

Square 1 Financial, Inc. (NASDAQ: SQBK; Durham, NC) has agreed to merge with PacWest Bancorp (NASDAQ: PACW; Los Angeles, CA)

Deal Value: Approximately \$849.4 million

Sandler O'Neill served as financial advisor and provided a fairness opinion to Square 1 Financial, Inc. in this transaction. This transaction represents Sandler O'Neill's 66th bank or thrift transaction nationwide since January 1, 2014. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions, and in a greater aggregate value of bank and thrift transactions than any other investment bank during that time period.¹

Since January 1, 2010, Sandler O'Neill has been involved in 11 bank and thrift transactions with a deal value between \$500 million and \$2 billion, more than any other investment bank, and for a greater aggregate value during that time period.¹

Sandler O'Neill has had a long-standing relationship with Square 1 since its founding in 2005. This is the fifth transaction involving the two parties, including Sandler's role as lead book runner on Square 1's \$120 million IPO in March of 2014.

LOS ANGELES, CA, and DURHAM, NC, March 2, 2015. PacWest Bancorp (NASDAQ: PACW – "PacWest") and Square 1 Financial, Inc. (NASDAQ: SQBK – "Square 1") today announced the signing of a definitive agreement and plan of merger (the "Agreement") whereby PacWest will acquire Square 1 in a transaction valued at approximately \$849 million. The Square 1 lending operations will continue to do business under the name Square 1 as a division of Pacific Western Bank.

As of December 31, 2014, on a pro forma consolidated basis, the combined company would have had approximately \$19.8 billion in assets with 80 branches throughout California and one in North Carolina.

Under the terms of the Agreement, Square 1 stockholders will receive 0.5997 shares of PacWest common stock for each share of Square 1 common stock. The total value of the per share merger consideration, based on the closing price of PacWest common stock on February 27, 2015, of \$45.84 is \$27.49.

Matt Wagner, CEO of PacWest Bancorp, commented, "We are very excited to align ourselves with the Square 1 team. Thanks to the talented professionals and founders that built this successful institution, we are confident this transaction with Square 1 represents an excellent opportunity to grow core deposits, expand our nationwide lending platform, and increase our presence in the dynamic technology and life-sciences markets."

"Joining PacWest will be a terrific opportunity for our clients, employees, and stockholders," said Doug Bowers, CEO of Square 1. "Square 1 offers PacWest a complementary line of business and significant core deposit growth. As part of PacWest, we will maintain our steadfast commitment to the entrepreneurial and venture communities, will be able to offer clients a wider array of products and will be well-positioned to continue to serve them through all stages of their growth."

Financial Highlights

(\$ in USD millions):

	SQBK	PACW
Total Assets	\$3,095	\$16,235
Gross Loans	1,346	11,882
Total Deposits	2,777	11,755
Total Equity	303	3,506
TCE/TA	9.77%	12.20%
LTM ROAA	1.25%	1.27%

1) Source: SNL Financial. Excludes terminated transactions and self-advisory roles

Pro Forma U.S. Branch Map



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