BANC OF CALIFORNIA

INVESTOR PRESENTATION

2020 First Quarter Earnings

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FORWARD LOOKING STATEMENTS

When used in this presentation and in documents filed with or furnished to the Securities and Exchange Commission (the "SEC"), in press releases or other public stockholder communications, or in oral statements made with the approval of an authorized executive officer, the words or phrases "believe," "will," "should," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "plans," or similar expressions are intended to identify "forward-looking statements" within the meaning of the "Safe-Harbor" provisions of the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on any forward-looking statements. These statements may relate to future financial performance, strategic plans or objectives, revenue, expense or earnings projections, or other financial items of Banc of California Inc. and its affiliates ("BANC," the "Company," "we," "us" or "our"), as well as the potential effects of the COVID-19 pandemic on the Company's business, operations, financial performance and prospects. By their nature, these statements are subject to numerous uncertainties that could cause actual results to differ materially from those anticipated in the statements.

Factors that could cause actual results to differ materially from the results anticipated or projected include, but are not limited to, the following: (i) the costs and effects of litigation generally, including legal fees and other expenses, settlements and judgments; (ii) the effect of the novel coronavirus (COVID-19) pandemic and steps taken by governmental and other authorities to contain, mitigate and combat the pandemic on our business, operations, financial performance and prospects; (iii) the risk that the benefits we realize from exiting the third party mortgage origination and brokered single-family residential lending business will be less than anticipated and that the costs we incur from exiting that business will be greater than anticipated; (iv) the risk that we will not be successful in the implementation of our capital utilization strategy and our other strategies for transitioning to a traditional community bank; (v) risks that the Company's merger and acquisition transactions may disrupt current plans and operations and lead to difficulties in customer and employee retention, risks that the costs, fees, expenses and charges related to these transactions could be significantly higher than anticipated and risks that the expected revenues, cost savings, synergies and other benefits of these transactions might not be realized to the extent anticipated, within the anticipated timetables, or at all; (vi) the credit risks of lending activities, which may be affected by deterioration in real estate markets and the financial condition of borrowers, and the operational risk of lending activities, including but not limited to the effectiveness of our underwriting practices and the risk of fraud, any of which may lead to increased loan and lease delinquencies, losses and nonperforming assets in our loan and lease portfolio, and may result in our allowance for credit losses not being adequate and require us to materially increase our loan and lease loss reserves; (vii) the quality and composition of our securities portfolio; (viii) changes in general economic conditions, either nationally or in our market areas, or changes in financial markets; (ix) continuation of or changes in the short-term interest rate environment, changes in the levels of general interest rates, volatility in the interest rate environment, the relative differences between short- and long-term interest rates, deposit interest rates, our net interest margin and funding sources; (x) fluctuations in the demand for loans and leases, and fluctuations in commercial and residential real estate values in our market area; (xi) our ability to develop and maintain a strong core deposit base or other low cost funding sources necessary to fund our activities; (xii) results of examinations of us by regulatory authorities and the possibility that any such regulatory authority may, among other things, limit our business activities, require us to change our business mix, restrict our ability to invest in certain assets, increase our allowance for credit losses, write-down asset values or increase our capital levels, affect our ability to borrow funds or maintain or increase deposits, or impose fines, penalties or sanctions, any of which could adversely affect our liquidity and earnings; (xiii) legislative or regulatory changes that adversely affect our business, including, without limitation, changes in tax laws and policies, changes in privacy laws, and changes in regulatory capital or other rules, and the availability of resources to address or respond to such changes; (xiv) our ability to control operating costs and expenses; (xv) staffing fluctuations in response to product demand or the implementation of corporate strategies that affect our work force and potential associated charges; (xvi) the risk that our enterprise risk management framework may not be effective in mitigating risk and reducing the potential for losses; (xvii) errors in estimates of the fair values of certain of our assets and liabilities, which may result in significant changes in valuation; (xviii) failures or security breaches with respect to the network and computer systems on which we depend, including but not limited to, due to cybersecurity threats; (xix) our ability to attract and retain key members of our senior management team; (xx) increased competitive pressures among financial services companies; (xxi) changes in consumer spending, borrowing and saving habits; (xxii) the effects of severe weather, natural disasters, pandemics, acts of war or terrorism and other external events on our business; (xxiii) the ability of key third-party providers to perform their obligations to us; (xxiv) changes in accounting policies and practices, as may be adopted by the financial institution regulatory agencies or the Financial Accounting Standards Board or their application to our business, including additional guidance and interpretation on accounting issues and details of the implementation of new accounting methods; (xxv) the transition to a new accounting standard adopted by the Financial Accounting Standards Board, referred to as Current Expected Credit Loss, which will require financial institutions to determine periodic estimates of lifetime expected credit losses on loans, and provide for the expected credit losses as allowances for loan losses; (xxvi) share price volatility and reputational risks, related to, among other things, speculative trading and certain traders shorting our common shares and attempting to generate negative publicity about us; (xxvii) war or terrorist activities; and (xxviii) other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services and the other risks described from time to time in other documents that we file with or furnish to the SEC.

FIRST QUARTER 2020 RESULTS

($ in Thousands Except EPS)	1Q20	4Q19	1Q19
Net interest income	$ 51,861	$ 56,660	$ 67,808
Pre-tax pre-provision income[1]	$ 7,003	$ 14,107	$ 11,854
Provision for credit losses	$ 15,761	$ (2,976)	$ 2,098
Net (loss) income	$ (6,593)	$ 14,272	$ 7,037
EPS	$ (0.19)	$ 0.20	$ 0.05
Average assets	$ 7,563	$ 7,955	$ 10,302
Net interest margin	2.97%	3.04%	2.81%
Allowance for Credit Losses Coverage Ratio	1.45%	1.04%	0.90%
Tangible Common Equity to Tangible Assets[1]	7.96%	8.68%	6.85%
Core deposits as % of total loans	94.3%	91.0%	82.9%

- Strong capital ratios + reserve provide for buffer against uncertainty
- Noninterest-bearing deposits increased $167.6 million to represent 23% of total deposits
- Net loss of $6.6 million driven primarily by COVID-19 related credit loss provision under CECL method

(1) Denotes a non-GAAP financial measure; see “Non-GAAP Reconciliation” slides at end of presentation

STRATEGIC PLAN THROUGH THE CRISIS

High Capital Levels	• Common Equity Tier 1 ratio at 11.57% • Strategic de-risking of balance sheet in 2019 created significant excess capital • Capital provides buffer against uncertainty and opportunity for value-enhancing investments
Strong Credit Metrics	• ACL coverage ratio of 1.45% • Provision of $15.8 million driven by adoption of CECL and effects of COVID-19 • Loan portfolio is primarily secured by residential real estate • Total loan portfolio has limited exposure to severely stressed business sectors such as energy, hotels, restaurants and retail • 43% of NPLs are single family residential mortgages with an average LTV of approximately 61%
Continued Growth in NIB and Low-Cost Deposits	• Noninterest-bearing deposits (NIB) increased $167.6 million, up 15% from the prior quarter, and now represent 23% of total deposits, up from 20% at year end • DDA balances (NIB and interest checking) have grown from 35% to 51% since Q1 2019 • Average cost of total deposits declined 16bps to 1.11% and ended the quarter with a spot rate of 89bps • Average cost of funds improved 14bps to 1.41% and ended the quarter with a spot rate of 1.17%
Expense & Liquidity Management	• Core operating expenses[1] decreased $5.0 million compared to the prior quarter • Increased on-balance sheet liquidity to 18% in response to unknown longer-term impacts of the pandemic • Reduced reliance on wholesale funding

(1) Denotes a non-GAAP financial measure; see “Non-GAAP Reconciliation” slides at end of presentation

PROACTIVE APPROACH TO ADDRESS COVID-19 UNCERTAINTY

EMPLOYEES

- Early implementation of business continuity plan, transitioned transition more than 80% of our team members to a remote work environment
- Maintaining culture through weekly executive video updates, virtual Town Hall meetings and other events to inform and engage our team members
- Adopted new operating procedures and adjusted branch hours to serve clients and keep employees safe during the COVID-19 pandemic

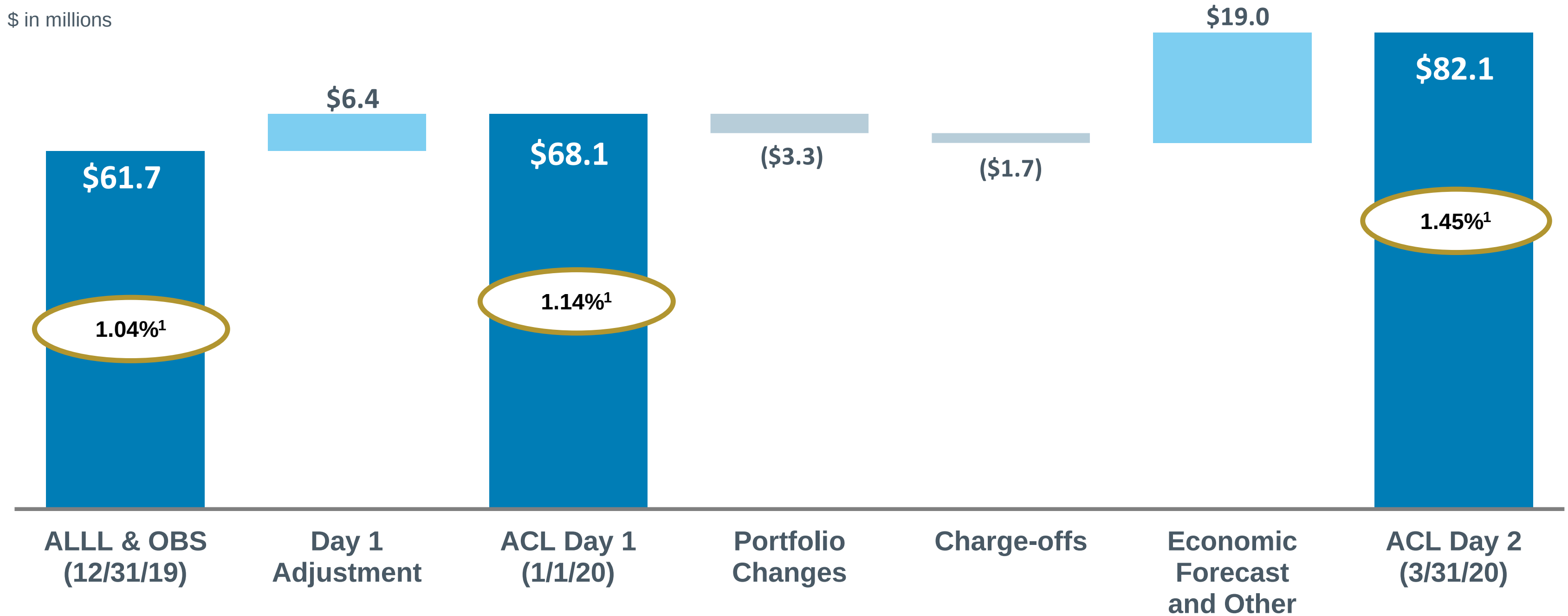
CLIENTS

- PPP applications for more than $270 million of funds as of April 28, 2020.
- PPP funds estimated to save over 8,500 jobs
- Proactive outreach to clients to identify risk and mitigation strategies, and engage with stressed borrowers
- 122 active SFR payment deferrals for $123 million of loans and 68 non-SFR active payment deferrals for $257 million of loans as of April 27, 2020
- Operating 25 of 31 branches on reduced-hour schedules

COMMUNITY

- Partnered with Food Finders to provide more than 325,000 meals to our most vulnerable neighbors
- Donated $15,000 to the Los Angeles Fire Department for the purpose of providing personal protective equipment to firefighters at LA County COVID-19 testing sites

CECL IMPLEMENTATION WALK THROUGH



- **Day 1:** Transition adjustment increased ACL $6.4 million, or 10%, and decreased retained earnings $4.5 million
- **Day 2:** Provision increased ACL $15.8 million due mostly to updated economic forecast
  - ACL methodology uses a nationally-recognized, third party model that includes many assumptions based on our and peer historical loss data, our current loan portfolio risk profile, and economic forecasts
  - The economic forecasts used were released during the last week of March and included the onset of the pandemic. These forecasts included a sharp contraction in annualized GDP growth ranging from -13% to -26% and peak unemployment rates ranging from 8% to 13%. All forecasts returned to moderate long-term trends over time
  - The reserve included qualitative factors to account for our visibility of actual conditions related to our loan portfolio and an economic outlook that was worse than the late March forecasts, including a slower recovery
- **Capital Relief:** Proposed Capital Relief from Day 1 and Day 2 CECL will phase in over three years beginning 1/1/22
- Allowance for Credit Losses (ACL) includes Reserve for Unfunded Commitments

(1) Coverage percentage equals ACL to total loans

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STRONG CAPITAL BASE

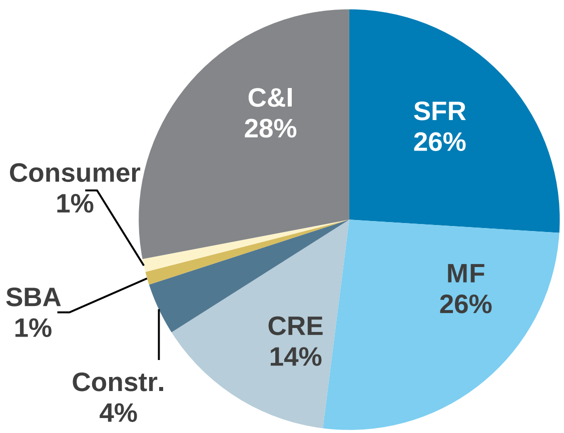
	1Q20	4Q19	3Q19	2Q19	1Q19
Common Equity Tier 1	11.57%	11.56%	10.34%	10.50%	9.72%
Tier 1 Risk-based Capital	14.91%	14.83%	13.32%	14.03%	13.03%
Leverage Ratio	11.20%	10.89%	9.84%	9.62%	8.87%
Tangible Equity / Tangible Assets[1]	10.42%	11.12%	10.01%	9.89%	9.20%
Tangible Common Equity / Tangible Assets[1]	7.96%	8.68%	7.80%	7.41%	6.85%

- Strategic decision to exit non-franchise enhancing assets during 2019 resulted in build up of significant capital and steadily improving ratios
- Repurchased 827,584 common shares during Q1 2020 for aggregate cost of $12.0 million
  - Repurchases of common stock suspended after March 16, 2020 until better clarity on length and severity of pandemic
- Repurchased 2,033 shares of Series D and 185 shares of Series E preferred stock for an aggregate cost of $1.6 million during Q1 2020
- Capital provides a buffer for the uncertain outlook and optionality to deploy for benefit of shareholders

(1) Denotes a non-GAAP financial measure; see "Non-GAAP Reconciliation" slides at end of presentation

DIVERSIFIED LOAN PORTFOLIO

Loan Portfolio by Segment



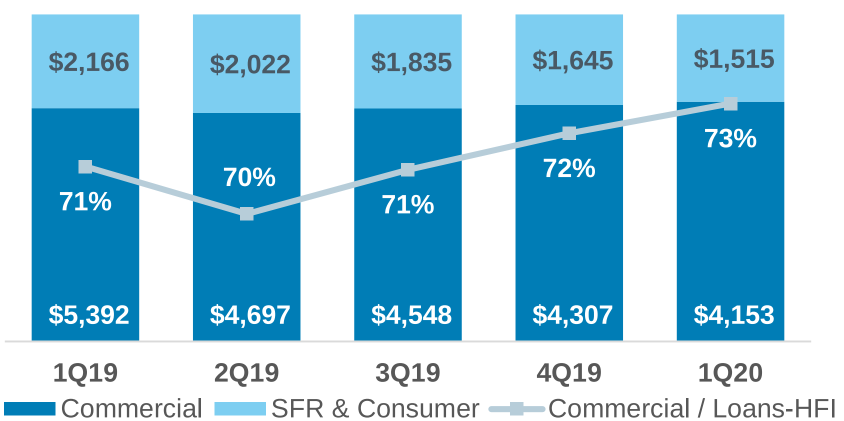
Growing Commercial Loan Balances

- Continued focus on becoming relationship-focused business bank demonstrated by current loan concentrations
- Reduced reliance on brokered SFR segment will improve yields and deposits.

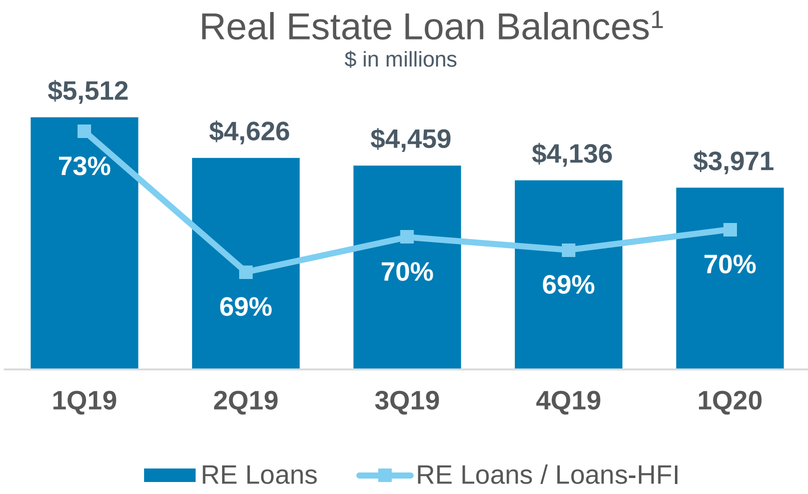
Loan Segment	$	%	Avg. Yield
$ in Millions			
C&I	$1,578	28%	4.84%
Multifamily	1,466	26%	4.50%
CRE	810	14%	4.80%
Construction	228	4%	6.03%
SBA	71	1%	7.79%
SFR	1,467	26%	4.01%
Consumer	47	1%	5.38%
Loans – HFI	**$5,667**	**100%**	**4.54%**

Loan Balances by Segment

$ in millions

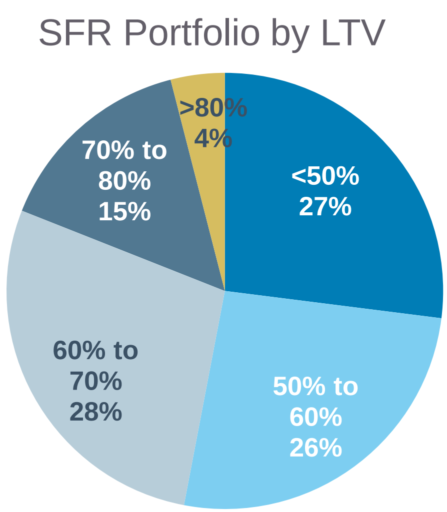


REAL ESTATE LOAN PORTOFLIO HAS LOW LTVS



Real Estate[1] LTVs	$	%	Count
$ in Millions			
<50%	$1,028	26%	887
50% to 60%	1,001	25%	571
60% to 70%	1,466	37%	720
70% to 80%	351	9%	252
>80%	125	3%	111
Total	**$3,971**	**100%**	**2,541**

- ~88% of all real estate secured loans have loan-to-values (LTVs) of less than 70%



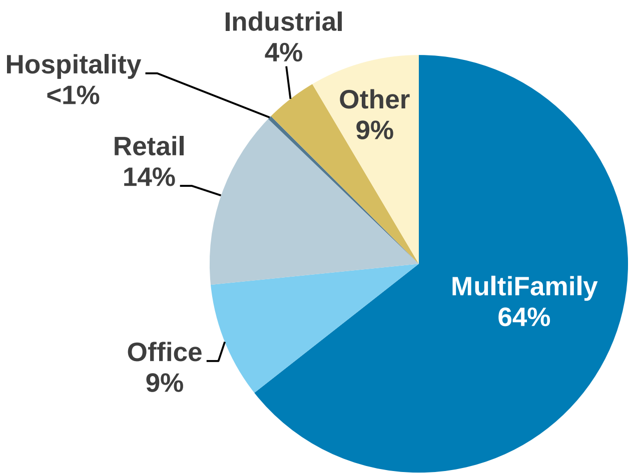
SFR LTVs	$	%	Count
$ in Millions			
<50%	$393	27%	484
50% to 60%	375	26%	358
60% to 70%	409	28%	418
70% to 80%	226	15%	218
>80%	65	4%	80
Total	**$1,467**	**100%**	**1,558**

- ~80% of all existing SFR have loan-to-values (LTVs) of less than 70%

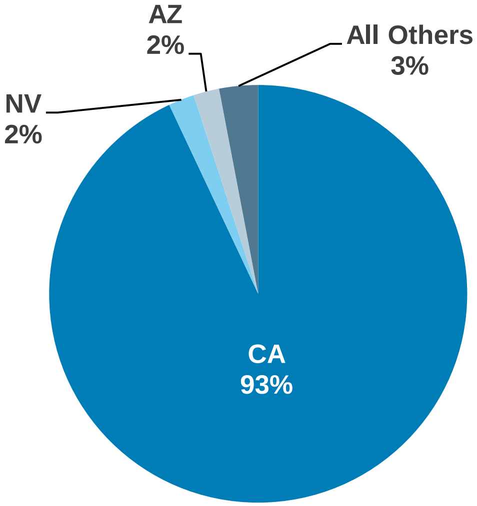
(1) Excludes credit facilities

CALIFORNIA-CENTRIC CRE AND MULTIFAMILY PORTFOLIO HAVE LOW WEIGHTED-AVERAGE LTV

CRE & Multifamily by Collateral Type



CRE & Multifamily Portfolio by State



Collateral Type	Count	Balance	Avg. Loan Size	W.A. LTV
$ in thousands				
Multi Family	651	$1,466,083	$2,252	59.9%
Office	52	204,731	$3,937	62.3%
Retail	91	315,090	$3,463	53.8%
Hospitality	6	7,131	$1,188	71.2%
Industrial	34	90,446	$2,660	53.6%
Other	77	192,627	$2,502	89.1%
Total CRE & MF	**911**	**$2,276,107**	**$2,498**	**61.5%**

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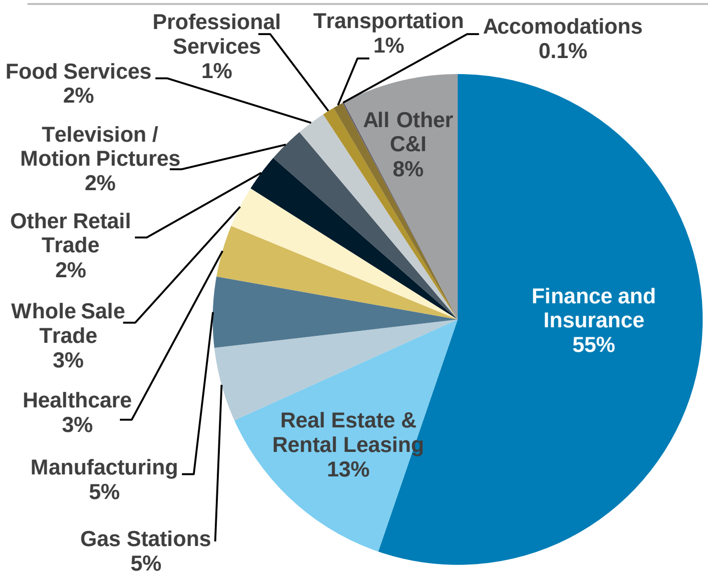
DIVERSIFIED AND LOW AVERAGE BALANCE C&I PORTFOLIO



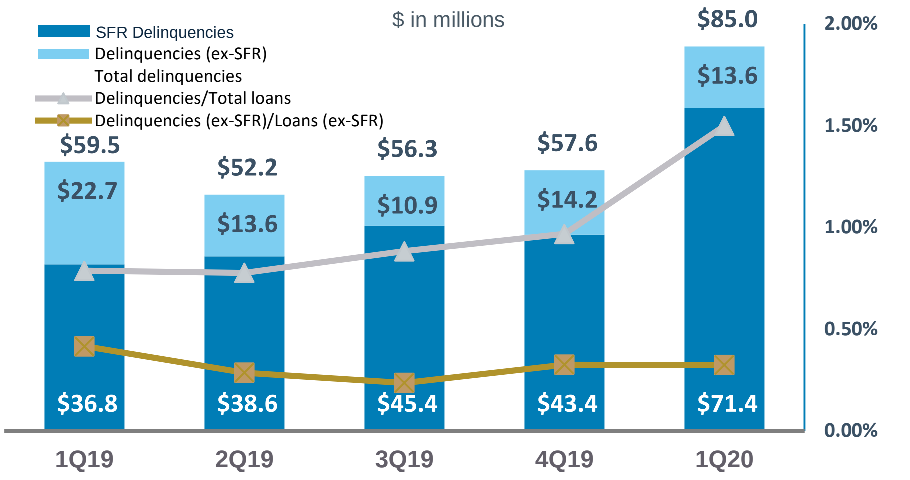
NAICS Industry	Count	$	Avg. Loan Size
$ in thousands			
Finance and Insurance	166	$872,049	$5,323
Real Estate & Rental Leasing	148	205,206	$1,387
Gas Stations	59	77,294	1,310
Manufacturing	71	73,299	1,032
Healthcare	43	54,091	1,258
Wholesale trade	38	43,285	1,139
Other Retail Trade	39	38,908	998
Television / Motion Pictures	27	37,733	1,398
Food Services	20	30,351	1,518
Professional Services	49	12,586	257
Transportation	12	10,469	872
Accommodations	4	1,516	379
All Other C&I	114	121,435	1,065
Total C&I	**790**	**$1,578,223**	**$1,998**

- ~68% C&I Concentration toward Businesses focused on Finance and Insurance, and Real Estate and Rental Leasing
- Limited Exposure to High Stressed Business Industries
  - 5% Oil and Gas
  - 2% Television / Motion Pictures
  - 2% Food Services
  - 1% Transportation
  - <1% in Accommodations
- All Other C&I includes a diverse mix of industry sectors
  - 2% Administrative and Support
  - 2% Management of Companies
  - 1% Education Services
  - 1% Arts / Recreation
  - 1% Construction / Contracting

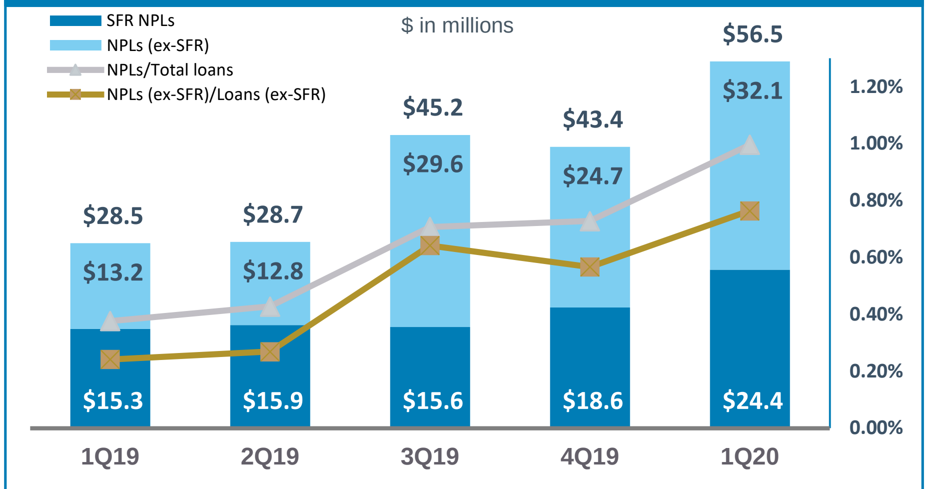
ASSET QUALITY IS STRONG

LEGACY SFR PORTFOLIO CREATES NOISE

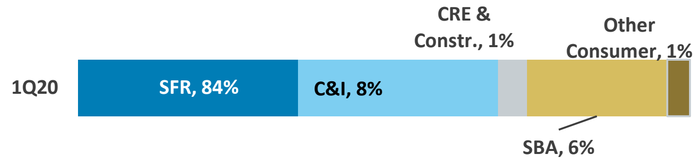
Delinquencies



Nonperforming Loans (NPLs)



% of Delinquencies by Category:



- Excluding SFR, delinquent loans are 0.32% of total non-SFR loans
- Delinquent loans include:
  - $6.9 million in C&I loans, which primarily consists of two loans
- Increase in total delinquencies driven primarily by SFR
  - Represents 84% of 30+ delinquent loans
  - Low LTVs of SFR loans mitigates risks

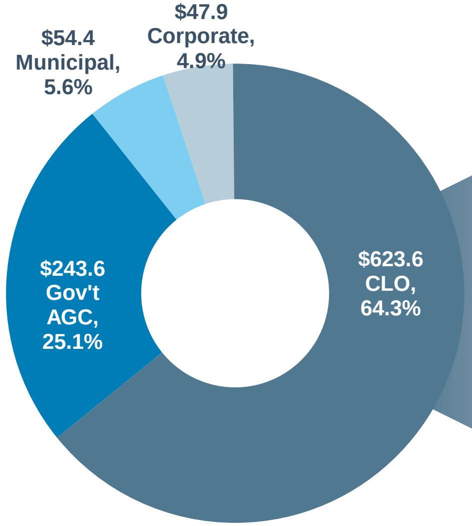
% of NPLs by Category:

- 1Q20 NPL coverage ratio of 139%
- 1Q20 NPL balances includes two large loans that make up 45% of NPLs
  - $16.4 million legacy shared national credit (NPL status in 3Q19)
  - $9.1 million SFR loan with 67% LTV (NPL status in 4Q19)
- Total NPLs of $56.5 million, or 1.0% of total loans
- NPLS, excluding legacy SFRs, total and $32.1 million, or 0.76% of total non-SFR loans

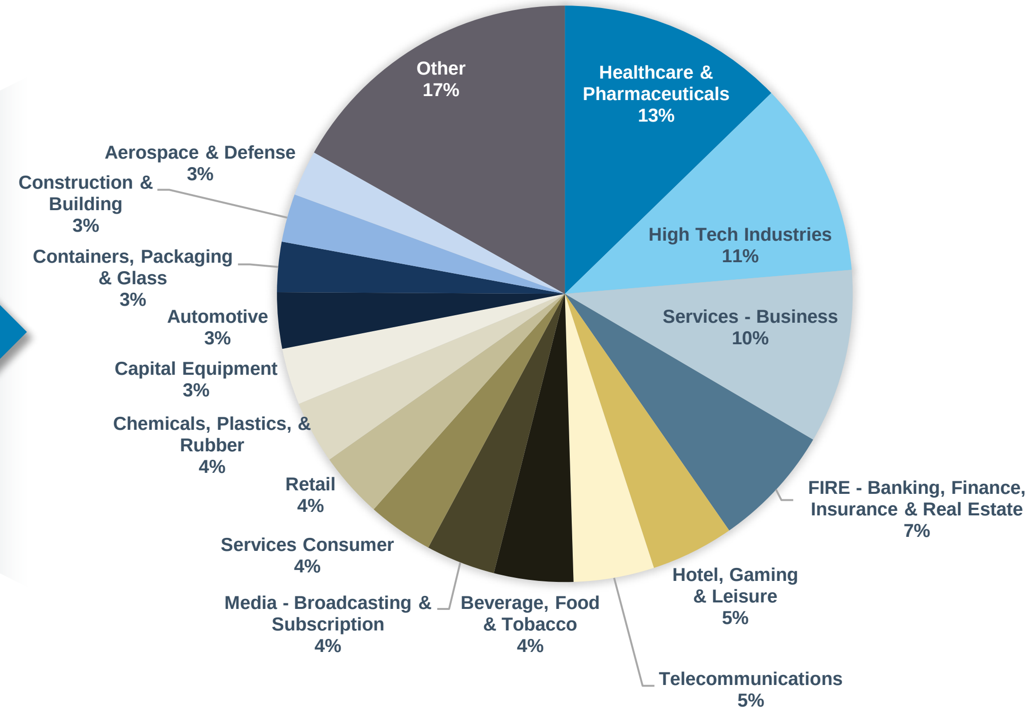
SECURITIES PORTFOLIO HAS DIVERSIFIED EXPOSURE

$969 Million Total Investment Portfolio

$ in millions



CLO INDUSTRY BREAKDOWN

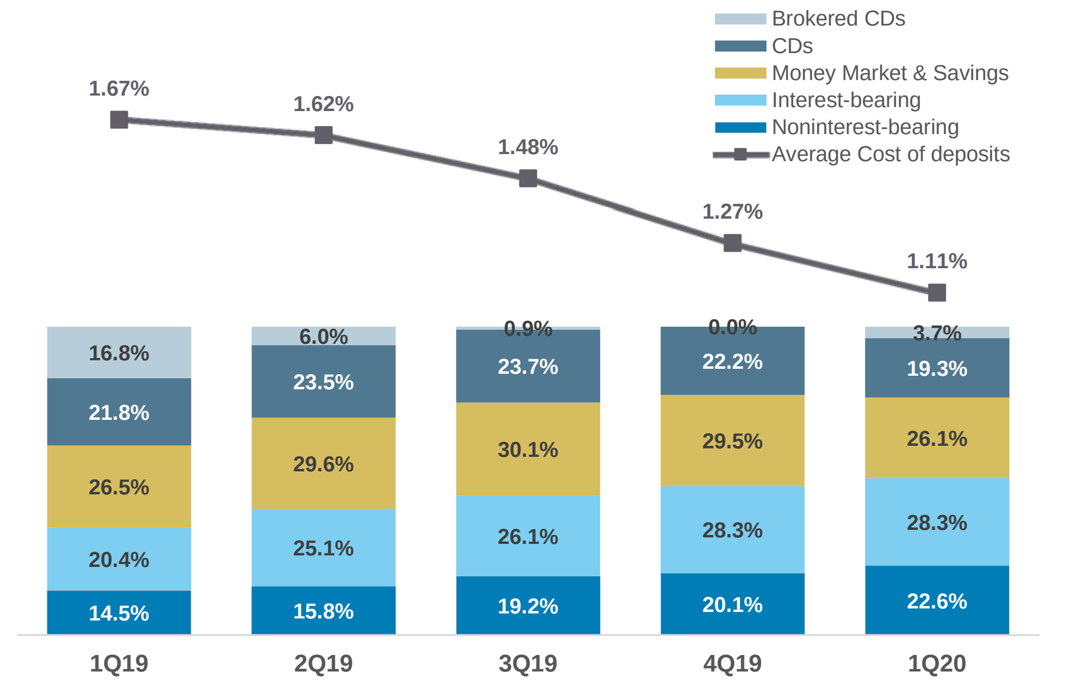


- Total portfolio yield of 3.30% in first quarter
- Portfolio duration of 1.74 years (5.23 years excluding CLOs)
- Bond Ratings:
  - CLOs - 97% AA and 3% AAA
  - Municipals - 66% AA and 34% AAA
  - Corporates - 100% BBB

- CLO portfolio has underlying diversified exposure with largest segment in Healthcare & Pharmaceuticals at 13%
- Limited exposure to severely stressed industries
- AA and AAA holdings provide principal protection – exposure to underlying credit losses would require a combination of lifetime defaults (25-35% CDR), loss severity (40-50%), and prepayment assumptions (0-10% CPR)
- Under these assumptions, the underlying securities would need to take losses of approximately 25% before we would anticipate incurring losses on principal
- Q1 2020 CLO Portfolio yield of 3.40%
- Quarterly reset based on 3 Month Libor + 1.64%

RAPIDLY IMPROVING DEPOSIT FRANCHISE

- $167.6 million quarterly increase in noninterest-bearing deposits
- Large percentage of noninterest-bearing and low-cost deposits
- Targeted deposit strategy resulting in lower deposit costs over time
- Selective use of brokered CDs to replace migration out of high-cost deposits
- Spot rate at March 31, 2020 was 89 bps



Category	1Q19	2Q19	3Q19	4Q19	1Q20
$ in millions					
Noninterest-bearing checking	$1,120.7	$993.7	$1,107.4	$1,088.5	$ 1,256.1
Interest-bearing checking	1,573.5	1,577.9	1,503.2	1,533.9	1,572.4
Demand deposits	2,694.2	2,571.6	2,610.6	2,622.4	2,828.5
Savings	1,151.4	1,061.1	1,042.2	885.2	878.0
Money Market	899.3	800.9	695.5	715.5	575.8
Non-maturity deposits	4,744.9	4,433.6	4,348.3	4,223.1	4,282.2
CDs	1,684.9	1,479.1	1,367.3	1,204.0	1,071.9
Brokered CDs	1,295.1	379.5	54.4	–	208.7
Total	**$7,724.9**	**$6,292.3**	**$5,770.1**	**$5,427.2**	**$ 5,562.8**

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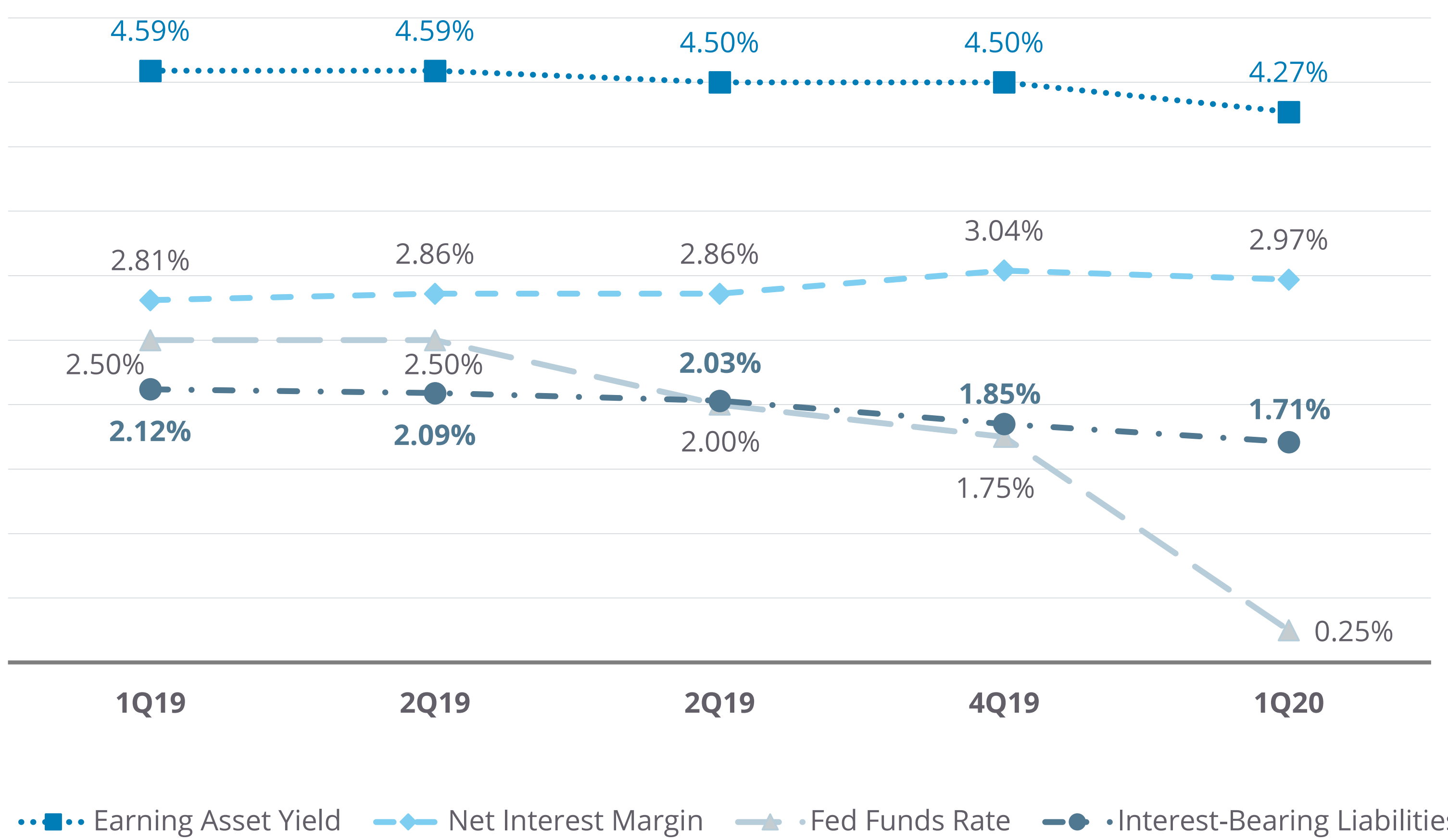
DECLINING DEPOSIT COSTS OFFSET VARIABLE RATE LOAN RESETS TO PROTECT NET INTEREST MARGIN

Net Interest Margin Drivers



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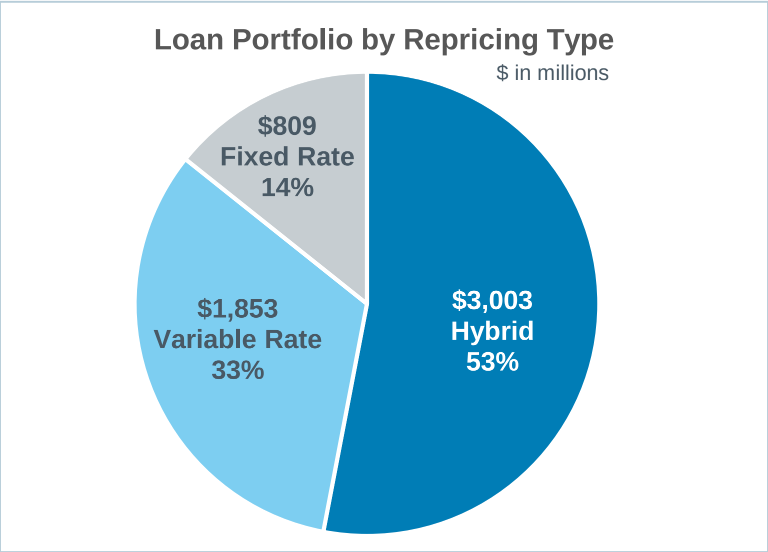
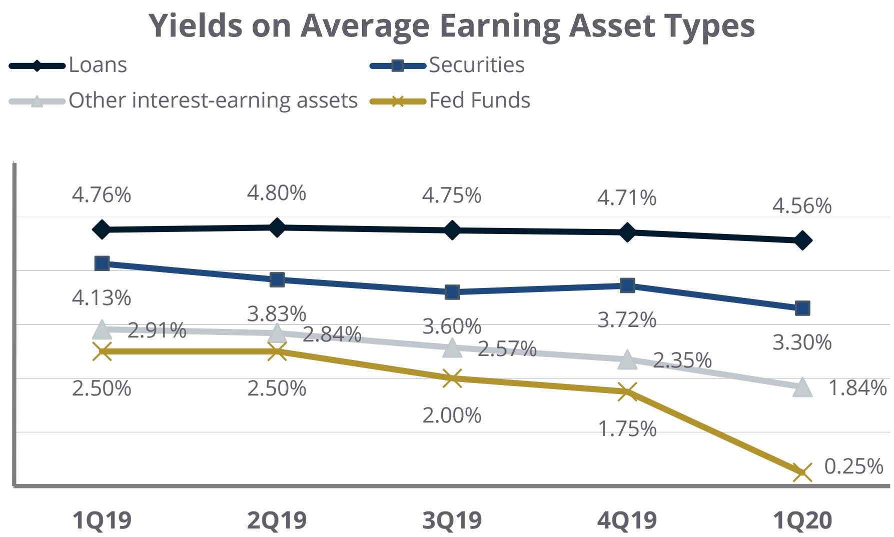
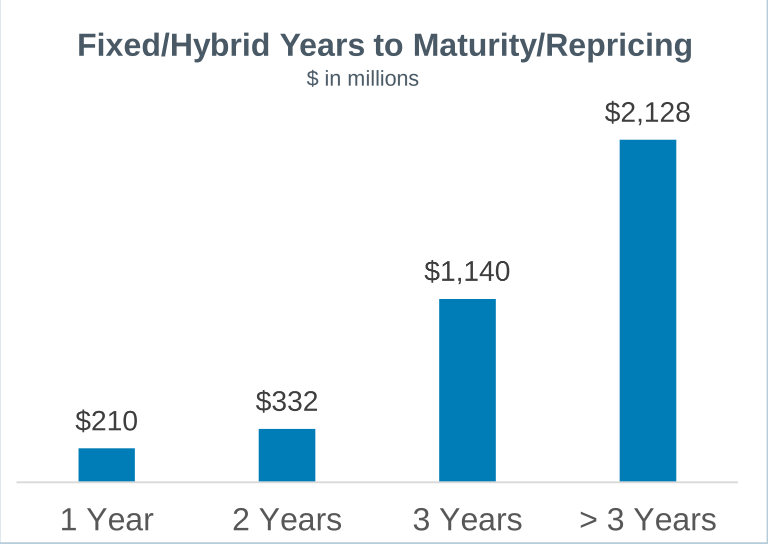
SLIGHTLY ASSET SENSITIVE PORTFOLIO WILL BENEFIT IN RISING RATE ENVIRONMENT





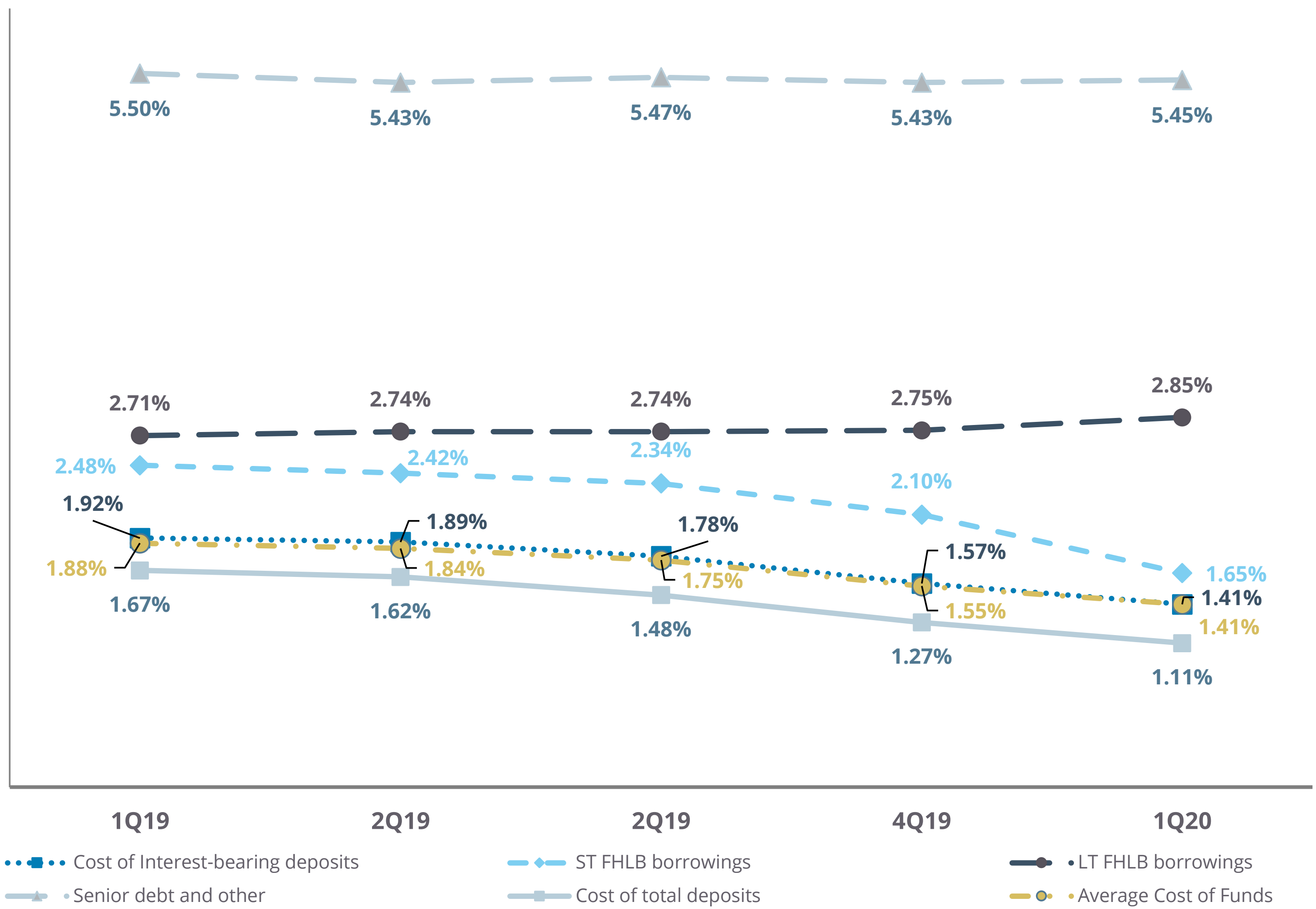
Variable Rate Loan Floors

Category	Total Balance	% of Total Loans
$ in millions		
100+ bps	$ 235	4.2%
50-100 bps	133	2.4%
25-50 bps	240	4.2%
0-25 bps	58	1.0%
No Floor	371	6.6%
Sub total Non-Floor Variable	**$ 1,039**	**18.3%**
Floor	814	14.4%
Total Variable	**$ 1,853**	**32.7%**
Sub Total Hybrid	3,003	53.0%
Sub Total Fixed	809	14.3%
Total HFI	**$ 5,664**	**100.0%**



ACTIVE MANAGEMENT OF DEPOSIT COSTS IS DRIVING DOWN COST OF FUNDS

Cost of Funds Drivers



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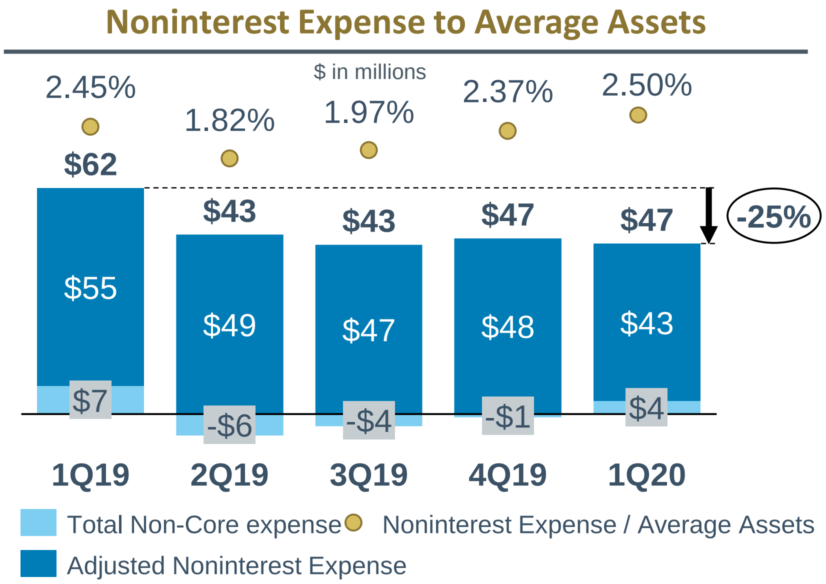
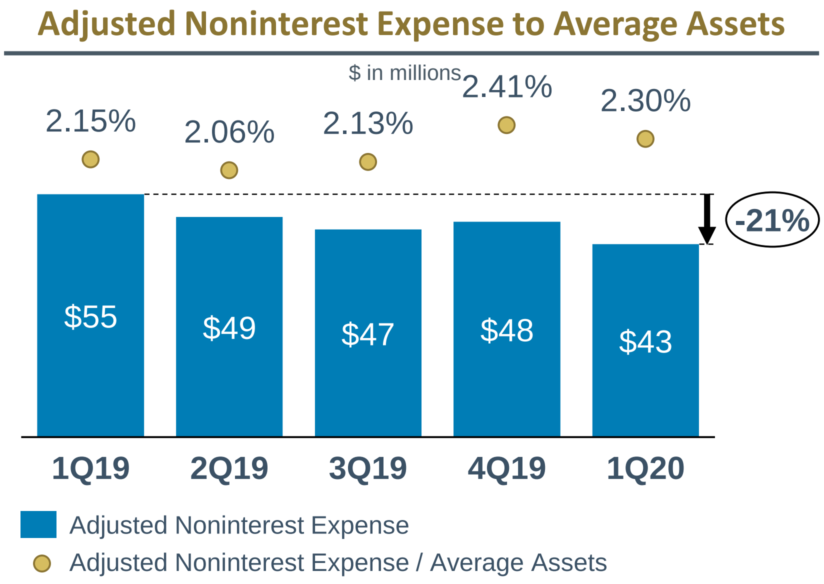
CONTINUED FOCUS ON EXPENSE MANAGEMENT

- Adjusted noninterest expense[1] decreased $5.0 million versus prior quarter
- Salaries and employee benefits decreased in line total headcount
- Non-core expense/benefits relates to timing of indemnified legal costs/recoveries and loss/gain on investments in alternative energy partnerships[2]
- Adjusted noninterest expense decreased 21% versus 1Q19





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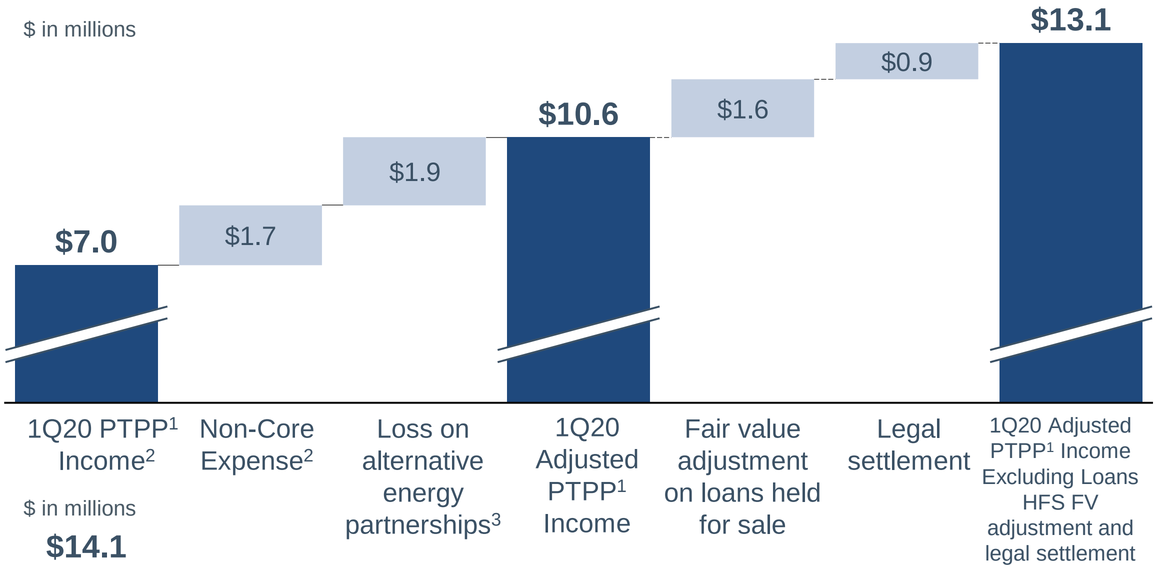
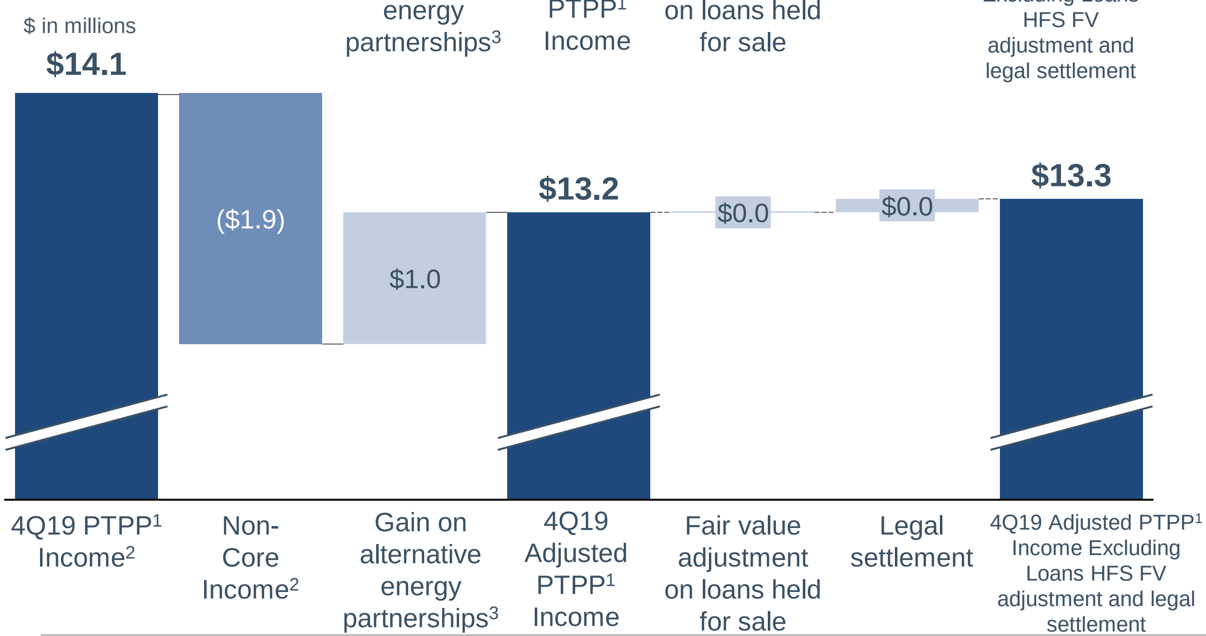
(1) Denotes a non-GAAP financial measure; see "Non-GAAP Reconciliation" slides at end of presentation
(2) Loss on investments in alternative energy partnerships create tax credits to offset expense incurred

DEVELOPING RECURRING AND SUSTAINABLE EARNINGS PROFILE

Core Expenses Remain Inline with Revenues





- Recurring pre-tax pre-provision income underlies reported net income and shows consistent trend when fair value adjustment on loans held for sale and a 1Q20 legal settlement are excluded
- Non-core expense / income relates to indemnified legal expenses/ recoveries
- Loans held-for-sale fair value adjustment driven by change in market rates is ***unrealized***
- Legal settlement in 1Q20 concluded an acquired bank legacy issue; there was no similar settlement in prior quarter

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(1) Pre-tax, Pre-Provision
(2) Denotes a non-GAAP financial measure; see "Non-GAAP Reconciliation" slides at end of presentation
(3) Loss on investments in alternative energy partnerships create tax credits to offset expense incurred

2020 STRATEGIC OBJECTIVES

Laser Focus on Credit	• Heightened focus and resources added to monitor portfolio even more closely in uncertain environment • Rely on relationship-lending in our footprint • Well-underwritten credit portfolio mainly secured by CA-based real estate with relatively low LTVs
Creating High Quality Deposit Base	• Growing noninterest-bearing and DDA deposits, continue to improve deposit mix • Cost of deposits continue to drive down to peer median, with longer term goal of getting below median • High touch relationship-banking for businesses and entrepreneurs driving value creation and growth
Remix Balance Sheet	• Lending teams gaining traction after joining in latter half of 2019 • Legacy SFR and Multifamily payoffs may outpace production in early 2020 • Production expected to outpace payoffs in 2H of 2020, balance sheet relatively flat for 2020 • Adding to investment portfolio and layering in quality mix of investments
Optimize Use of Capital	• High capital from reduction in balance sheet provides strong buffer in uncertain environment • Common stock repurchases paused to preserve capital and provide flexibility • Opportunity to redeem preferred at appropriate time • Evaluating other uses of capital that will enhance earnings and improve franchise for the long-term

2020 objectives represent second half of the Company's transformation in terms of strategic focus and balance sheet composition.

With strong capital, improving deposit franchise and relationship focus, progress on 2020 objectives will set up the company for solid performance in 2021 and beyond.

BANC FAST FACTS

(Dollars in millions[1])	1Q20	4Q19	3Q19	2Q19	1Q19
Total assets	$ 7,663	$ 7,828	$ 8,625	$ 9,360	$ 9,887
Securities available-for-sale	969	913	776	1,168	1,471
Loans receivable	5,667	5,952	6,383	6,720	7,557
Total deposits	5,563	5,427	5,770	6,292	7,725
Net interest income	51.9	56.7	58.9	64.8	67.8
Total noninterest income (loss)	2.1	4.9	3.2	(2.3)	6.3
Total revenue	54.0	61.6	62.1	62.5	74.1
Noninterest expense[3,4]	45.0	46.4	44.2	43.9	60.3
(Gain) loss on investments in alternative energy partnerships	1.9	1.0	(0.9)	(0.4)	2.0
Total noninterest expense	46.9	47.5	43.2	43.5	62.2
Pre-tax pre-provision income[5]	7.0	14.1	18.9	19.0	11.9
Provision for (reversal of) credit losses	15.8	(3.0)	38.6	(1.9)	2.1
Net (loss) income	(6.6)	14.3	(14.1)	16.6	7.0
Preferred dividend and other adjustments	3.1	3.9	8.6	4.7	4.5
Net (loss) income available to common stockholders	$ (9.7)	$ 10.4	$ (22.7)	$ 11.9	$ 2.5
Diluted (loss) earnings per common share	$ (0.19)	$ 0.20	$ (0.45)	$ 0.23	$ 0.05
Return on average assets[2]	(0.35)%	0.71%	(0.64)%	0.69%	0.28%
Adjusted efficiency ratio[2,5]	86.54%	74.51%	70.00%	67.70%	83.57%

Preferred Equity	Class / Series	CUSIP	Issue Date	Par Value ($000)	Dividend Rate / Coupon (%)	First Callable Date
Preferred Equity: Non-Cumulative, Perpetual	D	05990K882	4/8/2015	$ 94,597	7.375%	6/15/2020
Preferred Equity: Non-Cumulative, Perpetual	E	05990K874	2/8/2016	100,292	7.000%	3/15/2021
Total Preferred Equity				**$ 194,889**		

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(1) All figures from reported operations unless noted; dollars in millions unless noted per share or percentage (2) Consolidated operations; Efficiency ratio adjusted for including the pre-tax effect of investments in alternative energy partnerships (3) Excluding loss on investments in alternative energy partnerships (4) Non-GAAP measure, reconciliation in table above (5) Non-GAAP financial measure; see “Non-GAAP Reconciliation” slides at end of presentation

NON-GAAP FINANCIAL INFORMATION

This presentation contains certain financial measures determined by methods other than in accordance with U.S. generally accepted accounting principles (GAAP). These measures include noninterest expense from Core operations, operating expense from Core operations, noninterest expense to average assets, and diluted earnings per common share from Core operations, adjusted for non-core items, each excluding loss on investments in alternative energy partnerships and the latter three adjusted for non-core items. Management believes that these particular measures provide useful supplemental information in understanding our core operating performance. These measures should not be viewed as substitutes for measures determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP measures that may be presented by other companies. Reconciliations of these measures to measures determined in accordance with GAAP are contained on slides 22-26 of this presentation.

Non-GAAP measures in this presentation also include tangible equity to tangible assets, tangible common equity to tangible assets, return on average tangible common equity, and adjusted efficiency ratio including the pre-tax effect of investments in alternative energy partnerships. These particular measures are used by management in its analysis of the Company's capital strength and the performance of the Company’s businesses. Banking and financial institution regulators also exclude goodwill and other intangible assets from total stockholders' equity when assessing the capital adequacy of a financial institution. Management believes the presentation of these measures excluding the impact of these items provides useful supplemental information that is essential to a proper understanding of the capital and financial strength of the Company and the performance of its businesses. These measures should not be viewed as substitutes for results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP measures that may be presented by other companies. Reconciliations of these measures to measures determined in accordance with GAAP are contained on slides 22-26 of this presentation.

NON-GAAP RECONCILIATION

(Dollars in thousands)	1Q20	4Q19	3Q19	2Q19	1Q19
Noninterest expense	$ 46,919	$ 47,483	$ 43,240	$ 43,500	$ 62,249
(Loss) gain on investments in alternative energy partnerships	(1,905)	(1,039)	940	355	(1,950)
Adjusted noninterest expense	45,014	46,444	44,180	43,855	60,299
Net interest income	51,861	56,660	58,915	64,780	67,808
Noninterest income (loss)	2,061	4,930	3,181	(2,290)	6,295
Total revenue	53,922	61,590	62,096	62,490	74,103
Tax credit from investments in alternative energy partnerships	—	1,689	77	1,680	—
Deferred tax expense on investments in alternative energy partnerships	—	(177)	(8)	(176)	—
Tax effect on tax credit and deferred tax expense	—	267	7	426	—
Gain (loss) on investments in alternative energy partnerships	(1,905)	(1,039)	940	355	(1,950)
Total pre-tax adjustments for investments in alternative energy partnerships	(1,905)	740	1,016	2,285	(1,950)
Adjusted total revenue	$ 52,017	$ 62,330	$ 63,112	$ 64,775	$ 72,153
Efficiency Ratio	87.01%	77.10%	69.63%	69.61%	84.00%
Adjusted efficiency ratio including the pre-tax effect of investments in alternative energy partnerships	86.54%	74.51%	70.00%	67.70%	83.57%
Effective tax rate utilized for calculating tax effect on tax credit and deferred tax expense	24.03%	15.00%	9.36%	22.07%	27.00%

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NON-GAAP RECONCILIATION

(Dollars in thousands)	1Q20	4Q19	3Q19	2Q19	1Q19
Tangible Common Equity to Tangible Assets Ratio					
Total assets	$ 7,662,607	$ 7,828,410	$ 8,625,337	$ 9,359,931	$ 9,886,525
Less: goodwill	(37,144)	(37,144)	(37,144)	(37,144)	(37,144)
Less: other intangible assets	(3,722)	(4,151)	(4,605)	(5,105)	(5,726)
Tangible assets	$ 7,621,741	$ 7,787,115	$ 8,583,588	$ 9,317,682	$ 9,843,655
Total stockholders' equity	$ 835,002	$ 907,245	$ 900,988	$ 963,544	$ 948,325
Less: goodwill	(37,144)	(37,144)	(37,144)	(37,144)	(37,144)
Less: other intangible assets	(3,722)	(4,151)	(4,605)	(5,105)	(5,726)
Tangible equity	794,136	865,950	859,239	921,295	905,455
Less: preferred stock	(187,687)	(189,825)	(189,825)	(231,128)	(231,128)
Tangible common equity	$ 606,449	$ 676,125	$ 669,414	$ 690,167	$ 674,327
Total stockholders' equity to total assets	10.90%	11.59%	10.45%	10.29%	9.59%
Tangible equity to tangible assets	10.42%	11.12%	10.01%	9.89%	9.20%
Tangible common equity to tangible assets	7.96%	8.68%	7.80%	7.41%	6.85%

NON-GAAP RECONCILIATION

(Dollars in thousands)	1Q20	4Q19	3Q19	2Q19	1Q19
Return on tangible common equity					
Average total stockholders' equity	$ 916,047	$ 912,749	$ 961,739	$ 962,933	$ 956,700
Less: Average preferred stock	(189,607)	(189,824)	(213,619)	(231,128)	(231,128)
Less: Average goodwill	(37,144)	(37,144)	(37,144)	(37,144)	(37,144)
Less: Average other intangible assets	(4,003)	(4,441)	(4,935)	(5,503)	(6,128)
Average tangible common equity	$ 685,293	$ 681,340	$ 706,041	$ 689,158	$ 682,300
Net (loss) income	$ (6,593)	$ 14,272	$ (14,132)	$ 16,582	$ 7,037
Less: Preferred stock dividends and impact of preferred stock redemption	(3,007)	(3,540)	(8,496)	(4,308)	(4,308)
Add: Amortization of intangible assets	429	454	500	621	620
Less: Tax effect on amortization of intangible assets	(90)	(95)	(105)	(130)	(130)
Net (loss) income available to common stockholders	$ (9,261)	$ 11,091	$ (22,233)	$ 12,765	$ 3,219
Return on average equity	(2.89)%	6.20%	(5.83)%	6.91%	2.98%
Return on average tangible common equity	(5.44)%	6.46%	(12.49)%	7.43%	1.91%
Statutory tax rate utilized for calculating tax effect on amortization of intangible assets	21.00%	21.00%	21.00%	21.00%	21.00%

NON-GAAP RECONCILIATION

(Dollars in thousands)	1Q20	4Q19	3Q19	2Q19	1Q19
Adjusted Noninterest Expense					
Total noninterest expense	$ 46,919	$ 47,483	$ 43,240	$ 43,500	$ 62,249
Less: non-core items					
Data processing fees	—	—	—	(797)	—
Professional fees	(1,678)	3,557	2,615	6,214	(2,979)
Restructuring expense	—	(1,626)	—	158	(2,795)
Other expense	—	—	(131)	—	—
Total non-core adjustments	(1,678)	1,931	2,484	5,575	(5,774)
Less: gain/(loss) on investments in alternative energy partnerships	(1,905)	(1,039)	940	355	(1,950)
Total adjustments	(3,583)	892	3,424	5,930	(7,724)
Adjusted noninterest expense	$ 43,336	$ 48,375	$ 46,664	$ 49,430	$ 54,525
Average assets	$7,562,942	$7,954,591	$8,695,638	$9,610,575	$10,301,717
Noninterest expense / Average assets	2.50%	2.37%	1.97%	1.82%	2.45%
Adjusted noninterest expense / Average assets	2.30%	2.41%	2.13%	2.06%	2.15%

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NON-GAAP RECONCILIATION

(Dollars in thousands)	1Q20	4Q19	3Q19	2Q19	1Q19
Net interest income	$ 51,861	$ 56,660	$ 58,915	$ 64,780	$ 67,808
Noninterest income	2,061	4,930	3,181	(2,290)	6,295
Total revenue	53,922	61,590	62,096	62,490	74,103
Noninterest expense	46,919	47,483	43,240	43,500	62,249
Pre-tax pre-provision income	7,003	14,107	18,856	18,990	11,854
Net interest income	51,861	56,660	58,915	64,780	67,808
Noninterest income	2,061	4,930	3,181	(2,290)	6,295
Total revenue	53,922	61,590	62,096	62,490	74,103
Noninterest expense	46,919	47,483	43,240	43,500	62,249
Total non-core adjustments	(1,678)	1,931	2,484	5,575	(5,774)
Noninterest expense after non-core adjustments	45,241	49,414	45,724	49,075	56,475
(Loss) gain on investment in alternative energy partnerships	(1,905)	(1,039)	940	355	(1,950)
Adjusted noninterest expense	43,336	43,375	46,664	49,430	54,525
Adjusted pre-tax pre-provision income	$ 10,586	$ 13,215	$ 15,432	$ 13,060	$ 19,578

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