



## Banc of California Reports Third Quarter 2017 Earnings

**SANTA ANA, Calif., (October 26, 2017)** – Banc of California, Inc. (NYSE: BANC) today reported net income of \$16.9 million, and net income available to common stockholders of \$11.8 million, for the third quarter of 2017, resulting in diluted earnings per common share of \$0.23 for the quarter. Net income from continuing operations for the quarter was \$18.1 million, resulting in diluted earnings per common share from continuing operations of \$0.25.

Highlights for the third quarter included:

- **Balance Sheet Re-Mix:** Reduced securities by \$159 million, driven by sales of \$87 million of master limited partnerships (“MLPs”) and \$32 million of bank debt. Reduced held for sale loans by \$229 million, driven primarily by jumbo portfolio mortgage loan sales and the completed sale of all remaining seasoned SFR mortgage loan pools.
- **Loan Growth:** Held for investment loans increased by \$271 million, or 5%, during the quarter to \$6.2 billion. The Company sold \$46 million of loans from held for investment and transferred \$88 million of jumbo residential mortgage loans from held for sale to held for investment during the quarter. Excluding these sales and transfers, held for investment loans increased by \$229 million, or 4%, from the prior quarter.
  - Commercial loan balances increased by \$132 million, or 3%, from the prior quarter, and by \$335 million, or 9%, from a year ago.
- **Expense Management:** Achieved targeted quarterly, recurring, run-rate expenses of less than \$60 million for the quarter, excluding expense related to loss on investments in alternative energy partnerships and non-recurring expenses.
- **Strong Credit:** Asset quality remained strong with non-performing assets to total assets of 0.16% at quarter end.
- **Strengthened Capital:** Common equity tier 1 capital ratio improved from the prior quarter to 9.91%, the highest level in the past 12 quarters.
- **Bolstered Talent:** Key executive hires including John Bogler as Chief Financial Officer, Jason Pendergist as Head of Real Estate Banking, and Rita Dailey as EVP, Head of Deposits & Treasury Management Services.

“Our third quarter results included numerous strategic actions centered on re-mixing the balance sheet and positioning the company with an ever increasing emphasis on building a diversified and strong California commercial banking franchise,” said Doug Bowers, President and Chief Executive Officer of Banc of California. “During the quarter, we continued to de-risk the securities portfolio through selective sales, re-mixed the loan book increasingly toward core lending activities, and saw moderate growth in the held for investment loan portfolio. On the liability side, our focus is on core funding activities as we reduced brokered and other high-rate and high-volatility deposits. Looking forward, we are laser-focused on building and expanding our core deposit capabilities across the organization as core, low cost deposit generation remains our number one priority. Gaining control of our expense base, and reducing costs related to legal and professional fees, settlement, and termination costs is also a high priority. The addition of key senior leaders such as John Bogler, Jason Pendergist, and Rita Dailey are a centerpiece of the plan to help guide Banc of California through this transformation, and we welcome their addition to our team. While we remain in the early innings of this transformation, I continue to see substantial opportunity in front of us, with the size and product set to compete, coupled with a deep and talented employee base, and operating in one of the most attractive markets in the U.S.”

The Company will host a conference call to discuss its third quarter financial results at 7:00 a.m. Pacific Time (PT) on Thursday, October 26, 2017. Interested parties are welcome to attend the conference call by dialing 888-317-6003, and referencing event code 8972485. A live audio webcast will also be available and the webcast link will be posted on the Company’s Investor Relations website at [www.bancofcal.com/investor](http://www.bancofcal.com/investor). The slide presentation for the call will also be available on the Company’s Investor Relations website prior to the call.

**About Banc of California, Inc.**

Banc of California, Inc. (NYSE: BANC) provides comprehensive banking services to California's diverse businesses, entrepreneurs and communities. Banc of California operates 34 offices in California. The Company has been recognized by Forbes for the second straight year as one of the 100 Best Banks in America for 2017.

**Forward-Looking Statements**

This press release includes forward-looking statements within the meaning of the "Safe-Harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are necessarily subject to risk and uncertainty and actual results could differ materially from those anticipated due to various factors, including those set forth from time to time in the documents filed or furnished by Banc of California, Inc. with the Securities and Exchange Commission. You should not place undue reliance on forward-looking statements and Banc of California, Inc. undertakes no obligation to update any such statements to reflect circumstances or events that occur after the date on which the forward-looking statement is made.

**Source: Banc of California, Inc.**

**INVESTOR RELATIONS INQUIRIES:**

Banc of California, Inc.  
Timothy Sedabres, (855) 361-2262

**MEDIA INQUIRIES:**

Abernathy MacGregor  
Ian Campbell / Joe Hixson, (213) 630-6550  
idc@abmac.com / jrh@abmac.com