.4% in 2015 and 40.8% in 2014. The largest component of the increase was \$6.6 million, or 12.6% of the effective rate increase, due to the write down of realizable deferred taxes related to the lower 2018 federal income taxes resulting from the recently passed Tax Cuts and Jobs Act of 2017, or the Tax Act.

A detailed discussion of Grandpoint permanent and temporary tax items can be found in "Note 12 Income Taxes" to the Grandpoint consolidated financial statements included herein. See "Index to Grandpoint Consolidated Financial Statements" on page FS-1.

Balance Sheet Analysis

Total assets decreased \$133 million, or 4%, to \$3.19 billion at December 31, 2017, compared to \$3.33 billion at December 31, 2016. The decrease in assets was attributable to the following categories:

cash and cash equivalents decreased \$58 million to \$183.8 million;

investment securities available for sale decreased \$107 million to \$472.3 million;

investment securities held to maturity increased \$30 million, of which none were present in 2016; and

net loans decreased \$7 million to \$2.3 billion.

Total liabilities decreased \$100 million to \$2.8 billion at December 31, 2017, compared to \$2.9 billion at December 31, 2016. This decrease was comprised of the following:

\$164 million increase in noninterest bearing demand deposits as Grandpoint focused on growing this class of deposits;

\$262 million decrease in money market accounts as Grandpoint focused on replacing higher rate accounts with core business relationships;

\$96 million decrease in time deposits as Grandpoint exited the market for higher costing listing service time deposits; and

\$100 million increase in overnight borrowings.

Total shareholders' equity decreased by \$33.5 million or 9% to \$349.5 million at December 31, 2017 compared to \$383.0 million at December 31, 2016 due to the following factors:

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

comprehensive income of \$24.8 million, *less*

cash dividends of \$60.3 million, *plus*

proceeds from exercise of stock options of \$1.2 million, *plus*

stock based compensation of \$822,000.

Table of Contents**Investment Securities**

The investment securities portfolio of Grandpoint is utilized as collateral for borrowings, required collateral for public deposits and to manage liquidity, capital and interest rate risk.

Gross unrealized losses at December 31, 2017 are primarily caused by interest rate fluctuations, credit spread widening and reduced liquidity in applicable markets. Grandpoint has reviewed securities in a loss position in accordance with its accounting policy for other than temporary impairment as set forth in "Note 1 Summary of Significant Accounting Policies" to the Grandpoint consolidated financial statements included herein. See "Index to Grandpoint Consolidated Financial Statements" on page FS-1. No impairment charges were recorded in 2017 or 2016.

The following table summarizes the carrying value of the investment securities portfolio at the date indicated:

	December 31,	
	2017	2016
	(dollars in thousands)	
<i>Available for Sale at fair market</i>		
U.S. Treasury securities	\$ 494	\$ 498
Agency securities	2,979	4,996
Mortgage-backed securities and collateralized mortgage obligations	102,624	122,738
Collateralized loan obligations	262,710	246,750
Corporate securities	83,084	184,316
Mutual Funds	20,412	19,977
	\$ 472,303	\$ 579,275

<i>Held to Maturity at historical cost</i>		
Corporate securities	\$ 30,312	\$

Weighted average yield is calculated by dividing income within each maturity range by the outstanding amount of the related investment. The maturity distribution and weighted average yield of Grandpoint's investment securities at December 31, 2017 are summarized in the table below:

	December 31, 2017									
	Due under		Due 1 - 5 Years				Due over		Total	
	1 Year		Amount	Yield	Amount	Yield	5 - 10 Years		10 Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
	(dollars in thousands)									
<i>Available for Sale at fair market</i>										
U.S. Treasury securities	\$		\$ 494	1.45%	\$		\$		\$ 494	1.45%
Agency securities	1,000	0.86%	1,979	1.66					2,979	1.39
Mortgage-backed securities and collateralized mortgage obligations			205	0.28	5,315	2.35%	97,104	2.45%	102,624	2.44
Collateralized loan obligations					133,651	3.15	129,059	2.74	262,710	2.95
Corporate securities	73,211	2.28			9,873	5.00			83,084	2.61
Mutual Funds							20,412	1.86	20,412	1.86
	\$ 74,211	2.26	\$ 2,678	1.52	\$ 148,839	3.24	\$ 246,575	2.55	\$ 472,303	2.72

Held to Maturity at historical cost

Corporate securities	\$ 30,312 4.56	\$ 30,312 4.56
----------------------	----------------	----------------

Table of Contents**Loans**

The table below summarizes the distribution of Grandpoint's loans at the end of each period reported:

	December 31,				
	2017	2016	2015	2014	2013
	(dollars in thousands)				
Loans secured by real estate:					
Construction and land development	\$ 139,512	\$ 194,833	\$ 131,034	\$ 109,470	\$ 82,178
Commercial properties	1,037,118	1,000,572	972,087	881,014	843,422
Residential properties	171,267	220,804	270,057	282,766	255,234
Multifamily properties	720,261	716,485	600,152	403,647	212,961
Commercial loans	252,756	226,030	300,577	250,365	276,603
Consumer loans	42,569	7,881	9,241	52,831	24,481
Total loans	2,363,483	2,366,605	2,283,148	1,980,093	1,694,879
Deferred loans costs, net of fees	64	3,199	3,699	7,547	3,487
Allowance for loan losses	(18,939)	(18,552)	(17,245)	(14,018)	(12,087)
	\$ 2,344,608	\$ 2,351,252	\$ 2,269,602	\$ 1,973,622	\$ 1,686,279

The following table sets forth the maturity schedule of outstanding loans by their contractual due date and also reports the rate structure for each time frame. Actual cash flows from these loans may differ materially due to prepayment, refinancing or other factors.

	Within One Year	One to Five Years	Maturing After Five Years	Total
	(dollars in thousands)			
Loans secured by real estate:				
Construction and land development	\$ 26,067	\$ 49,835	\$ 63,610	\$ 139,512
Commercial properties	35,878	267,498	733,742	1,037,118
Residential properties	15,284	37,244	118,739	171,267
Multifamily properties	6,287	18,309	695,665	720,261
Commercial loans	97,062	102,421	53,273	252,756
Consumer loans	1,410	39,476	1,683	42,569
	\$ 181,988	\$ 514,783	\$ 1,666,712	\$ 2,363,483
Fixed Rate, including variable rate loans at or below their floors	\$ 52,059	\$ 339,420	\$ 1,080,793	\$ 1,472,272
Variable Rate	129,929	175,363	585,919	891,211
	\$ 181,988	\$ 514,783	\$ 1,666,712	\$ 2,363,483

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

The following table summarizes the nonperforming portion of our loan portfolio:

	December 31,				
	2017	2016	2015	2014	2013
(dollars in thousands)					
Loans past due 90 days or more on accrual status	\$	\$	\$	\$	\$
Non-accrual loans	10,447	14,958	14,087	14,847	26,290
Total nonperforming loans	10,447	15,193	14,115	14,847	26,690
Other real estate owned	914	1,057	2,458	5,039	5,350
Total nonperforming assets	\$ 11,361	\$ 16,250	\$ 16,573	\$ 19,886	\$ 32,040

Nonperforming loans to total loans	0.4%	0.6%	0.6%	0.7%	1.6%
Nonperforming assets to total assets	0.4	0.5	0.5	0.7	1.4

Nonperforming assets peaked in 2012 related to the loan portfolios Grandpoint purchased in connection with their acquisitions described more fully in "Note 2 Business Combinations" to the Grandpoint consolidated financial statements included herein. See "Index to Grandpoint Consolidated Financial Statements" on page FS-1.

Grandpoint performs regular internal and external reviews of the loan portfolio to confirm the credit quality of the portfolio and the adherence to underwriting standards. All loans are assigned a risk rating that is reassessed periodically during the credit review process. These risk factors are the primary factor in determining an appropriate amount for the allowance for loan losses.

The following table summarizes the adversely graded loans and the loans on nonaccrual as of December 31, 2017 and as of December 31, 2016, respectively:

As of December 31, 2017							
(dollars in thousands)							
	Nonaccrual	Percentage of total	Special Mention	Adversely Graded			Percentage of total
				Substandard	Doubtful / Loss	Total	
Construction and land development	\$ 768	0.6%	\$	\$ 1,154	\$	\$ 1,154	0.8%
Commercial properties	6,254	0.6	7,385	21,873		29,258	2.8
Residential properties	1,805	1.1	600	7,316		7,916	4.6
Multifamily properties		0.0		1,872		1,872	0.3
Commercial loans	1,620	0.6	3,197	13,100		16,297	6.4
Consumer loans		0.0	21	7		28	0.1
	\$ 10,447	0.4	\$ 11,203	\$ 45,322	\$	\$ 56,525	2.4

As of December 31, 2016							
(dollars in thousands)							
	Nonaccrual	Percentage of total	Special Mention	Adversely Graded			Percentage of total
				Substandard	Doubtful / Loss	Total	
Construction and land development	\$ 109	0.1%	\$	\$ 894	\$	\$ 894	0.6%

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Commercial properties	5,027	0.5	2,469	19,255	21,724	2.1	
Residential properties	3,507	2.0	13	6,805	6,818	4.0	
Multifamily properties	1,119	0.2		3,542	3,542	0.5	
Commercial loans	5,119	2.0	975	8,287	7	9,269	3.7
Consumer loans	77	0.2	250	92		342	0.8
	\$ 14,958	0.6	\$ 3,707	\$ 38,875	\$ 7	\$ 42,589	1.8

Table of Contents**Allowance for Loan Losses**

The following table summarizes the activity in Grandpoint's allowance for loan losses:

	Allowance for Loan Losses and Activity for the Year Ended December 31,				
	2017	2016	2015	2014	2013
	(dollars in thousands)				
Balance at beginning of period	\$ 18,552	\$ 17,245	\$ 14,018	\$ 12,087	\$ 8,867
Provision by loan type:					
Construction and land development	(615)	232	(339)	719	1,036
Commercial properties	(39)	656	3,447	975	2,915
Residential properties	(159)	(607)	(919)	1,327	(201)
Multifamily properties	(400)	2,170	1,037	1,469	41
Commercial loans	1,118	(1,272)	820	(295)	(265)
Consumer loans	430	(44)	(314)	122	273
Total provision	335	1,135	3,732	4,317	3,799
Recoveries by loan type:					
Construction and land development	114	77	202	143	92
Commercial properties	355	199	68	114	113
Residential properties	101	39	3	70	210
Multifamily properties					
Commercial loans	311	991	467	417	419
Consumer loans	34	23	42	19	13
Total recoveries	915	1,329	782	763	847
Charge-offs by loan type:					
Construction and land development		(127)	(24)	(270)	(462)
Commercial properties	(74)	(241)	(467)	(1,518)	(352)
Residential properties	(2)	(34)	(89)	(465)	(61)
Multifamily properties					
Commercial loans	(779)	(741)	(667)	(780)	(543)
Consumer loans	(8)	(14)	(40)	(116)	(8)
Total charge-offs	(863)	(1,157)	(1,287)	(3,149)	(1,426)
Net recoveries (charge-offs)	52	172	(505)	(2,386)	(579)
Balance at end of period	\$ 18,939	\$ 18,552	\$ 17,245	\$ 14,018	\$ 12,087
Net recoveries (charge-offs) to average loans	0.00%	0.01%	(0.02)%	(0.13)%	(0.30)%
Allowance for loan losses to total loans	0.80	0.78	0.76	0.71	0.71

Table of Contents

The following table summarizes the allocation of the allowance for loan losses by loan type. However, the allocation to one category of loans does not preclude its availability to absorb losses in other categories:

	Allocation of the Allowance for Loan Losses by Loan Category							Total
	Construction and Land Development	Commercial Properties	Residential Properties	Multifamily Properties	Commercial	Consumer		
(dollars in thousands)								
December 31, 2017:								
Allowance for loan losses	\$ 1,097	\$ 8,907	\$ 542	\$ 5,618	\$ 2,286	\$ 489	\$ 18,939	
Percent of loans to total loans	5.9%	43.9%	7.2%	30.5%	10.7%	1.8%	100.0%	
December 31, 2016:								
Allowance for loan losses	\$ 1,598	\$ 8,665	\$ 602	\$ 6,018	\$ 1,636	\$ 33	\$ 18,552	
Percent of loans to total loans	8.2%	42.3%	9.3%	30.3%	9.6%	0.3%	100.0%	
December 31, 2015:								
Allowance for loan losses	\$ 1,416	\$ 8,051	\$ 1,204	\$ 3,848	\$ 2,658	\$ 68	\$ 17,245	
Percent of loans to total loans	5.7%	42.6%	11.8%	26.3%	13.2%	0.4%	100.0%	
December 31, 2014:								
Allowance for loan losses	\$ 1,577	\$ 5,003	\$ 2,209	\$ 2,811	\$ 2,038	\$ 380	\$ 14,018	
Percent of loans to total loans	5.5%	44.5%	14.3%	20.4%	12.6%	2.7%	100.0%	
December 31, 2013:								
Allowance for loan losses	\$ 985	\$ 5,432	\$ 1,277	\$ 1,342	\$ 2,696	\$ 355	\$ 12,087	
Percent of loans to total loans	4.8%	49.8%	15.1%	12.6%	16.3%	1.4%	100.0%	

Goodwill and Other Intangible Assets

Goodwill represents the excess consideration paid for the net assets acquired in a business combination over their fair value. As of December 31, 2017, Grandpoint reported \$53.3 million of goodwill and \$5.9 million of amortizable other intangibles, mainly core deposit intangibles. All intangibles are evaluated annually for impairment, or more often if events or circumstances indicate their carrying value may not be recoverable. No impairment charges resulted from these impairment analyses in 2017 or 2016.

Deferred Tax Assets

Deferred tax assets, net of liabilities, decreased \$8.1 million in 2017 to \$15.7 million. The largest component of this decrease was \$6.6 million due to the write down of realizable deferred taxes related to the lower 2018 federal taxes resulting from the recently passed Tax Act.

Included in deferred tax assets are \$3.1 million in deferred tax assets related to net operating losses that are deferred pursuant to Section 382 of the Code. These benefits, to the extent not used, will begin to expire in 2027.

Grandpoint concluded that a valuation allowance was not required on the above mentioned deferred tax assets at December 31, 2017 and at December 31, 2016.

Table of Contents**Deposits**

The average balances and weighted average rates paid on deposits for the years ended December 31, 2017 and December 31, 2016, respectively, are presented below:

	For the Year Ended December 31,					
	2017			2016		
	(dollars in thousands)					
	Average Balance	Interest	Average Yield / Cost	Average Balance	Interest	Average Yield / Cost
Interest-bearing transaction accounts	\$ 144,695	\$ 132	0.09%	\$ 137,920	\$ 117	0.08%
Savings and money market	1,082,769	6,335	0.59	1,163,007	4,740	0.41
Time certificates of deposit	326,630	2,601	0.80	351,429	1,854	0.53
Total interest-bearing deposits	1,554,094	9,068	0.58	1,652,356	6,711	0.41
Demand Deposits	972,832			893,022		
Total deposits	\$ 2,526,926	\$ 9,068	0.36	\$ 2,545,378	\$ 6,711	0.26

As of December 31, 2017 and as of December 31, 2016, Grandpoint Bank had deposits classified as broker deposits totaling \$37.7 million and \$318.2 million, respectively.

Borrowings

Grandpoint Bank uses short term borrowing lines of credit to augment liquidity. As of December 31, 2017, Grandpoint Bank has total borrowings of \$450 million with the FHLB of San Francisco. These borrowings were under a rolling daily advance line and averaged \$282.9 million for 2017 with an average interest rate of 1.04% compared to \$298.8 million in 2016 with an average interest rate of 0.45%. In addition, at December 31, 2017, Grandpoint Bank had outstanding letters of credit totaling \$168 million which have a commitment fee of 0.10%.

Subordinated Debenture Payable

Grandpoint has acquired through merger one statutory business trust which was formed to issue cumulative trust preferred securities. All of the funds raised from the issuance of these securities are reflected in Grandpoint's Consolidated Balance Sheet as subordinated debenture payable in the amount of \$5.2 million. This obligation matures in 2033, but can be redeemed at par before maturity and carries interest equal to the three-month LIBOR plus 2.95%.

Capital

Bank regulatory agencies measure capital adequacy through standardized risk-based capital guidelines that compare different levels of capital to risk-weighted assets and off-balance sheet obligations.

Table of Contents

The following table presents the regulatory capital requirements and regulatory capital ratios as of December 31, 2017 for our wholly-owned banking subsidiary, Grandpoint Bank, as well as for Grandpoint on a consolidated basis:

	December 31, 2017		
	Grandpoint Bank	Well Capitalized Requirements	Grandpoint Consolidated
Tier 1 Leverage	9.2%	5.0%	9.4%
Common Equity Tier 1 Ratio	10.6	6.5	10.6
Tier 1 Risk-Based Capital	10.6	8.0	10.8
Total Risk-Based Capital	11.3	10.0	11.5

Liquidity

The purpose of liquidity is to insure that funds are available to efficiently and economically accommodate decreases in deposits and other liabilities, as well as fund increases in assets. Adequate liquidity is essential to compensate for balance sheet fluctuations without causing an undue rise in risk or cost.

Grandpoint manages its liquidity by maintaining approximately 5% of its total assets in cash and due from banks and interest bearing deposits in other financial institutions.

Grandpoint maintains lines of credits and borrowing arrangements to augment liquidity needs on a short term basis. The following table presents the available and outstanding balances of these lines of credit and borrowing arrangements at December 31, 2017:

	Capacity	Outstanding	Available
	(dollars in thousands)		
Unsecured lines of credit at Banks	\$ 60,000	\$	\$ 60,000
Lines of credit secured by investment securities at Banks	200,000		200,000
FHLB borrowing arrangement, secured by loans	1,119,497	618,000	501,497
FRB borrowing arrangement, secured by loans	458,397		458,397
Total	\$ 1,837,894	\$ 618,000	\$ 1,219,894

Market Risk

The market risk at Grandpoint arises primarily from interest rate risk in its lending, investing and deposit taking activities. Grandpoint actively manages its interest rate risk by evaluating re-pricing opportunities of its assets and funding sources.

Interest rate risk is addressed by Grandpoint's asset-liability committee which includes members of executive management, finance, operations and risk on a monthly basis. Interest rate risk exposure is measured using interest rate sensitivity analysis to determine the change in the economic value of equity, or EVE, and net interest income resulting from hypothetical changes in interest rates. The Grandpoint board has established limits of risk in each area and if the potential changes to EVE exceed these limits, the board of directors may direct management to adjust the mix of assets and liabilities to bring the interest rate risk back within the guidelines.

In order to measure interest rate risk, Grandpoint uses a simulation model to project changes in net interest income and EVE that result from forecasted changes in interest rates. This analysis assumes the balance sheet remains static and that its structure does not change during the year. It does not account for all factors that could impact Grandpoint's results.

Table of Contents

At December 31, 2017, Grandpoint's net interest income and EVE exposure for the next 12 months related to these hypothetical changes in market interest rates was within Grandpoint's current guidelines and is reported below:

Rate Shock	Estimated Net Interest Income	Percentage Change from Base	Estimated EVE	Percentage Change from Base
	(dollars in thousands)			
Down 100 Basis points	\$ 115,405	0.2%	\$ 584,389	(3.7)%
Base Case	115,143	0.0	606,729	0.0
Up 100 Basis Points	115,179	0.0	621,652	2.5
Up 200 Basis Points	113,612	(1.3)	620,252	2.2
Up 300 Basis Points	110,628	(3.9)	607,047	0.1
Up 400 Basis Points	106,841	(7.2)	585,983	(3.4)

Grandpoint also models the impact on net interest margin using the forward yield curve and a dynamic balance sheet that includes projected asset and deposit growth. This analysis also indicates Grandpoint is slightly asset sensitive.

CERTAIN BENEFICIAL OWNERSHIP OF GRANDPOINT COMMON STOCK

The following tables set forth information as of _____, 2018 pertaining to the beneficial ownership of Grandpoint common stock by: (i) each person who is known to Grandpoint to be the beneficial owner of more than five percent of Grandpoint common stock; (ii) each director of Grandpoint; (iii) each executive officer of Grandpoint; and (iv) all directors and executive officers of Grandpoint as a group. The information contained herein has been obtained from Grandpoint's records and from information furnished directly to Grandpoint by each individual or entity. Applicable percentage ownership in the table is based on 27,901,752 shares of Grandpoint voting common stock outstanding as of _____, 2018. Except as otherwise indicated in the footnotes to the table, the beneficial owners listed have sole voting and investment power as to all of the shares beneficially owned by them. Beneficial ownership is determined in accordance with Rule 13d-3 under the Exchange Act. In computing the number of shares beneficially owned by a person or group and the percentage ownership of that person or group, shares of Grandpoint common stock subject to options and warrants currently exercisable or exercisable within 60 days after the above referenced date are deemed outstanding, but are not deemed outstanding for purposes of computing the percentage ownership of

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

any other person. The address for each of the stockholders below is Grandpoint Capital, Inc., 333 South Grand Avenue, Los Angeles, CA 90071.

Name of Beneficial Owner(1)	Amount of Beneficial Ownership (# Shares)	Percentage of Grandpoint Common Stock Beneficially Owned(2)
Trident IV Depository Holdings LLC(3)	4,000,454(4)	14.4%
Arlon Capital Partners LP	2,292,134	8.3
VIII-GPB Holdings LLC	2,292,134	8.3
MidOcean III-AG LLC(5)	1,822,477	6.6
MidOcean III-G LLC	3,428,029	12.4
Calera Capital Partners IV LP(6)	4,426,571	16.0
GGC Grandpoint Holdings LLC	4,584,268	16.5
Don M. Griffith, Chairman and Chief Executive Officer	590,106	2.1
Deborah A. Marsten, Chief Operating Officer	590,106	2.1
David L. Dayton, Chief Financial Officer	275,000	1.0
Mark P. Phillips, Chief Credit Officer	200,106	*
Loraine White, Director of Human Resources and Chief Administrative Officer	140,000	*
Susan Wahba, Chief Risk Officer	30,000	*
Richard Lehmann, Director	442,540	1.6
R. Russell Meyer, Director	66,550	*
M. Christian Mitchell, Director	71,265	*
Ronald Spogli, Director	33,272	*
Joseph Wender, Director	64,500	*
Thomas Young, Director	215,765	*
Directors and Executive Officers as a Group (seventeen (17) Persons)	2,719,210	9.7

*

Denotes less than 1%.

(1)

No other executive officers or directors of Grandpoint beneficially own shares.

(2)

Includes all shares beneficially owned, whether directly or indirectly, individually or together with associates. Includes any shares owned, whether jointly or as community property, with a spouse. Includes shares which may be purchased upon exercise of options and warrants within 60 days of the date indicated above ("currently exercisable"). The applicable percentage ownership is based on shares of Grandpoint common stock outstanding as of _____, 2018, plus, on an individual basis, the right of that person to obtain shares of Grandpoint common stock upon exercise of Grandpoint options. Pursuant to the Commission's rules, Grandpoint did not deem these shares outstanding for the purpose of computing the percentage ownership of any other person.

(3)

Trident IV Depository Holdings LLC is a subsidiary of Stone Point Capital and Christopher Doody as a Principal of Stone Point Capital does not directly or indirectly, as applicable, vote Trident IV Depository Holdings LLC's shares in Grandpoint.

(4)

Amount does not include the Grandpoint non-voting common stock held by Trident IV Depository Holdings LLC.

(5)

Both MidOcean III-AG LLC and MidOcean III-G LLC are subsidiaries of MidOcean Partners and Frank Schiff as a Managing Director of MidOcean Partners can directly or indirectly, as applicable, vote both MidOcean III-AG LLC's and MidOcean III-G LLC's shares in Grandpoint.

(6)

Calera Capital Partners IV LP is a subsidiary of Calera Capital and James Farrell as a Managing Partner of Calera Capital does not directly or indirectly, as applicable, vote Calera Capital Partners IV LP's shares in Grandpoint.

Table of Contents

**UNAUDITED PRO FORMA COMBINED CONDENSED
CONSOLIDATED FINANCIAL DATA**

The following Unaudited Pro Forma Combined Condensed Consolidated Statements of Financial Condition as of December 31, 2017 combine the historical Consolidated Statements of Financial Condition of Pacific Premier and the historical Consolidated Balance Sheet of Grandpoint as of such date (i) on an actual historical basis and (ii) assuming the completion of the merger at such date using the acquisition method of accounting and giving effect to the related pro forma adjustments described in the accompanying Notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Statements. The unaudited Pro Forma Combined Condensed Consolidated Statements of Financial Condition as of December 31, 2017 gives effect to the completion of Pacific Premier's acquisition of Grandpoint, as well as its acquisitions of Plaza and HEOP, which were completed on November 1, 2017 and April 1, 2017, respectively.

The following Unaudited Pro Forma Combined Condensed Consolidated Statements of Operations for the year ended December 31, 2017 combine the historical Consolidated Statements of Operations of Pacific Premier and the historical Consolidated Statements of Income of Grandpoint for such period, giving effect to the merger as if the merger had become effective at the beginning of the period presented, using the acquisition method of accounting and giving effect to the pro forma adjustments described in the accompanying Notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Statements. The Unaudited Pro Forma Combined Condensed Consolidated Statement of Operations for the year ended December 31, 2017 also gives effect to Pacific Premier's acquisitions of HEOP and Plaza, giving effect to such mergers as if such mergers had become effective at the beginning of such period, using the acquisition method of accounting and giving effect to the pro forma adjustments described in the accompanying Notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Statements.

Although pro forma financial information is not a measurement of performance calculated in accordance with GAAP, Pacific Premier and Grandpoint believe that pro forma financial information is important because it gives effect to the merger and the transactions referenced above. The manner in which Pacific Premier and Grandpoint calculate pro forma financial information may differ from similarly titled measures reported by other companies.

The unaudited pro forma combined condensed consolidated financial information included in this prospectus/proxy and consent solicitation statement are presented for informational purposes only. This information includes various estimates and may not necessarily be indicative of the financial condition or results of operations that would have occurred if the merger or the other transactions referenced above had been completed on the dates or at the beginning of the periods indicated or which may be obtained in the future. The unaudited pro forma combined condensed consolidated financial information has been derived from and should be read in conjunction with the respective period's historical consolidated financial statements and the related notes of Pacific Premier, Grandpoint, HEOP and Plaza. The historical consolidated financial statements of Pacific Premier are included in Pacific Premier's Annual Report on Form 10-K for the year ended December 31, 2017, which is attached as Appendix E to this prospectus/proxy and consent solicitation statement. The historical consolidated financial statements of Grandpoint are included elsewhere in this prospectus/proxy and consent solicitation statement. See "Index to Grandpoint Consolidated Financial Statements" beginning on page FS-1.

The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the opportunities to earn additional revenue and does not include certain assumptions as to cost savings and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had the companies been combined during the periods presented.

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

The unaudited pro forma combined condensed consolidated stockholders' equity and net income are qualified by the statements set forth under this caption and should not be considered indicative of the market value of Pacific Premier's common stock or the actual or future results of operations of Pacific Premier for any period. Actual results may be materially different than the pro forma information presented.

	At December 31, 2017				
	Historical Pacific Premier	Historical Grandpoint	Pro Forma Adjustments for Grandpoint Acquisition	Footnote Reference	Pro Forma Combined with Grandpoint(1)
	(Dollars in thousands)				
Assets					
Cash and cash equivalents	\$ 200,064	\$ 183,794	\$ (42,275)	(2)	\$ 341,583
Interest-bearing time deposits with financial institutions	3,693	1,001			4,694
Investment securities (including held to maturity)	805,720	502,615	(2,513)	(3)	1,305,822
Loans held for sale, at lower of cost or fair value	23,426				23,426
Loans held for investment	6,196,468	2,363,547	(33,327)	(4)	8,526,688
Allowance for loan losses	(28,936)	(18,939)	18,939	(5)	(28,936)
Loans held for investment, net	6,167,532	2,344,608	(14,388)		8,497,752
Premises and equipment	53,155	6,201	1,430	(6)	60,786
Goodwill	493,329	53,323	277,373	(7)	824,025
Intangible assets	43,014	5,865	39,376	(8)	88,255
Other assets	234,568	96,527	(5,776)	(9)	325,319
Total assets	\$ 8,024,501	\$ 3,193,934	\$ 253,227		\$ 11,471,662
Liabilities					
Deposits	\$ 6,085,868	\$ 2,376,929	\$ (227)	(10)	\$ 8,462,570
Short term borrowings	456,309	450,000			906,309
Long term debt	185,101	5,155	737	(11)	190,993
Other liabilities	55,227	12,353			67,580
Total liabilities	6,782,505	2,844,437	510		9,627,452
Stockholders' equity					
Preferred stock					
Common stock	458	332	(174)	(12)	616
Additional paid in capital	1,063,974	320,935	281,121	(12)	1,666,030
Retained earnings	177,149	29,018	(29,018)	(12)	177,149
Accumulated other comprehensive income/(loss)	415	(788)	788	(12)	415
Total stockholders' equity	1,241,996	349,497	252,717		1,844,210
Total liabilities and stockholders' equity	\$ 8,024,501	\$ 3,193,934	\$ 253,227		\$ 11,471,662

The accompanying Notes are an integral part of the Unaudited Pro Forma Combined Condensed Consolidated Financial Information.

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

For the Year Ended December 31, 2017											
	Historical Pacific Premier	Historical HEOP	Pro Forma Adjustments for HEOP Acquisition	Footnote Reference	Historical Plaza	Pro Forma Adjustments for Plaza Acquisition	Footnote Reference	Historical Grandpoint	Pro Forma Adjustments for Grandpoint Acquisition	Footnote Reference	Pro Forma Combined with HEOP, Plaza and Grandpoint(1)
(Dollars in thousands, except per share data)											
Interest income	\$ 270,005	\$ 17,937	\$ 1,938	(13)	\$ 53,865	\$ 693	(13)	\$ 128,367	\$ 8,332	(19)	\$ 481,137
Interest expense	22,503	1,577	(329)	(14)	6,729	(469)	(17)	12,242	(146)	(20)	42,107
Net interest income	247,502	16,360	2,267		47,136	1,162		116,125	8,478		439,030
Provision for loan losses	8,640				351			335			9,326
Net interest income after provision for loan losses	238,862	16,360	2,267		46,785	1,162		115,790	8,478		429,704
Noninterest income	31,114	2,118			5,675			7,955			46,862
Noninterest expense	167,750	17,399	1,278	(15)	38,634	947	(18)	71,630	7,219	(18)	304,857
Income before income tax expense	102,226	1,079	989		13,826	215		52,115	1,259		171,709
Income tax	42,126	516	395		6,482	86		27,673	334		77,612
Net income	\$ 60,100	\$ 563	\$ 594		\$ 7,344	\$ 129		\$ 24,442	\$ 925		\$ 94,097
Per common share											
Net income basic	\$ 1.59										\$ 1.53
Net income diluted	1.56										1.51
Weighted average common shares											
Basic	37,705,556		2,948,800	(16)		5,038,382	(16)		15,758,089	(16)	61,450,827
Diluted	38,511,261		2,948,800	(16)		5,038,382	(16)		15,758,089	(16)	62,256,532

The accompanying Notes are an integral part of the Unaudited Pro Forma Combined Condensed Consolidated Financial Information.

Table of Contents

Notes to Unaudited Pro Forma Combined Condensed Consolidated Financial Statements

Note A Basis of Presentation

The Unaudited Pro Forma Combined Condensed Consolidated Statements of Financial Condition and explanatory notes as of December 31, 2017 combines the historical Consolidated Statement of Financial Condition of Pacific Premier and the historical Consolidated Balance Sheet of Grandpoint as of such date (i) on an actual historical basis and (ii) assuming the completion of the merger at such date, using the acquisition method of accounting and giving effect to the related pro forma adjustments described in the accompanying Notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Statements. The Unaudited Pro Forma Combined Condensed Consolidated Statements of Financial Condition as of December 31, 2017 gives effect to the completion of Pacific Premier's acquisition of Grandpoint.

The Unaudited Pro Forma Combined Condensed Consolidated Statements of Operations and explanatory notes for the year ended December 31, 2017 combine the historical Consolidated Statements of Operations of Pacific Premier and the historical Consolidated Statements of Income of Grandpoint for such period, giving effect to the merger as if the merger had become effective at the beginning of the period presented, using the acquisition method of accounting and giving effect to the pro forma adjustments described in the accompanying Notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Statements. The Unaudited Pro Forma Combined Condensed Consolidated Statements of Operations for the year ended December 31, 2017 also gives effect to Pacific Premier's acquisitions of HEOP and Plaza, giving effect to the mergers as if the mergers had become effective at the beginning of such period using the acquisition method of accounting and giving effect to the pro forma adjustments described in the accompanying Notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Statements.

Since the merger is recorded using the acquisition method of accounting, all loans are recorded at fair value, including adjustments for credit quality, and no allowance for credit losses is carried over to Pacific Premier's balance sheet. In addition, certain anticipated costs associated with the merger such as professional fees, legal fees and conversion-related expenditures are not reflected in the pro forma statements of operations.

While the recording of the acquired loans at their fair value will impact the prospective determination of the provision for credit losses and the allowance for credit losses, for purposes of the Unaudited Pro Forma Combined Condensed Consolidated Statements of Operations for the year ended December 31, 2017, Pacific Premier assumed no adjustments to the historical amounts of Grandpoint's, HEOP's and Plaza's provisions for credit losses. If such adjustments were estimated, there could be an increase or a reduction to the historical amounts of Grandpoint's, HEOP's and Plaza's provisions for credit losses presented. In addition, the fair value of the loan portfolio is not necessarily reflective of the allowance for loan losses calculated under the probable incurred loss model, as the fair value also takes into account an interest and liquidity component.

Note B Accounting Policies and Financial Statement Classifications

The accounting policies of Grandpoint are in the process of being reviewed in detail by Pacific Premier. Upon completion of such review, conforming adjustments or financial statement reclassifications may be determined.

Note C Merger and Acquisition Integration Costs

In connection with the merger, the plan to integrate Pacific Premier's and Grandpoint's operations is still being developed. The specific details of this plan will continue to be refined over the next several months, and will include assessing personnel, benefit plans, premises, equipment, and service contracts

Table of Contents

to determine where they may take advantage of redundancies. Certain decisions arising from these assessments may involve involuntary termination of employees, vacating leased premises, changing information systems, canceling contracts with certain service providers, and selling or otherwise disposing of certain furniture and equipment. Pacific Premier also expects to incur merger-related costs including professional fees, legal fees, system conversion costs and costs related to communications with customers and others. To the extent there are costs associated with these actions, the costs will be recorded based on the nature of the cost and in the period incurred.

Note D Estimated Annual Cost Savings

Pacific Premier expects to realize cost savings following the merger. These cost savings are not reflected in the pro forma financial information and there can be no assurance they will be achieved in the amount or manner currently contemplated.

Note E Pro Forma Adjustments

The following pro forma adjustments have been reflected in the unaudited pro forma combined condensed consolidated financial information. All adjustments are based on current assumptions and valuations, which are subject to change.

- (1) The pro forma data in this column presents the unaudited financial data for Pacific Premier on a pro forma combined basis reflecting the consummation of the mergers with Grandpoint, Plaza and HEOP, as applicable, if the mergers had taken place as of the date indicated, or at the beginning of the period indicated, after giving effect to the pro forma adjustments described in the other footnotes to this table.
- (2) Adjustment includes: (a) \$11 million for estimated seller transactions costs and (b) \$25 million to holders of Grandpoint options and (c) \$6.6 million for the cash out of options and RSUs tax benefit.
- (3) Fair market value adjustment for investment securities.
- (4) Adjustment made to reflect the preliminary estimated market value of loans, which includes an estimate of lifetime credit losses, as well as an interest rate and liquidity component. Loans include net deferred costs and unearned discounts.
- (5) Purchase accounting reversal of allowance for loan losses, which is not carried over.
- (6) Estimated fair market value adjustment for property and leases.
- (7) Represents the recognition of goodwill resulting from the difference between the consideration paid to Grandpoint shareholders less the net fair value of the acquired assets and assumed

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

liabilities. Goodwill can be summarized as follows (dollars in thousands, except share and per share data):

	Grandpoint December 31, 2017
Pacific Premier shares issued to shareholders, net of fractional shares	15,758,089
Pacific Premier issue price per share	\$ 39.10
Value of stock consideration paid to shareholders	\$ 616,141
Value in-the-money from options	25,030
Total pro forma aggregate merger consideration paid	\$ 641,171
Carrying value of net assets	\$ 349,497
Fair value adjustment to assets and liabilities:	
Securities	(2,513)
Loans held for investment	(33,327)
Allowance for loan loss	18,939
Loans, net	(14,388)
Premises and equipment	1,430
Core deposit intangible	39,376
Deferred tax effect of adjustments, excluding transactions costs	(5,026)
Other assets	(750)
Deposits	(227)
Short term borrowings	
Long term debt	737
Other liabilities	
Total fair value adjustments	18,639
Fair value of net assets acquired	368,136
Add: Capitalized merger-related expense	10,971
Less: Cash out of options/RSU's tax benefit	6,633
Pro forma goodwill	\$ 277,373

- (8) Purchase accounting adjustment in recognition of the fair value of core deposit intangible assets, which is assumed to be 2.15% of core deposits for Grandpoint.
- (9) Deferred tax liability created from transaction expenses and fair market value adjustments of other assets.
- (10) Fair market value adjustment for time deposits.
- (11) Estimated fair market value adjustment for borrowings.
- (12) Purchase accounting reversal of common equity accounts, and adjustments to additional paid in capital includes consideration paid, transaction costs, fair market value adjustments, tax adjustments and goodwill created.

- (13) The amortization/accretion of fair value adjustments related to loans over the estimated lives of the related asset, which approximates 36 months.
- (14) The amortization/accretion of fair value adjustments related to deposits, short term borrowings and long term debt, over the weighted average life of 18, 5 and 72 months, respectively.
- (15) Adjustment includes amortization of core deposit intangibles over a 10 accelerated year life, fixed asset accretion over 36 months and adjustments for acquisition related costs. Acquisition

Table of Contents

costs for professional, legal and conversion related expenditures are not reflected as they are nonrecurring expenses. Acquisition costs incurred in the historical financial results are included in the pro-forma adjustments. These costs will be expensed by Pacific Premier as required by GAAP.

- (16) Adjustment reflects the elimination of the acquired entity's weighted average shares outstanding, offset by the issuance of common stock by acquirer for each outstanding share of acquired entity's common stock to be issued in connection with the merger.
- (17) The amortization/accretion of fair value adjustments related to deposits and long term debt are recognized over 60 and 96 months, respectively, based on sum of year digits accelerated method.
- (18) Adjustment includes amortization of core deposit intangibles over a 10-year life, based on sum of year digits accelerated method, and fixed asset accretion straight lined over 24 months.
- (19) The amortization/accretion of fair value adjustments related to loans over the estimated lives of the related asset, which approximates 48 months.
- (20) The amortization/accretion of fair value adjustments related to deposits and long term debt are recognized over 48 months, based on sum of year digits accelerated method, and 60 months straight lined, respectively.

Table of Contents**UNAUDITED COMPARATIVE PER SHARE DATA**

The following table sets forth certain historical, pro forma and pro forma equivalent per share financial information for the Pacific Premier common stock and the Grandpoint common stock. The pro forma and pro forma equivalent per share information for the year ended December 31, 2017 gives effect to (i) the completion of Pacific Premier's acquisition of Plaza, which was completed on November 1, 2017, and HEOP, which was completed on April 1, 2017, as if the transactions had been effective on the first day of the period, in the case of income and dividend data, and (ii) the merger as if the transaction had been effective on the last date of the period, in the case of book value data, and as if the transaction had been effective on the first day of the period, in the case of income and dividend data. The pro forma information in the below table assumes that the merger is accounted for under the acquisition method of accounting. The information in the following table is based on, and should be read together with, (i) the historical consolidated financial statements of Pacific Premier included in Pacific Premier's Annual Report on Form 10-K for the year ended December 31, 2017, a copy of which is attached as Appendix E to the prospectus/proxy and consent solicitation statement, and (ii) the historical consolidated financial statements of Grandpoint that are included elsewhere in this prospectus/proxy and consent solicitation statement (See "Index to Consolidated Grandpoint Financial Statements").

	At or For the Twelve Months Ended December 31, 2017
Net Income Per Common Share(1):	
Historical Pacific Premier	
Basic	\$ 1.59
Diluted	1.56
Historical Grandpoint	
Basic	0.74
Diluted	0.72
Pro Forma for Grandpoint acquisition(1)	
Basic	1.53
Diluted	1.51
Equivalent pro forma for Grandpoint acquisition(1)(2)	
Basic	0.74
Diluted	0.72
Dividends Declared Per Common Share(3):	
Historical Pacific Premier	
Historical Grandpoint	1.82
Equivalent pro forma for Grandpoint acquisition	
Book Value Per Common Share (at period end):	
Historical Pacific Premier	26.86
Historical Grandpoint	10.53
Pro Forma for Grandpoint acquisition	29.74
Equivalent pro forma for Grandpoint acquisition(2)	14.13

(1)

Pro forma shares are calculated by adding together the historical shares reported by Pacific Premier and historical shares reported by Grandpoint, adjusted for the estimated purchase accounting adjustments to be recorded in connection with the Grandpoint acquisition to equate to an estimated 15,758,089 of Pacific Premier shares to be issued in connection with the Grandpoint acquisition based on the terms of the merger agreement.

Table of Contents

- (2) The equivalent pro forma per share data combined for Grandpoint is computed by multiplying the pro forma combined amounts by the exchange ratio of 0.4750.
- (3) Pacific Premier has not paid dividends on its common stock, therefore the equivalent pro forma cash dividends per common share is zero.

DESCRIPTION OF PACIFIC PREMIER CAPITAL STOCK

The following summary of the current terms of the capital stock of Pacific Premier and the terms of capital stock of Pacific Premier to be in effect after completion of the merger is not meant to be complete and is qualified in its entirety by reference to the DGCL, federal law, the Pacific Premier amended and restated certificate of incorporation, or Pacific Premier certificate of incorporation, and the Pacific Premier amended and restated bylaws, or the Pacific Premier bylaws, copies of which have been filed with the Commission and are also available upon request from Pacific Premier. See "Additional Information" on page .

Common Stock

The Pacific Premier certificate of incorporation authorizes 100,000,000 shares of common stock, par value \$0.01 per share. On March 26, 2018, the Pacific Premier board approved an amendment to the Pacific Premier certificate of incorporation to increase the amount of authorized shares of Pacific Premier common stock from 100,000,000 to 150,000,000. This amendment to the Pacific Premier certificate of incorporation, along with additional amendments adopted by the Pacific Premier board on November 15, 2017 to effect certain corporate governance changes, which are discussed below under " Anti-Takeover Provisions Additional Provisions in the Pacific Premier Certificate of Incorporation and Bylaws," will be submitted to the shareholders of Pacific Premier for approval at the Pacific Premier 2018 annual meeting of stockholders, or the 2018 annual meeting, which will be held on May 14, 2018.

At , 2018, there were shares of Pacific Premier common stock issued and outstanding, held of record by approximately shareholders. The Pacific Premier common stock is listed on the NASDAQ Global Select Market under the symbol "PPBI." The transfer agent and registrar for Pacific Premier common stock is American Stock Transfer & Trust Company.

Each holder of Pacific Premier common stock is entitled to:

one vote for each share held on all matters submitted to a vote of the shareholders;

receive ratably such dividends as may be declared by the Pacific Premier board out of funds legally available for dividends, subject to preferences that may be applicable to outstanding shares of preferred stock, if any, or limitations and restrictions under applicable bank holding company regulations; and

share ratably in Pacific Premier's net assets, legally available to holders of Pacific Premier common stock in the event of Pacific Premier's liquidation, dissolution or winding up, after payment in full of all amounts required to be paid to any holders of shares of preferred stock and to creditors (unless provision for such payment has been made).

Holders of Pacific Premier common stock are not entitled to preemptive rights and have no subscription, redemption or conversion privileges.

The outstanding shares of Pacific Premier common stock are validly issued, fully-paid and nonassessable.

Table of Contents

Preferred Stock

The Pacific Premier certificate of incorporation authorizes 1,000,000 shares of preferred stock, par value \$0.01 per share. As of the date of this prospectus/proxy and consent solicitation statement, there were no issued and outstanding shares of Pacific Premier preferred stock.

Under the Pacific Premier certificate of incorporation, Pacific Premier may issue shares of preferred stock in one or more series, as may be determined by the Pacific Premier board. The Pacific Premier board may also establish, from time to time, the number of shares to be included in each series and may fix the designation, powers, preferences and rights of the shares of each such series and any qualifications, limitations or restrictions thereof, and may increase or decrease the number of shares of any series without any further vote or action by the shareholders. Any preferred stock that Pacific Premier may issue will rank senior to Pacific Premier common stock with respect to the payment of dividends or amounts paid upon liquidation, dissolution or winding up of Pacific Premier, or both. In addition, any shares of Pacific Premier preferred stock may have class or series voting rights. Under certain circumstances, the issuance of shares of Pacific Premier preferred stock, or merely the existing authorization of the Pacific Premier board to issue shares of Pacific Premier preferred stock, may tend to discourage or impede a merger or other change in control of Pacific Premier. No shares of preferred stock are currently outstanding. Each series of preferred stock, to the extent issued, will be issued under a separate certificate of designation.

Anti-takeover Provisions

Delaware Anti-Takeover Law.

As a Delaware corporation, Pacific Premier is subject to Section 203 of the DGCL, which generally prevents an interested shareholder, defined generally as a person owning 15% or more of a corporation's outstanding voting stock, from engaging in a business combination with Pacific Premier for three (3) years following the date that person became an interested shareholder, unless certain specified conditions are satisfied. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the Pacific Premier board, including discouraging attempts that might result in a premium over the market price for the shares of Pacific Premier common stock held by shareholders.

Possible Future Issuance of Preferred Stock.

The Pacific Premier board can at any time issue one or more new series of preferred stock pursuant to the Pacific Premier certificate of incorporation and without shareholder approval. In some cases, the issuance of preferred stock could discourage or make more difficult attempts to take control of Pacific Premier through a merger, tender offer, proxy context or otherwise. Shares of Pacific Premier preferred stock with special voting rights or other features issued to persons favoring Pacific Premier's management could stop a takeover by preventing the person trying to take control of Pacific Premier from acquiring enough voting shares to take control.

Removal and Vacancies on the Pacific Premier Board.

Subject to the rights of the holders of any series of Pacific Premier preferred stock then outstanding, directors may be removed by Pacific Premier's shareholders, with or without cause, by the affirmative vote of at least 66²/₃% of the voting power of all of the then-outstanding shares of capital stock of Pacific Premier entitled to vote generally in the election of directors, voting together as a single class. Further, any newly created directorships resulting from any increase in the authorized number of directors or any vacancies on the board resulting from death, resignation, retirement, removal or other cause may be filled only by a majority vote of the directors then in office, whether or not a quorum is present. These provisions may deter a shareholder from removing incumbent directors

Table of Contents

and from simultaneously gaining control of the board of directors by filling the resulting vacancies with its own nominees. Consequently, the existence of these provisions may have the effect of deterring hostile takeovers, which could depress the market price of Pacific Premier common stock.

Advance Notice Requirements for Shareholder Proposals and Director Nominations.

The Pacific Premier bylaws provide that shareholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary. Generally, to be timely, a shareholder's notice must be received at Pacific Premier's principal executive offices not less than ninety (90) days nor more than one hundred twenty (120) days prior to the first anniversary date of the previous year's annual meeting. The Pacific Premier bylaws also specify requirements as to the form and content of a shareholder's notice. The Pacific Premier bylaws also provide that notice may be provided by shareholders to Pacific Premier in accordance with the Commission's rules. These provisions may impede shareholders' ability to bring matters before an annual meeting of shareholders or make nominations for directors at an annual meeting of shareholders.

Additional Provisions in the Pacific Premier Certificate of Incorporation and Bylaws.

The Pacific Premier certificate of incorporation and the Pacific Premier bylaws contain additional provisions that may be deemed to have the effect of discouraging or delaying attempts to gain control of Pacific Premier, including provisions that provide: (i) the Pacific Premier board with the exclusive power to fix from time to time the size of the Pacific Premier board; (ii) for any action required or permitted to be taken by Pacific Premier shareholders to be taken only at an annual or special meeting and prohibit shareholder action by written consent in lieu of a meeting; (iii) for special meetings of shareholders to be called only by the Pacific Premier board; and (iv) for certain of the foregoing provisions to be amended only by the affirmative vote of at least 66²/₃% of the voting power of all of the then-outstanding shares of capital stock of Pacific Premier entitled to vote generally in an election of directors, voting together as a single class.

On November 15, 2017, the Pacific Premier board approved amendments to the Pacific Premier certificate of incorporation and the Pacific Premier bylaws to effect certain corporate governance changes which the Pacific Premier board believes will enhance the rights of Pacific Premier's shareholders. The changes to the Pacific Premier certificate of incorporation and the Pacific Premier bylaws, as applicable, include: (i) permitting Pacific Premier shareholders holding at least 10% of the outstanding Pacific Premier common stock to call a special meeting of stockholders, subject to applicable law and the requirements set forth in the Pacific Premier bylaws; (ii) allowing Pacific Premier shareholders to take actions by written consent without holding a meeting, subject to applicable law and the requirements set forth in the Pacific Premier bylaws; and (iii) changing the required vote of Pacific Premier shareholders needed to amend the Pacific Premier certificate of incorporation and the Pacific Premier bylaws from a supermajority vote of 66²/₃% of the outstanding shares entitled to vote to a simple majority vote of the outstanding shares eligible to vote. These amendments to the Pacific Premier certificate of incorporation, along with the amendment to increase Pacific Premier's authorized common stock, discussed above under " Common Stock," will be submitted to the shareholders of Pacific Premier for approval at the Pacific Premier 2018 annual meeting. The amendments to the Pacific Premier bylaws will become effective automatically upon, and subject to, approval by the Pacific Premier shareholders of the amendments to the Pacific Premier certificate of incorporation at the 2018 annual meeting.

Restrictions on Ownership

The BHC Act generally prohibits any company that is not engaged in banking activities and activities that are permissible for a bank holding company or a financial holding company from

Table of Contents

acquiring control of a bank holding company, such as Pacific Premier. "Control" is generally defined as ownership of 25% or more of the voting stock or other exercise of a controlling influence. Any existing bank holding company would need the prior approval of the Federal Reserve before acquiring 5% or more of the voting stock of Pacific Premier. In addition, the Change in Bank Control Act of 1978, as amended, prohibits a person or group of persons from acquiring control of a bank holding company unless the Federal Reserve has been notified and has not objected to the transaction. Under a rebuttable presumption established by the Federal Reserve, the acquisition of 10% or more of a class of voting stock of a bank holding company with a class of securities registered under Section 12 of the Exchange Act, such as Pacific Premier, could constitute acquisition of control of the bank holding company.

COMPARISON OF THE RIGHTS OF SHAREHOLDERS

When the merger becomes effective, shareholders of Grandpoint who receive shares of Pacific Premier common stock in exchange for their shares of Grandpoint common stock will become shareholders of Pacific Premier. Pacific Premier is a Delaware corporation and the rights of Pacific Premier shareholders are governed by the DGCL, as well as the Pacific Premier certificate of incorporation and the Pacific Premier bylaws. Grandpoint is a Delaware corporation, and its shareholders' rights are governed by the DGCL and the Grandpoint amended and restated certificate of incorporation, or Grandpoint certificate of incorporation, and Grandpoint bylaws.

After the merger, as Pacific Premier shareholders, the rights of former Grandpoint shareholders will be governed by the Pacific Premier certificate of incorporation, the Pacific Premier bylaws and the DGCL. The following is a summary of material differences between the rights of holders of Pacific Premier common stock and holders of Grandpoint common stock. The summary does not purport to be a complete statement of the provisions affecting, and differences between, the rights of holders of Pacific Premier common stock and holders of Grandpoint common stock. Rather, the summary is intended to provide a general overview of the differences in shareholders' rights under the governing corporate instruments of Pacific Premier and Grandpoint, and other known material differences. For more detailed information with respect to Pacific Premier, see "Description of Pacific Premier Capital Stock" beginning on page .

Authorized Capital Stock

Pacific Premier

Pacific Premier's authorized capital stock consists of 100,000,000 shares of Pacific Premier common stock, par value \$.01 per share, and 1,000,000 shares of Pacific Premier preferred stock, par value \$.01 per share. The Pacific Premier board has approved an amendment to the Pacific Premier certificate of incorporation to increase the amount of authorized shares of Pacific Premier common stock from 100,000,000 to 150,000,000. This amendment to the Pacific Premier certificate of incorporation will be submitted to the shareholders of Pacific Premier for approval at the Pacific Premier 2018 annual meeting.

The Pacific Premier certificate of incorporation authorizes the Pacific Premier board to issue shares of Pacific Premier preferred stock in one or more series and to fix the designation, powers, preferences, and rights of the shares of Pacific Premier preferred stock in each series. As of , 2018, there were shares of Pacific Premier common stock issued and outstanding and no shares of Pacific Premier preferred stock were issued and outstanding as of such date.

Grandpoint

Grandpoint's authorized capital stock consists of 75,000,000 shares separated into three classes of stock, each with a par value of \$0.01 per share. An aggregate of 60,000,000 shares are designated as

Table of Contents

voting common stock, or the Grandpoint voting common stock, 10,000,000 shares are designated as non-voting common stock, or the Grandpoint non-voting common stock, and 5,000,000 shares are designated as preferred stock. The Grandpoint certificate of incorporation authorizes the Grandpoint board to issue preferred stock and to determine the designations and the powers, preferences and rights, and the qualifications, limitations and restrictions of Grandpoint preferred stock in each series. As of _____, 2018, there were 27,901,752 shares of Grandpoint voting common stock and 5,273,173 shares of Grandpoint non-voting common stock issued and outstanding and no shares of Grandpoint preferred stock were issued and outstanding as of such date.

Issuance of Capital Stock

Pacific Premier

Under the Pacific Premier certificate of incorporation and the DGCL, Pacific Premier may issue shares of Pacific Premier capital stock and rights or options for the purchase of shares of capital stock of Pacific Premier on such terms and for such consideration as may be determined by the Pacific Premier board. None of the DGCL, the Pacific Premier certificate of incorporation or the Pacific Premier bylaws require shareholder approval of any such actions. Pacific Premier may, however, elect to seek shareholder approval of stock-related compensation plans in certain instances in order to qualify such plans for favorable federal income tax treatment and to comply with the continued listing rules of the NASDAQ Global Select Market and securities laws treatment under current laws and regulations. Holders of Pacific Premier common stock do not have preemptive rights with respect to any shares of Pacific Premier capital stock which may be issued.

Grandpoint

Under the DGCL, Grandpoint may issue shares of Grandpoint capital stock for such consideration as may be determined by the Grandpoint board in accordance with the DGCL. None of the DGCL or the Grandpoint certificate of incorporation or Grandpoint bylaws require shareholder approval of any such actions. The Grandpoint certificate of incorporation does not grant the holders of Grandpoint stock preemptive rights with respect to any shares of Grandpoint capital stock that may be issued.

Voting Rights

Pacific Premier

Each holder of Pacific Premier common stock is entitled to one vote for each share held of record. All director elections are determined by a plurality of the votes cast and, except as otherwise required by law or the Pacific Premier certificate of incorporation, all other matters are determined by a majority of the votes cast. Holders of Pacific Premier common stock do not have cumulative voting rights with respect to the election of directors.

Grandpoint

Each holder of Grandpoint voting common stock is entitled to one vote for each share held by such shareholder upon the matter in question. Under the Grandpoint bylaws, directors are elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. In all other matters, unless otherwise provided by law or by the Grandpoint certificate of incorporation or the Grandpoint bylaws, the affirmative vote of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter is the act of the shareholders. Where a separate vote by class or classes or series is required, the affirmative vote of the holders of a majority of the shares of such class or classes or series present in person or represented by proxy at the meeting is the act of such class or

Table of Contents

classes or series, except as otherwise provided by law or by the Grandpoint certificate of incorporation or the Grandpoint bylaws.

Number and Election of Directors

Pacific Premier

The Pacific Premier bylaws provide that the number of directors who constitute the board of directors is such number as the board of directors from time to time has designated, except that in the absence of such designation, such number is seven (7). The directors are elected by the shareholders each year at the annual meeting of shareholders and hold office until the next annual meeting and until each director's successor has been duly elected and qualified or until a director's earlier resignation or removal. Currently, the Pacific Premier board consists of ten (10) directors and the Pacific Premier board has authorized an increase to twelve (12) directors upon consummation of the merger in order to accommodate the addition of two new director nominees from Grandpoint.

Grandpoint

The Grandpoint bylaws provide that at all times prior to the termination of the Investor Rights Agreement, dated January 5, 2010, or the investor rights agreement, entered into with the Grandpoint Investors, the investor rights agreement governs the election, appointment, replacement and removal of directors. The authorized number of directors on the Grandpoint board may not be less than the amount specified in the investor rights agreement while the same is in effect, may be increased or decreased from time to time, to the extent that such increase or decrease is approved by at least a majority of the holders of the Grandpoint voting common stock, and provided that at all times, the Grandpoint board must include such number of independent directors as shall cause the Grandpoint board to be comprised of not less than 40% independent directors (if the Grandpoint board consists of nine (9) or more members) or 50% independent directors (if the Grandpoint board consists of eight (8) or fewer members). Under the investor rights agreement, each Grandpoint Investor has the right to nominate one person to be elected to the Grandpoint board, referred to as a Grandpoint board seat investor designee. The Grandpoint board consists of one (1) Grandpoint board seat investor designee from each Grandpoint Investor, two (2) management directors, as defined therein, plus the necessary number of independent directors.

There are currently twelve (12) members of the Grandpoint board. The directors are elected by the Grandpoint shareholders, each year at the annual meeting of Grandpoint shareholders and serve for a term of one (1) year or until their successors are elected and qualified or until the earlier death, resignation or removal.

Removal of Directors

Pacific Premier

Under the DGCL, directors may be removed, with or without cause, by the holders of a majority of the shares entitled to vote, unless a greater vote is required by the certificate of incorporation or the bylaws. Under the Pacific Premier certificate of incorporation, subject to the rights of holders of any series of preferred stock then outstanding, any director, or the entire board of directors, may be removed from office at any time with or without cause by the affirmative vote of the holders of at least 66²/₃% of the voting power of all of the then-outstanding shares of capital stock of Pacific Premier entitled to vote generally in an election of directors, voting together as a single class.

Table of Contents

Grandpoint

Under the investor rights agreement, no Grandpoint board seat investor designee may be removed from the Grandpoint board without such Grandpoint Investor's written consent, other than in the event that any such Grandpoint board seat investor designee fails to meet the requirements of any applicable law or regulatory requirement. Following the removal of a Grandpoint board seat investor designee, such Grandpoint Investor shall have the right to nominate a replacement director.

The Grandpoint certificate of incorporation does not specify any required vote for removal of Grandpoint directors. Under the Grandpoint bylaws, the investor rights agreement governs the removal of Grandpoint board seat investor designees, but is silent as to removal of directors that are not Grandpoint board seat investor designees. As such, in accordance with the DGCL, Grandpoint directors who are not Grandpoint board seat investor designees may be removed, with or without cause, by the holders of a majority of the shares of Grandpoint voting common stock entitled to vote.

Vacancies of Directors

Pacific Premier

The DGCL provides that, unless the certificate of incorporation or bylaws provide otherwise, a majority of the directors then in office (although less than a quorum) or the sole remaining director may fill any vacancy on a board of directors, including newly created directorships resulting from an increase in the number of directors. Under the Pacific Premier bylaws, subject to the rights of holders of any series of preferred stock outstanding, any vacancy occurring on its board of directors may be filled by a majority vote of the directors then in office, whether or not a quorum is present. Each director so chosen will hold office until the next annual meeting of shareholders.

Grandpoint

Pursuant to the investor rights agreement, each Grandpoint Investor is entitled to nominate a replacement director in the event that such Grandpoint board seat investor designee resigns from, or otherwise ceases to serve on, the Grandpoint board. In the event a Grandpoint board seat investor designee resigns from, or otherwise ceases to serve on, the Grandpoint board, and the Grandpoint Investor nominates a replacement Grandpoint board seat investor designee in accordance with the preceding sentence, Grandpoint will take all action reasonably necessary to cause the vacancy to be filled by the replacement Grandpoint board seat investor designee.

The Grandpoint certificate of incorporation does not specify how to fill any vacancy on the Grandpoint board. Under the Grandpoint bylaws, the investor rights agreement governs the replacement of Grandpoint board seat investor designees, but is silent as to replacement of Grandpoint directors that are not Grandpoint board seat investor designees. As such, in accordance with the DGCL, a majority of the Grandpoint directors then in office (although less than a quorum) or the sole remaining Grandpoint director may fill any vacancy on the Grandpoint board (except as described above with respect to a Grandpoint board seat investor designee) including newly created directorships resulting from an increase in the number of directors.

Indemnification and Limitation of Liability

Pacific Premier

The DGCL provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or

Table of Contents

agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification extends only to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such action, and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation.

The DGCL provides that any indemnification must be made by the corporation only as authorized in the specific case upon a determination that indemnification is proper in the circumstances because the person has met the applicable standard of conduct. Such determination must be made, with respect to a person who is a director or officer at the time of such determination, (i) by a majority vote of the directors who are not parties to the action, suit or proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (iv) by the shareholders.

The DGCL provides that it is not exclusive of other indemnification that may be granted by a corporation's bylaws, disinterested director vote, shareholder vote, agreement or otherwise.

The Pacific Premier certificate of incorporation provides for the indemnification of directors, officers and certain of its authorized representatives to the fullest extent permitted by the DGCL, except that indemnification in an action, suit or proceeding initiated by a director, officer or authorized representative is permitted only if the board of directors authorized the initiation of that action, suit or proceeding. In addition, as permitted by the DGCL, the Pacific Premier certificate of incorporation provides that the directors shall have no personal liability to Pacific Premier or its shareholders for monetary damages for breach of fiduciary duty as a director, except (i) for any breach of the director's duty of loyalty to Pacific Premier or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, (iii) the unlawful payment of dividends or unlawful stock purchase or redemption, or (iv) for any transaction in which the director derived improper personal benefit.

Grandpoint

Grandpoint is subject to the provisions of the DGCL governing indemnification by a corporation as set forth above.

The Grandpoint certificate of incorporation provides that a director is not liable to Grandpoint or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent that such exemption from liability or limitation thereof is not permitted under the DGCL as currently in effect or as the same may hereafter be amended. Grandpoint is authorized to indemnify any person serving as a director, officer, employee or agent of Grandpoint, or is or was serving at the request of Grandpoint as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, to the fullest extent permissible under Delaware and federal law.

The Grandpoint bylaws provide that it may, to the maximum extent permitted by law, indemnify any person made or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person or such person's testator or intestate is or was a director, officer, or employee of Grandpoint or serves or served at the request of Grandpoint any other enterprise as a director, officer or employee. Expenses, including attorneys' fees, incurred by any such person in defending any such action, suit or proceeding are to be paid or

Table of Contents

reimbursed by Grandpoint promptly upon receipt by it of an undertaking of such person to repay such expenses if it is ultimately determined that such person is not entitled to be indemnified by Grandpoint. The rights provided to any person by the Grandpoint bylaws are enforceable against Grandpoint by such person who is presumed to have relied upon it in serving or continuing to serve as a director, officer or employee as provided above. No amendment to the Grandpoint bylaws will impair the rights of any person arising at any time with respect to events occurring before such amendment.

Certain persons seeking indemnification from Grandpoint may have certain rights to indemnification, advancement of expenses and/or insurance provided by the Grandpoint Investor that nominated such persons to the board. With respect to any such persons and with respect to any action, suit or proceeding for which indemnification or the advancement of expenses pursuant to the Grandpoint bylaws is required, Grandpoint (i) shall be the indemnitor of first resort, (ii) shall advance expenses and be liable for expenses, judgments, fines and amounts paid in settlement to the extent legally permitted and as required by the amended and restated certificate of incorporation and bylaws without regard to any rights any person may have against other indemnitors and (iii) irrevocably waives, relinquishes and releases all other indemnitors of any rights of subrogation in respect thereof. No advancement or payment by any other indemnitor to or on behalf of any person with respect to any claim for which such person has sought indemnification from Grandpoint may affect the foregoing and such other indemnitor will have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such person against Grandpoint.

Amendments to Certificate of Incorporation and Bylaws

Pacific Premier

The DGCL provides that an amendment to a Delaware corporation's certificate of incorporation requires a board resolution stating the advisability of the amendment and approval by a majority of the holders of outstanding capital stock of each class entitled to vote thereon. The Pacific Premier certificate of incorporation provides that amendments to the Pacific Premier certificate of incorporation may be effected in the manner prescribed by the DGCL; provided, however, that the amendment of Sections C or D of Article Fifth, Article Sixth, Article Seventh, Article Ninth and Article Eleventh requires the affirmative vote of the holders of at least 66²/₃% of the voting power of all of the then-outstanding shares of the capital stock of Pacific Premier entitled to vote generally in the election of directors, voting together as a single class. The Pacific Premier board has approved an amendment to the Pacific Premier certificate of incorporation that will change the required vote of Pacific Premier shareholders to a simple majority vote of the shares entitled to vote. The amendments to the Pacific Premier certificate of incorporation will be submitted to the shareholders of Pacific Premier for approval at the 2018 annual meeting.

The Pacific Premier bylaws authorize Pacific Premier's board of directors to amend its bylaws by vote of a majority of the board of directors at a meeting. The Pacific Premier bylaws may also be amended by the affirmative vote of the holders of at least 66²/₃% of the voting power of all of the then-outstanding shares of the capital stock of Pacific Premier entitled to vote generally in the election of directors, voting together as a single class. The Pacific Premier board has approved an amendment to the Pacific Premier certificate of incorporation and the Pacific Premier bylaws that will change the required vote of Pacific Premier shareholders to a simple majority vote of the shares entitled to vote. The amendment to the Pacific Premier certificate of incorporation will be submitted to the shareholders of Pacific Premier for approval at the 2018 annual meeting. The amendment to the Pacific Premier bylaws will become effective automatically upon, and subject to, approval of the amendments to Pacific Premier's certificate of incorporation.

Table of Contents

Grandpoint

The Grandpoint certificate of incorporation may be amended in any manner allowed under Delaware law.

The Grandpoint certificate of incorporation provides that the Grandpoint bylaws may be amended or repealed, and new bylaws may be adopted, by the Grandpoint board. The Grandpoint bylaws provide that the Grandpoint bylaws may be amended or repealed, and new bylaws may be adopted by the Grandpoint board, but the Grandpoint shareholders entitled to vote may adopt additional Grandpoint bylaws and may amend or repeal any Grandpoint bylaw whether or not adopted by such shareholders. The Grandpoint bylaws do not provide for a voting threshold to amend the Grandpoint bylaws. Section 216 of the DGCL provides that in the absence of a voting specification, a majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at a meeting of shareholders and in all matters other than the election of directors, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject shall be the act of the shareholders.

Notice of Shareholder Meetings

Pacific Premier

In accordance with the DGCL, the Pacific Premier bylaws provide that a written notice of the time, date, and place of all shareholder meetings must be given to each shareholder entitled to vote at the meeting not less than ten (10) days nor more than sixty (60) days prior to the meeting.

Grandpoint

The Grandpoint bylaws provide that a written notice of the place, the date and the hour of all shareholder meetings and, in the case of a special meeting, the purpose or purposes for which the meeting is called, must be given to each shareholder entitled to vote at the meeting not less than ten (10) nor more than sixty (60) days prior to the meeting.

Special Meetings of Shareholders

Pacific Premier

Pursuant to the DGCL, a special meeting of shareholders may be called by a corporation's board of directors or by the persons authorized to do so in the corporation's certificate of incorporation or bylaws. The Pacific Premier certificate of incorporation provides that a special meeting of shareholders may be called only by the Pacific Premier board pursuant to a resolution adopted by the majority of the total number of authorized directorships or as otherwise provided in the bylaws. The Pacific Premier bylaws provide that, subject to the rights of the holders of preferred stock, special meetings of shareholders may be called only by the Pacific Premier board pursuant to a resolution adopted by a majority of the total number of directors which the corporation would have if there were no vacancies on the Pacific Premier board. The Pacific Premier board has approved amendments to both the Pacific Premier certificate of incorporation and the Pacific Premier bylaws which would permit Pacific Premier shareholders holding at least 10% of the outstanding Pacific Premier common stock to call a special meeting of Pacific Premier shareholders, subject to applicable law and other applicable requirements set forth in the Pacific Premier bylaws. The amendments to the Pacific Premier certificate of incorporation will be submitted to the shareholders of Pacific Premier for approval at the 2018 annual meeting. The amendment to the Pacific Premier bylaws will become effective automatically upon, and subject to, approval of the amendments to Pacific Premier's certificate of incorporation.

Table of Contents

Grandpoint

Under the Grandpoint bylaws, a special meeting of shareholders may be called at any time by the chairman of the board, if any, the vice chairman of the board, if any, the president or the Grandpoint board, or by Grandpoint shareholders who together own of record at least twenty-five percent (25%) of the outstanding voting shares of each class of stock entitled to vote at such meeting. Shareholders requesting a special meeting must do so by submitting their request, in writing, to Grandpoint's corporate secretary, specifying the purpose of the meeting.

Shareholder Nominations and Shareholder Proposals

Pacific Premier

The Pacific Premier bylaws provide that shareholders of Pacific Premier may nominate one or more persons for election as director only if such nominations are delivered to the secretary of Pacific Premier at the principal executive offices of the corporation not earlier than the close of business on the one hundred twentieth (120th) day and not later than the close of business on the ninetieth (90th) day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to the date of such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to the date of such annual meeting or, if the first public announcement of the date of such annual meeting is less than one hundred (100) days prior to the date of such annual meeting, the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the corporation. Each such notice must set forth information concerning the nominee, the nominating shareholder and the other information specified in the Pacific Premier bylaws. The Pacific Premier bylaws provide that a proposal by shareholders for submission to a vote of shareholders at an annual meeting must be delivered to the secretary of Pacific Premier within the same time frame as shareholder nominations for directors described above. Each such notice must set forth information concerning the proposal, the proposing shareholder and the information specified in the Pacific Premier bylaws.

Grandpoint

The Grandpoint bylaws provide that all shareholder nominations must take place in accordance with the provisions of the investor rights agreement. The investor rights agreement provides that each Grandpoint Investor is entitled to nominate one (1) person to the Grandpoint board and to nominate a replacement director in the event that such person resigns from, or otherwise ceases to serve on, the Grandpoint board.

The investor rights agreement further provides that, at least annually, Grandpoint will hold an annual meeting of shareholders for the purpose of electing the members of the board. Except with respect to Grandpoint board seat investor designees, all directors shall be elected at each annual shareholders meeting.

Neither the Grandpoint certificate of incorporation, the Grandpoint bylaws, nor the investor rights agreement contains any provision addressing the procedures for shareholder nominations of directors or shareholder proposals not otherwise addressed in the investor rights agreement.

Table of Contents

Shareholder Action by Written Consent

Pacific Premier

The Pacific Premier bylaws provide that, subject to the rights of the holders of any class or series of preferred stock, any action required or permitted to be taken by the shareholders of Pacific Premier must be effected at an annual or special meeting of shareholders and may not be effected by any consent in writing by such shareholders. The Pacific Premier board has approved amendments to the Pacific Premier certificate of incorporation and the Pacific Premier bylaws which would permit Pacific Premier shareholders to take actions by written consent without holding a meeting, subject to applicable law and other applicable requirements set forth in the Pacific Premier bylaws. The amendments to the Pacific Premier certificate of incorporation will be submitted to the Pacific Premier shareholders for approval at the 2018 annual meeting. The amendments to the Pacific Premier bylaws will become effective automatically upon, and subject to, approval of the amendments to Pacific Premier's certificate of incorporation.

Grandpoint

The Grandpoint bylaws provide that, unless otherwise provided by the Grandpoint certificate of incorporation or by law, any action required by law to be taken at an annual or special meeting of shareholders, or any action which may be taken at any annual or special meeting of such shareholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, are signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and is delivered to Grandpoint by delivery to (a) its registered office in the State of Delaware by hand or by certified mail or registered mail, return receipt requested, (b) its principal place of business, or (c) an officer or agent of Grandpoint having custody of the book in which proceedings of meetings of shareholders are recorded.

Every written consent must bear the date of signature of each shareholder who signed the consent and no written consent will be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered in the manner required by the Grandpoint bylaws to Grandpoint, written consents signed by a sufficient number of holders to take action are delivered to Grandpoint by delivery to (a) its registered office in the State of Delaware by hand or by certified mail or registered mail, return receipt requested, (b) its principal place of business, or (c) an officer or agent of Grandpoint having custody of the book in which proceedings of meetings of shareholders are recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent must be given to those shareholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of shareholders to take the action were delivered to Grandpoint.

Transactions with Interested Persons

Pacific Premier

The DGCL prohibits a corporation from engaging in any business combination with an interested shareholder (defined as a 15% shareholder) for a period of three (3) years after the date that shareholder became an interested shareholder, unless (i) before that date, the board of directors of the corporation approved the business combination or the transaction in which the shareholder became an interested shareholder, (ii) upon completion of the transaction that resulted in the shareholder becoming an interested shareholder, the shareholder owned at least 85% of the outstanding voting stock (excluding shares owned by directors, officers and certain employee stock ownership plans) or

Table of Contents

(iii) on or after the date the shareholder became an interested shareholder, the business combination received the approval of both the corporation's directors and holders of two-thirds of the outstanding voting shares not owned by the interested shareholder voted at a meeting and not by written consent. A Delaware corporation may opt out of this provision through an amendment to its certificate of incorporation or bylaws adopted by a majority of the outstanding voting shares. The Pacific Premier certificate of incorporation expressly provides that it is bound by this provision of the DGCL concerning transactions with interested shareholders.

Grandpoint

The Grandpoint certificate of incorporation specifically provides that Grandpoint shall not to be governed by Section 203 of the DGCL as described above.

Dividends

Pacific Premier

The DGCL permits a Delaware corporation to declare and pay dividends out of surplus or, if there is no surplus, out of net profits for the fiscal year in which the dividend is declared and/or for the preceding fiscal year as long as the amount of capital of the corporation following the declaration and payment of the dividend is not less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets. Further, it is the policy of the Federal Reserve that bank holding companies, such as Pacific Premier, should generally pay dividends on common stock only out of income available over the past year, and only if prospective earnings retention is consistent with the organization's expected future needs and financial condition. It is also the Federal Reserve's policy that bank holding companies should not maintain dividend levels that undermine their ability to be a source of strength to their banking subsidiaries. The Pacific Premier bylaws permit its board of directors to declare dividends. However, historically, Pacific Premier's policy has been to retain earnings to provide funds for use in its business. Although Pacific Premier has never declared or paid dividends on its common stock, the Pacific Premier board periodically reviews whether to declare or pay cash dividends, taking into account, among other things, general business conditions, Pacific Premier's financial results, future prospects, capital requirements, legal and regulatory restrictions, and such other factors as the Pacific Premier board may deem relevant.

Grandpoint

Grandpoint is subject to the provisions of the DGCL and the policies of the Federal Reserve governing declaration and payment of dividends, as described above. The Grandpoint bylaws do not address the declaration and payment of dividends. See "Market for Common Stock and Dividends Grandpoint Market Information and Dividends" for a discussion of Grandpoint's recent history of dividends.

LEGAL MATTERS

The validity of the Pacific Premier common stock to be issued in the merger has been passed upon for Pacific Premier by Holland & Knight LLP, Washington, D.C. As of April 5, 2018, attorneys employed by that law firm beneficially owned approximately 67,055 shares of Pacific Premier common stock.

EXPERTS

The consolidated statement of income, stockholders equity and cash flows of Pacific Premier Bancorp, Inc. and subsidiaries for the year ended December 31, 2015, which appear in Pacific Premier's

Table of Contents

Annual Report on Form 10-K for the year ended December 31, 2017, have been audited by Vavrinek, Trine, Day & Co., LLP, an independent registered public accounting firm, as stated in their report dated March 4, 2016, which is included in this prospectus/proxy and consent solicitation statement in reliance upon the report of such firm, given up on their authority as experts in accounting and auditing.

The consolidated financial statements of Pacific Premier and its subsidiaries as of and for the years ended December 31, 2017 and 2016, which are included in this prospectus/proxy and consent solicitation statement in Pacific Premier's Annual Report on Form 10-K for the year ended December 31, 2017, have been so included in reliance on the report of Crowe Horwath LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of Grandpoint Capital, Inc. and Subsidiaries as of December 31, 2017 and 2016 and for the years then ended included in this prospectus/proxy and consent solicitation statement, have been audited by Moss Adams LLP, independent auditors, as stated in their report, which is included herein. Such consolidated financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

HOUSEHOLDING

The Commission has adopted rules that permit companies and intermediaries, such as brokers, to satisfy delivery requirements for proxy and consent solicitation statements with respect to two or more shareholders sharing the same address by delivering a single proxy and consent solicitation statement addressed to those shareholders. This process, which is commonly referred to as "householding," potentially provides extra convenience for shareholders and cost savings for companies. Pacific Premier and Grandpoint will mail only one copy of the prospectus/proxy and consent solicitation statement to multiple shareholders sharing the same address. Once you have received notice from your broker, Pacific Premier or Grandpoint that they will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate prospectus/proxy and consent solicitation statement, please notify your broker or nominee if your shares are held in a brokerage account or other account or American Stock Transfer & Trust Co. if you hold registered shares. You can notify American Stock Transfer & Trust Co. by sending a written request to: 6201 15th Avenue, Brooklyn, New York 11219 or by calling (800) 937-5449.

PACIFIC PREMIER ANNUAL MEETING SHAREHOLDER PROPOSALS

To be eligible under Rule 14a-8 under the Exchange Act and under Pacific Premier's bylaws for inclusion in Pacific Premier's proxy statement and proxy card for Pacific Premier's 2018 annual meeting of shareholders, a proper shareholder proposal must have been received by Pacific Premier at its principal offices at 17901 Von Karman Avenue, Suite 1200, Irvine, California 92614 no later than December 28, 2017, which was 120 calendar days before the anniversary of the date on which Pacific Premier first mailed its proxy statement for its 2017 annual meeting of shareholders. Shareholders who intend to present a proposal at Pacific Premier's 2018 annual meeting of shareholders, but not to include the proposal in Pacific Premier's proxy statement for that meeting, must have given notice Pacific Premier no sooner than January 31, 2018, which is one hundred twenty (120) days prior to May 31, 2018, which is the one-year anniversary of the 2017 annual meeting of shareholders, but no later than February 28, 2018, which is ninety (90) days prior to May 31, 2018 (the one-year anniversary of the 2017 annual meeting of shareholders). The notice must be in the manner and form required by Pacific Premier's bylaws and Rule 14a-8 under the Exchange Act.

Table of Contents

GRANDPOINT ANNUAL MEETING SHAREHOLDER PROPOSALS

Grandpoint intends to hold an annual meeting of shareholders in 2018 only if the merger is not completed. In the event that the merger is not completed in 2018, or at all, any shareholder nominations or proposals intended to be presented at Grandpoint's next annual meeting must be presented in accordance with Grandpoint's investor rights agreement and bylaws.

If the merger is completed, Grandpoint shareholders will become shareholders of Pacific Premier. Any shareholder nominations or proposals which a shareholder wishes to have included in Pacific Premier's proxy statement and form of proxy relating to its 2019 annual meeting of stockholders must be received by the date, and must otherwise comply with the requirements, described in Pacific Premier's proxy statement for its 2018 annual meeting of shareholders filed with the Commission.

WHERE YOU CAN FIND MORE INFORMATION

Pacific Premier Bancorp, Inc.

Pacific Premier files annual, quarterly and current reports, proxy statements and other information with the Commission. Pacific Premier and Grandpoint shareholders may read and copy any reports, proxy statements or other information filed by Pacific Premier at the Commission's public reference room in Washington, D.C., which is located at the following address: Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549.

Pacific Premier and Grandpoint shareholders can request copies of these documents, upon payment of a duplicating fee, by writing to the Commission. Please call the Commission at 1-800-SEC-0330 for further information on the operation of the Commission's public reference rooms. Pacific Premier's filings with the Commission are also available to the public from document retrieval services and at the Commission's Internet website (<http://www.sec.gov>). Pacific Premier's filings with the Commission are also available at its website at www.ppbi.com.

Pacific Premier has filed with the Commission a registration statement on Form S-4 under the Securities Act and the rules and regulations thereunder. This prospectus/proxy and consent solicitation statement is a part of that registration statement. As permitted by the Commission's rules, this prospectus/proxy and consent solicitation statement does not contain all of the information that can be found in the registration statement. The registration statement is available for inspection and copying as set forth above.

Grandpoint Capital, Inc.

Grandpoint does not have a class of securities registered under Section 12 of the Exchange Act, is not subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act and, accordingly, does not file documents and reports with the Commission. The historical financial statements of Grandpoint are included elsewhere in this prospectus/proxy and consent solicitation statement.

If you are a Grandpoint shareholder and have any questions concerning the merger, the merger agreement or the prospectus/proxy and consent solicitation statement, would like additional copies of the prospectus/proxy and consent solicitation statement or need help voting your shares of Grandpoint voting common stock in the Grandpoint consent solicitation, please contact Janet M. Marantz, Grandpoint's Senior Vice President and Corporate Secretary, at (213) 542-4405, or at the following address:

Grandpoint Capital, Inc.
333 South Grand Avenue
Suite 4250
Los Angeles, California 90071
Attention: Corporate Secretary

Table of Contents

You should rely only on the information contained in this prospectus/proxy and consent solicitation statement. Pacific Premier and Grandpoint have not authorized anyone else to provide you with information that is different from that which is contained in this prospectus/proxy and consent solicitation statement. Moreover, neither Pacific Premier nor Grandpoint is making an offer to sell or soliciting an offer to buy any securities other than the Pacific Premier common stock to be issued by Pacific Premier in the merger, and neither Pacific Premier nor Grandpoint is making an offer of such securities in any state where the offer is not permitted. The information contained in this prospectus/proxy and consent solicitation statement speaks only as of its date unless the information specifically indicates that another date applies.

Table of Contents

INDEX TO GRANDPOINT CONSOLIDATED FINANCIAL STATEMENTS

	Page
<u>Report of Independent Auditors</u>	<u>FS-2</u>
<u>Consolidated Balance Sheets as of December 31, 2017 and 2016</u>	<u>FS-3</u>
<u>Consolidated Statements of Income for the years ended December 31, 2017 and 2016</u>	<u>FS-4</u>
<u>Consolidated Statements of Comprehensive Income for the years ended December 31, 2017 and 2016</u>	<u>FS-5</u>
<u>Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2017 and 2016</u>	<u>FS-6</u>
<u>Consolidated Statements of Cash Flows for the years ended December 31, 2017 and 2016</u>	<u>FS-7</u>
<u>Notes to Consolidated Financial Statements</u>	<u>FS-8</u>

FS-1

Table of Contents

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of
Grandpoint Capital, Inc.

Report of Independent Auditors

We have audited the accompanying consolidated financial statements of Grandpoint Capital, Inc. and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2017 and 2016 and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Grandpoint Capital, Inc. and Subsidiaries as of December 31, 2017 and 2016, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ MOSS ADAMS LLP
Los Angeles, California
March 8, 2018

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****DECEMBER 31, 2017 AND 2016****(In thousands, except share and per share data)**

	2017	2016
ASSETS		
Cash and due from banks	\$ 32,238	\$ 28,919
Interest-bearing deposits in banks	151,556	212,615
Cash and cash equivalents	183,794	241,534
Certificates of deposit in other banks	1,001	750
Available for sale investment securities, at fair value	472,303	579,275
Held to maturity investment securities, at amortized cost	30,312	
Loans, net	2,344,608	2,351,252
Premises and equipment, net	6,201	6,949
Other real estate owned	914	1,057
Goodwill	53,323	53,323
Core deposit and other intangible assets	5,865	7,493
Deferred tax asset, net	15,686	23,818
Bank owned life insurance	33,260	32,470
Other assets	46,667	29,015
Total Assets	\$ 3,193,934	\$ 3,326,936
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Deposits:		
Demand deposits	\$ 1,090,900	\$ 926,594
NOW accounts	145,591	148,071
Money market accounts	843,920	1,106,229
Savings accounts	44,837	47,426
Time deposits	251,681	347,775
Total Deposits	2,376,929	2,576,095
Borrowings	450,000	350,000
Other liabilities	12,353	12,696
Subordinated debenture payable	5,155	5,155
Total Liabilities	2,844,437	2,943,946
Commitments and Contingencies (Note 16)		
Shareholders' Equity		
Preferred stock, 5,000,000 shares authorized, \$0.01 par value; none issued and outstanding	332	330

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Common stock, 70,000,000 shares authorized, \$0.01 par value 33,174,924 and 33,022,742 shares issued and outstanding at December 31, 2017 and 2016, respectively		
Additional paid in capital	320,935	318,904
Accumulated other comprehensive loss	(788)	(1,009)
Retained earnings	29,018	64,765
Total Shareholders' Equity	349,497	382,990
Total Liabilities and Shareholders' Equity	\$ 3,193,934	\$ 3,326,936

See accompanying notes.

FS-3

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

(In thousands, except per share data)

	2017	2016
Interest Income:		
Interest and fees on loans	\$ 112,521	\$ 107,662
Interest on investment securities	13,252	13,346
Other interest income	2,594	2,503
Total Interest Income	128,367	123,511
Interest Expense:		
Interest on NOW, money market and savings accounts	6,467	5,065
Interest on time deposits	2,601	1,855
Interest on borrowings	3,174	1,336
Total Interest Expense	12,242	8,256
Net Interest Income	116,125	115,255
Provision for Loan Losses	335	1,135
Net Interest Income after Provision for Loan Losses	115,790	114,120
Noninterest Income:		
Service charges, fees and other income	7,785	5,918
Gain on sale of investment securities	170	28
Total Noninterest Income	7,955	5,946
Noninterest Expense:		
Salaries and benefits	47,406	40,462
Occupancy	5,439	5,405
Furniture and equipment	3,435	3,283
Promotion	1,358	1,292
Data processing	2,120	2,015
Professional	3,105	2,683
M&A, conversion and restructuring costs	236	300
Office	1,390	1,358
Assessments and insurance	1,859	2,388
Other	5,282	5,408
Total Noninterest Expense	71,630	64,594
Net Income Before Provision for Income Taxes	52,115	55,472
Provision for Income Taxes	27,673	22,286
Net Income	\$ 24,442	\$ 33,186

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Net Income Per Share			
Basic	\$	0.74	\$ 1.01
Diluted	\$	0.72	\$ 0.98

See accompanying notes.

FS-4

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

(In thousands)

	2017	2016
Net income	\$ 24,442	\$ 33,186
Other comprehensive income:		
Change in unrealized gain on securities, net of tax expense of \$319 and \$1,975 in 2017 and 2016, respectively	462	2,842
Reclassification adjustment for net gain included in net income, net of tax of \$71 and \$11 in 2017 and 2016, respectively	(99)	(17)
Other comprehensive income	363	2,825
Comprehensive income	\$ 24,805	\$ 36,011

See accompanying notes.

FS-5

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

(In thousands, except share data)

	Common Stock		Additional Paid In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Shares	Amount				
Balances at December 31, 2015	32,894,185	\$ 329	\$ 316,623	\$ (3,834)	\$ 47,403	\$ 360,521
Stock-based compensation			966			966
Restricted stock grants	35,057		427			427
Stock options exercised	93,500	1	888			889
Dividends					(15,824)	(15,824)
Comprehensive income				2,825	33,186	36,011
Balances at December 31, 2016	33,022,742	330	318,904	(1,009)	64,765	382,990
Stock-based compensation			482			482
Restricted stock grants	25,432		340			340
Stock options exercised	126,750	2	1,209			1,211
Dividends					(60,331)	(60,331)
Comprehensive income				363	24,442	24,805
Reclassification of tax benefits related to recently enacted tax bill				(142)	142	
Balances at December 31, 2017	33,174,924	\$ 332	\$ 320,935	\$ (788)	\$ 29,018	\$ 349,497

See accompany notes.

FS-6

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016****(In thousands)**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 24,442	\$ 33,186
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of premises and equipment	1,172	1,466
Amortization of intangible assets	1,628	1,716
Provision for loan losses	335	1,135
Accretion of discounts on acquired loans	(1,310)	(1,960)
Net gain on sale of investment securities	(170)	(28)
Gain on sale of other real estate owned	(505)	(156)
Increase in cash surrender value of life insurance policies	(790)	(852)
Amortization on investment securities	1,778	3,230
Stock-based compensation	822	1,393
Deferred tax provision	7,884	(1,031)
Provision for losses for other real estate owned		
Net change in:		
Other assets	(8,969)	119
Other liabilities	(343)	2,102
Net cash provided by operating activities	25,974	40,320
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in certificates of deposit in other banks	(251)	(750)
Purchases of investments securities	(225,757)	(105,165)
Proceeds from repayments, sales and maturities of investment securities	302,734	100,735
Net (decrease) increase in loans	7,004	(81,229)
Proceeds from sales of other real estate owned	1,263	1,961
Net purchases of premises and equipment	(424)	(84)
Purchase of Federal Home Loan Bank stock		(1,434)
Purchase of CRA investments	(9,997)	
Net cash provided by (used in) investing activities	74,572	(85,966)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net decrease in time deposits	(96,094)	(293)
Net (decrease) increase in other deposits	(103,072)	30,670
Net borrowings under line of credit agreement	100,000	75,000
Dividends	(60,331)	(15,824)
Proceeds from issuance of common stock, net	1,211	889
Net cash (used in) provided by financing activities	(158,286)	90,442
Change in cash and cash equivalents	(57,740)	44,796
Cash and cash equivalents, beginning of year	241,534	196,738
Cash and cash equivalents, end of year	\$ 183,794	\$ 241,534

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Supplemental Disclosures of Cash Flow Information:

Interest paid	\$	12,170	\$	8,233
Taxes paid		21,744		20,572

Supplemental Disclosures of Noncash Investing and Financing Activities:

Change in unrealized gain on securities	\$	611	\$	4,789
Transfer of loans to other real estate owned		615		404
Restricted stock grants		340		427

See accompanying notes.

FS-7

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands, except share data and per share amounts)

Note 1 Summary of Significant Accounting Policies

Nature of operations Grandpoint Capital, Inc. (the "Company"), a Delaware corporation, was incorporated on June 6, 2007. Prior to acquiring its banking subsidiaries in 2010, the Company was involved in organizational activities including acquiring a management team, raising capital and filing applications with various regulatory agencies to operate as a bank holding company.

The Company has one banking subsidiary, Grandpoint Bank. Grandpoint Bank is a California state-chartered depository institution headquartered in Los Angeles, California with branches in Encino, Brentwood, Fairfax, El Segundo, and Orange. Bank of Tucson is a division of Grandpoint Bank with two branches in Tucson, Arizona. Regents Bank is a division of Grandpoint Bank with branches in La Jolla, San Diego, Escondido, Vista and Vancouver, Washington. Bank of Tucson and Regents Bank were merged into Grandpoint Bank in 2013. The Biltmore Bank of Arizona is a division of Grandpoint Bank with one branch in Phoenix, Arizona, and merged into Grandpoint Bank in 2014.

Grandpoint Bank provides full commercial banking services to small to medium-sized businesses and high net worth individuals in their respective geographic markets and divisions. The Company also has a non-banking subsidiary, Peoria Holdings, LLC, to service and sell certain classified loans and assets.

The Company and its banking subsidiary are subject to the regulations of certain federal and state agencies and undergo periodic examinations by those regulatory authorities.

Principles of consolidation The consolidated financial statements include the accounts of Grandpoint Capital, Inc. and its wholly-owned subsidiaries, Grandpoint Bank ("GPB") and one non-banking subsidiary, Peoria Holdings, LLC collectively referred to herein as the "Company." All significant intercompany transactions have been eliminated in consolidation.

Acquisitions The Company had significant acquisition activity beginning in 2010 through 2013. It closed the acquisitions of Santa Ana Business Bank ("SABB"), First Vietnamese American Bank ("FVAB"), First Commerce Bancorp, parent company of First Commerce Bank ("FCB"), and Southern Arizona Community Bank ("SACB") in 2010; the acquisitions of the main branch of Bank of Tucson and Orange Community Bancorp, parent company of Orange Community Bank in 2011; the acquisitions of Regents Bancorp, parent company of Regents Bank, N.A., Peoria Holdings, LLC ("PHL"), California Community Bank ("CCB"), Bank Capital Corporation, parent company of The Biltmore Bank of Arizona, 5055 Holdings, LLC and 5055-1, LLC in 2012; and closing the acquisition of Gilmore Bank ("GIL") in 2013. The Company also acquired the noncontrolling interest of Bank of Tucson, formerly SACB, in June 2012. These acquisitions are discussed in more detail in Note 2.

Use of estimates The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the balance sheet and the reported amounts of revenues and expenses during the reporting period. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses, valuation of investment securities, share-based compensation, and the valuation of deferred tax assets. Actual results could differ from the estimated amounts.

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 1 Summary of Significant Accounting Policies (Continued)

Concentrations of credit risk The Company has no significant concentrations of credit risk with any customer relationship; however, the Company's lending is primarily concentrated in Southern California, Phoenix and Tucson, Arizona, and Vancouver, Washington, and the surrounding areas. In addition, the Company has a concentration of loans secured by commercial real estate.

The Company had cash deposits at other financial institutions in excess of FDIC insured limits as of December 31, 2017 and 2016. However, as the Company places these deposits with major financial institutions and monitors the financial condition of these institutions, management believes the risk of loss associated with such deposits to be minimal.

Business combinations Business combinations are accounted for under the acquisition method of accounting. Under the acquisition method the acquiring entity in a business combination recognizes 100 percent of the acquired assets and assumed liabilities, regardless of the percentage owned, at their estimated fair values as of the date of acquisition. Any excess of the purchase price over the fair value of net assets and other identifiable intangible assets acquired is recorded as goodwill. To the extent the fair value of net assets acquired, including other identifiable assets, exceed the purchase price, a bargain purchase gain is recognized. Assets acquired and liabilities assumed from contingencies are also recognized at fair value, if the fair value can be determined during the measurement period. Results of operations of an acquired business are included in the consolidated statements of income from the date of acquisition. Acquisition related costs, including conversion and restructuring charges, are expensed as incurred.

Cash and cash equivalents For purposes of the consolidated statements of cash flows, cash and cash equivalents include cash and balances due from banks, including Federal Reserve excess balances, all of which mature within ninety days.

Banking regulations require that banks maintain a percentage of their deposits as reserves in cash or on deposit with the Federal Reserve Bank. The Company was in compliance with its reserve requirements as of December 31, 2017 and 2016.

Certificates of deposit in other banks Certificates of deposit in other banks mature within one year and are carried at cost.

Investment securities Debt and equity securities that will be held for indefinite periods of time, including securities that may be sold in response to changes in market interest or prepayment rates, needs for liquidity, and changes in the availability of and the yield of alternative investments, are classified as available for sale ("AFS"). These assets are carried at fair value. Fair value is determined using public market prices, dealer quotes, and prices obtained from independent pricing services that may be derived from observable and unobservable market inputs. Unrealized gains and losses, net of tax, are excluded from earnings and are reported as a separate component of shareholders' equity until realized. Certain debt securities that will be held until their maturity are classified as held to maturity ("HTM"). These assets are carried at amortized cost. Any unrealized gains and losses are not recorded in the financial statements. Interest income from the investment securities portfolio is accrued as earned including the accretion of discounts and the amortization of premiums based on the original cost of each security owned. Discounts and premiums are accreted and amortized by a method that approximates the effective interest method to the maturity date of the security, with the exception of

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 1 Summary of Significant Accounting Policies (Continued)

mortgage-backed securities. Discounts and premiums on mortgage-backed securities are accreted or amortized to the expected maturity date of the investment security. Realized gains or losses on the sale of investment securities are reported in earnings as of the trade date and determined using the amortized cost of the specific security sold. Declines in the fair value of individual securities below their cost that are deemed other than temporary are reflected in the consolidated statements of income.

Management evaluates securities for other than temporary impairment ("OTTI") at least on a quarterly basis, and more frequently when economic or market conditions warrant such evaluation. The evaluation is based upon factors such as the creditworthiness of the issuers/guarantors, the underlying collateral, if applicable, and the continuing performance of the securities. Management also evaluates other facts and circumstances that may be indicative of an OTTI condition. This includes, but is not limited to, an evaluation of the type of security, length of time and extent to which the fair value has been less than cost, and near-term prospects of the issuer.

If it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the debt security not impaired at acquisition, an OTTI is considered to have occurred. When an OTTI occurs, the cost basis of the security is written down to its fair value (as the new cost basis) and the write-down is accounted for as a realized loss if it is credit related. In assessing whether impairment represents OTTI, the Company must consider whether it intends to sell a security or if it is likely it would be required to sell the security before recovery of the amortized cost basis of the investment, which may be maturity. For debt securities, if the Company intends to sell the security or it is likely that a sale of the security may be required before recovering the cost basis, the entire impairment loss would be recognized in earnings as an OTTI. If the Company does not intend to sell the security and it is not likely the sale of the security is required by the Company, and the Company does not expect to recover the entire amortized cost basis of the security, only the portion of the impairment loss representing credit losses would be recognized in earnings. The credit loss on a security is measured as the difference between the amortized cost basis and the present value of the cash flows expected to be collected. Projected cash flows are discounted at the original or current effective interest rate depending on the nature of the security being measured for potential OTTI.

The remaining impairment related to other factors, the difference between the present value of the cash flows expected to be collected and fair value, is recognized as a charge to other comprehensive income (loss) ("OCI").

Investments in common stock, restricted As a member of the Federal Home Loan Bank of San Francisco ("FHLB"), the Company is required to purchase FHLB stock in accordance with its Advances and Security Agreement. The investment in FHLB stock is treated for reporting purposes as a cost method investment and is reported within other assets in the consolidated balance sheets. The Company held shares of 150,000 and 141,840, or \$15,000 and \$14,184, of FHLB stock as of December 31, 2017 and 2016, respectively. The Company evaluates its investment in FHLB stock for impairment on a periodic basis and has not recorded an impairment charge during 2017 or 2016.

The Company also held investments in three additional bankers' banks. Such investments were not material as of December 31, 2017 and 2016.

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 1 Summary of Significant Accounting Policies (Continued)

Loans Loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are stated at the amount of unpaid principal, reduced by an allowance for loan losses, net deferred loan fees/costs and discounts. Interest income on loans is calculated by the simple-interest method on daily balances of the principal amount outstanding. Loan origination fees, net of certain direct origination costs, are capitalized and recognized as an adjustment of yield over the life of the related loan using the effective interest method.

Loans acquired in business combinations are recorded on a loan-by-loan basis at their estimated fair value. The Company used third party valuation specialists to determine the estimated fair value on all acquired loans. The Company acquired both performing and impaired loans (loans acquired with evidence of credit quality deterioration at the time of purchase) in its acquisitions. For acquired performing loans, any discount or premium related to fair value adjustments at the time of purchase is recognized as interest income over the estimated life of the loan using the effective yield method.

The accrual of interest on loans is discontinued at the time the loan becomes ninety days delinquent unless the credit is well secured and in process of collection. In some cases, loans can be placed on nonaccrual status or charged-off at an earlier date if collection of principal or interest is considered doubtful. Consumer loans are typically charged off when they become 180 days past due. Subsequent collections of interest are applied to unpaid principal balances or included in interest income based upon management's assessment of the likelihood that principal will be collected. When a loan is placed on non-accrual status, previously accrued and uncollected interest is reversed from income and all amortization of deferred fees, costs, premiums and discounts is ceased. Loans on nonaccrual status are charged off, or partially charged off, when one of two conditions is present: (i) it has been determined that all or a portion of an asset is uncollectible; or (ii) when there is an uncertainty as to the source or timing of any eventual payoff. Payments received on nonaccrual loans are applied first to the principal not previously charged off. If the loan has had a partial charge off or was fully charged off, the payment received after the balance on the books has been paid off is applied as a recovery to the allowance for loan losses. Once a loan is on nonaccrual status, it is generally not returned to accrual status until: (i) all past due principal and interest amounts contractually due are reasonably assured of repayment within a reasonable period; and (ii) there has been a sustained period of repayment performance (generally six months) by the borrower.

A loan is considered impaired when it is probable that the Company will not be able to collect all principal and interest amounts due according to the loan's original contractual terms based upon available information and events. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. The amount of the valuation allowance for impaired loans is determined by comparing the recorded investment in each loan with its value measured by one of three methods: (i) the estimated present value of total expected future cash flows, discounted at the loan's effective interest rate; (ii) the loan's observable market price, if available from a secondary market; or (iii) by the fair value of the underlying collateral if the loan is collateral dependent. If the measure of impairment for an impaired loan is less than the related recorded investment, a specific valuation allowance (impairment allowance) is established as a component of the allowance for loan losses through a charge to the provision for loan losses. Subsequent permitted adjustments to the impairment allowance are made through a corresponding charge or credit to the provision for loan losses.

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 1 Summary of Significant Accounting Policies (Continued)

Loans are reported as troubled debt restructurings ("TDR") when the Company grants a concession(s) to a borrower experiencing financial difficulties that it would not otherwise consider. Examples of such concession include forgiveness of principal or accrued interest, extending the maturity date(s), or providing a lower interest rate than would be normally available for a transaction of similar risk. As a result of these concessions, restructured loans are impaired as the Company will not collect all amounts due, either or both principal and interest, in accordance with the terms of the original loan agreement.

Impairment reserves on non-collateral dependent restructured loans are measured by comparing the present value of expected future cash flows on the restructured loans discounted at the interest rate of the original loan agreement to the loan's carrying value. These impairment reserves are recognized as a specific component to be provided for in the allowance for loan losses. Purchased credit impaired loans that were TDR's prior to being acquired are not subject to the TDR policy as they were marked to market at acquisition.

Allowance for loan losses The provision for loan losses charged to results of operations is an amount sufficient to bring the allowance for loan losses to an estimated balance considered adequate to absorb probable losses inherent in the portfolio at the date of the consolidated financial statements. Loan losses are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The Company performs regular internal and external reviews of the loan portfolio to confirm the credit quality of the portfolio and the adherence to underwriting standards. All loans are assigned a risk rating that is reassessed periodically during the credit review process. These risk rating categories are the primary factor in determining an appropriate amount for the allowance for loan losses.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans that considers historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. The evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of specific, general and qualitative components. The specific component relates to loans that are classified as impaired. For such loans, an allowance is established when the discounted cash flows or collateral value or observable market price of the impaired loan is lower than the carrying value of that loan. The general component covers all other loans not specifically identified as impaired and is based on historical loss experience adjusted for qualitative factors. Qualitative factors are assigned by management based on national and local economic trends, effects of the changes in the value of underlying collateral, trends in volume and terms of loans, effects of changes in lending policy, the experience and depth of management, concentrations of credit, quality of the loan review system and the effect of external factors such as competition and regulatory requirements.

Off-balance sheet instruments In the ordinary course of business, the Company has entered into off-balance sheet arrangements consisting of commitments to extend credit, commercial letters of

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 1 Summary of Significant Accounting Policies (Continued)

credit, and standby letters of credit. Such financial instruments are recorded in the consolidated financial statements when they are funded or the related fees are incurred or received.

Premises and equipment, net Furniture and equipment are stated at cost, less accumulated depreciation or amortization recognized on a straight-line basis generally over three to ten years. Depreciation is provided over the estimated useful life of premises, up to forty years, on a straight-line basis. Leasehold improvements are amortized over the shorter of the life of the lease or the estimated useful life of the leasehold improvement. Gains and losses on the dispositions of furniture and equipment are included in the consolidated results of operations. Expenditures for betterments or major repairs are capitalized and those for ordinary repairs and maintenance are charged to consolidated results of operations as incurred. No impairment losses were recognized in 2017 or 2016.

Goodwill and other intangibles Intangible assets are comprised of goodwill and other intangible assets acquired in business combinations. Goodwill and intangible assets with indefinite useful lives are not amortized but are periodically evaluated for impairment. Intangible assets with definite useful lives are amortized on an accelerated method to their estimated residual values over their respective estimated useful lives, and are also reviewed periodically for impairment. Amortization of intangible assets is included in other noninterest expense in the consolidated statements of income.

The Company performs a goodwill impairment analysis on an annual basis as of September 30. Additionally, the Company performs a goodwill impairment evaluation on an interim basis when events or circumstances indicate impairment potentially exists. A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include, among others, a material change in the estimated value of the Company based on current market multiples common for community banks of similar size and operations; a significant adverse change in legal factors or in the business climate; adverse action or assessment by a regulator; and unanticipated competition.

The Company accounts for goodwill pursuant to ASC 350 and Accounting Standards Update ("ASU") 2011-08 for its annual goodwill impairment test. The Company's goodwill arose from the purchase of ownership interest in the acquired banks discussed in note 2, except First Vietnamese American Bank, where a bargain purchase gain was recognized. ASU 2011-08, *Intangibles - Goodwill and Other (Topic 350): Testing Goodwill for Impairment*, gives an entity the option to first assess qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount. If this is the case, the Company will need to perform a more detailed two-step goodwill impairment test, which is used to identify potential goodwill impairments and to measure the amount of goodwill impairment losses to be recognized, if any.

In assessing the qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company assessed relevant events and circumstances that may impact the fair value and the carrying amount of the reporting unit. For purposes of its goodwill impairment evaluation as of September 30, 2017, the Company has one reporting unit, Grandpoint Bank. The identification of relevant events and circumstances and how these may impact a reporting unit's fair value or carrying amount involve significant judgments and assumptions. Based upon the Company's qualitative impairment analysis, the Company concluded that

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 1 Summary of Significant Accounting Policies (Continued)

there was no requirement to do a quantitative annual goodwill impairment test as of September 30, 2017. No goodwill impairment loss has been recorded in 2017 or 2016.

Core deposit intangibles and other intangibles are recognized apart from goodwill at the time of acquisition based on market valuations prepared by independent third parties. In valuing core deposit intangibles, the third parties consider variables such as deposit servicing costs, attrition rates and market discount rates. Core deposit intangibles are amortized over its estimated useful life and reviewed for impairment annually or earlier if events or changes in circumstances occur that indicate that their carrying values may not be recoverable. If the recoverable amount of the core deposit intangible is determined to be less than its carrying value, the Company would then measure the amount of impairment based on an estimate of the fair value at that time. If the estimated fair value is less than the carrying value, the core deposit intangible would be reduced to such value and the impairment recognized as noninterest expense in the consolidated statement of operations. The Company's analysis indicated no impairment existed as of December 31, 2017 or 2016.

Other real estate owned Other real estate owned ("OREO"), acquired through foreclosure or deed in lieu of foreclosure, is initially recorded at the estimated fair value of the property, based on current independent appraisals obtained at the time of acquisition, less estimated costs to sell including senior obligations such as delinquent property taxes. The excess of the recorded loan balance over the estimated fair value of the property at the time of acquisition, less estimated costs to sell, is charged to the allowance for loan losses. Any subsequent write downs are charged to noninterest expense and recognized through an OREO valuation allowance. Subsequent increases in the fair value of the asset less selling costs reduce the OREO valuation allowance, but not below zero, and are credited to noninterest expense. Gains and losses on the sale of foreclosed properties and operating expenses of such assets are also included in noninterest expense.

Bank owned life insurance The Company invests in Bank Owned Life Insurance ("BOLI") involving the purchase of life insurance on certain employees. The Company is the owner and beneficiary of these policies. BOLI is recorded as an asset at cash surrender value. Increases in the cash value of these policies, as well as insurance proceeds received, are recorded in other non-interest income and are not subject to income tax.

Transfer of financial assets Transfers of an entire financial asset, a group of financial assets, or a participating interest in an entire financial asset are accounted for as sales when control has been relinquished. Control is deemed to be surrendered when the assets have been isolated from the Company, the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Investments in qualified affordable housing projects Affordable housing investments are evaluated to determine whether they meet the qualifications for accounting under the proportional amortization method based on the criteria established under ASC 323 *Investments Equity Method and Joint Ventures*. Under the proportional amortization method, the initial cost of the investments are amortized in proportion to the tax credits and other tax benefits received and recognizes the net investment performance in the income statement as a component of income tax expense.

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 1 Summary of Significant Accounting Policies (Continued)

In situations where the structure of an investment is modified, an evaluation is performed to ensure the conditions continue to be met for accounting under the proportional amortization method. Additionally, investments in qualified affordable housing projects are tested for impairment when there are events or changes in circumstances indicating that it is more likely than not that the carrying amount of the investment will not be realized. An impairment loss is measured as the amount by which the carrying amount of an investment exceeds its fair value. There is no impairment loss resulting from the recently enacted tax law change.

Income taxes The Company uses the asset and liability method to account for income taxes. The objective of the asset and liability method is to establish deferred tax assets and liabilities for the temporary differences between the financial reporting basis and the income tax basis of the Company's assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled. The Company's annual tax rate is based on its income, statutory tax rates and tax planning opportunities available in the states in which it operates. Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining tax expense and in evaluating tax positions, including evaluating uncertainties.

The Company reviews its tax positions periodically and adjusts the balances as new information becomes available. It is the Company's policy to recognize interest and penalties associated with uncertain tax positions as components of noninterest expense in the consolidated statements of income.

Deferred income tax assets represent amounts available to reduce income taxes payable on taxable income in future years. Such assets arise because of temporary differences between the financial reporting and tax bases of assets and liabilities, as well as from net operating loss carryforwards. The Company evaluates the recoverability of these future tax deductions by assessing the adequacy of future expected taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies. The Company uses historical experience and short and long-range business forecasts to provide additional information for its evaluation of the recoverability of deferred tax assets. A deferred tax valuation allowance is established to reduce the net carrying amount of deferred tax assets if it is determined to be more likely than not that all or some of the deferred tax asset will not be realized.

While the Company was able to make reasonable estimates of the impact of the reduction in the Federal corporate rate, the final impact of the Tax Act may differ from these estimates, including, but not limited to, changes in our interpretations and assumptions, additional guidance that may be issued by the Internal Revenue Service ("IRS"), return to provision differences and state rate adjustments. The Company is continuing to gather additional information to determine the final impact.

Advertising expense Advertising costs are expensed as incurred. Such expenses were not material in 2017 and 2016.

Comprehensive income Comprehensive income consists of net income and other comprehensive income. Other comprehensive income (loss) consists of unrealized gains and losses on securities available-for-sale which are also recognized as a separate component of shareholders' equity.

Common stock The Company has authorized 60,000,000 shares of voting common stock and 10,000,000 shares of nonvoting common stock. There are no dividends or liquidation preferences.

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 1 Summary of Significant Accounting Policies (Continued)

participation rights, call prices or dates, conversion prices or rates, or sinking fund requirements associated with these shares.

Under an agreement with the primary federal regulator of the Company, the Federal Reserve Bank, certain shareholders have agreed to limit their voting shares to 14.99%. Purchases of common stock in excess of these voting restrictions are issued in non-voting common stock. Should their voting limitations change due to increases in voting common stock issued to other shareholders, their nonvoting shares are exchanged for voting shares up to the 14.99% limitation.

Earnings per share ("EPS") Basic EPS excludes dilution and is computed by dividing net income available to common shareholders by the weighted-average number of shares outstanding for the period of 33,087,935 and 32,969,268 shares in 2017 and 2016, respectively. The Company has elected to report diluted earnings per share. Diluted shares consist of stock options only and are computed using an internal valuation of the Company's common stock as the shares are thinly traded. Diluted shares were 34,070,755 and 33,903,041 in 2017 and 2016, respectively.

Stock-based compensation The Company accounts for stock-based compensation in accordance with rules that require compensation cost relating to share-based compensation transactions be recognized in the consolidated statements of income based upon the grant-date fair value of the stock-based compensation granted by the Company. The effect of stock-based accounting rules is to require entities to measure the cost of employee services received in exchange for stock-based compensation and to recognize the cost over the period the employee is required to provide services for the award. The Company uses the Black-Scholes option-pricing model for determination of grant date fair value which meets the fair value objective within the accounting standard.

Fair value measurements Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB accounting principles establish a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources, while unobservable inputs reflect the Company's estimates about market data.

In general, fair values determined by Level 1 inputs utilize quoted prices for identical assets or liabilities traded in active markets that the Company has the ability to access. Fair values determined by Level 2 inputs utilize information other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 1 Summary of Significant Accounting Policies (Continued)

Subsequent events Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued. The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The Company's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are issued. The Company has evaluated subsequent events through March 8, 2018, which is the date the financial statements became available for issuance.

Dividend The Company declared on January 17, 2018 a cash dividend of \$0.15 per share payable to shareholders of record of its outstanding voting and non-voting common stock on January 31, 2018. The dividend of \$4,976 was paid on February 14, 2018.

Definitive Agreement The Company announced on February 12, 2018 that it has entered into a Definitive Agreement to sell the Company to Pacific Premier Bancorp Inc. in an all-stock transaction valued at approximately \$641.2 million, or \$18.57 per share based on the closing price for Pacific Premier stock of \$39.10 as of February 9, 2018. The transaction is expected to close in the third quarter of 2018.

Recently issued accounting pronouncements In May 2014, the FASB issued ASU No. 2014-09 *Revenue from Contracts with Customers (Topic 606)*, which creates Topic 606 and supersedes Topic 605, Revenue Recognition. The core principle of Topic 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In general, the new guidance requires companies to use more judgment and make more estimates than under current guidance, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. The standard is effective for public entities for interim and annual periods beginning after December 15, 2017; early adoption is not permitted. For financial reporting purposes, the standard allows for either full retrospective adoption, meaning the standard is applied to all of the periods presented, or modified retrospective adoption, meaning the standard is applied only to the most current period presented in the financial statements with the cumulative effect of initially applying the standard recognized at the date of initial application. The Company does not expect this ASU to have a material impact on the Company's financial statements.

In August 2014, the Financial Accounting Standards Board ("the FASB") issued Accounting Standards Update ("ASU") 2014-15: "Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern" ("ASU No. 2014-15"). ASU No. 2014-15 requires management to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern, and to provide related footnote disclosures in certain circumstances. During the period ended December 31, 2016 the Company adopted ASU No. 2014-15 which did not have an impact on the Company's financial position, results of operation or cash flows.

In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. The new

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 1 Summary of Significant Accounting Policies (Continued)

guidance is intended to improve the recognition and measurement of financial instruments. This ASU requires equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. In addition, the amendment requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes and requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (i.e., securities or loans and receivables) on the balance sheet or the accompanying notes to the financial statements. This ASU also eliminates the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet. The amendment also requires a reporting organization to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument specific credit risk (also referred to as "own credit") when the organization has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. ASU No. 2016-01 is effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted for certain provisions. The Company is currently evaluating the impact of this ASU on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The new guidance requires a lessee to recognize in the statement of financial position a liability to make lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term. The guidance separates leases into finance and operating categories, both of which are required to be recognized as an asset and liability on the financial statements. The asset and liability are initially measured at the present value of the lease payments, in the statement of financial position for both finance and operating leases. For finance leases, lessees are to recognize interest on the lease liability separate from amortization of the right-of-use asset in the statement of comprehensive income, and classify repayments of the principal portion of the lease liability within financing activities and payments of interest on the lease liability and variable lease payments within operating activities in the statement of cash flows. For operating leases, lessees are to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis, and all cash payments are to be classified within operating activities in the statement of cash flows. The amendments of this Update are effective for fiscal years beginning after December 15, 2018, for public business entities. The Company is currently evaluating the impact this ASU will have on the Company's financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation - Stock Compensation (Topic 718)*. This ASU was issued as part of FASB's Simplification Initiative. The areas for simplification in this Update include income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows for share-based payment transactions. For public business entities, this ASU will be effective for annual periods beginning after December 15, 2017. The Company does not expect this ASU to have a significant impact on the Company's financial statements.

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 1 Summary of Significant Accounting Policies (Continued)

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses*. ASU 2016-13 requires entities to report "expected" credit losses on financial instruments and other commitments to extend credit rather than the current "incurred loss" model. These expected credit losses for financial assets held at the reporting date are to be based on historical experience, current conditions, and reasonable and supportable forecasts. This ASU will also require enhanced disclosures to help investors and other financial statement users better understand significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an entity's portfolio. These disclosures include qualitative and quantitative requirements that provide additional information about the amounts recorded in the financial statements. For public business entities that are U.S. Securities and Exchange Commission filers, the amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company is currently evaluating the impact the adoption of ASU 2016-13 will have on its financial statements.

In January 2018, the FASB issued ASU No.2018-02, *Income Statement - Reporting Comprehensive Income (Topic 220)*. This ASU was issued to clarify the reclassification of certain tax effects from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act. The Company made the election to early adopt ASU No.2018-02 for the fiscal year ended December 31, 2017 by reclassifying the income tax effects of the Tax Cuts and Jobs Act from accumulated other comprehensive income to retained earnings.

Reclassification Certain amounts from the prior year footnotes have been reclassified in order to conform to the current year presentation, which did not have an effect on previously stated net income or shareholders' equity.

Note 2 Business Combinations

Beginning in 2010 through 2013, the Company completed the acquisitions noted below and, accordingly, the operating results of the acquired entities have been included in the Company's consolidated financial statements from their respective dates of acquisition. The assets acquired and liabilities assumed from these acquisitions have been accounted for under the acquisition method of accounting. The assets and liabilities, both tangible and intangible, were recorded at their estimated fair values as of the acquisition date. The fair values of assets and liabilities acquired, including the calculation of the undiscounted contractual cash flows and beginning accretable yield relating to the acquired loan portfolios are subject to change after the closing date of each acquisition, as additional information relating to the closing data that was incomplete or unknown at the acquisition date becomes available. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date. In addition, the tax treatment of acquisitions can be complex and subject to interpretations that may result in future adjustments of deferred taxes as of the acquisition date. For 2017, there were no facts or circumstances deemed to have a material impact on Day 1 accounting.

Santa Ana Business Bank ("SABB") SABB was acquired at the close of business on June 18, 2010. SABB was acquired to provide the operating platform for the Company's California banking operations. After the acquisition, it was renamed Grandpoint Bank. The Company acquired 100% of

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 2 Business Combinations (Continued)

the outstanding stock of SABB in an all cash transaction totaling \$7,400. After completion of the transaction, the Company infused an additional \$67,600 into Grandpoint Bank to comply with regulatory requirements regarding initial capitalization of the Bank. The former SABB branch was closed in November 2012 with the assets and deposits transferred to the Orange, California, office of Grandpoint Bank.

First Vietnamese American Bank ("FVAB") FVAB was acquired at the close of business on November 5, 2010 by Grandpoint Bank. FVAB was purchased from the FDIC as receiver after it failed and reopened as a branch of Grandpoint Bank on November 6, 2010. FVAB was acquired to provide loans and deposits for Grandpoint Bank. Grandpoint Bank purchased certain assets and assumed certain deposits of FVAB at a \$12,000 discount from the FDIC. The former FVAB branch was closed in April 2011 with the assets and deposits originally transferred to the Santa Ana, California, office.

Southern Arizona Community Bank ("SACB") SACB was acquired at the close of business on December 8, 2010. SACB was acquired to provide the operating platform for the Company's Southern Arizona banking operations. The Company acquired 100% of the outstanding stock of SACB in an all cash transaction totaling \$11,200. The Company made a Section 338(h) election with the IRS to treat this transaction as an asset purchase for tax reporting purposes. After completion of the transaction, the Company infused an additional \$8,800 into SACB and local investors infused \$4,800 reducing the ownership of the Company to 80%. In January of 2011, the Company infused an additional \$13,000 and SACB acquired the assets and assumed the liabilities of a branch office in Tucson, Arizona, and changed its name to Bank of Tucson.

First Commerce Bancorp ("FCB") FCB, the parent company of First Commerce Bank was acquired at the close of business on December 28, 2010. FCB was acquired to expand the banking franchise of Grandpoint Bank and the operations of FCB and First Commerce Bank were merged with and into Grandpoint Bank at the close of the acquisition. The Company acquired 100% of the outstanding stock of FCB for cash consideration of \$43,900. In addition, the Company paid the maximum payable of \$3,600 under the terms of a Contingent Payment Rights Agreement (the "Agreement") to the shareholders of FCB based on the performance of a group of select loans in January 2013.

Main office of Bank of Tucson ("BOT") BOT was acquired at the close of business on January 24, 2011. The Bank acquired certain assets, location, employees, and assumed all deposits of the main office of the BOT in an all cash transaction totaling \$5,567. In addition, the Bank acquired the name "Bank of Tucson" and changed its name from Southern Arizona Community Bank to Bank of Tucson. The branch was acquired to expand the operating platform for the Bank's Southern Arizona banking operations. After completion of the transaction, the Company infused additional capital of \$18,600 and local investors infused \$1,300 changing the ownership percentages to 87% and 13%, respectively. The Company purchased the noncontrolling interest in BOT for \$6,000, effective June 14, 2012 and BOT became a wholly-owned subsidiary of the Company. BOT was merged into Grandpoint Bank in May 2013.

Orange Community Bancorp ("OCB") OCB, the parent company of Orange Community Bank was acquired at the close of business on August 30, 2011. OCB was acquired to further expand the banking franchise of Grandpoint Bank into Orange County, California, and the operations of OCB and

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 2 Business Combinations (Continued)

Orange Community Bank were merged with and into Grandpoint Bank at the close of the acquisition. The Company acquired 100% of the outstanding stock of OCB for cash consideration of \$30,770.

Regents Bancorp ("RB") RB, the parent company of Regents Bank, N.A. and Peoria Holdings, LLC was acquired at the opening of business on January 27, 2012. RB was acquired to expand the banking franchise of the Company into San Diego County, California. Regents Bank became a stand-alone bank subsidiary of the Company after the close of the acquisition. Peoria Holdings, LLC became a stand-alone non-banking subsidiary of the Company after the close of the acquisition. The Company acquired 100% of the outstanding stock of RB for cash consideration of \$57,000. RB was merged into Grandpoint Bank in September 2013.

California Community Bank ("CCB") CCB was acquired at the close of business on November 30, 2012. CCB was acquired to further expand the banking franchise of the Company in San Diego County, California. The operations of CCB were merged into Regents Bank at the close of the acquisition. The Company acquired 100% of the outstanding stock of CCB for cash consideration of \$31,549.

Bank Capital Corporation ("BCC") BCC, the parent company of Biltmore Bank, 5055 Holdings, LLC and 5055-1, LLC was acquired at the close of business on December 14, 2012. BCC was acquired to expand the banking franchise of the Company into Phoenix, Arizona. Biltmore Bank ("BB") became a stand-alone bank subsidiary of the Company after the close of the acquisition. 5055 Holdings, LLC and 5055-1, LLC became special purpose subsidiaries of the Company after the close of the acquisition. The Company acquired 100% of the outstanding stock of BCC for cash consideration of \$30,638. BCC was merged into Grandpoint Bank in March 2014.

Gilmore Bank ("GIL") GIL was acquired at the close of business on September 26, 2013. GIL was acquired to expand the banking franchise in Los Angeles. The operations of GIL were merged with and into Grandpoint Bank at the close of the transaction. The Bank acquired certain assets, employees and assumed all deposits in an all cash transaction totaling \$11,770. The Bank acquired assets and liabilities of \$157,473, including goodwill and intangibles of \$4,179.

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(Amounts in thousands, except share data and per share amounts)

Note 3 Investment Securities

Investment securities have been classified in the consolidated balance sheets according to management's intent and ability as available-for-sale or held-to-maturity. The amortized cost of investment securities and their estimated fair values at December 31 were as follows:

	2017			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available for sale				
U.S. Treasury securities	\$ 499	\$	\$ (5)	\$ 494
Agency securities	2,998		(19)	2,979
Mortgage-backed securities and collateralized mortgage obligations	104,152	136	(1,664)	102,624
Collateralized loan obligations	262,076	657	(23)	262,710
Corporate securities	83,146	65	(127)	83,084
Mutual funds	20,527		(115)	20,412
	\$ 473,398	\$ 858	\$ (1,953)	\$ 472,303

Held to maturity				
Corporate securities	\$ 30,312	\$ 26	\$ (232)	\$ 30,106
	\$ 30,312	\$ 26	\$ (232)	\$ 30,106

	2016			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available for sale				
U.S. Treasury securities	\$ 499	\$	\$ (1)	\$ 498
Agency securities	5,003	1	(8)	4,996
Mortgage-backed securities and collateralized mortgage obligations	125,169	160	(2,591)	122,738
Asset-backed securities	73			73
Collateralized loan obligations	246,324	621	(195)	246,750
Corporate securities	183,822	458	(37)	184,243
Mutual funds	20,091		(114)	19,977
	\$ 580,981	\$ 1,240	\$ (2,946)	\$ 579,275

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 3 Investment Securities (Continued)

Information pertaining to securities with gross unrealized losses at December 31 aggregated by investment type and length of time that individual securities have been in a continuous unrealized loss position is as follows:

	Less Than Twelve Months		2017 Twelve Months or Greater		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
Available for sale						
U.S. Treasury securities	\$ 494	\$ (5)	\$	\$	\$ 494	\$ (5)
Agency securities	988	(7)	1,991	(12)	2,979	(19)
Mortgage-backed securities and collateralized mortgage obligations	19,376	(64)	69,646	(1,600)	89,022	(1,664)
Collateralized loan obligations	28,227	(23)			28,227	(23)
Corporate securities	17,883	(127)			17,883	(127)
Mutual funds	20,412	(115)			20,412	(115)
	\$ 87,380	\$ (341)	\$ 71,637	\$ (1,612)	\$ 159,017	\$ (1,953)

Held to maturity						
Corporate securities	\$ 23,994	\$ (232)	\$	\$	\$ 23,994	\$ (232)
	\$ 23,994	\$ (232)	\$	\$	\$ 23,994	\$ (232)

	Less Than Twelve Months		2016 Twelve Months or Greater		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
Available for sale						
U.S. Treasury securities	\$ 498	\$ (1)	\$	\$	\$ 498	\$ (1)
Agency securities	3,995	(8)			3,995	(8)
Mortgage-backed securities and collateralized mortgage obligations	101,213	(2,245)	8,173	(346)	109,386	(2,591)
Asset-backed securities	51		22		73	
Collateralized loan obligations	18,932	(49)	20,514	(146)	39,446	(195)
Corporate securities	2,564	(14)	12,505	(23)	15,069	(37)
Mutual funds	19,977	(114)			19,977	(114)
	\$ 147,230	\$ (2,431)	\$ 41,214	\$ (515)	\$ 188,444	\$ (2,946)

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 3 Investment Securities (Continued)

Information pertaining to the number of securities in an unrealized loss position by investment type and the length of time individual securities have been in a continuous loss position for the years ended December 31 are as follows:

	Less Than Twelve Months Securities with Unrealized Losses	2017 Twelve Months or Greater Securities with Unrealized Losses	Total Securities with Unrealized Losses
Available for sale			
U.S. Treasury securities	1		1
Agency securities	1	2	3
Mortgage-backed securities and collateralized mortgage obligations	29	82	111
Collateralized loan obligations	9		9
Corporate securities	4		4
Mutual funds	1		1
	45	84	129

Held to maturity			
Corporate securities	6		6
	6		6

	Less Than Twelve Months Securities with Unrealized Losses	2016 Twelve Months or Greater Securities with Unrealized Losses	Total Securities with Unrealized Losses
Available for sale			
U.S. Treasury securities	1		1
Agency securities	4		4
Mortgage-backed securities and collateralized mortgage obligations	99	12	111
Asset-backed securities	1	1	2
Collateralized loan obligations	4	10	14
Corporate securities	4	4	8
Mutual funds	1		1
	114	27	141

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Management believes the Company has the ability and has the intent to hold these debt securities for a period of time sufficient for a recovery of cost. In the opinion of management, the investment securities in an unrealized loss position at December 31, 2017 or 2016 are not considered other than temporarily impaired due to changes in market interest rates subsequent to the initial purchase of the

FS-24

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(Amounts in thousands, except share data and per share amounts)

Note 3 Investment Securities (Continued)

securities and not due to concerns regarding the underlying credit exposure of the issuers or the underlying collateral.

The amortized cost and estimated fair values of securities at December 31, 2017, by contractual maturity, are shown below. Expected and actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without prepayment penalties.

	Available for Sale		Held to Maturity	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due in one year or less	\$ 74,147	\$ 74,211	\$	\$
Due from one to five years	2,707	2,678		
Due in five to ten years	148,795	148,839	30,312	30,106
Due in more than ten years	227,222	226,163		
No stated maturity	20,527	20,412		
	\$ 473,398	\$ 472,303	\$ 30,312	\$ 30,106

Amounts related to sale of securities for the years ended December 31 are summarized as follows:

	2017	2016
Gross proceeds	\$ 76,209	\$ 4,506
Realized gains	190	28
Realized losses	(20)	

Securities pledged as collateral for borrowings and to secure U.S. Government, Local Agencies and trust deposits as required by contract or law were \$3,473 and \$5,494, as of December 31, 2017 and 2016, respectively.

Note 4 Loans and Allowance for Loan Losses

The carrying value of major classifications of loans at December 31 are summarized as follows:

	2017	2016
Loans secured by real estate:		
Construction and land	\$ 139,512	\$ 194,833
Commercial properties	1,037,118	1,000,572
Residential properties	171,267	220,804
Multifamily properties	720,261	716,485
Commercial	252,756	226,030
Consumer	42,569	7,881
Total loans	2,363,483	2,366,605
Deferred loan costs, net of fees	64	3,199
Allowance for loan losses	(18,939)	(18,552)
	\$ 2,344,608	\$ 2,351,252

FS-25

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 4 Loans and Allowance for Loan Losses (Continued)

The adequacy of the allowance for loan losses is determined by the Company's management based upon evaluation and review of credit quality of the loan portfolio, consideration of historical loss experience, relevant internal and external factors that affect the collection of a loan, and other pertinent factors. The allowance for loan loss analysis is a formula methodology based upon assigning a risk rating to each loan upon origination and is periodically reassessed and validated during the term of the loan through the Company's credit review processes. The allowance for loan loss is determined based upon accounting principles within ASC 310-30.

Additionally, the Company's management utilizes qualitative adjustments to the allowance for loan loss analysis in order to systematically quantify the credit risk impact of other trends and changes within the loan portfolio. The qualitative factors considers the following nine factors, which are patterned after the guidelines provided under the Federal Financial Institutions Examination Council Interagency Policy Statement on the Allowance for Loan and Lease Losses issued in 2006:

Changes in lending policies and procedures, including changes in underwriting standards and collection, charge-off, and recovery practices not considered elsewhere in estimating credit losses;

Changes in international, national, regional, and local economic and business conditions and developments that affect the collectability of the portfolio, including the condition of various market segments;

Changes in the nature and volume of the portfolio and in the terms of loans;

Changes in the experience and ability of lending management and other relevant staff;

Changes in the volume and severity of past due loans, the volume of nonaccrual loans, and the volume and severity of adversely classified or graded loans;

Changes in the quality of the institution's loan review system;

Changes in the value of underlying collateral for collateral-dependent loans;

The existence and effect of any concentrations of credit, and changes in the level of such concentrations; and,

The effect of other external factors such as competition and legal and regulatory requirements on the level of estimated credit losses in the institutions' existing portfolio.

The Company also establishes specific loss allowances for loans where management has identified potential credit risk conditions or circumstances related to a specific individual loans. The loans identified as impaired are accounted for in accordance with one of the three acceptable valuations as follows: 1) the present value of future cash flows discounted at the loan's effective interest rate; 2) the loan's observable market price; or 3) the fair value of the collateral, if the loan is collateral dependent. For the collateral dependent impaired loans, the Company obtains an appraisal to determine the amount of impairment at the date that the loan becomes impaired. If the third party market data indicates that the value of collateral has declined since the most recent valuation date, the value of the property is adjusted downward to reflect current

market conditions. If the fair value of the collateral, less cost to sell, is less than the recorded amount of the loan, the Company either recognizes

FS-26

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Amounts in thousands, except share data and per share amounts)****Note 4 Loans and Allowance for Loan Losses (Continued)**

impairment by creating or adjusting an existing valuation allowance with a corresponding charge to the provision for loan losses or charges off the impaired balance on collateral dependent loans, if it is determined that such loss amount represents a confirmed loss.

Management believes that the allowance for loan losses was adequate as of December 31, 2017. There is, however, no assurance that future loan losses will not exceed the levels provided for in the allowance for loan losses and could possibly result in additional charges to the provision for loan losses. In addition, bank regulatory authorities, as part of their periodic examination of the Company, may require additional charges to the provision for loan losses in future periods if warranted as a result of their review. A significant decline in real estate market values may require an increase in the allowance for loan losses.

A summary of the changes in the allowance for loans losses for the years ended December 31:

	2017	2016
Beginning balance	\$ 18,552	\$ 17,245
Provision for loan losses charged to expense	335	1,135
Recoveries on loans previously charged off	915	1,329
Charge-offs	(863)	(1,157)
Ending balance	\$ 18,939	\$ 18,552

The following tables present by portfolio segment, the activity in the allowance for loan losses for the years ended December 31. The following also presents by portfolio segment, the balance in the allowance for loan losses disaggregated on the basis of the Company's impairment measurement method and the related recorded investment in loans (defined as unpaid principal balance adjusted for

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(Amounts in thousands, except share data and per share amounts)

Note 4 Loans and Allowance for Loan Losses (Continued)

applicable unamortized premium, discount and any previous write-down of the investment) as of December 31:

	2017							
	Construction and Land	Commercial Properties	Residential Properties	Multifamily Properties	Commercial	Consumer	Total	
Allowance for loan losses:								
Beginning balance	\$ 1,598	\$ 8,665	\$ 602	\$ 6,018	\$ 1,636	\$ 33	\$ 18,552	
Provision	(615)	(39)	(159)	(400)	1,118	430	335	
Recoveries	114	355	101		311	34	915	
Charge-offs		(74)	(2)		(779)	(8)	(863)	
Ending balance	\$ 1,097	\$ 8,907	\$ 542	\$ 5,618	\$ 2,286	\$ 489	\$ 18,939	
Ending balances individually evaluated for impairment								
	\$	\$	\$ 71	\$	\$ 894	\$	\$ 965	
Ending balances collectively evaluated for impairment								
	\$ 1,097	\$ 8,907	\$ 471	\$ 5,618	\$ 1,392	\$ 489	\$ 17,974	
Recorded investment in loans:								
Ending balance	\$ 137,298	\$ 1,031,954	\$ 170,748	\$ 728,555	\$ 252,453	\$ 42,539	\$ 2,363,547	
Ending balances individually evaluated for impairment								
	\$ 768	\$ 15,728	\$ 4,725	\$	\$ 10,950	\$	\$ 32,171	
Ending balances collectively evaluated for impairment								
	\$ 136,530	\$ 1,016,226	\$ 166,023	\$ 728,555	\$ 241,503	\$ 42,539	\$ 2,331,376	

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(Amounts in thousands, except share data and per share amounts)

Note 4 Loans and Allowance for Loan Losses (Continued)

	2016							
	Construction and Land	Commercial Properties	Residential Properties	Multifamily Properties	Commercial	Consumer	Total	
Allowance for loan losses:								
Beginning balance	\$ 1,416	\$ 8,051	\$ 1,204	\$ 3,848	\$ 2,658	\$ 68	\$ 17,245	
Provision	232	656	(607)	2,170	(1,272)	(44)	1,135	
Recoveries	77	199	39		991	23	1,329	
Charge-offs	(127)	(241)	(34)		(741)	(14)	(1,157)	
Ending balance	\$ 1,598	\$ 8,665	\$ 602	\$ 6,018	\$ 1,636	\$ 33	\$ 18,552	
Ending balances individually evaluated for impairment								
	\$	\$	\$ 74	\$ 155	\$ 539	\$	\$ 768	
Ending balances collectively evaluated for impairment								
	\$ 1,598	\$ 8,665	\$ 528	\$ 5,863	\$ 1,097	\$ 33	\$ 17,784	
Recorded investment in loans:								
Ending balance	\$ 193,207	\$ 994,996	\$ 220,440	\$ 727,680	\$ 225,661	\$ 7,820	\$ 2,369,804	
Ending balances individually evaluated for impairment								
	\$ 109	\$ 11,731	\$ 3,594	\$ 1,119	\$ 5,544	\$ 77	\$ 22,174	
Ending balances collectively evaluated for impairment								
	\$ 193,098	\$ 983,265	\$ 216,846	\$ 726,561	\$ 220,117	\$ 7,743	\$ 2,347,630	

As a result of the Company's geographical concentration, a reliance on the economies in Southern California, Phoenix and Tucson, Arizona, and Vancouver, Washington may increase the credit risk associated with the Company's loans. While management believes that the allowance for loan losses at December 31, 2017 and 2016, is adequate to absorb probable losses inherent in the Company's loan portfolio, a continued downturn in these economies may adversely impact asset quality and require future additions to the allowance for loan losses. To the extent that such events occur, the impact on the adequacy of the Company's allowance for loan losses will be reported in the Company's consolidated financial statements in the period of occurrence.

Credit Quality Indicators

As previously noted, the Company uses several credit quality indicators to manage credit risk in an ongoing manner. The Company's primary credit quality indicators are to use an internal credit risk rating system that categorizes loans and leases into pass, special mention, or classified categories. Credit risk ratings are applied individually to all loans that have significant or unique credit characteristics that benefit from a case-by-case evaluation. The following are the definitions of the Company's credit quality indicators:

Pass/Watch: Loans in all classes that comprise the commercial and consumer portfolio segments that are not adversely rated, are contractually current as to principal and interest, and are

FS-29

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Amounts in thousands, except share data and per share amounts)****Note 4 Loans and Allowance for Loan Losses (Continued)**

otherwise in compliance with the contractual terms of the loan or lease agreement. Management believes that there is a low likelihood of loss related to those loans that are considered pass.

Special Mention: Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the Company's credit position at some future date.

Substandard: Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the repayment of the debt. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected.

Doubtful/Loss: Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or repayment in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. The possibility of loss is extremely high, but because of certain important and reasonably specific pending factors, which may work towards strengthening of the asset, classification as a loss (and immediate charge off) is deferred until more exact status may be determined. In certain circumstances, a Doubtful rating will be temporary, while the Company is awaiting an updated collateral valuation. In these cases, once the collateral is valued and appropriate margin applied, the remaining un-collateralized portion will be charged off. The remaining balance, properly margined, may then be upgraded to Substandard, however must remain on non-accrual. A loss rating is assigned to loans considered un-collectable and of such little value that the continuance as an active Company asset is not warranted. This rating does not mean that the loan has no recovery or salvage value, but rather that the loan should be charged-off currently, even though partial or full recovery may be possible in the future.

The Company's credit quality indicators are periodically updated on a case-by-case basis. The following tables present by loan type and by credit quality indicator, the recorded investment in the Company's loans as of December 31.

	2017				
	Pass / Watch	Special Mention	Substandard	Doubtful / Loss	Total Loans
Construction and land	\$ 136,144	\$	\$ 1,154	\$	\$ 137,298
Commercial properties	1,002,696	7,385	21,873		1,031,954
Residential properties	162,832	600	7,316		170,748
Multifamily properties	726,683		1,872		728,555
Commercial	236,156	3,197	13,100		252,453
Consumer	42,511	21	7		42,539
Total	\$ 2,307,022	\$ 11,203	\$ 45,322	\$	\$ 2,363,547

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 4 Loans and Allowance for Loan Losses (Continued)

	2016					Total Loans
	Pass / Watch	Special Mention	Substandard	Doubtful / Loss		
Construction and land	\$ 192,313	\$	\$ 894	\$	\$	193,207
Commercial properties	973,272	2,469	19,255			994,996
Residential properties	213,622	13	6,805			220,440
Multifamily properties	724,138		3,542			727,680
Commercial	216,392	975	8,287	7		225,661
Consumer	7,478	250	92			7,820
Total	\$ 2,327,215	\$ 3,707	\$ 38,875	\$ 7	\$	2,369,804

The following tables present by loan type, an aging analysis including the recorded investment in loans past due 90 days or more as of December 31:

	2017					
	30 - 89 Days Past Due	Over 90 Days and Accruing Interest	Non-Accrual	Total Past Due and Non-Accrual	Current	Total Loans
Construction and land	\$	\$	\$ 768	\$ 768	\$ 136,530	\$ 137,298
Commercial properties	896		6,254	7,150	1,024,804	1,031,954
Residential properties	182		1,805	1,987	168,761	170,748
Multifamily properties					728,555	728,555
Commercial	281		1,620	1,901	250,552	252,453
Consumer					42,539	42,539
Total	\$ 1,359	\$	\$ 10,447	\$ 11,806	\$ 2,351,741	\$ 2,363,547

	2016					
	30 - 89 Days Past Due	Over 90 Days and Accruing Interest	Non-Accrual	Total Past Due and Non-Accrual	Current	Total Loans
	\$	\$	\$ 109	\$ 109	\$ 193,098	\$ 193,207

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Construction and land						
Commercial properties	1,035	130	5,027	6,192	988,804	994,996
Residential properties	31		3,507	3,538	216,902	220,440
Multifamily properties	485		1,119	1,604	726,076	727,680
Commercial	382	105	5,119	5,606	220,055	225,661
Consumer	11		77	88	7,732	7,820
Total	\$ 1,944	\$ 235	\$ 14,958	\$ 17,137	\$ 2,352,667	\$ 2,369,804

FS-31

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(Amounts in thousands, except share data and per share amounts)

Note 4 Loans and Allowance for Loan Losses (Continued)

The following tables present information related to impaired loans as of and for the years ended December 31:

	Recorded Investment	Unpaid Principal Balance	2017 Related Allowance	Average Recorded Investment	Interest Income Recognized
With no allowance recorded:					
Construction and land	\$ 768	\$ 768	\$	\$ 439	\$
Commercial properties	15,728	16,335		13,730	403
Residential properties	4,472	4,586		3,865	104
Multifamily properties				200	
Commercial	2,410	2,497		3,185	101
Consumer				39	
	23,378	24,186		21,458	608
With an allowance recorded:					
Construction and land					
Commercial properties					
Residential properties	253	253	71	295	11
Multifamily properties				359	
Commercial	8,540	8,541	894	5,063	335
Consumer					
	8,793	8,794	965	5,717	346
Total	\$ 32,171	\$ 32,980	\$ 965	\$ 27,175	\$ 954

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(Amounts in thousands, except share data and per share amounts)

Note 4 Loans and Allowance for Loan Losses (Continued)

			2016		
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
With no allowance recorded:					
Construction and land	\$ 109	\$ 491	\$	\$ 288	\$
Commercial properties	11,731	12,499		10,126	397
Residential properties	3,258	3,380		2,357	5
Multifamily properties	401	427		200	
Commercial	3,958	4,123		2,813	12
Consumer	77	81		39	
	19,534	21,001		15,823	414
With an allowance recorded:					
Construction and land				829	
Commercial properties				2,129	
Residential properties	336	336	74	225	
Multifamily properties	718	718	155	731	
Commercial	1,586	1,593	539	2,987	15
Consumer				104	
	2,640	2,647	768	7,005	15
Total	\$ 22,174	\$ 23,648	\$ 768	\$ 22,828	\$ 429

Troubled Debt Restructurings

The Company offers a variety of modifications to borrowers. The modification categories offered can generally be described in the following categories:

Rate modification A modification in which the interest rate is changed.

Term modification A modification in which the maturity date, timing of payments, or frequency of payments is changed.

Interest only modification A modification in which the loan is converted to interest only payments for a period of time.

Payment modification A modification in which the dollar amount of the payment is changed, other than an interest only modification described above.

Combination modification Any other type of modification, including the use of multiple categories above.

As of December 31, 2017 and 2016, total outstanding balance of troubled debt restructured loans were approximately \$3,164 and \$9,728, respectively, with no unfunded commitments.

FS-33

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 4 Loans and Allowance for Loan Losses (Continued)

The following table presents newly restructured loans that occurred during the years ended December 31:

	Rate		Term		2017 Payment		Combination		Total	
	Modifications		Modifications		Modifications		Modifications		Modifications	
	#	\$	#	\$	#	\$	#	\$	#	\$
Pre-Modification										
Outstanding										
Recorded Investment:										
Construction and land	\$	1	\$	25	\$		\$		1	\$ 25
Commercial properties			1	395					1	395
Residential properties			6	992					6	992
Multifamily properties										
Commercial			2	742			3	2,116	5	2,858
Consumer										
Total	\$	10	\$	2,154	\$	3	\$	2,116	13	\$ 4,270

Post-Modification										
Outstanding										
Recorded Investment:										
Construction and land	\$		\$		\$		\$			\$
Commercial properties										
Residential properties			1	286			1	298	2	584
Multifamily properties										
Commercial					1	211	2	380	3	591
Consumer										
Total	\$	1	\$	286	1	\$ 211	3	\$	678	5 \$ 1,175

	Rate		Term		2016 Payment		Combination		Total	
	Modification		Modifications		Modifications		Modifications		Modifications	
	#	\$	#	\$	#	\$	#	\$	#	\$
Pre-Modification										
Outstanding										
Recorded Investment:										
Construction and land	\$		\$		\$		1	\$	2	1 \$ 2
Commercial properties			1	285	2	329	2	311	5	925
Residential properties			2	644					2	644
Multifamily properties										
Commercial					1	217	4	2,535	5	2,752
Consumer										

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Total	\$	3	\$	929	3	\$	546	7	\$	2,848	13	\$	4,323
-------	----	---	----	-----	---	----	-----	---	----	-------	----	----	-------

Post-Modification

Outstanding

Recorded Investment:

Construction and land	\$		\$		\$		\$		\$	
-----------------------	----	--	----	--	----	--	----	--	----	--

Commercial properties		1	273	2	323	2	308	5	904
-----------------------	--	---	-----	---	-----	---	-----	---	-----

Residential properties		1	317					1	317
------------------------	--	---	-----	--	--	--	--	---	-----

Multifamily properties

Commercial				1	182	3	1,966	4	2,148
------------	--	--	--	---	-----	---	-------	---	-------

Consumer

Total	\$	2	\$	590	3	\$	505	5	\$	2,274	10	\$	3,369
-------	----	---	----	-----	---	----	-----	---	----	-------	----	----	-------

FS-34

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Amounts in thousands, except share data and per share amounts)****Note 4 Loans and Allowance for Loan Losses (Continued)**

There were no loans modified as troubled debt restructurings for which there was a payment default within twelve months following the modification during the years ended December 31, 2017 and 2016.

Note 5 Premises and Equipment

Premises and equipment is comprised of the following at December 31:

	2017	2016
Land	\$ 1,347	\$ 1,347
Building	4,316	4,282
Furniture, fixtures, and equipment	1,699	1,325
Leasehold improvements	2,329	3,084
	9,691	10,038
Less accumulated depreciation and amortization	(3,490)	(3,089)
	\$ 6,201	\$ 6,949

Depreciation and amortization expense amounted to \$1,172 and \$1,466 for the years ended December 31, 2017 and 2016, respectively.

Note 6 Goodwill, Core Deposit, and Other Intangible Assets

The following tables present the changes in the carrying value of goodwill:

	2017	2016
Beginning balance	\$ 53,323	\$ 53,323
Additions		
Ending balance	\$ 53,323	\$ 53,323

Core deposit intangibles ("CDI") represent intangible assets with finite lives. CDI is amortized over its estimated useful life to estimated residual value and reviewed for impairment at least annually. The amortization expense represents the estimated decline in value of the underlying deposits acquired. At December 31, 2017, the weighted average amortization period remaining for the Company's CDI is 4 years. The estimated aggregate amortization expense related to CDI for years 2018 through 2022 is \$1,458, \$1,374, \$1,031, \$761 and \$429, respectively.

The Company also recorded a trade name intangible asset of \$1,200 related to acquisition of Bank of Tucson in 2011. The estimated future amortization related to this intangible is approximately \$85 per year for the next eight years. Management evaluates this intangible asset for impairment at least annually.

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(Amounts in thousands, except share data and per share amounts)

Note 6 Goodwill, Core Deposit, and Other Intangible Assets (Continued)

The following tables present the changes in the gross amounts of CDI and trade name intangible and the related accumulated amortization for the years ended December 31:

	2017		2016
Beginning balance	\$ 7,493	\$	9,209
Amortization	(1,628)		(1,716)
Ending balance	\$ 5,865	\$	7,493

Note 7 Other Real Estate Owned

The following table presents the activity of OREO, net of valuation allowance, for the years ended December 31.

	2017		2016
Beginning balance	\$ 1,057	\$	2,458
Foreclosures	615		404
Reductions related to disposals, net	(758)		(1,805)
Ending balance	\$ 914	\$	1,057

Note 8 Qualified Affordable Housing Projects

During 2017, the Company invested \$20 million in a qualified affordable housing project which provides the Company with Community Reinvestment Act credits. Additionally, the investment provides the Company with tax credits and with operating loss tax benefits over an approximately 10 year period. None of the original investment is expected to be repaid.

These investments are reported under the proportional amortization method. The amortization on the underlying investments are reported through income tax expense along with the tax credits and tax benefits generated from the operating losses in the consolidated statement of income and comprehensive income for the year ended December 31, 2017.

As of December 31, 2017, the original amount of the investment was \$20 million, the current investment is \$8,484 reported in other assets and the unfunded commitment for this investment is \$10,003. During 2017, the Company recorded estimated tax credits and benefits of \$1,559, amortized \$1,513 of the investment and recorded a net benefit to income tax expenses of \$46.

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Amounts in thousands, except share data and per share amounts)****Note 9 Deposits**

The scheduled maturities of time deposits as of December 31 are as follows:

	2017		
	Less than \$250	\$250 or more	Total
Due in one year or less	\$ 78,008	\$ 161,262	\$ 239,270
Due from one to five years	8,825	3,586	12,411
	\$ 86,833	\$ 164,848	\$ 251,681

	2016		
	Less than \$250	\$250 or more	Total
Due in one year or less	\$ 212,269	\$ 119,142	\$ 331,411
Due from one to five years	13,198	3,166	16,364
	\$ 225,467	\$ 122,308	\$ 347,775

The table above includes 91-day to 182-day time deposits from the State of California of \$150 million and \$100 million in 2017 and 2016, respectively.

Note 10 Borrowings

The Company's subsidiary bank had various borrowing lines available from correspondent banks as of December 31 as follows:

	2017		2016	
	Number	Amount	Number	Amount
Unsecured	2	\$ 60,000	2	\$ 60,000
Secured collateral to be pledged at borrowing	2	200,000	2	200,000
	4	\$ 260,000	4	\$ 260,000

The lines have variable interest rates based on the individual correspondent bank's daily federal funds rate, are subject to certain collateral requirements and are due on demand. At December 31, 2017 and 2016, there were no amounts outstanding under these arrangements.

In addition, the Company's subsidiary bank had lines of credit available with the Federal Home Loan Bank of San Francisco and the Federal Reserve Bank as of December 31 as follows:

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

	2017		2016	
	Number	Amount	Number	Amount
Borrowing capacity	2	\$ 1,577,894	2	\$ 1,580,875
Loan collateral		\$ 2,178,363		\$ 2,170,891

The Bank had \$450 million and \$350 million outstanding under its credit line with the FHLB as of December 31, 2017 and 2016, respectively. This borrowing is a rolling daily advance line with the

FS-37

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 10 Borrowings (Continued)

interest rate of 1.41% and 0.55% as of December 31, 2017 and 2016, respectively and subject to certain collateral requirements. This line had an average outstanding balance of \$282.9 million and \$298.8 million with an average rate of 1.04% and 0.45% during 2017 and 2016, respectively. The Bank also had letters of credit of \$168 million and \$110 million outstanding under its credit line with FHLB as of December 31, 2017 and 2016, respectively, which reduced its borrowing capacity.

During 2017, the Company opened a \$5 million revolving line of credit with another financial institution having monthly interest only payments at one-month LIBOR plus 225 basis points. There is a non-usage fee of 50 basis points payable monthly. There were no balances outstanding on this line in 2017.

During 2016, the Company terminated its \$5 million revolving line of credit with a financial institution having monthly interest only payments at 5.50%. There were no balances outstanding on this line in 2016.

Note 11 Subordinated Debenture Payable

On December 28, 2010, in connection with the acquisition of FCB, the Company acquired the \$155 of common equity of First Commerce Bancorp Statutory Trust I (the "Trust"), a Connecticut statutory business trust and assumed the \$5,155 in outstanding subordinated debentures issued by the Trust.

The Trust was formed by FCB for the purpose of issuing trust preferred securities and issued \$5,000 of its Floating Rate Cumulative Trust Preferred Securities in 2003. The interest rate on the securities, which mature in 2033 and are callable at the option of the Company, is equal to the three-month LIBOR plus 2.95%. The subordinated debentures issued by the Trust also mature in 2033 and include the same interest rate of the three-month LIBOR plus 2.95%. The Company has the right to defer payment of interest on the subordinated debenture at any time for a period not to exceed five years. The subordinated debentures may be redeemed at par by the Company prior to maturity. For financial reporting purposes, the Trust is not consolidated and the fixed rate junior subordinated deferrable interest debentures held by the Trust, issued and guaranteed by the Company, are reflected as subordinated debenture payable in the consolidated balance sheets.

In connection with the FCB acquisition, the Company recorded a \$514 discount to reflect the current below market interest rate on the assumed subordinated debentures. This discount was recorded in other assets and will be amortized under the straight-line method over the remaining life of the subordinated debentures as deferred interest costs. The unamortized discount was \$360 and \$383 as of December 31, 2017 and 2016, respectively.

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Amounts in thousands, except share data and per share amounts)****Note 12 Income Taxes**

The expense (benefit) for income taxes for the year ended December 31 consisted of the following:

	2017	2016
Current		
Federal	\$ 15,472	\$ 17,880
State	4,317	5,437
Deferred		
Federal	1,117	(876)
State	197	(155)
Writedown of deferred taxes	6,570	
Income tax expense	\$ 27,673	\$ 22,286

Reconciliations of differences between income taxes computed at the federal statutory tax rates and income taxes recorded for the year ended December 31 are as follows:

	2017		2016	
Statutory Federal income tax rate	\$ 18,240	35.0%	\$ 19,415	35.0%
State franchise tax, net of federal benefit	3,127	6.0%	3,328	6.0%
Writedown of deferred taxes	6,570	12.6%		
Other	(264)	0.5%	(457)	0.8%
	\$ 27,673	53.1%	\$ 22,286	40.2%

The following is a summary of the components of the net deferred tax asset at December 31:

	2017	2016
Deferred tax assets:		
Start up and organizational costs	\$ 1,834	\$ 3,079
Business acquisition accounting adjustments	1,292	2,272
Net operating losses	3,145	5,315
Allowance for loan losses	5,361	7,821
Deferred compensation	2,992	4,365
State income taxes	872	1,712
Net unrealized loss on AFS securities	307	697
Other	(117)	(1,443)
Total deferred tax asset	\$ 15,686	\$ 23,818

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

A deferred tax valuation allowance is established to reduce the net carrying amount of deferred tax assets if it is determined to be more likely than not that all or some of the deferred tax asset will not be realized. The Company concluded that a valuation allowance was not required at December 31, 2017 and 2016. The determination of the ability to fully utilize deferred tax assets requires significant judgment, the use of estimates and the interpretation of complex tax laws. As such, the Company evaluated its position based on historical performance, projections, and tax planning strategies.

FS-39

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 12 Income Taxes (Continued)

Pursuant to Sections 382 and 383 of the Internal Revenue Code, annual use of net operating loss and credit carryforwards may be limited in the event a cumulative change in ownership of more than 50 percent occurs within a three-year period. Such an ownership change occurred as related to the acquisition of SABB and BBC that resulted in estimated limitations on the utilization of net operating loss carryforwards. Pursuant to Section 382, approximately \$297 of SABB's restricted net operating loss carryforwards will become available each year and \$898 of BBC's restricted net operating loss carryforward will become available each year. The Company had net operating loss carryforwards of approximately \$13,754 for federal tax purposes, and \$3,020 for California tax purposes as of December 31, 2017. The loss carryforwards relate to SABB and BBC are subject to the annual limitations above. The Company had net operating loss carryforwards of approximately \$14,949 for federal tax purposes and \$3,317 for California tax purposes as of December 31, 2016. Net operating loss carry forwards, to the extent not used, will begin to expire in 2027.

The deferred tax asset associated with start-up and organizational expenses are being amortized and deducted for tax purposes over a 180-month period.

The Company charged off \$6,570 of its deferred tax asset in 2017 as a result of the lowering of the corporate tax rate for federal tax purposes from 35% to 21%.

The Company had no uncertain tax benefits at December 31, 2017 and 2016. The Company recognizes interest accrued and penalties related to unrecognized tax benefits in noninterest expense in the consolidated statements of income. During the year ended December 31, 2017 and 2016, the Company recognized no interest and penalties. The consolidated federal and state tax return filings for the Company are no longer subject to U.S. federal tax authority for years before 2013 and California state tax authority examinations for years before 2012. Returns filed by SABB, FCB, SACB, BOT, OCB, RB, PHL, CCB and BCC prior to being included in the consolidated filings of the Company are no longer subject to U.S. federal tax authority examination for years before 2013 and California state tax authority examinations for years before 2012. The acquisition of GIL, BOT, SACB, and FVAB were treated as asset purchase acquisitions for tax purposes. The Company is no longer responsible for uncertain tax positions related to these four entities for periods prior to being included in the Company's consolidated tax return filing.

Note 13 Employee Benefit Plans

The employees of the Company are covered under a 401(k) defined contribution plan that was established in 2010. All full-time employees of the Company are eligible to participate in the plan. Eligible employees may defer a portion of their annual compensation subject to the limitations set forth in section 401(k) of the Internal Revenue Code.

The Company matches employee contributions on a discretionary basis. The Company's matching contribution of the 401(k) plan was \$959 and \$897 for the years ended December 31, 2017 and 2016, respectively.

The Company has assumed executive supplemental compensation agreements in connection with certain of its acquisitions. These agreements were fully vested upon the change in control and were recorded at the present value of the scheduled benefits for each employee. Annual benefits payable under these agreements range from \$55 to \$130 for the life of the individual employees depending on

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Amounts in thousands, except share data and per share amounts)****Note 13 Employee Benefit Plans (Continued)**

each contract. As of December, 31, 2017 and 2016, the Company had accrued \$2,437 and \$2,336, respectively, in other liabilities related to these agreements. The Company also assumed life insurance endorsement method split-dollar agreements with these employees. Under these agreements, upon the death of the employees, the Company first recovers the cash surrender value of the insurance contracts and then shares the remaining death benefits with the designated beneficiaries of the employees. The cash surrender value of these life insurance contracts totaled \$33,260 and \$32,470 as of December 31, 2017 and 2016, respectively, and was recorded in other assets in the consolidated balance sheets.

Note 14 Stock-Based Compensation

The Company has a stock option plan (the "Plan") in which options to purchase shares of the Company's common stock are granted at the discretion of the Board of Directors to directors, certain management and other key personnel of the Company and all subsidiaries. The 2011 Plan is authorized to grant a maximum of 10% of the aggregate number of outstanding shares on a fully-diluted basis, as either incentive stock options or nonqualified stock options. The purchase price of the common stock associated with the options is determined by the Board of Directors of the Company, but may not be less than the fair market value of the Company's stock at the time the option is granted. The options generally vest over five years from the date they are granted. However, under certain conditions the vesting may be accelerated. The options, if not exercised, will expire ten years from the date they are granted. The number of options available for future grant amounted to 181,417 and 8,167 as of December 31, 2017 and 2016, respectively. Options granted under the Plan were 15,000 with a weighted average fair value of \$3.12 during the year ended December 31, 2016. There were no options granted during the year ended December 31, 2017.

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing model based upon the weighted-average assumptions shown in the following table. The expected volatility was based on the volatility of the Bank's stock price. The Bank uses historical data on option exercises to determine the expected term within the valuation model. The risk-free rate is based upon the U.S. Treasury yield curve at the time of option grant.

The assumptions used to estimate the fair value of stock options granted for the years ended December 31, were as follows:

	2016
Average risk free interest rate	1.77%
Weighted-average expected life	5 years
Volatility	40.00%
Dividends	3.90%

Based solely on stock options outstanding at December 31, 2017, and assuming a 0% forfeiture rate, the estimated pretax compensation expense related to these options for years 2018 through 2019 is \$54 and \$27, respectively. Future expense related to stock option awards would be impacted by new awards and/or modifications, repurchases and forfeitures of existing awards.

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 14 Stock-Based Compensation (Continued)

A summary of option activity, as of December 31, and changes during the year are presented below:

	Shares	2017 Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life
Outstanding at Beginning of Year	3,065,000	\$ 9.53	
Granted			
Expired or Forfeited	(173,250)	9.65	
Exercised	(126,750)	9.56	
Outstanding at end of year	2,765,000	9.52	
Options exercisable	2,734,000	9.52	4.64
Weighted-average fair value of options granted	\$ 3.91		

The estimated grant date fair value of stock options that vested was \$482 and \$966 for the Plan, for the years ended December 31, 2017 and 2016, respectively, which has been reported in salaries and benefits expense within the consolidated statements of income. There is aggregate intrinsic value of \$10,811 for all options exercisable and outstanding at December 31, 2017.

The Company has a restricted shares and stock appreciation rights plan (the "Shares and Rights Plan") in which restricted shares or stock appreciation rights of or in the Company's common stock are granted at the discretion of the Board of Directors to directors, certain management and other key personnel. The 2012 Shares and Rights Plan is authorized to grant a maximum of 3% of the aggregate number of outstanding shares on a fully-diluted basis, but excluding shares subject to issuance by the Company pursuant to the 2011 Option Plan. Unrestricted shares of common stock are issued for the restricted shares which are no longer subject to the terms and criteria of the restriction. The reference price of the common stock associated with the restricted shares and stock appreciation rights is based on the fair value of the Company's stock at the time the rights are granted. The restricted shares or stock appreciation rights generally vest over five years from the date they are granted. However, under certain conditions the vesting may be accelerated, or in other cases unachieved. The stock appreciation rights, if not exercised, will expire ten years from the date they are granted. The number of restricted shares and stock appreciation rights available for future grant was 865,343 and 890,775 as of December 31, 2017 and 2016, respectively. The Company issued restricted shares of 25,432 and 35,057, granted at \$13.37 and \$12.16, and recognized \$340 and \$427 of stock based compensation expense for the years ended December 31, 2017 and 2016, respectively. The Company had no outstanding restricted shares as of December 21, 2017 and 2016.

Note 15 Transactions with Related Parties

In the ordinary course of business, the Company enters into transactions with certain directors, officers and shareholders and certain affiliates of the Company. As part of its normal banking activities, the Company has extended credit to and received deposits from certain members of its Board of

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Amounts in thousands, except share data and per share amounts)****Note 15 Transactions with Related Parties (Continued)**

Directors, major shareholders, officers as well as entities with which these individuals are associated. These related parties had deposits with the Company of \$2,767 and \$2,018 respectively at December 31, 2017 and 2016. There were no related party loans with the Company in 2017 or 2016. Management believes these transactions were made in the ordinary course of business on substantially the same terms and conditions, including interest rates, as comparable deposits with other customers.

Note 16 Commitments and Contingencies

Off-balance sheet instruments The Company is party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit. These instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized on the balance sheet. To mitigate this risk posed by off-balance sheet exposures, the Company has established an off-balance sheet reserve totaling \$209 and \$154 as of December 31, 2017 and 2016, respectively, and included in other liabilities in the accompanying consolidated balance sheets.

The Company's exposure to losses in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements, including commercial paper, bond financing, and similar transactions.

A summary of the contractual or notional amounts of the Company's significant off-balance sheet financial instruments as of December 31 is as follows:

	2017		2016
Commitments to extend credit	\$ 572,231	\$	361,875
Standby letters of credit	8,366		12,597
	\$ 580,597	\$	374,472

Litigation In the ordinary course of business, the Company becomes involved in litigation. Management believes, based upon opinions of legal counsel, that the disposition of all suits pending against the Company will not have a material adverse effect on its consolidated financial position or results of operations.

Lease commitments The Company leases office locations and equipment which have been classified as operating leases. These lease agreements call for various monthly payments expiring at dates through the year 2022. Rental expense for the years ended December 31, 2017 and 2016 amounted to \$3,385 and \$3,310, respectively.

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Amounts in thousands, except share data and per share amounts)****Note 16 Commitments and Contingencies (Continued)**

The following table shows future minimum payments under non-cancelable operating leases with terms in excess of one year as of December 31, 2017:

Years ending December 31,	Amount
2018	\$ 3,457
2019	2,852
2020	1,858
2021	1,544
2022	1,449
Thereafter	485
	\$ 11,645

Note 17 Fair Value Information**Fair Value Measurement**

Fair Value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for an asset or liability in an orderly transaction between market participants at the measurement date. ASC Topic 825 requires disclosure of the fair value of financial assets and financial liabilities, including both those financial assets and financial liabilities that are not measured and reported at fair value on a recurring basis and non-recurring basis. The methodologies for estimating the fair value of financial assets and financial liabilities that are measured at fair value, and for estimating the fair value of financial assets and financial liabilities not recorded at fair value, are discussed below.

In accordance with accounting guidance, the Company groups its financial assets and financial liabilities measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine the fair value. These levels are as follows:

Level 1 Observable unadjusted quoted market prices in active markets for identical assets and liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Significant other observable market based inputs, other than Level 1 prices such as quoted prices for similar assets or liabilities or unobservable inputs that are corroborated by market data. This includes quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data, either directly or indirectly. This would include those financial instruments that are valued using models or other valuation methodologies where substantially all of the assumptions are observable in the market place, can be derived from observable market data or are supported by observable levels at which transactions are executed in the marketplace.

Level 3 Significant unobservable inputs that reflect a reporting entity's evaluation about the assumptions that market participants would use in pricing an asset or liability. Assets measured utilizing level 3 are for positions that are not traded in active markets or are subject to transfer restrictions, and or where valuations are adjusted to reflect illiquidity and or non-transferability.

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Amounts in thousands, except share data and per share amounts)****Note 17 Fair Value Information (Continued)**

These assumptions are not corroborated by market data. This is comprised of financial instruments whose fair value is estimated based on internally developed models or methodologies utilizing significant inputs that are generally less readily observable from objective sources. Management uses a combination of reviews of the underlying financial statements, appraisals and management's judgement regarding credit quality to determine the value of the financial asset or liability.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Management maximizes the use of observable inputs and attempts to minimize the use of unobservable inputs when determining fair value measurements.

Assets Measured at Fair Value on a Recurring Basis

The following table summarizes the financial assets measured at fair value on a recurring basis as of December 31, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	Fair Value	2017			Total Losses Level 3
		Level 1	Level 2	Level 3	
Financial Assets					
U.S. Treasury securities	\$ 494	\$	\$ 494	\$	\$
Agency securities	2,979		2,979		
Mortgage-backed securities and collateralized mortgage obligations	102,624		102,624		
Collateralized loan obligations	262,710		262,710		
Corporate securities	83,084		83,084		
Mutual funds	20,412		20,412		
Total	\$ 472,303	\$	\$ 472,303	\$	\$

	Fair Value	2016			Total Losses Level 3
		Level 1	Level 2	Level 3	
Financial Assets					
U.S. Treasury securities	\$ 498	\$	\$ 498	\$	\$
Agency securities	4,996		4,996		
Mortgage-backed securities and collateralized mortgage obligations	122,738		122,738		
Asset-backed securities	73		73		
Collateralized loan obligations	246,750		246,750		
Corporate securities	184,243		184,243		
Mutual funds	19,977		19,977		
Total	\$ 579,275	\$	\$ 579,275	\$	\$

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Amounts in thousands, except share data and per share amounts)****Note 17 Fair Value Information (Continued)**

Investment securities An independent third party performs market valuations of the Company's available-for-sale securities. The fair values are determined by using several sources for valuing securities. The techniques include pricing models that vary based on the type of asset being valued and incorporate available trade, bid, and other market information. The market valuation sources include observable market inputs and are therefore considered Level 2 inputs for purposes of determining the fair values.

The Company had no financial assets or liabilities that were measured at fair value on a recurring basis that required the use of significant unobservable inputs (Level 3) at December 31, 2017 and 2016. Additionally, there were no transfers of assets either between Level 1 and Level 2 nor in or out of Level 3 of the fair value hierarchy for assets measured on a recurring basis for the years ended December 31, 2017 and 2016.

Assets Measured at Fair Value on a Non-recurring Basis

The Company may be required periodically, to measure certain financial assets and financial liabilities at fair value on a non-recurring basis, that is, the instruments are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment). These include assets that are measured at the lower of cost or fair value that were recognized at fair value below cost at the end of or during the period.

There were no transfers of assets either between Level 1 and Level 2 nor in or out of Level 3 of the fair value hierarchy for assets measured on a non-recurring basis for the years ended December 31, 2017 and 2016.

The following table presents the balances of the financial assets measured at fair value on a non-recurring basis by caption and by level within the fair value hierarchy as of December 31:

	Carrying Amount	2017			Total Losses Level 3
		Level 1	Level 2	Level 3	
Financial assets					
Impaired loans					
Construction and land	\$ 768	\$	\$	\$ 768	\$
Commercial properties	15,728			15,728	
Residential properties	4,725			4,725	71
Commercial	10,950			10,950	894
Total	\$ 32,171	\$	\$	\$ 32,171	\$ 965

OREO	\$ 914	\$	\$	\$ 914	\$
------	--------	----	----	--------	----

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 17 Fair Value Information (Continued)

	Carrying Amount	2016			Total Losses Level 3
		Level 1	Level 2	Level 3	
Financial assets					
Impaired loans					
Construction and land	\$ 109	\$	\$	\$ 109	\$
Commercial properties	11,731			11,731	
Residential properties	3,594			3,594	74
Multifamily properties	1,119			1,119	155
Commercial	5,544			5,544	539
Consumer	77			77	
Total	\$ 22,174	\$	\$	\$ 22,174	\$ 768
OREO	\$ 1,057	\$	\$	\$ 1,057	\$

Impaired loans and other real estate owned The loan balance shown in the above table represents all of the Company's impaired loans for which impairment was recognized during the period. These loans are measured at fair value on a non-recurring basis. Most of these loans are collateral-dependent and the Company measures such impaired loans based on the fair value of their collateral. The fair value of each loan's collateral is generally based on estimated market prices from an independently prepared appraisal, which is then adjusted for the cost related to liquidating such collateral. The estimated fair value of other real estate owned is based on the appraised values or other information. We generally use an 8% discount for selling costs which is applied to all properties, regardless of size. Appraised values may be adjusted to reflect changes in market conditions that have occurred subsequent to the appraisal date, or for revised estimates regarding the timing or cost of the property sale. These adjustments are based on qualitative judgments made by management on a case-by-case basis. There have been no significant changes in the valuation techniques during the period ended December 31, 2017.

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(Amounts in thousands, except share data and per share amounts)

Note 17 Fair Value Information (Continued)

The following table presents the significant unobservable inputs used in the fair value measurements for Level 3 financial assets measured at fair value on a non-recurring basis as of December 31:

			2017	
	Fair Value	Valuation Methodologies	Valuation Model	Unobservable Input Valuation
Financial assets				
Impaired loans				
Construction and land	\$ 768	Appraisal	Appraisal discount and estimated selling costs	13%
Commercial properties	15,728	Appraisal	Appraisal discount and estimated selling costs	13%
Residential properties	4,725	Appraisal	Appraisal discount and estimated selling costs	13%
Commercial	10,950	Income approach	Adjustment for differences in net operating income expectations	10 - 80%
Total	\$ 32,171			
OREO	\$ 914	Appraisal	Appraisal discount and estimated selling costs	13%
			2016	
	Fair Value	Valuation Methodologies	Valuation Model	Unobservable Input Valuation
Financial assets				
Impaired loans				
Construction and land	\$ 109	Appraisal	Appraisal discount and estimated selling costs	13%
Commercial properties	11,731	Appraisal	Appraisal discount and estimated selling costs	13%
Residential properties	3,594	Appraisal	Appraisal discount and estimated selling costs	13%
Multifamily properties	1,119	Appraisal	Appraisal discount and estimated selling costs	13%
Commercial	5,544	Income approach	Adjustment for differences in net operating income expectations	10 - 80%
Consumer	77	Income approach		10 - 80%

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Adjustment for
differences in cash flow
expectations

Total \$ 22,174

OREO \$ 1,057 Appraisal Appraisal discount and 13%

estimated selling costs

FS-48

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(Amounts in thousands, except share data and per share amounts)

Note 17 Fair Value Information (Continued)**Fair Value of Financial Assets and Liabilities**

ASC Topic 825 requires disclosure of the fair value of financial assets and financial liabilities, including those financial assets and financial liabilities that are not measured and reported at fair value on a recurring basis or a non-recurring basis. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. However, considerable judgement is required to develop the estimates of fair value. Accordingly, the estimates presented below are not necessarily indicative of the amounts the Company could have realized in a current market exchange as of December 31, 2017 and 2016. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts. The description of the valuation methodologies used for assets and liabilities measured at fair value and for estimating fair value for financial instruments not recorded at fair value has been described below.

The table below presents the carrying amounts and fair values of financial instruments as of December 31 based on their fair value hierarchy indicated:

	Carrying Amount	Fair Value	2017		
			Level 1	Level 2	Level 3
Financial assets					
Cash and cash equivalents	\$ 183,794	\$ 183,794	\$ 183,794	\$	\$
Certificates of deposit in other banks	1,001	1,001	1,001		
Investment securities	502,615	502,409		502,409	
Loans, net	2,344,608	2,395,382			2,395,382
Investment in common stock substantially restricted	16,768	16,768			16,768
Accrued interest receivable	10,180	10,180		10,180	
BOLI	33,260	33,260		33,260	
Financial liabilities					
Deposits, with no stated maturity	\$ 2,127,447	\$ 1,867,220	\$ 1,867,220	\$	\$
Time deposits	251,681	251,888		251,888	
Accrued interest payable	234	234		234	
Borrowings	450,000	450,000		450,000	
Subordinated debenture payable	5,155	4,795			4,795

FS-49

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 17 Fair Value Information (Continued)

	Carrying Amount	Fair Value	2016		
			Level 1	Level 2	Level 3
Financial assets					
Cash and cash equivalents	\$ 241,534	\$ 241,534	\$ 241,534	\$	
Certificates of deposit in other banks	750	750	750		
Investment securities	579,275	579,275		579,275	
Loans, net	2,351,252	2,377,881			2,377,881
Investment in common stock substantially restricted	15,952	15,952			15,952
Accrued interest receivable	9,413	9,413		9,413	
BOLI	32,470	32,470		32,470	
Financial liabilities					
Deposits, with no stated maturity	\$ 2,228,320	\$ 1,777,907	\$ 1,777,907	\$	
Time deposits	347,775	348,668		348,668	
Accrued interest payable	171	171		171	
Borrowings	350,000	350,000		350,000	
Subordinated debenture payable	5,155	4,772			4,772

Cash and cash equivalents The carrying value of cash and cash equivalents approximate the fair value.

Certificates of deposit in other banks Certificates of deposit in other banks are reported at their fair value based upon discounting estimated future cash flows using currently offered rates for deposits of similar maturities.

Investment securities Investment securities are reported at fair value based upon independent third party market valuations of the Company's investment securities. The fair values are determined by using several sources for valuing securities. The techniques include pricing models that vary based on the type of asset being valued and incorporate available trade, bid, and other market information.

Investments in common stock, substantially restricted The carrying value of FHLB stock and bankers' bank stock approximates fair value based on the redemption provisions of the respective stock.

Loans The Company's loan portfolio is held for investment purposes. Included in the portfolio are loans categorized as being impaired. Fair values were calculated by sorting the portfolio by different product categories such as Commercial, Real Estate and Consumer and then further segmented into fixed and variable indexes and using a discounted present value model. The model uses the Treasury yield curve, LIBOR or prime rate as the basis to derive a "risk-free" rate which is modified for credit quality.

Bank Owned Life Insurance ("BOLI") The Company's BOLI fair value is estimated based upon the cash surrender value of the life insurance policies.

Accrued interest The carrying amounts of accrued interest approximate fair value.

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 17 Fair Value Information (Continued)

Deposits The fair value of deposits with no stated maturity, such as noninterest-bearing demand deposits, savings, NOW accounts and money market accounts, is equal to the amount payable on demand at the reporting date (that is, their carrying amounts). The fair value of certificates of deposit is based on the discounted value of contractual cash flows. The discount rate is estimated using the rates currently offered for deposits of similar remaining maturities. The fair value estimates do not include the benefit that results from the low-cost funding provided by the deposit liabilities compared to the cost of borrowing funds in the market.

Borrowings Borrowings include short term FHLB borrowings. The carrying amount approximates fair value.

Subordinated debentures payable The fair values of subordinated debentures are determined using rates currently available to the Company for debt with similar terms and remaining maturities.

Off-balance sheet financial instruments The fair value of commitments to extend credit is based upon the difference between the interest rate at which we are committed to make the loans and the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities, adjusted for the estimated volume of loan commitments actually expected to close. The fair value of commitments to extend credit and standby letters of credit was not significant at December 31, 2017 and 2016, as these instruments predominantly have adjustable terms and are of a short-term nature.

Note 18 Regulatory Matters

The Company and the Bank are subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of the Company's assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The Company's capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

The Federal Reserve and the Federal Deposit Insurance Corporation approved final capital rules in July 2013 that substantially amend the existing capital rules for banks. These new rules reflect, in part, certain standards initially adopted by the Basel Committee on Banking Supervision in December 2010 (which standards are commonly referred to as "Basel III") as well as requirements contemplated by the Dodd-Frank Act.

Under the new capital rules effective in 2016, the Bank will be required to meet certain minimum capital requirements that differ from previous capital requirements. The rules implement a new capital ratio of common equity Tier 1 capital to risk-weighted assets. Common equity Tier 1 capital generally consists of retained earnings and common stock (subject to certain adjustments) as well as accumulated other comprehensive income ("AOCI"). The Bank will also be required to establish a "conservation buffer," consisting of a common equity Tier 1 capital amount equal to 2.5% of risk-weighted assets to

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Amounts in thousands, except share data and per share amounts)****Note 18 Regulatory Matters (Continued)**

be fully phased in by 2019, 1.25% and 0.625% for 2017 and 2016, respectively. An institution that does not meet the conservation buffer will be subject to restrictions on certain activities including payment of dividends, stock repurchases, and discretionary bonuses to executive officers.

The prompt corrective action rules are modified to include the common equity Tier 1 capital ratio and to increase the Tier 1 capital ratio requirements for the various thresholds. The requirements for the Bank to be considered well-capitalized under the rules are a 5.0% leverage ratio, a 6.5% common equity Tier 1 capital ratio, an 8.0% Tier 1 capital ratio, and a 10.0% total capital ratio. To be adequately capitalized, those ratios are 4.0%, 4.5%, 6.0%, and 8.0%, respectively. As of December 31, 2017 and 2016, management believes that the Company meets all capital adequacy requirements to which it is subject.

As of December 31, 2017 and 2016, the most recent notification from the Federal Deposit Insurance Corporation categorized the Company as well-capitalized under the regulatory framework. To be categorized as well capitalized, the Company must maintain minimum total risk-based, Tier I risk-based, common equity Tier I risk-based, and Tier I leverage ratios as set forth in the table below. There are no conditions or events since that notification that management believes have changed the Company's category. The Company's actual capital amounts and ratios computed in accordance with regulatory requirements as of December 31 are as follows:

	Actual		For Capital Adequacy Purposes		Amount of Capital Required Well-Capitalized Under Prompt Corrective Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
2017						
Company						
Total Capital (to Risk-Weighted Assets)	\$ 313,344	11.5%	\$ 218,588	8.0%	NA	NA
Tier 1 Capital (to Risk-Weighted Assets)	294,196	10.8%	163,941	6.0%	NA	NA
Common Equity Tier 1 Capital (to Risk-Weighted Assets)	289,670	10.6%	122,956	4.5%	NA	NA
Tier 1 Capital (to Average Assets)	294,196	9.4%	125,478	4.0%	NA	NA
Grandpoint Bank						
Total Capital (to Risk-Weighted Assets)	307,057	11.3%	218,254	8.0%	272,817	10.0%
Tier 1 Capital (to Risk-Weighted Assets)	287,909	10.6%	163,690	6.0%	218,254	8.0%
Common Equity Tier 1 Capital (to Risk-Weighted Assets)	287,909	10.6%	122,768	4.5%	177,331	6.5%
Tier 1 Capital (to Average Assets)	287,909	9.2%	125,478	4.0%	156,847	5.0%
		FS-52				

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 18 Regulatory Matters (Continued)

2016	Actual		For Capital Adequacy Purposes		Amount of Capital Required Well-Capitalized Under Prompt Corrective Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Company						
Total Capital (to Risk-Weighted Assets)	\$ 343,658	12.3%	\$ 224,383	8.0%	NA	NA
Tier 1 Capital (to Risk-Weighted Assets)	324,952	11.6%	168,287	6.0%	NA	NA
Common Equity Tier 1 Capital (to Risk-Weighted Assets)	322,297	11.5%	126,215	4.5%	NA	NA
Tier 1 Capital (to Average Assets)	324,952	10.2%	128,058	4.0%	NA	NA
Grandpoint Bank						
Total Capital (to Risk-Weighted Assets)	337,690	12.1%	223,992	8.0%	279,991	10.0%
Tier 1 Capital (to Risk-Weighted Assets)	318,984	11.4%	167,994	6.0%	223,992	8.0%
Common Equity Tier 1 Capital (to Risk-Weighted Assets)	318,984	11.4%	125,996	4.5%	181,994	6.5%
Tier 1 Capital (to Average Assets)	318,984	10.0%	128,058	4.0%	160,072	5.0%

The Company is incorporated in Delaware where by law, corporations may only pay dividends out of surplus, as defined, or if there is no surplus, out of net profits for the year in which the dividend is declared and the preceding year. As a bank holding company, the Company's ability to pay dividends will be affected by the ability of the Company's subsidiary Banks to pay dividends to the Company.

The rules modify the manner in which certain capital elements are determined. The rules make changes to the methods of calculating the risk-weighting of certain assets, which in turn affects the calculation of the risk-weighted capital ratios. Higher risk weights are assigned to various categories of assets, including commercial real estate loans, credit facilities that finance the acquisition, development or construction of real property, certain exposures or credit that are 90 days past due or are nonaccrual, securitization exposures, and in certain cases mortgage servicing rights and deferred tax assets.

The Bank was required to comply with the new capital rules in 2016. The conservation buffer was phased-in beginning in 2016, and will take full effect on January 1, 2019. Certain calculations under the rules will also have phase-in periods.

Table of Contents

GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share data and per share amounts)

Note 19 Parent Company Only Condensed Financial Statements

Condensed Balance Sheets at December 31:

	2017	2016
Cash at Grandpoint Bank	\$ 2,169	\$ 904
Investment in subsidiaries	348,394	382,204
Premises, furniture and equipment		42
Other assets	4,186	5,069
Total assets	\$ 354,749	\$ 388,219
Other liabilities	\$ 97	\$ 74
Subordinated debenture payable	5,155	5,155
Shareholders' equity:		
Common stock	321,267	319,234
Accumulated other comprehensive loss	(788)	(1,009)
Retained earnings	29,018	64,765
Total shareholders' equity	349,497	382,990
Total liabilities and shareholders' equity	\$ 354,749	\$ 388,219

Condensed Statements of Income for the Years Ended December 31:

	2017	2016
Interest income	\$ 6	\$ 5
Interest expense	239	209
Net interest expense	(233)	(204)
Noninterest expense:		
Salaries and benefits	929	1,472
Occupancy	175	181
Furniture and equipment	7	35
Promotion	6	7
Professional services	86	54
M&A, conversion and restructuring costs	236	
Office	26	25
Other	767	807
	2,232	2,581
Loss before equity in undistributed earnings of subsidiaries	(2,465)	(2,785)

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Equity in undistributed income of subsidiaries	26,468	34,794
Income tax benefit	439	1,177
Net income	\$ 24,442	\$ 33,186

FS-54

Table of Contents**GRANDPOINT CAPITAL, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(Amounts in thousands, except share data and per share amounts)

Note 19 Parent Company Only Condensed Financial Statements (Continued)

Condensed Statements of Cash Flows for the Years Ended December 31:

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 24,442	\$ 33,186
Adjustments to reconcile net income to net cash used in operating activities:		
Equity in undistributed income of subsidiaries	(26,468)	(34,794)
Stock option expense	822	1,393
Net change in other assets and liabilities	589	(735)
Net cash used in operating activities	(615)	(950)
CASH FLOWS FROM INVESTING ACTIVITIES		
Distribution from Grandpoint Bank	61,000	
Distribution from Peoria Holdings, LLC		3,100
Net cash provided by investing activities	61,000	3,100
CASH FLOWS FROM FINANCING ACTIVITIES		
Common stock issued	1,211	889
Dividends paid	(60,331)	(15,824)
Net cash used in financing activities	(59,120)	(14,935)
Change in Cash	1,265	(12,785)
Cash, beginning of year	904	13,689
Cash, end of year	\$ 2,169	\$ 904

FS-55

AGREEMENT AND PLAN OF REORGANIZATION

DATED AS OF FEBRUARY 9, 2018

BY AND BETWEEN

PACIFIC PREMIER BANCORP, INC.

AND

GRANDPOINT CAPITAL, INC.

Table of Contents**Table of Contents**

	Page
<u>ARTICLE I CERTAIN DEFINITIONS</u>	<u>A-1</u>
<u>1.01 Certain Definitions</u>	<u>A-1</u>
<u>ARTICLE II THE MERGER</u>	<u>A-8</u>
<u>2.01 The Merger</u>	<u>A-8</u>
<u>2.02 Effective Date and Effective Time; Closing</u>	<u>A-9</u>
<u>2.03 Bank Merger</u>	<u>A-9</u>
<u>ARTICLE III CONSIDERATION AND EXCHANGE PROCEDURES</u>	<u>A-10</u>
<u>3.01 Conversion of Shares</u>	<u>A-10</u>
<u>3.02 Exchange Procedures</u>	<u>A-10</u>
<u>3.03 Rights as Shareholders</u>	<u>A-12</u>
<u>3.04 No Fractional Shares</u>	<u>A-12</u>
<u>3.05 Dissenting Shares</u>	<u>A-12</u>
<u>3.06 Anti-Dilution Provisions</u>	<u>A-13</u>
<u>3.07 Withholding Rights</u>	<u>A-13</u>
<u>3.08 Grandpoint Options</u>	<u>A-13</u>
<u>3.09 Reservation of Shares</u>	<u>A-13</u>
<u>ARTICLE IV ACTIONS PENDING ACQUISITION</u>	<u>A-14</u>
<u>4.01 Forbearances of Grandpoint</u>	<u>A-14</u>
<u>4.02 Forbearances of PPBI</u>	<u>A-17</u>
<u>ARTICLE V REPRESENTATIONS AND WARRANTIES</u>	<u>A-18</u>
<u>5.01 Disclosure Schedules</u>	<u>A-18</u>
<u>5.02 Standard</u>	<u>A-18</u>
<u>5.03 Representations and Warranties of Grandpoint</u>	<u>A-18</u>
<u>5.04 Representations and Warranties of PPBI</u>	<u>A-37</u>
<u>ARTICLE VI COVENANTS</u>	<u>A-44</u>
<u>6.01 Reasonable Best Efforts</u>	<u>A-44</u>
<u>6.02 PPBI Shareholder Approval</u>	<u>A-44</u>
<u>6.03 Registration Statement; Solicitation of Grandpoint Shareholder Consents</u>	<u>A-44</u>
<u>6.04 Regulatory Filings</u>	<u>A-46</u>
<u>6.05 Press Releases</u>	<u>A-46</u>
<u>6.06 Access; Information</u>	<u>A-46</u>
<u>6.07 Acquisition Proposals</u>	<u>A-48</u>
<u>6.08 Certain Policies</u>	<u>A-50</u>
<u>6.09 Nasdaq Listing</u>	<u>A-51</u>
<u>6.10 Indemnification</u>	<u>A-51</u>
<u>6.11 Benefit Plans</u>	<u>A-52</u>
<u>6.12 Appointment of Directors</u>	<u>A-54</u>
<u>6.13 Notification of Certain Matters</u>	<u>A-54</u>
<u>6.14 Estoppel Letters</u>	<u>A-55</u>
<u>6.15 Assumption of Indenture Obligations</u>	<u>A-55</u>
<u>6.16 Antitakeover Statutes</u>	<u>A-55</u>
<u>6.17 Consents</u>	<u>A-55</u>
<u>6.18 Exemption from Liability Under Section 16(b)</u>	<u>A-55</u>
<u>ARTICLE VII CONDITIONS TO CONSUMMATION OF THE MERGER</u>	<u>A-55</u>
<u>7.01 Conditions to Each Party's Obligation to Effect the Merger</u>	<u>A-55</u>
<u>7.02 Conditions to Obligation of Grandpoint</u>	<u>A-56</u>
<u>7.03 Conditions to Obligation of PPBI</u>	<u>A-56</u>

Table of Contents

	Page
<u>ARTICLE VIII TERMINATION</u>	<u>A-57</u>
<u>8.01 Termination</u>	<u>A-57</u>
<u>8.02 Effect of Termination and Abandonment</u>	<u>A-59</u>
<u>ARTICLE IX MISCELLANEOUS</u>	<u>A-59</u>
<u>9.01 Survival</u>	<u>A-59</u>
<u>9.02 Waiver; Amendment</u>	<u>A-60</u>
<u>9.03 Counterparts</u>	<u>A-60</u>
<u>9.04 Governing Law and Venue; Waiver of Jury Trial; Specific Performance</u>	<u>A-60</u>
<u>9.05 Expenses</u>	<u>A-61</u>
<u>9.06 Notices</u>	<u>A-61</u>
<u>9.07 Entire Understanding; Limited Third Party Beneficiaries</u>	<u>A-61</u>
<u>9.08 Severability</u>	<u>A-62</u>
<u>9.09 Enforcement of the Agreement</u>	<u>A-62</u>
<u>9.10 Interpretation</u>	<u>A-62</u>
<u>9.11 Assignment</u>	<u>A-62</u>
<u>9.12 Alternative Structure</u>	<u>A-62</u>
<u>ANNEX A</u> <u>Form of Support Agreement</u>	<u>A-A-1</u>
<u>ANNEX B</u> <u>Form of Shareholder Agreement</u>	<u>A-B-1</u>
<u>ANNEX C</u> <u>Certificate of Merger</u>	<u>A-C-1</u>
<u>ANNEX D</u> <u>Bank Merger Agreement</u>	<u>A-D-1</u>
<u>ANNEX E</u> <u>Form of Tenant Estoppel Letter</u>	<u>A-E-1</u>
<u>ANNEX F</u> <u>Form of Landlord Estoppel Letter</u>	<u>A-F-1</u>

Table of Contents

AGREEMENT AND PLAN OF REORGANIZATION, dated as of February 9, 2018 by and between Pacific Premier Bancorp, Inc. ("PPBI") and Grandpoint Capital, Inc. ("Grandpoint").

RECITALS

- A. *Grandpoint.* Grandpoint is a Delaware corporation, having its principal place of business in Los Angeles, California.
- B. *PPBI.* PPBI is a Delaware corporation, having its principal place of business in Irvine, California.
- C. *Intention of the Parties.* It is the intention of the parties to this Agreement that the Merger provided for herein be treated as a "reorganization" under Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations and formal guidance issued thereunder.
- D. *Board Action.* The respective Boards of Directors of each of PPBI and Grandpoint have determined that it is in the best interests of their respective companies and their shareholders to enter into this Agreement.
- E. *Support Agreement and Shareholder Agreements.* As a material inducement to PPBI to enter into this Agreement, and in connection with the execution of this Agreement, (i) each Investor is entering into an agreement, substantially in the form attached hereto as Annex A (the "Support Agreement"), pursuant to which they have agreed, among other things, to provide written consents to vote their shares of Grandpoint Common Stock in favor of the adoption of the Agreement, and (ii) each Shareholder is entering into an agreement, substantially in the form attached hereto as Annex B (collectively, the "Shareholder Agreements"), pursuant to which they have agreed to provide written consents to vote their shares of Grandpoint Common Stock in favor of the adoption of the Agreement and certain Shareholders have agreed to certain non-solicitation and other obligations.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants, representations, warranties and agreements contained herein the parties to this Agreement agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

1.01 *Certain Definitions.* The following terms are used in this Agreement with the meanings set forth below:

"Acceptable Confidentiality Agreement" has the meaning set forth in Section 6.07(a).

"Acquisition Agreement" has the meaning set forth in Section 6.07(b).

"Acquisition Proposal" has the meaning set forth in Section 6.07(a).

"Adverse Change Notice" has the meaning set forth in Section 6.07(b).

"Adverse Recommendation Change" has the meaning set forth in Section 6.07(b).

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such first Person.

"Agreement" means this Agreement and Plan of Reorganization, as amended or modified from time to time in accordance with Section 9.02.

"Bank Merger" has the meaning set forth in Section 2.03.

A-1

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

"Bank Merger Agreement" means the Bank Merger Agreement by and between Pacific Premier and Grandpoint Bank, in substantially the form attached hereto as Annex D, as amended or modified from time to time in accordance with its provisions.

"Bank Secrecy Act" means the Bank Secrecy Act of 1970, as amended.

"Benefit Plans" has the meaning set forth in Section 5.03(m)(i).

"Book-Entry Shares" means shares of Grandpoint Common Stock held in book-entry form immediately prior to the Effective Time.

"Business Day" means Monday through Friday of each week, except a legal holiday recognized as such by the U. S. Government or any day on which banking institutions in the State of California are authorized or obligated to close.

"Certificate" means any certificate which immediately prior to the Effective Time represented shares of Grandpoint Common Stock.

"Certificate of Merger" has the meaning set forth in Section 2.02(a).

"CFC" means the California Financial Code, as amended.

"CGCL" means the California General Corporation Law, as amended.

"Closing" and "Closing Date" have the meanings set forth in Section 2.02(b).

"Code" has the meaning set forth in the preamble to this Agreement.

"Community Reinvestment Act" means the Community Reinvestment Act of 1977, as amended.

"Confidentiality Agreement" has the meaning set forth in Section 6.06(e).

"DBO" means the California Department of Business Oversight Division of Financial Institutions.

"Derivatives Contract" has the meaning set forth in Section 5.03(q)(ii).

"DGCL" means the Delaware General Corporation Law, as amended.

"Disclosure Schedule" has the meaning set forth in Section 5.01.

"Dissenting Shares" has the meaning set forth in Section 3.05.

"DOL" has the meaning set forth in Section 5.03(m)(i).

"Effective Date" has the meaning set forth in Section 2.02(a).

"Effective Time" has the meaning set forth in Section 2.02(a).

"Employees" has the meaning set forth in Section 5.03(m)(i).

"Environmental Laws" has the meaning set forth in Section 5.03(o).

"Equal Credit Opportunity Act" means the Equal Credit Opportunity Act, as amended.

"Equity Investment" means (a) an investment in an Equity Security; (b) an ownership interest in any company or other entity or a membership interest that includes a voting right in any company or other entity; and (c) any investment or transaction which in substance falls into any of these categories even though it may be structured as some other form of investment or transaction.

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

"Equity Security" means any stock, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, or voting-trust certificate; any security convertible into such a security; any security

A-2

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

carrying any warrant or right to subscribe to or purchase any such security; and any certificate of interest or participation in, temporary or interim certificate for, or receipt for any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations and formal guidance issued thereunder.

"ERISA Affiliate" has the meaning set forth in Section 5.03(m)(ii).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"Exchange Agent" has the meaning set forth in Section 3.03(a).

"Exchange Ratio" has the meaning set forth in Section 3.01(b).

"Fair Housing Act" means the Fair Housing Act, as amended.

"FDIC" means the Federal Deposit Insurance Corporation.

"FHLB" means the Federal Home Loan Bank of San Francisco.

"Final Index Price" has the meaning set forth in Section 8.01(h).

"FRB" means the Board of Governors of the Federal Reserve System.

"GAAP" means accounting principles generally accepted in the United States of America.

"Governmental Authority" means any federal, state or local court, administrative agency, regulatory authority or commission or other governmental authority or instrumentality or self-regulatory organization.

"Grandpoint" has the meaning set forth in the preamble to this Agreement.

"Grandpoint Articles" means the Amended and Restated Certificate of Incorporation of Grandpoint.

"Grandpoint Bank" means Grandpoint Bank, a California-chartered commercial bank, having its executive offices in Los Angeles, California.

"Grandpoint Bank Board" means the Board of Directors of Grandpoint Bank.

"Grandpoint Board" means the Board of Directors of Grandpoint.

"Grandpoint Bylaws" means the Bylaws of Grandpoint.

"Grandpoint Common Stock" means the Grandpoint Voting Common Stock and the Grandpoint Non-Voting Common Stock.

"Grandpoint Consent Statement" has the meaning set forth in Section 6.03(a)

"Grandpoint Equity Plans" means the 2011 Equity Incentive Award Plan, as amended, and the 2012 Incentive Award Plan.

"Grandpoint Financial Statements" means (a) the audited consolidated financial statements of Grandpoint for the years ended December 31, 2016, 2015 and 2014, comprised of consolidated balance sheets, consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows, of Grandpoint and its Subsidiaries, as of and for the years ended December 31, 2016, 2015 and 2014, including notes thereto, and (b) the unaudited consolidated balance sheets, consolidated statements of income, and consolidated statements of changes in shareholders' equity of Grandpoint and its Subsidiaries, as of and for the nine months ended September 30, 2017 and for every month-end, quarter-end and/or year-end subsequent thereto which is prior to the Effective Date.

Edgar Filing: PACIFIC PREMIER BANCORP INC - Form S-4

Table of Contents

"Grandpoint Group" means any "affiliated group" (as defined in Section 1504(a) of the Code without regard to the limitations contained in Section 1504(b) of the Code) that includes Grandpoint and its Subsidiaries and any predecessor of and any successor to Grandpoint (or to another such predecessor or successor) and also shall be deemed to refer to any or all of Grandpoint and its Subsidiaries. References herein to the Grandpoint Group shall be deemed to refer to both the Grandpoint Group as a whole and to each individual member thereof.

"Grandpoint IT Systems" has the meaning set forth in Section 5.03(t)(iii).

"Grandpoint Loan Property" has the meaning set forth in Section 5.03(o).

"Grandpoint NQDP" has the meaning set forth in Section 5.03(m)(vii).

"Grandpoint Non-Voting Common Stock" means the non-voting common stock, \$0.01 par value per share, of Grandpoint.

"Grandpoint Options" has the meaning set forth in Section 3.08.

"Grandpoint Retirement Plan" has the meaning set forth in Section 6.11(e).

"Grandpoint Preferred Stock" means the preferred stock, \$0.01 par value per share, of Grandpoint.

"Grandpoint Shareholder Consents" has the meaning set forth in Section 6.03(a).

"Grandpoint Voting Common Stock" means the voting common stock, \$0.01 par value per share, of Grandpoint.

"Hazardous Substance" has the meaning set forth in Section 5.03(o).

"Indemnified Parties" and "Indemnifying Party" have the meanings set forth in Section 6.10(a).

"Indenture" means the Indenture dated as of September 17, 2003 between First Commerce Bancorp, as Issuer, and U.S. Bank National Association, as Trustee (as amended by the First Supplemental Indenture dated as of December 28, 2010 by and among First Commerce Bancorp, U.S. Bank National Association, as Trustee, and Grandpoint).

"Index Change Ratio" has the meaning set forth in Section 8.01(h).

"Information Statement" has the meaning set forth in Section 6.02(b).

"Initial Index Price" has the meaning set forth in Section 8.01(h).

"Insurance Policies" has the meaning set forth in Section 5.03(w).

"Intellectual Property" means: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereon, and all patents, patent applications and patent disclosures, together with all reissues, continuations, continuations-in-part, divisions, extensions and re-examinations thereof; (b) all trademarks whether registered or unregistered, service marks, domain names, corporate names and all combinations thereof, and associated therewith; (c) all copyrights whether registered or unregistered, and all applications, registrations and renewals in connection therewith; (d) all datasets, databases and related documentation; and (e) all other intellectual property and proprietary rights.

"Investors" means Arlon Capital Partners LP, VIII-GPB Holdings, L.L.C., GE Pension Trust, Farrington Capital, Stone Point Capital (on behalf of Trident IV Depository Holdings LLC and Trident IV PF Depository Holdings LLC), MidOcean Partners (on behalf of MidOcean Partners III-AG, LLC, Mid-Ocean Partners III-D, L.P. and Mid-Ocean Partners III-G, LLC), Calera Capital (on behalf of Calera Capital Partners IV, L.P. and Calera Capital Partners IV Side-by-Side, L.P.) and GGC Grandpoint Holdings, LLC.

Table of Contents

"IRS" has the meaning set forth in Section 5.03(m)(i).

"Knowledge" means facts and other information which, as of the date hereof, the chairman of the board, chief executive officer, president, chief financial officer, chief operating officer, chief information officer, chief credit officer, general counsel and any other executive officer as set forth in Section 1.01(a) of Grandpoint's Disclosure Schedule (and any officer superior to any of the foregoing), in each case, as applicable, of a party or any Subsidiary of such party actually knows after due inquiry.

"Liens" means any charge, mortgage, pledge, security interest, restriction, claim, lien or encumbrance other than Permitted Liens.

"Loans" has the meaning set forth in Section 4.01(s).

"Material Adverse Effect" means, with respect to PPBI or Grandpoint, any effect that (i) is material and adverse to the financial condition, results of operations or business of PPBI and its Subsidiaries taken as a whole or Grandpoint and its Subsidiaries taken as a whole, as the case may be, or (ii) would materially impair the ability of any of PPBI and its Subsidiaries or Grandpoint and its Subsidiaries, as the case may be, to perform their respective obligations under this Agreement or otherwise materially impede the consummation of the Transaction; provided, however, that Material Adverse Effect with respect to subclause (i) shall not be deemed to include the impact of (a) changes after the date hereof in laws or regulation of general applicability to banks, savings institutions and their holding companies or interpretations thereof by Governmental Authorities or the interpretation or implementation thereof, (b) changes after the date hereof in GAAP or regulatory accounting requirements applicable to banks, savings institutions and their holding companies generally or the interpretation or implementation thereof, (c) any outbreak or escalation of hostilities, declared or undeclared acts of war or terrorism or other international or national calamity or any material worsening or escalation of such conditions, (d) changes resulting from conditions affecting the banking and financial services industry or changes in global, national or regional political, regulatory, or market, business, financial, credit or general economic conditions (including changes in prevailing interest rates or exchange rates) affecting banks, savings institutions and their holding companies generally, (e) the public announcement or pendency of the Transaction, including the impact of the Transaction on relationships with customers or employees, (f) any modifications or changes to valuation policies and practices in connection with the Transaction or restructuring charges taken in connection with the Transaction, in each case in accordance with GAAP, (g) the failure, in and of itself, to meet earnings projections or internal financial forecasts, but not including the underlying causes thereof (unless otherwise excluded hereunder), or changes in the trading price or trading volume of a party's common stock, in and of itself, but not including the underlying causes thereof (unless otherwise excluded hereunder), (h) with respect to Grandpoint, the effects of any action or omission taken with the prior consent or at the prior written request of PPBI or as otherwise required by this Agreement, and (i) any hurricane, earthquake, flood, fire or other natural disaster or act of God; provided that the effect of such changes described in clauses (a), (b), (c), (d) and (i) shall not be excluded when determining whether a Material Adverse Effect has occurred to the extent of a materially disproportionate impact, if any, on PPBI and its Subsidiaries as a whole on the one hand, or Grandpoint and its Subsidiaries on the other hand, as measured relative to similarly situated companies in the banking industry.

"Material Contracts" has the meaning set forth in Section 5.03(k)(i).

"Maximum Insurance Amount" has the meaning set forth in Section 6.10(c).

"Merger" has the meaning set forth in Section 2.01(a).

"Merger Consideration" means the aggregate number of whole shares of PPBI Common Stock, based on the Exchange Ratio, plus cash in lieu of any fractional share interest, payable to the holders of Grandpoint Common Stock in connection with the Transaction.

Table of Contents

"Merger Related Expenses" means all costs, fees and expenses incurred or to be incurred by Grandpoint and its Subsidiaries in connection with this Agreement and the Transaction up to and including the Closing of the Transaction, including but not limited to change-in-control payments, retention and severance payments in the amounts or pursuant to the policies or programs Previously Disclosed to PPBI, amounts required to be paid pursuant to this Agreement, the fees and expenses (including reasonable attorneys' fees) associated with the termination, assignment, assumption or renegotiation of any Material Contracts on or before the Closing in connection with the Transaction as PPBI and Grandpoint mutually agree (for the avoidance of doubt, excluding the fees and expenses associated with Material Contracts renewed in the ordinary course of business), the amount(s) paid (whether paid by PPBI or its Subsidiaries or Grandpoint or its Subsidiaries) to obtain the insurance coverage required pursuant to Section 6.10(c) hereof and the fees and expenses of Grandpoint's and its Subsidiaries' attorneys, accountants, investment bankers and other advisors and agents. An estimate of Merger Related Expenses are set forth in Section 1.01(b) of Grandpoint's Disclosure Schedule, which shall be updated within five (5) Business Days prior to the Closing Date.

"Nasdaq" means the Nasdaq Global Market or such other securities exchange on which the PPBI Common Stock may be listed.

"National Labor Relations Act" means the National Labor Relations Act, as amended.

"Option Merger Consideration" has the meaning set forth in Section 3.08.

"OREO" means other real estate owned.

"Outside Date" has the meaning set forth in Section 8.01(c).

"Pacific Premier" means Pacific Premier Bank, a California-chartered bank and a wholly-owned subsidiary of PPBI.

"Pacific Premier Articles" means the Articles of Incorporation of Pacific Premier, as amended.

"Pacific Premier Board" means the Board of Directors of Pacific Premier.

"Pacific Premier Bylaws" means the Amended and Restated Bylaws of Pacific Premier, as amended.

"Pension Plan" has the meaning set forth in Section 5.03(m)(ii).

"Permitted Lien" means (i) statutory or common law Liens securing payments not yet delinquent (or being contested in good faith), (ii) Liens for Taxes and Tax assessments not yet delinquent, (iii) easements, rights of way, restrictive covenants, conditions, rights-of-way, leases, licenses, imperfections or irregularities of title, and other similar encumbrances or Liens that do not materially affect the value or prohibit the current use of the property or asset subject thereto, (iv) zoning, building, land use and other similar restrictions, including environmental regulations that would not reasonably be expected to materially impair the current use of such property, or (v) pledges to secure deposits incurred in the ordinary course of its banking business consistent with past practice.

"Person" means any individual, bank, corporation, partnership, association, joint-stock company, business trust, limited liability company or unincorporated organization.

"PPBI" has the meaning set forth in the preamble to this Agreement.

"PPBI Average Share Price" shall mean the average closing price per share of PPBI Common Stock, as reported on the Nasdaq, for the 20 trading days ending on and including the fifth trading day prior to the Closing Date.

"PPBI Benefit Plans" has the meaning set forth in Section 5.04(l)(i).

"PPBI Board" means the Board of Directors of PPBI.

Table of Contents

"PPBI Bylaws" means the Amended and Restated Bylaws of PPBI.

"PPBI Certificate" means the Amended and Restated Certificate of Incorporation of PPBI.

"PPBI Common Stock" means the common stock, \$0.01 par value per share, of PPBI.

"PPBI Meeting" has the meaning set forth in Section 6.02.

"PPBI Preferred Stock" means the preferred stock, \$0.01 par value per share, of PPBI.

"PPBI Proxy Statement" has the meaning set forth in Section 6.02(b).

"PPBI Securities Documents" has the meaning set forth in Section 5.04(g)(i).

"Previously Disclosed" by a party shall mean information set forth in a section of its Disclosure Schedule corresponding to the section of this Agreement where such term is used; provided, that any information set forth in any section of a party's Disclosure Schedule shall be deemed to apply to and be set forth in each other section or subsection of its Disclosure Schedule, if its relevance to such other section or subsection is reasonably apparent on its face.

"Registration Statement" has the meaning set forth in Section 6.03(a).

"Representatives" has the meaning set forth in Section 6.07(a).

"Retiree Welfare Plan" means any Benefit Plan providing for retiree health and life benefits, other than group health plan continuation coverage as may be required under Section 4980B of the Code or Part 6 of Subtitle B of Title I of ERISA, or under the continuation of coverage provisions of the laws of any state or locality.

"Rights" means, with respect to any Person, warrants, options, rights, convertible securities and other arrangements or commitments which obligate the Person to issue or dispose of any of its capital stock or other ownership interests.

"Sarbanes-Oxley Act" has the meaning set forth in Section 5.04(g)(i).

"SEC" means the U.S. Securities and Exchange Commission.

"Secured Creditor Exemption" has the meaning set forth in Section 5.03(o).

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Senior Officer" means an employee of Grandpoint or Grandpoint Bank with the title of executive vice president or higher.

"Shareholders" means each director of Grandpoint and Grandpoint Bank (other than Investor-nominated directors who do not own shares of Grandpoint Common Stock) and each executive officer of Grandpoint and Grandpoint Bank.

"Shareholder Approval" has the meaning set forth in Section 5.03(z)(i).

"Shareholder Agreements" has the meaning set forth in the recitals to this Agreement.

"Subsidiary" has the meaning ascribed to that term in Rule 1-02 of Regulation S-X of the SEC.

"Superior Proposal" has the meaning set forth in Section 6.07(a).

"Surviving Corporation" has the meaning set forth in Section 2.01(a).

"Tangible Common Equity" means Grandpoint's total stockholders' equity (i) excluding intangible assets, (ii) excluding preferred stock, if any, (iii) excluding accumulated other comprehensive income from December 31, 2017 through the Closing Date (for the avoidance of doubt, in

the event such accumulated other comprehensive is less than zero, the absolute value of such amount shall be added

A-7

Table of Contents

back), (iv) adding back all amounts to be paid by Grandpoint in respect of Grandpoint Options pursuant to Section 3.08, (v) adding back all severance payments made or to be made by Grandpoint to or in respect of those Employees who are not executive officers of Grandpoint and who are not Transferred Employees under Section 6.11(d), (vii) adding back up to \$12.1 million of Merger Related Expenses not covered by (v) or (vi) of this definition incurred by Grandpoint prior to the Closing Date on a tax-adjusted basis (to the extent there was a tax benefit recorded by Grandpoint as a result of the incurrence of such expense) based on Grandpoint's marginal tax rate for 2018 and (viii) adding back all amounts paid or accrued in connection with any actions taken pursuant to Section 6.08; provided that "total stockholders' equity," "intangible assets," "accumulated other comprehensive income" and "accumulated other comprehensive loss" shall each be calculated in accordance with GAAP and the Grandpoint Financial Statements.

"Tax" and "Taxes" mean all federal, state, local or foreign income, gross income, gains, gross receipts, sales, use, ad valorem, goods and services, capital, production, transfer, franchise, windfall profits, license, withholding, payroll, employment, disability, employer health, excise, estimated, severance, stamp, occupation, property (real or personal), real property gains, registration, alternative minimum, add-on minimum, value added, natural resources, social security, environmental, custom duties, unemployment or other taxes of any kind whatsoever, together with any interest, additions or penalties thereto and any interest in respect of such interest and penalties.

"Tax Returns" means any return (including any amended return), declaration or other report (including elections, declarations, claims for refunds, schedules, estimates and information returns) with respect to any Taxes (including estimated taxes).

"Termination Fee" has the meaning set forth in Section 8.02(b).

"Transaction" means the Merger, the Bank Merger and any other transactions contemplated by this Agreement.

"Transferred Employees" has the meaning set forth in Section 6.11(d).

"Treasury Regulations" means the regulations promulgated by the United States Department of the Treasury under the Code.

ARTICLE II

THE MERGER

2.01 *The Merger.*

(a) *The Merger.* Subject to the terms and conditions of this Agreement, at the Effective Time, Grandpoint shall merge with and into PPBI (the "Merger") in accordance with the applicable provisions of the DGCL, the separate corporate existence of Grandpoint shall cease and PPBI shall survive and continue to exist as a corporation incorporated under the DGCL (PPBI, as the surviving corporation of the Merger, is sometimes referred to herein as the "Surviving Corporation").

(b) *Name.* The name of the Surviving Corporation shall be "Pacific Premier Bancorp, Inc."

(c) *Certificate and Bylaws.* The certificate of incorporation and bylaws of the Surviving Corporation immediately after the Merger shall be the PPBI Certificate and the PPBI Bylaws as in effect immediately prior to the Merger.

(d) *Directors and Executive Officers of the Surviving Corporation.* The directors of the Surviving Corporation immediately after the Merger shall be the directors of PPBI immediately prior to the Merger, except for the addition of two new directors as contemplated by Section 6.12, each of whom shall serve until his or her successor shall be duly elected and qualified. The executive officers of the Surviving Corporation immediately after the Merger shall be the executive officers of PPBI immediately prior to the Merger.

Table of Contents

(e) *Authorized Capital Stock.* The authorized capital stock of the Surviving Corporation upon consummation of the Merger shall be as set forth in the PPBI Certificate immediately prior to the Merger.

(f) *Effect of the Merger.* At the Effective Time, the effect of the Merger shall be as provided in accordance with the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, powers and franchises of Grandpoint shall vest in the Surviving Corporation, and all debts, liabilities, obligations, restrictions, disabilities and duties of Grandpoint shall become the debts, liabilities, obligations, restrictions, disabilities and duties of the Surviving Corporation.

(g) *Additional Actions.* If, at any time after the Effective Time, the Surviving Corporation shall consider that any further assignments or assurances in law or any other acts are necessary or desirable to (i) vest, perfect, record or otherwise confirm the Surviving Corporation's right, title or interest in, to or under any of the rights, properties or assets of Grandpoint acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger, or (ii) otherwise carry out the purposes of this Agreement, Grandpoint, and its proper officers and directors, acting in such corporate capacity and not individually, shall be deemed to have granted to the Surviving Corporation an irrevocable power of attorney to execute and deliver all such proper deeds, assignments and assurances in law and to do all acts necessary or proper to vest, perfect or confirm title to and possession of such rights, properties or assets in the Surviving Corporation and otherwise to carry out the purposes of this Agreement, and the proper officers and directors of the Surviving Corporation are fully authorized in the name of the Surviving Corporation or otherwise to take any and all such action.

2.02 *Effective Date and Effective Time; Closing.*

(a) Subject to the satisfaction or waiver of the conditions set forth in Article VII (other than those conditions that by their nature are to be satisfied at the consummation of the Merger, but subject to the fulfillment or waiver of those conditions), the parties shall cause a certificate of merger relating to the Merger, the form of which is attached hereto as Annex C (the "Certificate of Merger"), to be filed with the Secretary of State of the State of Delaware pursuant to the DGCL on (i) a date mutually selected by PPBI and Grandpoint after such satisfaction or waiver which is no later than the later of (A) five (5) Business Days after such satisfaction or waiver or (B) the first month end following such satisfaction or waiver, or (ii) such other date to which the parties may mutually agree in writing. The Merger provided for herein shall become effective upon the filing of the Certificate of Merger with the Secretary of State of the State of Delaware or such later time as specified in the Certificate of Merger. The date of such filing with the Secretary of State of the State of Delaware is herein called the "Effective Date." The "Effective Time" of the Merger shall be the time of such filing or as set forth in such filing.

(b) A closing (the "Closing") shall take place immediately prior to the Effective Time at the offices of Holland & Knight LLP, 800 17th Street, N.W., Washington, D.C. 20006, or at such other place, at such other time, or on such other date as the parties may mutually agree upon in writing (such date, the "Closing Date"). At the Closing, there shall be delivered to PPBI and Grandpoint the certificates and other documents required to be delivered under Article VII hereof.

2.03 *Bank Merger.* As soon as practicable after the execution of this Agreement, or on such later date as PPBI and Grandpoint shall agree, PPBI and Grandpoint shall cause Pacific Premier and Grandpoint Bank, respectively, to enter into the Bank Merger Agreement, the form of which is attached hereto as Annex D, which provides for the merger of Grandpoint Bank with and into Pacific Premier (the "Bank Merger"), in accordance with applicable law, regulation or policies imposed by any Governmental Authority and the terms of the Bank Merger Agreement, immediately after consummation of the Merger. The Bank Merger Agreement provides that the directors of Pacific

Table of Contents

Premier immediately after the Bank Merger shall be the directors of Pacific Premier immediately prior to the Bank Merger, except for the addition of two new directors as contemplated by Section 6.12.

ARTICLE III

CONSIDERATION AND EXCHANGE PROCEDURES

3.01 *Conversion of Shares.* At the Effective Time, automatically by virtue of the Merger and without any action on the part of any holder of shares of Grandpoint Common Stock:

(a) *PPBI Common Stock.* Each share of PPBI Common Stock that is issued and outstanding immediately prior to the Effective Time shall remain issued and outstanding and shall be unchanged by the Merger.

(b) *Grandpoint Common Stock.* Subject to Sections 3.02, 3.04, 3.05, 3.06 and 3.07, each share of Grandpoint Common Stock issued and outstanding immediately prior to the Effective Time shall be converted into, and shall be canceled in exchange for, the right to receive 0.4750 of a share of PPBI Common Stock (the "Exchange Ratio").

3.02 *Exchange Procedures.*

(a) *Mailing of Transmittal Material.* Provided that Grandpoint has delivered, or caused to be delivered, to the agent designated by PPBI (who, if different than PPBI's or Grandpoint's then serving registrar and transfer agent, is reasonably acceptable to Grandpoint) (the "Exchange Agent") all information which is reasonably necessary for the Exchange Agent to perform its obligations as specified herein, the Exchange Agent shall, as promptly as practicable following the Effective Date (but in no event more than three (3) Business Days after the Effective Date), mail and otherwise make available to each holder of record of Grandpoint Common Stock, a notice and a form of letter of transmittal, in a form reasonably acceptable to Grandpoint (which shall specify that delivery shall be effected, and risk of loss and title to such Certificate(s) theretofore representing shares of Grandpoint Common Stock shall pass, only upon proper delivery of such Certificate(s) to the Exchange Agent or transfer of Book-Entry Shares to the Exchange Agent), advising such holder of the effectiveness of the Merger and the procedure for surrendering to the Exchange Agent such Certificate(s) or Book-Entry Shares in exchange for the Merger Consideration to which such holder may be entitled pursuant to Section 3.01(b) hereof. A letter of transmittal will be properly completed only if accompanied by a Certificate or Certificates or instructions to transfer Book-Entry Shares representing all shares of Grandpoint Common Stock covered thereby, subject to the provisions of paragraph (d) of this Section 3.02.

(b) *PPBI Deliveries.* At the Effective Time, for the benefit of the holders of Certificates and/or Book-Entry Shares, PPBI shall deliver to the Exchange Agent, to be given to the holders of Grandpoint Common Stock in exchange for their Certificates and Book-Entry Shares as provided for in this Article III, (i) certificates, or at PPBI's option, evidence of shares in book entry form, representing the number of whole shares of PPBI Common Stock issuable to the holders of Grandpoint Common Stock as the Merger Consideration and (ii) an amount in cash equal to the amount due in lieu of fractional shares pursuant to Section 3.04. The Exchange Agent shall not be entitled to vote or exercise any rights of ownership with respect to the shares of PPBI Common Stock held by it from time to time hereunder, except that it shall receive and hold all dividends or other distributions paid or distributed with respect to such shares of PPBI Common Stock for the account of the Persons entitled thereto.

(c) *Issued Shares.* All shares of PPBI Common Stock to be issued pursuant to the Merger shall be deemed issued and outstanding as of the Effective Time and whenever a dividend or other distribution is declared by PPBI in respect of the PPBI Common Stock, the record date for which is at or after the Effective Time, that declaration shall include dividends or other distributions in

Table of Contents

respect of all shares of PPBI Common Stock issuable pursuant to this Agreement. No dividends or other distributions in respect of the PPBI Common Stock shall be paid to any holder of any unsurrendered Certificate or Book-Entry Shares until such Certificate (or affidavits of loss in lieu of the Certificate as provided in Section 3.02(e)) or Book-Entry Shares are surrendered for exchange in accordance with this Article III. Subject to the effect of applicable laws, following the surrender of any such Certificate (or affidavits of loss in lieu of the Certificate as provided in Section 3.02(e)) or Book-Entry Shares, there shall be issued and/or paid to the holder of the certificates representing whole shares of PPBI Common Stock issued in exchange therefor, without interest, (A) at the time of such surrender, the dividends or other distributions with a record date at or after the Effective Time theretofore payable with respect to such whole shares of PPBI Common Stock and not paid and (B) at the appropriate payment date, the dividends or other distributions payable with respect to such whole shares of PPBI Common Stock with a record date at or after the Effective Time but with a payment date subsequent to surrender.

(d) *Exchange Agent Deliveries.*

(i) Each holder of an outstanding Certificate or Certificates or Book-Entry Shares who has surrendered such Certificate or Certificates or Book-Entry Shares to the Exchange Agent will, upon acceptance thereof by the Exchange Agent, be entitled to evidence of issuance in book entry form, or upon written request of such holder, a certificate or certificates representing, the number of whole shares of PPBI Common Stock and the amount of cash, if any, into which the aggregate number of shares of Grandpoint Common Stock previously represented by such Certificate or Certificates or Book-Entry Shares surrendered shall have been converted pursuant to this Agreement and any other distribution theretofore paid with respect to PPBI Common Stock issuable in the Merger, in each case, without interest. The Exchange Agent shall accept such Certificates or Book-Entry Shares upon compliance with such reasonable terms and conditions as the Exchange Agent may impose consistent with the notice and form of letter of transmittal to effect an orderly exchange thereof in accordance with normal exchange practices.

(ii) Each outstanding Certificate or Book-Entry Share which prior to the Effective Time represented Grandpoint Common Stock and which is not surrendered to the Exchange Agent in accordance with the procedures provided for herein shall, except as otherwise herein provided, until duly surrendered to the Exchange Agent, be deemed to evidence ownership of the number of shares of PPBI Common Stock and the amount of cash, if any, into which such Grandpoint Common Stock shall have been converted. After the Effective Time, there shall be no further transfer on the records of Grandpoint of Certificates or Book-Entry Shares representing shares of Grandpoint Common Stock and, if such Certificates or Book-Entry Shares are presented to Grandpoint for transfer, they shall be cancelled against delivery of certificates for PPBI Common Stock and cash as hereinabove provided.

(e) *Lost or Destroyed Certificates; Issuances of PPBI Common Stock in New Names.* The Exchange Agent shall not be obligated to deliver a certificate or certificates representing shares of PPBI Common Stock to which a holder of Grandpoint Common Stock would otherwise be entitled as a result of the Merger until such holder surrenders the Certificate or Certificates representing the shares of Grandpoint Common Stock for exchange as provided in this Section 3.02, or, in default thereof, an appropriate affidavit of loss and indemnity agreement and/or a bond in an amount as may be reasonably required in each case by PPBI. If any certificates evidencing shares of PPBI Common Stock are to be issued in a name other than that in which the Certificate evidencing Grandpoint Common Stock surrendered in exchange therefore is registered, it shall be a condition of the issuance thereof that the Certificate so surrendered shall be properly endorsed or accompanied by an executed form of assignment separate from the Certificate and otherwise in proper form for transfer and that the Person requesting such exchange pay to the Exchange Agent

Table of Contents

any transfer or other Tax required by reason of the issuance of a certificate for shares of PPBI Common Stock in any name other than that of the registered holder of the Certificate surrendered or otherwise establish to the satisfaction of the Exchange Agent that such Tax has been paid or is not payable.

(f) *Unclaimed Merger Consideration.* The exchange of shares of Grandpoint Common Stock for the Merger Consideration as provided in this Section 3.02 shall be administered by the Exchange Agent until such time as any unclaimed portion thereof is required to be delivered to a public official pursuant to applicable abandoned property, escheat or similar laws. Neither the Exchange Agent nor any party to this Agreement shall be liable to any holder of stock represented by any Certificate or Book-Entry Share for any consideration paid to a public official pursuant to applicable abandoned property, escheat or similar laws. The Exchange Agent shall be entitled to rely upon the stock transfer books of Grandpoint to establish the identity of those Persons entitled to receive the consideration specified in this Agreement, which books shall be conclusive (absent manifest error) with respect thereto. In the event of a dispute with respect to ownership of stock represented by any Certificate or Book-Entry Share, the Exchange Agent shall be entitled to deposit any consideration represented thereby in escrow with an independent third party and thereafter be relieved with respect to any claims thereto.

3.03 *Rights as Shareholders.* At the Effective Time, holders of Grandpoint Common Stock shall cease to be, and shall have no rights as, shareholders of Grandpoint other than to receive the consideration provided for under this Article III.

3.04 *No Fractional Shares.* Notwithstanding any other provision of this Agreement, neither certificates nor scrip for fractional shares of PPBI Common Stock shall be issued in the Merger. Each holder of Grandpoint Common Stock who otherwise would have been entitled to a fraction of a share of PPBI Common Stock (after taking into account all Certificates or Book-Entry Shares delivered by such holder) shall receive in lieu thereof cash (without interest) in an amount determined by multiplying the fractional share interest to which such holder would otherwise be entitled by the PPBI Average Share Price, rounded to the nearest whole cent. No such holder shall be entitled to dividends, voting rights or any other rights in respect of any fractional share.

3.05 *Dissenting Shares.* Notwithstanding any other provision of this Agreement, each outstanding share of Grandpoint Common Stock held by a holder who has not voted in favor of adoption of the Agreement or consented thereto in writing and who has properly exercised appraisal rights of such shares in accordance with Section 262 of the DGCL (such shares of Grandpoint Common Stock being referred to collectively as the "Dissenting Shares" until such time as such holder fails to perfect or otherwise loses such holder's appraisal rights under the DGCL with respect to such shares of Grandpoint Common Stock) shall not be converted into a right to receive a portion of the Merger Consideration, but instead shall be entitled to only such rights as are granted by Section 262 of the DGCL; provided, however, that if, after the Effective Time, such holder fails to perfect, withdraws or loses such holder's right to appraisal pursuant to Section 262 of the DGCL or if a court of competent jurisdiction shall determine that such holder is not entitled to the relief provided by Section 262 of the DGCL, such shares of Grandpoint Common Stock shall be treated as if they had been converted as of the Effective Time into the right to receive the portion of the Merger Consideration, if any, to which such holder is entitled pursuant to Section 3.01(b), without interest thereon. Grandpoint shall give PPBI prompt notice upon receipt by Grandpoint of any such written demands for payment of the fair value of such shares of Grandpoint Common Stock and of withdrawals of such demands and any other instruments provided pursuant to the DGCL. If any holder of Dissenting Shares shall have effectively withdrawn or lost the right to dissent (through failure to perfect or otherwise), the Dissenting Shares held by such holder shall be converted on a share by share basis into the right to receive the Merger Consideration in accordance with the applicable provisions of this Agreement. Any payments made in

Table of Contents

respect of Dissenting Shares shall be made by PPBI or the Surviving Corporation within the time period set forth in the DGCL.

3.06 *Anti-Dilution Provisions.* If, between the date hereof and the Effective Time, the shares of PPBI Common Stock shall be changed into a different number or class of shares by reason of any reclassification, recapitalization, split-up, combination, exchange of shares or readjustment, stock dividend or distribution, stock split (including a reverse stock split), issuer tender or exchange offer or other similar transaction in PPBI Common Stock, the Exchange Ratio shall be adjusted accordingly; provided that a bona fide offering or sale of PPBI Common Stock for fair value received shall not be deemed a reclassification, recapitalization, split-up, combination, exchange of shares or readjustment, stock dividend or distribution, stock split (including a reverse stock split), issuer tender or exchange offer or other similar transaction in PPBI Common Stock.

3.07 *Withholding Rights.* PPBI (through the Exchange Agent, if applicable) shall be entitled to deduct and withhold from any amounts otherwise payable pursuant to this Agreement to any holder of shares of Grandpoint Common Stock such amounts as PPBI reasonably determines is required under the Code or any state, local or foreign Tax law or regulation thereunder to deduct and withhold with respect to the making of such payment, and to collect any necessary Tax forms or other necessary information. Except for any withholding required as the result of any failure to deliver any certificates or forms requested for purposes of federal backup withholding, in the event PPBI reasonably determines that it is so required to deduct or withhold an amount for or on account of any Tax from any consideration payable or otherwise deliverable pursuant to this Agreement, PPBI shall use reasonable efforts to notify Grandpoint of its determination and the parties shall cooperate in good faith to minimize to the extent permissible the amount of any such deduction or withholding, including providing any certificates or forms that are reasonably requested to establish and exemption from (or reduction in) any deduction or withholding. Any amounts so withheld shall be timely remitted to the applicable Governmental Authority and shall be treated for all purposes of this Agreement as having been paid to the holder of Grandpoint Common Stock in respect of which such deduction and withholding was made by PPBI.

3.08 *Grandpoint Options.* At the Effective Time, each option to acquire shares of Grandpoint Common Stock (collectively, the "Grandpoint Options") which is outstanding and unexercised immediately prior to the Effective Time shall be cancelled in exchange for the right to receive from Grandpoint immediately prior to the Effective Time a single lump sum cash payment, equal to the product of (i) the number of shares of Grandpoint Common Stock subject to such Grandpoint Option immediately prior to the Effective Time, and (ii) the excess, if any, of (A) the PPBI Average Share Price multiplied by the Exchange Ratio over (B) the exercise price per share of such Grandpoint Option (the "Option Merger Consideration"), less any applicable Taxes required to be withheld with respect to such payment. If the exercise price per share of any such Grandpoint Option is equal to or greater than the PPBI Average Share Price multiplied by the Exchange Ratio, such Grandpoint Option shall be canceled without any cash payment being made in respect thereof. Grandpoint shall use its reasonable best efforts to obtain the written acknowledgement of each holder of a then outstanding Grandpoint Option with regard to the cancellation of such Grandpoint Option and the payment therefor in accordance with the terms of this Agreement. Subject to the foregoing, the Grandpoint Equity Plans and all Grandpoint Options issued thereunder shall terminate at the Effective Time.

3.09 *Reservation of Shares.* Prior to the Closing, the PPBI Board shall reserve for issuance a sufficient number of shares of PPBI Common Stock for the purpose of issuing its shares in exchange for shares of Grandpoint Common Stock in the Merger.

Table of Contents

ARTICLE IV

ACTIONS PENDING ACQUISITION

4.01 *Forbearances of Grandpoint.* From the date hereof until the Effective Time, except as otherwise expressly contemplated or permitted by this Agreement, as Previously Disclosed, as required by applicable law, or as consented to by PPBI in writing, Grandpoint will not, and will cause each of its Subsidiaries not to:

(a) *Ordinary Course.* Conduct its business other than in the ordinary and usual course consistent with past practice or fail to use commercially reasonable efforts to preserve its business organization, keep available the present services of its employees (except in the case of terminations of employees for cause) and preserve for itself and PPBI the goodwill of the customers of Grandpoint and its Subsidiaries and others with whom material business relations exist.

(b) *Capital Stock.* Other than pursuant to Rights set forth on Section 4.01(b) of Grandpoint's Disclosure Schedule, (i) issue, sell or otherwise permit to become outstanding, or authorize the creation of, any additional shares of stock or any Rights or (ii) permit any additional shares of stock to become subject to grants of employee or director stock options or other Rights.

(c) *Dividends; Reclassifications; Etc.*

(i) Make, declare, pay or set aside for payment any dividend on or in respect of, or declare or make any distribution on any shares of Grandpoint Common Stock. Notwithstanding the foregoing and dependent on when the Closing occurs, Grandpoint may declare and pay regular quarterly cash dividends on the Grandpoint Common Stock equal to \$0.15 per share of Grandpoint Common Stock in the ordinary course of business consistent with past practice, including as to the declaration, payment and record dates.

(ii) Directly or indirectly adjust, split, combine, redeem, reclassify, purchase or otherwise acquire, any shares of Grandpoint Common Stock.

(d) *Compensation; Employment Agreements; Etc.* Enter into or amend or renew any employment, consulting, severance, change in control, retention, bonus, salary continuation or similar agreements or arrangements with any director or executive officer of Grandpoint or its Subsidiaries (for the avoidance of doubt, this limitation shall not apply to employment agreements that provide for automatic renewal in accordance with their terms), grant or announce any salary or wage increase (other than annual merit increases adopted in the ordinary and usual course of business consistent with past practice and not to exceed three percent (3%) in the aggregate across all employees), grant or announce any severance or termination pay (other than pursuant to a severance arrangement or policy disclosed in Section 5.03(m)(v) of Grandpoint's Disclosure Schedule), or increase or announce any increase in any employee benefit (including incentive or bonus payments), except for changes required by applicable law or in accordance with Grandpoint's existing employee benefit plans and set forth in Section 4.01(d) of Grandpoint's Disclosure Schedule.

(e) *Hiring.* Hire any person as a Senior Officer of Grandpoint or any of its Subsidiaries or promote any employee to a Senior Officer position, except (i) to satisfy contractual obligations existing as of the date hereof and set forth on Section 4.01(e) of Grandpoint's Disclosure Schedule and (ii) persons hired to fill any Senior Officer vacancies either existing as of the date hereof and set forth in Section 4.01(e) of Grandpoint's Disclosure Schedule or arising after the date hereof whose employment is terminable at the will of Grandpoint or a Subsidiary of Grandpoint and who are not subject to or eligible for any severance, change in control, bonus or similar benefits or

Table of Contents

payments that would become payable as a result of the Transaction, or consummation thereof, or enter into any agreement with a labor union, guild or association representing any employee.

(f) *Benefit Plans.* Except as set forth in Section 4.01(f) of Grandpoint's Disclosure Schedule, (i) enter into, establish, adopt, amend or terminate, or make any contributions to any pension, retirement, stock option, stock purchase, savings, profit sharing, deferred compensation, consulting, bonus, group insurance or other employee benefit, incentive or welfare contract, plan or arrangement, or any trust agreement (or similar arrangement) related thereto, in respect of any current or former director, officer or employee of Grandpoint or (ii) take any action to accelerate the vesting or exercisability of stock options, restricted stock, restricted stock units or other compensation or benefits payable thereunder, in each case except (y) to satisfy contractual obligations existing as of the date hereof and set forth in Section 4.01(f) of Grandpoint's Disclosure Schedule or (z) as may be required by applicable law.

(g) *Dispositions.* Except as set forth in Section 4.01(r) hereof, sell, transfer, mortgage, encumber or otherwise dispose of or discontinue any of its material assets, deposits, business or properties, except for (i) sales, transfers, mortgages, encumbrances, dispositions or discontinuances which are in the ordinary course of business and consistent with past practice and are not material to Grandpoint and its Subsidiaries taken as a whole and (ii) sales of Loans or Loan participations which are in the ordinary course of business and consistent with past practice.

(h) *Acquisitions.* Except as set forth in Sections 4.01(i), 4.01(r) and 4.01(s), acquire (other than by way of foreclosures or acquisitions of control in a bona fide fiduciary capacity or in satisfaction of debts previously contracted in good faith, in each case in the ordinary and usual course of business consistent with past practice) including without limitation, by merger or consolidation or by investment in a partnership or joint venture, all or any portion of the assets, business, securities, deposits or properties of any Person or division or business unit thereof.

(i) *Capital Expenditures.* Except as set forth in Section 4.01(i) of Grandpoint's Disclosure Schedule, make any capital expenditures, other than capital expenditures in the ordinary course of business consistent with past practice in amounts not exceeding \$50,000 individually or \$100,000 in the aggregate.

(j) *Governing Documents.* Amend the Grandpoint Articles, the Grandpoint Bylaws or the articles of incorporation or bylaws (or equivalent documents) of any Subsidiary of Grandpoint.

(k) *Accounting Methods.* Implement or adopt any material change in its accounting principles, practices or methods, other than as may be required by changes in laws or regulations or GAAP.

(l) *Contracts.* Except as otherwise permitted under this Section 4.01, enter into, cancel, fail to renew or terminate any Material Contract or amend or modify in any material respect any of its existing Material Contracts.

(m) *Claims.* Enter into any settlement or similar agreement with respect to any action, suit, proceeding, order or investigation to which Grandpoint or any of its Subsidiaries is or becomes a party after the date of this Agreement, which settlement, agreement or action involves payment by Grandpoint or any of its Subsidiaries of an amount which exceeds \$50,000 and/or would impose any material restriction on the business of PPBI or any of its Subsidiaries following the consummation of the Transaction (including Grandpoint and Grandpoint Bank) or create precedent for claims that are reasonably likely to be material to PPBI and its Subsidiaries, taken as a whole, following the consummation of the Transaction.

(n) *Banking Operations.* Enter into any new material line of business; introduce any material new products or services; change its material lending, investment, underwriting, loan,

Table of Contents

deposit or fee pricing, servicing, risk and asset liability management and other material banking and operating policies, or the manner in which its investment securities or loan portfolio is classified or reported, except as required by applicable law, regulation, policies imposed by any Governmental Authority or in conformity with GAAP; invest in any mortgage-backed or mortgage-related security that would be risk weighted over 100% according to BASEL III regulatory capital guidelines; or file any application or enter into any contract with respect to the opening, relocation or closing of, or open, relocate or close, any branch, office, service center or other facility.

(o) *Marketing.* Introduce any material new sales compensation or incentive programs or arrangements (except those the material terms of which have been fully disclosed in writing to PPBI prior to the date hereof).

(p) *Derivatives Contracts.* Enter into any Derivatives Contract.

(q) *Indebtedness.* Incur any indebtedness for borrowed money (other than deposits, federal funds purchased, cash management accounts, Federal Home Loan Bank and FRB borrowings that mature within 90 days and that have no put or call features and securities sold under agreements to repurchase that mature within 90 days, in each case, in the ordinary course of business consistent with past practice); or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other Person, other than with respect to the collection of checks and other negotiable instruments in the ordinary course of business consistent with past practice.

(r) *Investment Securities.* (i) Acquire (other than by way of foreclosure or acquisitions in a bona fide fiduciary capacity or in satisfaction of debts previously contracted in good faith, in each case in the ordinary course of business consistent with past practice) any debt security, collateralized loan obligation or Equity Investment or (ii) dispose of any debt security or Equity Investment; provided, however, that in the case of clauses (i) and (ii), Grandpoint and its Subsidiaries may acquire any debt security, collateralized loan obligation or Equity Investment if, within two (2) Business Days after Grandpoint requests in writing (which request shall describe in detail such securities to be purchased and the price thereof) that PPBI consent to the making of any such purchase, and PPBI has approved such request in writing or has not responded in writing to such request.

(s) *Loans.* (i) Make, renew or otherwise modify any loan, loan commitment, letter of credit or other extension of credit (collectively, "Loans"), other than Loans made in the ordinary course of business, consistent with past practice, that are not in excess of \$10.0 million individually; (ii) take any action that would result in any discretionary release of collateral or guarantees or otherwise restructure any Loans; (iii) enter into any Loan securitization or create any special purpose funding entity; (iv) purchase any consumer loan; or (v) enter into any agreement or arrangement providing for the purchase of a Loan participation. Notwithstanding the foregoing, Grandpoint and its Subsidiaries can make, renew, modify, or enter into Loans that exceed the foregoing dollar limitation to the extent Grandpoint provides to PPBI in writing a complete Loan package for such Loan and PPBI does not object to such Loan within three (3) Business Days of receipt of such written notice.

(t) *Investments in Real Estate.* Except as set forth in Section 4.01(h) or 4.01(i) hereof, make any investment or commitment to invest in real estate or in any real estate development project (other than by way of foreclosure or acquisitions in a bona fide fiduciary capacity or in satisfaction of a debt previously contracted in good faith, in each case in the ordinary course of business consistent with past practice).

Table of Contents

(u) *Tax Elections.* Make or change any material Tax election, settle or compromise any material Tax liability of Grandpoint or any of its Subsidiaries, agree to an extension or waiver of the statute of limitations with respect to the assessment or determination of an amount of Taxes of Grandpoint or any of its Subsidiaries (or the assets and liabilities of Grandpoint or any of its Subsidiaries), enter into any closing agreement with respect to any material amount of Taxes or surrender any right to claim a material Tax refund, adopt or change any method of accounting with respect to Taxes, or file any amended income or other material Tax Return.

(v) *Antitakeover Statutes.* Take any action (i) that would cause this Agreement or the Transaction to be subject to the provisions of any state antitakeover law or state law that purports to limit or restrict business combinations or the ability to acquire or vote shares or (ii) to exempt or make not subject to the provisions of any state antitakeover law or state law that purports to limit or restrict business combinations or the ability to acquire or vote shares, any Person (other than PPBI or its Subsidiaries) or any action taken thereby, which Person or action would have otherwise been subject to the restrictive provisions thereof and not exempt therefrom.

(w) *Transactions with Insiders.* Make or propose to make any loan to or enter into any transaction with any of Grandpoint's or any of its Subsidiaries' directors or executive officers (other than those entered into on an arms' length basis, in the ordinary course and consistent with past practice and in compliance with applicable law, regulation and policies imposed by any Governmental Authority).

(x) *Adverse Actions.* Take any action that is or would be reasonably likely to result in (i) the Merger not qualifying as a reorganization within the meaning of Section 368(a) of the Code, (ii) any of its representations and warranties set forth in this Agreement being or becoming untrue at any time at or prior to the Effective Time, such that the condition to the Merger set forth in Section 7.03(a) would not be satisfied, (iii) any of the other conditions to the Merger set forth in Article VII not being satisfied, (iv) a material delay in the ability of PPBI or Grandpoint to perform any of their obligations under this Agreement on a timely basis, or (v) a material delay in the ability of PPBI to obtain any necessary approvals of any Governmental Authority required for the transactions contemplated hereby.

(y) *Commitments.* Enter into any contract with respect to, or otherwise agree or commit to do, any of the foregoing.

4.02 *Forbearances of PPBI.* From the date hereof until the Effective Time, except as otherwise expressly contemplated or permitted by this Agreement, as required by applicable law, regulation or policies imposed by any Governmental Authority, or without the prior written consent of Grandpoint, PPBI will not, and will cause each of its Subsidiaries not to:

(a) *Ordinary Course.* Conduct its business other than in the ordinary and usual course consistent with past practice or fail to use commercially reasonable efforts to preserve its business organization and preserve for itself and Grandpoint the goodwill of the customers of PPBI and its Subsidiaries and others with whom material business relations exist.

(b) *Dividends; Reclassifications; Etc.* Make, declare, pay or set aside for payment any dividend on or in respect of, or declare or make any distribution on any shares of PPBI Common Stock.

(c) *Governing Documents.* Except as reasonably required to effect the corporate governance changes described in PPBI's Current Report or Form 8-K filed with the SEC on November 16, 2017, amend the PPBI Certificate or the PPBI Bylaws.

(d) *Antitakeover Statutes.* Take any action (i) that would cause this Agreement or the Transaction to be subject to the provisions of any state antitakeover law or state law that purports

Table of Contents

to limit or restrict business combinations or the ability to acquire or vote shares or (ii) to exempt or make not subject to the provisions of any state antitakeover law or state law that purports to limit or restrict business combinations or the ability to acquire or vote shares, any Person (other than Grandpoint or its Subsidiaries) or any action taken thereby, which Person or action would have otherwise been subject to the restrictive provisions thereof and not exempt therefrom.

(e) *Adverse Actions.* Take any action that is or would be reasonably likely to result in (i) the Merger not qualifying as a reorganization within the meaning of Section 368(a) of the Code, (ii) any of its representations and warranties set forth in this Agreement being or becoming untrue in at any time at or prior to the Effective Time such that the condition to the Merger set forth in Section 7.02(a) would not be satisfied, (iii) any of the other conditions to the Merger set forth in Article VII not being satisfied, (iv) a material delay in the ability of PPBI or Grandpoint to perform any of their obligations under this Agreement on a timely basis, or (v) a material delay in the ability of PPBI to obtain any necessary approvals of any Governmental Authority required for the transactions contemplated hereby.

(f) *Commitments.* Enter into any contract with respect to, or otherwise agree or commit to do, any of the foregoing.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

5.01 *Disclosure Schedules.* On or prior to the date hereof, PPBI has delivered to Grandpoint a schedule and Grandpoint has delivered to PPBI a schedule (each respectively, its "Disclosure Schedule") setting forth, among other things, items the disclosure of which is necessary or appropriate either in response to an express disclosure requirement contained in a provision hereof or as an exception to one or more representations or warranties contained in Section 5.03 or 5.04 or to one or more of its covenants contained in Articles IV or VI; provided, however, that the mere inclusion of an item in a Disclosure Schedule as an exception to a representation or warranty shall not be deemed an admission by a party that such item represents a material exception or fact, event or circumstance or that, absent such inclusion in the Disclosure Schedule, such item is or would be reasonably likely to result in a Material Adverse Effect.

5.02 *Standard.* Solely for the purposes of determining whether the conditions set forth in Sections 7.02(a) or 7.03(a), as the case may be, have been satisfied (and without otherwise qualifying any representation or warranty made on the date hereof), no representation or warranty of Grandpoint on the one hand or PPBI on the other hand contained in Sections 5.03 or 5.04, respectively, other than the representations of Grandpoint contained in Section 5.03(b), which shall be true in all respects, except to a de minimis extent (relative to Section 5.03(b) taken as a whole), and the representations of Grandpoint contained in Section 5.03(m)(v), which shall be true in all material respects, shall be deemed untrue or incorrect for purposes of Sections 7.02(a) or 7.03(a), and no party hereto shall be deemed to have breached a representation or warranty for purposes of such Sections, as a consequence of the existence of any fact, event or circumstance unless such fact, circumstance or event, individually or taken together with all other facts, events or circumstances inconsistent with any representation or warranty contained in Sections 5.03 or 5.04, has had or is reasonably likely to have a Material Adverse Effect on the party making such representation or warranty.

5.03 *Representations and Warranties of Grandpoint.* Subject to Sections 5.01 and 5.02, Grandpoint hereby represents and warrants to PPBI:

(a) *Organization, Standing and Authority.* Grandpoint is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Grandpoint is duly licensed or qualified to do business and is in good standing in each jurisdiction where its ownership or

Table of Contents

leasing of property or assets or the conduct of its business requires it to be so licensed or qualified, except where the failure to be so licensed or qualified would not have nor reasonably be expected to have a Material Adverse Effect on Grandpoint and its Subsidiaries, taken as a whole. Grandpoint has in effect all federal, state, local and foreign governmental authorizations necessary for it to own or lease its properties and assets and to carry on its business as now conducted. The copies of the Grandpoint Articles and Grandpoint Bylaws which have previously been made available to PPBI are true, complete and correct copies of such documents as in effect on the date of this Agreement. The minute books of Grandpoint and each of its Subsidiaries previously made available to PPBI contain true and correct records in all material respects of all meetings and other material corporate actions held or taken of their respective shareholders and Boards of Directors (including committees of their respective Boards of Directors) through the date hereof.

(b) *Grandpoint Capital Stock.* The authorized capital stock of Grandpoint consists solely of 70,000,000 shares of Grandpoint Common Stock, comprised of 60,000,000 shares of Grandpoint Voting Common Stock and 10,000,000 shares of Grandpoint Non-Voting Common Stock, of which 27,901,752 and 5,273,173 shares of Grandpoint Voting Common Stock and Grandpoint Non-Voting Common Stock, respectively, are issued and outstanding as of the date hereof, and 5,000,000 shares of Grandpoint Preferred Stock, none of which were issued and outstanding as of the date hereof. As of the date hereof, no shares of Grandpoint Common Stock were held in treasury by Grandpoint or otherwise directly or indirectly owned by Grandpoint. The outstanding shares of Grandpoint Common Stock have been duly authorized and validly issued and are fully paid and non-assessable, and none of the outstanding shares of Grandpoint Common Stock have been issued in violation of the preemptive rights of any Person. Section 5.03(b) of Grandpoint's Disclosure Schedule sets forth, as of the date hereof, for each Grandpoint Option, the name of the grantee, the date of the grant, the status of the option grant as qualified or non-qualified under Section 422 of the Code, the number of shares of Grandpoint Common Stock subject to each Grandpoint Option, the number of shares of Grandpoint Common Stock subject to Grandpoint Options that are currently exercisable and the exercise or strike price per share. Each Grandpoint Option (i) currently has an exercise price that is the same as when first issued and such exercise price is at least equal to the fair market value of the underlying shares of Grandpoint Common Stock as of the grant date; and (ii) has been issued in compliance in all material respects with applicable laws. Except as set forth in this Section 5.03(b), there are no shares of Grandpoint Common Stock reserved for issuance (other than additional shares of Grandpoint Common Stock reserved for issuance in future awards under the Grandpoint Equity Plans), Grandpoint does not have any Rights issued or outstanding with respect to Grandpoint Common Stock and Grandpoint does not have any commitment to authorize, issue or sell any Grandpoint Common Stock or Rights. No bonds, debentures, notes or other indebtedness having the right to vote on any matters on which shareholders of Grandpoint may vote are outstanding.

(c) *Subsidiaries.*

(i) (A) Section 5.03(c)(i)(A) of Grandpoint's Disclosure Schedule sets forth a list of all of Grandpoint's Subsidiaries together with the employer identification number, corporate address, the number of shares and class of capital stock issued and outstanding and the jurisdiction of organization of each such Subsidiary, (B) Grandpoint owns, directly or indirectly, all the issued and outstanding Equity Securities of each of its Subsidiaries, (C) no Equity Securities of any of its Subsidiaries are or may become required to be issued (other than to Grandpoint) by reason of any Right or otherwise, (D) there are no contracts, commitments, understandings or arrangements by which any of its Subsidiaries is or may be bound to sell or otherwise transfer any of its Equity Securities (other than to Grandpoint or any of its wholly owned Subsidiaries), (E) there are no contracts, commitments, understandings, or arrangements relating to Grandpoint's rights to vote or to dispose of such

Table of Contents

securities and (F) all the Equity Securities of Grandpoint's Subsidiaries held by Grandpoint or its Subsidiaries are fully paid and nonassessable (except for assessments required under the CFC with respect to Grandpoint Bank's capital stock) and are owned by Grandpoint or its Subsidiaries free and clear of any Liens. No bonds, debentures, notes or other indebtedness having the right to vote on any matters on which stockholders of any of the Grandpoint Subsidiaries may vote are outstanding.

(ii) Except as set forth in Section 5.03(c)(ii) of Grandpoint's Disclosure Schedule and except for securities and other interests held in a fiduciary capacity and beneficially owned by third parties or taken in consideration of debts previously contracted, ownership interests in Grandpoint's Subsidiaries and stock in the FHLB, Grandpoint does not own beneficially, directly or indirectly, any Equity Securities of any Person or any interest in a partnership or joint venture of any kind.

(iii) Each of Grandpoint's Subsidiaries has been duly organized, is validly existing and is in good standing, in each case under the laws of the jurisdiction of its organization, and is duly licensed or qualified to do business and in good standing in the jurisdictions where its ownership or leasing of property or the conduct of its business requires it to be so licensed or qualified, except where the failure to be so licensed or qualified has not had nor would reasonably be expected to have a Material Adverse Effect on Grandpoint and its Subsidiaries, taken as a whole.

(iv) The deposit accounts of Grandpoint Bank are insured by the FDIC in the manner and to the maximum extent provided by applicable law, and Grandpoint Bank has paid all deposit insurance premiums and assessments required by applicable law, regulation or policies imposed by any Governmental Authority.

(d) *Corporate Power.* Each of Grandpoint and its Subsidiaries has the corporate power and corporate authority to carry on its business as it is now being conducted and to own all its properties and assets; and Grandpoint has the corporate power and corporate authority to execute, deliver and perform its obligations under this Agreement and to consummate the Transaction, and to cause Grandpoint Bank to consummate the Bank Merger Agreement, and Grandpoint Bank has the corporate power and authority to execute, deliver and perform its obligations under the Bank Merger Agreement, in each case, subject to receipt of all necessary approvals of Governmental Authorities and the Shareholder Approval.

(e) *Corporate Authority.* Subject to the adoption of the Agreement by the holders of the outstanding Grandpoint Voting Common Stock, this Agreement, the Bank Merger Agreement and the Transaction have been authorized by all necessary corporate action of Grandpoint and Grandpoint Bank and the Grandpoint Board and Grandpoint Bank Board on or prior to the date hereof. Grandpoint has duly executed and delivered this Agreement and assuming due authorization, execution and delivery by PPBI, this Agreement is a valid and legally binding obligation of Grandpoint, enforceable in accordance with its terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equity principles).

(f) *Regulatory Approvals; No Defaults.*

(i) Except as set forth in Section 5.03(f) of Grandpoint's Disclosure Schedule, no consents or approvals of, or waivers by, or notices to, or filings or registrations with, any Governmental Authority or with any third party are required to be made or obtained by Grandpoint or any of its Subsidiaries in connection with the execution, delivery or performance by Grandpoint of this Agreement and by Grandpoint Bank of the Bank Merger

Table of Contents

Agreement, or to consummate the Transaction, except for (A) filings of applications or notices with, and approvals or waivers by, the FRB and the DBO, as required, (B) filings with the SEC and state securities authorities, as applicable, in connection with the issuance of PPBI Common Stock in the Merger, (C) approval of listing of such PPBI Common Stock on the Nasdaq, (D) the filing of (1) the Certificate of Merger with the Secretary of State of the State of Delaware pursuant to the DGCL and (2) the Bank Merger Agreement with the Secretary of State of the State of California and the DBO pursuant to the CGCL and the CFC, and (E) the Shareholder Approval of this Agreement by delivery of the Grandpoint Shareholder Consents. To the Knowledge of Grandpoint, there is no reason why the approvals set forth above and referred to in Section 7.01(b) will not be received in a timely manner and without the imposition of a condition, restriction or requirement of the type described in Section 7.01(b).

(ii) Subject to receipt, or the making, of the consents, approvals, waivers, notices and filings referred to in the preceding paragraph and the expiration of related waiting periods, the execution, delivery and performance of this Agreement by Grandpoint and the Bank Merger Agreement by Grandpoint Bank and the consummation of the Transaction do not and will not (A) constitute a breach or violation of, or a default under, or give rise to any Lien, any acceleration of remedies or any right of termination under (in each case with or without notice, lapse of time, or both), any law, code, ordinance, rule or regulation or any judgment, decree, injunction, order, governmental permit or license to which Grandpoint or any of its Subsidiaries or any of their respective assets or properties is subject or bound, or any Material Contract, (B) constitute a breach or violation of, or a default under, the articles of incorporation or bylaws (or similar governing documents) of Grandpoint or any of its Subsidiaries or (C) require any consent or approval under any law, code, ordinance, rule, regulation, judgment, decree, injunction, order, governmental permit or license, or Material Contract except where, in the case of clauses (A) and (C) above, any such breach, violation, default, creation, acceleration, termination or failure to obtain such consent or approval would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect with respect to Grandpoint and its Subsidiaries, taken as a whole.

(g) *Financial Reports; Undisclosed Liabilities; Internal Controls.*

(i) Each of the consolidated balance sheets contained in the Grandpoint Financial Statements (including the related notes and schedules thereto) fairly presents, or will fairly present, in all material respects, the consolidated financial position of Grandpoint and its Subsidiaries as of its date, and each of the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows in such Grandpoint Financial Statements (including any related notes and schedules thereto) fairly presents, or will fairly present, in all material respects, the consolidated results of operations, changes in shareholders' equity and other comprehensive income and cash flows, as the case may be, of Grandpoint and its Subsidiaries for the periods to which they relate, in each case in accordance with GAAP consistently applied during the periods involved, except in each case as may be noted therein and subject, in the case of unaudited consolidated financial statements that are part of the Grandpoint Financial Statements, to normal year-end adjustments. The books and records of Grandpoint and its Subsidiaries have been, and are being, maintained in all material respects in accordance with GAAP and any other applicable legal and accounting requirements and reflect only actual transactions.

(ii) None of Grandpoint nor any of its Subsidiaries is required to file periodic reports with any Governmental Authority pursuant to the Exchange Act.

Table of Contents

(iii) Except as set forth on the unaudited consolidated balance sheet of Grandpoint dated as of September 30, 2017, neither Grandpoint nor any of its Subsidiaries has any liability (whether absolute, contingent or accrued or otherwise and whether due or to become due) that would be required to be reflected on a balance sheet or in notes thereto prepared in accordance with GAAP, other than liabilities (A) incurred after September 30, 2017 in the ordinary course of business consistent with past practice (B) incurred pursuant to or provided for in this Agreement or (C) that would not reasonably be expected to be material to Grandpoint and its Subsidiaries, taken as a whole.

(iv) Since September 30, 2017, (A) Grandpoint and its Subsidiaries have conducted their respective businesses in the ordinary and usual course consistent with past practice, (B) neither Grandpoint nor any of its Subsidiaries has taken nor permitted or entered into any contract with respect to, or otherwise agreed or committed to do or take, any action that, if taken after the date hereof, would constitute a breach of paragraphs (b), (c), (g), (h), (j), (k), (m), (p), (u), (v), (w), (x) or, with respect to such paragraphs, (y), in Section 4.01 and (C) no event has occurred or circumstance arisen that, individually or taken together with all other facts, circumstances and events (described in any paragraph of this Section 5.03 or otherwise), has had or would reasonably be expected to have a Material Adverse Effect on Grandpoint and its Subsidiaries, taken as a whole.

(v) No agreement pursuant to which any Loans or other assets have been or shall be sold by Grandpoint or its Subsidiaries entitled the buyer of such Loans or other assets, unless there is material breach of a representation or covenant by Grandpoint or its Subsidiaries, to cause Grandpoint or its Subsidiaries to repurchase such Loan or other asset or the buyer to pursue any other form of recourse against Grandpoint or its Subsidiaries. Section 5.03(g)(v) of Grandpoint's Disclosure Schedule sets forth all cash, stock or other dividend or any other distribution with respect to the capital stock of Grandpoint or its Subsidiaries that has been declared, set aside or paid since January 1, 2016, as well as all shares of capital stock of Grandpoint or its Subsidiaries that have been purchased, redeemed or otherwise acquired, directly or indirectly, by Grandpoint or any of its Subsidiaries since January 1, 2015.

(vi) The records, systems, controls, data and information of Grandpoint and its Subsidiaries are recorded, stored, maintained and operated under means (including any electronic, mechanical or photographic process, whether computerized or not) that are under the ownership and control of Grandpoint or its Subsidiaries (either directly or through Grandpoint's third party data processing service provider) or its accountants (including all means of access thereto and therefrom), except as would not reasonably be expected to have a Material Adverse Effect on Grandpoint and its Subsidiaries, taken as a whole.

(vii) Since January 1, 2015, (A) neither Grandpoint nor any of its Subsidiaries nor, to the Knowledge of Grandpoint, any director, officer, employee, auditor, accountant or representative of Grandpoint or any of its Subsidiaries, has received or otherwise had or obtained Knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of Grandpoint or any of its Subsidiaries or their respective internal accounting controls, including any material written complaint, allegation, assertion or claim that Grandpoint or any of its Subsidiaries, has engaged in questionable accounting or auditing practices, and (B) no

attorney representing Grandpoint or any of its Subsidiaries, whether or not employed by Grandpoint or any of its Subsidiaries, has reported evidence of a material violation of securities laws, breach of fiduciary duty or similar violation by Grandpoint or any of its Subsidiaries or their respective officers, directors, employees or agents to the Grandpoint Board or any committee thereof or, to the Knowledge of Grandpoint, to any director or officer of Grandpoint or any of its Subsidiaries.

Table of Contents

(h) *Legal Proceedings.* Section 5.03(h) of Grandpoint's Disclosure Schedule lists all litigation, arbitration, claims or other proceedings before any court or Governmental Authority that is pending against Grandpoint or any of its Subsidiaries as of the date hereof. Except as set forth in Section 5.03(h) of Grandpoint's Disclosure Schedule, no litigation, arbitration, claim or other proceeding before any Governmental Authority is pending against Grandpoint or any of its Subsidiaries and, to Grandpoint's Knowledge, no such litigation, arbitration, claim or other proceeding has been threatened. Neither Grandpoint nor any of its Subsidiaries nor any of their respective properties is a party to or subject to any order, judgment, decree or regulatory restriction that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect on Grandpoint and its Subsidiaries, taken as a whole.

(i) *Regulatory Matters.*

(i) Since January 1, 2015, Grandpoint and its Subsidiaries have duly filed with the appropriate regulatory authorities in substantially correct form the monthly, quarterly and annual reports required to be filed under applicable law, regulations or policies imposed by any Governmental Authority, and such reports were in all material respects complete and accurate and in compliance in all material respects with the requirements of applicable law, regulations or policies imposed by any Governmental Authority, and Grandpoint has previously delivered or made available to PPBI accurate and complete copies of all such reports. In connection with the most recent examination of Grandpoint and its Subsidiaries by the appropriate regulatory authorities, neither Grandpoint nor any of its Subsidiaries was required to correct or change any action, procedure or proceeding which Grandpoint believes in good faith has not been now corrected or changed, other than corrections or changes which, if not made, would not have or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Grandpoint and its Subsidiaries, taken as a whole.

(ii) Neither Grandpoint nor any of its Subsidiaries nor any of their respective properties is a party to or is subject to any order, decree, directive, agreement, memorandum of understanding or similar arrangement with, or a commitment letter or similar submission to, or extraordinary supervisory letter from, nor has Grandpoint or any of its Subsidiaries adopted any policies, procedures or board resolutions at the request or suggestion of, any Governmental Authority, that, in each case, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect with respect to Grandpoint and its Subsidiaries, taken as a whole. Grandpoint and its Subsidiaries have paid all assessments made or imposed by any Governmental Authority.

(iii) Neither Grandpoint nor any of its Subsidiaries has been advised by, nor does it have any Knowledge of facts which would reasonably be expected to give rise to an advisory notice by, any Governmental Authority that such Governmental Authority is contemplating issuing or requesting (or is considering the appropriateness of issuing or requesting) any such order, decree, directive, agreement, memorandum of understanding, commitment letter, supervisory letter or similar submission or any request for the adoption of any policy, procedure or board resolution.

(iv) (A) Except as set forth in Section 5.03(i)(iv)(A) of Grandpoint's Disclosure Schedule, no Governmental Authority has initiated since January 1, 2015 or has pending any proceeding, enforcement action or, to the Knowledge of Grandpoint, investigation or inquiry into the business, operations, policies, practices or disclosures of Grandpoint or any of its Subsidiaries (other than normal examinations conducted by a Governmental Authority in the ordinary course of the business of Grandpoint and its Subsidiaries), or, to the Knowledge of Grandpoint, threatened any of the foregoing, and (B) there is no unresolved violation,

Table of Contents

criticism, comment or exception by any Governmental Authority with respect to any report or statement relating to any examinations or inspections of Grandpoint or any of its Subsidiaries, other than, in each case, which would not reasonably be expected to result in a Material Adverse Effect on Grandpoint and its Subsidiaries, taken as a whole.

(v) The most recent regulatory rating given to Grandpoint Bank as to compliance with the Community Reinvestment Act is at least "satisfactory." To the Knowledge of Grandpoint, since the last regulatory examination of Grandpoint Bank with respect to Community Reinvestment Act compliance, Grandpoint Bank has not received any material complaints as to Community Reinvestment Act compliance.

(j) *Compliance With Laws.* Each of Grandpoint and its Subsidiaries:

(i) is, and at all times since January 1, 2015, has been, in material compliance with all applicable federal, state, local and foreign statutes, laws, codes, regulations, ordinances, rules, judgments, injunctions, orders, decrees or policies and/or guidelines of any Governmental Authority applicable thereto or to the employees conducting such business, including, without limitation, Sections 23A and 23B of the Federal Reserve Act and FRB and FDIC regulations pursuant thereto, the Equal Credit Opportunity Act, the Fair Housing Act, the Community Reinvestment Act, the Home Mortgage Disclosure Act, the Bank Secrecy Act, the USA PATRIOT Act, the Electronic Fund Transfer Act and Regulation E of the FRB, all other applicable fair lending laws and other laws relating to discriminatory business practices and all posted and internal policies of Grandpoint and its Subsidiaries related to customer data, privacy and security;

(ii) has, and at all times since January 1, 2015, has had, all material permits, licenses, franchises, authorizations, orders and approvals of, and has made all filings, applications and registrations with, all Governmental Authorities (and has paid all fees and assessments due and payable in connection therewith) that are required in order to permit them to own or lease their properties and to conduct their business as presently conducted in all material respects; all such permits, licenses, franchises, certificates of authority, orders and approvals are in full force and effect and, to Grandpoint's Knowledge, no suspension or cancellation of any of them is threatened; and

(iii) has received no written notification or communication from any Governmental Authority (A) asserting that Grandpoint or any of its Subsidiaries is not in compliance with any of the statutes, regulations or ordinances which such Governmental Authority enforces or (B) threatening to revoke any license, franchise, permit or governmental authorization (nor, to Grandpoint's Knowledge, do any grounds exist that would reasonably be expected to result in any of the foregoing).

(k) *Material Contracts; Defaults.*

(i) Except for documents set forth in Section 5.03(k)(i) of Grandpoint's Disclosure Schedule, neither Grandpoint nor any of its Subsidiaries is a party to, bound by or subject to any agreement, contract, arrangement, commitment or understanding (whether written or oral) (A) with respect to the employment of any of its directors, officers, employees, or with regards to the provision of services similar to those provided by an employee, independent contractors or consultants and involving the payment or value of more than \$50,000 per annum, (B) which would entitle any present or former director, officer, employee, independent contractor, consultant or agent of Grandpoint or any of its Subsidiaries to indemnification from Grandpoint or any of its Subsidiaries or which would require Grandpoint or any of its Subsidiaries to make any payments in respect of any non-competition obligations restricting the ability of any present or former director, officer or employee of Grandpoint or any of its

Table of Contents

Subsidiaries to compete against Grandpoint or any of its Subsidiaries, (C) which provides for the payment by Grandpoint or any of its Subsidiaries of profit-sharing, severance or other compensation upon a merger, consolidation, acquisition, asset purchase, stock purchase or other business combination transaction involving Grandpoint or any of its Subsidiaries, including but not limited to, the Transaction, (D) which is an agreement (including data processing, software programming, consulting and licensing contracts) not terminable on 60 days or less notice and involving the payment or value of more than \$50,000 per annum, (E) which is with or to a labor union, employee representative or guild (including any collective bargaining agreement), (F) which relates to the incurrence of indebtedness for borrowed money or guaranty of any liability (other than deposit liabilities, advances and loans from the FHLB, and sales of securities subject to repurchase, in each case, in the ordinary course of business), (G) which grants any Person a right of first refusal, right of first offer or similar right with respect to any material properties, rights, assets or businesses of Grandpoint or any of its Subsidiaries, (H) which is executory and involves the purchase or sale of assets with a purchase price of \$100,000 or more in any single case or \$300,000 in all such cases, other than purchases and sales in the ordinary course of business consistent with past practice of investment securities, multifamily Loans, OREO or government guaranteed Loans, (I) which is a consulting agreement, license or service contract (including data processing, software programming and licensing contracts and outsourcing contracts) which involves the payment of \$50,000 or more in annual fees, (J) which relates to the settlement or other resolution of any legal proceeding in an amount in excess of \$50,000 and that has any continuing obligations, liabilities or restrictions other than customary confidentiality restrictions, (K) which relates to a partnership or joint venture or similar arrangement, (L) which is a lease for any real property owned or presently used by Grandpoint or any of its Subsidiaries, (M) which comprises a non-competition contract or other contract that materially restricts the conduct of any business by Grandpoint or any of its Subsidiaries or limits the freedom of Grandpoint or any of its Subsidiaries to engage in any line of business in any geographic area (or would so restrict the Surviving Corporation or any of its Affiliates after consummation of the Transaction) or which requires exclusive referrals of business or requires Grandpoint or any of its Subsidiaries to offer specified products or services to its customers or depositors on a priority or exclusive basis, or (N) which is with respect to, or otherwise commits Grandpoint or any of its Subsidiaries to do, any of the foregoing (collectively, "Material Contracts"). True, correct and complete copies of all such Material Contracts have been made available to PPBI as of the date hereof.

(ii) Each of the Material Contracts is in full force and effect (other than due to the ordinary expiration thereof) and is a valid and binding obligation of Grandpoint or its Subsidiaries and, to Grandpoint's Knowledge, is a valid and binding obligation of the other parties thereto, enforceable against Grandpoint or its Subsidiaries, and to Grandpoint's Knowledge, the other parties thereto, in accordance with its terms (in each case, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equity principles). Neither Grandpoint or its Subsidiaries nor, to Grandpoint's Knowledge, any other parties thereto, is in material default under any contract, agreement, commitment, arrangement, lease, insurance policy or other instrument to which they are a party, by which their respective assets, business, or operations may be bound or affected, or under which their respective assets, business, or operations receives benefits, and there has not occurred any event that, with the lapse of time or the giving of notice or both, would constitute such a default. No power of attorney or similar authorization given directly or indirectly by Grandpoint of any of its Subsidiaries is currently outstanding. With respect to the Material Contracts, to Grandpoint's Knowledge, no event has

Table of Contents

occurred, and no circumstance or condition exists that (with or without notice or lapse of time, or both) will, or would reasonably be expected to, (A) give any Person the right to declare a default with respect to, or exercise any remedy under any material provision of, any Material Contract, (B) give any Person the right to accelerate the performance of any material provision of, or the maturity of, any Material Contract, or (C) give any Person the right to cancel or terminate, or modify any material provision of, any Material Contract.

(iii) Section 5.03(k)(iii) of Grandpoint's Disclosure Schedule sets forth a schedule of all holders of five percent or more of Grandpoint Common Stock and executive officers and directors of Grandpoint and its Subsidiaries who have outstanding loans from Grandpoint or any of its Subsidiaries, and there has been no default on, or forgiveness or waiver of, in whole or in part, any such loan during the two years immediately preceding the date hereof.

(l) *No Brokers.* No action has been taken by Grandpoint or any of its Subsidiaries that would give rise to any valid claim against any party hereto for a brokerage commission, finder's fee or other like payment with respect to the Transaction, other than fees to be paid to Keefe, Bruyette & Woods, Inc., which are set forth in Section 5.03(l) of Grandpoint's Disclosure Schedule. Copies of all agreements with Keefe, Bruyette & Woods, Inc. have been previously provided or made available to PPBI.

(m) *Employee Benefit Plans.*

(i) All material benefit and compensation plans, contracts, policies or arrangements maintained, contributed to, obligated to be contributed to, or sponsored by Grandpoint and its Subsidiaries for the benefit of current or former employees of Grandpoint and its Subsidiaries (the "Employees") and current or former directors or independent contractors of Grandpoint or its Subsidiaries including, but not limited to, "employee benefit plans" within the meaning of Section 3(3) of ERISA, any pension, retirement, profit sharing, medical, life, accidental death and dismemberment, disability, dental, vision, compensation, severance, termination pay, salary continuation, unemployment, workers' compensation, vacation, sick pay, paid-time off, retention, employment, consulting, change in control, fringe benefit, deferred compensation, stock option, stock purchase, stock appreciation rights or other stock-based incentive, cafeteria or flexible benefit, adoption or educational assistance, and bonus or other cash-based incentive, or other similar plans, agreements, programs, policies or other arrangements (whether written or oral and whether or not qualified or funded) or any such plan for which Grandpoint may have any liability including, without limitation, as a result of being deemed a single employer with any entity under Section 4001(b)(1) of ERISA or Section 414 of the Code (collectively, the "Benefit Plans"), are set forth in Section 5.03(m)(i) of Grandpoint's Disclosure Schedule. True and complete copies of the following documents have been provided or made available to PPBI: (A) all Benefit Plans and all written agreements underlying a funding medium for or relating to the administration of any Benefit Plan including, but not limited to, any trust instruments, group annuity contracts, investment management and insurance contracts, certificates of coverage and all amendments thereto; (B) the most recent annual report (Form 5500), together with all schedules, as required, filed with the Internal Revenue Service ("IRS") or Department of Labor (the "DOL") and a copy of any "top hat" filings with the DOL, as applicable, and any financial statements and opinions required by Section 103(e)(3) of ERISA with respect to each Benefit Plan; (C) the most recent determination or opinion or advisory letter issued by the IRS for each Benefit Plan that is intended to be "qualified" under Section 401(a) of the Code; (D) the most recent summary plan description and any summary of material modifications, as required, for each Benefit Plan; (E) the most recent actuarial report, if any, relating to each Benefit Plan; and (F) the most recent summary annual report for each Benefit Plan required to provide summary annual reports by Section 104 of ERISA.

Table of Contents

(ii) Each Benefit Plan has been established and administered to date in all material respects in accordance with the applicable provisions of ERISA, the Code and applicable law and with the terms and provisions of all documents, contracts or agreements pursuant to which such Benefit Plan is maintained. Each Benefit Plan which is an "employee pension benefit plan" within the meaning of Section 3(2) of ERISA (a "Pension Plan") and which is intended to be qualified under Section 401(a) of the Code, has received a favorable determination letter, or advisory or opinion letter, as applicable, from the IRS, and no circumstances exist that are reasonably likely to result in revocation of any such favorable determination letter or the loss of the qualification of such Pension Plan under Section 401(a) of the Code. There is no pending or, to Grandpoint's Knowledge, threatened proceeding, lawsuit or claim (other than a routine claim for benefits) relating to the Benefit Plans. Neither Grandpoint nor any of its Subsidiaries is subject to or could reasonably be likely to be subject to a material liability, fine or penalty of any kind with respect to any Benefit Plan under either the Code or ERISA. No assets of Grandpoint or any Subsidiary are subject to an encumbrance or lien that may be imposed under ERISA or the Code with respect to the operation, administration or funding of any Benefit Plan. Since January 1, 2016, no Benefit Plan or related trust has been the subject of an audit, investigation or examination or other proceeding by the IRS, the DOL or other Governmental Authority. There have been no nonexempt "prohibited transactions" within the meaning of Section 4975 of the Code or Section 406 of ERISA and no breach of fiduciary duty has occurred with respect to any Benefit Plan in connection with which Grandpoint or any Subsidiary reasonably could be subject to either a civil penalty assessed pursuant to Section 409 or 502(i) of ERISA or a tax imposed pursuant to Section 4975 or 4976 of the Code. With respect to each Benefit Plan, as applicable, all reports and disclosures required to be filed or delivered under ERISA and the Code have been accurate in all material respects as of the date filed, have been filed or distributed in a timely manner, and any Taxes due in connection with such filings have been paid.

(iii) Neither Grandpoint nor any ERISA Affiliate maintains or contributes to any Pension Plan subject to Title IV of ERISA, a multiple employer plan (as defined in Section 413(c) of the Code) or multiemployer plan (as defined in 4001(a)(3) of ERISA), a "voluntary employee's beneficiary association" within the meaning of Section 501(c)(9) of the Code, a "multiple employer welfare arrangement" within the meaning of Section 3(40) of ERISA" or a Retiree Welfare Plan, other than those disclosed and identified as such in Section 5.03(m)(iii) of Grandpoint's Disclosure Schedule. Except as set forth in Section 5.03(m)(iii) of Grandpoint's Disclosure Schedule, no Benefit Plan holds as an asset an annuity contract, guaranteed investment contract or other investment contract issued by an insurance company.

(iv) All contributions required to be made under the terms of any Benefit Plan (including any amounts withheld from employees' paychecks with respect to a Benefit Plan) and premiums required to be paid have been timely made or paid when due in accordance with the terms of the applicable Benefit Plan and applicable law. All contributions for any period ending on or before the Closing Date that are not yet due have been made or have been reflected appropriately in the Grandpoint Financial Statements. Benefits under each Benefit Plan that is an "employee welfare benefit plan" (within the meaning of Section 3(1) of ERISA), with the exception of any flexible spending arrangements subject to Sections 125 and 105 of the Code and health savings accounts, are provided exclusively through insurance contracts or policies issued by an insurance company, health maintenance organization, or similar organization unrelated to Grandpoint or any of its Subsidiaries, the premiums for which are paid directly by Grandpoint or any of its Subsidiaries, from its general assets or partly from its general assets and partly from contributions by its employees. No insurance

Table of Contents

policy or contract relating to a Benefit Plan requires or permits a retroactive increase to premiums or payments due thereunder.

(v) Except as set forth in Section 5.03(m)(v) of Grandpoint's Disclosure Schedule, none of the execution of this Agreement, Grandpoint shareholder adoption of the Agreement or consummation of the Transaction, either alone or in connection with any other event, (A) entitle any Employees or any current or former director or independent contractor of Grandpoint or any of its Subsidiaries to severance pay or any increase in severance pay upon any termination of employment or service after the date hereof, (B) accelerate the time of payment or vesting or trigger any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, increase the amount payable under, or trigger any other material obligation pursuant to, any of the Benefit Plans, (C) result in any breach or violation of, or a default under, any of the Benefit Plans or (D) result in the payment of any "excess parachute payments" within the meaning of Section 280G of the Code. Neither Grandpoint nor any of its Subsidiaries has any liability or is a party with respect to any gross-up provision or agreement in connection with Section 280G of the Code or excise Taxes under Section 409A or Section 4999 of the Code.

(vi) Neither Grandpoint nor any of its Subsidiaries has now, nor has had, the obligation to maintain, establish, sponsor, participate in or contribute to any Benefit Plan or other similar arrangement that is subject to any law or applicable custom or rule of any jurisdiction outside of the United States.

(vii) Each Benefit Plan which is a "nonqualified deferred compensation plan" (within the meaning of Section 409A of the Code) (hereinafter referred to as a "Grandpoint NQDP") has been maintained, as to both form and operation, in material compliance with Section 409A of the Code. Neither Grandpoint nor any ERISA Affiliate has any liability or is a party with respect to any gross-up provision or agreement in connection with any income inclusion, interest or additional Tax payable in accordance with Section 409A(a)(1) of the Code.

(viii) Except as set forth in Section 5.03(m)(viii) of Grandpoint's Disclosure Schedule and Section 6.11(b), each Benefit Plan may be amended or terminated without the consent of the participants and without the imposition of any additional liability or penalties upon Grandpoint or its ERISA Affiliates. Neither Grandpoint nor any Subsidiary has (A) announced its intention, made any amendment or any binding commitment, or given written or oral notice providing that it will increase benefits under any Benefit Plan, (B) created or adopted any arrangement that would be considered a Benefit Plan once established, or (C) agreed not to exercise any right or power to amend, suspend or terminate any Benefit Plan.

(n) *Labor Matters.*

(i) Section 5.03(n)(i) of Grandpoint's Disclosure Schedule sets forth (A) the name, title and total compensation of each officer of Grandpoint and each of its Subsidiaries and each other employee of Grandpoint and each of its Subsidiaries, (B) all bonuses and other incentive compensation received by such officers and employees and independent contractors and consultants that are natural persons in 2016 and 2017 and any accrual for such bonuses and incentive compensation and (C) all contracts, agreements, commitments or arrangements by Grandpoint and each of its Subsidiaries regarding compensation with any of its respective officers, employees, independent contractors and consultants, including those to increase the compensation or to modify the conditions or terms of employment.

Table of Contents

(ii) To Grandpoint's Knowledge, no officer or director of Grandpoint or any of its Subsidiaries or any employee, independent contractor or consultant of Grandpoint or any of its Subsidiaries is a party to, or is otherwise bound by, any agreement or arrangement, including any confidentiality, non-competition, or proprietary rights agreement, that could adversely affect the ability of Grandpoint or any of its Subsidiaries to conduct its business as currently conducted.

(iii) Since January 1, 2015, neither Grandpoint nor any of its Subsidiaries has classified any individual as an "independent contractor" or similar status who, under applicable law, rule or regulation or the provisions of any Benefit Plan, should have been classified as an employee. Since January 1, 2015, neither Grandpoint nor any of its Subsidiaries has incurred any liability for improperly excluding any Person from participating in any Benefit Plan who provides or provided services to Grandpoint or any of its Subsidiaries, in any capacity.

(iv) Except as set forth in Section 5.03(n)(iv) of Grandpoint's Disclosure Schedule, no officer, employee or group of employees of Grandpoint or any of its Subsidiaries has informed Grandpoint or such Subsidiary in writing of his, her or their intent, nor does Grandpoint have any Knowledge of any officer, employee or group of employees of Grandpoint or any of its Subsidiaries having an intention, to terminate employment with Grandpoint or any of its Subsidiaries during the next twelve (12) months.

(v) Neither Grandpoint nor any of its Subsidiaries is a party to or is bound by any collective bargaining agreement, contract or other agreement, arrangement or understanding with a labor union or labor organization, nor is Grandpoint or any of its Subsidiaries the subject of a proceeding asserting that it has committed an unfair labor practice (within the meaning of the National Labor Relations Act) or seeking to compel Grandpoint or any of its Subsidiaries to bargain with any labor organization as to wages or conditions of employment, nor is there any strike or other material labor dispute involving it pending or, to Grandpoint's Knowledge, threatened, nor does Grandpoint have any Knowledge of any activity involving its employees seeking to certify a collective bargaining unit or engaging in other organizational activity. Each of Grandpoint and its Subsidiaries has paid in full, in all material respects, all wages, salaries, commissions, bonuses, benefits and other compensation currently due to its employees or otherwise arising on a current basis under any policy, practice, agreement, plan, program, statute or other law. Except as set forth in Section 5.03(n)(v) of Grandpoint's Disclosure Schedule, the employment of each officer and employee of Grandpoint and each of its Subsidiaries is terminable at the will of Grandpoint or such Subsidiary.

(vi) Except as set forth in Section 5.03(n)(vi) of Grandpoint's Disclosure Schedule, (A) there is no pending or, to Grandpoint's Knowledge, threatened legal proceeding involving Grandpoint or any of its Subsidiaries, on the one hand, and any present or former employee(s) of Grandpoint or any of its Subsidiaries, on the other hand, and (B) since January 1, 2015, no other Person, to Grandpoint's Knowledge, has threatened any claim or any legal proceeding against Grandpoint or any of its Subsidiaries (or, to Grandpoint's Knowledge, against any officer, director or employee of Grandpoint or any of its Subsidiaries in their respective capacities as such) relating to employees or former employees of Grandpoint or any of its Subsidiaries, including any such claim or legal proceeding arising out of any statute, ordinance or regulation relating to wages, collective bargaining, discrimination in employment or employment practices or occupational safety and health standards (including, without limitation, the Fair Labor Standards Act, Title VII of the Civil Rights Act of 1964, as amended, the Occupational Safety and Health Act, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act or the Family and Medical Leave Act).

Table of Contents

(vii) Grandpoint and each of its Subsidiaries is, and at all times since January 1, 2015 has been, in material compliance with all applicable federal, state, local and foreign statutes, laws, codes, regulations, ordinances, rules, judgments, injunctions, orders, decrees or policies of a Governmental Authority relating to labor, employment, termination of employment or similar matters, including, but not limited to, such laws, codes, regulations, ordinances, rules, judgments, injunctions, orders, decrees or policies relating to discrimination, disability, labor relations, hours of work, payment of wages and overtime wages, pay equity, immigration, workers compensation, working conditions, employee scheduling, occupational safety and health, family and medical leave and employee terminations, and has not engaged in any unfair labor practices.

(o) *Environmental Matters.* (i) There are no legal, administrative, arbitral or other proceedings, claims, actions, or, to Grandpoint's Knowledge, environmental investigations or remediation activities by a Governmental Authority or third party, seeking to impose, or that would reasonably be expected to result in the imposition, on Grandpoint or any of its Subsidiaries any liability or obligation arising under any Environmental Laws pending or, to Grandpoint's Knowledge, threatened against Grandpoint or any of its Subsidiaries, which liability or obligation could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Grandpoint and its Subsidiaries, taken as a whole, and to Grandpoint's Knowledge there is no reasonable basis for any such proceeding, claim, action, environmental remediation or investigation that would reasonably be expected to impose any liability or obligation that would have or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Grandpoint and its Subsidiaries, taken as a whole; (ii) Grandpoint and each of its Subsidiaries is in compliance in all material respects with applicable Environmental Laws; (iii) to Grandpoint's Knowledge, no real property (including buildings or other structures) currently or formerly owned or operated by Grandpoint or any of its Subsidiaries, or any property in which Grandpoint or any of its Subsidiaries holds a security interest or a fiduciary or management role ("Grandpoint Loan Property"), has been contaminated with, or has had any release of, any Hazardous Substance in violation of Environmental Law or that requires investigation or remediation under an Environmental Law, that has resulted, or would reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect on Grandpoint and its Subsidiaries, taken as a whole; (iv) in accordance with the Secured Creditor Exemption, neither Grandpoint nor any of its Subsidiaries are the "owner or operator" of, nor have "participated in the management" regarding Hazardous Substances at, any Grandpoint Loan Property which has been contaminated with, or has had any release of, any Hazardous Substance in violation of any Environmental Law or that requires investigation or remediation under any Environmental Law, that has resulted, or would reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect on Grandpoint and its Subsidiaries, taken as a whole; (v) neither Grandpoint nor any of its Subsidiaries nor, to Grandpoint's Knowledge, any Person whose liability Grandpoint or any of its Subsidiaries has assumed whether contractually or by operation of law, has received any notice, demand letter, claim or request for information alleging any material violation of, or material liability under, any Environmental Law, and neither Grandpoint nor any of its Subsidiaries is subject to any order, decree, injunction or other agreement with any Governmental Authority relating to any Environmental Law, or agreement with any third party resolving claims under any Environmental Law, which has not been fully satisfied or discharged; (vi) there are no circumstances or conditions (including the presence of asbestos, underground storage tanks, lead products, polychlorinated biphenyls, prior manufacturing operations, dry-cleaning, or automotive services) involving any currently or, to Grandpoint's Knowledge, formerly owned or operated property, any Grandpoint Loan Property, or to Grandpoint's Knowledge any Person whose liability Grandpoint or any of its Subsidiaries has assumed, whether contractually or by operation of law, that would reasonably be expected to result in any claims, liability or investigations against

Table of Contents

Grandpoint, result in any restrictions on the use of any property pursuant to any Environmental Law, or adversely affect the value of any Grandpoint Loan Property, which would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Grandpoint and its Subsidiaries, taken as a whole; (vii) Grandpoint has provided and made available to PPBI copies of all material environmental reports or studies, sampling data, correspondence, filings and other material environmental information in its possession or reasonably available to it relating to Grandpoint, its Subsidiaries and any currently or formerly owned or operated property that have been prepared since January 1, 2015.

As used herein, the term "Environmental Laws" means any federal, state, local or foreign law, statute, code, ordinance, injunction, regulation, order, decree, permit, or Governmental Authority requirement relating to: (A) the protection or restoration of the environment, health, safety, or natural resources, (B) the handling, use, presence, disposal, release or threatened release of any Hazardous Substance or (C) noise, odor, wetlands, indoor air, pollution, contamination or any injury or threat of injury to persons or property in connection with any Hazardous Substance, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. § 9601, et seq. and related or similar state and local laws and regulations. The term "Hazardous Substance" means any substance that is: (X) listed, classified or regulated pursuant to any Environmental Law, (Y) any petroleum, petroleum product or by-product, asbestos-containing material, lead-containing paint or plumbing, polychlorinated biphenyls, radioactive materials, radon or urea-formaldehyde insulation or (Z) any other substance which is the subject of regulatory action by any Governmental Authority in connection with any Environmental Law. The term "Secured Creditor Exemption" has the meaning provided to such term in 42 U.S.C. § 9601(20)(A), 42 U.S.C. § 6991b(h)(9), and Cal. Health & Safety Code § 25548, et seq.

(p) *Tax Matters.*

(i) (A) All Tax Returns that are required to be filed on or before the Closing Date (taking into account any extensions of time within which to file that have not expired) by or with respect to the Grandpoint Group have been or will be timely filed on or before the Closing Date, (B) all such Tax Returns are or will be true, correct and complete in all material respects, (C) all Taxes due and payable by or with respect to the Grandpoint Group (whether or not shown as due on any Tax Return) have been timely paid in full, (D) the unpaid Taxes of the Grandpoint Group did not, as of the date of the most recent financial statements included in the Grandpoint Financial Statements, exceed the reserve for Tax liability set forth on the face of such financial statements and do not exceed that reserve as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of the Grandpoint Group in filing its Tax Returns, (E) all deficiencies asserted or assessments made as a result of examinations conducted by any taxing authority have been paid in full, other than those being contested through appropriate proceedings and set forth in Section 5.03(p)(i) of Grandpoint's Disclosure Schedule and (F) no statutes of limitation with respect to any Taxes of the Grandpoint Group have been waived or extended by or on behalf of the Grandpoint Group.

(ii) Grandpoint has made available to PPBI (A) true and correct copies of the U.S. federal, state, local and foreign income Tax Returns filed by or on behalf of the Grandpoint Group for each of the three most recent fiscal years for which such returns have been filed and (B) any audit report issued by a Tax authority within the last three years relating to Taxes due from or with respect to the Grandpoint Group or its income, assets or operations. Section 5.03(p)(ii) of Grandpoint's Disclosure Schedule sets forth any income or franchise Tax Returns filed by or on behalf of the Grandpoint Group that have been examined by any Tax authority since January 1, 2014.

Table of Contents

(iii) To the Knowledge of Grandpoint, except as set forth in Section 5.03 (p)(iii) of Grandpoint's Disclosure Schedule, there are no audits or investigations by any taxing authority or proceedings in progress with respect to the Grandpoint Group, nor has the Grandpoint Group received any notice from any taxing authority that it intends to conduct such an audit or investigation.

(iv) No claim has been made in writing during the past five (5) years by a taxing authority in a jurisdiction where the Grandpoint Group does not already file Tax Returns that the Grandpoint Group is or may be subject to taxation by that jurisdiction.

(v) The Grandpoint Group has withheld and paid over all Taxes required to have been withheld and paid over, and complied with all information reporting and backup withholding requirements, including maintenance of required records thereto, in connection with amounts paid or owing to any employee, creditor, independent contractor, or other third party and has complied in all material respects with all applicable law, regulation or policies imposed by any Governmental Authority relating to the withholding and payment of Taxes.

(vi) The Grandpoint Group does not have a permanent establishment in any country other than the United States under any applicable Tax treaty between the United States and such other country and is not subject to income Tax in any country other than the United States.

(vii) There are no Liens or other encumbrances on any of the assets of the Grandpoint Group that arose in connection with any failure (or alleged failure) to pay any Tax other than Permitted Liens.

(viii) No closing agreements, private letter rulings (or comparable rulings), technical advice memoranda or similar agreements or rulings have been entered into, requested of or issued by any taxing authority with respect to the Grandpoint Group.

(ix) No member of the Grandpoint Group has been, in the past five (5) years, a party to a transaction reported or intended to qualify as a reorganization under Section 368 of the Code. No member of the Grandpoint Group has been a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of shares that was reported or otherwise constituted a distribution of shares under Section 355 of the Code in the two (2) years prior to the date of this Agreement or that could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) that includes the Transaction contemplated by this Agreement.

(x) Grandpoint is not, nor it has ever been, a United States real property holding corporation within the meaning of Section 897(c) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

(xi) The Grandpoint Group will not be required to include any material item of income in, or exclude any material item of deduction from its taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any of the following that occurred or exists on or prior to the Closing Date: (A) an installment sale or open transaction, (B) a prepaid amount, or (C) change in the accounting method of Grandpoint pursuant to Section 481 of the Code (or any corresponding or similar provision of the Code or of the Tax laws of any state or locality).

(xii) Except as set forth in Section 5.03(p)(xii) of Grandpoint's Disclosure Schedule, neither Grandpoint nor any of its Subsidiaries is a party to any Tax sharing, Tax allocation or similar agreement or arrangement (whether or not written) with any Person, other than with respect to any such agreement or arrangement solely among the Company and its Affiliates,

Table of Contents

or any gross-up and indemnification provisions in credit agreements, derivatives, leases, supply agreements or other commercial agreements, each of which legal arrangements being entered into in the ordinary course of business and the primary purposes of which being unrelated to Taxes.

(xiii) The Grandpoint Group has not "participated" within the meaning of Treasury Regulation Section 1.6011-4(c)(3)(i)(A) in any "listed transaction" within the meaning of Section 6011 of the Code and the Treasury Regulations thereunder, as in effect and as amended by any guidance published by the Internal Revenue Service for the applicable period.

(xiv) No power of attorney granted by any member of the Grandpoint Group relating to Taxes is currently in force.

(xv) No member of the Grandpoint Group has been a member of a consolidated, combined, unitary or affiliated group (other than a group of which Grandpoint is the parent) or has any liability for Taxes of any Person (other than another member of the Grandpoint Group) under Section 1.1502-6 of the Treasury Regulations or any similar provision of state, local, or foreign law, or as a transferee or successor, by contract, or otherwise.

(xvi) No property owned by the Grandpoint Group (A) is property required to be treated as being owned by another Person pursuant to the provisions of Section 168(f)(8) of the Internal Revenue Code of 1954, as amended and in effect immediately prior to the enactment of the Tax Reform Act of 1986, (B) constitutes "tax-exempt use property" within the meaning of Section 168(h)(1) of the Code or (C) is "tax-exempt bond financed property" within the meaning of Section 168(g)(5) of the Code.

(xvii) The Grandpoint Group does not owe any "corporate acquisition indebtedness" within the meaning of Section 279 of the Code.

(xviii) Any adjustment of Taxes of the Grandpoint Group made by a Governmental Authority, which is required to be reported to another Governmental Authority, has been so reported.

(xix) The Grandpoint Group is not required to include in income any amount for an adjustment pursuant to an election by the Grandpoint Group under Section 108(i) of the Code or the Treasury Regulations thereunder.

(q) *Risk Management Instruments.*

(i) Neither Grandpoint nor any of its Subsidiaries is a party to, or has agreed to enter into a Derivatives Contract, whether for the account of Grandpoint or any of its Subsidiaries.

(ii) "Derivatives Contract" means any swap transaction, option, warrant, forward purchase or sale transaction, futures transaction, cap transaction, floor transaction or collar transaction relating to one or more currencies, commodities, bonds, equity securities, loans, interest rates, credit-related events or conditions or any indexes, or any other similar transaction or combination of any of these transactions, including collateralized mortgage obligations or other similar instruments or any debt or equity instruments evidencing or embedding any such types of transactions, and any related credit support, collateral or other similar arrangements related to such transactions; provided that, for the avoidance of doubt, the term "Derivatives Contract" shall not include any Grandpoint Options.

(r) *Loans; Nonperforming and Classified Assets.*

(i) Each Loan on the books and records of Grandpoint and its Subsidiaries was made and has been serviced in all material respects in accordance with Grandpoint Bank's lending standards in the ordinary course of business, is evidenced in all material respects by

Table of Contents

appropriate and sufficient documentation and, to Grandpoint's Knowledge, constitutes the legal, valid and binding obligation of the obligor named therein, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditor's rights or by general equity principles. The Loan data tapes previously provided by Grandpoint to PPBI accurately reflect in all material respects the Loan portfolio of Grandpoint and its Subsidiaries as of the date of such loan tape.

(ii) Grandpoint has set forth in Section 5.03(r)(ii) of Grandpoint's Disclosure Schedule as of the date hereof: (A) any Loan under the terms of which the obligor is 60 or more days delinquent in payment of principal or interest, or to Grandpoint's Knowledge, in default of any other material provision thereof; (B) each Loan which has been classified as "substandard," "doubtful," "loss" or "special mention" (or words of similar import) by Grandpoint, any of its Subsidiaries or an applicable regulatory authority (it being understood that no representation is being made that the DBO or the FDIC would agree with the loan classifications established by Grandpoint); (C) a listing of the OREO acquired by foreclosure or by deed-in-lieu thereof, including the book value thereof as of December 31, 2017; and (D) each Loan with any director, executive officer or five percent or greater shareholder of Grandpoint or any of its Subsidiaries, or to Grandpoint's Knowledge, any Person controlling, controlled by or under common control with, any of the foregoing.

(s) *Properties.* To Grandpoint's Knowledge, all real and personal property owned by Grandpoint or any of its Subsidiaries or presently used by any of them in their respective business is in a good condition (ordinary wear and tear excepted) in all material respects and is sufficient to carry on their respective business in the ordinary course of business consistent with their past practice in all material respects. Grandpoint has good, marketable and indefeasible title, free and clear of all Liens, to all of the material properties and assets, real and personal, reflected on the consolidated balance sheet of Grandpoint as of September 30, 2017 included in the Grandpoint Financial Statements, or acquired after such date, other than properties sold by Grandpoint or any of its Subsidiaries in the ordinary course of business, except for Permitted Liens or as shown on the title policies listed in Section 5.03(s) of Grandpoint's Disclosure Schedule. All real and personal property which is material to Grandpoint's business on a consolidated basis and leased or licensed by Grandpoint or any of its Subsidiaries is held pursuant to leases or licenses which are valid obligations of Grandpoint or any of its Subsidiaries and, to Grandpoint's Knowledge, are valid and binding obligations of the other parties thereto, enforceable against Grandpoint or such Subsidiary of Grandpoint, and to Grandpoint's Knowledge, the other parties thereto, in accordance with their terms (in each case, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditor's rights or by general equity principles). Except as set forth in Section 5.03(s) of Grandpoint's Disclosure Schedule, such leases will not terminate or lapse prior to the Effective Time. Since January 1, 2015, neither Grandpoint nor any of its Subsidiaries has received any written notice of termination, cancellation, breach or default under any such real property lease and, to the Knowledge of Grandpoint as of the date hereof, no event has occurred, and no circumstances or condition exists, that (with or without notice or lapse of time, or both) will, or would reasonably be expected to, (A) result in a violation or breach of any of the material provisions of any real property lease, (B) give any Person the right to declare a default with respect to, or exercise any remedy under any material provision of, any real property lease, (C) give any Person the right to accelerate the maturity or performance of any real property lease, or (D) give any Person the right to cancel, terminate or modify in any material respect any real property lease. To Grandpoint's Knowledge, Grandpoint and its Subsidiaries are in compliance with all applicable health and safety related requirements for the real property owned by any of

Table of Contents

them, including those requirements under the Americans with Disabilities Act of 1990, as amended.

(t) *Intellectual Property; Information Technology; Security.*

(i) Each of Grandpoint and its Subsidiaries owns or possesses valid and binding licenses and other rights to use all Intellectual Property used in and material to the conduct of its business as currently conducted, and neither Grandpoint nor any of its Subsidiaries has received any notice of conflict or allegation of invalidity with respect thereto that asserts the right of others. Grandpoint has listed all registered Intellectual Property owned by Grandpoint and its Subsidiaries, and all contracts to which Grandpoint and its Subsidiaries has licensed Intellectual Property from third parties that is material to the operation of Grandpoint and its Subsidiaries, in Section 5.03(t)(i) of Grandpoint's Disclosure Schedule (other than commercially available "shrink wrap" or "click wrap" licenses). Each of Grandpoint and its Subsidiaries owns or has a valid right to use or license such Intellectual Property, free and clear of all Liens (except any restrictions set forth in any licensed Intellectual Property), and has performed all the obligations required to be performed by it and is not in default under any contract, agreement, arrangement or commitment relating to any of the foregoing. To Grandpoint's Knowledge, such Intellectual Property is valid and enforceable.

(ii) (A) Each of Grandpoint and its Subsidiaries owns or is validly licensed to use (in each case, free and clear of any Liens, except for any restrictions set forth in any licensed Intellectual Property), all Intellectual Property used in and material to the conduct of its business as currently conducted; (B) to Grandpoint's Knowledge, the use of any Intellectual Property by Grandpoint or any of its Subsidiaries and the conduct of their respective businesses as currently conducted does not infringe on or otherwise violate the legal rights of any Person; (C) to Grandpoint's Knowledge, no Person is challenging, infringing on or otherwise violating any right of Grandpoint or any of its Subsidiaries with respect to any Intellectual Property owned by and/or licensed to Grandpoint or any of its Subsidiaries; and (D) since January 1, 2015, neither Grandpoint nor any of its Subsidiaries has received any written notice or otherwise has Knowledge of any pending legal proceeding against Grandpoint or any of its Subsidiaries with respect to any Intellectual Property used by Grandpoint or any of its Subsidiaries, or any Intellectual Property owned by any Person, and as of the date hereof, neither Grandpoint nor any of its Subsidiaries has Knowledge of any facts or events that would reasonably give rise to any legal proceeding against Grandpoint or any of its Subsidiaries that is likely to succeed.

(iii) To Grandpoint's Knowledge, all information technology and computer systems (including software, information technology and telecommunication hardware and other equipment) relating to the transmission, storage, maintenance, organization, presentation, generation, processing or analysis of data and information, whether or not in electronic format, used in and material to the conduct of Grandpoint's and its Subsidiaries respective businesses (collectively, "Grandpoint IT Systems") have been properly maintained, in all material respects, by technically competent personnel, in accordance with standards set by the manufacturers or otherwise in accordance with standards in the industry, to ensure proper operation, monitoring and use. The Grandpoint IT Systems are in good working condition to effectively perform in all material respects all information technology operations necessary to conduct business as currently conducted. Neither Grandpoint nor any of its Subsidiaries has experienced within the past three (3) years any material disruption to, or material interruption in, its conduct of its business attributable to a defect, bug, breakdown or other failure or deficiency of the Grandpoint IT Systems. Grandpoint and its Subsidiaries have taken commercially reasonable measures to provide for the back-up and recovery of the data and information necessary to the conduct of its business (including such data and information that is stored on magnetic or optical media in the ordinary course) without material disruption to, or material interruption in, the conduct of its business.

Table of Contents

(u) *Fiduciary Accounts.* Grandpoint and each of its Subsidiaries has properly administered in all material respects all accounts for which it acts as a fiduciary, including but not limited to accounts for which it serves as a trustee, agent, custodian, personal representative, guardian, conservator or investment advisor, in accordance in all material respects with the terms of the governing documents and applicable law, regulation or policies imposed by any Governmental Authority. Neither Grandpoint nor any of its Subsidiaries, nor, to Grandpoint's Knowledge, any of their respective directors, officers or employees, has committed any breach of trust with respect to any fiduciary account and the records for each such fiduciary account are true and correct and accurately reflect the assets of such fiduciary account.

(v) *Books and Records.* The books and records of Grandpoint and its Subsidiaries have been fully, properly and accurately maintained in material compliance with applicable legal and accounting requirements, and such books and records accurately reflect in all material respects all dealings and transactions in respect of the business, assets, liabilities and affairs of Grandpoint and its Subsidiaries.

(w) *Insurance.* Section 5.03(w) of Grandpoint's Disclosure Schedule lists all of the insurance policies, binders, or bonds maintained as of the date hereof by Grandpoint and its Subsidiaries ("Insurance Policies"), which includes for each Insurance Policy, the name of the insurance carrier, annual premiums, and the amount of coverage per event and, in the aggregate, a named insured (including any additional insured that may be required), or otherwise the beneficiary of the coverage. To Grandpoint's Knowledge, Grandpoint and each of its Subsidiaries is insured with reputable insurers against such risks and in such amounts as are customary and prudent in accordance with industry practices. All the Insurance Policies are in full force and effect; neither Grandpoint nor any of its Subsidiaries is in default thereunder; no event has occurred which, with notice or lapse of time, or both, would constitute a default or permit termination, modification or acceleration under such policies; all premiums due and payable with respect to the Insurance Policies have been timely and fully paid; and all claims thereunder have been filed in due and timely fashion. Except as set forth in Section 5.03(w) of Grandpoint's Disclosure Schedule, there is no claim for coverage by Grandpoint or any of its Subsidiaries pending under any Insurance Policies as to which coverage has been questioned, denied or disputed by the underwriters of such Insurance Policies or in respect of which such underwriters have reserved their rights. Neither Grandpoint nor any of its Subsidiaries has received written notice of any threatened termination of, material premium increase with respect to, or material alteration of coverage under, any Insurance Policies.

(x) *Allowance For Loan Losses.* Grandpoint Bank's allowance for loan losses is, and shall be as of the Effective Date, in compliance with Grandpoint Bank's existing methodology for determining the adequacy of its allowance for loan losses as well as the standards established by applicable Governmental Authorities and the Financial Accounting Standards Board and is and shall be adequate under all such standards.

(y) *Transactions With Affiliates.* All "covered transactions" between Grandpoint Bank and an "affiliate" within the meaning of Sections 23A and 23B of the Federal Reserve Act have been in compliance in all material respects with such provisions.

(z) *Required Vote; Antitakeover Provisions.*

(i) The affirmative vote (or action by written consent) of the holders of a majority of the outstanding shares of Grandpoint Voting Common Stock entitled to vote (or consent) is necessary to adopt the Agreement on behalf of Grandpoint (the "Shareholder Approval"). No other vote (or consent) of the shareholders of Grandpoint is required by law, the Grandpoint Articles, the Grandpoint Bylaws or otherwise to approve this Agreement, the Bank Merger Agreement and the Transaction. The delivery of Grandpoint Shareholder Consents

Table of Contents

representing a majority of the outstanding Grandpoint Voting Common Stock complies with the Grandpoint Articles, the Grandpoint Bylaws and the DGCL, and will constitute the Shareholder Approval required thereby.

(ii) Based on the representation and warranty of PPBI contained in Section 5.04(o), no "control share acquisition," "business combination moratorium," "fair price" or other form of antitakeover statute or regulation under the DGCL or any applicable provisions of the Grandpoint Articles and Grandpoint Bylaws or the takeover laws of any other state (including any applicable sections of the CFC), apply or will apply to this Agreement, the Bank Merger Agreement or the Transaction.

(aa) *Fairness Opinion.* The Grandpoint Board has received the opinion (which, if initially rendered verbally, has been or will be confirmed by a written opinion, dated the same date) of Keefe, Bruyette & Woods, Inc., to the effect that as of the date of such opinion, and based upon and subject to the assumptions, qualifications, limitations and other matters stated therein, the Exchange Ratio is fair to the holders of Grandpoint Common Stock from a financial point of view.

(bb) *Transactions in Securities.* Since January 1, 2015, all offers and sales of Grandpoint Common Stock by Grandpoint were at all relevant times exempt from, or complied with, the registration requirements of the Securities Act.

(cc) *Registration Obligation.* Neither Grandpoint nor any of its Subsidiaries is under any obligation, contingent or otherwise, to register any of their respective securities under the Securities Act.

(dd) *No Additional Representations.* Except for the representations and warranties made by Grandpoint in this Section 5.03, as Previously Disclosed, or in any certificate delivered by Grandpoint to PPBI, neither Grandpoint nor any other Person makes or has made any express or implied representation or warranty, at law or in equity, with respect to Grandpoint, its Subsidiaries, or their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects, and Grandpoint hereby expressly disclaims any such other representations and warranties. Except for the representations and warranties set forth in Section 5.04, as Previously Disclosed, or in any certificate delivered by PPBI to Grandpoint, Grandpoint specifically disclaims that it is relying upon or has relied upon any representations or warranties, and acknowledges and agrees that PPBI has specifically disclaimed any express or implied representation or warranty made by any Person other than those set forth in Section 5.04, as Previously Disclosed, or in any certificate delivered by PPBI to Grandpoint.

5.04 *Representations and Warranties of PPBI.* Subject to Sections 5.01 and 5.02, PPBI hereby represents and warrants to Grandpoint as follows:

(a) *Organization, Standing and Authority.* PPBI is duly organized, validly existing and in good standing under the laws of the State of Delaware. PPBI is duly licensed or qualified to do business and is in good standing in each jurisdiction where its ownership or leasing of property or assets or the conduct of its business requires it to be so licensed or qualified, except where the failure to be so licensed or qualified would not have nor reasonably be expected to have a Material Adverse Effect on PPBI and its Subsidiaries, taken as a whole. PPBI has in effect all federal, state, local and foreign governmental authorizations necessary for it to own or lease its properties and assets and to carry on its business as it is now conducted. PPBI has made available to Grandpoint complete and correct copies of the PPBI Certificate and PPBI Bylaws as amended to and as in effect on the date of this Agreement.

Table of Contents

(b) *PPBI Capital Stock.*

(i) As of the date hereof, the authorized capital stock of PPBI consists solely of 100,000,000 shares of PPBI Common Stock, of which 46,249,237 shares were issued and outstanding as of the close of business on February 7, 2018, and 1,000,000 shares of PPBI Preferred Stock, of which no shares were issued and outstanding as of the date hereof. The outstanding shares of PPBI Common Stock have been duly authorized and validly issued and are fully paid and non-assessable, and none of the shares of PPBI Common Stock have been issued in violation of the preemptive rights of any Person. As of the date hereof, there are no Rights authorized, issued or outstanding with respect to the capital stock of PPBI, except for shares of PPBI Common Stock issuable pursuant to the PPBI Benefit Plans and by virtue of this Agreement.

(ii) The shares of PPBI Common Stock to be issued in exchange for shares of Grandpoint Common Stock in the Merger, when issued in accordance with the terms of this Agreement, will be duly authorized, validly issued, fully paid and nonassessable and the issuance thereof is not subject to any preemptive right.

(c) *Pacific Premier.*

(i) Pacific Premier is duly organized, validly existing and in good standing under the laws of the State of California and is duly qualified to do business and is in good standing in the jurisdictions where its ownership or leasing of property or the conduct of its business requires it to be so qualified. Pacific Premier is duly licensed by the DBO and its deposit accounts are insured by the FDIC in the manner and to the maximum extent provided by applicable law, and Pacific Premier has paid all deposit insurance premiums and assessments required by applicable law, regulation or policies imposed by any Governmental Authority.

(ii) (A) PPBI owns, directly or indirectly, all the issued and outstanding equity securities of Pacific Premier, (B) no equity securities of Pacific Premier are or may become required to be issued (other than to PPBI) by reason of any Right or otherwise, (C) there are no contracts, commitments, understandings or arrangements by which Pacific Premier is or may be bound to sell or otherwise transfer any of its equity securities (other than to PPBI or any of its wholly-owned Subsidiaries) and (D) there are no contracts, commitments, understandings, or arrangements relating to PPBI's right to vote or to dispose of such securities.

(d) *Corporate Power.* Each of PPBI and Pacific Premier has the corporate power and authority to carry on its business as it is now being conducted and to own all its properties and assets. PPBI has the corporate power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the Transaction and to cause Pacific Premier to consummate the Bank Merger Agreement, and Pacific Premier has the corporate power and authority to execute, deliver and perform its obligations under the Bank Merger Agreement, in each case, subject to the receipt of all necessary approvals of Governmental Authorities and the approval by PPBI's shareholders of the issuance of PPBI Common Stock in the Merger.

(e) *Corporate Authority.* Subject to the approval of the issuance of the PPBI Common Stock in the Merger by a majority of the votes cast at the PPBI Meeting, this Agreement and the Transaction and the Bank Merger and the Bank Merger Agreement have been authorized by all necessary corporate action of PPBI, the PPBI Board, Pacific Premier and the Pacific Premier Board, as applicable, and will be authorized by all necessary corporate action of the sole shareholder of Pacific Premier on or prior to the date hereof. This Agreement has been duly executed and delivered by PPBI and, assuming due authorization, execution and delivery by Grandpoint, this Agreement is a valid and legally binding agreement of PPBI enforceable in

Table of Contents

accordance with its terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equity principles).

(f) *Regulatory Approvals; No Defaults.*

(i) No consents or approvals of, or waivers by, or notices to, or filings or registrations with, any Governmental Authority or with any third party are required to be made or obtained by PPBI or any of its Subsidiaries in connection with the execution, delivery or performance by PPBI of this Agreement and by Pacific Premier of the Bank Merger Agreement or to consummate the Transaction, except for (A) filings of applications or notices with, and approvals or waivers by, the FRB and the DBO, as required, (B) filings with the SEC and state securities authorities, as applicable, in connection with the issuance of PPBI Common Stock in the Merger, (C) approval of listing of such PPBI Common Stock on the Nasdaq, (D) the filing of (1) the Certificate of Merger with the Secretary of State of the State of Delaware pursuant to the DGCL and (2) the Bank Merger Agreement with the Secretary of State of the State of California and the DBO pursuant to the CGCL and the CFC, and (E) the approval by PPBI's shareholders of the issuance of PPBI Common Stock in the Merger. To the Knowledge of PPBI, there is no reason why the approvals set forth above and referred to in Section 7.01(b) will not be received in a timely manner and without the imposition of a condition, restriction or requirement of the type described in Section 7.01(b).

(ii) Subject to receipt, or the making, of the consents, approvals, waivers, notices and filings referred to in the preceding paragraph and expiration of the related waiting periods, the execution, delivery and performance of this Agreement by PPBI and the Bank Merger Agreement by Pacific Premier and the consummation of the Transaction do not and will not (A) constitute a breach or violation of, or a default under, or give rise to any Lien, any acceleration of remedies or any right of termination under (with or without notice, lapse of time or both) any law, code, ordinance, rule or regulation, or any judgment decree, injunction, order, governmental permit or license, to which PPBI or any of its Subsidiaries or any of their respective properties is subject or bound, (B) constitute a breach or violation of, or a default under, the articles of incorporation or bylaws (or similar governing documents) of PPBI or any of its Subsidiaries or (C) require any consent or approval under any law, code, ordinance, rule, regulation, judgment, decree, injunction, order, governmental permit or license, except where, in the case of clauses (A) and (C) above, any such breach, violation, default, creation, acceleration, termination or failure to obtain such consent or approval would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect on PPBI and its Subsidiaries, taken as a whole.

(g) *Financial Reports and Securities Documents; Material Adverse Effect.*

(i) PPBI's Annual Report on Form 10-K for the year ended December 31, 2016 and all other reports, registration statements, definitive proxy statements or information statements filed or to be filed by it subsequent to December 31, 2016 under the Securities Act, or under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act in the form filed (after giving effect to filed amendments thereto) or to be filed (collectively, "PPBI's Securities Documents") with the SEC, as of the date filed, amended or to be filed, (A) complied or will comply in all material respects as to form with the applicable requirements under the Securities Act, the Exchange Act and the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), as the case may be and (B) did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that information as of a later date shall be deemed to modify information as of an earlier

Table of Contents

date; and each of the consolidated statements of financial condition contained in or incorporated by reference into any such Securities Documents (including the related notes and schedules thereto) fairly presents, or will fairly present, in all material respects, the consolidated financial position of PPBI and its Subsidiaries as of its date, and each of the consolidated statements of operations and stockholders' equity and other comprehensive income (loss) and cash flows or equivalent statements in such Securities Documents (including any related notes and schedules thereto) fairly presents, or will fairly present, in all material respects, the consolidated results of operations, changes in stockholders' equity and other comprehensive income (loss) and cash flows, as the case may be, of PPBI and its Subsidiaries for the periods to which they relate, in each case in accordance with GAAP consistently applied during the periods involved, except in each case as may be noted therein.

(ii) Except as set forth on the consolidated statements of financial condition of PPBI dated as of September 30, 2017, neither PPBI nor any of its Subsidiaries has any material liability (whether absolute, contingent or accrued or otherwise and whether due or to become due) that would be required to be reflected on a balance sheet or in notes thereto prepared in accordance with GAAP, other than liabilities (A) incurred after September 30, 2017 in the ordinary course of business consistent with past practice, (B) incurred after September 30, 2017 in connection with any acquisition by PPBI that was pending as of September 30, 2017 or (C) incurred pursuant to or provided for in this Agreement and that, individually or in the aggregate, are not and would not reasonably be expected to (x) prevent or materially delay consummation of the Transaction or (y) otherwise be material to PPBI and its Subsidiaries, taken as a whole.

(iii) Since September 30, 2017, (A) PPBI and its Subsidiaries have conducted their respective businesses in the ordinary and usual course consistent with past practice, (B) neither PPBI nor any of its Subsidiaries has taken nor permitted or entered into any contract with respect to, or otherwise agreed or committed to do or take, any action that, if taken after the date hereof, would constitute a breach of any of the covenants in Section 4.02 and (C) no event has occurred or circumstance arisen that, individually or taken together with all other facts, circumstances and events (described in any paragraph of this Section 5.04 or otherwise), has had or would reasonably be expected to have a Material Adverse Effect on PPBI and its Subsidiaries, taken as a whole.

(iv) PPBI is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of the Nasdaq.

(v) PPBI maintains disclosure controls and procedures, as defined by Rule 13a-15 or 15d-15 under the Exchange Act. Such disclosure controls and procedures are effective to ensure that information required to be disclosed by PPBI is recorded and reported on a timely basis to the individuals responsible for the preparation of PPBI's filings with the SEC and other public disclosure documents. PPBI maintains internal control over financial reporting (as defined in Rule 13a-15 or 15d-15, as applicable, under the Exchange Act). Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes policies and procedures that (A) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of PPBI, (B) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of PPBI are being made only in accordance with authorizations of management and directors of PPBI and (C) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of PPBI's assets that could have a material effect on its financial statements.

Table of Contents

(h) *Legal Proceedings.* No litigation, arbitration, claim or other proceeding before any court or Governmental Authority is pending against PPBI or any of its Subsidiaries and, to PPBI's Knowledge, no litigation, arbitration, claim or other proceeding has been threatened and there are no facts which could reasonably give rise to such litigation, arbitration, claim or other proceeding in any such case that, individually or in the aggregate, has or would be reasonably expected to have a Material Adverse Effect on PPBI and its Subsidiaries, taken as a whole. Neither PPBI nor any of its Subsidiaries nor any of their respective properties is a party to or subject to any order, judgment, decree or regulatory restrictions that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect on PPBI and its Subsidiaries, taken as a whole.

(i) *No Brokers.* No action has been taken by PPBI or its Subsidiaries that would give rise to any valid claim against any party hereto for a brokerage commission, finder's fee or other like payment with respect to the Transaction, other than a fee payable by PPBI to Raymond James & Associates, Inc.

(j) *Regulatory Matters.*

(i) Since January 1, 2015, PPBI and each of its Subsidiaries has duly filed with the appropriate bank regulatory authorities in substantially correct form the monthly, quarterly and annual reports required to be filed under applicable law, regulation or policies imposed by any Governmental Authority, and such reports were in all material respects complete and accurate and in compliance with the requirements of applicable law, regulation or policies imposed by any Governmental Authority. In connection with the most recent examination of PPBI and each of its Subsidiaries by the appropriate regulatory authorities, neither PPBI nor any of its Subsidiaries was required to correct or change any action, procedure or proceeding which PPBI believes in good faith has not now been corrected or changed, other than corrections or changes which, if not made, either individually or in the aggregate, would not have or would not reasonably be expected to have a Material Adverse Effect on PPBI and its Subsidiaries, taken as a whole. The most recent regulatory rating given to Pacific Premier as to compliance with the Community Reinvestment Act is "satisfactory." To the Knowledge of PPBI, since Pacific Premier's last regulatory examination of Community Reinvestment Act compliance, Pacific Premier has not received any complaints as to Community Reinvestment Act compliance.

(ii) Neither PPBI nor any of its Subsidiaries nor any of any of their respective properties is a party to or is subject to any order, decree, directive, agreement, memorandum of understanding or similar arrangement with, or a commitment letter or similar submission to, or extraordinary supervisory letter from, nor has PPBI or any of its Subsidiaries adopted any policies, procedures or board resolutions at the request or suggestion of any Governmental Authority, that, in each case, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect on PPBI and its Subsidiaries, taken as a whole. PPBI and its Subsidiaries have paid all assessments made or imposed by any Governmental Authority.

(iii) Neither PPBI nor any its Subsidiaries has been advised by, and does not have any Knowledge of facts which would reasonably be expected to give rise to an advisory notice by, any Governmental Authority that such Governmental Authority is contemplating issuing or requesting (or is considering the appropriateness of issuing or requesting) any such order, decree, directive, agreement, memorandum of understanding, commitment letter, supervisory letter or similar submission or any request for the adoption of any policy, procedure or board resolution.

(iv) (A) No Governmental Authority has initiated since January 1, 2015 or has pending any proceeding, enforcement action or, to PPBI's Knowledge, investigation or inquiry into the

Table of Contents

business, operations, policies, practices or disclosures of PPBI or any of its Subsidiaries (other than normal examinations conducted by a Governmental Authority in the ordinary course of the business of PPBI or the applicable Subsidiary), or, to PPBI's Knowledge, threatened any of the foregoing, and (B) there is no unresolved violation, criticism, comment or exception by any Governmental Authority with respect to any report or statement relating to any examinations or inspections of PPBI or its Subsidiaries, other than, in each case, which would not reasonably be expected to prevent, materially impair or materially delay the ability of PPBI and its Subsidiaries, to perform their respective obligations under this Agreement or the consummation of the transactions contemplated hereby.

(v) PPBI and Pacific Premier are "well-capitalized" (as that term is defined at 12 CFR §225.2(r) or the relevant regulation of its primary federal bank regulator) and the rating of Pacific Premier under the Community Reinvestment Act is no less than "satisfactory." Neither PPBI nor Pacific Premier has received any notification from a Governmental Authority that their status as "well-capitalized" or "satisfactory" for Community Reinvestment Act purposes will change within one year, nor does PPBI have Knowledge of any conditions or circumstances that would result in a Community Reinvestment Act rating of less than "satisfactory" or material criticism from regulators with respect to discriminatory lending practices. To the Knowledge of PPBI, since the last regulatory examination of Pacific Premier with respect to Community Reinvestment Act compliance, Pacific Premier has not received any material complaints as to Community Reinvestment Act compliance.

(k) *Compliance With Laws.* Each of PPBI and its Subsidiaries:

(i) is, and at all times since January 1, 2015 has been in material compliance with all applicable federal, state, local and foreign statutes, laws, codes, regulations, ordinances, rules, judgments, injunctions, orders, decrees or policies and/or guidelines of a Governmental Authority applicable thereto or to the employees conducting such businesses, including, without limitation, Section 23A and 23B of the Federal Reserve Act and FRB regulations pursuant thereto, the Equal Credit Opportunity Act, the Fair Housing Act, the Community Reinvestment Act, the Home Mortgage Disclosure Act, the Bank Secrecy Act, the USA PATRIOT Act, the Electronic Fund Transfer Act and Regulation E of the FRB, all other applicable fair lending laws and other laws relating to discriminatory business practices and Environmental Laws and all posted and internal policies of PPBI and its Subsidiaries related to customer data, privacy and security;

(ii) has, and at all times since January 1, 2015 has had, all material permits, licenses, franchises, authorizations, orders and approvals of, and has made all filings, applications and registrations with, all Governmental Authorities (and has paid all fees and assessments due and payable in connection therewith) that are required in order to permit them to own or lease their properties and to conduct their businesses as presently conducted in all material respects; all such permits, licenses, certificates of authority, orders and approvals are in full force and effect and, to PPBI's Knowledge, no suspension or cancellation of any of them is threatened; and

(iii) has received no written notification or communication from any Governmental Authority (A) asserting that PPBI or any of its Subsidiaries is not in compliance with any of the statutes, regulations or ordinances which such Governmental Authority enforces or (B) threatening to revoke any license, franchise, permit or governmental authorization (nor, to PPBI's Knowledge, do any grounds for any of the foregoing exist).

Table of Contents

(l) *Employee Benefit Plans.*

(i) All material benefit and compensation plans, contracts, policies or arrangements maintained, contributed to, obligated to be contributed to, or sponsored by PPBI and Pacific Premier for the benefit of current or former employees of PPBI and its Subsidiaries and current or former directors or independent contractors of PPBI and its Subsidiaries including, but not limited to, "employee benefit plans" within the meaning of Section 3(3) of ERISA, any pension, retirement, profit sharing, medical, life, accidental death and dismemberment, disability, dental, vision, compensation, severance, termination pay, salary continuation, unemployment, workers' compensation, vacation, sick pay, paid-time off, retention, employment, consulting, change in control, fringe benefit, deferred compensation, stock option, stock purchase, stock appreciation rights or other stock-based incentive, cafeteria or flexible benefit, adoption or educational assistance, and bonus or other cash-based incentive, or other similar plans, agreements, programs, policies or other arrangements (whether written or oral and whether or not qualified or funded) or any such plan for which PPBI and its Subsidiaries may have any liability including, without limitation, as a result of being deemed a single employer with any entity under Section 4001(b)(1) of ERISA or Section 414 of the Code (collectively, the "PPBI Benefit Plans"), have been provided or made available to Grandpoint.

(ii) Each PPBI Benefit Plan has been established and administered to date in all material respects in accordance with the applicable provisions of ERISA, the Code and applicable law and with the terms and provisions of all documents, contracts or agreements pursuant to which such PPBI Benefit Plan is maintained.

(iii) Neither PPBI nor any entity considered to be a single employer with PPBI under Section 4001(b)(1) of ERISA or Section 414 of the Code maintains or contributes to any pension plan subject to Title IV of ERISA, to any multiemployer plan (as defined in 4001(a)(3) of ERISA), or to any PPBI Benefit Plan providing for retiree health and life benefits, other than coverage as may be required under Section 4980B of the Code or Part 6 of Title I of ERISA or under the continuation of coverage provisions of the laws of any state or locality.

(m) *Tax Matters.* (i) All Tax Returns that are required to be filed on or before the Closing Date (taking into account any extensions of time within which to file that have not expired) by or with respect to PPBI or any of its Subsidiaries have been or will be timely filed on or before the Closing Date, (ii) all such Tax Returns are or will be true, correct and complete in all material respects, (iii) all Taxes due and payable by or with respect to PPBI or any of its Subsidiaries (whether or not shown as due on any Tax Return) have been timely paid in full, (iv) the unpaid Taxes of PPBI and its Subsidiaries did not, as of the date of the most recent financial statements, exceed the reserve for Tax liability set forth on the face of such financial statements and do not exceed that reserve as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of PPBI and its Subsidiaries in filing its Tax Returns, (v) all deficiencies asserted or assessments made as a result of examinations conducted by any taxing authority have been paid in full, other than those being contested through appropriate proceedings and (vi) no claim has been made in writing in the past five (5) years by a taxing authority in a jurisdiction where PPBI or any of its Subsidiaries does not already file Tax Returns that PPBI or a Subsidiary is or may be subject to taxation by that jurisdiction.

(n) *Ownership of Grandpoint Common Stock.* None of PPBI or any of its Subsidiaries, or to PPBI's Knowledge, any of its other affiliates or associates (as such terms are defined under the Exchange Act), owns beneficially or of record, directly or indirectly, or is a party to any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of, shares of Grandpoint Common Stock (other than shares held in a fiduciary capacity that are beneficially owned by third parties or as a result of debts previously contracted).

Table of Contents

(o) *Absence of Certain Changes or Events.* Since January 1, 2015, there has not been any Material Adverse Effect with respect to PPBI or any event or development that is reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect with respect to PPBI.

(p) *No Additional Representations.* Except for the representations and warranties made by PPBI in this Section 5.04, as Previously Disclosed, or in any certificate delivered by PPBI to Grandpoint, neither PPBI nor any other Person makes or has made any express or implied representation or warranty, at law or in equity, with respect to PPBI, its Subsidiaries, or their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects, and PPBI hereby expressly disclaims any such other representations or warranties. Except for the representations and warranties set forth in Section 5.03, as Previously Disclosed, or in any certificate delivered by Grandpoint to PPBI, PPBI specifically disclaims that it is relying upon or has relied upon any representations or warranties, and acknowledges and agrees that Grandpoint has specifically disclaimed any express or implied representation or warranty made by any Person other than those set forth in this Section 5.03, as Previously Disclosed, or in any certificate delivered by Grandpoint to PPBI.

ARTICLE VI

COVENANTS

6.01 *Reasonable Best Efforts.* Subject to the terms and conditions of this Agreement, each of Grandpoint and PPBI agrees to use its commercially reasonable best efforts in good faith, and to cause their respective Subsidiaries to use their commercially reasonable best efforts in good faith, to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or desirable, or advisable under applicable laws, so as to permit consummation of the Transaction as promptly as practicable and otherwise to enable consummation of the Transaction, including the satisfaction of the conditions set forth in Article VII hereof, and shall reasonably cooperate with the other party hereto to that end.

6.02 *PPBI Shareholder Approval.* PPBI agrees to take, in accordance with applicable law and the PPBI Certificate and PPBI Bylaws, all action necessary to convene as soon as reasonably practicable (and will in any event use reasonable best efforts to convene such meeting no later than sixty (60) calendar days after the Registration Statement, as described below, is declared effective) a meeting of its shareholders to consider and vote upon the approval of the issuance of the PPBI Common Stock in the Merger and any other matters required to be approved by PPBI's shareholders for consummation of the Transaction (including any adjournment or postponement, the "PPBI Meeting"). The PPBI Board shall at all times prior to and during the PPBI Meeting recommend approval of the issuance of the PPBI Common Stock in the Merger and any other matters required to be approved by PPBI's shareholders for consummation of the Transaction and shall take all reasonable lawful action to solicit such approval by its shareholders.

6.03 *Registration Statement; Solicitation of Grandpoint Shareholder Consents.*

(a) PPBI agrees to prepare a registration statement on Form S-4 (the "Registration Statement") to be filed by PPBI with the SEC in connection with the issuance of the shares of PPBI Common Stock to the Grandpoint shareholders as the Merger Consideration in the Merger (including a proxy statement and other proxy solicitation instruments of PPBI constituting a part thereof for the PPBI Meeting (the "PPBI Proxy Statement"), a consent solicitation statement for the Shareholder Approval (the "Grandpoint Consent Statement") and a prospectus constituting a part thereof and all related documents). Grandpoint shall prepare and furnish such information relating to it, its Subsidiaries and their respective directors, officers and shareholders as may be reasonably required in connection with the above referenced documents based on its knowledge of

Table of Contents

and access to the information required for said documents, and Grandpoint, and its legal, financial and accounting advisors, shall have the right to review in advance and comment on such Registration Statement prior to its filing. Grandpoint agrees to cooperate with PPBI and PPBI's counsel and accountants in requesting and obtaining appropriate opinions, consents and letters from its financial advisor and independent auditor in connection with the Registration Statement, the PPBI Proxy Statement and the Grandpoint Consent Statement. Each of Grandpoint and PPBI agrees to use its reasonable best efforts to cause the Registration Statement to be declared effective under the Securities Act as promptly as reasonably practicable after the filing thereof. PPBI also agrees to use its reasonable best efforts to obtain all necessary state securities law or "Blue Sky" permits and approvals required to carry out the transactions contemplated by this Agreement. PPBI and Grandpoint shall, within three (3) Business Days from the date when the Registration Statement is declared effective under the Securities Act, mail at its respective expense the PPBI Proxy Statement and the Grandpoint Consent Statement, respectively, to all of their respective shareholders. The Grandpoint Consent Statement shall include a form of written consent reasonably acceptable to PPBI soliciting Grandpoint shareholders to vote their shares of Grandpoint Common Stock in favor of the adoption of the Agreement (such written consents, when duly executed and delivered by Grandpoint shareholders, together with the required form of consents to be delivered by certain shareholders of Grandpoint as required by the Support Agreement and as set forth as an exhibit to such Support Agreement and the Shareholders as required by the Shareholder Agreement and as set forth as an exhibit to such Shareholder Agreement, which are attached to this Agreement as Annex A and Annex B, respectively, being referred to collectively as the "Grandpoint Shareholder Consents"). The Grandpoint Consent Statement shall also contain the notice of availability of appraisal rights and related disclosure required by Section 262 of the DGCL.

(b) Each of Grandpoint and PPBI agrees that none of the information supplied or to be supplied by it for inclusion or incorporation by reference in (i) the Registration Statement shall, at the time the Registration Statement and each amendment or supplement thereto, if any, becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the PPBI Proxy Statement and any amendment or supplement thereto shall, at the date of mailing to PPBI's shareholders and the time of the PPBI Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (iii) the Grandpoint Consent Statement and any amendment or supplement thereto shall, at the date of mailing to Grandpoint shareholders and at all times during which Grandpoint Shareholder Consents are solicited, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Each of Grandpoint and PPBI further agrees that if such party shall become aware prior to the date of effectiveness of the Registration Statement, the PPBI Meeting or delivery of the Grandpoint Shareholder Consents, of any information furnished by such party that would cause any of the statements in the Registration Statement, the PPBI Proxy Statement or the Grandpoint Consent Statement to be false or misleading with respect to any material fact, or to omit to state any material fact necessary to make the statements therein not false or misleading, to promptly inform the other parties thereof and to take the necessary steps to correct the Registration Statement, the PPBI Proxy Statement or the Grandpoint Consent Statement.

(c) PPBI agrees to advise Grandpoint promptly in writing after PPBI receives notice thereof, of the time when the Registration Statement has become effective or any supplement or amendment has been filed, of the issuance of any stop order or the suspension of the qualification of PPBI Common Stock for offering or sale in any jurisdiction, of the initiation or, to the extent PPBI is aware thereof,

Table of Contents

threat of any proceeding for any such purpose, or of any request by the SEC for the amendment or supplement of the Registration Statement or for additional information.

6.04 *Regulatory Filings.*

(a) Each of PPBI and Grandpoint and their respective Subsidiaries shall cooperate and use their respective reasonable best efforts to prepare all documentation, to effect all filings and to obtain all permits, consents, approvals and authorizations of all Governmental Authorities necessary to consummate the Transaction; and PPBI shall use its best efforts to make any initial application filings with Governmental Authorities within forty-five (45) days of the date of this Agreement or as promptly as reasonably practicable thereafter. Each of PPBI and Grandpoint shall have the right to review in advance, and to the extent practicable, each shall consult with the other, in each case subject to applicable laws relating to the exchange of information, with respect to all written information submitted to any Governmental Authority in connection with the Transaction, provided that PPBI shall not be required to provide Grandpoint with confidential portions of any filing with a Governmental Authority. In exercising the foregoing right, each of such parties agrees to act reasonably and as promptly as practicable. Each party hereto agrees that it shall consult with the other party hereto with respect to the obtaining of all permits, consents, approvals, waivers and authorizations of all Governmental Authorities necessary or advisable to consummate the Transaction, and each party shall keep the other party apprised of the status of material matters relating to completion of the Transaction. Each party hereto further agrees to the extent permitted by applicable law, regulation or policies imposed by any Governmental Authority, to provide the other party with a copy of all correspondence to or from any Governmental Authority in connection with the Transaction and descriptions of any material or significant oral communications with any Governmental Authority in connection with the Transaction, provided that PPBI shall not be required to provide Grandpoint with confidential portions of any filing or other communication with a Governmental Authority.

(b) Each party agrees, upon request, to furnish the other party with all information concerning itself, its Subsidiaries, directors, officers and stockholders and such other matters as may be reasonably necessary or advisable in connection with any filing, notice or application made by or on behalf of such other party or any of their Subsidiaries to any Governmental Authority.

6.05 *Press Releases.* Grandpoint and PPBI shall consult with each other before issuing any press release with respect to the Transaction or this Agreement and shall not issue any such press release or make any such public statements without the prior consent of the other party, which shall not be unreasonably withheld, conditioned or delayed; provided, however, that PPBI or Grandpoint may, without the prior consent of the other party (but after such consultation, to the extent practicable under the circumstances), issue such press release or make such public statements as may, upon the advice of outside counsel, be required by law or the rules or regulations of the SEC or the Nasdaq. Grandpoint and PPBI shall cooperate to develop all public announcement materials and make appropriate management available at presentations related to the Transaction as reasonably requested by the other party. Notwithstanding the foregoing and subject to the terms of the Confidentiality Agreement, nothing in this Section 6.05 shall be deemed to restrict or prohibit any communications made by Grandpoint to its shareholders and its shareholders' limited partners or other investors.

6.06 *Access; Information.*

(a) Grandpoint agrees that upon reasonable notice and subject to applicable law, regulation or policies imposed by any Governmental Authority relating to the exchange of information, it shall afford PPBI and PPBI's officers, employees, counsel, accountants and other authorized representatives such access during normal business hours throughout the period prior to the Effective Time to the books, records (including, without limitation, Tax Returns and work papers of independent auditors), systems, properties, personnel and advisors of Grandpoint and its

Table of Contents

Subsidiaries and to such other information relating to Grandpoint and its Subsidiaries as PPBI may reasonably request, provided that PPBI shall coordinate any and all meetings with Grandpoint personnel with one or more designated representatives of Grandpoint, and, during such period, Grandpoint shall furnish promptly to PPBI (i) a copy of each report, schedule, registration statement and other document filed or received during such period pursuant to the requirements of federal or state banking, lending, securities, consumer finance or privacy laws and (ii) all other information concerning the business, properties and personnel of Grandpoint and its Subsidiaries as PPBI may reasonably request. Notwithstanding the foregoing, Grandpoint shall not be required to provide access to or disclose information where such access or disclosure would jeopardize the attorney-client privilege of Grandpoint or any other Person in possession or control of such information (after giving due consideration to the existence of any common interest, joint defense or similar agreement between the parties) or contravene any law, rule, regulation, order, judgment, decree, fiduciary duty or agreement entered into prior to the date of this Agreement, provided that in any such event, Grandpoint will work in good faith with PPBI to make appropriate substitute disclosure arrangements.

(b) During the period from the date of this Agreement to the Effective Time, Grandpoint shall, upon the request of PPBI, cause one or more of its designated representatives to confer on a monthly or more frequent basis with representatives of PPBI regarding its consolidated financial condition, operations and business and matters relating to the completion of the Transaction. Subject to applicable law, as soon as reasonably available, but in no event more than 15 days after the end of each calendar quarter ending after the date of this Agreement (other than the last quarter of each fiscal year ending December 31), Grandpoint will deliver to PPBI its consolidated balance sheet and consolidated statements of income, comprehensive income and changes in shareholders equity, without related notes, for such quarter prepared in accordance with GAAP, and, as soon as reasonably available, but in no event more than 30 days after the end of each fiscal year, Grandpoint will deliver to PPBI its consolidated balance sheet and consolidated statements of income, comprehensive income, changes in shareholder equity and cash flows for such year prepared in accordance with GAAP. Grandpoint shall use its commercially reasonable best efforts to deliver to PPBI its audited consolidated balance sheet as of December 31, 2017 and audited consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year ended December 31, 2017 by no later than March 9, 2018. Subject to applicable law, within 15 days after the end of each month, Grandpoint will deliver to PPBI a consolidated balance sheet and consolidated statements of income, without related notes, for such month prepared in accordance with GAAP.

(c) PPBI agrees that upon reasonable notice and subject to applicable law, regulation or policies imposed by any Governmental Authority relating to the exchange of information, it shall afford Grandpoint and Grandpoint's officers, employees, counsel, accountants and other authorized representatives such access during normal business hours throughout the period prior to the Effective Time to the books, records (including, without limitation, Tax Returns and work papers of independent auditors), systems, properties, personnel and advisors of PPBI and its Subsidiaries and to such other information relating to PPBI and its Subsidiaries as Grandpoint may reasonably request, provided that Grandpoint shall coordinate any and all meetings with PPBI personnel with one or more designated representatives of PPBI, and, during such period, PPBI shall furnish promptly to Grandpoint (i) a copy of each report, schedule, registration statement and other document filed or received during such period pursuant to the requirements of federal or state banking, lending, securities, consumer finance or privacy laws and (ii) all other information concerning the business, properties and personnel of PPBI and its Subsidiaries as Grandpoint may reasonably request. Notwithstanding the foregoing, PPBI shall not be required to provide access to or disclose information where such access or disclosure would jeopardize the attorney-client privilege of PPBI or any other Person in possession or control of such information (after giving due consideration to the existence of any common interest, joint defense

Table of Contents

or similar agreement between the parties) or contravene any law, rule, regulation, order, judgment, decree, fiduciary duty or agreement entered into prior to the date of this Agreement, provided that in any such event, PPBI will work in good faith with Grandpoint to make appropriate substitute disclosure arrangements.

(d) During the period from the date of this Agreement to the Effective Time, PPBI shall, upon the request of Grandpoint, cause one or more of its designated representatives to confer on a monthly or more frequent basis with representatives of Grandpoint regarding its consolidated financial condition, operations and business and matters relating to the completion of the Transaction. Subject to applicable law, as soon as reasonably available, but in no event more than 15 days after the end of each calendar quarter ending after the date of this Agreement (other than the last quarter of each fiscal year ending December 31), PPBI will deliver to Grandpoint its consolidated balance sheet and consolidated statements of income, comprehensive income, equity and cash flows, without related notes, for such quarter prepared in accordance with GAAP, and, as soon as reasonably available, but in no event more than 30 days after the end of each fiscal year, PPBI will deliver to Grandpoint its consolidated balance sheet and consolidated statements of income, comprehensive income, equity and cash flows for such year prepared in accordance with GAAP. Subject to applicable law, within 15 days after the end of each month, PPBI will deliver to Grandpoint a consolidated balance sheet and consolidated statements of income, without related notes, for such month prepared in accordance with GAAP.

(e) All information furnished pursuant to this Section 6.06 shall be subject to the provisions of the letter agreement, dated as of December 1, 2017, by and between PPBI and Grandpoint (the "Confidentiality Agreement").

(f) No investigation by any of the parties or their respective representatives shall affect the representations, warranties, covenants or agreements of the other parties set forth herein.

6.07 Acquisition Proposals.

(a) Grandpoint agrees that it shall, and shall direct and use its reasonable best efforts to cause its Affiliates, directors, officers, employees, agents and representatives (including, without limitation, any investment banker, financial advisor, attorney, accountant or other representative retained by it) (all of the foregoing, collectively, "Representatives") to, immediately cease any discussions or negotiations with any other parties that may be ongoing with respect to the possibility or consideration of any Acquisition Proposal, and will use its reasonable best efforts to enforce any confidentiality or similar agreement relating to any Acquisition Proposal, including by requesting the other party to promptly return or destroy any confidential information previously furnished by or on behalf of Grandpoint or any of its Subsidiaries thereunder and by specifically enforcing the terms thereof in a court of competent jurisdiction. From the date of this Agreement through the Effective Time, neither Grandpoint nor its Subsidiaries shall, and each of the foregoing shall cause their respective directors, officers or employees or any Representative retained by them not to, directly or indirectly through another Person, (i) solicit, initiate or knowingly encourage (including by way of furnishing information or assistance), or take any other action designed to facilitate or that is likely to result in, any inquiries or the making of any proposal or offer that constitutes, or is reasonably likely to lead to, any Acquisition Proposal, (ii) provide any confidential information or data to any Person relating to any Acquisition Proposal, (iii) participate in any discussions or negotiations regarding any Acquisition Proposal, (iv) waive, terminate, modify or fail to enforce any provision of any contractual "standstill" or similar obligations of any Person other than PPBI or its Affiliates, (v) approve or recommend, propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, merger agreement, asset purchase agreement or share exchange agreement, option agreement or other similar agreement related to any Acquisition Proposal or propose to do any of the foregoing, or (vi) make or authorize any statement, recommendation or solicitation in support of any Acquisition Proposal; provided, however, that at any time prior to obtaining the Shareholder Approval,

Table of Contents

if the Grandpoint Board determines in good faith, after consulting with its outside legal and financial advisors, that the failure to do so would breach, or would reasonably be expected to result in a breach of, the Grandpoint Board's fiduciary duties under applicable law, Grandpoint may, in response to a bona fide, written Acquisition Proposal not solicited in violation of this Section 6.07(a) that the Grandpoint Board determines in good faith constitutes a Superior Proposal (1) furnish information with respect to itself to any Person making such a Superior Proposal pursuant to a confidentiality agreement on terms that are in all material respects no less restrictive to such Person than the terms contained in the Confidentiality Agreement are to PPBI (as determined by Grandpoint after consultation with its outside counsel) (the "Acceptable Confidentiality Agreement"), and (2) participate in discussions or negotiations regarding such a Superior Proposal. Grandpoint agrees that it shall concurrently provide to PPBI any information (whether such information is confidential, nonpublic or otherwise) concerning Grandpoint or Grandpoint Bank that may be provided to any other Person in connection with any Superior Proposal which has not previously been provided to PPBI. For purposes of this Agreement, the term "Acquisition Proposal" means any inquiry, proposal or offer, filing of any regulatory application or notice or disclosure of an intention to do any of the foregoing from any Person relating to any (w) direct or indirect acquisition or purchase of a business that constitutes 10% or more of the total revenues, net income, assets or deposits of Grandpoint and its Subsidiaries taken as a whole, (x) direct or indirect acquisition or purchase of any class of Equity Securities representing 10% or more of the voting power of Grandpoint or Grandpoint Bank, (y) tender offer or exchange offer that if consummated would result in any person beneficially owning 10% or more of any class of Equity Securities of Grandpoint or Grandpoint Bank or (z) merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving Grandpoint or Grandpoint Bank, other than the Transaction contemplated by this Agreement. For purposes of this Agreement, the term "Superior Proposal" means any bona fide written proposal made by a third party to acquire, directly or indirectly, including pursuant to a tender offer, exchange offer, merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction, for consideration consisting of cash and/or securities, more than 50% of the combined voting power of the shares of Grandpoint Common Stock then outstanding or all or substantially all of Grandpoint's consolidated assets, which the Grandpoint Board determines in good faith, after taking into account all legal, financial, regulatory and other aspects of the proposal and the person making the proposal (including any break-up fees, expense reimbursement provisions and conditions to consummation), and after consulting with Grandpoint's financial advisor (which shall be a recognized investment banking firm) and outside counsel, (i) is more favorable from a financial point of view to its shareholders than the Merger, (ii) is reasonably likely to be consummated on the terms set forth, and (iii) for which financing, to the extent required, is then committed or which, in the good faith judgment of the Grandpoint Board, is reasonably likely to be obtained by such third party.

(b) Neither the Grandpoint Board nor any committee thereof shall (or shall agree or resolve to) (i) withdraw or modify in a manner adverse to PPBI, or propose publicly to withdraw or modify in a manner adverse to PPBI, the recommendation or declaration of advisability by such Grandpoint Board or any such committee of this Agreement or the Merger in connection with the solicitation of Grandpoint Shareholder Consents or otherwise (any such action, resolution or agreement to take such action being referred to herein as an "Adverse Recommendation Change"), (ii) recommend, declare advisable or propose to recommend or declare advisable the approval or adoption of any Acquisition Proposal or resolve or agree to take any such action, or adopt or approve any Acquisition Proposal, or (iii)&n