



Banc of California Reports Second Quarter 2017 Earnings

SANTA ANA, Calif., (July 26, 2017) – Banc of California, Inc. (NYSE: BANC) today reported net income of \$12.3 million, and net income available to common stockholders of \$7.1 million, for the second quarter of 2017, resulting in diluted earnings per common share of \$0.14 for the quarter. Net income from continuing operations for the quarter was \$15.1 million, resulting in diluted earnings per common share from continuing operations of \$0.20.

Highlights for the second quarter included:

- Significantly re-positioned and de-risked the balance sheet during the quarter, through the reduction of brokered deposits by \$576 million, the reclassification of all HTM securities to AFS, and the sales of securities including \$294 million of longer duration agency MBS, \$120 million of private label non-agency MBS, and \$17 million of corporate bank debt.
- Signed an agreement to sell the remaining seasoned SFR mortgage loan pools which is expected to close in the third quarter, and thus moved those loan balances, totaling \$146 million, to held for sale during the second quarter.
- Increased commercial loan balances by \$53 million, or 1%, from the prior quarter, and by \$497 million, or 14%, from a year ago. Commercial loans now represent 68% of total loans held for investment, up from 57% a year ago.
- Held for investment loan balances decreased by \$149 million, or 2%, during the quarter to \$6.0 billion. The Company sold \$156 million of loans from held for investment during the quarter and moved \$146 million of seasoned SFR mortgage loans to held for sale, as noted above. Excluding these sales and transfers, held for investment loan balances increased by \$153 million, or 3%, from the prior quarter.
- Completed numerous expense initiatives during the second quarter which reduced quarterly, recurring, run-rate expenses to less than \$60 million for the quarter, excluding the expense related to loss on investments in alternative energy partnerships.
- Asset quality remained strong as nonperforming assets to total assets declined to just 0.12%.
- Common equity tier 1 capital ratio improved from the prior quarter to 9.8%.

The Company's consolidated assets totaled \$10.4 billion at June 30, 2017, down 6% compared to the prior quarter and up 2% compared to the prior year.

"During the second quarter, we completed numerous actions designed to re-position and de-risk the balance sheet and to continue orienting the Company toward an increased focus on core, commercial banking activities," said Doug Bowers, President and Chief Executive Officer of Banc of California. "These actions included both the select sales of securities and the reclassification of all held-to-maturity securities to available for sale. In addition, we reduced brokered deposits, and continued to focus on lowering the overall expense base and improving efficiencies across the organization. The second quarter did include non-recurring expense items related to severance, legal and professional fees, and termination costs associated with certain facilities and the company car program. All the while, a strong credit culture continues to endure, and coupled with improved governance both remain core parts of the foundation of Banc of California. We are in the early days of the transformation of what Banc of California aims to become, and there is certainly more work to do. I have been very pleased with the quality of our people across the Company. I believe we have a substantial opportunity in front of us to serve our clients well across our markets and to deliver value for our shareholders. What attracted me initially to Banc of California holds truer than ever as our brand, our markets, and our size, coupled with our strong credit culture provides us with every opportunity to build a thriving commercial bank."

The Company will host a conference call to discuss its second quarter financial results at 7:00 a.m. Pacific Time (PT) on Wednesday, July 26, 2017. Interested parties are welcome to attend the conference call by dialing 888-317-6003, and referencing event code 3749697. 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. The Company was recently 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.

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