



## Banc of California Reports First Quarter 2019 Earnings

**SANTA ANA, Calif., (April 23, 2019)** – Banc of California, Inc. (NYSE: BANC) today reported net income available to common stockholders of \$2.7 million, for the first quarter of 2019, resulting in diluted earnings per common share of \$0.05 for the quarter.

Highlights for the first quarter included:

- **Core Deposits:** Core deposit balances were up to \$6.3 billion from \$6.2 billion in the prior quarter and \$5.7 billion a year ago.
  - Wholesale funding mix is 24% in the first quarter, down from 30% at the end of 2018.
  - Noninterest bearing deposits increased by \$97 million.
- **HFI Loan Balances:** Held for investment loans decreased by \$144 million during the quarter to \$7.6 billion.
  - Gross loan commitment originations totaled \$521 million for the first quarter at an average production yield of 5.29%.
  - Sales of single family loans totaled \$243 million.
- **Asset Re-Mix:** Investment securities balance declined by \$521 million during the quarter and represented 15% of total assets at quarter end, down from 19% at the end of the prior quarter and 23% from a year ago.
- **Noninterest Expenses:** First quarter noninterest expenses totaled \$61.8 million, up from \$49.6 million for the fourth quarter, driven by a seasonal increase in salaries and benefits combined with increased professional fees and restructuring expenses.
- **Credit Performance:** Non-performing assets to total assets at quarter end were 0.29% and total delinquent loans to total loans at quarter end were 0.79%, compared to 0.21% and 0.53%, respectively, at the prior quarter end. Net charge-offs during the quarter totaled \$1.1 million, compared with \$2.5 million during the prior quarter. The ALLL / total loan ratio was 0.85% at quarter end, up from 0.81% at the prior quarter end and 0.79% a year ago.
- **Strong Capital Ratios:** Common equity tier 1 capital ratio at quarter end of 9.72%, compared to 9.53% at the prior quarter end and 9.80% a year ago.

Capital actions:

- **Dividend Reduction:** The Company's Board of Directors approved a plan to reduce the quarterly dividend from \$0.13 to \$0.06 per common share.

The Company's first quarter results included \$11.0 million of legal and professional fees and \$2.8 million in restructuring expenses, offset by a \$4.7 million insurance recovery related to ongoing indemnification expenses.

"The first quarter results, and particularly actions taken at the end of the quarter, reflect continued effort toward our strategic transformation," said Jared Wolff, President and Chief Executive Officer of Banc of California. "We increased our core deposits during the quarter by \$58 million and more importantly, increased our noninterest bearing deposits by \$97 million. Additionally, we decreased our wholesale funding balance to 24% of total funding. Credit quality remained strong with non-performing assets to total assets at 0.29% at quarter end."

Mr. Wolff continued "This will be my first quarterly earnings call as the company's President and CEO, and I am honored to be leading Banc of California at such an exciting time for the company. We have a great brand, very talented people at all levels and are located in one of the best banking markets in the country with the expertise, products and platform necessary to be one of the premier community banking franchises in California. I look forward to accelerating the company's transformation and continuing to build long term value for our stockholders."

The Company will host a conference call to discuss its first quarter 2019 financial results at 10:00 a.m. Pacific Time (PT) on Tuesday, April 23, 2019. Interested parties are welcome to attend the conference call by dialing 888-317-6003, and referencing event code 4703060. 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) is a bank holding company with approximately \$10 billion in assets and one wholly-owned banking subsidiary, Banc of California, N.A. (the "Bank"). The Bank has 43 offices including 32 full-service branches located throughout Southern California. Through our 750+ dedicated professionals, we provide customized and innovative banking and lending solutions to businesses, entrepreneurs and individuals throughout California. We help our clients grow their businesses, purchase a home, create jobs, transform neighborhoods, enrich communities and empower their dreams. We also help to improve the communities where we live and work, by supporting organizations that provide financial literacy and job training, small business support and affordable housing. With a commitment to service and building enduring relationships, we provide a higher standard of banking. We look forward to helping you achieve your goals. For more information, please visit us at [www.bancofcal.com](http://www.bancofcal.com).

#### **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:**

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