

Investor Presentation

2017 Fourth Quarter Earnings

January 25, 2018



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 Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date made. 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”). 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) a pending investigation by the SEC may result in adverse findings, reputational damage, the imposition of sanctions, increased costs and other negative consequences; (ii) management time and resources may be diverted to address the pending SEC investigation as well as any related litigation, litigation initiated by stockholders and other litigation; (iii) the costs and effects of litigation, including settlements and judgments; (iv) our performance may be adversely affected by the management transition resulting from the resignation of our former chief executive officer, notwithstanding the hiring of our new chief executive officer, and the resignation of our former interim chief financial officer, notwithstanding the hiring of our new chief financial officer; (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 disposition of our Banc Home Loans division during the first quarter of 2017 may adversely impact our revenues and profitability to the extent we are unable to replace its revenues or realize the expected cost savings of this transaction; (vii) risks that funds obtained from capital raising activities will not be utilized efficiently or effectively; (viii) a worsening of current economic conditions, as well as turmoil in the financial markets; (ix) the credit risks of lending activities, which may be affected by deterioration in real estate markets and the financial condition of borrowers, 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 loan and lease losses not being adequate to cover actual losses and require us to materially increase our loan and lease loss reserves; (x) the quality and composition of our securities portfolio; (xi) changes in general economic conditions, either nationally or in our market areas, or changes in financial markets; (xii) continuation of or changes in the historically low 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; (xiii) fluctuations in the demand for loans and leases, the number of unsold homes and other properties and fluctuations in commercial and residential real estate values in our market area; (xiv) our ability to maintain a strong core deposit base or other low cost funding sources necessary to fund our activities; (xv) 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, increase our allowance for loan and lease losses, write-down asset values or increase our capital levels, or affect our ability to borrow funds or maintain or increase deposits, any of which could adversely affect our liquidity and earnings; (xvi) legislative or regulatory changes that adversely affect our business, including, without limitation, changes in tax laws and policies and changes in regulatory capital or other rules, as well as additional regulatory burdens that result from our growth to over \$10 billion in total assets; (xvii) our ability to control operating costs and expenses; (xviii) staffing fluctuations in response to product demand or the implementation of corporate strategies that affect our work force and potential associated charges; (xix) errors in estimates of the fair values of certain of our assets and liabilities, which may result in significant changes in valuation; (xx) the network and computer systems on which we depend could fail or experience a security breach; (xxi) our ability to attract and retain key members of our senior management team; (xxii) increased competitive pressures among financial services companies; (xxiii) changes in consumer spending, borrowing and saving habits; (xxiv) adverse changes in the securities markets; (xxv) earthquake, fire or other natural disasters affecting the condition of real estate collateral; (xxvi) the availability of resources to address changes in laws, rules or regulations or to respond to regulatory actions; (xxvii) inability of key third-party providers to perform their obligations to us; (xxviii) 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 or final audit adjustments, including additional guidance and interpretation on accounting issues and details of the implementation of new accounting methods; (xxix) 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; (xxx) war or terrorist activities; and (xxxi) 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. You should not place undue reliance on forward-looking statements, and we undertake 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.

Fourth Quarter 2017 Highlights

Continued the Transformation Toward a Core, More Stable Balance Sheet and Banking Platform

Strong Organic Loan Growth

- Held for investment loans grew by \$433 million, or 7% QoQ (28% annualized)
- Originated HFI loans increased by \$500 million, or 9% QoQ
- Total commercial loan balances increased by \$308 million, or 7% QoQ, and have increased by \$680 million, or 18% YoY
 - Commercial loans now represent 68% of total HFI loans, up from 63% a year ago

Continuation of Balance Sheet Re-Mix Toward Core Assets

- Securities declined by \$180 million from the third quarter, driven by a decline in CLO balances of \$117 million, and the sales of \$24 million of master limited partnership debt securities (“MLPs”) and \$23 million of bank debt
- Cash balances declined by \$224 million

Disciplined Expense Management

- Achieved targeted recurring quarterly run-rate expenses, which totaled \$59.1 million excluding loss on solar investments and non-recurring expenses¹
- Non-recurring expenses from continuing operations remains elevated due to severance, occupancy, and other non-recurring items (~\$3.3 million of non-recurring items in Q4)¹

Maintained Strong Credit & Capital Ratios

- Credit metrics remain strong: NPAs/Assets at 0.21%, ALLL / Total Loans increased to 0.74%, up from 0.67% a year ago
- Common Equity Tier 1 ratio of 9.9%
- Tangible Equity/Tangible Assets (TE/TA)² ratio of 9.4%
- Tangible Common Equity/Tangible Assets (TCE/TA)² ratio of 6.8%

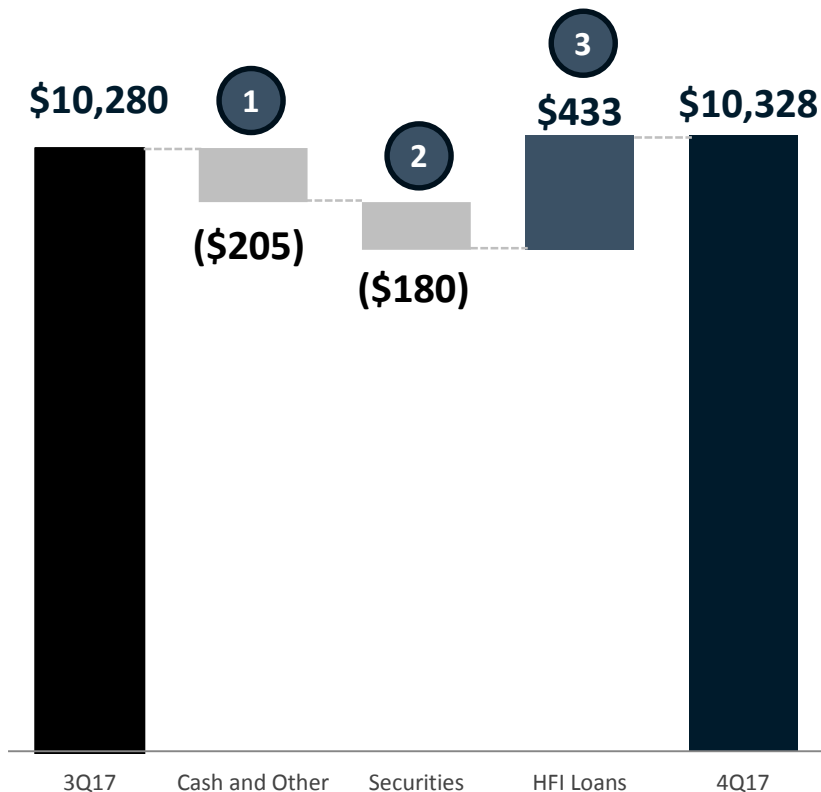
¹ Operating expenses from continuing operations, excludes loss on investments in alternative energy partnerships and non-recurring items. Reconciliation on slide 9.

² Non-GAAP measure. Reconciliation on slide 20.

Strategic Asset Re-Mix Continues

Re-Mix of Balance Sheet Toward Core HFI Loans Through Reduced Securities & Cash Balances

Total Assets¹



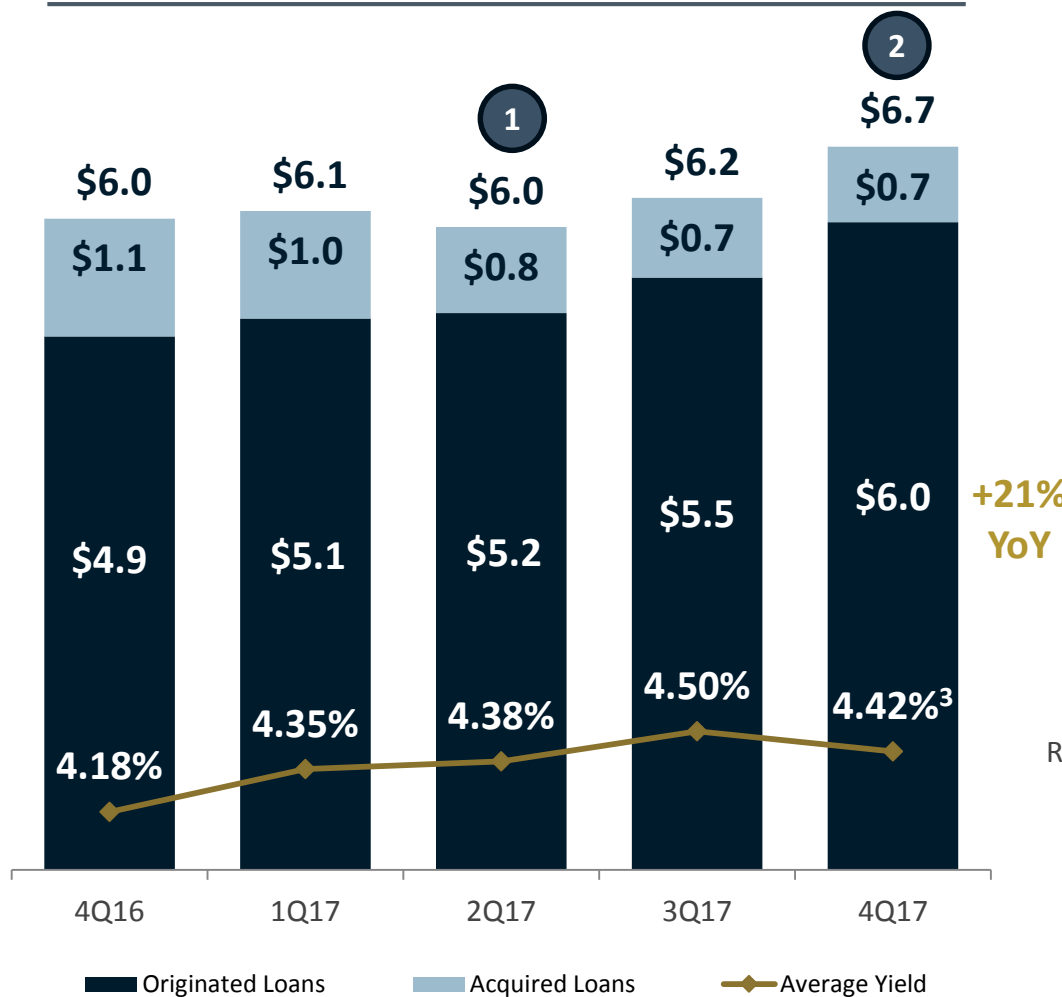
Q4 Strategic Balance Sheet Re-Mix Activities

- 1 Cash and other declined by \$205 million due to strong loan growth
- 2 Securities declined by \$180 million, including:
 - Reduction of \$117 million of CLOs
 - Sale of \$24 million of MLPs
 - Sale of all remaining \$23 million of bank debt
- 3 Increased overall HFI loans by \$433 million, or 7% from the prior quarter

Originated HFI Loans Grew 9% QoQ, 21% YoY

Loan Production Yields Higher than Portfolio Loan Yields in Q4

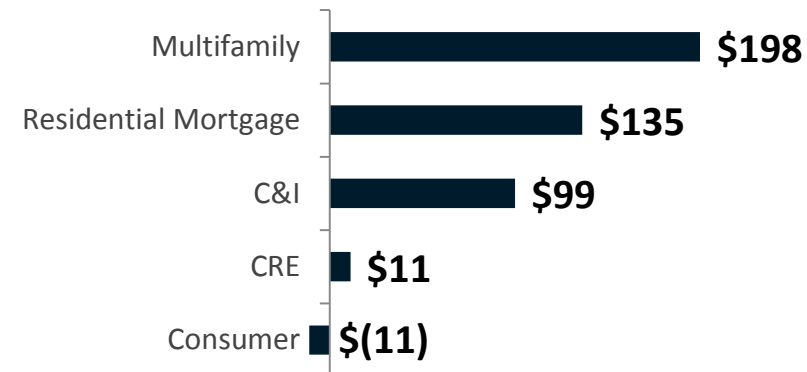
HFI Loan Mix by Source¹



Building Originated Loan Balances

- 1 **2Q17:** Moved remainder of seasoned SFR residential mortgage loans to HFS. Reflects transfer of \$144 million that were sold in Q3.
- 2 **4Q17:** Emphasis on continued generation of high quality originated loans
4Q gross loan production⁴ of \$969 million at 4.68% average production yield

Q4 HFI Loan Growth²



1 Dollars in billions

2 Dollars in millions, CRE includes Construction

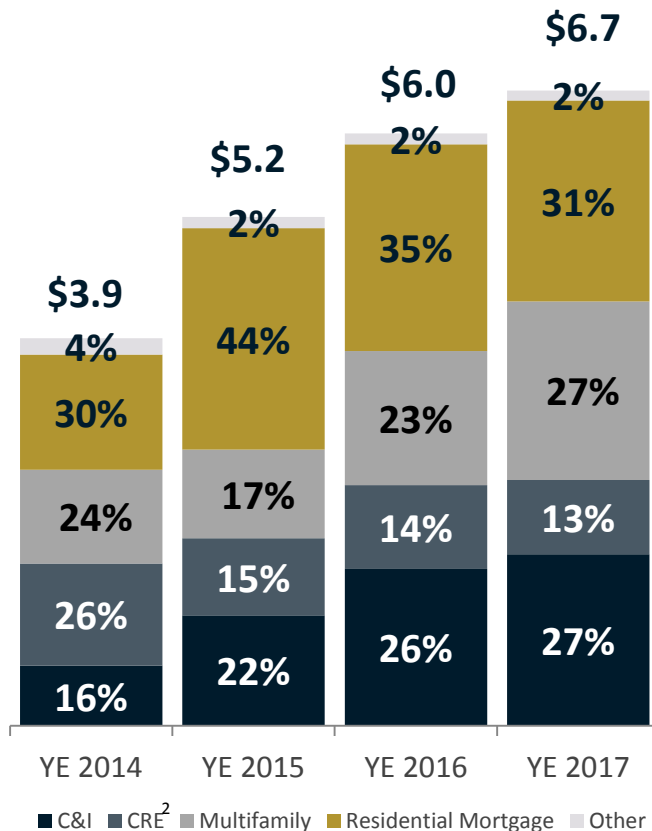
3 Gross loan yield for 4Q17 = 4.42%. HFI Loan yield = 4.49%, excludes loans held for sale, primarily representing Ginnie Mae loans. 4 Gross loan commitment production.

Loan Balances Increasingly Driven by Commercial Lending

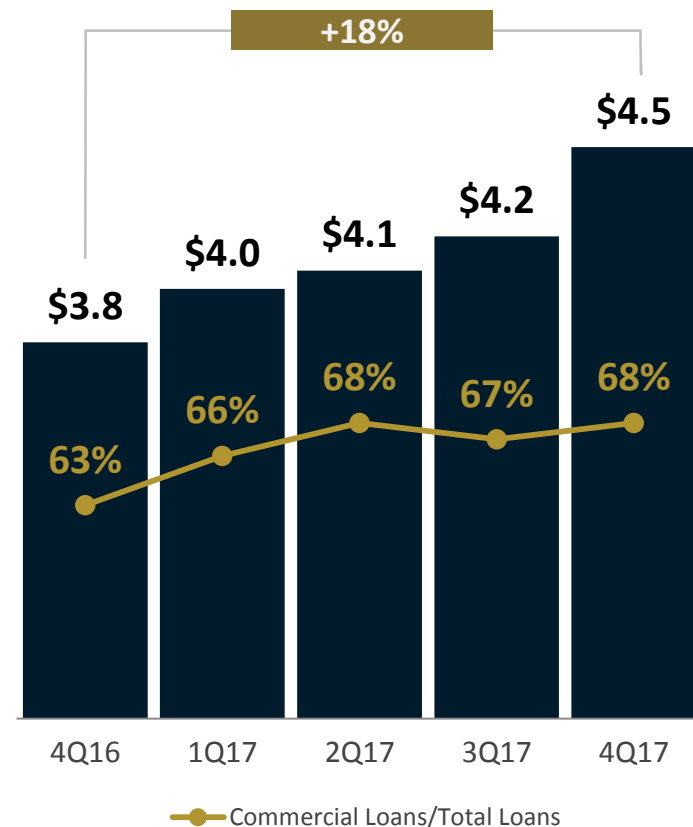
Change in Loan Mix Driving Higher Quality Revenue Stream

Re-mixing Loan Portfolio Toward Increased Commercial Loan Balances

Loans Held for Investment¹



Total Commercial Loan Balances¹

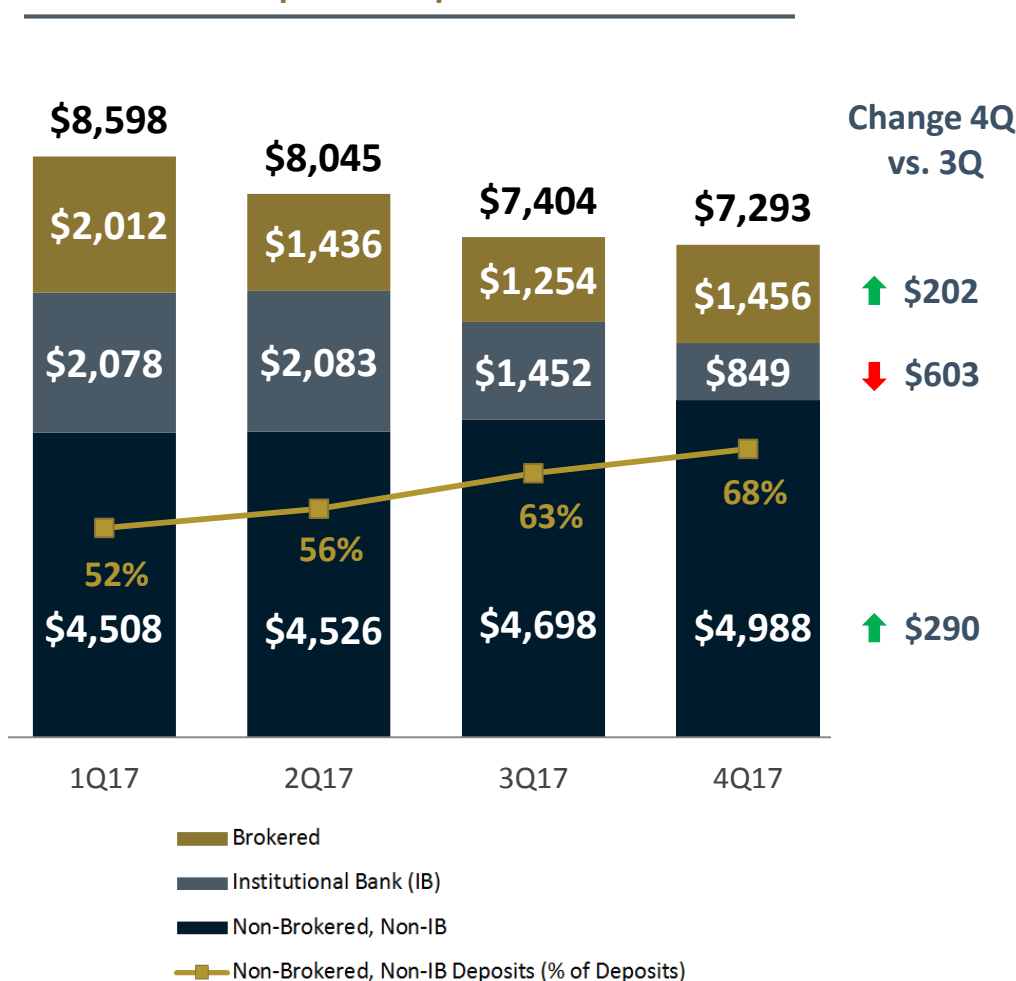


¹ Dollars in billions
² Includes Construction

Continued Reduction of High Rate, High Volatility Deposits

Core Deposit Production Added \$290 Million of Non-Brokered, Non-Institutional Balances in Q4

Deposit Composition¹



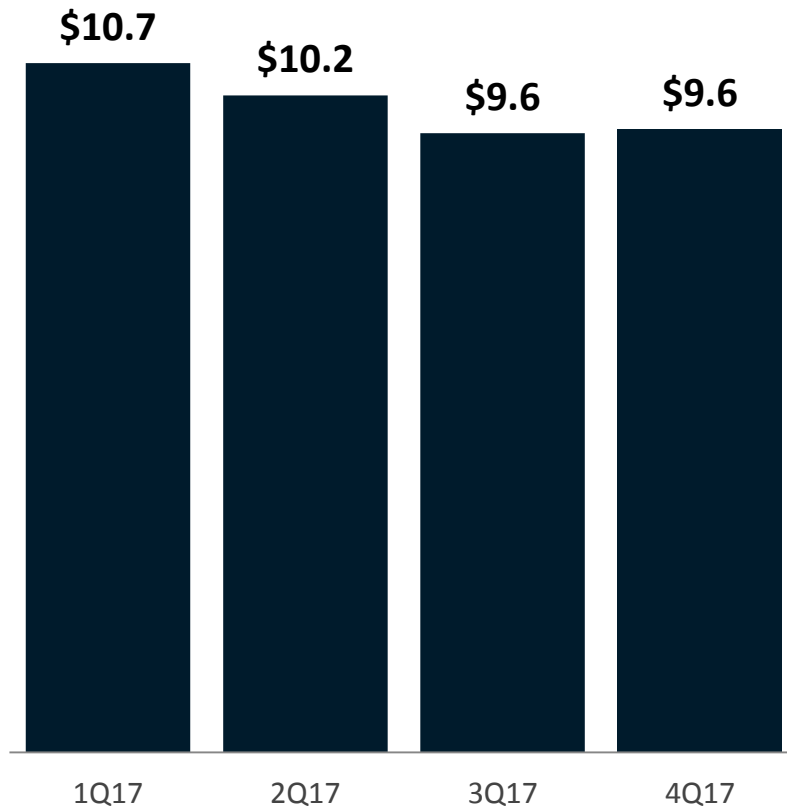
- Expected run-off of high rate, high volatility deposits accelerated remix of total deposit base toward core funding. Commercial, Retail, and Private Banking business units collectively posted strong deposit growth
- \$603 million reduction in Institutional balances during Q4 driven by planned reduction of high-rate, high-volatility deposits. Balances were replaced with \$290 million of business unit deposits and \$202 million of brokered deposits

1 Dollars in millions

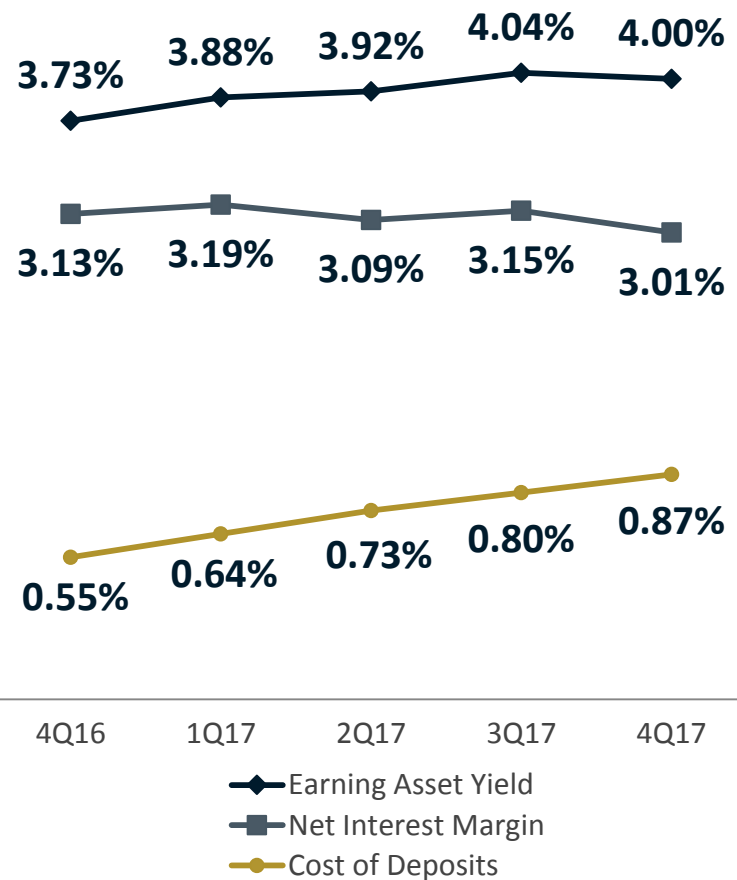
Average Interest Earning Assets End Quarterly Down Trend

Net Interest Margin Contracted Due Mainly to Upward Pressure on Deposit Rates

Average Interest Earning Assets¹



Net Interest Margin Components



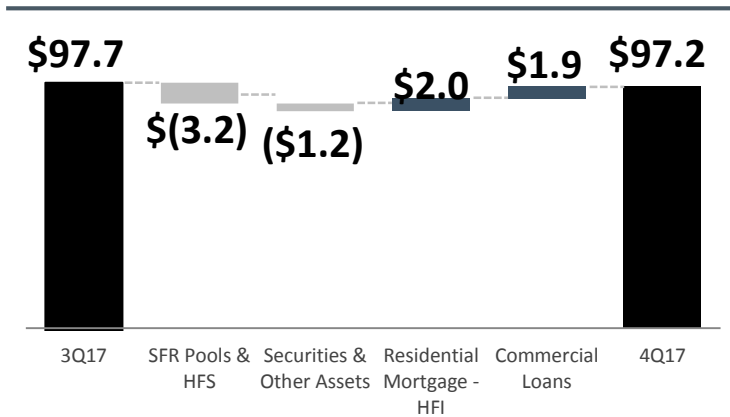
¹ Dollars in billions

Commercial Loan Portfolios Driving 52% of Interest Income

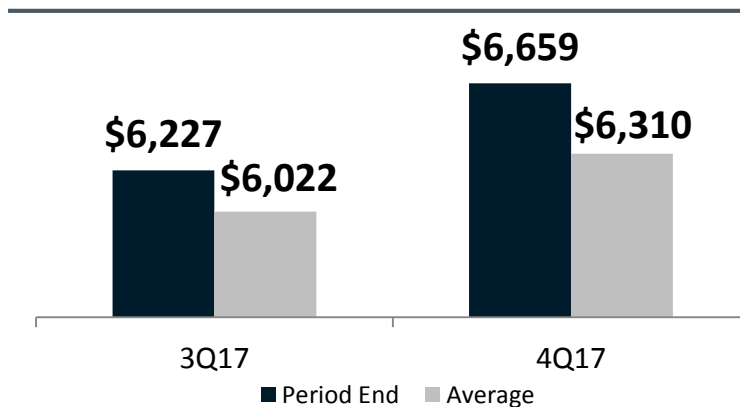
Commercial Loan Interest Income Increased 19% YoY

Average Loan Balances Lagging Period End Balances Driving Slower Build of Interest Income

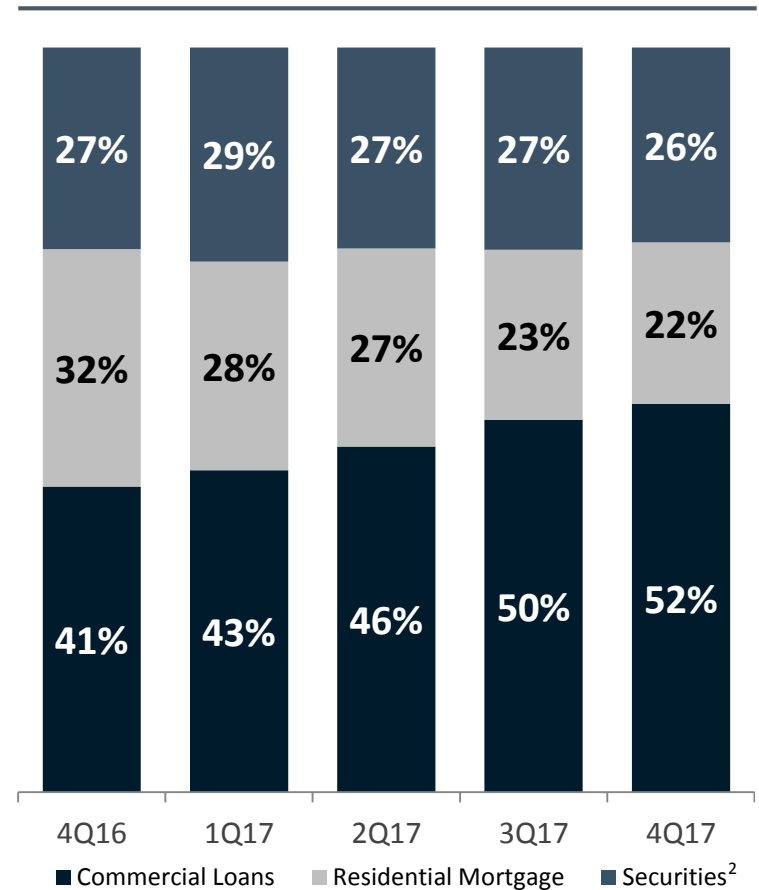
Interest Income¹



Loans - HFI¹



Interest Income Mix



¹ Dollars in millions, consolidated operations

² Includes other interest earning assets

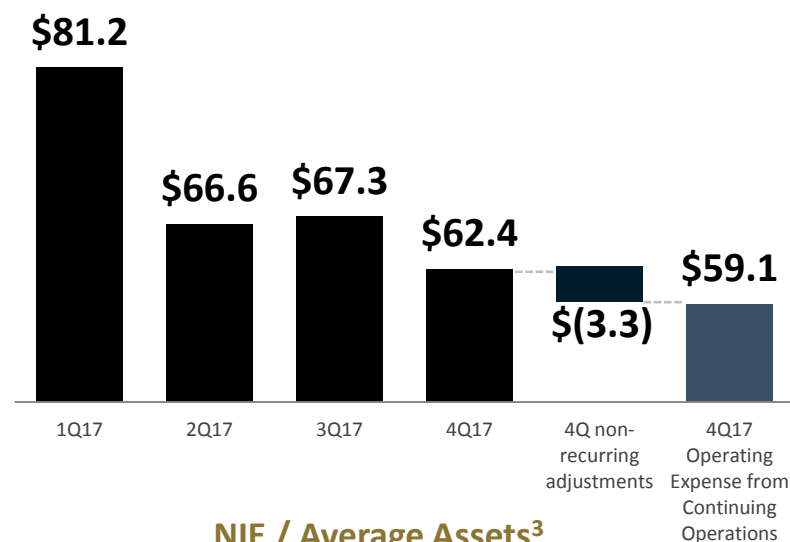
Continued Efforts to Right-Size Expense Structure

Select Non-Recurring Expenses Remain Elevated, Including Legal and Professional Fees

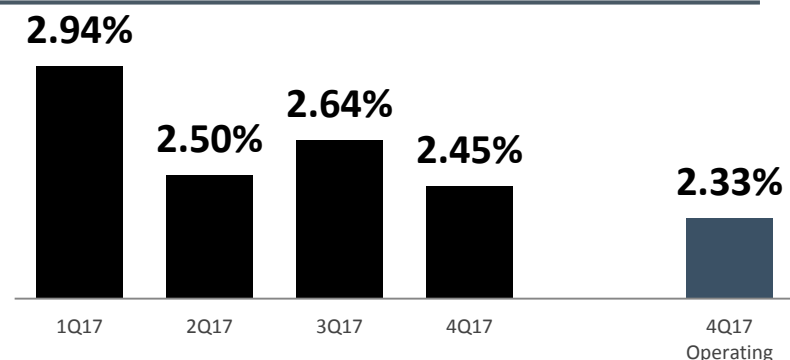
Non-Recurring Adjustments to Continuing Operations Expenses

(\$ in millions)	Continuing Operations (reported)	Q4 non-recurring adjustments	Q4 Operating Expense from Continuing Operations ⁴
Salaries and employee benefits	\$ 33.1	\$ (0.3)	\$ 32.8
Occupancy and equipment	9.6	(0.5)	9.1
Professional fees	7.9	(0.3)	7.6
Data processing	1.6		1.6
Amortization of intangible assets	0.9		0.9
All other expense	9.4	(2.2)	7.2
Total Noninterest Expense (ex-loss on investments in alternative energy partnerships)	\$ 62.4	\$ (3.3)	\$ 59.1
Loss on investments in alternative energy partnerships ²	4.0		
Total Noninterest Expense (reported)	\$ 66.4		

Noninterest Expense Run-Rate¹



NIE / Average Assets³



¹ Dollars in millions, Continuing operations, noninterest expense excluding loss on investments in alternative energy partnerships.

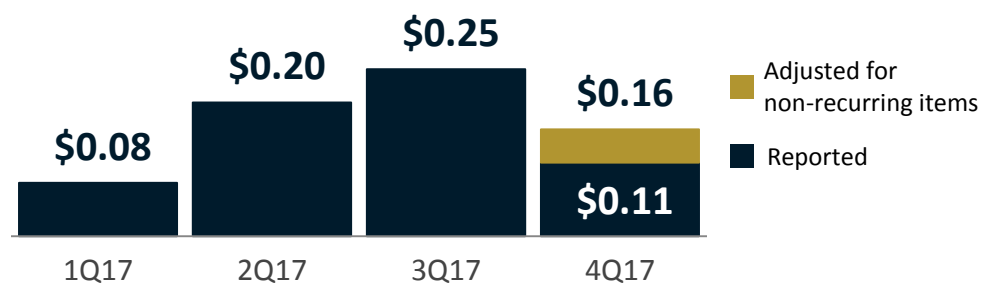
² Loss on investments in alternative energy partnerships create tax credits to offset expense incurred. ³ Continuing operations noninterest expense excluding loss on investments in alternative energy partnerships, annualized, over average consolidated assets. ⁴ Non-GAAP measure: Reconciliation table above.

Rebuilding Earnings and Focusing on Core, Sustainable Returns

Q4 Included \$3.3mm of Non-Recurring Expenses, \$4.4mm MSR Write-down, & \$2.1mm Net Tax Benefit

(\$ in millions)	Continuing Operations (reported)	Q4 non-recurring adjustments ¹	Deferred Tax Re-Measurement	Q4 Operating Earnings for Continuing Operations ²
Net interest income	\$ 73.2			\$ 73.2
Provision for loan and lease losses	5.1			5.1
Total noninterest income	5.7	4.4		10.1
Total noninterest expense (ex-loss on investments in alternative energy partnerships)	\$ 62.4	\$ (3.3)		\$ 59.1
Loss on investments in alternative energy partnerships ³	4.0			4.0
Total noninterest expense	66.4	(3.3)		63.1
Pre-tax income	\$ 7.4	\$ 7.7		\$ 15.1
Income tax (benefit) expense	(3.4)	3.1	2.1	1.8
Net income	\$ 10.9	\$ 4.5	(2.1)	\$ 13.3
Diluted earnings per total common share	\$ 0.11			\$ 0.16

Diluted EPS – Continuing Operations



¹ \$7.7 million of Q4 pre tax benefit, tax effected at 41%, equates to \$4.5 million net income benefit after tax.

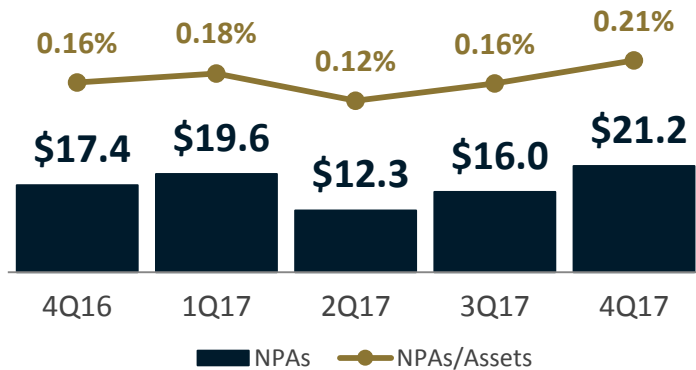
² Non-GAAP measure: Reconciliation table above.

³ Loss on investments in alternative energy partnerships create tax credits to offset expense incurred

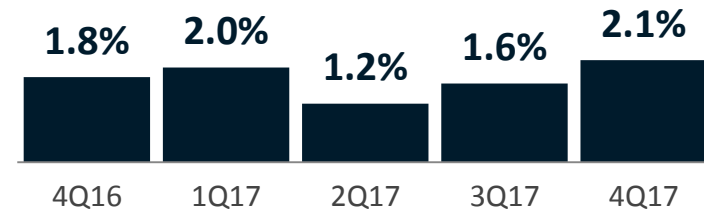
Asset Quality Remains Strong and Stable

Disciplined Credit Culture Continues to Drive Strong Asset Quality

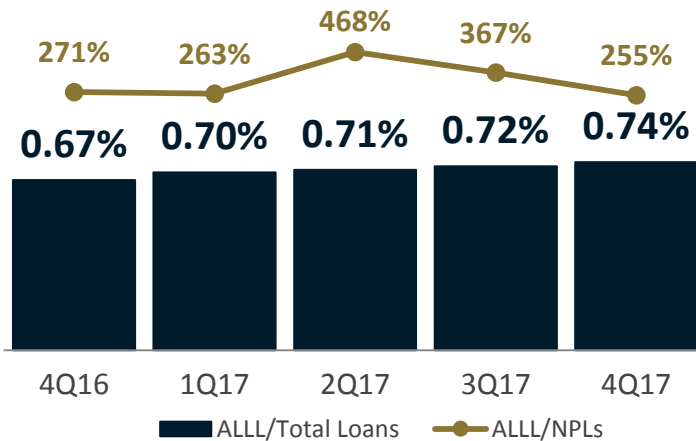
Nonperforming Assets¹



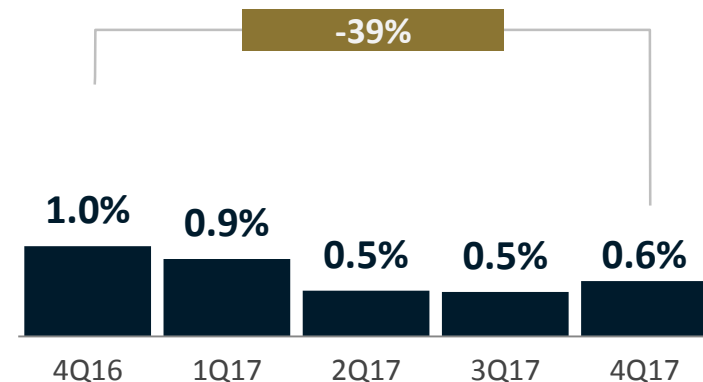
NPAs/Equity



ALLL and NPL Coverage



Total Delinquent Loans/Total Loans

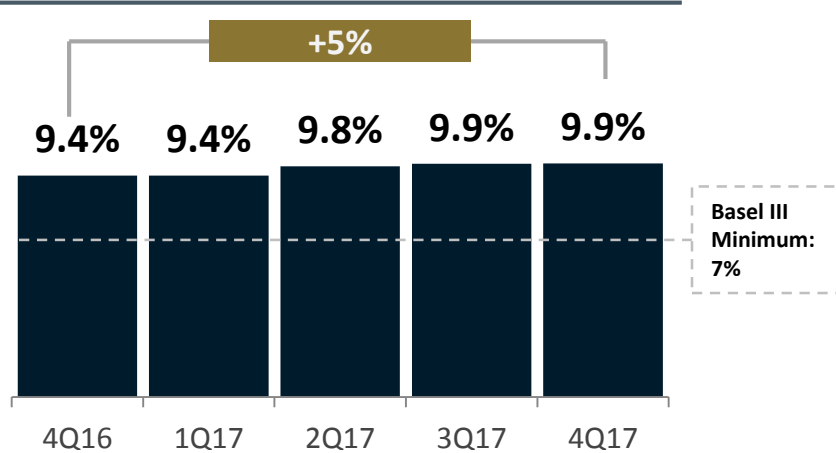


¹ Dollars in millions

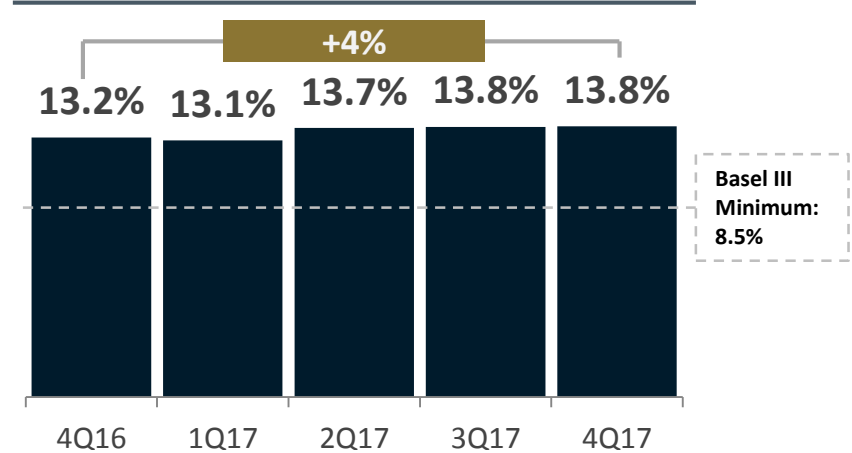
Solid Capital Ratios Exceeding Basel III Guidelines

Tier 1 Risk-Based Capital Ratio Supported by \$269 Million of Preferred Equity

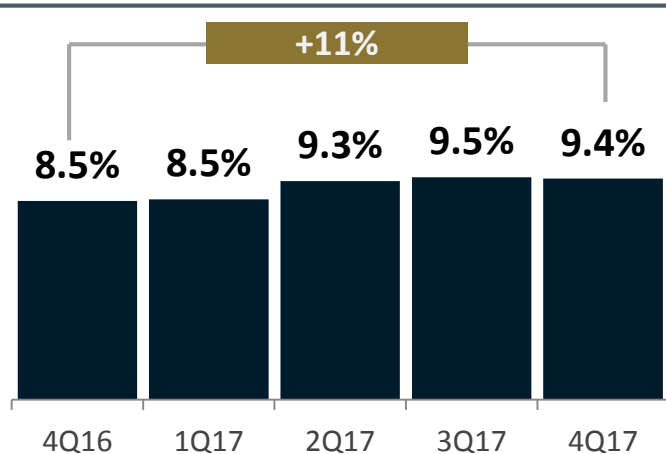
Common Equity Tier 1 Ratio (CET1)



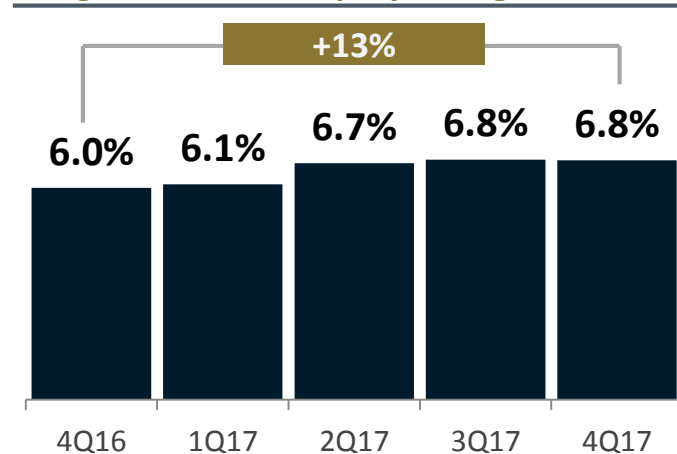
Tier 1 Risk-Based Capital Ratio



Tangible Equity / Tangible Assets¹



Tangible Common Equity / Tangible Assets¹



¹ Non-GAAP measure. Reconciliation on slide 20.

BANC's Journey of Transformation

Significant Improvement and Events Since Q4 2016

De-Risking and Re-Mixing Balance Sheet

- Sold Commercial Equipment Finance Division (\$243mm)
- Sold Banc Home Loans Mortgage Banking Business & \$38mm of related MSRs
- Sold \$604mm of Seasoned SFR Loan Pools
- \$383mm Decline in Securities: Sold \$294mm agency MBS / \$120mm non-agency MBS / \$17mm bank debt
- Sold remaining Seasoned SFR mortgage loan pools
- \$159mm Decline in Securities: Sold \$87mm MLPs / \$32mm bank debt
- HFI Loan Growth +\$271mm
- \$180mm Decline in Securities: Sold remaining \$23mm bank debt / \$24mm MLPs
- HFI Loan Growth +\$433mm

4Q16

1Q17

2Q17

3Q17

4Q17

- CEO Departs

- Appointed CEO: Doug Bowers
- Refreshed Board: 5 of 9 New Directors
- Interim CFO Departs

- Appointed CFO: John Bogler
- Hired Head of Real Estate Banking: Jason Pendergist
- Hired Head of Deposit & Treasury Management Services: Rita Dailey

- Expanded CRE & Multifamily Banking Teams
- Promoted & Confirmed Chief Accounting Officer: Larry Gee

Strengthening Management Team & Bolstering Talent and Bench Strength

BANC Core Foundation

Foundation in Place to Support Franchise Growth



Go Forward Strategy

- 1 Drive Disciplined Growth:** Increase loans and deposits, grow asset base
- 2 Sustainable Strategy:** Building a bank with a more reliable, repeatable earnings profile
- 3 Lowered Cost of Funds:** Become a premier deposit franchise with a core, lower cost deposit base
- 4 Drive Efficiencies:** Instill culture of cost control

Foundation in place for premier CA franchise with a strong brand, in great markets, with the size needed to compete, while maintaining strong credit metrics and enhanced governance

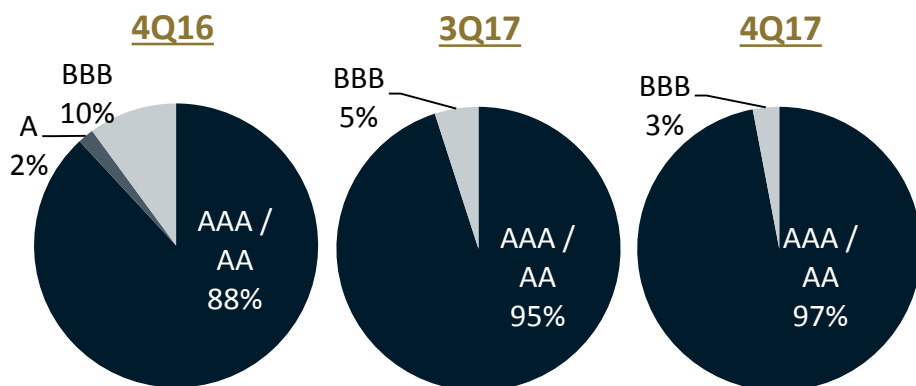
Appendix

Securities Portfolio

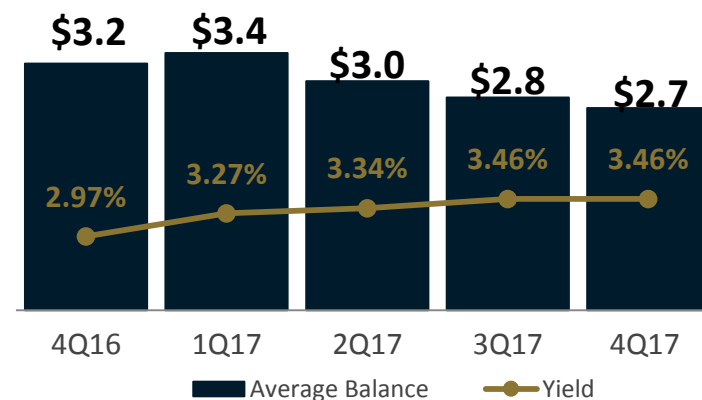
Securities Portfolio Detail¹

Security Type	Book Value 3Q17	Book Value 4Q17	Q4 Change	Fair Value 4Q17	Book Yield 4Q17	Duration 4Q17
Gov't & Agency (Agency MBS)	\$ 504	\$ 493	\$ (11)	\$ 478	2.53%	6.77
CLOs	1,808	1,691	(117)	1,702	3.29%	0.18
CMBS	305	305	---	310	3.91%	6.57
Other	1	1	---	1	4.79%	1.93
Strategic Portfolio	2,618	2,490	(128)	2,491	3.22%	2.27
Corporate Debt Securities – MLPs	101	77	(24)	84	5.28%	5.78
Corporate Debt Securities – Bank Debt	23	---	(23)	---	---	---
Non-Strategic Portfolio	124	77	(47)	84	5.28%	5.78
Total Securities	\$ 2,742	\$ 2,567	\$ (175)	\$ 2,575	3.28%	2.37

Portfolio Credit Rating Profile²



Portfolio Average Balances and Yields³



¹ Dollars in millions

² Based on book value balances of rated securities, data at each quarter end

³ Dollars in billions

BANC Fast Facts & Preferred Equity Capital Structure

(\$ in millions) ¹	4Q17	3Q17	2Q17	1Q17	4Q16
Total Assets²	\$ 10,328	\$ 10,280	\$ 10,366	\$ 11,052	\$ 11,030
Securities	2,575	2,756	2,915	3,298	3,266
Loans Held for Investment	6,659	6,227	5,956	6,105	6,035
Deposits	7,293	7,404	8,045	8,598	9,142
Net Interest Income	73.2	75.0	75.5	80.5	82.9
Provision for Loan and Lease Losses	5.1	3.6	2.5	2.6	0.6
Non Interest Income	5.7	18.4	5.7	14.9	32.5
Noninterest Expense^{3,4}	62.4	67.3	66.6	81.2	79.0
Loss on Investments in Alternative Energy Partnerships	4.0	8.3	9.8	8.7	13.9
Noninterest Expense – Reported	66.4	75.7	76.3	89.9	92.9
Net Income	10.9	18.1	15.1	9.4	24.5
Diluted Earnings Per Share	\$ 0.11	\$ 0.25	\$ 0.20	\$ 0.08	\$ 0.36
Return on Average Assets²	0.44%	0.67%	0.46%	0.62%	1.14%
Efficiency Ratio^{2,5}	75.5%	72.5%	80.5%	78.8%	66.9%

Preferred Equity	Class / Series	CUSIP	Issue Date	Amount Out (\$000)	Dividend Rate / Coupon (%)	First Callable Date
Preferred Equity: Non-Cumulative, Perpetual	E	05990K874	2/8/2016	125,000	7.00%	3/15/2021
Preferred Equity: Non-Cumulative, Perpetual	D	05990K882	4/8/2015	115,000	7.375%	6/15/2020
Preferred Equity: Non-Cumulative, Perpetual	C	05990K403	6/12/2013	40,250	8.00%	9/15/2018
Total Preferred Equity				\$ 280,250		

1 All figures from Continuing 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 within table above. 5 Non-GAAP measure. Reconciliation on slide 19.

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 continuing operations and operating expense from continuing operations, each excluding loss on investments in alternative energy partnerships and the latter also reflecting adjustments for non-recurring 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 9-10 of this presentation.

Non-GAAP measures in this presentation also include tangible equity to tangible assets, tangible common equity to tangible assets, 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 19-20 of this presentation.

Non-GAAP Reconciliation

Adjusted Efficiency Ratio Including the Pre-tax Effect of Investments in Alternative Energy Partnerships

(in thousands)	4Q17	3Q17	2Q17	1Q17	4Q16
Noninterest expense	\$ 66,424	\$ 79,008	\$ 98,216	\$ 124,615	\$ 129,239
Loss on investments in alternative energy partnerships, net	(3,995)	(8,348)	(9,761)	(8,682)	(13,850)
Adjusted noninterest expense	\$ 62,429	\$ 70,660	\$ 88,455	\$ 115,933	\$ 115,389
Net interest income	\$ 73,246	\$ 75,953	\$ 78,296	\$ 83,747	\$ 87,058
Noninterest income	6,429	18,827	19,817	59,704	79,687
Total revenue	79,675	94,780	98,113	143,451	166,745
Tax credit from investments in alternative energy partnerships	4,908	8,777	15,681	8,829	14,048
Deferred tax expense on investments in alternative energy partnerships	(859)	(1,536)	(2,744)	(1,545)	(2,459)
Tax effect on tax credit and deferred tax expense	3,004	3,804	8,584	5,140	8,078
Loss on investments in alternative energy partnerships, net	(3,995)	(8,348)	(9,761)	(8,682)	(13,850)
Total pre-tax adjustments for investments in alternative energy partnerships	3,058	2,697	11,760	3,742	5,817
Total adjusted revenue	\$ 82,733	\$ 97,477	\$ 109,873	\$ 147,193	\$ 172,562
Efficiency ratio	83.37%	83.36%	100.10%	86.87%	77.51%
Adjusted efficiency ratio for excluding the effect of investments in alternative energy partnerships	75.46%	72.49%	80.51%	78.76%	66.87%
Effective tax rate utilized for calculating tax effect on tax credit and deferred tax expense	42.59%	34.44%	39.89%	41.37%	41.10%

Non-GAAP Reconciliation

Tangible Common Equity to Tangible Assets and Tangible Equity to Tangible Assets

(in thousands)	4Q17	3Q17	2Q17	1Q17	4Q16
Tangible common equity to tangible assets ratio					
Total assets	\$ 10,327,852	\$ 10,280,028	\$ 10,365,768	\$ 11,052,085	\$ 11,029,853
Less goodwill	(37,144)	(37,144)	(37,144)	(37,144)	(39,244)
Less other intangible assets	(9,353)	(10,219)	(11,135)	(12,191)	(13,617)
Tangible assets	\$ 10,281,355	\$ 10,232,665	\$ 10,317,489	\$ 11,002,750	\$ 10,976,992
<hr/>					
Total stockholders' equity	\$ 1,012,308	\$ 1,013,908	\$ 1,006,292	\$ 985,748	\$ 980,239
Less goodwill	(37,144)	(37,144)	(37,144)	(37,144)	(39,244)
Less other intangible assets	(9,353)	(10,219)	(11,135)	(12,191)	(13,617)
Tangible equity	965,811	966,545	958,013	936,413	927,378
Less preferred stock	(269,071)	(269,071)	(269,071)	(269,071)	(269,071)
Tangible common equity	\$ 696,740	\$ 697,474	\$ 688,942	\$ 667,342	\$ 658,307
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Tangible equity to tangible assets	9.39%	9.45%	9.29%	8.51%	8.45%
Tangible common equity to tangible assets	6.78%	6.82%	6.68%	6.07%	6.00%