



PACIFIC PREMIER
BANCORP, INC.

Investor Presentation

Second Quarter 2016

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Forward-Looking Statements

The statements contained in this presentation that are not historical facts are forward-looking statements based on management's current expectations and beliefs concerning future developments and their potential effects on Pacific Premier Bancorp, Inc. (the "Company"). Such statements involve inherent risks and uncertainties, many of which are difficult to predict and are generally beyond the control of the Company. There can be no assurance that future developments affecting the Company will be the same as those anticipated by management. The Company cautions readers that a number of important factors could cause actual results to differ materially from those expressed in, or implied or projected by, such forward-looking statements. These risks and uncertainties include, but are not limited to, the following: the strength of the United States economy in general and the strength of the local economies in which the Company conducts operations; the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System; inflation, interest rate, market and monetary fluctuations; the timely development of competitive new products and services and the acceptance of these products and services by new and existing customers; the impact of changes in financial services policies, laws and regulations including those concerning taxes, banking, securities and insurance, and the application thereof by regulatory bodies; technological and social media changes; the effect of acquisitions that the Company has made or may make, if any, including, without limitation, the failure to achieve the expected revenue growth and/or expense savings from such acquisitions, and/or the failure to effectively integrate an acquisition target into our operations; changes in the level of the Company's nonperforming assets and charge-offs; oversupply of inventory and deterioration in values of California real estate, both residential and commercial; the effect of changes in accounting policies and practices, as may be adopted from time-to-time by bank regulatory agencies, the Securities and Exchange Commission ("SEC"), the Public Company Accounting Oversight Board, the Financial Accounting Standards Board or other accounting standards setters; possible other-than-temporary impairments of securities held by the Company; changes in consumer spending, borrowing and savings habits; the effects of the Company's lack of a diversified loan portfolio, including the risks of geographic and industry concentrations; ability to attract deposits and other sources of liquidity; changes in the financial performance and/or condition of the Company's borrowers; changes in the competitive environment among financial and bank holding companies and other financial service providers; geopolitical conditions, including acts or threats of terrorism, actions taken by the United States or other governments in response to acts or threats of terrorism and/or military conflicts, which could impact business and economic conditions in the United States and abroad; unanticipated regulatory or judicial proceedings; and the Company's ability to manage the risks involved in the foregoing.

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, filed with the SEC and other filings made by the Company with the SEC. The Company specifically disclaims any obligation to update any factors or to publicly announce the result of revisions to any of the forward-looking statements included herein to reflect future events or developments.

Company Profile

Headquarters

Irvine, CA

Exchange / Listing

NASDAQ: PPBI

Market Cap

\$732.9 Million

Avg. Daily Volume

137,202 Shares

of Research Analysts

7 Analysts

Focus

Small & Mid-Market
Businesses

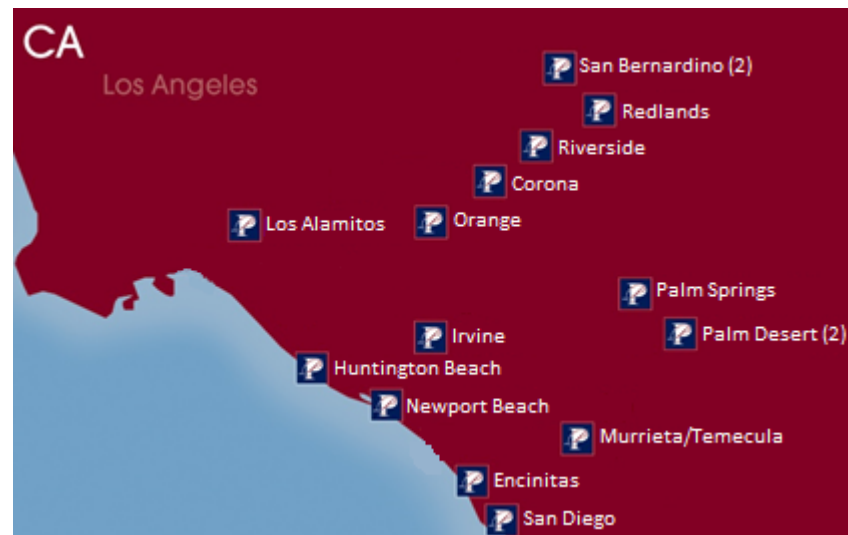
Total Assets

\$3.6 Billion*

Branch Network

16 Full-Service
Branch Locations

Pacific Premier Branch Footprint



Note: Map does not include PPBI offices outside of California



Note: Market data as of 8/25/2016

* As of 6/30/2016

Strategic Transformation

A balance of organic and acquisitive growth to create a southern California centric commercial bank franchise with \$3.6 billion in assets

Pre 2008

- Conversion from a thrift to a commercial bank
-

2008 - 2012

- Organic growth driven by dynamic sales culture
 - Geographic expansion through highly accretive FDIC-assisted acquisitions
 - Canyon National Bank (CNB) - \$192 million in assets, closed on 2/11/2011 (FDIC-Assisted)
 - Palm Desert National Bank (PDNB) - \$103 million in assets, closed on 4/27/2012 (FDIC-Assisted)
-

2013 - 2015

- Build out of commercial banking platform through acquisitions
 - First Associations Bank (FAB) - \$424 million in assets, closed on 3/15/2013 (151 days)
 - San Diego Trust Bank (SDTB) - \$211 million in assets, closed on 6/25/2013 (111 days)
 - Infinity Franchise Holdings (IFH) - \$80 million in assets, closed on 1/30/2014 (73 days)
 - Independence Bank (IDPK) - \$422 million in assets, closed on 1/26/2015 (96 days)
 - Security California Bancorp (SCAF) - \$715 million in assets, closed 1/31/2016 (123 days)
-

2016 and Beyond

- Focus on producing EPS growth from scale, efficiency, balance sheet leverage
- Target ROAA and ROATCE of 1.20% and 14%, respectively
- Continue disciplined organic and acquisitive growth increasing scarcity value

Commercial Bank with Specialty Business Lines

Business Banking

- Small and middle market business banking focus
- Full suite of business banking services, including: cash management, payroll and merchant card services
- Customized C&I and commercial real estate loans

SBA Lending

- Small Business Administration (“SBA”) Loans
- California Capital Access Program (“Cal CAP”) Loans
- United State Department of Agriculture (“USDA”) Loans
- Bureau of Indian Affairs (“BIA”) Loans

HOA Banking

- Nationwide leader of customized cash management, electronic banking services and credit facilities for:
 - Home Owner Association (“HOA”) Companies
 - HOA Management Companies

Construction Lending

- Construction loans for developers and owner users on residential and CRE properties
- New team assembled in first half of 2013

Franchise Lending

- Financing for established and experienced owner operators of Quick Serve Restaurants nationwide
- C&I and CRE loans secured by equipment and real estate

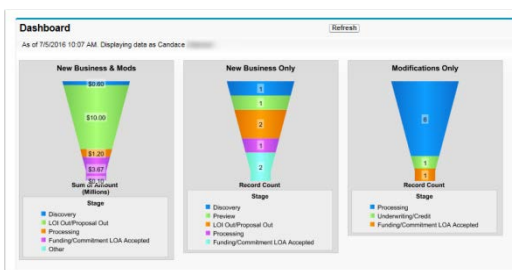
Income Property Lending

- Credit facilities and banking services for commercial real estate (“CRE”) investors
- Structured CRE and bridge loan flexibility

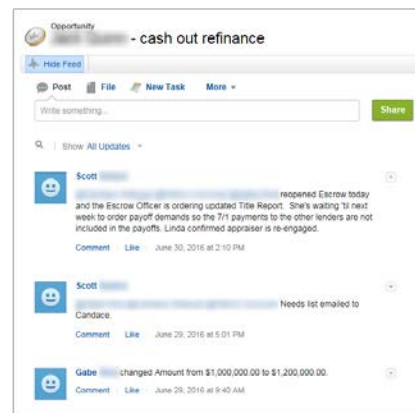
Technology Enabled Management Systems

- PPBI's technology investments have created competitive advantages
- PPBI has developed and deployed software for improving the sales process and sales management – we can efficiently and effectively monitor all facets of the deposit and loan process, including lead generation, prospecting and closing
 - Customer Relationship Management (CRM) with Salesforce provides real-time updates of existing and prospective client deposit and loan relationships. Deployed throughout the organization from RMs, PMs and credit admin
 - Email communication software streamlines communication between our RMs and PMs for quicker decision making
 - DataVault is PPBI's proprietary software developed in-house for tracking HOA and Property Management firm's customer payment information, customized for internal reporting and 3rd party vendor implementation

SalesForce Pipeline Management



SalesForce Communication



DataVault – Proprietary Mgmt. Software

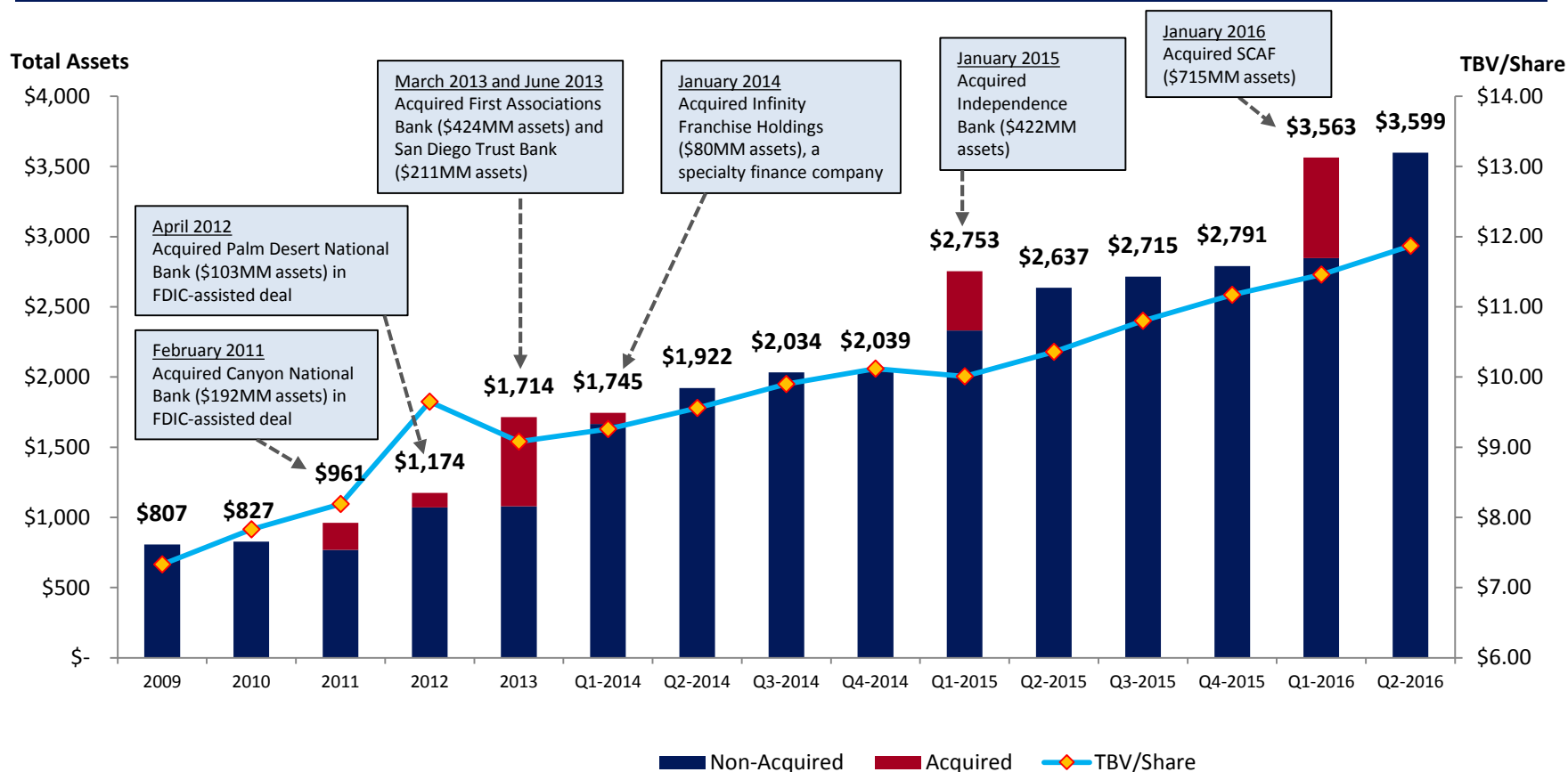


History of PPBI

Timely and efficient acquisitions have accelerated PPBI's growth and performance

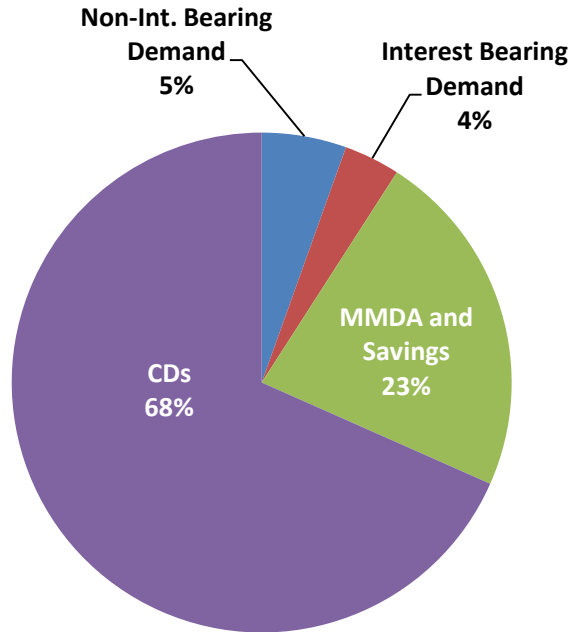
- Total deposits compound annual growth rate of 40% since 2012
- Total loans compound annual growth rate of 37% since 2012

Total Assets – Acquired vs. Non-Acquired



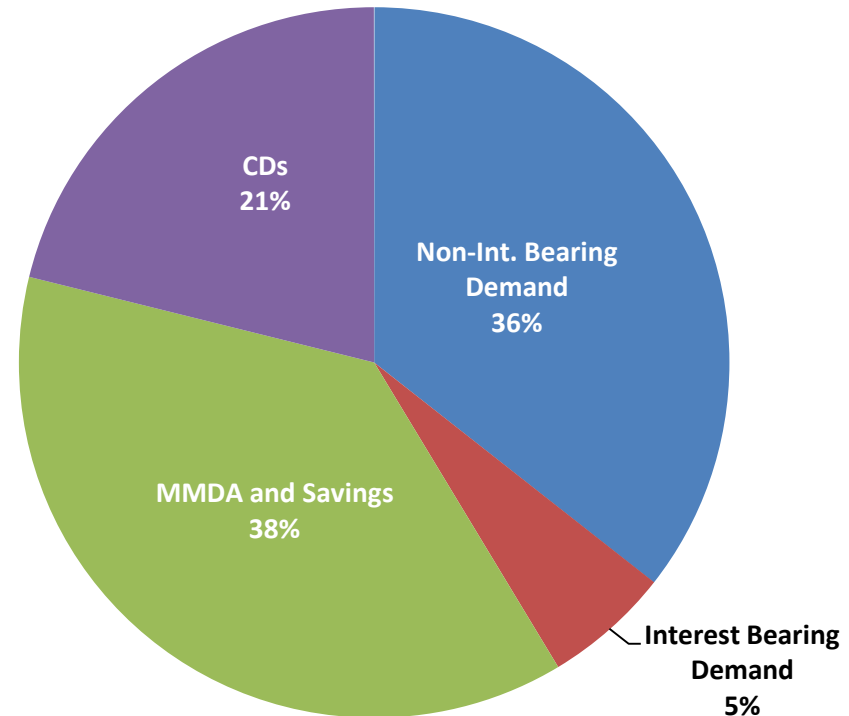
Commercial Bank Transformation - Deposit Composition

Deposits – 12/31/2009



Total Deposits: \$618.7 Million
Cost of Deposits: 1.91%

Deposits – 6/30/2016



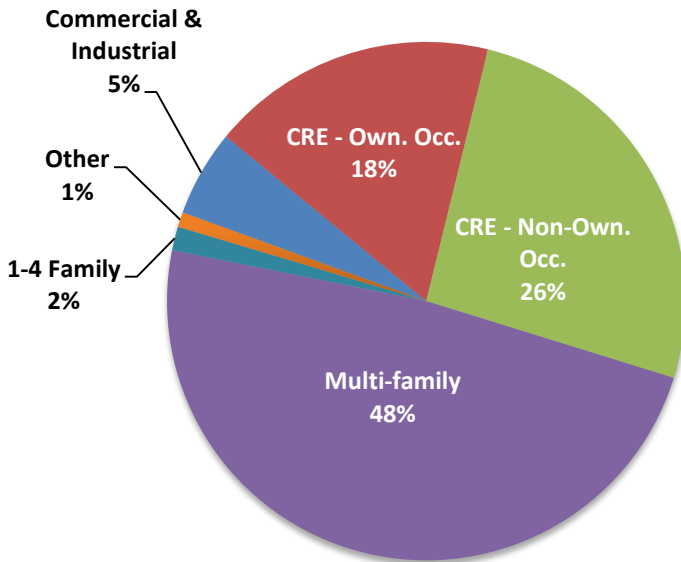
Total Deposits: \$2.9 Billion
Cost of Deposits: 0.28%

- 36% of deposit balances are non-interest bearing deposits
- 89% of deposit balances are Core deposits *

* Core deposits are all transaction accounts and non-brokered CD accounts below \$250,000

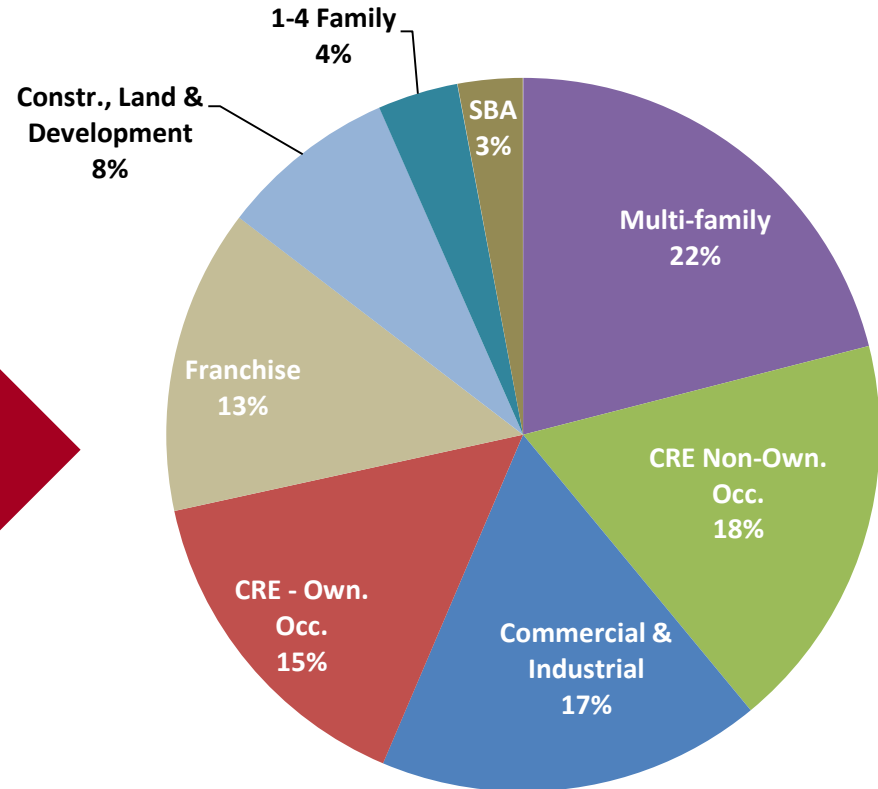
Commercial Bank Transformation – Loan Composition

Loans – 12/31/2009



Total Loans: \$576.3 Million

Loans – 6/30/2016



Total Loans: \$2.9 Billion

- *Loan portfolio is high quality and well-diversified*
- *Business related loans represent 49% of total loans at 6/30/16**
- *100% Loan to deposit ratio at 6/30/16*

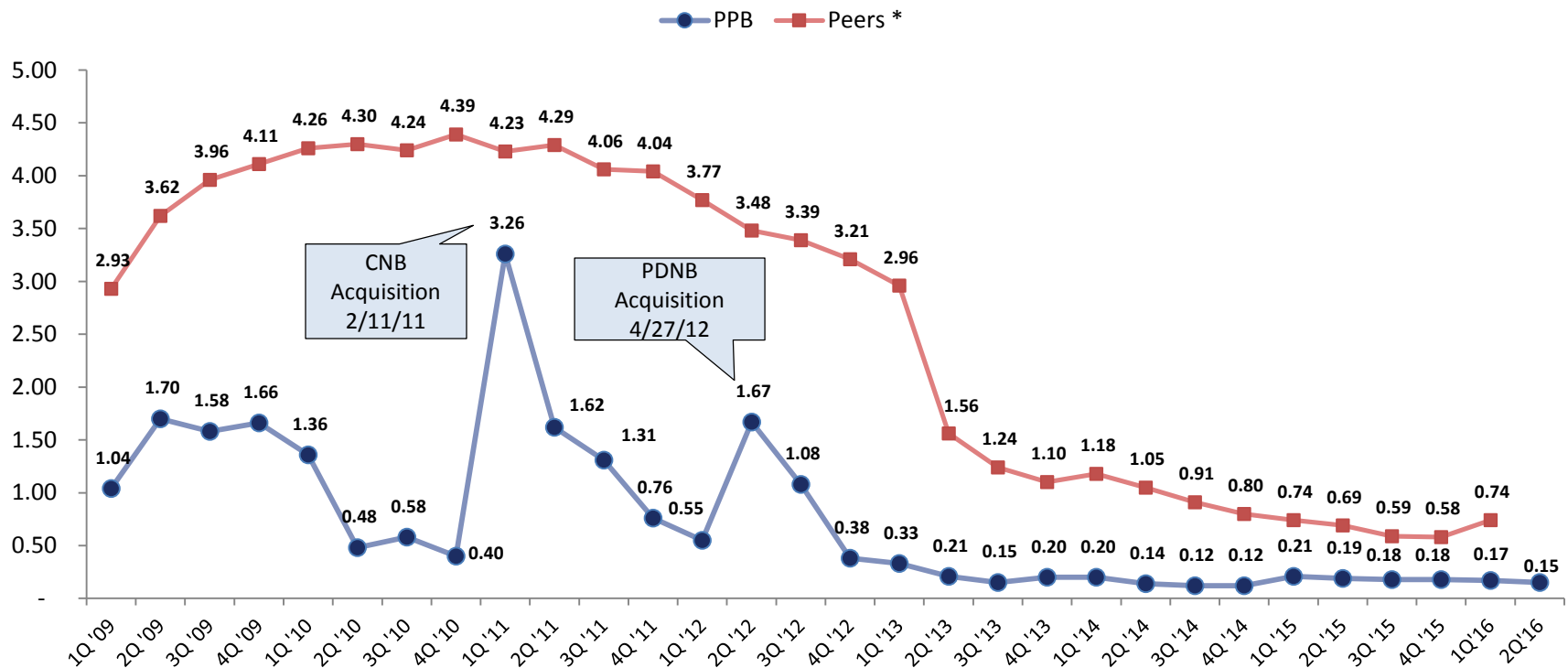
* Business loans are defined as commercial and industrial, franchise, commercial owner occupied, and SBA

Conservative Credit Culture

The Company has a history of effective credit risk management and out performing peers

- No troubled debt restructurings (“TDRs”)
- Tactical loan sales utilized strategically to manage various risks

Nonperforming Assets to Total Assets (%)



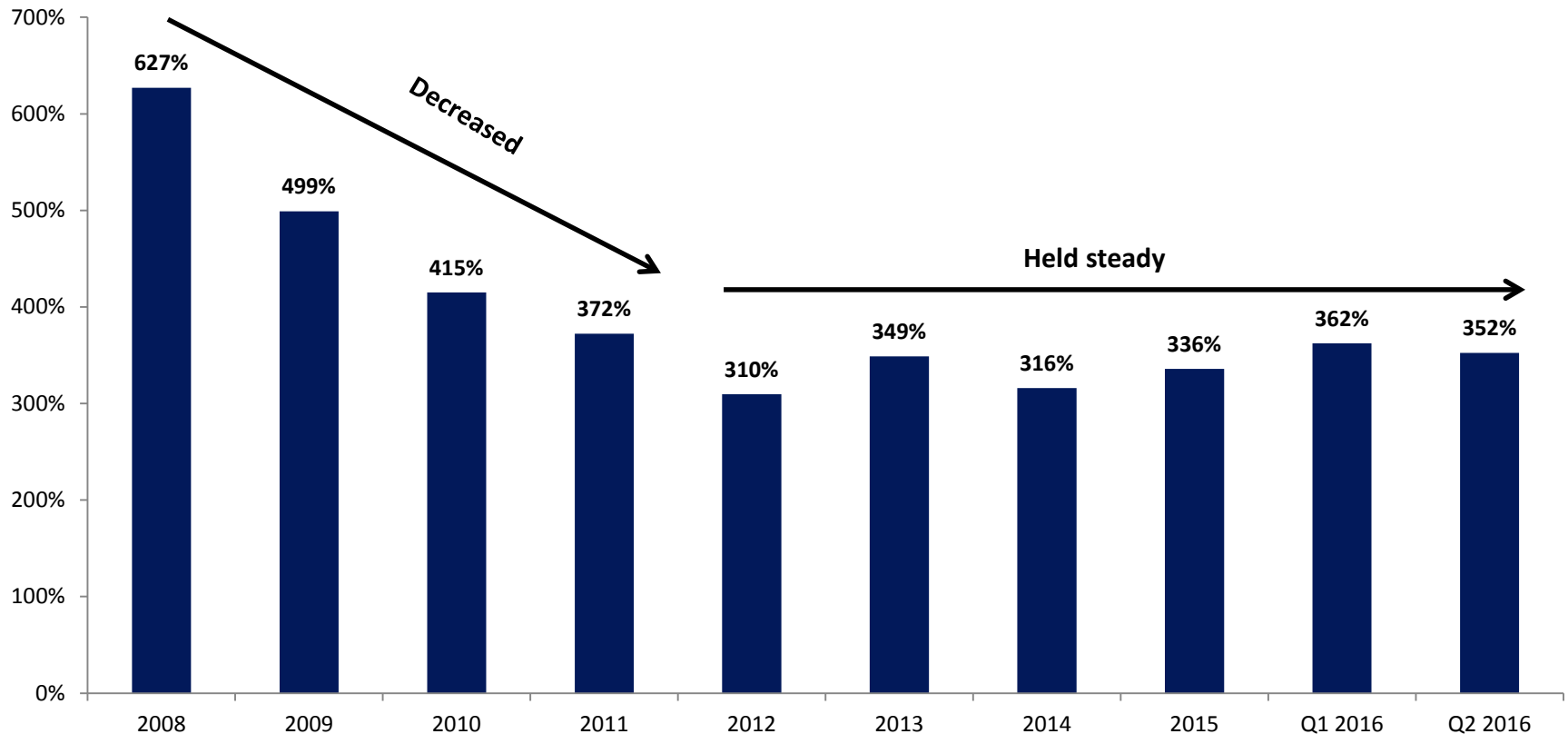
* California peer group consists of all insured California institutions, from SNL Financial.

CRE to Capital Concentration

Loan portfolio diversification has allowed us to decrease our CRE concentration

- After significant decrease, the Bank has held relatively steady since 2012, not altering our disciplined credit approach with this asset class

CRE as a Percent of Total Capital

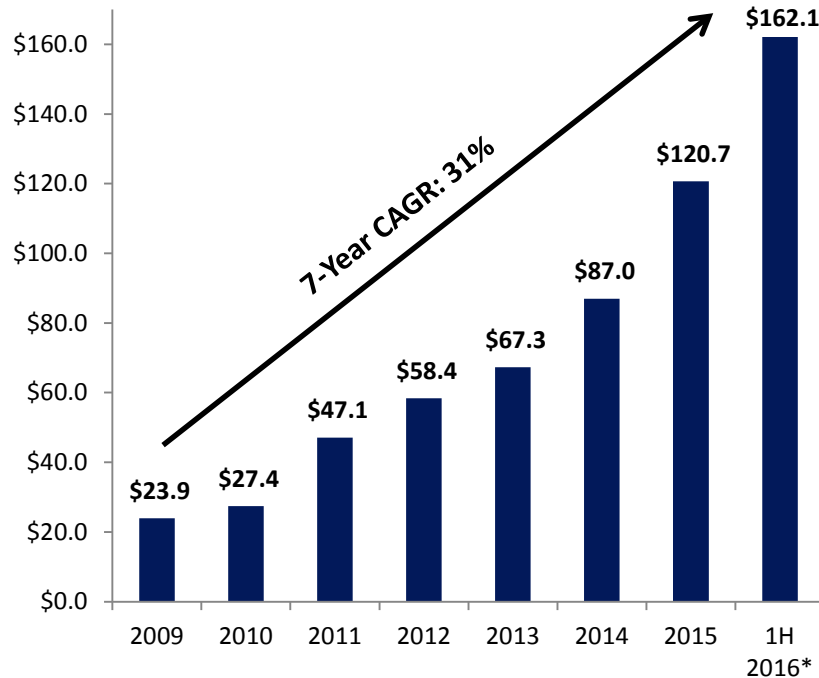


Operating Revenue & Net Interest Margin

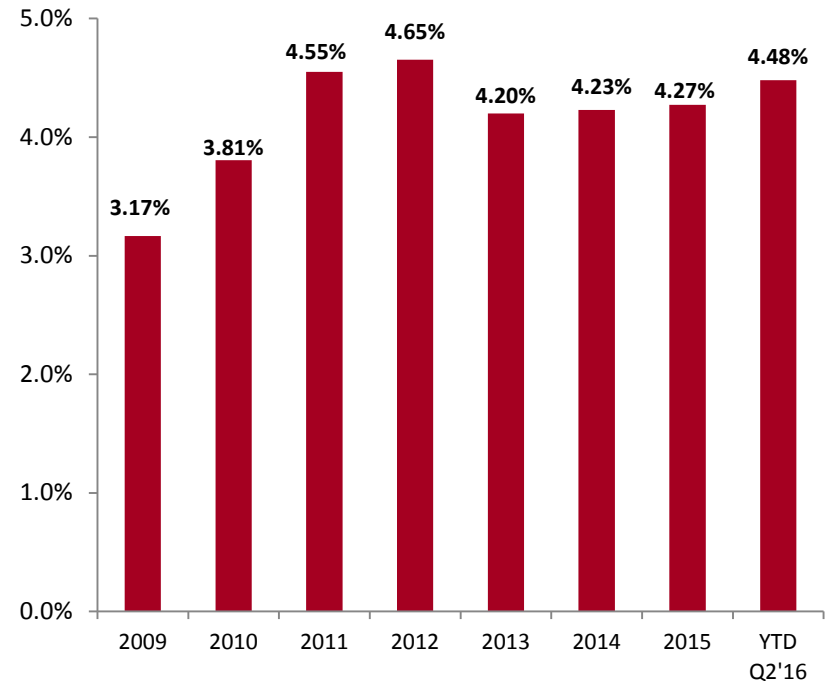
Operating revenue CAGR of 31% since 2009 driven by strong net interest margin

\$ in millions

Annual Operating Revenue



Net Interest Margin



Note: Operating revenue = net interest income + noninterest income.

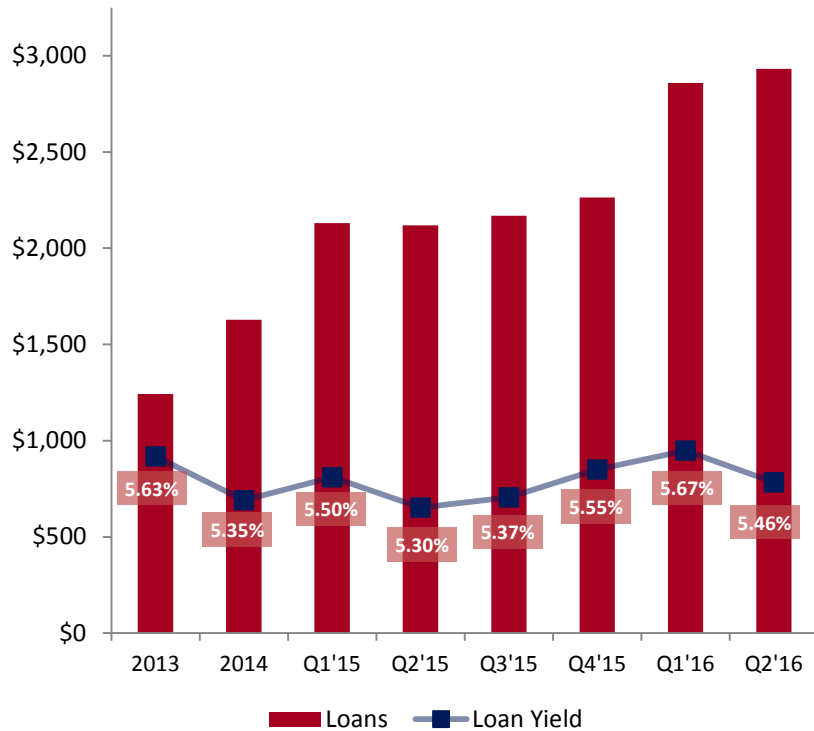
*Annualized

Strong Loan Yields - Declining Cost of Deposits

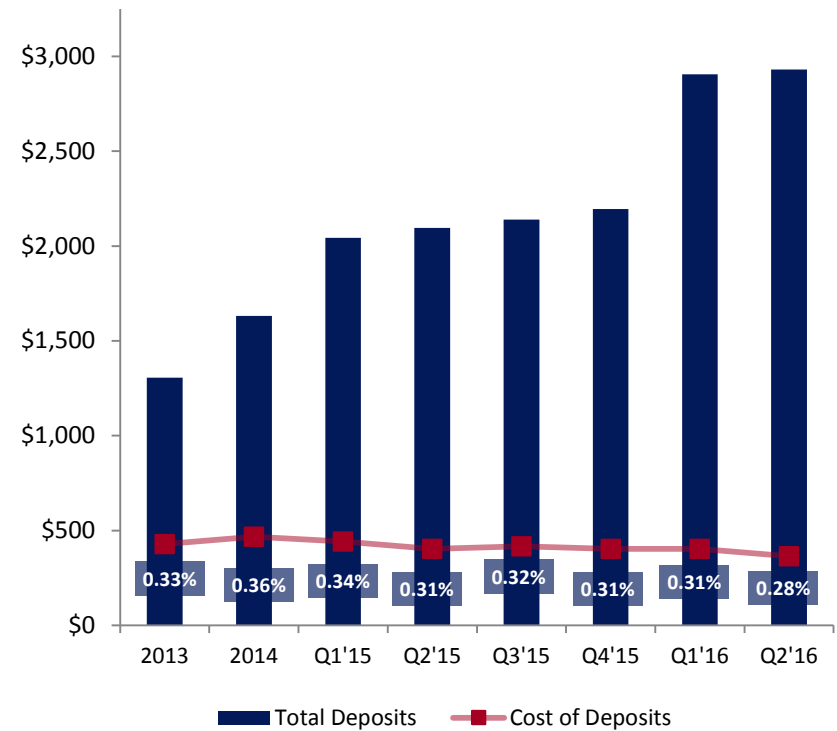
Our diversified businesses have optimized our NIM through disciplined pricing as well as loan and deposit growth

\$ in millions

Loan Yields



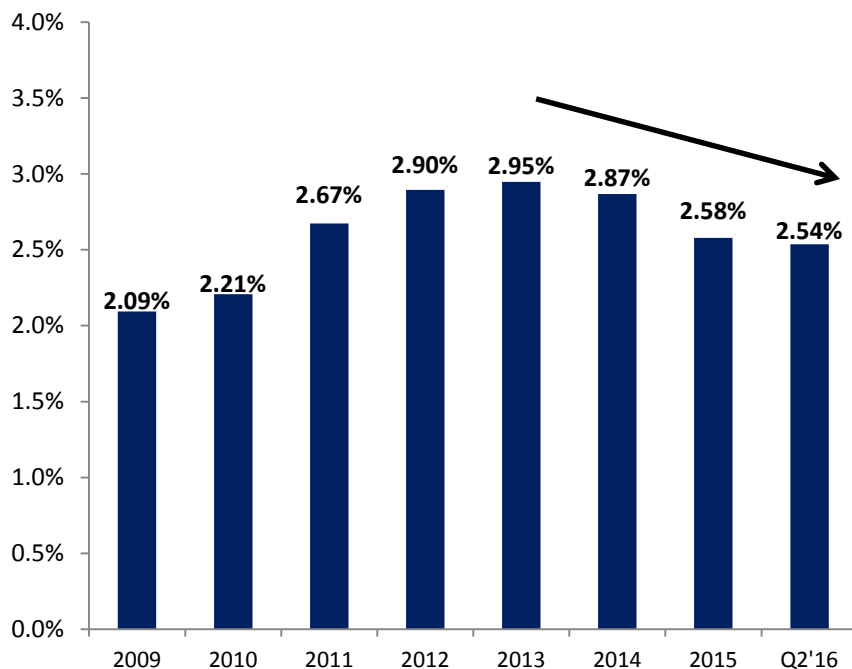
Cost of Deposits



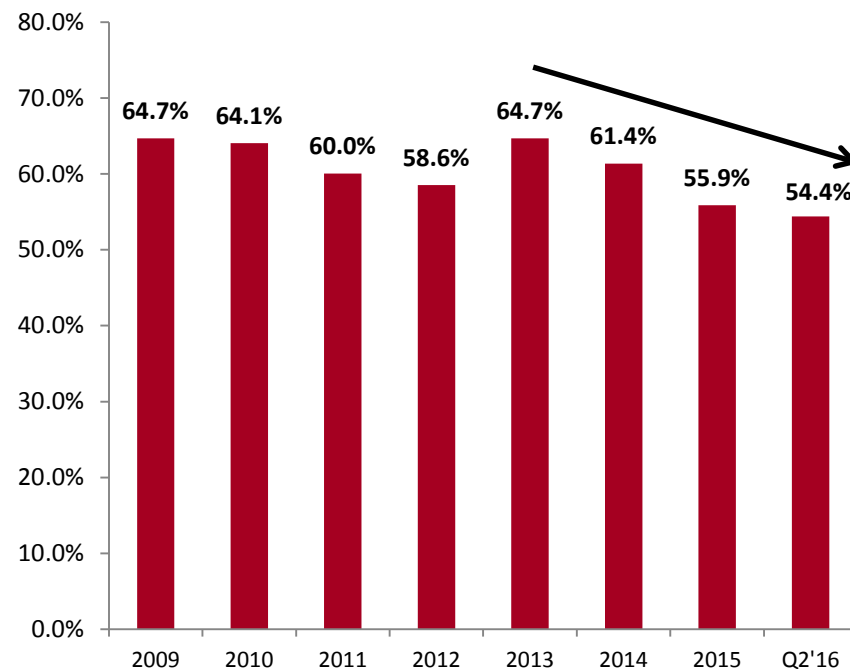
Noninterest Expense & Efficiency

The Company anticipates it will continue to benefit from economies of scale as it grows by investing in its loan and deposit production capabilities

Adjusted Noninterest Expense / Avg. Assets



Efficiency Ratio



NOTE: Efficiency Ratio represents the ratio of noninterest expense less other real estate owned operations, core deposit intangible amortization and non-recurring merger related expense to the sum of net interest income before provision for loan losses and total noninterest income less gains/(loss) on sale of securities, other-than-temporary impairment recovery (loss) on investment securities, and gain on FDIC-assisted transactions.

Adjusted noninterest expense excludes other real estate owned operations, core deposit intangible amortization and non-recurring merger related costs.

Capital Resources

PPBI and PPB remain well capitalized with strong earnings capacity to sustain growth strategy and well capitalized levels

As of June, 2016

Well-Capitalized
Requirement

Pacific Premier
Bancorp, Inc.

Pacific Premier Bank

Regulatory Capital Ratios:

Tier 1 Leverage Capital Ratio	5.00%	9.88%	11.17%
Common Equity Tier 1 Risk-based Capital Ratio	6.50%	10.58%	12.32%
Tier 1 Risk-Based Capital Ratio	8.00%	10.90%	12.32%
Total Risk Based Capital Ratio	10.00%	13.45%	12.94%
Tangible Common Equity Ratio ⁽¹⁾		9.41%	10.97%

(1) Please refer to non-GAAP reconciliation

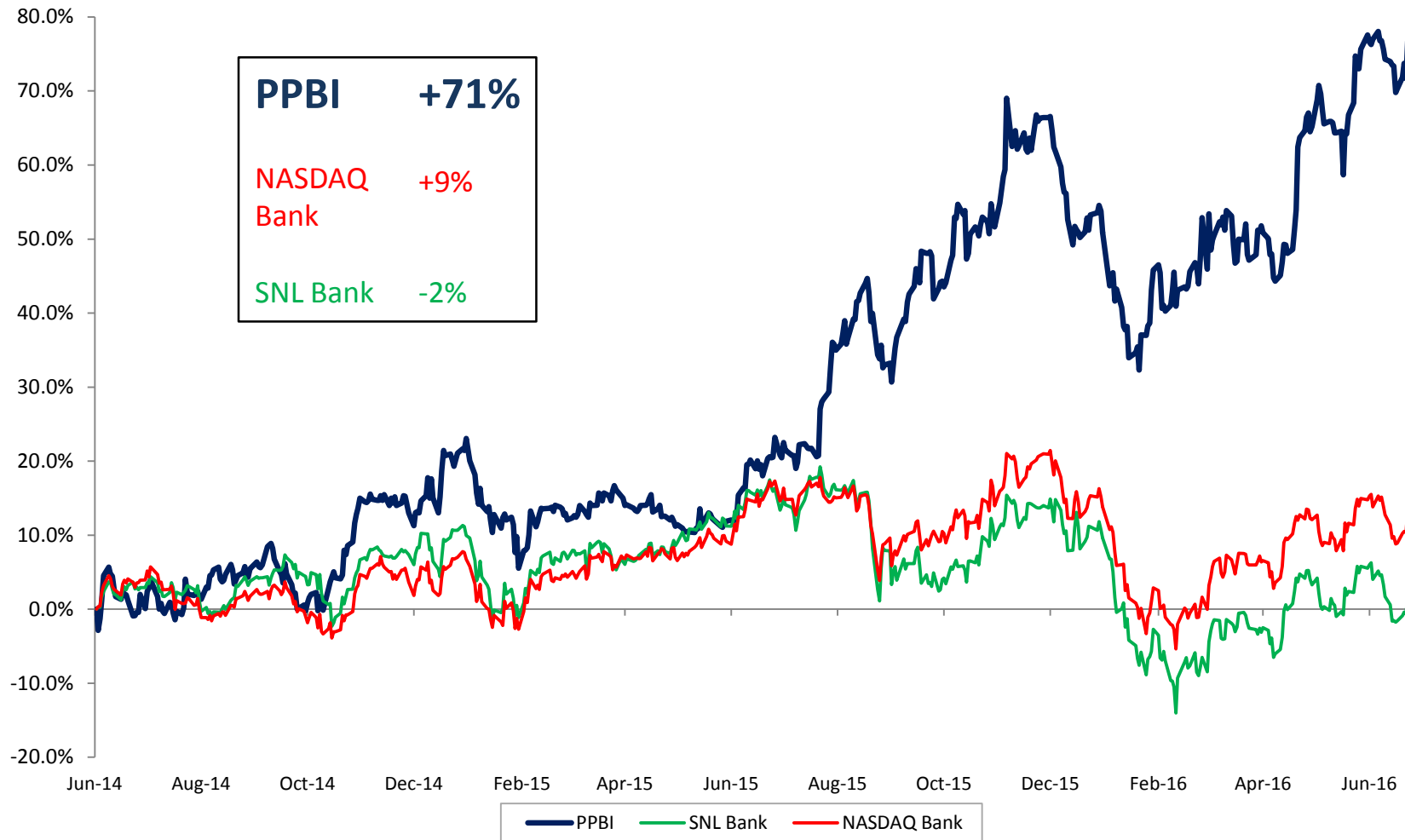
Overview of Q2 2016 – Highlights

2nd Quarter Highlights

- Completed conversion of Security California Bancorp on the weekend of April 22-24, 2016, less than three months after close. Consolidated 3 PPB branches on the same weekend.
- Closed 3 branches during Q3 2016 in the cities of Seal Beach, Point Loma and Palm Springs – 16 branches
- Net income of \$10.4 million, an increase of \$1.8 million over the prior quarter, or 21.2%
- Diluted earnings per share of \$0.37, an increase of \$0.04 over the prior quarter, or 12.1%
- ROATCE of 13.48%, or 13.86% adjusted to exclude merger related expenses
- ROAA of 1.17%, or 1.20% adjusted to exclude merger related expenses
- Originated \$299 million of new loans, a 19% annualized increase from the Q1 2016
- Efficiency ratio of 54% and noninterest expense as a percent of assets of 2.59%
- Tangible book value per share increased to \$11.87, compared to \$10.36 as of June 30, 2015

Superior Market Performance (PPBI)

Since June 2014, PPBI's stock price has significantly outperformed its publicly traded bank peers (SNL Bank Index / NASDAQ Bank Index)



Source: SNL Financial, market information as of 6/30/2016

Strategically focused – Financially Motivated

Continue to Evolve and Strive for Superior Performance

PPBI's management team operates the bank with the understanding we are growing toward \$10.0 billion

- Our business model is always evolving, transforming and improving
- Continue to build a quality banking franchise and leverage core competencies
- Investments in and the strengthening of the entire team is an on-going process

Operational Integrity Leads to Strong Internal Controls and Risk Management

PPBI's operating environment and culture have been built over the years and is designed to be scalable

- Sales culture maturation combined with traditional Relationship Managers and the leveraging of technology
- BSA/AML – automated Rule Based Risk Rating and statistical analytics covering entire client base
- CRA – enhanced program to exceed community group requirements and large bank exam standards

Keen Focus on Creating Maximum Shareholder Value

Management consistently communicates and executes on its strategic plan

- Our Board regularly evaluates capital management, strategic direction and the alternatives to maximize shareholder value
- Focused on increasing earnings and building TBV through growth strategies and improving efficiencies
- Our goal is to create a fundamentally sound franchise with strong earnings and risk management, which will be an attractive acquisition target for a potential buyer

Scarcity Value in Southern California

Largest 25 Banks Headquartered in Southern California

Rank	Company name	Exchange	City	Total Assets (\$000s)
1	PacWest Bancorp	NASDAQ	Beverly Hills	\$ 21,147,139
2	Banc of California, Inc.	NYSE	Irvine	\$ 10,157,662
3	CVB Financial Corp.	NASDAQ	Ontario	\$ 8,312,307
4	BofI Holding, Inc.	NASDAQ	San Diego	\$ 7,705,622
5	Opus Bank	NASDAQ	Irvine	\$ 7,468,083
6	F & M Bank of Long Beach	OTCQB	Long Beach	\$ 6,220,649
7	Community Bank	OTC Pink	Pasadena	\$ 3,653,260
8	Pacific Premier Bancorp, Inc.	NASDAQ	Irvine	\$ 3,598,653
9	Grandpoint Capital, Inc.	OTC Pink	Los Angeles	\$ 3,242,077
10	CU Bancorp	NASDAQ	Los Angeles	\$ 2,739,533
11	First Foundation Inc.	NASDAQ	Irvine	\$ 2,690,173
12	Manufacturers Bank	-	Los Angeles	\$ 2,578,808
13	American Business Bank	OTC Pink	Los Angeles	\$ 1,744,636
14	Montecito Bancorp	-	Santa Barbara	\$ 1,258,251
15	Provident Financial Holdings, Inc.	NASDAQ	Riverside	\$ 1,173,751
16	Pacific Mercantile Bancorp	NASDAQ	Costa Mesa	\$ 1,100,915
17	Plaza Bank	-	Irvine	\$ 1,061,416
18	Malaga Financial Corporation	OTC Pink	Palos Verdes Estates	\$ 993,557
19	Silvergate Bank	-	La Jolla	\$ 952,654
20	Sunwest Bank	-	Irvine	\$ 951,597
21	California First National Bancorp	NASDAQ	Irvine	\$ 860,890
22	Commercial Bank of California	-	Irvine	\$ 777,974
23	Bank of Hemet	-	Riverside	\$ 655,589
24	Community West Bancshares	NASDAQ	Goleta	\$ 622,755
25	Seacoast Commerce Bank	-	San Diego	\$ 526,359

- Significant scarcity value for quality and sizeable banking franchises in Southern California
- PPBI is 8th largest bank headquartered in Southern California
- Includes all banks and thrifts headquartered in Southern California (Orange, Los Angeles, San Bernardino, Riverside, and San Diego counties). Sorted by total assets, excludes pending merger targets and ethnic-focused banks

Building Long-term Franchise Value

- Continue to drive economies of scale and operating leverage
- Positioned to deliver strong profitability
- Ability to integrate business lines that generate higher risk adjusted returns
- Proven track record of executing on acquisitions and organic growth
- Well positioned to evaluate attractive acquisition opportunities
- Create scarcity value among banks in Southern California

Appendix material

Financial Highlight Trends

	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016
Balance Sheet					
Total Assets	\$ 2,636,756	\$ 2,715,298	\$ 2,790,646	\$ 3,563,085	\$ 3,598,653
Total Gross Loans	2,118,323	2,167,547	2,262,880	2,858,713	2,930,735
Total Deposits	2,095,983	2,139,207	2,195,123	2,906,264	2,931,001
Gross Loans / Deposits	101.1%	101.3%	103.1%	98.4%	100.0%
Financial Performance					
Net Interest Income	\$ 27,093	\$ 26,696	\$ 28,837	\$ 34,201	\$ 37,561
Provision for Loan Losses	1,833	1,062	1,700	1,120	1,589
Total Non-Interest Income	4,380	4,378	4,217	4,862	4,450
Total Non-Interest Expense	17,214	17,374	18,539	23,647	23,695
Net Income before Taxes	12,426	12,638	12,815	14,296	16,727
Provision for Taxes	4,601	4,801	4,750	5,742	6,358
Net Income	7,825	7,837	8,065	8,554	10,369
Diluted EPS	\$ 0.36	\$ 0.36	\$ 0.37	\$ 0.33	\$ 0.37
Performance & Capital Ratios					
Return on Average Assets	1.18%	1.19%	1.18%	1.04%	1.17%
Return on Average Tangible Common Equity*	14.83%	14.25%	14.09%	12.02%	13.48%
Return on Adjusted Average Tangible Common Equity*	14.83%	14.96%	14.92%	14.91%	13.86%
Net Interest Margin	4.31%	4.24%	4.43%	4.48%	4.51%
Tangible Common Equity/ Tangible Assets *	8.65%	8.75%	8.82%	9.15%	9.41%
Tangible Book Value Per Share *	\$ 10.36	\$ 10.80	\$ 11.17	\$ 11.46	\$ 11.87
Common Equity Tier 1 Risk-based Capital Ratio	9.81%	10.02%	9.91%	10.43%	10.58%
Tier 1 Risk-based Ratio	10.12%	10.40%	10.28%	10.75%	10.90%
Risk-based Capital Ratio	13.40%	13.65%	13.43%	13.32%	13.45%

Note: All dollars in thousands, except per share.

Non-GAAP Financial Measures

Tangible common equity to tangible assets (the "tangible common equity ratio") and tangible book value per share are a non-GAAP financial measures derived from GAAP-based amounts. We calculate the tangible common equity ratio by excluding the balance of intangible assets from common stockholders' equity and dividing by tangible assets. We calculate tangible book value per share by dividing tangible common equity by common shares outstanding, as compared to book value per common share, which we calculate by dividing common stockholders' equity by common shares outstanding. We believe that this information is consistent with the treatment by bank regulatory agencies, which exclude intangible assets from the calculation of risk-based capital ratios. Accordingly, we believe that these non-GAAP financial measures provide information that is important to investors and that is useful in understanding our capital position and ratios. However, these non-GAAP financial measures are supplemental and are not a substitute for an analysis based on GAAP measures. As other companies may use different calculations for these measures, this presentation may not be comparable to other similarly titled measures reported by other companies. A reconciliation of the non-GAAP measure of tangible common equity ratio to the GAAP measure of common equity ratio and tangible book value per share to the GAAP measure of book value per share are set forth below.

	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016
Total stockholders' equity	\$ 281,593	\$ 290,767	\$ 298,980	\$ 428,894	\$ 440,630
Less: Intangible assets	(58,690)	(58,346)	(58,002)	(113,230)	(112,439)
Tangible common equity	<u>\$ 222,903</u>	<u>\$ 232,421</u>	<u>\$ 240,978</u>	<u>\$ 315,664</u>	<u>\$ 328,191</u>
Total assets	\$ 2,636,756	\$ 2,715,298	\$ 2,790,646	\$ 3,563,085	\$ 3,598,653
Less: Intangible assets	(58,690)	(58,346)	(58,002)	(113,230)	(112,439)
Tangible assets	<u>\$ 2,578,066</u>	<u>\$ 2,656,952</u>	<u>\$ 2,732,644</u>	<u>\$ 3,449,855</u>	<u>\$ 3,486,214</u>
Common Equity ratio	10.68%	10.71%	10.71%	12.04%	12.24%
Less: Intangibility equity ratio	(2.03%)	(1.96%)	(1.89%)	(2.89%)	(2.83%)
Tangible common equity ratio	<u>8.65%</u>	<u>8.75%</u>	<u>8.82%</u>	<u>9.15%</u>	<u>9.41%</u>
Basic shares outstanding	21,510,558	21,510,678	21,570,746	27,537,233	27,650,533
Book value per share	\$ 13.09	\$ 13.52	\$ 13.86	\$ 15.58	\$ 15.94
Less: Intangible book value per share	(2.73)	(2.72)	(2.69)	(4.12)	(4.07)
Tangible book value per share	<u>\$ 10.36</u>	<u>\$ 10.80</u>	<u>\$ 11.17</u>	<u>\$ 11.46</u>	<u>\$ 11.87</u>

Note: All dollars in thousands, except per share data.

Non-GAAP Financial Measures

For the quarter periods presented below, adjusted net income for return on average tangible common equity, adjusted net income for adjusted return on average tangible common equity and average tangible common equity are non-GAAP financial measures derived from GAAP-based amounts. We calculate return on average tangible common equity by adjusting net income for the effect of CDI amortization and exclude the average CDI and average goodwill from the average stockholders' equity during the period. We calculate adjusted return on average tangible common equity by adjusting net income for the effect of CDI amortization and merger related expense and exclude the average CDI and average goodwill from the average stockholders' equity during the period. We believe that this is consistent with the treatment by bank regulatory agencies, which exclude intangible assets from the calculation of risk-based capital ratios. Accordingly, we believe that these non-GAAP financial measures provide information that is important to investors and that is useful in understanding our capital position and ratios. However, these non-GAAP financial measures are supplemental and are not a substitute for an analysis based on GAAP measures. As other companies may use different calculations for these adjusted measures, this presentation may not be comparable to other similarly titled adjusted measures reported by other companies. A reconciliation of the non-GAAP measures of return on average tangible common equity and adjusted return on average tangible common equity to the GAAP measure of return on common stockholders' equity is set forth below.

	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016
Net income	\$ 7,825	\$ 7,837	\$ 8,065	8,554	10,369
Plus: Tax effected CDI amortization	216	213	217	206	400
Adjusted net income for return on average tangible common equity	<u>\$ 8,041</u>	<u>\$ 8,050</u>	<u>\$ 8,282</u>	<u>8,760</u>	<u>10,769</u>
Plus: Merger related, net of tax	-	400	407	2,103	307
Plus: Litigation expense, net of tax	-	-	82	-	-
Adjusted net income for adjusted return on average tangible common equity	<u>\$ 8,041</u>	<u>\$ 8,450</u>	<u>\$ 8,771</u>	<u>10,863</u>	<u>11,076</u>
Average stockholders' equity	\$ 275,860	\$ 284,486	\$ 293,334	387,202	432,343
Less: Average core deposit intangible	8,080	7,686	7,394	10,110	10,876
Less: Average goodwill	50,965	50,832	50,832	85,581	101,923
Average tangible common equity	<u>\$ 216,815</u>	<u>\$ 225,968</u>	<u>\$ 235,108</u>	<u>291,511</u>	<u>319,543</u>
Return on average common equity	11.35%	11.02%	11.00%	8.84%	9.59%
Plus: Intangible return on average tangible common equity	3.49%	3.23%	3.09%	3.18%	3.89%
Return on average tangible common equity	<u>14.83%</u>	<u>14.25%</u>	<u>14.09%</u>	<u>12.02%</u>	<u>13.48%</u>
Adjusted return on average tangible common equity	<u>14.83%</u>	<u>14.96%</u>	<u>14.92%</u>	<u>14.91%</u>	<u>13.86%</u>

Note: All dollars in thousands

Non-GAAP Financial Measures

For quarter period presented below, adjusted net income and adjusted diluted earnings per share are non-GAAP financial measures derived from GAAP-based amounts. We calculate these figures by excluding merger related expenses in the period results. Management believes that the exclusion of such items from these financial measures provides useful information to an understanding of the operating results of our core business. However, these non-GAAP financial measures are supplemental and are not a substitute for an analysis based on GAAP measures. As other companies may use different calculations for these adjusted measures, this presentation may not be comparable to other similarly titled adjusted measures reported by other companies.

	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016
Net income	\$ 7,825	\$ 7,837	\$ 8,065	\$ 8,554	\$ 10,369
Plus: Merger related, net of tax	-	400	407	2,103	307
Plus: Litigation expense, net of tax	-	-	82	-	-
Adjusted net income	<u>\$ 7,825</u>	<u>\$ 8,237</u>	<u>\$ 8,554</u>	<u>\$ 10,657</u>	<u>\$ 10,676</u>
Diluted earnings per share	\$ 0.36	\$ 0.36	\$ 0.37	\$ 0.33	\$ 0.37
Plus merger related and litigation expenses, net of tax	-	0.02	0.02	0.08	0.01
Adjusted diluted earnings per share	<u>\$ 0.36</u>	<u>\$ 0.38</u>	<u>\$ 0.39</u>	<u>\$ 0.41</u>	<u>\$ 0.38</u>
Return on average assets	1.18%	1.19%	1.18%	1.04%	1.17%
Plus merger related and litigation expenses, net of tax	0.00%	0.06%	0.07%	0.26%	0.03%
Adjusted return on average assets	<u>1.18%</u>	<u>1.25%</u>	<u>1.25%</u>	<u>1.30%</u>	<u>1.20%</u>

Note: All dollars in thousands