



Banc of California Reports Second Quarter 2018 Earnings

SANTA ANA, Calif., (July 26, 2018) – Banc of California, Inc. (NYSE: BANC) today reported net income available to common stockholders of \$9.7 million, for the second quarter of 2018, resulting in diluted earnings per common share of \$0.18 for the quarter.

Highlights for the Second quarter included:

- **Strong Core Deposit Growth:** Core deposits grew by \$357 million allowing for the reduction of brokered deposits by \$332 million and the reduction of FHLB advances by \$100 million.
- **Organic Loan Growth:** Held for investment loans increased by \$105 million during the quarter to \$7.0 billion. Annualized growth in the portfolio is 11% for the first half of 2018.
 - Gross loan commitment originations totaled \$765 million for the second quarter at an average production yield of 5.05%.
- **Continuation of Balance Sheet Re-Mix:** Reduced securities by \$127 million, or 5%, driven by the continued reduction of Collateralized Loan Obligations ("CLO"). Additionally, the Company completed the sale of mortgage servicing rights ("MSRs") totaling \$3 million.
- **Bolstered Talent:** Added key leadership talent in Jim Hazboun as Chief Human Resources Officer.
- **Disciplined Expense Management:** Second quarter noninterest expense totaled \$62.5 million. Previously announced expense reduction initiative expected to reduce noninterest expense by approximately \$15 million annually.
- **Strong Credit Performance:** Non-performing assets of 0.22% and total delinquencies declined to 0.38%. Net charge-offs totaled \$738,000 and included \$372,000 related to the sale of a performing loan. The ALLL / total loan ratio was 0.81% at quarter end, up from 0.79% at the prior quarter end and up from 0.71% a year ago.
- **Strong Capital Ratios:** Common equity tier 1 capital ratio of 9.90%, compared to 9.83% a year ago.

The Company's second quarter reported financial results included \$6.9 million of legal and professional fees partially offset by a \$5.4 million insurance recovery related to ongoing indemnification expense, a \$4.0 million restructuring expense and \$900,000 of other expense. The aggregate impact of these items resulted in \$6.4 million of net, nonrecurring expenses for the quarter.

"We continue to be very focused on our strategic plan and the second quarter saw yet more progress," said Doug Bowers, President and Chief Executive Officer of Banc of California. "We are seeing early signs of core deposit growth with balances increasing \$357 million for the quarter or 25% annualized. Alongside varying key metrics, we remain committed to achieving operational efficiencies as noninterest expense, excluding non-recurring items, once again declined. Credit quality also remained very strong with non-performing assets to total assets at 0.22%."

The Company will host a conference call to discuss its second quarter 2018 financial results at 7:00 a.m. Pacific Time (PT) on Thursday, July 26, 2018. Interested parties are welcome to attend the conference call by dialing 888-317-6003, and referencing event code 7007407. 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. 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.

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.

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