



Banc of California Reports Fourth Quarter 2018 Earnings

SANTA ANA, Calif., (January 24, 2019) – Banc of California, Inc. (NYSE: BANC) today reported net income available to common stockholders of \$6.7 million, for the fourth quarter of 2018, resulting in diluted earnings per common share of \$0.13 for the quarter.

Highlights for the fourth quarter included:

- **Core Deposits:** Core deposit balances were flat for the quarter. Full year core deposit balances grew 10% to \$6.2 billion.
- **Organic Loan Growth:** Held for investment loans increased by \$448 million during the quarter to \$7.7 billion. Loan portfolio growth for the full year was 16%.
 - Gross loan commitment originations totaled \$1.0 billion for the fourth quarter at an average production yield of 5.26%.
- **Asset Re-Mix:** Investment securities balance declined by \$67 million during the quarter and represented 19% of total assets at quarter end, down from 20% at the end of the prior quarter and 25% from a year ago.
- **Disciplined Expense Management:** Fourth quarter noninterest expense totaled \$49.6 million, down from \$60.9 million for the third quarter. Fourth quarter noninterest expense to average total assets ratio of 1.92%, down from 2.38% for the third quarter.
- **Strong Credit Performance:** Non-performing assets to total assets at quarter end of 0.21% and total delinquent loans to total loans at quarter end of 0.53%, compared to 0.25% and 0.49%, respectively, at the prior quarter end and 0.21% and 0.63%, respectively, a year ago. Net charge-offs during the quarter totaled \$2.2 million, compared with \$306 thousand during the prior quarter and \$791 thousand during the same quarter a year ago. The ALLL / total loan ratio was 0.81% at quarter end, up from 0.80% at the prior quarter end and 0.74% a year ago.
- **Strong Capital Ratios:** Common equity tier 1 capital ratio at quarter end of 9.53%, compared to 9.80% at the prior quarter end and 9.92% a year ago.

The Company's fourth quarter results included \$7.1 million of legal and professional fees and \$1.1 million in project related expenses, offset by a \$9.8 million insurance recovery related to ongoing indemnification expense and a gain from the sale of an owned branch office of \$1.8 million. The aggregate impact of these items resulted in a net benefit of \$3.4 million from non-recurring items for the quarter.

"We continue to lay the foundation to support the development of our core commercial banking platform," said Doug Bowers, President and Chief Executive Officer of Banc of California. "We saw strong organic loan growth with balances increasing \$448 million for the quarter or 25% annualized. Core deposit growth came in below expectations for the quarter, but was up 10% for the full year. Efforts to de-risk the balance sheet, build front line business units and simplify the operating platform further reflect our efforts to build California's bank. Credit quality remained strong with non-performing assets to total assets at 0.21% at quarter end."

The Company will host a conference call to discuss its fourth quarter 2018 financial results at 7:00 a.m. Pacific Time (PT) on Thursday, January 24, 2019. Interested parties are welcome to attend the conference call by dialing 888-317-6003, and referencing event code 1216098. 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 32 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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