

Heritage Oaks Bancorp (NASDAQ: HEOP; Paso Robles, CA) has agreed to merge with Pacific Premier Bancorp, Inc. (NASDAQ: PPBI; Irvine, CA)

Deal Value: Approximately \$406 Million

Sandler O'Neill acted as exclusive financial advisor and rendered a fairness opinion to Heritage Oaks Bancorp in this transaction. This transaction represents Sandler O'Neill's 101st bank or thrift transaction nationwide since January 1, 2015 representing \$32 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.¹

Sandler O'Neill has advised on 23 transactions in the Western Region since January 1, 2014 representing \$9 billion in aggregate transaction value, more transactions and transaction value than any other investment bank during that time period.¹

IRVINE, Calif.--(BUSINESS WIRE)-- Pacific Premier Bancorp, Inc. (NASDAQ: PPBI) ("Pacific Premier"), the holding company of Pacific Premier Bank, and Heritage Oaks Bancorp (NASDAQ: HEOP) ("Heritage Oaks") today announced that they have entered into a definitive agreement under which Pacific Premier will acquire Heritage Oaks in a stock transaction for total consideration of approximately \$405.6 million, or \$11.68 per share, based on a closing price for Pacific Premier's common stock of \$33.65 as of December 12, 2016. The Company expects the transaction will be immediately accretive to tangible book value per share and 5.2% accretive to earnings per share in 2018.

Heritage Oaks, the holding company of Heritage Oaks Bank, is headquartered in Paso Robles, California with \$2.0 billion in total assets, \$1.3 billion in gross loans and \$1.6 billion in total deposits at September 30, 2016. Heritage Oaks has 12 branches located in San Luis Obispo County and Santa Barbara County and a loan production office located in Ventura County. The transaction will increase Pacific Premier's total assets to approximately \$6.0 billion on a pro forma basis.

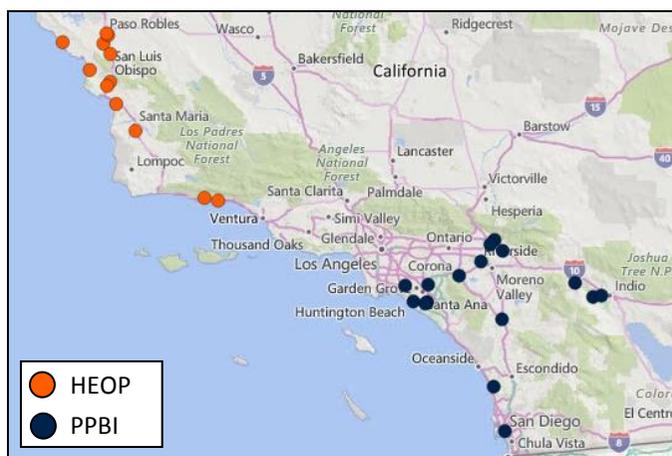
Under the terms of the definitive agreement, upon consummation of the transaction, holders of Heritage Oaks common stock will have the right to receive 0.3471 shares of Pacific Premier common stock for each share of Heritage Oaks common stock they own. Based on a \$33.65 closing price of Pacific Premier's common stock on December 12, 2016, the aggregate merger consideration is approximately \$405.6 million or \$11.68 per share of Heritage Oaks common stock.

Financial Highlights (\$ millions)

	<u>PPBI</u>	<u>HEOP</u>
Total Assets	\$3,755	\$1,988
Net Loans	\$3,069	\$1,324
Deposits	\$3,060	\$1,631
Equity	\$450	\$215
LTM ROAA	1.09%	0.83%
TCE / TA	9.28%	9.53%

Notes:
¹Source: SNL Financial. Excludes terminated transactions and self-advisory roles.
 Financial data as of September 30, 2016

Pro Forma Branch Network



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