



Banc of California Reports Fourth Quarter 2017 Earnings

SANTA ANA, Calif., (January 25, 2018) – Banc of California, Inc. (NYSE: BANC) today reported net income available to common stockholders of \$6.2 million, for the fourth quarter of 2017, resulting in diluted earnings per common share of \$0.12 for the quarter. Net income available to common stockholders for the full year was \$37.3 million, resulting in diluted earnings per common share of \$0.71 for the full year. Diluted earnings per common share from continuing operations were \$0.11 for the fourth quarter, and \$0.63 for the full year.

Highlights for the fourth quarter included:

- **Strong Organic Loan Growth:** Held for investment loans increased by \$433 million, or 7%, during the quarter to \$6.7 billion.
 - Commercial loan balances increased by \$308 million, or 7%, from the prior quarter, and by \$680 million, or 18%, from a year ago.
- **Continuation of Balance Sheet Re-Mix:** Reduced securities by \$180 million, or 7%, driven by decline of collateralized loan obligation (“CLO”) balances of \$117 million, and the sales of \$24 million of master limited partnership debt securities (“MLPs”) and \$23 million of bank debt.
- **Disciplined Expense Management:** Achieved targeted quarterly, recurring, run-rate expenses of \$59.1 million for the quarter, excluding expense related to loss on investments in alternative energy partnerships and non-recurring expenses.
- **Maintained Strong Credit:** Asset quality remained strong with non-performing assets to total assets of 0.21% at quarter end. The ALLL / total loan ratio was 0.74% at quarter end, up from 0.72% at prior quarter end and up from 0.67% a year ago.
- **Strong Capital Ratios:** Common equity tier 1 capital ratio of 9.9%, the highest level in over three years.

The Company’s fourth quarter reported financial results included \$3.3 million of non-recurring expenses, \$4.4 million of negative valuation adjustments to the mortgage servicing rights (“MSRs”), and \$2.1 million of a net tax benefit as a result of re-measurement of the Company’s deferred tax assets and liabilities due to the recently enacted tax reform legislation.

“During the fourth quarter, we continued to make substantial progress on our strategy to re-mix the balance sheet, reducing securities by \$180 million, and increasing loan balances by \$433 million, as our banking teams delivered a strong finish to cap off 2017,” said Doug Bowers, President and Chief Executive Officer of Banc of California. “These results reflect the focused effort centered on growing our core, commercial banking businesses. We continue to work hard on improving the funding profile of the institution, and although we saw a modest decline in overall deposit balances as we reduced select high-rate and high volatility deposits this quarter, we did see increased deposit balances collectively in commercial, private and retail banking, which increased by \$290 million. Improving our funding base continues to be our number one goal and priority. In wrapping up 2017, I want to say thank you to all my colleagues for their hard work and dedication over the course of the year. As I look into the new year, we have a tremendous opportunity in front of us, and while there is certainly much work that lies ahead, I believe we have a strong foundation in place, with a great brand and talented people across the company, which position us well to achieve our goals for California’s Bank in 2018.”

The Company will host a conference call to discuss its fourth quarter and full year 2017 financial results at 7:00 a.m. Pacific Time (PT) on Thursday, January 25, 2018. Interested parties are welcome to attend the conference call by dialing 888-317-6003, and referencing event code 8198599. 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.

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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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