UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _______ to ______

Commission File Number 001-35522

BANC OF CALIFORNIA, INC.

(Exact name of registrant as specified in its charter)

Maryland	**04-3639825**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

11611 San Vicente Boulevard, Suite 500
Los Angeles, CA 90049
(Address of Principal Executive Offices, Including Zip Code)

(855) 361-2262
(Registrant's Telephone Number, Including Area Code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value $0.01 per share	**BANC**	**New York Stock Exchange**
Depositary Shares, each representing a 1/40th interest in a share of 7.75% fixed rate reset non-cumulative perpetual preferred stock, Series F	**BANC/PF**	**New York Stock Exchange**
(Title of Each Class)	*(Trading Symbol)*	*(Name of Exchange on Which Registered)*

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

☑ Large accelerated filer	☐ Accelerated filer
☐ Non-accelerated filer	☐ Smaller reporting company
	☐ Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of July 31, 2026, there were 157,950,529 shares of the registrant's voting common stock outstanding, excluding 4,670 shares of unvested restricted stock, and there were 477,321 shares of the registrant's class B non-voting common stock outstanding.

BANC OF CALIFORNIA, INC.

JUNE 30, 2026 QUARTERLY REPORT ON FORM 10-Q

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PART I. FINANCIAL INFORMATION

Glossary of Acronyms, Abbreviations, and Terms

The acronyms, abbreviations, and terms listed below are used in various sections of this Quarterly Report on Form 10-Q, including "Item 1. Financial Statements" and "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations."

ACL	Allowance for Credit Losses	FRB	Board of Governors of the Federal Reserve System
AFS	Available-for-Sale	FRBSF	Federal Reserve Bank of San Francisco
ALLL	Allowance for Loan and Lease Losses	HFI	Held for Investment
AOCI	Accumulated Other Comprehensive Income (Loss)	HFS	Held for Sale
ASC	Accounting Standards Codification	HLBV	Hypothetical Liquidation at Book Value
ASU	Accounting Standards Update	HTM	Held-to-Maturity
Basel III	A comprehensive capital framework and rules for U.S. banking organizations approved by the FRB and the FDIC in 2013	IRR	Interest Rate Risk
BOLI	Bank Owned Life Insurance	LIHTC	Low Income Housing Tax Credit
CDI	Core Deposit Intangible Assets	LOCOM	Lower of Cost or Market
CECL	Current Expected Credit Loss	MBS	Mortgage-Backed Securities
CET1	Common Equity Tier 1	NII	Net Interest Income
CMBS	Commercial Mortgage-Backed Securities	NVCE	Non-Voting Common Stock Equivalents
CMOs	Collateralized Mortgage Obligations	OREO	Other Real Estate Owned
CODM	Chief Operating Decision Maker	PSUs	Performance Stock Units
CRE	Commercial Real Estate	ROU	Right-of-use
CRA	Community Reinvestment Act	RSUs	Restricted Stock Units
CRI	Customer Relationship Intangible Assets	SBA	Small Business Administration
DFPI	California Department of Financial Protection and Innovation	SBIC	Small Business Investment Company
DTAs	Deferred Tax Assets	SEC	Securities and Exchange Commission
ECR	Earnings Credit Rate	SFR	Single-Family Residential
EVE	Economic Value of Equity	SOFR	Secured Overnight Financing Rate
FASB	Financial Accounting Standards Board	TRSAs	Time-Based Restricted Stock Awards
FDIC	Federal Deposit Insurance Corporation	U.S. GAAP	U.S. Generally Accepted Accounting Principles
FHLB	Federal Home Loan Bank of San Francisco		

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	June 30, 2026	December 31, 2025
	(In thousands, except par value amounts)	
ASSETS:		
Cash and due from banks	$ 225,343	$ 181,103
Interest-earning deposits in financial institutions	2,592,712	2,126,862
Total cash, cash equivalents, and restricted cash	2,818,055	2,307,965
Securities AFS, at fair value, net of allowance for credit losses (amortized cost of $4,696,251 and $2,646,414, respectively)(ACL of $3,250 and $775, respectively)	4,484,021	2,454,058
Securities HTM, at amortized cost, net of allowance for credit losses (fair value of $0 and $2,246,526, respectively)(ACL of $0 and $695, respectively)	—	2,308,636
FRB and FHLB stock, at cost	181,352	160,442
Total investment securities	4,665,373	4,923,136
Loans HFS	915,171	182,936
Loans and leases HFI	24,210,846	25,032,679
Allowance for loan and lease losses	(243,319)	(245,612)
Total loans and leases HFI, net	23,967,527	24,787,067
Equipment leased to others under operating leases	218,444	238,232
Premises and equipment, net	145,440	146,698
Bank owned life insurance	348,777	350,083
Goodwill	214,521	214,521
Intangible assets, net	92,709	105,287
Deferred tax asset, net	704,467	656,755
Other assets	940,469	884,762
Total assets	$ 35,030,953	$ 34,797,442
LIABILITIES:		
Noninterest-bearing deposits	$ 7,758,119	$ 7,822,787
Interest-bearing deposits	20,363,063	20,020,570
Total deposits	28,121,182	27,843,357
Borrowings (including $110,363 and $113,634 at fair value, respectively)	2,460,363	2,063,819
Subordinated debt	573,555	952,740
Accrued interest payable and other liabilities	465,707	396,249
Total liabilities	31,620,807	31,256,165
Commitments and contingencies (Note 10)		
STOCKHOLDERS' EQUITY:		
Preferred stock	498,516	498,516
Common stock ($0.01 par value, 157,955,199 shares issued and 157,950,529 outstanding at June 30, 2026; 150,039,018 shares issued and 149,963,520 outstanding at December 31, 2025)	1,580	1,500
Class B non-voting common stock ($0.01 par value, 477,321 shares issued at June 30, 2026 and 477,321 shares issued at December 31, 2025)	5	5
NVCE ($0.01 par value, — shares issued at June 30, 2026 and 5,017,064 shares issued at December 31, 2025)	—	50
Additional paid-in capital	3,485,560	3,552,483
Retained deficit	(431,305)	(242,016)
Accumulated other comprehensive loss, net	(144,210)	(269,261)
Total stockholders' equity	3,410,146	3,541,277
Total liabilities and stockholders' equity	$ 35,030,953	$ 34,797,442

See Notes to Unaudited Consolidated Financial Statements.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

	Three Months Ended			Six Months Ended	
	June 30, 2026	March 31, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	(In thousands, except per share amounts)				
Interest income:					
Loans and leases	$ 354,832	$ 349,943	$ 362,303	$ 704,775	$ 708,406
Investment securities	42,407	41,873	37,616	84,280	75,478
Deposits in financial institutions	17,357	15,626	20,590	32,983	43,280
Total interest income	414,596	407,442	420,509	822,038	827,164
Interest expense:					
Deposits	124,270	120,233	144,940	244,503	285,470
Borrowings	26,568	20,177	20,021	46,745	38,442
Subordinated debt	13,257	15,415	15,332	28,672	30,672
Total interest expense	164,095	155,825	180,293	319,920	354,584
Net interest income	250,501	251,617	240,216	502,118	472,580
Provision for credit losses	161,780	9,800	39,100	171,580	48,400
Net interest income after provision for credit losses	88,721	241,817	201,116	330,538	424,180
Noninterest income:					
Leased equipment income	7,820	8,530	10,231	16,350	21,015
Commissions and fees	9,034	10,980	9,641	20,014	19,599
Service charges on deposit accounts	4,763	4,978	4,456	9,741	8,999
(Loss) gain on loans and leases HFS	(12,544)	10	21	(12,534)	232
Loss on securities AFS	(256,749)	—	—	(256,749)	—
Dividends and gains (losses) on equity investments	3,326	2,002	(114)	5,328	2,209
Warrant income	896	938	1,227	1,834	932
Other income	9,358	7,890	7,171	17,248	13,297
Total noninterest (loss) income	(234,096)	35,328	32,633	(198,768)	66,283
Noninterest expense:					
Compensation	85,120	91,100	88,362	176,220	174,779
Customer related expense	24,114	23,737	26,577	47,851	54,328
Occupancy	14,714	14,892	15,473	29,606	30,483
Information technology and data processing	13,769	14,339	13,073	28,108	28,172
Insurance and assessments	14,500	6,764	9,403	21,264	16,686
Intangible asset amortization	6,349	6,348	7,159	12,697	14,319
Leased equipment depreciation	5,168	5,304	6,700	10,472	13,441
Other professional services	5,599	4,236	6,406	9,835	10,919
Loan expense	5,170	4,292	4,050	9,462	6,980
Other expense	15,364	10,379	8,666	25,743	19,415
Total noninterest expense	189,867	181,391	185,869	371,258	369,522
(Loss) earnings before income taxes	(335,242)	95,754	47,880	(239,488)	120,941
Income tax (benefit) expense	(93,895)	23,802	19,495	(70,093)	38,988
Net (loss) earnings	(241,347)	71,952	28,385	(169,395)	81,953
Preferred stock dividends	9,947	9,947	9,947	19,894	19,894
Net (loss) earnings available to common and equivalent stockholders	$ (251,294)	$ 62,005	$ 18,438	$ (189,289)	$ 62,059
(Loss) earnings per share:					
Basic	$ (1.61)	$ 0.40	$ 0.12	$ (1.22)	$ 0.38
Diluted	$ (1.61)	$ 0.39	$ 0.12	$ (1.22)	$ 0.38

See Notes to Unaudited Consolidated Financial Statements.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Three Months Ended			Six Months Ended	
	June 30, 2026	March 31, 2026	June 30, 2025	June 30, 2026	June 30, 2025
			(In thousands)		
Net (loss) earnings	$ (241,347)	$ 71,952	$ 28,385	$ (169,395)	$ 81,953
Other comprehensive income, net of tax:					
Unrealized net holding (losses) gains on securities AFS arising during the period	(138,285)	(9,215)	8,247	(147,500)	46,717
Income tax benefit (expense) related to unrealized net holding gains (losses) arising during the period	73,387	2,553	(2,351)	75,940	(13,303)
Unrealized net holding (losses) gains on securities AFS, net of tax	(64,898)	(6,662)	5,896	(71,560)	33,414
Reclassification adjustment for net losses included in net earnings	256,749	—	—	256,749	—
Income tax benefit related to reclassification adjustment	(71,120)	—	—	(71,120)	—
Reclassification adjustment for net losses included in net earnings, net of tax	185,629	—	—	185,629	—
Amortization of unrealized net loss on securities transferred from AFS to HTM [(1)]	6,133	8,576	8,344	14,709	16,686
Income tax expense related to amortization of unrealized net loss on securities transferred from AFS to HTM	(1,597)	(2,376)	(2,353)	(3,973)	(4,731)
Amortization of unrealized net loss on securities transferred from AFS to HTM, net of tax	4,536	6,200	5,991	10,736	11,955
Change in fair value of credit-linked notes	(106)	(111)	(517)	(217)	(371)
Income tax benefit related to change in fair value of credit-linked notes	29	31	180	60	138
Change in fair value of credit-linked notes, net of tax	(77)	(80)	(337)	(157)	(233)
Unrealized (loss) gain on cash flow hedges arising during the period	(2,027)	2,584	(1,952)	557	(4,925)
Income tax benefit (expense) related to unrealized gain (loss) on cash flow hedges arising during the period	562	(716)	505	(154)	1,352
Unrealized (loss) gain on cash flow hedges, net of tax	(1,465)	1,868	(1,447)	403	(3,573)
Other comprehensive income, net of tax	123,725	1,326	10,103	125,051	41,563
Comprehensive (loss) income	$ (117,622)	$ 73,278	$ 38,488	$ (44,344)	$ 123,516

(1) As part of a strategic balance sheet actions completed during the three and six months ended June 30, 2026, the Company transferred all HTM securities, including those originally reclassified into the HTM portfolio, to the AFS portfolio at fair value. The previously combined net unrealized losses in AOCI attributable to these securities were recognized as part of the transfer and subsequent sale of the securities. See "Note 3. Investment Securities" for further detail on the securities portfolio.

See Notes to Unaudited Consolidated Financial Statements.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Six Months Ended June 30, 2026							
		Common Stock		Non -Voting			Accumulated	
			Class B	Common	Additional		Other	
	Preferred		Non-	Stock	Paid-in	Retained	Comprehensive	
	Stock	Voting	Voting	Equivalents	Capital	Deficit	Loss, Net	Total
	(In thousands, except per share amount)							
Balance, December 31, 2025	$ 498,516	$ 1,500	$ 5	$ 50	$ 3,552,483	$ (242,016)	$ (269,261)	$ 3,541,277
Net earnings	—	—	—	—	—	71,952	—	71,952
Other comprehensive income, net of tax	—	—	—	—	—	—	1,326	1,326
Restricted stock awarded and earned stock compensation, net of shares forfeited	—	5	—	—	5,631	—	—	5,636
Conversion of NVCE to voting common stock	—	40	—	(40)	—	—	—	—
Restricted stock surrendered	—	—	—	—	(5,574)	—	—	(5,574)
Shares purchased under Dividend Reinvestment Plan	—	—	—	—	115	—	—	115
Shares repurchased under Stock Repurchase Program including excise tax	—	(7)	—	—	(12,073)	—	—	(12,080)
NVCE repurchased	—	—	—	(10)	(20,190)	—	—	(20,200)
Cash dividends paid:								
Preferred stock, $0.4845/depositary share	—	—	—	—	—	(9,947)	—	(9,947)
Common stock, $0.12/share	—	—	—	—	(19,179)	—	—	(19,179)
Balance, March 31, 2026	$ 498,516	$ 1,538	$ 5	$ —	$ 3,501,213	$ (180,011)	$ (267,935)	$ 3,553,326
Net loss	—	—	—	—	—	(241,347)	—	(241,347)
Other comprehensive income, net of tax	—	—	—	—	—	—	123,725	123,725
Restricted stock awarded and earned stock compensation, net of shares forfeited	—	1	—	—	4,195	—	—	4,196
Restricted stock surrendered	—	—	—	—	(660)	—	—	(660)
Shares purchased under Dividend Reinvestment Plan	—	—	—	—	99	—	—	99
Warrants exercised	—	41	—	—	(41)	—	—	—
Shares repurchased under Stock Repurchase Program including excise tax	—	—	—	—	109	—	—	109
Cash dividends paid:								
Preferred stock, $0.4845/depositary share	—	—	—	—	—	(9,947)	—	(9,947)
Common stock, $0.12/share	—	—	—	—	(19,355)	—	—	(19,355)
Balance, June 30, 2026	$ 498,516	$ 1,580	$ 5	$ —	$ 3,485,560	$ (431,305)	$ (144,210)	$ 3,410,146

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Six Months Ended June 30, 2026			
		Common Stock		Non-Voting
	Preferred Stock	Voting	Class B Non-Voting	Common Stock Equivalents
Number of shares, December 31, 2025	513,250	150,039,018	477,321	5,017,064
Restricted stock awarded and earned stock compensation, net of shares forfeited	—	723,872	—	—
Restricted stock surrendered	—	(291,929)	—	—
Shares purchased under Dividend Reinvestment Plan	—	6,634	—	—
Shares repurchased under Stock Repurchase Program	—	(709,935)	—	(1,000,000)
Conversion of NVCE to voting common stock	—	4,017,064	—	(4,017,064)
Number of shares, March 31, 2026	513,250	153,784,724	477,321	—
Restricted stock awarded and earned stock compensation, net of shares forfeited	—	105,265	—	—
Restricted stock surrendered	—	(34,634)	—	—
Shares purchased under Dividend Reinvestment Plan	—	4,912	—	—
Warrants exercised	—	4,094,932	—	—
Number of shares, June 30, 2026	513,250	157,955,199	477,321	—

See Notes to Unaudited Consolidated Financial Statements.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Six Months Ended June 30, 2025							
		Common Stock		Non-Voting Common Stock Equivalents	Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive Loss, Net	Total
	Preferred Stock	Voting	Class B Non-Voting					
	(In thousands, except per share amount)							
Balance, December 31, 2024	$ 498,516	$ 1,586	$ 5	$ 98	$ 3,785,725	$ (431,201)	$ (354,780)	$ 3,499,949
Net earnings	—	—	—	—	—	53,568	—	53,568
Other comprehensive income, net of tax	—	—	—	—	—	—	31,460	31,460
Restricted stock awarded and earned stock compensation, net of shares forfeited	—	2	—	—	5,493	—	—	5,495
Restricted stock surrendered	—	—	—	—	(2,699)	—	—	(2,699)
Shares purchased under Dividend Reinvestment Plan	—	—	—	—	72	—	—	72
Shares repurchased under the Stock Repurchase Program including excise tax	—	(27)	—	—	(38,904)	—	—	(38,931)
Cash dividends paid:								
Preferred stock, $0.4845/depositary share	—	—	—	—	—	(9,947)	—	(9,947)
Common stock, $0.10/share	—	—	—	—	(17,311)	—	—	(17,311)
Balance, March 31, 2025	$ 498,516	$ 1,561	$ 5	$ 98	$ 3,732,376	$ (387,580)	$ (323,320)	$ 3,521,656
Net earnings	—	—	—	—	—	28,385	—	28,385
Other comprehensive income, net of tax	—	—	—	—	—	—	10,103	10,103
Restricted stock awarded and earned stock compensation, net of shares forfeited	—	1	—	—	6,436	—	—	6,437
Restricted stock surrendered	—	—	—	—	(688)	—	—	(688)
Shares purchased under Dividend Reinvestment Plan	—	—	—	—	72	—	—	72
Shares repurchased under Stock Repurchase Program including excise tax	—	(88)	—	—	(112,826)	—	—	(112,914)
Cash dividends paid:								
Preferred stock, $0.4845/depositary share	—	—	—	—	—	(9,947)	—	(9,947)
Common stock, $0.10/share	—	—	—	—	(16,261)	—	—	(16,261)
Balance, June 30, 2025	$ 498,516	$ 1,474	$ 5	$ 98	$ 3,609,109	$ (369,142)	$ (313,217)	$ 3,426,843

	Six Months Ended June 30, 2025			
		Common Stock		Non-Voting Common Stock Equivalents
	Preferred Stock	Voting	Class B Non-Voting	
Number of shares, December 31, 2024	513,250	158,557,735	477,321	9,790,600
Restricted stock awarded and earned stock compensation, net of shares forfeited	—	440,587	—	—
Restricted stock surrendered	—	(183,480)	—	—
Shares purchased under Dividend Reinvestment Plan	—	5,146	—	—
Shares repurchased under Stock Repurchase Program	—	(2,684,823)	—	—
Number of shares, March 31, 2025	513,250	156,135,165	477,321	9,790,600
Restricted stock awarded and earned stock compensation, net of shares forfeited	—	98,629	—	—
Restricted stock surrendered	—	(50,075)	—	—
Shares purchased under Dividend Reinvestment Plan	—	5,311	—	—
Shares repurchased under Stock Repurchase Program	—	(8,809,814)	—	—
Number of shares, June 30, 2025	513,250	147,379,216	477,321	9,790,600

See Notes to Unaudited Consolidated Financial Statements.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
	(In thousands)	
Cash flows from operating activities:		
Net (loss) earnings	$ (169,395)	$ 81,953
Adjustments to reconcile net (loss) earnings to net cash provided by operating activities:		
Depreciation and amortization	24,379	25,369
Amortization of net premiums on investment securities	9,073	10,034
Accretion of net purchased loan discounts and deferred loan fees	(31,587)	(42,852)
Amortization of intangible assets	12,883	14,319
Amortization of operating lease ROU assets	11,681	11,750
Provision for credit losses	171,580	48,400
Loss (gain) on sale of foreclosed assets	184	(115)
Provision for losses on foreclosed assets	50	633
Gain on sale of loans and leases	(13)	(241)
Loss on sale of premises and equipment	1	—
Loss on securities AFS	256,749	—
Unrealized (gain) loss on derivatives, foreign currencies, and credit-linked notes, net	(1,015)	271
LOCOM HFS adjustment	12,547	9
Earned stock compensation	9,832	11,932
(Increase) decrease in other assets	(160,754)	28,605
Increase (decrease) in accrued interest payable and other liabilities	64,217	(112,231)
Net cash provided by operating activities	210,412	77,836
Cash flows from investing activities:		
Net increase in loans and leases	(216,430)	(949,050)
Proceeds from sales of loans and leases	146,538	32,421
Proceeds from maturities and paydowns of securities AFS	264,169	209,739
Proceeds from sales of securities AFS	2,209,843	—
Purchases of securities AFS	(2,291,503)	(166,865)
Proceeds from maturities and paydowns of securities HTM	748	614
Purchases of FHLB and FRB stock	(26,565)	(16,256)
Redemptions of FHLB and FRB stock	5,655	1,786
Proceeds from sales of foreclosed assets	2,666	7,068
Purchases of premises and equipment	(6,000)	(2,794)
Proceeds from BOLI death benefit	7,957	—
Net decrease in equipment leased to others under operating leases	9,316	5,055
Net cash provided by (used in) investing activities	106,394	(878,282)
Cash flows from financing activities:		
Net decrease in noninterest-bearing deposits	(64,668)	(278,797)
Net increase in interest-bearing deposits	342,493	615,321
Repayments of borrowings	(393,282)	(176,184)
Proceeds from borrowings	789,815	700,000
Redemption of subordinated debt	(385,000)	—
Common shares repurchased under Stock Repurchase Program	(32,171)	(151,845)
Common shares purchased under Dividend Reinvestment Plan	—	144
Restricted stock surrendered	(6,234)	(3,387)
Preferred stock dividends paid	(19,894)	(19,894)
Common stock dividends paid	(37,775)	(33,572)
Net cash provided by financing activities	193,284	651,786
Net decrease in cash, cash equivalents, and restricted cash	510,090	(148,660)
Cash, cash equivalents, and restricted cash, beginning of period	2,307,965	2,502,212
Cash, cash equivalents, and restricted cash, end of period	$ 2,818,055	$ 2,353,552

See Notes to Unaudited Consolidated Financial Statements.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30,	
	2026	2025
	(In thousands)	
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 324,837	$ 373,260
Cash paid (received) for income taxes	24,599	(8,164)
Loans transferred to foreclosed assets	2,104	5,673
Transfers from loans HFI to loans HFS	813,181	441,248
Transfers from securities HTM to securities AFS	2,317,572	—

See Notes to Unaudited Consolidated Financial Statements.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Banc of California, Inc., a Maryland corporation, was incorporated in March 2002 and serves as the holding company for its wholly owned subsidiary, Banc of California (the "Bank"), a California state-chartered bank and a member of the FRB. When we refer to the "holding company," we are referring to Banc of California, Inc., the parent company, on a stand-alone basis. When we refer to "we," "us," "our," or the "Company," we are referring to Banc of California, Inc. and its consolidated subsidiaries including the Bank, collectively. As a bank holding company, Banc of California, Inc. is subject to ongoing and comprehensive supervision, regulation, examination, and enforcement by the FRB. As a California state-chartered bank and a member of the FRB, the Bank is subject to ongoing and comprehensive supervision, regulation, examination, and enforcement by the DFPI and the FRB. The Bank is also a member of the FHLB system, and its deposit accounts are insured by the Deposit Insurance Fund of the FDIC.

Banc of California is one of the nation's premier relationship-based business banks, providing banking and treasury management services to small, middle-market, and venture-backed businesses. The Bank offers a broad range of loan and deposit products and services through full-service branches located throughout California and in Denver, Colorado, and Durham, North Carolina, as well as through regional offices nationwide. The Bank also provides full-service payment processing solutions to its clients and serves the Community Association Management industry nationwide with its technology-forward platform, SmartStreet™. The Bank is committed to its local communities by supporting organizations that provide financial literacy and job training, small business support, affordable housing, and more.

We generate our revenue primarily from interest received on loans and leases and, to a lesser extent, from interest received on investment securities, and fees received in connection with deposit services, extending credit and other services offered, including treasury management and investment management services. Our major operating expenses are interest paid by the Bank on deposits and borrowings, compensation expense, customer related expense, occupancy expense, insurance and assessments expense, information technology and data processing expense, and general operating expenses.

Significant Accounting Policies

Our accounting policies are described in "Note 1. Nature of Operations and Summary of Significant Accounting Policies", of our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2025 as filed with the SEC ("Form 10-K").

Recently Issued Accounting Standards Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, "*Disaggregation of Income Statement Expenses,*" requiring additional disclosure of income statement expenses, including categories like employee compensation, depreciation, and intangible asset amortization, as well as selling expenses. Companies must also qualitatively describe any remaining amounts not separately disclosed. In January 2025, the FASB also issued ASU 2025-01, "*Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures-Clarifying the Effective Date,"* which clarified that all public business entities must adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. The disclosures apply prospectively, but retrospective application is allowed. The Company is currently evaluating the impact of this update on its consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, *"Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software."* The new standard clarifies and modernizes the accounting for costs related to internal-use software under ASC 350-40. Specifically, the amendments address the accounting for software developed using iterative and agile development methods, clarify the threshold for when capitalization of software costs should begin, and require the disclosure requirements of ASC 360-10. This guidance is effective for fiscal years beginning after December 15, 2027, with early adoption permitted. Entities may apply the guidance using one of three transition methods: prospective, modified retrospective (based on the project's status and whether costs were previously capitalized), or full retrospective application. The Company is currently evaluating the impact of this update on its consolidated financial statements and related disclosures.

In November 2025, the FASB issued ASU 2025-08, *"Financial Instruments—Credit Losses (Topic 326): Purchased Loans,"* which updates the accounting for acquired loans under the CECL model. The amendments address application challenges under previous guidance, including the perceived double-counting of credit losses at acquisition, by expanding the gross-up approach and introducing the concept of purchased seasoned loans. Under the new standard, an ACL is recorded at acquisition with a corresponding adjustment to the loan's amortized cost basis, eliminating the requirement for a day-one provision for certain acquired loans. Loans acquired in a business combination (excluding credit cards) are automatically considered purchased seasoned loans, while other loans qualify if acquired more than 90 days after origination and the acquirer was not involved in origination. The guidance is effective for fiscal years beginning after December 15, 2026, with early adoption permitted, and is to be applied prospectively. The Company is currently evaluating the impact of this update on its consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-11, *"Interim Reporting (Topic 270): Narrow-Scope Improvements,"* which clarifies and consolidates interim reporting guidance under ASC 270 for entities issuing interim financial statements. In addition, the update establishes a disclosure principle requiring entities to disclose material events or changes since the end of the most recent annual reporting period. The amendment does not introduce new recognition, measurement, or disclosure requirements and is not intended to change the fundamental nature of interim reporting, but rather to enhance clarity and consistency in interim financial reporting. The guidance is effective for interim reporting periods within fiscal years beginning after December 15, 2027, with early adoption permitted. Entities may apply the guidance using either prospective or retrospective application. The Company is currently evaluating the impact of this update on its consolidated financial statements and related disclosures.

Basis of Presentation

The accounting and reporting policies of the Company are in accordance with U.S. generally accepted accounting principles, which we may refer to as U.S. GAAP. In the opinion of management, all significant intercompany accounts and transactions have been eliminated and adjustments, consisting solely of normal recurring accruals and considered necessary for the fair presentation of financial statements, have been included.

The accompanying unaudited Consolidated Financial Statements as of June 30, 2026 and six months ended June 30, 2026 and 2025 have been prepared in accordance with U.S. GAAP for interim information and Article 10 of Regulation S-X and, therefore, do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Accordingly, these statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Form 10-K.

Use of Estimates

The Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period to prepare these consolidated financial statements in conformity with U.S. GAAP. Actual results could differ from those estimates. Material estimates subject to change in the near term include, among other items, the ACL (the combination of the ALLL and the reserve for unfunded loan commitments) and the realization of deferred tax assets and liabilities. Estimates may be adjusted as more current information becomes available, and any adjustment may be significant.

NOTE 2. RESTRICTED CASH

The Company is required to maintain reserve balances with the FRBSF. Such reserve requirements are based on a percentage of deposit liabilities and may be satisfied by cash on hand. There were no average reserves required to be held at the FRBSF for the six months ended June 30, 2026 and 2025. The following restricted cash balances are included in "Interest-earning deposits in financial institutions" on the consolidated balance sheets. As of June 30, 2026 and December 31, 2025, we pledged cash collateral for our derivative contracts of $16.3 million and $15.1 million, respectively. In connection with the issuance of the credit-linked notes on September 29, 2022, the Company maintains a correspondent bank account at a third-party financial institution that serves as the collateral account. The repayment of principal on the credit-linked notes is secured by this collateral account, which had a balance of $113.4 million at June 30, 2026 and $115.3 million at December 31, 2025. We pledged cash to secure standby letters of credit that we have issued on behalf of our customers. As of June 30, 2026 and December 31, 2025, the balance of such restricted cash totaled $39.8 million and $39.8 million, respectively.

NOTE 3. INVESTMENT SECURITIES

During the second quarter, the Company transferred its entire HTM securities portfolio, with an aggregate amortized cost basis of $2.3 billion, to AFS securities as part of the strategic balance sheet actions. Most of the transferred securities were subsequently sold during the quarter, resulting in a pre-tax loss of $251.3 million. As of June 30, 2026, the Company had reinvested $1.7 billion of the sale proceeds into higher-yielding, lower-duration AFS securities.

Securities Available-for-Sale

The following tables present amortized cost, gross unrealized gains and losses, and fair values of AFS securities as of the dates indicated:

	June 30, 2026					
Security Type	Amortized Cost	Allowance for Credit Losses	Net Carrying Amount	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)					
Agency residential MBS	$ 928,717	$ —	$ 928,717	$ —	$ (140,077)	$ 788,640
U.S. Treasury securities	223,509	—	223,509	65	(99)	223,475
Agency commercial MBS	151,059	—	151,059	—	(1,487)	149,572
Agency residential CMOs	2,625,289	—	2,625,289	1,891	(27,968)	2,599,212
Corporate debt securities	254,753	(3,250)	251,503	802	(14,441)	237,864
Private label residential CMOs	289,337	—	289,337	46	(27,355)	262,028
Collateralized loan obligations	200,307	—	200,307	213	(20)	200,500
Private label commercial MBS	7,946	—	7,946	—	(435)	7,511
Asset-backed securities	12,114	—	12,114	67	—	12,181
SBA securities	3,220	—	3,220	—	(182)	3,038
Total [(1)]	$ 4,696,251	$ (3,250)	$ 4,693,001	$ 3,084	$ (212,064)	$ 4,484,021

(1) Excludes accrued interest receivable of $19.4 million at June 30, 2026 which is recorded in "Other assets" on the consolidated balance sheets.

	December 31, 2025					
Security Type	Amortized Cost	Allowance for Credit Losses	Net Carrying Amount	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)					
Agency residential MBS	$ 972,161	$ —	$ 972,161	$ —	$ (138,076)	$ 834,085
Agency commercial MBS	52,022	—	52,022	44	(1,100)	50,966
Agency residential CMOs	883,067	—	883,067	3,857	(15,300)	871,624
Corporate debt securities	257,236	(775)	256,461	576	(15,441)	241,596
Private label residential CMOs	254,787	—	254,787	522	(26,334)	228,975
Collateralized loan obligations	200,519	—	200,519	303	—	200,822
Private label commercial MBS	9,746	—	9,746	—	(467)	9,279
Asset-backed securities	13,242	—	13,242	7	—	13,249
SBA securities	3,634	—	3,634	—	(172)	3,462
Total [(1)]	$ 2,646,414	$ (775)	$ 2,645,639	$ 5,309	$ (196,890)	$ 2,454,058

(1) Excludes accrued interest receivable of $11.4 million at December 31, 2025 which is recorded in "Other assets" on the consolidated balance sheets.

See "Note 11. Fair Value Measurements and Fair Value of Financial Instruments" for information on fair value measurements and methodology.

As of June 30, 2026, AFS securities with a fair value of $694.9 million were pledged as collateral for deposits, letters of credit, and secured borrowing facilities.

Realized Gains and Losses on Securities Available-for-Sale

The following table presents the amortized cost of AFS securities sold with related gross realized gains, gross realized losses, and net realized (losses) gains for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Amortized cost of securities sold	$ 2,294,702	$ —	$ 2,294,702	$ —
Gross realized gains	$ 1,893	$ —	$ 1,893	$ —
Gross realized losses	(253,193)	—	(253,193)	—
Net loss on sale of securities	(251,300)	—	(251,300)	—

Unrealized Losses on Securities Available-for-Sale

The following tables present the gross unrealized losses and fair values of AFS securities that were in unrealized loss positions as of the dates indicated:

	June 30, 2026					
	Less Than 12 Months		12 Months or More		Total	
Security Type	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In thousands)					
Agency residential MBS	$ —	$ —	$ 788,640	$ (140,077)	$ 788,640	$ (140,077)
U.S. Treasury securities	124,513	(99)	—	—	124,513	(99)
Agency commercial MBS	117,322	(794)	32,250	(693)	149,572	(1,487)
Agency residential CMOs	1,757,288	(12,802)	86,876	(15,166)	1,844,164	(27,968)
Corporate debt securities	35,659	(5,841)	173,652	(8,600)	209,311	(14,441)
Private label residential CMOs	99,584	(598)	121,078	(26,757)	220,662	(27,355)
Collateralized loan obligations	17,880	(20)	—	—	17,880	(20)
Private label commercial MBS	—	—	7,511	(435)	7,511	(435)
SBA securities	—	—	3,038	(182)	3,038	(182)
Total	$ 2,152,246	$ (20,154)	$ 1,213,045	$ (191,910)	$ 3,365,291	$ (212,064)

	December 31, 2025					
	Less Than 12 Months		12 Months or More		Total	
Security Type	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In thousands)					
Agency residential MBS	$ —	$ —	$ 834,085	$ (138,076)	$ 834,085	$ (138,076)
Agency commercial MBS	4,994	(6)	32,006	(1,094)	37,000	(1,100)
Agency residential CMOs	70,270	(117)	101,501	(15,183)	171,771	(15,300)
Corporate debt securities	—	—	188,545	(15,441)	188,545	(15,441)
Private label residential CMOs	19,672	(8)	127,020	(26,326)	146,692	(26,334)
Private label commercial MBS	—	—	9,279	(467)	9,279	(467)
SBA securities	—	—	3,462	(172)	3,462	(172)
Total	$ 94,936	$ (131)	$ 1,295,898	$ (196,759)	$ 1,390,834	$ (196,890)

At June 30, 2026, the Company evaluated all securities in an unrealized loss position to determine whether any portion of the unrealized losses were attributable to credit related factors. As a result of this assessment, an ACL of $3.3 million was recorded on one corporate debt security classified as AFS.

As of June 30, 2026, two securities that were transferred to AFS as part of the securities repositioning remained unsold. Given the Company's intent to sell these securities, unrealized losses of $5.4 million were recorded in loss on securities AFS.

For all other securities in unrealized loss positions, the loss was attributable to changes in market interest rates and other market conditions, rather than credit deterioration of the underlying issuers. In making this determination, we considered several factors, including credit ratings and financial condition of the issuers, the seniority of the tranches, and any U.S. government agency guarantees. For these remaining securities in an unrealized loss position, the Company does not intend to sell them, and it is not more likely than not that the Company will be required to sell them before recovery of their amortized cost basis. Except for the credit losses and two positions recognized at fair value, the remaining unrealized losses continue to be recorded in accumulated other comprehensive loss within stockholders' equity.

Contractual Maturities of Securities Available-for-Sale

The following tables present the contractual maturities of our AFS securities portfolio based on amortized cost and fair value as of the dates indicated:

	June 30, 2026				
Security Type	Due Within One Year	Due after One Year Through Five Years	Due After Five Years Through Ten Years	Due After Ten Years	Total
	(In thousands)				
Amortized Cost:					
Agency residential MBS	$ —	$ —	$ —	$ 928,717	$ 928,717
U.S. Treasury securities	—	223,509	—	—	223,509
Agency commercial MBS	—	40,179	—	110,880	151,059
Agency residential CMOs	—	—	13,028	2,612,261	2,625,289
Corporate debt securities	—	130,139	124,614	—	254,753
Private label residential CMOs	—	—	—	289,337	289,337
Collateralized loan obligations	—	—	93,763	106,544	200,307
Private label commercial MBS	—	—	4,870	3,076	7,946
Asset-backed securities	—	—	—	12,114	12,114
SBA securities	—	—	3,220	—	3,220
Total amortized cost	$ —	$ 393,827	$ 239,495	$ 4,062,929	$ 4,696,251
Fair Value:					
Agency residential MBS	$ —	$ —	$ —	$ 788,640	$ 788,640
U.S. Treasury securities	—	223,475	—	—	223,475
Agency commercial MBS	—	40,031	—	109,541	149,572
Agency residential CMOs	—	—	13,207	2,586,005	2,599,212
Corporate debt securities	—	123,070	114,794	—	237,864
Private label residential CMOs	—	—	—	262,028	262,028
Collateralized loan obligations	—	—	93,775	106,725	200,500
Private label commercial MBS	—	—	4,573	2,938	7,511
Asset-backed securities	—	—	—	12,181	12,181
SBA securities	—	—	3,038	—	3,038
Total fair value	$ —	$ 386,576	$ 229,387	$ 3,868,058	$ 4,484,021

CMBS, CMOs, and MBS have contractual maturity dates, but require periodic payments based upon scheduled amortization terms. Actual principal collections on these securities usually occur more rapidly than the scheduled amortization terms because of prepayments made by obligors of the underlying loan collateral.

Securities Held-to-Maturity

As a result of the securities repositioning, the Company did not hold any securities classified as HTM as of June 30, 2026. The amortized cost, ACL, gross unrealized gains and losses, and fair values of HTM securities as of December 31, 2025 are as follows:

	December 31, 2025					
Security Type	Amortized Cost	Allowance for Credit Losses	Net Carrying Amount	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)					
Municipal securities	$ 1,237,792	$ (20)	$ 1,237,772	$ 2,052	$ (20,713)	$ 1,219,111
Agency commercial MBS	447,283	—	447,283	—	(19,645)	427,638
Private label commercial MBS	360,382	—	360,382	—	(9,606)	350,776
U.S. Treasury securities	193,022	—	193,022	—	(7,934)	185,088
Corporate debt securities	70,852	(675)	70,177	—	(6,264)	63,913
Total [(1)]	$ 2,309,331	$ (695)	$ 2,308,636	$ 2,052	$ (64,162)	$ 2,246,526

(1) Excludes accrued interest receivable of $13.4 million at December 31, 2025 which is recorded in "Other assets" on the consolidated balance sheets.

Allowance for Credit Losses on Securities Held-to-Maturity

Credit losses on HTM securities are recorded at the time of purchase, acquisition, or when the Company designates securities as HTM. The ACL on HTM securities represents CECL that may be incurred over the life of the investment. Accrued interest receivable on HTM securities, which is included in "Other assets" on the consolidated balance sheets, is excluded from the estimate of expected credit losses. HTM U.S. Treasury securities and agency-backed MBS securities are considered to have no risk of loss as they are either explicitly or implicitly guaranteed by the U.S. government. The change in fair value in the HTM private label CMBS portfolio is solely driven by changes in interest rates. The Company has no knowledge of any underlying credit issues and the cash flows underlying the debt securities have not changed and are not expected to be impacted by changes in interest rates and, thus, there is no related ACL for this portfolio. The underlying bonds in the Company's HTM municipal securities and HTM corporate debt securities portfolios are evaluated for credit losses in conjunction with management's estimate of the ACL based primarily on credit ratings. As of December 31, 2025, the company recorded an ACL on HTM securities of $0.7 million.

Securities Held-to-Maturity by Credit Quality Indicator

The Company uses Standard & Poor's, Moody's, Fitch, Kroll, and Egan Jones ratings as the credit quality indicators for its HTM securities. The following tables present our HTM securities portfolio by the lowest available credit rating as of December 31, 2025:

	December 31, 2025						
Security Type	AAA	AA+	AA	AA-	BBB	NR	Total
	(In thousands)						
Amortized Cost:							
Municipal securities	$ 567,140	$ 363,823	$ 220,823	$ 84,302	$ 1,704	$ —	$ 1,237,792
Agency commercial MBS	—	447,283	—	—	—	—	447,283
Private label commercial MBS	360,382	—	—	—	—	—	360,382
U.S. Treasury securities	—	193,022	—	—	—	—	193,022
Corporate debt securities	—	—	—	—	44,646	26,206	70,852
Total	$ 927,522	$ 1,004,128	$ 220,823	$ 84,302	$ 46,350	$ 26,206	$ 2,309,331

Interest Income on Investment Securities

The following table presents the composition of our interest income on investment securities for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Taxable interest	$ 35,858	$ 30,766	$ 69,826	$ 62,213
Non-taxable interest	3,527	4,547	7,890	9,064
Dividend income	3,022	2,303	6,564	4,201
Total interest income on investment securities	$ 42,407	$ 37,616	$ 84,280	$ 75,478

NOTE 4. LOANS AND LEASES HELD FOR INVESTMENT

Our loans are carried at the principal amount outstanding, net of deferred fees and costs, and in the case of acquired and purchased loans, net of purchase discounts and premiums. Deferred fees and costs and purchase discounts and premiums on acquired loans are recognized as an adjustment to interest income over the contractual life of the loans primarily using the effective interest method or taken into income when the related loans are paid off or included in the carrying amount of loans that are sold.

Loans and Leases Held for Investment

The following table summarizes the composition of our loans and leases HFI as of the dates indicated:

	June 30, 2026	December 31, 2025
	(In thousands)	
Real estate mortgage	$ 13,334,993	$ 13,846,097
Real estate construction and land [(1)]	1,483,757	1,959,591
Commercial	9,128,241	8,994,466
Consumer	344,413	355,333
Total gross loans and leases HFI	24,291,404	25,155,487
Unearned discounts, net [(2)]	(46,786)	(86,061)
Deferred fees, net	(33,772)	(36,747)
Total loans and leases HFI	24,210,846	25,032,679
Allowance for loan and lease losses	(243,319)	(245,612)
Total loans and leases HFI, net [(3)]	$ 23,967,527	$ 24,787,067

(1) Includes land and acquisition and development loans of $186.0 million and $214.5 million at June 30, 2026 and December 31, 2025.
(2) Represents net acquisition discounts of $127.4 million and net purchase premiums of $80.6 million at June 30, 2026, and net acquisition discounts of $158.5 million and net purchase premiums of $72.4 million at December 31, 2025.
(3) Excludes accrued interest receivable of $101.1 million and $104.3 million at June 30, 2026 and December 31, 2025, respectively, which is recorded in "Other assets" on the consolidated balance sheets.

The following tables present an aging analysis of our loans and leases HFI by loan portfolio segment and class as of the dates indicated:

	June 30, 2026				
	30 - 89 Days Past Due	90 or More Days Past Due	Total Past Due	Current	Total
			(In thousands)		
Real estate mortgage:					
Commercial	$ 10,249	$ 17,821	$ 28,070	$ 4,009,159	$ 4,037,229
Multi-family	—	11,639	11,639	5,433,836	5,445,475
Other residential	69,243	38,163	107,406	3,686,470	3,793,876
Total real estate mortgage	79,492	67,623	147,115	13,129,465	13,276,580
Real estate construction and land:					
Commercial	—	—	—	360,392	360,392
Residential	—	2,385	2,385	1,112,074	1,114,459
Total real estate construction and land	—	2,385	2,385	1,472,466	1,474,851
Commercial:					
Asset-based	5,891	—	5,891	3,312,931	3,318,822
Venture capital	—	—	—	2,440,075	2,440,075
Other commercial	4,263	11,655	15,918	3,337,616	3,353,534
Total commercial	10,154	11,655	21,809	9,090,622	9,112,431
Consumer	1,550	794	2,344	344,640	346,984
Total	$ 91,196	$ 82,457	$ 173,653	$ 24,037,193	$ 24,210,846

	December 31, 2025				
	30 - 89 Days Past Due	90 or More Days Past Due	Total Past Due	Current	Total
			(In thousands)		
Real estate mortgage:					
Commercial	$ 10,498	$ 46,506	$ 57,004	$ 4,257,633	$ 4,314,637
Multi-family	32,887	2,536	35,423	6,053,994	6,089,417
Other residential	34,319	42,780	77,099	3,269,634	3,346,733
Total real estate mortgage	77,704	91,822	169,526	13,581,261	13,750,787
Real estate construction and land:					
Commercial	—	—	—	379,387	379,387
Residential	26,540	—	26,540	1,541,700	1,568,240
Total real estate construction and land	26,540	—	26,540	1,921,087	1,947,627
Commercial:					
Asset-based	1,142	—	1,142	2,949,868	2,951,010
Venture capital	—	—	—	2,222,097	2,222,097
Other commercial	984	104	1,088	3,803,011	3,804,099
Total commercial	2,126	104	2,230	8,974,976	8,977,206
Consumer	1,933	729	2,662	354,397	357,059
Total	$ 108,303	$ 92,655	$ 200,958	$ 24,831,721	$ 25,032,679

Our policy is to discontinue accruing interest when principal or interest payments are past due 90 days or more, unless the loan is both well secured and in the process of collection, or when collectability is otherwise in doubt in the normal course of business. Interest income on nonaccrual loans is recognized only as cash is received and when the loan's principal balance is deemed collectible.

The following table presents our nonaccrual and performing loans and leases HFI by loan portfolio segment and class as of the dates indicated:

	June 30, 2026			December 31, 2025		
	Nonaccrual	Performing	Total	Nonaccrual	Performing	Total
	(In thousands)					
Real estate mortgage:						
Commercial	$ 107,116	$ 3,930,113	$ 4,037,229	$ 93,334	$ 4,221,303	$ 4,314,637
Multi-family	11,639	5,433,836	5,445,475	3,358	6,086,059	6,089,417
Other residential	53,951	3,739,925	3,793,876	57,984	3,288,749	3,346,733
Total real estate mortgage	172,706	13,103,874	13,276,580	154,676	13,596,111	13,750,787
Real estate construction and land:						
Commercial	—	360,392	360,392	—	379,387	379,387
Residential	2,385	1,112,074	1,114,459	—	1,568,240	1,568,240
Total real estate construction and land	2,385	1,472,466	1,474,851	—	1,947,627	1,947,627
Commercial:						
Asset-based	—	3,318,822	3,318,822	—	2,951,010	2,951,010
Venture capital	14,398	2,425,677	2,440,075	625	2,221,472	2,222,097
Other commercial	13,038	3,340,496	3,353,534	2,510	3,801,589	3,804,099
Total commercial	27,436	9,084,995	9,112,431	3,135	8,974,071	8,977,206
Consumer	1,185	345,799	346,984	1,357	355,702	357,059
Total	$ 203,712	$ 24,007,134	$ 24,210,846	$ 159,168	$ 24,873,511	$ 25,032,679

At June 30, 2026, nonaccrual loans and leases included $82.5 million of loans and leases 90 or more days past due, $18.4 million of loans 30 to 89 days past due, and $102.8 million of current loans that were placed on nonaccrual status based on management’s judgment regarding their collectability. At December 31, 2025, nonaccrual loans and leases included $92.7 million of loans and leases 90 or more days past due, $15.3 million of loans 30 to 89 days past due, and $51.2 million of current loans that were placed on nonaccrual status based on management’s judgment regarding their collectability. As of June 30, 2026, three of our largest loan relationships on nonaccrual status had an aggregate carrying value of $69.8 million and represented 34% of total nonaccrual loans and leases.

The following tables present the credit risk rating categories for loans and leases HFI by loan portfolio segment and class as of the dates indicated. Classified loans and leases are those with a credit risk rating of either substandard or doubtful.

	June 30, 2026			
	Classified	Special Mention	Pass	Total
	(In thousands)			
Real estate mortgage:				
Commercial	$ 227,445	$ 158,679	$ 3,651,105	$ 4,037,229
Multi-family	157,819	59,149	5,228,507	5,445,475
Other residential	53,951	—	3,739,925	3,793,876
Total real estate mortgage	439,215	217,828	12,619,537	13,276,580
Real estate construction and land:				
Commercial	—	—	360,392	360,392
Residential	2,385	4,036	1,108,038	1,114,459
Total real estate construction and land	2,385	4,036	1,468,430	1,474,851
Commercial:				
Asset-based	15,255	4,135	3,299,432	3,318,822
Venture capital	99,773	36,182	2,304,120	2,440,075
Other commercial	24,739	35,434	3,293,361	3,353,534
Total commercial	139,767	75,751	8,896,913	9,112,431
Consumer	1,423	2,927	342,634	346,984
Total	$ 582,790	$ 300,542	$ 23,327,514	$ 24,210,846

	December 31, 2025			
	Classified	Special Mention	Pass	Total
	(In thousands)			
Real estate mortgage:				
Commercial	$ 297,606	$ 126,998	$ 3,890,033	$ 4,314,637
Multi-family	166,385	216,286	5,706,746	6,089,417
Other residential	58,202	—	3,288,531	3,346,733
Total real estate mortgage	522,193	343,284	12,885,310	13,750,787
Real estate construction and land:				
Commercial	52,828	—	326,559	379,387
Residential	2,982	10,714	1,554,544	1,568,240
Total real estate construction and land	55,810	10,714	1,881,103	1,947,627
Commercial:				
Asset-based	36,732	7,180	2,907,098	2,951,010
Venture capital	171,847	64,577	1,985,673	2,222,097
Other commercial	12,143	27,689	3,764,267	3,804,099
Total commercial	220,722	99,446	8,657,038	8,977,206
Consumer	1,605	5,239	350,215	357,059
Total	$ 800,330	$ 458,683	$ 23,773,666	$ 25,032,679

The following table presents our nonaccrual loans and leases by loan portfolio segment and class and by with and without an allowance recorded as of the date indicated and interest income recognized on nonaccrual loans and leases for the periods indicated:

	At	Three Months Ended	Six Months Ended	At	Three Months Ended	Six Months Ended
	June 30, 2026			June 30, 2025		
	Nonaccrual Recorded Investment	Interest Income Recognized	Interest Income Recognized	Nonaccrual Recorded Investment	Interest Income Recognized	Interest Income Recognized
	(In thousands)					
With An Allowance Recorded:						
Real estate mortgage:						
Commercial	$ 43,963	$ —	$ —	$ 173	$ —	$ —
Other residential	122	—	—	64	—	—
Commercial:						
Asset-based	—	—	—	950	—	—
Other commercial	1,711	—	—	2,832	—	—
Consumer	1,185	—	—	716	—	—
With No Related Allowance Recorded:						
Real estate mortgage:						
Commercial	$ 63,153	$ 3	$ 6	$ 97,939	$ 4	$ 7
Multi-family	11,639	—	—	22,594	—	—
Other residential	53,829	—	—	39,332	—	—
Real estate construction and land:						
Residential	2,385	—	—	—	—	—
Commercial:						
Asset-based	—	—	—	781	—	—
Venture capital	14,398	6	6	—	—	—
Other commercial	11,327	6	12	2,135	1	1
Total Loans and Leases With and Without an Allowance Recorded:						
Real estate mortgage	$ 172,706	$ 3	$ 6	$ 160,102	$ 4	$ 7
Real estate construction and land	2,385	—	—	—	—	—
Commercial	27,436	12	18	6,698	1	1
Consumer	1,185	—	—	716	—	—
Total	$ 203,712	$ 15	$ 24	$ 167,516	$ 5	$ 8

The following tables present our loans HFI by loan portfolio segment and class, by credit quality indicator (internal risk ratings), and by year of origination (vintage year) as of the dates indicated:

Amortized Cost Basis	**Term Loans by Origination Year**							**Revolving Converted to Term**	
June 30, 2026	**2026**	**2025**	**2024**	**2023**	**2022**	**Prior**	**Revolving Loans**	**Loans**	**Total**
					(In thousands)				
Real Estate Mortgage: Commercial									
Internal risk rating:									
1-2 High pass	$ 944	$ 19,512	$ 3,204	$ 2,760	$ 17,454	$ 83,254	$ —	$ —	$ 127,128
3-4.5 Pass	206,027	429,103	137,936	110,876	762,948	1,839,828	32,013	5,246	3,523,977
5 Special mention	—	—	5,167	360	20,412	109,678	—	23,062	158,679
6-8 Classified	—	3,885	14,037	3,443	77,201	128,879	—	—	227,445
Total	$ 206,971	$ 452,500	$ 160,344	$ 117,439	$ 878,015	$ 2,161,639	$ 32,013	$ 28,308	$ 4,037,229
Current YTD period:									
Gross charge-offs	$ —	$ —	$ 464	$ —	$ 11,045	$ 2,542	$ —	$ —	$ 14,051
Real Estate Mortgage: Multi-family									
Internal risk rating:									
1-2 High pass	$ —	$ —	$ —	$ —	$ 50,408	$ 308,989	$ —	$ —	$ 359,397
3-4.5 Pass	180,190	420,673	108,543	54,335	1,815,432	2,286,357	3,580	—	4,869,110
5 Special mention	—	—	—	3,781	10,192	45,176	—	—	59,149
6-8 Classified	—	10,396	20,000	1,619	83,650	42,154	—	—	157,819
Total	$ 180,190	$ 431,069	$ 128,543	$ 59,735	$ 1,959,682	$ 2,682,676	$ 3,580	$ —	$ 5,445,475
Current YTD period:									
Gross charge-offs	$ —	$ —	$ —	$ —	$ 51,969	$ 16,280	$ —	$ —	$ 68,249
Real Estate Mortgage: Other residential									
Internal risk rating:									
1-2 High pass	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
3-4.5 Pass	308,155	943,998	49,138	24,069	262,087	2,039,903	112,575	—	3,739,925
5 Special mention	—	—	—	—	—	—	—	—	—
6-8 Classified	—	6,849	3,296	408	13,703	28,722	973	—	53,951
Total	$ 308,155	$ 950,847	$ 52,434	$ 24,477	$ 275,790	$ 2,068,625	$ 113,548	$ —	$ 3,793,876
Current YTD period:									
Gross charge-offs	$ —	$ 44	$ —	$ 5	$ 845	$ 13	$ —	$ —	$ 907

Amortized Cost Basis [1]	Term Loans by Origination Year						Revolving	Revolving Converted to Term	
June 30, 2026	**2026**	**2025**	**2024**	**2023**	**2022**	**Prior**	**Loans**	**Loans**	**Total**
					(In thousands)				
Real Estate Construction and Land: Commercial									
Internal risk rating:									
1-2 High pass	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
3-4.5 Pass	21,495	196,874	34,622	59,706	1,632	46,063	—	—	360,392
5 Special mention	—	—	—	—	—	—	—	—	—
6-8 Classified	—	—	—	—	—	—	—	—	—
Total	$ 21,495	$ 196,874	$ 34,622	$ 59,706	$ 1,632	$ 46,063	$ —	$ —	$ 360,392
Current YTD period:									
Gross charge-offs	$ —	$ —	$ —	$ —	$ 8,077	$ —	$ —	$ —	$ 8,077
Real Estate Construction and Land: Residential									
Internal risk rating:									
1-2 High pass	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
3-4.5 Pass	29,553	183,395	233,276	152,134	364,187	39,736	105,757	—	1,108,038
5 Special mention	—	—	—	—	—	4,036	—	—	4,036
6-8 Classified	—	—	—	—	—	2,385	—	—	2,385
Total	$ 29,553	$ 183,395	$ 233,276	$ 152,134	$ 364,187	$ 46,157	$ 105,757	$ —	$ 1,114,459
Current YTD period:									
Gross charge-offs	$ —	$ 8,191	$ 953	$ —	$ 44,298	$ 14,089	$ —	$ —	$ 67,531
Commercial: Asset-Based									
Internal risk rating:									
1-2 High pass	$ 19,636	$ 40,160	$ 24,152	$ 19,031	$ 117,220	$ 283,838	$ 102,110	$ —	$ 606,147
3-4.5 Pass	183,608	237,810	22,657	72,147	127,400	129,306	1,920,357	—	2,693,285
5 Special mention	—	—	—	—	—	621	3,514	—	4,135
6-8 Classified	—	5,373	—	196	5,595	—	4,091	—	15,255
Total	$ 203,244	$ 283,343	$ 46,809	$ 91,374	$ 250,215	$ 413,765	$ 2,030,072	$ —	$ 3,318,822
Current YTD period:									
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial: Venture Capital									
Internal risk rating:									
1-2 High pass	$ (105)	$ (180)	$ (76)	$ (65)	$ —	$ —	$ 218,362	$ 22,990	$ 240,926
3-4.5 Pass	85,465	142,079	88,803	39,154	46,441	45,043	1,521,177	95,032	2,063,194
5 Special mention	—	3,977	8,641	14,413	—	5,991	2,925	235	36,182
6-8 Classified	—	7	14,578	30,300	14,621	10,890	14,979	14,398	99,773
Total	$ 85,360	$ 145,883	$ 111,946	$ 83,802	$ 61,062	$ 61,924	$ 1,757,443	$ 132,655	$ 2,440,075
Current YTD period:									
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 14,400	$ 14,400

(1) Amounts with negative balances are loans with zero principal balances and deferred loan origination fees.

Amortized Cost Basis [1]	Term Loans by Origination Year						Revolving	Revolving Converted to Term	
June 30, 2026	2026	2025	2024	2023	2022	Prior	Loans	Loans	Total
					(In thousands)				
Commercial: Other Commercial									
Internal risk rating:									
1-2 High pass	$ 1,267	$ 2,840	$ 831	$ 62	$ 19,263	$ (30)	$ 52,222	$ 47	$ 76,502
3-4.5 Pass	63,780	267,363	41,817	53,032	41,606	271,916	2,450,871	26,474	3,216,859
5 Special mention	—	—	—	7,106	—	4,451	23,869	8	35,434
6-8 Classified	—	—	—	—	6,422	3,711	13,401	1,205	24,739
Total	$ 65,047	$ 270,203	$ 42,648	$ 60,200	$ 67,291	$ 280,048	$ 2,540,363	$ 27,734	$ 3,353,534
Current YTD period:									
Gross charge-offs	$ —	$ —	$ —	$ —	$ 215	$ 1,332	$ 483	$ 411	$ 2,441
Consumer									
Internal risk rating:									
1-2 High pass	$ 3	$ 55	$ —	$ —	$ 10	$ 3	$ 360	$ —	$ 431
3-4.5 Pass	27,081	24,304	19,241	10,970	46,842	208,098	5,595	72	342,203
5 Special mention	—	—	—	—	824	2,103	—	—	2,927
6-8 Classified	—	—	—	—	326	858	—	239	1,423
Total	$ 27,084	$ 24,359	$ 19,241	$ 10,970	$ 48,002	$ 211,062	$ 5,955	$ 311	$ 346,984
Current YTD period:									
Gross charge-offs	$ —	$ —	$ —	$ —	$ 139	$ 1,919	$ —	$ —	$ 2,058
Total Loans and Leases									
Internal risk rating:									
1-2 High pass	$ 21,745	$ 62,387	$ 28,111	$ 21,788	$ 204,355	$ 676,054	$ 373,054	$ 23,037	$ 1,410,531
3-4.5 Pass	1,105,354	2,845,599	736,033	576,423	3,468,575	6,906,250	6,151,925	126,824	21,916,983
5 Special mention	—	3,977	13,808	25,660	31,428	172,056	30,308	23,305	300,542
6-8 Classified	—	26,510	51,911	35,966	201,518	217,599	33,444	15,842	582,790
Total	$ 1,127,099	$ 2,938,473	$ 829,863	$ 659,837	$ 3,905,876	$ 7,971,959	$ 6,588,731	$ 189,008	$ 24,210,846
Current YTD period:									
Gross charge-offs	$ —	$ 8,235	$ 1,417	$ 5	$ 116,588	$ 36,175	$ 483	$ 14,811	$ 177,714

(1) Amounts with negative balances are loans with zero principal balances and deferred loan origination fees.

Amortized Cost Basis December 31, 2025	Term Loans by Origination Year 2025	2024	2023	2022	2021	Prior	Revolving Loans	Revolving Converted to Term Loans	Total
					(In thousands)				
Real Estate Mortgage:									
Commercial									
Internal risk rating:									
1-2 High pass	$ 14,708	$ 3,470	$ 2,787	$ 23,377	$ 33,027	$ 77,427	$ —	$ —	$ 154,796
3-4.5 Pass	430,807	181,597	121,685	781,194	608,067	1,544,708	61,764	5,415	3,735,237
5 Special mention	—	—	—	23,072	43,724	37,155	—	23,047	126,998
6-8 Classified	—	23,880	27,514	57,759	53,699	134,754	—	—	297,606
Total	$ 445,515	$ 208,947	$ 151,986	$ 885,402	$ 738,517	$ 1,794,044	$ 61,764	$ 28,462	$ 4,314,637
Current YTD period:									
Gross charge-offs	$ —	$ —	$ 51	$ 2,416	$ 613	$ 16,650	$ —	$ —	$ 19,730
Real Estate Mortgage:									
Multi-family									
Internal risk rating:									
1-2 High pass	$ —	$ —	$ —	$ 53,190	$ 175,257	$ 155,222	$ —	$ —	$ 383,669
3-4.5 Pass	429,017	131,377	54,475	2,126,937	1,120,759	1,459,061	1,451	—	5,323,077
5 Special mention	10,472	28,948	5,412	97,980	28,727	44,747	—	—	216,286
6-8 Classified	—	19,989	—	64,972	28,372	53,052	—	—	166,385
Total	$ 439,489	$ 180,314	$ 59,887	$ 2,343,079	$ 1,353,115	$ 1,712,082	$ 1,451	$ —	$ 6,089,417
Current YTD period:									
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 3,275	$ —	$ —	$ 3,275
Real Estate Mortgage:									
Other residential									
Internal risk rating:									
1-2 High pass	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
3-4.5 Pass	752,817	40,271	22,332	263,745	2,015,936	91,935	101,495	—	3,288,531
5 Special mention	—	—	—	—	—	—	—	—	—
6-8 Classified	1,122	—	543	28,599	26,712	228	998	—	58,202
Total	$ 753,939	$ 40,271	$ 22,875	$ 292,344	$ 2,042,648	$ 92,163	$ 102,493	$ —	$ 3,346,733
Current YTD period:									
Gross charge-offs	$ —	$ —	$ 145	$ 2,624	$ 733	$ —	$ —	$ —	$ 3,502

Amortized Cost Basis [(1)] December 31, 2025	Term Loans by Origination Year 2025	2024	2023	2022	2021	Prior	Revolving Loans	Revolving Converted to Term Loans	Total
					(In thousands)				
Real Estate Construction and Land: Commercial									
Internal risk rating:									
1-2 High pass	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
3-4.5 Pass	123,586	51,969	64,663	44,365	40,315	1,661	—	—	326,559
5 Special mention	—	—	—	—	—	—	—	—	—
6-8 Classified	—	—	—	52,828	—	—	—	—	52,828
Total	$ 123,586	$ 51,969	$ 64,663	$ 97,193	$ 40,315	$ 1,661	$ —	$ —	$ 379,387
Current YTD period:									
Gross charge-offs	$ —	$ —	$ —	$ 20,196	$ 1,340	$ —	$ —	$ —	$ 21,536
Real Estate Construction and Land: Residential									
Internal risk rating:									
1-2 High pass	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
3-4.5 Pass	100,284	189,207	196,046	705,647	188,284	80,625	94,451	—	1,554,544
5 Special mention	—	—	—	4,308	6,406	—	—	—	10,714
6-8 Classified	—	—	—	—	2,982	—	—	—	2,982
Total	$ 100,284	$ 189,207	$ 196,046	$ 709,955	$ 197,672	$ 80,625	$ 94,451	$ —	$ 1,568,240
Current YTD period:									
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial: Asset-Based									
Internal risk rating:									
1-2 High pass	$ 41,364	$ 29,359	$ 23,020	$ 122,112	$ 185,978	$ 197,800	$ 204,041	$ —	$ 803,674
3-4.5 Pass	355,855	40,478	77,608	144,338	72,205	8,625	1,404,315	—	2,103,424
5 Special mention	—	—	—	—	—	—	7,180	—	7,180
6-8 Classified	5,650	—	194	5,564	—	—	25,324	—	36,732
Total	$ 402,869	$ 69,837	$ 100,822	$ 272,014	$ 258,183	$ 206,425	$ 1,640,860	$ —	$ 2,951,010
Current YTD period:									
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial: Venture Capital									
Internal risk rating:									
1-2 High pass	$ (279)	$ (75)	$ (67)	$ —	$ —	$ —	$ 138,159	$ 22,167	$ 159,905
3-4.5 Pass	113,608	93,269	60,589	25,483	47,321	16,979	1,437,845	30,674	1,825,768
5 Special mention	19,964	(4)	21,986	—	—	—	22,044	587	64,577
6-8 Classified	625	33,631	33,431	46,535	12,484	—	45,141	—	171,847
Total	$ 133,918	$ 126,821	$ 115,939	$ 72,018	$ 59,805	$ 16,979	$ 1,643,189	$ 53,428	$ 2,222,097
Current YTD period:									
Gross charge-offs	$ 993	$ —	$ —	$ —	$ 5,257	$ —	$ —	$ —	$ 6,250

(1) Amounts with negative balances are loans with zero principal balances and deferred loan origination fees.

Amortized Cost Basis [1] December 31, 2025	Term Loans by Origination Year 2025	2024	2023	2022	2021	Prior	Revolving Loans	Revolving Converted to Term Loans	Total
					(In thousands)				
Commercial: Other Commercial									
Internal risk rating:									
1-2 High pass	$ 2,929	$ 903	$ 172	$ 20,124	$ 611	$ (61)	$ 53,892	$ (1)	$ 78,569
3-4.5 Pass	226,226	51,373	61,827	44,555	167,436	135,630	2,969,078	29,573	3,685,698
5 Special mention	—	—	9,022	5,062	779	85	12,147	594	27,689
6-8 Classified	—	2,447	—	2,918	44	1,271	4,414	1,049	12,143
Total	$ 229,155	$ 54,723	$ 71,021	$ 72,659	$ 168,870	$ 136,925	$ 3,039,531	$ 31,215	$ 3,804,099
Current YTD period:									
Gross charge-offs	$ —	$ —	$ 1,393	$ 727	$ 228	$ 2,039	$ 11,596	$ 744	$ 16,727
Consumer									
Internal risk rating:									
1-2 High pass	$ 66	$ —	$ —	$ 14	$ 7	$ —	$ 489	$ —	$ 576
3-4.5 Pass	28,736	24,251	13,618	51,008	149,047	79,026	3,809	144	349,639
5 Special mention	—	—	—	1,029	2,964	1,246	—	—	5,239
6-8 Classified	—	—	—	151	349	853	—	252	1,605
Total	$ 28,802	$ 24,251	$ 13,618	$ 52,202	$ 152,367	$ 81,125	$ 4,298	$ 396	$ 357,059
Current YTD period:									
Gross charge-offs	$ —	$ —	$ 92	$ 1,104	$ 1,892	$ 1,395	$ 1	$ 1	$ 4,485
Total Loans and Leases									
Internal risk rating:									
1-2 High pass	$ 58,788	$ 33,657	$ 25,912	$ 218,817	$ 394,880	$ 430,388	$ 396,581	$ 22,166	$ 1,581,189
3-4.5 Pass	2,560,936	803,792	672,843	4,187,272	4,409,370	3,418,250	6,074,208	65,806	22,192,477
5 Special mention	30,436	28,944	36,420	131,451	82,600	83,233	41,371	24,228	458,683
6-8 Classified	7,397	79,947	61,682	259,326	124,642	190,158	75,877	1,301	800,330
Total	$ 2,657,557	$ 946,340	$ 796,857	$ 4,796,866	$ 5,011,492	$ 4,122,029	$ 6,588,037	$ 113,501	$ 25,032,679
Current YTD period:									
Gross charge-offs	$ 993	$ —	$ 1,681	$ 27,067	$ 10,063	$ 23,359	$ 11,597	$ 745	$ 75,505

(1) Amounts with negative balances are loans with zero principal balances and deferred loan origination fees.

Loan Modifications

The following table presents our loan modifications to our HFI loans and leases granted to borrowers experiencing financial difficulty by type of modification for the year indicated with balances as of the dates indicated:

	Amortized Cost Basis at June 30, 2026						
	Term Extension	Payment Delay	Interest Rate Reduction	Payment Delay, and Interest Rate Reduction	Term Extension, Interest Rate Reduction, and Forgiveness	Total	% of Total Loans
Three Months Ended	*(Dollars in thousands)*						
Real estate mortgage:							
Commercial	$ 2,302	$ 2,418	$ —	$ 1,007	$ —	$ 5,727	0.1 %
Multi-family	103,650	—	—	—	—	103,650	1.9 %
Commercial:							
Venture capital	14,597	—	—	—	14,398	28,995	1.2 %
Other commercial	2,320	—	40		—	2,360	0.1 %
Total	$ 122,869	$ 2,418	$ 40	$ 1,007	$ 14,398	$ 140,732	

	Amortized Cost Basis at June 30, 2026							
	Term Extension	Payment Delay	Interest Rate Reduction	Term Extension and Interest Rate Reduction	Payment Delay, and Interest Rate Reduction	Term Extension, Interest Rate Reduction and Forgiveness	Total	% of Total Loans
Six Months Ended	*(Dollars in thousands)*							
Real estate mortgage:								
Commercial	$ 33,207	$ 3,364	$ —	$ —	$ 1,007	$ 44,160	$ 81,738	2.0 %
Multi-family	105,270	—	—	—	—	—	105,270	1.9 %
Commercial:								
Venture capital	14,597	—	—	—	—	14,398	28,995	1.2 %
Other commercial	2,428	—	40	57	—	—	2,525	0.1 %
Total	$ 155,502	$ 3,364	$ 40	$ 57	$ 1,007	$ 58,558	$ 218,528	

	Amortized Cost Basis at June 30, 2025					
	Term Extension	Payment Delay	Interest Rate Reduction	Term Extension and Interest Rate Reduction	Total	% of Total Loans
Three Months Ended	*(Dollars in thousands)*					
Real estate mortgage:						
Commercial	$ 9,661	$ 2,078	$ 2,621	$ —	$ 14,360	0.3 %
Multi-family	42,853	—	—	—	42,853	0.7 %
Real estate construction and land:						
Commercial	69,324	—	—	—	69,324	18.2 %
Commercial:						
Asset-based	25,334	—	—	—	25,334	1.0 %
Other commercial	3,905	—	—	216	4,121	0.1 %
Consumer	7	—	—	—	7	— %
Total	$ 151,084	$ 2,078	$ 2,621	$ 216	$ 155,999	

	Amortized Cost Basis at June 30, 2025						
	Term Extension	Payment Delay	Interest Rate Reduction	Term Extension and Interest Rate Reduction	Term Extension, Interest Rate Reduction, and Payment Delay	Total	% of Total Loans
Six Months Ended	*(Dollars in thousands)*						
Real estate mortgage:							
Commercial	$ 47,572	$ 3,657	$ 2,621	$ —	$ —	$ 53,850	1.2 %
Multi-family	67,157	—	—	—	—	67,157	1.1 %
Other residential	971	2,500	—	—	—	3,471	0.1 %
Real estate construction and land:							
Commercial	69,324	—	—	—	—	69,324	18.2 %
Residential	3,124	—	—	—	—	3,124	0.2 %
Commercial:							
Asset-based	25,334	—	—	—	—	25,334	1.0 %
Venture capital	7,395	—	—	—	—	7,395	0.4 %
Other commercial	4,237	—	—	547	146	4,930	0.1 %
Consumer	7	—	—	—	—	7	— %
Total	$ 225,121	$ 6,157	$ 2,621	$ 547	$ 146	$ 234,592	

The following tables present the financial effect of our loan modifications made to borrowers experiencing financial difficulty by type of modification for the periods indicated:

	Weighted Average for the Three Months Ended June 30, 2026				
	Term Extension (in months)	Payment Delay (in months)	Interest Rate Reduction (in % points)	Payment Delay and Interest Reduction	
				(in months)	(in % points)
Real estate mortgage:					
Commercial	5	6	—	3	1.74 %
Multi-family	40	—	—	—	—
Commercial:					
Venture capital	21	—	—	—	—
Other commercial	8	—	4.00 %	—	—

	Weighted Average for the Six Months Ended June 30, 2026						
	Term Extension (in months)	Payment Delay (in months)	Interest Rate Reduction (in % points)	Payment Delay and Interest Reduction		Term Extension and Interest Rate Reduction	
				(in months)	(in % points)	(in months)	(in % points)
Real estate mortgage:							
Commercial	10	6	—	3	1.74 %	—	—
Multi-family	40	—	—	—	—	—	—
Commercial:							
Venture capital	21	—	—	—	—	—	—
Other commercial	10	—	4.00 %	—	—	15	3.50 %

	Weighted Average for the Three Months Ended June 30, 2025				
	Term Extension (in months)	Payment Delay (in months)	Interest Rate Reduction (in % points)	Term Extension and Interest Rate Reduction (in months)	(in % points)
Real estate mortgage:					
Commercial	10	3	3.29 %	—	—
Multi-family	6	—	—	—	—
Real estate construction and land:					
Commercial	4	—	—	—	—
Commercial:					
Asset-based	47	—	—	—	—
Other commercial	15	—	—	54	1.85 %
Consumer	24	—	—	—	—

	Weighted Average for the Six Months Ended June 30, 2025				
	Term Extension (in months)	Payment Delay (in months)	Interest Rate Reduction (in % points)	Term Extension and Interest Rate Reduction (in months)	(in % points)
Real estate mortgage:					
Commercial	13	4	3.29 %	—	—
Multi-family	6	—	—	—	—
Other residential	9	3	—	—	—
Real estate construction and land:					
Commercial	4	—	—	—	—
Residential	12	—	—	—	—
Commercial:					
Asset-based	47	—	—	—	—
Venture capital	12	—	—	—	—
Other commercial	17	—	—	55	1.91 %
Consumer	24	—	—	—	—

The following outlines the weighted average financial effects of our combination loan modifications for borrowers experiencing financial difficulties.

Combination - term extension, interest rate reduction, and principal forgiveness. Regarding the combination of term extensions, interest rate reductions, and principal forgiveness, the weighted average financial effect for the three months ended June 30, 2026 for venture capital loans included a 68 month maturity extension, a reduced rate of 1.00%, and principal forgiveness of $5.0 million.

Combination - term extension, interest rate reduction, and principal forgiveness. Regarding the combination of term extensions, interest rate reductions, and principal forgiveness, the weighted average financial effect for the six months ended June 30, 2026 for CRE loans included a 64 month maturity extension, a reduced rate of 1.65%, and principal forgiveness of $8.1 million and venture capital loans included a 68 month maturity extension, a reduced rate of 1.00%, and principal forgiveness of $5.0 million.

Combination - term extension, payment delay, and interest rate reduction. For the six months ended June 30, 2025, other commercial loans included a 61 month maturity extension, a reduced rate of 5.75%, and payment deferrals of 3 months.

The following tables present the payment status of loans that were modified during the preceding 12-month period, with related amortized cost balances, as of the dates indicated:

	Payment Status (Amortized Cost Basis) at June 30, 2026			
	Current	30-89 Days Past Due	90 or More Days Past Due	Total
	(In thousands)			
Real estate mortgage:				
Commercial	$ 131,127	$ —	$ —	$ 131,127
Multi-family	105,270	—	—	105,270
Other residential	—	1,475	—	1,475
Commercial:				
Asset-based	29,075	—	—	29,075
Venture capital	46,074	—	—	46,074
Other commercial	2,670	—	—	2,670
Consumer	238	—	—	238
Total	$ 314,454	$ 1,475	$ —	$ 315,929

	Payment Status (Amortized Cost Basis) at June 30, 2025			
	Current	30-89 Days Past Due	90 or More Days Past Due	Total
	(In thousands)			
Real estate mortgage:				
Commercial	$ 117,025	$ —	$ —	$ 117,025
Multi-family	67,157	—	—	67,157
Other residential	1,634	—	2,500	4,134
Real estate construction and land:				
Commercial	69,324	—	—	69,324
Residential	3,124	—	—	3,124
Commercial:				
Asset-based	25,334	—	—	25,334
Venture capital	13,121	—	—	13,121
Other commercial	5,376	—	—	5,376
Consumer	7	—	—	7
Total	$ 302,102	$ —	$ 2,500	$ 304,602

No loans modified within the previous 12 months subsequently defaulted during the three or six month periods ended June 30, 2026. During the three and six month periods ended June 30, 2025, the Company had one modified residential real estate loan during the preceding 12-month period, with an amortized cost basis of $2.5 million, that subsequently defaulted.

Leases Receivable

We provide equipment financing to our customers primarily with operating and direct financing leases. For direct financing leases, lease receivables are recorded on the balance sheet, but the leased equipment is not, although we generally retain legal title to the leased equipment until the end of each lease. Direct financing leases are stated at the net amount of minimum lease payments receivable, plus any unguaranteed residual value, less the amount of unearned income and net acquisition discount at the reporting date. Direct lease origination costs are amortized using the effective interest method over the life of the leases. Direct financing leases are subject to our accounting for ACL. See "Note 7. Leases" for information regarding operating leases where we are the lessor.

The following table provides the components of leases receivable income for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Component of leases receivable income:				
Interest income on net investments in leases	$ 3,732	$ 3,690	$ 7,284	$ 7,745

The following table presents the components of leases receivable as of the dates indicated:

	June 30, 2026	December 31, 2025
	(In thousands)	
Net Investment in Direct Financing Leases:		
Lease payments receivable	$ 164,278	$ 151,719
Unguaranteed residual assets	19,173	19,921
Deferred costs and other	2,740	1,793
Aggregate net investment in leases	$ 186,191	$ 173,433

The following table presents maturities of leases receivable as of the date indicated:

	June 30, 2026
	(In thousands)
Period ending December 31,	
2026	$ 32,951
2027	54,458
2028	41,707
2029	34,697
2030	10,433
Thereafter	10,735
Total undiscounted cash flows	184,981
Less: Unearned income	(20,703)
Present value of lease payments	$ 164,278

Allowance for Credit Losses

The ACL is the combination of the ALLL and the reserve for unfunded loan commitments. The reserve for unfunded loan commitments is included within "Accrued interest payable and other liabilities" on the consolidated balance sheets.

The following tables present a summary of the activity in the ACL loans and leases HFI by loan portfolio segment for the periods indicated:

	Three Months Ended June 30, 2026				
	Real Estate Mortgage	Real Estate Construction and Land	Commercial	Consumer	Total
			(In thousands)		
Allowance for Loan and Lease Losses:					
Balance, beginning of period	$ 131,514	$ 10,395	$ 86,815	$ 12,876	$ 241,600
Charge-offs	(77,833)	(67,531)	(15,104)	(1,149)	(161,617)
Recoveries	90	—	921	325	1,336
Net charge-offs	(77,743)	(67,531)	(14,183)	(824)	(160,281)
Provision	93,250	66,400	1,636	714	162,000
Balance, end of period	$ 147,021	$ 9,264	$ 74,268	$ 12,766	$ 243,319
Reserve for Unfunded Loan Commitments					
Balance, beginning of period	$ 913	$ 8,265	$ 25,727	$ 16	$ 34,921
Provision	20	(609)	(1,406)	(5)	(2,000)
Balance, end of period	$ 933	$ 7,656	$ 24,321	$ 11	$ 32,921
Total ACL, end of period	$ 147,954	$ 16,920	$ 98,589	$ 12,777	$ 276,240

	Six Months Ended June 30, 2026				
	Real Estate Mortgage	Real Estate Construction and Land	Commercial	Consumer	Total
			(In thousands)		
Allowance for Loan and Lease Losses:					
Balance, beginning of period	$ 137,401	$ 8,849	$ 86,087	$ 13,275	$ 245,612
Charge-offs	(83,207)	(75,608)	(16,841)	(2,058)	(177,714)
Recoveries	892	—	2,228	501	3,621
Net charge-offs	(82,315)	(75,608)	(14,613)	(1,557)	(174,093)
Provision	91,935	76,023	2,794	1,048	171,800
Balance, end of period	$ 147,021	$ 9,264	$ 74,268	$ 12,766	$ 243,319
Reserve for Unfunded Loan Commitments					
Balance, beginning of period	$ 998	$ 8,755	$ 25,156	$ 12	$ 34,921
Provision	(65)	(1,099)	(835)	(1)	(2,000)
Balance, end of period	$ 933	$ 7,656	$ 24,321	$ 11	$ 32,921
Total ACL, end of period	$ 147,954	$ 16,920	$ 98,589	$ 12,777	$ 276,240
Ending Allowance by Evaluation Methodology:					
Individually evaluated	$ 9,867	$ —	$ 699	$ —	$ 10,566
Collectively evaluated	$ 137,154	$ 9,264	$ 73,569	$ 12,766	$ 232,753
Ending Loans and Leases by Evaluation Methodology:					
Individually evaluated	$ 172,476	$ 2,385	$ 26,424	$ —	$ 201,285
Collectively evaluated	13,104,104	1,472,466	9,086,007	346,984	24,009,561
Ending balance	$ 13,276,580	$ 1,474,851	$ 9,112,431	$ 346,984	$ 24,210,846

	Three Months Ended June 30, 2025				
	Real Estate Mortgage	Real Estate Construction and Land	Commercial	Consumer	Total
	(In thousands)				
Allowance for Loan and Lease Losses:					
Balance, beginning of period	$ 130,116	$ 14,125	$ 75,988	$ 14,757	$ 234,986
Charge-offs	(16,080)	(21,536)	(8,593)	(739)	(46,948)
Recoveries	298	—	2,288	140	2,726
Net charge-offs	(15,782)	(21,536)	(6,305)	(599)	(44,222)
Provision	20,611	14,474	3,647	(152)	38,580
Balance, end of period	$ 134,945	$ 7,063	$ 73,330	$ 14,006	$ 229,344
Reserve for Unfunded Loan Commitments					
Balance, beginning of period	$ 1,206	$ 3,824	$ 24,517	$ 24	$ 29,571
Provision	(98)	(834)	595	(13)	(350)
Balance, end of period	$ 1,108	$ 2,990	$ 25,112	$ 11	$ 29,221
Total ACL, end of period	$ 136,053	$ 10,053	$ 98,442	$ 14,017	$ 258,565

	Six Months Ended June 30, 2025				
	Real Estate Mortgage	Real Estate Construction and Land	Commercial	Consumer	Total
	(In thousands)				
Allowance for Loan and Lease Losses:					
Balance, beginning of period	$ 145,754	$ 10,940	$ 67,833	$ 14,833	$ 239,360
Charge-offs	(21,869)	(21,536)	(18,175)	(1,919)	(63,499)
Recoveries	610	—	4,391	202	5,203
Net charge-offs	(21,259)	(21,536)	(13,784)	(1,717)	(58,296)
Provision	10,450	17,659	19,281	890	48,280
Balance, end of period	$ 134,945	$ 7,063	$ 73,330	$ 14,006	$ 229,344
Reserve for Unfunded Loan Commitments:					
Balance, beginning of period	$ 1,404	$ 4,643	$ 23,010	$ 15	$ 29,072
Provision	(296)	(1,653)	2,102	(4)	149
Balance, end of period	$ 1,108	$ 2,990	$ 25,112	$ 11	$ 29,221
Total ACL, end of period	$ 136,053	$ 10,053	$ 98,442	$ 14,017	$ 258,565
Ending Allowance by Evaluation Methodology:					
Individually evaluated	$ —	$ —	$ 267	$ —	$ 267
Collectively evaluated	$ 134,945	$ 7,063	$ 73,063	$ 14,006	$ 229,077
Ending Loans and Leases by Evaluation Methodology:					
Individually evaluated	$ 160,087	$ —	$ 4,440	$ —	$ 164,527
Collectively evaluated	13,647,721	2,302,091	7,748,817	382,737	24,081,366
Ending balance	$ 13,807,808	$ 2,302,091	$ 7,753,257	$ 382,737	$ 24,245,893

The ALLL increased by $1.7 million in the second quarter of 2026 to $243.3 million compared to the first quarter, due primarily to a $162.0 million provision and net charge-offs of $160.3 million.

For additional information regarding the calculation of the ALLL using the CECL methodology, including discussion of forecasts used to estimate the allowance, please see "Note 1. Nature of Operations and Summary of Significant Accounting Policies - Allowance for Credit Losses on Loans and Leases Held for Investment" of the Notes to Consolidated Financial Statements contained in "Item 8. Financial Statements and Supplementary Data" of the Form 10-K.

A loan is considered collateral-dependent, and is individually evaluated for reserve purposes, when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. The following table summarizes collateral-dependent loans HFI by collateral type as of the following dates:

	June 30, 2026			December 31, 2025		
	Real Property	Business Assets	Total	Real Property	Business Assets	Total
	(In thousands)					
Real estate mortgage	$ 174,865	$ —	$ 174,865	$ 155,233	$ —	$ 155,233
Real estate construction and land	2,385	—	2,385	—	—	—
Commercial	—	26,053	26,053	—	625	625
Total	$ 177,250	$ 26,053	$ 203,303	$ 155,233	$ 625	$ 155,858

NOTE 5. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

Goodwill represents the excess of purchase consideration over the fair value of identifiable net assets acquired in a business combination. Goodwill and other intangible assets with indefinite useful lives are not amortized but are assessed for impairment at least annually. The carrying amount of goodwill was $214.5 million as of June 30, 2026 and December 31, 2025. For additional information regarding the calculation of goodwill and other intangibles see "Note 1. Nature of Operations and Summary of Significant Accounting Policies - Goodwill and Other Intangible Assets" in Item 8 of the Form 10-K.

Our other intangible assets with definite lives are CDI and CRI. CDI and CRI are amortized on an accelerated basis over their respective estimated useful lives and reviewed for impairment at least quarterly. The amortization expense represents the estimated decline in the value of the underlying deposits or customer relationships acquired.

The following table presents the carrying amounts of CDI and CRI and the related accumulated amortization for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Gross Amount of CDI and CRI:				
Balance, beginning of period	$ 178,764	$ 178,764	$ 178,764	$ 178,764
CRI write-off	(264)	—	(264)	—
Balance, end of period	178,500	178,764	178,500	178,764
Accumulated Amortization:				
Balance, beginning of period	(79,672)	(52,827)	(73,477)	(45,820)
Amortization expense	(6,197)	(7,007)	(12,392)	(14,014)
Elimination upon CRI write-off	78	—	78	—
Balance, end of period	(85,791)	(59,834)	(85,791)	(59,834)
Net CDI and CRI, end of period	$ 92,709	$ 118,930	$ 92,709	$ 118,930

The following table presents the estimated aggregate future amortization expense for our current CDI as of the date indicated:

	June 30, 2026
	(In thousands)
Period ending December 31,	
2026	$ 12,005
2027	21,136
2028	17,890
2029	14,645
2030	11,400
Thereafter	15,633
Net CDI	$ 92,709

NOTE 6. OTHER ASSETS

The following table presents the details of our other assets as of the dates indicated:

Other Assets	June 30, 2026	December 31, 2025
	(In thousands)	
Investments:		
LIHTC investments	$ 237,969	$ 259,780
SBIC investments	128,874	121,072
Alternative energy partnerships (HLBV investments)	16,070	16,354
Other equity and CRA investments	157,115	150,048
Total investments	540,028	547,254
Interest receivable	124,052	131,429
Operating lease ROU assets, net (1)	94,777	99,205
Prepaid expenses	40,546	33,829
Taxes receivable	31,556	8,385
Foreclosed assets, net	16,319	17,115
Equity warrants (2)	3,326	3,437
Other receivables/assets	89,865	44,108
Total other assets	$ 940,469	$ 884,762

(1) See "Note 7. Leases" for further details regarding the operating lease ROU assets.
(2) See "Note 11. Fair Value Measurements and Fair Value of Financial Instruments" for information regarding equity warrants.

Other receivables/assets increased by $45.8 million to $89.9 million at June 30, 2026, from $44.1 million at December 31, 2025. The increase was primarily driven by a loan servicing receivable, offset partially by a decrease in servicing assets resulting from the mortgage servicing rights portfolio sale.

NOTE 7. LEASES

Operating Leases as a Lessee

Our lease expense is a component of "Occupancy expense" on our consolidated statements of earnings. The following table presents the components of lease expense for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Operating lease expense:				
Fixed costs	$ 7,107	$ 7,327	$ 14,051	$ 14,296
Variable costs	45	124	92	236
Short-term lease costs	237	210	489	445
Sublease income	(1,098)	(1,156)	(2,164)	(2,288)
Net lease expense	$ 6,291	$ 6,505	$ 12,468	$ 12,689

The following table presents supplemental cash flow information related to leases for the periods indicated:

	Six Months Ended June 30,	
	2026	2025
	(In thousands)	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 15,889	$ 16,273
ROU assets obtained in exchange for lease obligations:		
Operating leases	$ 7,253	$ 18,671

The following table presents supplemental balance sheet and other information related to operating leases as of the dates indicated:

	June 30, 2026	December 31, 2025
	(Dollars in thousands)	
Operating leases:		
Operating lease ROU assets, net	$ 94,777	$ 99,205
Operating lease liabilities	$ 114,160	$ 120,587
Weighted average remaining lease term (in years)	5.5	5.8
Weighted average discount rate	3.83 %	3.79 %

The following table presents the maturities of operating lease liabilities as of the date indicated:

	June 30, 2026
	(In thousands)
Period ending December 31,	
2026	$ 15,806
2027	27,502
2028	23,167
2029	18,519
2030	14,730
Thereafter	27,464
Total operating lease liabilities	127,188
Less: Imputed interest	(13,028)
Present value of operating lease liabilities	$ 114,160

Operating Leases as a Lessor

We provide equipment financing to our customers through operating leases where we facilitate the purchase of equipment leased to our customers. The equipment is shown on the consolidated balance sheets as "Equipment leased to others under operating leases" and is depreciated to its estimated residual value at the end of the lease term, shown as "Leased equipment depreciation" in the consolidated statements of earnings. Periodic lease payments received under the leases are recorded as "Leased equipment income" in the consolidated statements of earnings. The valuation of equipment is tested periodically for impairment. No impairment was recorded on "Equipment leased to others under operating leases" during the six months ended June 30, 2026 and 2025.

The following table presents the contractual rental payments to be received on operating leases as of the date indicated:

	June 30, 2026
	(In thousands)
Period ending December 31,	
2026	$ 14,838
2027	27,745
2028	26,826
2029	24,894
2030	18,242
Thereafter	27,729
Total undiscounted cash flows	$ 140,274

NOTE 8. BORROWINGS AND SUBORDINATED DEBT

Borrowings

The following table summarizes our borrowings as of the dates indicated:

Borrowing Type	June 30, 2026 Balance	June 30, 2026 Weighted Average Rate	December 31, 2025 Balance	December 31, 2025 Weighted Average Rate
	(Dollars in thousands)			
FHLB secured advances	$ 2,350,000	3.88 %	$ 1,710,185	3.90 %
Other short-term borrowings	—	— %	240,000	3.69 %
Credit-linked notes	110,363	14.40 %	113,634	14.63 %
Total borrowings, net	$ 2,460,363	4.36 %	$ 2,063,819	4.47 %

The Bank has established secured and unsecured lines of credit under which it may borrow funds from time to time on a term or overnight basis from the FHLB, the FRBSF, and other financial institutions.

FHLB Secured Line of Credit. The Bank had secured financing capacity with the FHLB of $7.1 billion as of June 30, 2026, collateralized by a blanket lien on $10.3 billion of qualifying loans. As of June 30, 2026, there were $611.2 million in letters of credit pledged and a $2.4 billion balance outstanding. As of December 31, 2025, there were $514.1 million in letters of credit pledged and a $1.7 billion balance outstanding.

The following table presents the interest rates and maturity dates of FHLB secured advances as of the date indicated:

FHLB Secured Advances	June 30, 2026 Balance	Rate	Maturity Date
	(Dollars in thousands)		
Term advance	$ 100,000	3.94 %	07/27/2026
Term advance	150,000	3.95 %	07/30/2026
Term advance	100,000	3.93 %	07/30/2026
Term advance	225,000	4.01 %	08/03/2026
Term advance	225,000	4.01 %	08/10/2026
Term advance	200,000	3.91 %	10/30/2026
Term advance	100,000	3.79 %	02/01/2027
Term advance	100,000	3.79 %	03/01/2027
Term advance	100,000	3.78 %	04/01/2027
Term advance (1)	150,000	4.63 %	05/28/2027
Term advance (1)	150,000	4.63 %	06/03/2027
Term advance (1)	150,000	4.39 %	06/03/2027
Term advance	100,000	3.88 %	06/24/2027
Term advance (1)	500,000	3.18 %	09/18/2034
Total FHLB secured advances	$ 2,350,000	3.88 %	

(1) Represents FHLB term advances that include a put feature, which allows the FHLB to terminate the advance before its scheduled maturity date.

FRBSF Secured Line of Credit. The Bank has a secured line of credit with the FRBSF. As of June 30, 2026, the Bank had secured borrowing capacity of $3.8 billion collateralized by liens covering $4.7 billion of qualifying loans and $0.1 billion of securities. As of June 30, 2026 and December 31, 2025, there were no balances outstanding.

Holding Company Line of Credit Arrangement. As of June 30, 2026, we have a $100.0 million unsecured revolving line of credit available. The rate is based on 1-month SOFR plus a spread of 2.25%. As of June 30, 2026 and December 31, 2025, there was no balance outstanding.

Credit-Linked Notes. On September 29, 2022, legacy Pacific Western Bank completed a credit-linked notes transaction. The notes were issued in five classes, each with an interest rate of SOFR plus a spread that ranges from 8.00% to 13.25%, with a weighted average spread of 10.76% at June 30, 2026. The notes are linked to the credit risk of an approximately $2.1 billion reference pool of previously purchased SFR mortgage loans at June 30, 2026. The notes are due June 27, 2052. Principal payments on the notes are based only on principal that is actually collected on these loans. The notes are reported at fair value of $110.4 million at June 30, 2026. See "Note 2. Restricted Cash" for information regarding the collateral for the notes and "Note 11. Fair Value Measurements and Fair Value of Financial Instruments" for additional information.

Other Short-Term Borrowing Arrangements. As of June 30, 2026, the Bank had credit limits of $190.0 million in the aggregate with several commercial banks, as well as borrowing arrangements with unaffiliated financial institutions that provide for the purchase of overnight funds and other short-term borrowings. The availability of these unsecured borrowings fluctuates regularly and is subject to the discretion of the counterparties. These lines are renewable annually and have no unused commitment fees. As of June 30, 2026 there was no balance outstanding under these arrangements compared to $240.0 million outstanding as of December 31, 2025.

Subordinated Debt

On May 1, 2026, the Company redeemed all $385 million outstanding aggregate principal amount of its 3.25% Fixed-to-Floating Rate Subordinated Notes due 2031 originally issued by Pacific Western Bank. The remaining unamortized discount and debt issuance costs were recorded as a loss on redemption of debt in noninterest income.

The following table summarizes the terms of each issuance of subordinated debt outstanding as of the dates indicated:

	June 30, 2026		December 31, 2025		Date	Maturity	Rate Index
Series	Balance	Rate (1)	Balance	Rate (1)	Issued	Date	(Quarterly Reset)
	(Dollars in thousands)						
Subordinated notes, net (2)(3)	$ —	— %	$ 381,737	3.25 %	04/30/2021	05/01/2031	Fixed rate
Subordinated notes (4)	75,000	7.86 %	75,000	8.05 %	10/30/2020	10/30/2030	3-month Term SOFR + 4.195%
Trust V	10,310	7.03 %	10,310	7.07 %	08/15/2003	09/17/2033	3-month Term SOFR + 3.10
Trust VI	10,310	6.98 %	10,310	7.03 %	09/03/2003	09/15/2033	3-month Term SOFR + 3.05
Trust CII	5,155	6.88 %	5,155	6.92 %	09/17/2003	09/17/2033	3-month Term SOFR + 2.95
Trust VII	61,856	6.68 %	61,856	6.85 %	02/05/2004	04/23/2034	3-month Term SOFR + 2.75
Trust CIII	20,619	5.62 %	20,619	5.67 %	08/15/2005	09/15/2035	3-month Term SOFR + 1.69
Trust FCCI	16,495	5.53 %	16,495	5.58 %	01/25/2007	03/15/2037	3-month Term SOFR + 1.60
Trust FCBI	10,310	5.48 %	10,310	5.53 %	09/30/2005	12/15/2035	3-month Term SOFR + 1.55
Trust CS 2005-1	82,475	5.88 %	82,475	5.93 %	11/21/2005	12/15/2035	3-month Term SOFR + 1.95
Trust CS 2005-2	128,866	5.88 %	128,866	6.05 %	12/14/2005	01/30/2036	3-month Term SOFR + 1.95
Trust CS 2006-1	51,545	8.70 %	51,545	9.20 %	02/22/2006	04/30/2036	Prime + 1.95
Trust CS 2006-2	51,550	5.88 %	51,550	6.05 %	09/27/2006	10/30/2036	3-month Term SOFR + 1.95
Trust CS 2006-3 (5)	29,440	4.20 %	30,275	4.12 %	09/29/2006	10/30/2036	3-month EURIBOR + 2.05
Trust CS 2006-4	16,470	8.70 %	16,470	9.20 %	12/05/2006	01/30/2037	Prime + 1.95
Trust CS 2006-5	6,650	5.88 %	6,650	6.05 %	12/19/2006	01/30/2037	3-month Term SOFR + 1.95
Trust CS 2007-2	39,177	5.88 %	39,177	6.05 %	06/13/2007	07/30/2037	3-month Term SOFR + 1.95
PMB Statutory Trust III	7,217	7.41 %	7,217	7.35 %	09/16/2002	09/26/2032	3-month Term SOFR + 3.40
PMB Capital Trust III	10,310	5.94 %	10,310	6.15 %	10/04/2004	10/08/2034	3-month Term SOFR + 2.00
Total subordinated debt	633,755	6.45 %	1,016,327	5.35 %			
Acquisition discount (6)	(60,200)		(63,587)				
Total subordinated debt, net	$ 573,555		$ 952,740				

(1) Rates do not include the effects of discounts and issuance costs.
(2) Net of unamortized issuance costs of $3.3 million at December 31, 2025.
(3) The subordinated notes, which were issued at the Bank level rather than the holding company level, carried a fixed interest rate until May 1, 2026. On that date, the Company redeemed the outstanding principal amount of $385 million. The balance reflected in the table above differs from the redemption amount due to the carrying value of the subordinated notes, which includes the impact of unamortized debt issuance discount at the reporting date.
(4) Interest rate was fixed at 4.375% until October 30, 2025, when it changed to a floating rate equal to 3-month Term SOFR, plus a spread of 419.5 basis points.
(5) Denomination is in Euros with a value of €25.8 million
(6) Amount represents the fair value adjustment on subordinated debt assumed in acquisitions.

NOTE 9. DERIVATIVES

We use derivative instruments and other risk management techniques to reduce our exposure to adverse fluctuations in interest rates and foreign currency exchange rates in accordance with our risk management policies and for certain loan clients to allow them to hedge the risk of rising interest rates and on their variable rate loans.

Our derivatives are carried at fair value and recorded in "Other assets" or "Accrued interest payable and other liabilities," as appropriate, in the consolidated balance sheets. On the date we enter into a derivative contract, the derivative is designated as a fair value hedge, cash flow hedge, or a hedge designation is not made as it is a customer-related transaction. When a derivative is designated as a fair value hedge or cash flow hedge, the Company performs an assessment at inception, and at least quarterly thereafter, to determine the effectiveness of the derivative in offsetting changes in the fair value or cash flows of the hedged items.

The following table presents the U.S. dollar notional amounts and fair values of our derivative instruments included in the consolidated balance sheets as of the dates indicated:

	June 30, 2026			December 31, 2025		
	Notional	Fair Value		Notional	Fair Value	
	Amount	Asset	Liability	Amount	Asset	Liability
	(In thousands)					
Derivatives Designated as Cash Flow Hedges:						
Interest rate swaps	$ 680,000	$ 572	$ 3,617	$ 300,000	$ —	$ 4,043
Interest rate collars	1,000,000	10	—	1,000,000	—	22
Interest rate caps	380,000	4,671	—	—	—	—
Derivatives Not Designated as Hedging Instruments:						
Interest rate contracts	135,560	4,063	4,022	150,652	4,124	4,079
Foreign exchange contracts	111,161	483	384	111,390	—	77
Equity warrant assets	13,324	3,326	—	14,086	3,437	—
Total contracts	$ 2,320,045	$ 13,125	$ 8,023	$ 1,576,128	$ 7,561	$ 8,221

Cash Flow Hedges

Cash flow hedges include interest rate swap contracts with an aggregate notional amount of $680.0 million, consisting of $300.0 million of pay-fixed, receive-floating and $380.0 million of forward-starting receive-fixed, pay-floating swaps. These contracts have terms of up to five years and mature at various dates through 2032. The Company entered into these swaps with institutional counterparties to hedge against variability in cash flows attributable to IRR on a portion of the Company’s borrowings and forecasted interest income on cash balances indexed to the interest on reserve balances rate. Cash flow hedges also included interest rate collars, which are option contracts designed to limit the Company's exposure to increases in short term interest rates while foregoing some of the upside if short term interest rates decrease significantly. The interest rate collars have notional amounts aggregating to $1.0 billion, with eighteen month terms, and maturing on October 31, 2026. These collars were entered into with institutional counterparties to hedge against variability in cash flows attributable to IRR on a portion of the Company's floating rate deposits. Additionally, cash flow hedges also included forward-starting purchased interest rate caps, which are option contracts designed to limit the Company's exposure to increases in short term interest rates. The interest rate caps have notional amounts aggregating to $380.0 million, with five year terms, and maturing in March 2032. These caps were entered into with institutional counterparties to hedge against variability in cash flows attributable to IRR on a portion of the Company's floating rate deposits.

The cash flow hedges were deemed highly effective at inception and as of June 30, 2026. For derivatives designated as cash flow hedges, the portion of changes in fair value considered to be highly effective is reported as a component of AOCI on the consolidated balance sheets until the related cash flows from the hedged items are recognized in earnings. As of June 30, 2026, the fair value of the cash flow hedges represented a net asset of $1.6 million, related to which a loss of $3.2 million (net of tax) was included in AOCI. The estimated amount to be reclassified in the next 12 months out of AOCI into earnings is $1.4 million.

Other Interest Rate Swaps, Foreign Exchange Contracts, and Equity Warrant Assets Not Designated for Hedge Accounting

The Company offers borrowers interest rate swaps under a "back-to-back" loan hedging program and offsets these "pay floating/receive fixed" contracts with borrowers with "receive floating/pay fixed" swaps with counterparty banks. The total notional balance of these offsetting hedging contracts was $135.6 million at June 30, 2026.

The Company has also hedged the IRR and foreign currency risk on €25.8 million of subordinated debt utilizing a cross-currency swap. Under the current terms of the swap, the Company receives three-month Euribor plus 205 basis points and pays a fixed rate of 5.92% with ultimate principal exchanged at maturity. For the quarter ended June 30, 2026, changes in fair value and fees recorded to "Noninterest income" in the consolidated statements of earnings were immaterial.

See "Note 11. Fair Value Measurements and Fair Value of Financial Instruments" for additional information regarding equity warrant assets.

NOTE 10. COMMITMENTS AND CONTINGENCIES

The following table presents a summary of commitments described below as of the dates indicated:

	June 30, 2026	December 31, 2025
	(In thousands)	
Loan commitments to extend credit	$ 5,211,632	$ 5,433,357
Standby letters of credit	291,747	244,895
Total	$ 5,503,379	$ 5,678,252

The Company is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the consolidated balance sheets. The contract or notional amounts of those instruments reflect the extent of involvement that the Company has in particular classes of financial instruments.

Commitments to extend credit are contractual agreements to lend to our customers when customers are in compliance with their contractual credit agreements and when customers have contractual availability to borrow under such agreements. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The estimated exposure to loss from these commitments is included in the reserve for unfunded loan commitments, which amounted to $32.9 million at June 30, 2026 and $34.9 million at December 31, 2025.

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third-party. We provide standby letters of credit in conjunction with several of our lending arrangements and property lease obligations. Most guarantees expire within one year from the date of issuance. If a borrower defaults on its commitments subject to any letter of credit issued under these arrangements, we would be required to meet the borrower's financial obligation but would seek repayment of that financial obligation from the borrower. In some cases, borrowers have pledged cash and investment securities as collateral under these arrangements.

Additionally, we have commitments to invest in SBICs that call for capital contributions up to an amount specified in the partnership agreements, affordable housing investments, and in CRA-related loan pools. As of June 30, 2026 and December 31, 2025, such commitments totaled $116.5 million and $122.1 million.

Legal Matters

In the ordinary course of our business, we are party to various legal actions, which we believe are incidental to the operation of our business. The outcome of such legal actions and the timing of ultimate resolution are inherently difficult to predict. In the opinion of management, based upon information currently available to us, any resulting liability, in addition to amounts already accrued, and taking into consideration insurance which may be applicable, would not have a material adverse effect on the Company’s financial statements or operations.

NOTE 11. FAIR VALUE MEASUREMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Option

The Company may elect to report financial instruments and certain other items at fair value on an instrument-by-instrument basis with changes in fair value reported in earnings. The election is made upon the initial recognition of an eligible financial asset, financial liability, or firm commitment or when certain specified reconsideration events occur. The fair value election may not otherwise be revoked once an election is made. The changes in fair value are recorded in "Noninterest income" on the consolidated statements of earnings. However, movements in debt valuation adjustments are reported as a component of "Accumulated other comprehensive loss, net" on the consolidated balance sheets. Debt valuation adjustments represent the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk.

Fair Value Option for Certain Debt Liabilities

The Company has elected the fair value option for the credit-linked notes issued in September 2022. The Company elected the fair value option because these exposures are considered to be structured notes, which are financial instruments that contain embedded derivatives. The notes are linked to the credit risk of an approximately $2.1 billion reference pool of previously purchased SFR mortgage loans. The principal balance of the credit-linked notes was $111.6 million at June 30, 2026. The carrying value of the credit-linked notes at June 30, 2026 was the estimated fair value of $110.4 million. Interest expense on the credit-linked notes totaled $4.1 million and $8.2 million for the three and six months ended June 30, 2026, and $4.5 million and $9.0 million for the three and six months ended June 30, 2025, respectively, and was recorded in "Interest expense - borrowings" on the consolidated statements of earnings.

The following table presents the changes in fair value of the credit-linked notes for which the fair value option has been elected for the periods indicated:

Credit-Linked Notes	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
	(In thousands)			
Changes in fair value - gains included in earnings	$ 112	$ (637)	$ 206	$ (155)
Changes in fair value - other comprehensive (loss) income	$ (106)	$ (517)	$ (217)	$ (371)

The following table provides information about the credit-linked notes carried at fair value as of the dates indicated:

Credit-Linked Notes	June 30, 2026	December 31, 2025
	(In thousands)	
Carrying value reported on the consolidated balance sheets	$ 110,363	$ 113,634
Aggregate unpaid principal balance in excess of fair value	$ 1,209	$ 1,220

Fair Value Measurements

The Company uses fair value to measure certain assets and liabilities on a recurring basis, primarily AFS securities, derivatives, and certain debt liabilities. For assets measured at the lower of cost or fair value, the fair value measurement criteria may or may not be met during a reporting period and such measurements are therefore considered “nonrecurring” for purposes of disclosing our fair value measurements. Fair value is used on a nonrecurring basis to adjust carrying values for individually evaluated loans and leases and OREO and also to record impairment on certain assets, such as goodwill, CDI, and other long-lived assets.

For information regarding the valuation methodologies used to measure our assets recorded at fair value (under ASC Topic 820), and for estimating fair value for financial instruments not recorded at fair value (under ASC Topic 825, as amended by ASU 2016-01 and ASU 2018-03), see "Note 1. Nature of Operations and Summary of Significant Accounting Policies" and "Note 15. Fair Value Measurements" to the Consolidated Financial Statements of the Form 10-K.

The Company also holds SBIC investments measured at fair value using the net asset value per share practical expedient that are not required to be classified in the fair value hierarchy. At June 30, 2026, the fair value of these investments was $128.9 million.

The following tables present information on the assets and liabilities measured and recorded at fair value on a recurring basis as of the dates indicated:

Measured on a Recurring Basis	Fair Value Measurements as of June 30, 2026			
	Total	Level 1	Level 2	Level 3
	(In thousands)			
Securities AFS:				
Agency residential MBS	$ 788,640	$ —	$ 788,640	$ —
U.S. Treasury securities	223,475	223,475	—	—
Agency commercial MBS	149,572	—	149,572	—
Agency residential CMOs	2,599,212	—	2,599,212	—
Corporate debt securities	237,864	—	230,964	6,900
Private label residential CMOs	262,028	—	262,028	—
Collateralized loan obligations	200,500	—	200,500	—
Private label commercial MBS	7,511	—	7,511	—
Asset-backed securities	12,181	—	12,181	—
SBA securities	3,038	—	3,038	—
Total securities AFS	$ 4,484,021	$ 223,475	$ 4,253,646	$ 6,900
Equity investments with readily determinable fair values	$ 2,159	$ 2,159	$ —	$ —
Derivatives (1):				
Derivative assets				
Cash flow hedges	5,253	—	5,253	—
Interest rate and foreign exchange contracts	4,546	—	4,546	—
Equity warrants	3,326	—	—	3,326
Derivative liabilities				
Cash flow hedges	3,617	—	3,617	—
Interest rate and foreign exchange contracts	4,406	—	4,406	—
Credit-linked notes	110,363	—	—	110,363

(1) For information regarding derivative instruments, see "Note 9. Derivatives".

Measured on a Recurring Basis	Fair Value Measurements as of December 31, 2025 Total	Level 1	Level 2	Level 3
	(In thousands)			
Securities AFS:				
Agency residential MBS	$ 834,085	$ —	$ 834,085	$ —
Agency commercial MBS	50,966	—	50,966	—
Agency residential CMOs	871,624	—	871,624	—
Corporate debt securities	241,596	—	239,226	2,370
Private label residential CMOs	228,975	—	228,975	—
Collateralized loan obligations	200,822	—	200,822	—
Private label commercial MBS	9,279	—	9,279	—
Asset-backed securities	13,249	—	13,249	—
SBA securities	3,462	—	3,462	—
Total securities AFS	$ 2,454,058	$ —	$ 2,451,688	$ 2,370
Equity investments with readily determinable fair values	$ 2	$ 2	$ —	$ —
Derivatives [1]:				
Derivative assets				
Interest rate and foreign exchange contracts	4,124	—	4,124	—
Equity warrants	3,437	—	—	3,437
Derivative liabilities				
Cash flow hedges	4,065	—	4,065	—
Interest rate and foreign exchange contracts	4,156	—	4,156	—
Credit-linked notes	113,634	—	—	113,634

(1) For information regarding derivative instruments, see "Note 9. Derivatives".

During the six months ended June 30, 2026, there were $1.6 million transfers from Level 3 equity warrants to Level 1 equity investments with readily determinable fair values measured on a recurring basis. There was no transfer of AFS corporate debt securities from Level 3 to Level 2 during the six months ended June 30, 2026 and $4.5 million transfer of AFS corporate debt securities from Level 2 to Level 3 during the same period.

The following table presents information about quantitative inputs and assumptions used to determine the fair values provided by our third-party pricing service for our Level 3 corporate debt securities AFS measured at fair value on a recurring basis as of the date indicated:

Unobservable Inputs	Corporate Debt Securities as of June 30, 2026 Input or Range of Inputs	Weighted Average Input [1]
Spread to 10 Year Treasury	(0.2)% - 41.9%	8.3%
Discount rates	4.3% - 13.3%	12.8%

(1) Unobservable inputs for corporate debt securities were weighted by the relative fair values of the instruments.

The following table presents information about quantitative inputs and assumptions used in the modified Black-Scholes option pricing model to determine the fair value for our Level 3 equity warrants measured at fair value on a recurring basis as of the date indicated:

Unobservable Inputs	Equity Warrants as of June 30, 2026 Range of Inputs	Weighted Average Input [1]
Volatility [1]	24.1% - 1,327.4%	24.7%
Risk-free interest rate	3.7% - 4.2%	4.1%
Remaining life assumption (in years)	0.08 - 4.95	3.17 years

(1) Unobservable inputs for equity warrants were weighted by the relative fair values of the instruments.

The following table summarizes activity for our Level 3 corporate debt securities AFS, equity warrants, and credit-linked notes measured at fair value on a recurring basis for the period indicated:

	Corporate Debt Securities	Equity Warrants	Credit-Linked Notes
		(In thousands)	
Balance, December 31, 2025	$ 2,370	$ 3,437	$ 113,634
Total included in earnings	—	1,834	(206)
Total included in other comprehensive income	30	—	217
Issuances	—	204	—
Principal payments	—	—	(3,282)
Transfer from Level 2	4,500	—	—
Exercises and settlements	—	(591)	—
Transfers to Level 1 (equity investments with readily determinable fair values)	—	(1,558)	—
Balance, June 30, 2026	$ 6,900	$ 3,326	$ 110,363
Unrealized net gain for the period included in other comprehensive income for securities held at quarter-end	$ 30		

The following tables present assets measured at fair value on a non-recurring basis as of the dates indicated:

Measured on a Nonrecurring Basis	Fair Value Measurement as of June 30, 2026			
	Total	Level 1	Level 2	Level 3
		(In thousands)		
Individually evaluated loans and leases	$ 54,493	$ —	$ 20,168	$ 34,325
OREO	21	—	21	—
Total non-recurring	$ 54,514	$ —	$ 20,189	$ 34,325

Measured on a Nonrecurring Basis	Fair Value Measurement as of December 31, 2025			
	Total	Level 1	Level 2	Level 3
		(In thousands)		
Individually evaluated loans and leases	$ 52,443	$ —	$ 48,401	$ 4,042
OREO	248	—	248	—
Total non-recurring	$ 52,691	$ —	$ 48,649	$ 4,042

In addition to individually evaluated loans and leases and OREO, loans HFS are carried at the LOCOM and may be measured at fair value on a nonrecurring basis when fair value is less than cost. Fair value is based on active bids and other observable market inputs, such as appraised value of the underlying collaterals, adjusted for specific attributes of that loan or other available market data for similar loans. Loans HFS are classified as Level 2 in the fair value hierarchy.

The following table presents losses recognized on assets measured on a nonrecurring basis for the periods indicated:

Loss on Assets Measured on a Non-Recurring Basis	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
		(In thousands)		
Individually evaluated loans and leases	$ 13,216	$ 490	$ 15,494	$ 1,394
OREO	6	367	6	424
Total losses	$ 13,222	$ 857	$ 15,500	$ 1,818

The following table presents the valuation methodology and unobservable inputs for Level 3 assets measured at fair value on a nonrecurring basis as of the date indicated:

	June 30, 2026		
Asset	Fair Value	Valuation Technique	Unobservable Inputs
	(In thousands)		
Individually evaluated loans and leases	34,325	Third-party appraisal	No discounts
Total non-recurring Level 3	$ 34,325		

The following tables present carrying amounts and estimated fair values of certain financial instruments as of the dates indicated:

	June 30, 2026				
	Carrying	Estimated Fair Value			
	Amount	Total	Level 1	Level 2	Level 3
	(In thousands)				
Financial Assets:					
Cash and due from banks	$ 225,343	$ 225,343	$ 225,343	$ —	$ —
Interest-earning deposits in financial institutions	2,592,712	2,592,712	2,592,712	—	—
Securities AFS	4,484,021	4,484,021	223,475	4,253,646	6,900
Investment in FRB and FHLB stock	181,352	181,352	—	181,352	—
Loans HFS	915,171	915,324	—	915,324	—
Loans and leases HFI, net	23,967,527	22,955,046	—	20,168	22,934,878
Equity investments with readily determinable fair values	2,159	2,159	2,159	—	—
Equity warrants	3,326	3,326	—	—	3,326
Cash flow hedges	5,253	5,253	—	5,253	—
Interest rate and foreign exchange contracts	4,546	4,546	—	4,546	—
Servicing rights	190	190	—	—	190
Financial Liabilities:					
Demand, checking, money market, and savings deposits	23,468,565	23,468,565	—	23,468,565	—
Time deposits	4,652,617	4,638,194	—	4,638,194	—
Borrowings	2,460,363	2,459,613	—	2,349,250	110,363
Subordinated debt	573,555	575,837	—	575,837	—
Cash flow hedges	3,617	3,617	—	3,617	—
Interest rate and foreign exchange contracts	4,406	4,406	—	4,406	—

	December 31, 2025				
	Carrying	Estimated Fair Value			
	Amount	Total	Level 1	Level 2	Level 3
	(*In thousands*)				
Financial Assets:					
Cash and due from banks	$ 181,103	$ 181,103	$ 181,103	$ —	$ —
Interest-earning deposits in financial institutions	2,126,862	2,126,862	2,126,862	—	—
Securities AFS	2,454,058	2,454,058	—	2,451,688	2,370
Securities HTM	2,308,636	2,246,526	185,088	2,057,189	4,249
Investment in FRB and FHLB stock	160,442	160,442	—	160,442	—
Loans HFS	182,936	183,083	—	183,083	—
Loans and leases HFI, net	24,787,067	23,871,794	—	48,401	23,823,393
Equity investments with readily determinable fair values	2	2	2	—	—
Equity warrants	3,437	3,437	—	—	3,437
Interest rate and foreign exchange contracts	4,124	4,124	—	4,124	—
Servicing rights	17,480	19,427	—	—	19,427
Financial Liabilities:					
Demand, checking, money market, and savings deposits	23,156,094	23,156,094	—	23,156,094	—
Time deposits	4,687,263	4,684,099	—	4,684,099	—
Borrowings	2,063,819	2,069,076	275,185	1,680,257	113,634
Subordinated debt	952,740	934,819	—	934,819	—
Cash flow hedges	4,065	4,065	—	4,065	—
Interest rate and foreign exchange contracts	4,156	4,156	—	4,156	—

Limitations

Fair value estimates are made at a specific point in time and are based on relevant market information and information about the financial instrument. These estimates do not reflect income taxes or any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument. Because no market exists for a portion of the Company's financial instruments, fair value estimates are based on what management believes to be reasonable judgments regarding expected future cash flows, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimated fair values are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates. Since the fair values have been estimated as of June 30, 2026, the amounts that will actually be realized or paid at settlement or maturity of the instruments could be significantly different.

NOTE 12. (LOSS) EARNINGS PER SHARE

The following tables present the computations of basic and diluted net (loss) earnings per share by class of common stock for the periods indicated:

	Three Months Ended June 30, 2026		
	Voting Common	Class B Non-Voting Common	Total
	(In thousands, except per share amounts)		
Basic Loss Per Share: (1)			
Net loss available to common and equivalent stockholders	$ (250,525)	$ (769)	$ (251,294)
Less: Earnings and dividends allocated to unvested restricted stock (2)	6	—	6
Net loss allocated to common and equivalent shares	$ (250,519)	$ (769)	$ (251,288)
Weighted average basic shares and unvested restricted stock outstanding	155,366	477	155,843
Less: weighted average unvested restricted stock outstanding	(40)	—	(40)
Weighted average basic shares outstanding	155,326	477	155,803
Basic loss per share	$ (1.61)	$ (1.61)	$ (1.61)
Diluted Loss Per Share: (1)			
Net loss allocated to common and equivalent shares	$ (250,519)	$ (769)	$ (251,288)
Weighted average diluted shares outstanding	155,326	477	155,803
Diluted loss per share	$ (1.61)	$ (1.61)	$ (1.61)

(1) Basic and diluted loss per share are calculated using the two-class method.
(2) Represents cash dividends paid to holders of unvested restricted stock, net of forfeitures, plus undistributed earnings amounts available to holders of unvested restricted stock, if any.

	Six Months Ended June 30, 2026			
	Voting Common	Class B Non-Voting Common	Non-Voting Common Stock Equivalents	Total
	(In thousands, except per share amounts)			
Basic Loss Per Share: (1)				
Net loss available to common and equivalent stockholders	$ (187,544)	$ (581)	$ (1,164)	$ (189,289)
Less: Earnings and dividends allocated to unvested restricted stock (2)	(1)	—	—	(1)
Net loss allocated to common and equivalent shares	$ (187,545)	$ (581)	$ (1,164)	$ (189,290)
Weighted average basic shares and unvested restricted stock outstanding	153,938	477	955	155,370
Less: weighted average unvested restricted stock outstanding	(55)	—	—	(55)
Weighted average basic shares outstanding	153,883	477	955	155,315
Basic loss per share	$ (1.22)	$ (1.22)	$ (1.22)	$ (1.22)
Diluted Loss Per Share: (1)				
Net loss allocated to common and equivalent shares	$ (187,545)	$ (581)	$ (1,164)	$ (189,290)
Weighted average diluted shares outstanding	153,883	477	955	155,315
Diluted loss per share	$ (1.22)	$ (1.22)	$ (1.22)	$ (1.22)

(1) Basic and diluted loss per share are using the two-class method.
(2) Represents cash dividends paid to holders of unvested restricted stock, net of forfeitures, plus undistributed earnings amounts available to holders of unvested restricted stock, if any.

	Three Months Ended June 30, 2025			
	Voting Common	Class B Non-Voting Common	Non-Voting Common Stock Equivalents	Total
	(In thousands, except per share amounts)			
Basic Earnings Per Share: [(1)]				
Net earnings available to common and equivalent stockholders	$ 17,243	$ 55	$ 1,140	$ 18,438
Less: Earnings allocated to unvested restricted stock [(2)]	(5)	—	—	(5)
Net earnings allocated to common and equivalent shares	$ 17,238	$ 55	$ 1,140	$ 18,433
Weighted average basic shares and unvested restricted stock outstanding	148,236	477	9,791	158,504
Less: weighted average unvested restricted stock outstanding	(150)	—	—	(150)
Weighted average basic shares outstanding	148,086	477	9,791	158,354
Basic earnings per share	$ 0.12	$ 0.12	$ 0.12	$ 0.12
Diluted Earnings Per Share:[(3)]				
Net earnings allocated to common and equivalent shares	$ 17,243	$ 55	$ 1,140	$ 18,438
Weighted average diluted shares outstanding	148,194	477	9,791	158,462
Diluted earnings per share	$ 0.12	$ 0.12	$ 0.12	$ 0.12

(1) Basic earnings per share is using the two-class method.
(2) Represents cash dividends paid to holders of unvested restricted stock, net of forfeitures, plus undistributed earnings amounts available to holders of unvested restricted stock, if any.
(3) Diluted earnings per share is using the treasury method.

	Six Months Ended June 30, 2025			
	Voting Common	Class B Non-Voting Common	Non-Voting Common Stock Equivalents	Total
	(In thousands, except per share amounts)			
Basic Earnings Per Share: [(1)]				
Net earnings available to common and equivalent stockholders	$ 58,159	$ 181	$ 3,719	$ 62,059
Less: Earnings allocated to unvested restricted stock [(2)]	(49)	—	—	(49)
Net earnings allocated to common and equivalent shares	$ 58,110	$ 181	$ 3,719	$ 62,010
Weighted average basic shares and unvested restricted stock outstanding	153,304	477	9,791	163,572
Less: weighted average unvested restricted stock outstanding	(176)	—	—	(176)
Weighted average basic shares outstanding	153,128	477	9,791	163,396
Basic earnings per share	$ 0.38	$ 0.38	$ 0.38	$ 0.38
Diluted Earnings Per Share:[(3)]				
Net earnings allocated to common and equivalent shares	$ 58,159	$ 181	$ 3,719	$ 62,059
Weighted average diluted shares outstanding	153,399	477	9,791	163,667
Diluted earnings per share	$ 0.38	$ 0.38	$ 0.38	$ 0.38

(1) Basic earnings per share is using the two-class method.
(2) Represents cash dividends paid to holders of unvested restricted stock, net of forfeitures, plus undistributed earnings amounts available to holders of unvested restricted stock, if any.
(3) Diluted earnings per share is using the treasury method.

The terms of each class of the Company's capital stock are described in "Note 14. Stockholders' Equity" to the accompanying consolidated financial statements.

The following table presents the weighted average outstanding restricted shares and warrants that were not included in the computation of diluted earnings per share because their effect would be anti-dilutive for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Restricted stock awards and units	2,951	150	2,898	176
Warrants	13,178	18,902	16,025	18,902

NOTE 13. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

The following table presents "Interest income" and "Noninterest income," the components of total revenue, as disclosed in the consolidated statements of earnings and the related amounts which are from contracts with customers within the scope of ASC Topic 606. As illustrated here, substantially all of our revenue is specifically excluded from the scope of ASC Topic 606.

	Three Months Ended June 30,			
	2026		2025	
	Total Recorded Revenue	Revenue from Contracts with Customers	Total Recorded Revenue	Revenue from Contracts with Customers
	(In thousands)			
Total Interest Income	$ 414,596	$ —	$ 420,509	$ —
Noninterest Income:				
Service charges on deposit accounts	4,763	4,763	4,456	4,456
Commissions and fees	9,034	7,143	9,641	4,594
Leased equipment income	7,820	—	10,231	—
(Loss) gain on loans and leases HFS	(12,544)	—	21	—
Loss on securities AFS	(256,749)	—	—	—
Dividends and gains (losses) on equity investments	3,326	—	(114)	—
Warrant income	896	—	1,227	—
Other income	9,358	—	7,171	259
Total noninterest (loss) income	(234,096)	11,906	32,633	9,309
Total Revenue	$ 180,500	$ 11,906	$ 453,142	$ 9,309

The following table presents revenue from contracts with customers based on the timing of revenue recognition for the periods indicated:

	Three Months Ended June 30,	
	2026	2025
	(In thousands)	
Products and services transferred at a point in time	$ 6,285	$ 3,698
Products and services transferred over time	5,621	5,611
Total revenue from contracts with customers	$ 11,906	$ 9,309

	Six Months Ended June 30,			
	2026		2025	
	Total Recorded Revenue	Revenue from Contracts with Customers	Total Recorded Revenue	Revenue from Contracts with Customers
	(In thousands)			
Total Interest Income	$ 822,038	$ —	$ 827,164	$ —
Noninterest Income:				
Service charges on deposit accounts	9,741	9,741	8,999	8,999
Commissions and fees	20,014	16,018	19,599	9,997
Leased equipment income	16,350	—	21,015	—
(Loss) gain on loans and leases HFS	(12,534)	—	232	—
Loss on securities AFS	(256,749)	—	—	—
Dividends and gains on equity investments	5,328	—	2,209	—
Warrant income	1,834	—	932	—
Other income	17,248	1	13,297	505
Total noninterest (loss) income	(198,768)	25,760	66,283	19,501
Total Revenue	$ 623,270	$ 25,760	$ 893,447	$ 19,501

The following table presents revenue from contracts with customers based on the timing of revenue recognition for the periods indicated:

	Six Months Ended June 30,	
	2026	2025
	(In thousands)	
Products and services transferred at a point in time	$ 14,266	$ 8,251
Products and services transferred over time	11,494	11,250
Total revenue from contracts with customers	$ 25,760	$ 19,501

Contract Balances

The following table provides information about receivables, contract assets, and contract liabilities from contracts with customers as of the dates indicated:

	June 30, 2026	December 31, 2025
	(In thousands)	
Receivables, which are included in "Other assets"	$ 1,491	$ 2,147
Contract liabilities, which are included in "Accrued interest payable and other liabilities"	$ 244	$ 279

Contract liabilities relate to advance consideration received from customers for which revenue is recognized over the life of the contract. The change in contract liabilities for the six months ended June 30, 2026 due to revenue recognized that was included in the contract liability balance at the beginning of the period was $35,000.

NOTE 14. STOCKHOLDERS' EQUITY

Stock-Based Compensation

At the Annual meeting of stockholders held on May 6, 2026, the Company's stockholders approved the Second Amended and Restated Banc of California, Inc. 2018 Stock Incentive Plan (the “Second Amended and Restated 2018 Plan”). The Company’s Second Amended and Restated 2018 Plan permits stock-based compensation awards to officers, directors, employees, and consultants and will remain in effect until November 30, 2033. The Second Amended and Restated 2018 Plan authorizes grants of stock-based compensation instruments covering up to 12,917,882 shares. As of June 30, 2026, there were 4,567,203 shares available for grant under the Second Amended and Restated 2018 Plan. In addition to the Second Amended and Restated 2018 Plan, in connection with the Merger, the Company assumed the Amended and Restated PacWest Bancorp 2017 Stock Incentive Plan (the "PacWest 2017 Plan") with respect to PacWest's outstanding stock-based awards.

Restricted Stock (RSUs, TRSAs, and PSUs)

Restricted stock amortization totaled $4.0 million and $6.2 million for the three months ended June 30, 2026 and 2025, and $9.9 million and $11.4 million for the six months ended June 30, 2026 and 2025. Such amounts are included in "Compensation expense" on the consolidated statements of earnings. The amount of unrecognized compensation expense related to all unvested RSUs, TRSAs, and PSUs as of June 30, 2026 totaled $54.9 million.

Restricted Stock Units and Time-Based Restricted Stock Awards

At June 30, 2026, there were 2,853,214 shares of unvested RSUs outstanding pursuant to the Second Amended and Restated 2018 Plan. At June 30, 2026, there were 4,670 shares of unvested TRSAs outstanding pursuant to the PacWest 2017 Plan. The RSUs and TRSAs generally vest over a service period of three or four years from the date of the grant or immediately upon death of an employee. Compensation expense related to RSUs and TRSAs is based on the fair value of the underlying stock on the award date and is recognized over the vesting period using the straight-line method. TRSAs were assumed by the Company in connection with the Merger and continue to vest in accordance with the original vesting schedule of the awards.

Performance Stock Units

At June 30, 2026, there were 2,364,356 units of unvested PSUs outstanding. Compensation expense related to the PSUs is based on the fair value of the underlying stock on the award date and is amortized over the vesting period using the straight-line method unless it is determined that: (1) attainment of the financial metrics is less than probable, in which case a portion of the amortization is suspended, or (2) attainment of the financial metrics is improbable, in which case a portion of the previously recognized amortization is reversed and also suspended. Annual PSU expense may vary during the performance period based upon changes in management's estimate of the number of shares that may ultimately vest. In the case where the performance target for the PSUs is based on a market condition (such as total shareholder return), the amortization is neither reversed nor suspended if it is subsequently determined that the attainment of the performance target is less than probable or improbable and the employee continues to meet the service requirement of the award.

Classes of Stock and Equity Instruments

Preferred Stock

Depositary shares each representing 1/40th of a share of 7.75% Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock, Series F (“Series F Preferred Stock”) are listed on the NYSE under the symbol “BANC/PF.” The Series F Preferred Stock ranks senior to our common stock and common stock equivalents both as to dividends and liquidation preference but generally have no voting rights. There are 50,000,000 total preferred shares authorized, of which 27,000,000 were authorized for the NVCE and 513,250 were authorized and outstanding for the Series F Preferred stock at June 30, 2026 and December 31, 2025.

Common Stock

Our voting common stock is listed on the NYSE under the symbol “BANC” and there were 446,863,844 shares authorized at June 30, 2026 and December 31, 2025, and 157,950,529 shares outstanding at June 30, 2026 and 149,963,520 shares outstanding at December 31, 2025.

Class B Non-Voting Common Stock

Our Class B non-voting, non-convertible common stock is not listed or traded on any national securities exchange or automated quotation system, and there currently is no established trading market for such stock. The Class B non-voting common stock ranks equally with, and has identical rights, preferences, and privileges as the voting common stock with respect to dividends and liquidation preference but generally have no voting rights. There were 3,136,156 shares authorized at June 30, 2026 and December 31, 2025 and 477,321 shares outstanding at June 30, 2026 and at December 31, 2025.

Non-Voting Common Stock Equivalents

In conjunction with the Merger, the Company issued a new class of NVCE from authorized preferred stock, which were issued under the Investment Agreements (as defined below). Our NVCE stock is not listed or traded on any national securities exchange or automated quotation system, and there currently is no established trading market for such stock. The NVCE stock does not have voting rights and ranks equally with, and has identical rights, preferences, and privileges as, the voting common stock with respect to dividends or distributions (including regular quarterly dividends) declared by the Board and rights upon any liquidation, dissolution, winding up or similar proceeding of the Company. The NVCE stock is convertible into shares of voting common stock on a one-for-one basis, generally upon transfer to an eligible holder or the occurrence of other specified events in accordance with the terms of the Warburg Investment Agreement (as defined below) with affiliates of funds managed by Warburg Pincus LLC (the "Warburg Investors"). There were 27,000,000 shares of NVCE stock authorized at June 30, 2026 and December 31, 2025 and there were no shares of NVCE stock outstanding at June 30, 2026 and 5,017,064 at December 31, 2025.

During the six months ended June 30, 2026, the Company repurchased 1,000,000 shares of its NVCE stock from the Warburg Investors at $20.00 per share, which represented a slight discount to the market price at the time of sale. The repurchased shares were retired upon settlement and recorded as a reduction to stockholders’ equity.

Warrants

In conjunction with the Merger and per the terms of the investment agreements, each dated July 25, 2023, entered into by Banc of California, Inc. with the Warburg Investors (such agreement, the "Warburg Investment Agreement") and the Centerbridge Investor (together with the Warburg Investment Agreement, the "Investment Agreements"), respectively, the Warburg Investors received warrants to purchase 15,853,659 shares of NVCE stock (the "Warburg Warrants"), and the Centerbridge Investor received warrants to purchase 3,048,780 shares of voting common stock (the “Centerbridge Warrants”), each with an initial exercise price of $15.375 per share, subject to customary anti-dilution adjustments provided for under the warrant agreements. The warrants carry a term of seven years but are subject to mandatory exercise when the market price of the voting common stock reaches or exceeds $24.60 for 20 or more trading days during any 30-consecutive trading day period. These warrants are being accounted for as equity. The exercise price of the Centerbridge Warrants will be adjusted downward, per the terms of their warrant agreement, and the exercise price of the Warburg Warrants will also be adjusted, per the terms of their warrant agreement and the NVCE Articles Supplementary, for cash distributions to stockholders of the Company’s voting common stock, including the Company’s quarterly cash dividend.

During the six months ended June 30, 2026, holders exercised 14,634,146 Warburg Warrants and 620,631 Centerbridge Warrants. As of June 30, 2026, 3,647,661 warrants remained outstanding.

Stock Repurchase Program

On March 23, 2026, we announced that our Board of Directors approved an extension of the Company's existing stock repurchase program, which was originally announced on March 17, 2025 and subsequently upsized from $150.0 million to $300.0 million on April 23, 2025. The stock repurchase program, which was previously scheduled to expire in March 2026, has been extended through March 16, 2027.

During the six months ended June 30, 2026, common and common equivalent stock repurchased under the program totaled 1,709,935 shares at a weighted average price per share of $18.68, or $31.9 million in the aggregate. As of June 30, 2026, the Company had $82.6 million remaining under the stock repurchase authorization.

Purchases may be made in open-market transactions, in block transactions on or off an exchange, in privately negotiated transactions or by other means as determined by our management and in accordance with the regulations of the SEC. The timing of purchases and the number of shares repurchased under the program will depend on a variety of factors including price, trading volume, corporate and regulatory requirements, and market conditions. The program may be changed, suspended, or discontinued at any time.

NOTE 15. SEGMENT REPORTING

The Company provides banking and treasury management services to small, middle-market, and venture-backed businesses. The principal business activities of the Company are gathering deposits, originating and servicing loans and leases, and investing in investment securities. The Company's CODM is the Chief Executive Officer.

The Company operates as one reportable segment, Commercial Banking, based on how the CODM manages the business activities. The CODM uses net earnings to evaluate income generated from segment assets, assess performance, decide how to allocate resources, determine dividend availability, establish management's compensation, and guide other strategic decisions. The accounting policies of the Commercial Banking segment are the same as those described in "Note 1. Nature of Operations and Summary of Significant Accounting Policies" in our Form 10-K. Additionally, the Company does not have intra-entity sales or transfers.

Since the Company operates as a single reportable segment and is managed on a consolidated basis, the consolidated statements of earnings reflect the segment results. Therefore, a separate segment income statement is not presented. The Company has reviewed the information provided to the CODM and determined that no further disaggregated expense disclosures are necessary beyond those in the consolidated statements of earnings.

The following presents our operating segment balance sheet information and the reconciliation of segment assets to consolidated total assets as of the dates indicated:

Balance Sheet Data **Commercial Banking Segment**	**June 30, 2026**	**December 31, 2025**
	(In thousands)	
Segment total assets [(1)]	$ 35,030,953	$ 34,797,442

(1) Segment total assets is the same as total assets reported on the consolidated balance sheets.

NOTE 16. RELATED PARTY TRANSACTIONS

Certain of our executive officers and directors, and their related interests, are customers of, or have had transactions with, the Bank in the ordinary course of business, including deposits, loans, and other financial services-related transactions. From time to time, the Bank may make loans to executive officers and directors, and their related interests, in the ordinary course of business and on substantially the same terms and conditions, including interest rates and collateral, as those of comparable transactions with non-insiders prevailing at the time, in accordance with the Bank's underwriting guidelines, and do not involve more than the normal risk of collectability or present other unfavorable features. As of June 30, 2026, no related party loans were categorized as nonaccrual, past due, restructured, or potential problem loans.

Transactions with Related Parties

The Company and the Bank have engaged in the transaction described below with certain of the Company's directors, executive officers, and beneficial owners of more than five percent of the outstanding shares of the Company's voting common stock and certain persons related to them.

The Company is a party to a services agreement with IntraFi Network LLC (“IntraFi”) whereby IntraFi provides the Bank with certain insured cash sweep services from time to time. Affiliates of funds managed by Warburg Pincus LLC, which was a principal shareholder of the Company during the first quarter of 2026, hold a material investment interest in IntraFi. Additionally, Todd Schell, a principal of Warburg Pincus LLC, who served as a member of the Company's Board of Directors until his retirement during the second quarter of 2026, is a member of the board of directors of IntraFi. Accordingly, transactions with IntraFi constituted related-party transactions during the first quarter of 2026. For the six months ended June 30, 2026 and 2025, the amounts paid to IntraFi constituting related party transactions for certain insured cash sweep services were $1.8 million and $3.7 million.

During the six months ended June 30, 2026, the Company repurchased 1,000,000 shares of its NVCE stock from the Warburg Investors. See "Note 14. Stockholders’ Equity" for additional information regarding this transaction.

NOTE 17. SUBSEQUENT EVENTS

Common Stock Dividend

On August 7, 2026, the Company announced that the Board of Directors had declared a quarterly cash dividend of $0.12 per common share. The cash dividend is payable on October 1, 2026, to stockholders of record at the close of business on September 15, 2026.

Preferred Stock Dividend

On August 7, 2026, the Company announced that the Board of Directors had declared a quarterly cash dividend of $0.4845 per Depositary Share. The cash dividend is payable on September 1, 2026 to stockholders of record at the close of business on August 20, 2026.

Loan Sale Transactions

In July 2026, the Company entered into agreements to sell the $827.0 million of CRE and multi-family construction loans transferred from HFI to HFS during the quarter as part of the targeted loan sale process.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's discussion and analysis of the major factors that influenced our results of operations and financial condition as of and for the six months ended June 30, 2026. This analysis should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2025 and with the unaudited consolidated financial statements and notes thereto set forth in this Quarterly Report on Form 10-Q.

Forward-Looking Information

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of the "Safe-Harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements related to our anticipated benefits of our securities repositioning, targeted loan sale process, and other strategic balance sheet actions including, among others, an improved credit risk profile, increased capital efficiency, and an enhanced earnings profile; and other non-historical statements. Words or phrases such as "believe," "will," "should," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "plans," "strategy," or similar expressions are intended to identify these forward-looking statements. You are cautioned not to place undue reliance on any forward-looking statements. 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 the Company with the SEC. The Company undertakes no obligation to revise or publicly release any revision or update to these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made, except as required by law.

Factors that could cause actual results to differ materially from the results anticipated or projected include, but are not limited to: (i) changes in general economic conditions, either nationally or in our market areas, including the impact of tariffs and retaliatory tariffs, supply chain disruptions, and the risk of recession or an economic downturn; (ii) changes in the interest rate environment, including the recent and potential future changes in the FRB benchmark rate, which could adversely affect our revenue and expenses, the value of assets and obligations, the realization of deferred tax assets, the availability and cost of capital and liquidity, and the impacts of continuing or renewed inflation; (iii) 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 the effectiveness of our underwriting practices and the risk of fraud, any of which may lead to increased loan delinquencies, losses, and non-performing assets, and may result in our allowance for credit losses not being adequate; (iv) fluctuations in the demand for loans, and fluctuations in commercial and residential real estate values in our market area; (v) the quality and composition of our securities portfolio; (vi) our ability to develop and maintain a strong core deposit base, including among our venture banking clients, or other low cost funding sources necessary to fund our activities particularly in a rising or high interest rate environment; (vii) the rapid withdrawal of a significant amount of demand deposits over a short period of time; (viii) our ability to achieve or maintain the anticipated benefits of our securities repositioning and other strategic balance sheet actions due to one or more of the other factors described herein or otherwise, or the failure to complete our anticipated loan sales due to a condition to closing not being satisfied or otherwise; (ix) our ability to raise capital or incur debt on reasonable terms; (x) the costs and effects of litigation; (xi) risks related to the Company's acquisitions, including disruption to current plans and operations; difficulties in customer and employee retention; fees, expenses and charges related to these transactions being significantly higher than anticipated; and our inability to achieve expected revenues, cost savings, synergies, and other benefits; (xii) the competitive and other impacts on our business of emerging technologies, including stablecoins and other digital currencies, tokenized deposits, blockchain, artificial intelligence, quantum computing, and related innovations affecting both the Company and the banking industry; (xiii) results of examinations by regulatory authorities of the Company and the possibility that any such regulatory authority may, among other things, limit our business activities, restrict our ability to invest in certain assets, refrain from issuing an approval or non-objection to certain capital or other actions, increase our allowance for credit losses, result in write-downs of asset values, restrict our ability or that of our bank subsidiary to pay dividends, or impose fines, penalties or sanctions; (xiv) legislative or regulatory changes that adversely affect our business, including changes in tax laws and policies, accounting policies and practices, privacy laws, and regulatory capital or other rules; (xv) the risk that our enterprise risk management framework may not be effective in mitigating risk and reducing the potential for losses; (xvi) errors in estimates of the fair values of certain of our assets and liabilities, as well as the value of collateral supporting our loans, which may result in significant changes in valuation or recoveries; (xvii) cybersecurity threats and failures or security breaches with respect to the network, applications, vendors and computer systems on which we depend; (xviii) our ability to attract and retain key members of our senior management team; (xix) the effects of climate change, severe weather events, natural disasters such as earthquakes and wildfires, pandemics, epidemics and other public health crises, military activity (including the ongoing Iran war) or acts of terrorism, and other external events on our business; (xx) the impact of bank failures or other adverse developments at other banks on general depositor and investor sentiment regarding the stability and liquidity of banks; (xxi) the possibility that our recorded goodwill could become impaired, which may have an adverse impact on our earnings and capital; (xxii) our existing indebtedness, together with any future incurrence of additional indebtedness, could adversely affect our ability to raise additional capital and to meet our debt obligations; (xxiii) changes in market conditions or strategic balance sheet actions, which may result in realized losses on investment securities or other assets; (xxiv) the effects of any damage to our reputation resulting from developments related to any of the items identified above; and (xxv) other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services and the other risks described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 and from time to time in other documents that we file with or furnish to the SEC.

All forward-looking statements included in this Quarterly Report on Form 10-Q are based on information available at the time the statement is made. We are under no obligation to (and expressly disclaim any such obligation to) update or alter our forward-looking statements, whether as a result of new information, future events or otherwise except as required by law.

Overview

Banc of California, Inc., a Maryland corporation, was incorporated in March 2002 and serves as the holding company for its wholly owned subsidiary, Banc of California (the “Bank”), a California state-chartered bank and a member of the FRB. When we refer to the "parent" or the “holding company," we are referring to Banc of California, Inc., the parent company, on a stand-alone basis. When we refer to “we,” “us,” “our,” or the “Company,” we are referring to Banc of California, Inc. and its consolidated subsidiaries including the Bank, collectively. The Bank is one of the nation’s premier relationship-based business banks, providing banking and treasury management services to small, middle-market, and venture-backed businesses. The Bank offers a broad range of loan and deposit products and services through 77 full-service branches located throughout California and in Denver, Colorado, and Durham, North Carolina, as well as through regional offices nationwide. The Bank also provides full-service payment processing solutions to its clients and serves the Community Association Management industry nationwide with its technology-forward platform, SmartStreet™. The Bank is committed to its local communities by supporting organizations that provide financial literacy and job training, small business support, affordable housing, and more.

Recent Events

Strategic Balance Sheet Actions

During the second quarter of 2026, the Company executed several strategic balance sheet actions, including (i) the repositioning of $2.3 billion of lower-yielding HTM securities, (ii) the transfer of $827.0 million of selected commercial real estate and multi-family construction loans from HFI to HFS as part of a targeted loan sale process, and (iii) the redemption of $385.0 million of subordinated debt.

As part of the securities repositioning, the Company transferred $2.3 billion of HTM securities to AFS, subsequently sold substantially all of the transferred securities, and redeployed a portion of the proceeds into higher-yielding, shorter-duration AFS securities. In connection with the targeted loan sale process, the Company transferred $827.0 million of loans to HFS during the quarter and subsequently entered into agreements to sell these loans in July 2026. In addition, the Company redeemed $385.0 million of subordinated debt prior to a higher interest rate reset.

Stock Repurchase Program

On March 23, 2026, we announced the extension of the Company’s existing $300 million stock repurchase program, which had been scheduled to expire in March 2026, through March 16, 2027. During six months ended June 30, 2026, the Company repurchased a total of approximately 1.7 million shares of common and common equivalent stock for $31.9 million, at a weighted-average price of $18.68 per share. As of June 30, 2026, the Company had $82.6 million remaining under the stock repurchase authorization. For further information on the stock repurchase program, see "Note 14. Stockholders' Equity", in Item 1 of this Form 10-Q.

Critical Accounting Policies and Estimates

The following discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements and related notes, which have been prepared in accordance with U.S. GAAP. The preparation of the consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts and disclosure. We evaluate these estimates and assumptions on an ongoing basis based on historical experience and other relevant factors and circumstances; however, actual results may differ significantly from these estimates and assumptions, which could have a material adverse effect on our financial condition and results of operations.

Our accounting policies and estimates are fundamental to understanding the following discussion and analysis of financial condition and results of operations. We identify critical accounting estimates as those that involve the most significant judgments, uncertainties, and subjective decisions, and that could result in materially different outcomes under different assumptions or conditions. Our critical accounting policies and estimates include those related to the ACL on loans and leases HFI and the realization of deferred tax assets and liabilities. Our critical accounting policies and estimates are described in "Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations" included in the Form 10-K.

Non-GAAP Financial Measures

We use certain non-GAAP financial measures to provide meaningful supplemental information regarding the Company's operational performance and to enhance investors' overall understanding of such financial performance. This disclosure should not be viewed as a substitute for results determined in accordance with GAAP. The methodology for determining these non-GAAP measures may differ among companies and may not be comparable. Accordingly, we refer to the following non-GAAP measures in this Quarterly Report on Form 10-Q.

Return on average tangible common equity, tangible common equity, tangible book value per common share, efficiency ratio, and pre-tax pre-provision income are presented because the use of these measures is prevalent among banking regulators, investors, and analysts. These measures are disclosed in addition to the related GAAP measures of return on average equity, book value per common share, and noninterest expense to total revenue, respectively. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measures are presented in the following tables for and as of the periods presented.

Return on Average Tangible Common Equity ("ROATCE")	**Three Months Ended June 30, 2026**	**Three Months Ended March 31, 2026**	**Three Months Ended June 30, 2025**	**Six Months Ended June 30, 2026**	**Six Months Ended June 30, 2025**
			(Dollars in thousands)		
Net (loss) earnings	$ (241,347)	$ 71,952	$ 28,385	$ (169,395)	$ 81,953
Adjustments:					
Intangible asset amortization	6,349	6,348	7,159	12,697	14,319
Tax impact of adjustment above [(1)]	(1,778)	(1,596)	(1,655)	(3,720)	(3,311)
Adjustment to net (loss) earnings	4,571	4,752	5,504	8,977	11,008
Adjusted net (loss) earnings for ROATCE	(236,776)	76,704	33,889	(160,418)	92,961
Less: Preferred stock dividends	9,947	9,947	9,947	19,894	19,894
Adjusted net (loss) earnings available to common and equivalent stockholders for ROATCE	$ (246,723)	$ 66,757	$ 23,942	$ (180,312)	$ 73,067
Average stockholders' equity	$ 3,545,141	$ 3,548,700	$ 3,430,143	$ 3,546,910	$ 3,476,902
Less: Average goodwill and intangible assets	311,068	317,215	337,352	314,125	340,961
Less: Average preferred stock	498,516	498,516	498,516	498,516	498,516
Average tangible common equity	$ 2,735,557	$ 2,732,969	$ 2,594,275	$ 2,734,269	$ 2,637,425
Return on average equity [(2)]	(27.31)%	8.22 %	3.32 %	(9.63)%	4.75 %
Return on average tangible common equity [(3)]	(36.18)%	9.91 %	3.70 %	(13.30)%	5.59 %

(1) Effective tax rates of 28.00%, 25.14% and 23.12% used for the three months ended June 30, 2026, March 31, 2026 and June 30, 2025. Effective tax rates of 29.30% and 23.12% used for the six months ended June 30, 2026 and 2025.
(2) Annualized net (loss) earnings divided by average stockholders' equity.
(3) Annualized adjusted net (loss) earnings available to common and equivalent stockholders for ROATCE divided by average tangible common equity.

Tangible Common Equity and **Tangible Book Value Per Common Share**	June 30, 2026	December 31, 2025
	(Dollars in thousands, except per share data)	
Stockholders' equity	$ 3,410,146	$ 3,541,277
Less: Preferred stock	498,516	498,516
Total common equity	2,911,630	3,042,761
Less: Goodwill and intangible assets	307,230	319,808
Tangible common equity	$ 2,604,400	$ 2,722,953
Book value per common share (1)	$ 18.38	$ 19.56
Tangible book value per common share (2)	$ 16.44	$ 17.51
Common and equivalent shares outstanding (3)	158,432,520	155,533,403

(1) Total common equity divided by common and equivalent shares outstanding.
(2) Tangible common equity divided by common and equivalent shares outstanding.
(3) Common and equivalent shares outstanding include NVCE that are participating securities. There was no NVCE outstanding as of June 30, 2026.

	Three Months Ended			Six Months Ended	
	June 30,	March 31,	June 30,	June 30,	
Efficiency Ratio	2026	2026	2025	2026	2025
			(Dollars in thousands)		
Noninterest expense (1)	$ 189,867	$ 181,391	$ 185,869	$ 371,258	$ 369,522
Less: Intangible asset amortization	(6,349)	(6,348)	(7,159)	(12,697)	(14,319)
Noninterest expense used for efficiency ratio	$ 183,518	$ 175,043	$ 178,710	$ 358,561	$ 355,203
Net interest income	$ 250,501	$ 251,617	$ 240,216	$ 502,118	$ 472,580
Noninterest (loss) income	(234,096)	35,328	32,633	(198,768)	66,283
Total revenue	16,405	286,945	272,849	303,350	538,863
Add: Loss on sale of securities	256,749	—	—	256,749	—
Total revenue used for efficiency ratio	$ 273,154	$ 286,945	$ 272,849	$ 560,099	$ 538,863
Noninterest expense to total revenue	1157.37 %	63.21 %	68.12 %	122.39 %	68.57 %
Efficiency ratio (2)	67.18 %	61.00 %	65.50 %	64.02 %	65.92 %

(1) Includes customer related expense of $24.1 million, $23.7 million, and $26.6 million for the three months ended June 30, 2026, March 31, 2026, and June 30, 2025, and $47.9 million and $54.3 million for six months ended June 30, 2026 and 2025.
(2) Noninterest expense used for efficiency ratio divided by total revenue used for efficiency ratio.

	Three Months Ended			Six Months Ended	
	June 30,	March 31,	June 30,	June 30,	
Pre-Tax Pre-Provision (Loss) Income	2026	2026	2025	2026	2025
			(Dollars in thousands)		
Net interest income (GAAP)	$ 250,501	$ 251,617	$ 240,216	$ 502,118	$ 472,580
Add: Noninterest (loss) income (GAAP)	(234,096)	35,328	32,633	(198,768)	66,283
Total revenues (GAAP)	16,405	286,945	272,849	303,350	538,863
Less: Noninterest expense (GAAP)	189,867	181,391	185,869	371,258	369,522
Pre-tax pre-provision (loss) income (Non-GAAP)	$ (173,462)	$ 105,554	$ 86,980	$ (67,908)	$ 169,341

Results of Operations

The Company reported net loss available to common and equivalent stockholders of $251.3 million, or $(1.61) per diluted common share, for the second quarter of 2026. This compares to net earnings available to common and equivalent stockholders of $62.0 million, or $0.39 per diluted common share, for the first quarter of 2026, and net earnings available to common and equivalent stockholders of $18.4 million, or $0.12 per diluted common share, for the second quarter of 2025. The net loss for the second quarter of 2026 was primarily attributable to the impact of strategic balance sheet actions undertaken during the quarter, including the securities repositioning, targeted loan sale process, and redemption of subordinated debt.

Second Quarter 2026 Financial Highlights:

- Executed a securities repositioning to drive higher recurring earnings power, including the sale of $2.3 billion of lower-yielding securities and partial redeployment of $1.7 billion into higher-yielding shorter-duration securities, with the remaining proceeds expected to be invested in the third quarter of 2026. The repositioning generated a 276 basis point yield pickup on redeployed balances and resulted in a $256.7 million pre-tax loss on securities.
- Commenced a targeted loan sale process involving $827.0 million of loans to reduce selected exposures, enhance capital efficiency, and improve the risk profile of the loan portfolio. Total provision expense of $161.8 million includes the impact of transferring these loans to HFS at the LOCOM.
- Redeemed $385.0 million of subordinated debt prior to a significantly higher interest rate reset, reducing future funding costs and supporting stronger pre-tax pre-provision earnings.
- Average loans increased $556.1 million, or 2.3%, during the quarter, driven by $2.8 billion of loan production and disbursements with a weighted average interest rate on production of 6.39%.
- Total deposits increased $799.0 million, or 2.9% during the quarter, with average noninterest-bearing deposits comprising 28.5% of average total deposits.
- Loan-to-deposit ratio decreased 235 basis points to 89.3%.
- Credit quality trends were favorable, as classified loans and leases and special mention loans and leases as a percentage of total loans and leases HFI declined by 99 basis points, and 154 basis points, respectively.
- Capital ratios exceeded the regulatory thresholds for "well capitalized" banks, including a 11.67% Tier 1 capital ratio and 9.25% CET 1 capital ratio.
- Book value per share and tangible book value per share[1] were $18.38 and $16.44, respectively, reflecting the near-term impact of the strategic balance sheet actions completed during the quarter.

(1) See "- Non-GAAP Financial Measures."

The following table presents financial results and performance ratios for the periods indicated:

	Three Months Ended		Six Months Ended	
	June 30, 2026	March 31, 2026	June 30, 2026	June 30, 2025
	(Dollars in thousands, except per share data)			
Earnings Summary:				
Interest income	$ 414,596	$ 407,442	$ 822,038	$ 827,164
Interest expense	(164,095)	(155,825)	(319,920)	(354,584)
Net interest income	250,501	251,617	502,118	472,580
Provision for credit losses	(161,780)	(9,800)	(171,580)	(48,400)
Noninterest (loss) income	(234,096)	35,328	(198,768)	66,283
Noninterest expense	(189,867)	(181,391)	(371,258)	(369,522)
(Loss) earnings before income taxes	(335,242)	95,754	(239,488)	120,941
Income tax benefit (expense)	93,895	(23,802)	70,093	(38,988)
Net (loss) earnings	(241,347)	71,952	(169,395)	81,953
Preferred stock dividends	(9,947)	(9,947)	(19,894)	(19,894)
Net (loss) earnings available to common and equivalent stockholders	$ (251,294)	$ 62,005	$ (189,289)	$ 62,059
Per Common Share Data:				
Diluted (loss) earnings per share [(1)]	$ (1.61)	$ 0.39	$ (1.22)	$ 0.38
Performance Ratios:				
Return on average assets [(3)]	(2.79)%	0.86 %	(1.00)%	0.49 %
Return on average equity [(3)]	(27.31)%	8.22 %	(9.63)%	4.75 %
Return on average tangible common equity [(2)(3)]	(36.18)%	9.91 %	(13.30)%	5.59 %
Net interest margin [(3)]	3.13 %	3.24 %	3.18 %	3.09 %
Yield on average loans and leases [(3)]	5.63 %	5.74 %	5.69 %	5.92 %
Cost of average total deposits [(3)]	1.80 %	1.78 %	1.79 %	2.12 %
Noninterest expense to total revenue [(4)]	1157.37 %	63.21 %	122.39 %	68.57 %
Efficiency ratio [(2)(5)]	67.18 %	61.00 %	64.02 %	65.92 %
Capital Ratios (consolidated):				
Common equity tier 1 capital ratio	9.25 %	10.18 %		
Tier 1 capital ratio	11.67 %	12.54 %		
Total capital ratio	14.31 %	16.55 %		
Tier 1 leverage capital ratio	8.89 %	9.97 %		
Risk-weighted assets	$ 26,061,398	$ 26,697,277		

(1) Common shares include NVCE that are participating securities. There was no NVCE outstanding as of June 30, 2026 and March 31, 2026.
(2) See "Non-GAAP Financial Measures" in Item 2 of this Form 10-Q.
(3) Annualized.
(4) Total revenue equals the sum of NII and noninterest income.
(5) Ratio calculated by dividing noninterest expense (less intangible asset amortization and acquisition, integration and reorganization costs) by total revenue (less gain/loss on securities). See "Non-GAAP Financial Measures" in Item 2 of this Form 10-Q. Noninterest expense includes customer related expense of $24.1 million and $23.7 million for the three months ended June 30, 2026 and March 31, 2026, and $47.9 million and $54.3 million for six months ended June 30, 2026 and 2025.

Net Interest Income and Net Interest Margin

The following tables summarize the distribution of average assets, liabilities, and stockholders' equity, as well as interest income and yields earned on average interest-earning assets and interest expense and rates paid on average interest-bearing liabilities, presented on a tax equivalent basis, for the periods indicated:

	Three Months Ended								
	June 30, 2026			March 31, 2026			June 30, 2025		
	Average Balance	Interest Income/ Expense	Yields and Rates	Average Balance	Interest Income/ Expense	Yields and Rates	Average Balance	Interest Income/ Expense	Yields and Rates
	(Dollars in thousands)								
ASSETS:									
Loans and leases [(1)]	$ 25,266,712	$ 354,832	5.63 %	$ 24,710,609	$ 349,943	5.74 %	$ 24,504,319	$ 362,303	5.93 %
Investment securities	4,938,232	42,407	3.44 %	5,018,002	41,873	3.38 %	4,719,954	37,616	3.20 %
Deposits in financial institutions	1,912,585	17,357	3.64 %	1,742,657	15,626	3.64 %	1,872,736	20,590	4.41 %
Total interest-earning assets	32,117,529	414,596	5.18 %	31,471,268	407,442	5.25 %	31,097,009	420,509	5.42 %
Other assets	2,527,401			2,531,433			2,667,140		
Total assets	$ 34,644,930			$ 34,002,701			$ 33,764,149		
LIABILITIES AND STOCKHOLDERS' EQUITY:									
Interest checking	$ 8,313,161	47,694	2.30 %	$ 8,175,172	46,882	2.33 %	$ 7,778,882	52,877	2.73 %
Money market	4,736,107	23,429	1.98 %	4,785,691	22,826	1.93 %	5,412,681	33,615	2.49 %
Savings	1,883,240	9,575	2.04 %	1,957,831	9,772	2.02 %	1,959,987	12,777	2.61 %
Time	4,820,101	43,572	3.63 %	4,510,418	40,753	3.66 %	4,569,490	45,671	4.01 %
Total interest-bearing deposits	19,752,609	124,270	2.52 %	19,429,112	120,233	2.51 %	19,721,040	144,940	2.95 %
Borrowings	2,399,546	26,568	4.44 %	1,765,661	20,177	4.63 %	1,628,584	20,021	4.93 %
Subordinated debt	699,159	13,257	7.61 %	953,739	15,415	6.55 %	946,740	15,332	6.50 %
Total interest-bearing liabilities	22,851,314	164,095	2.88 %	22,148,512	155,825	2.85 %	22,296,364	180,293	3.24 %
Noninterest-bearing demand deposits	7,866,139			7,890,489			7,583,894		
Other liabilities	382,336			415,000			453,748		
Total liabilities	31,099,789			30,454,001			30,334,006		
Stockholders' equity	3,545,141			3,548,700			3,430,143		
Total liabilities and stockholders' equity	$ 34,644,930			$ 34,002,701			$ 33,764,149		
Net interest income		$ 250,501			$ 251,617			$ 240,216	
Net interest rate spread			2.30 %			2.40 %			2.18 %
Net interest margin			3.13 %			3.24 %			3.10 %
Total deposits [(2)]	$ 27,618,748	$ 124,270	1.80 %	$ 27,319,601	$ 120,233	1.78 %	$ 27,304,934	$ 144,940	2.13 %
Total funds [(3)]	$ 30,717,453	$ 164,095	2.14 %	$ 30,039,001	$ 155,825	2.10 %	$ 29,880,258	$ 180,293	2.42 %

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(1) Total loans are net of deferred fees, related direct costs, and premiums and discounts, but exclude the allowance for loan losses. Includes net loan discount accretion of $11.2 million, $12.2 million and $16.1 million for the three months ended June 30, 2026, March 31, 2026 and June 30, 2025.

(2) Total deposits is the sum of interest-bearing deposits and noninterest-bearing demand deposits. The cost of total deposits is calculated as annualized interest expense on total deposits divided by average total deposits.

(3) Total funds is the sum of total interest-bearing liabilities and noninterest-bearing demand deposits. The cost of total funds is calculated as annualized total interest expense divided by average total funds.

	Six Months Ended					
	June 30, 2026			June 30, 2025		
	Average Balance	Interest Income/ Expense	Yields and Rates	Average Balance	Interest Income/ Expense	Yields and Rates
	(Dollars in thousands)					
ASSETS:						
Loans and leases [1]	$ 24,990,197	$ 704,775	5.69 %	$ 24,148,460	$ 708,406	5.92 %
Investment securities	4,977,896	84,280	3.41 %	4,726,957	75,478	3.22 %
Deposits in financial institutions	1,828,090	32,983	3.64 %	1,979,843	43,280	4.41 %
Total interest-earning assets	31,796,183	822,038	5.21 %	30,855,260	827,164	5.41 %
Other assets	2,529,406			2,682,266		
Total assets	$ 34,325,589			$ 33,537,526		
LIABILITIES AND STOCKHOLDERS' EQUITY:						
Interest checking	$ 8,244,548	94,576	2.31 %	$ 7,562,369	100,756	2.69 %
Money market	4,760,762	46,255	1.96 %	5,414,190	66,618	2.48 %
Savings	1,920,329	19,347	2.03 %	1,954,349	25,634	2.65 %
Time	4,666,115	84,325	3.64 %	4,534,076	92,462	4.11 %
Total interest-bearing deposits	19,591,754	244,503	2.52 %	19,464,984	285,470	2.96 %
Borrowings	2,084,355	46,745	4.52 %	1,513,790	38,442	5.12 %
Subordinated debt	825,746	28,672	7.00 %	944,790	30,672	6.55 %
Total interest-bearing liabilities	22,501,855	319,920	2.87 %	21,923,564	354,584	3.26 %
Noninterest-bearing demand deposits	7,878,247			7,649,000		
Other liabilities	398,577			488,060		
Total liabilities	30,778,679			30,060,624		
Stockholders' equity	3,546,910			3,476,902		
Total liabilities and stockholders' equity	$ 34,325,589			$ 33,537,526		
Net interest income		$ 502,118			$ 472,580	
Net interest rate spread			2.34 %			2.15 %
Net interest margin			3.18 %			3.09 %
Total deposits [2]	$ 27,470,001	$ 244,503	1.79 %	$ 27,113,984	$ 285,470	2.12 %
Total funds [3]	$ 30,380,102	$ 319,920	2.12 %	$ 29,572,564	$ 354,584	2.42 %

(1) Total loans are net of deferred fees, related direct costs, and premiums and discounts, but exclude the allowance for loan losses. Includes net loan discount accretion of $23.4 million and $32.1 million for the six months ended June 30, 2026 and 2025.
(2) Total deposits is the sum of total interest-bearing deposits and noninterest-bearing demand deposits. The cost of total deposits is calculated as annualized interest expense on total deposits divided by average total deposits.
(3) Total funds is the sum of total interest-bearing liabilities and noninterest-bearing demand deposits. The cost of total funds is calculated as annualized total interest expense divided by average total funds.

Second Quarter of 2026 Compared to First Quarter of 2026

NII decreased by $1.1 million to $250.5 million for the second quarter, from $251.6 million in the first quarter. This decrease was driven by an $8.3 million increase in total interest expense, offset partially by a $7.2 million increase in total interest income. The increase in interest expense was due to a $4.0 million increase in interest expense on deposits, attributable to higher average balances, and a $4.2 million increase in interest expense on our borrowings driven by higher balances to fund loan growth and replace subordinated debt funding, following the redemption of the 3.25% Fixed-to-Floating Rate Subordinated Notes due 2031 during the second quarter. The increase in interest income was driven by a $10.4 million increase from higher average loan balances and an additional day in the quarter, and a $2.3 million increase from investments and deposits in financial institutions driven by higher average balances as a result of the securities repositioning. These increases were offset partially by a $4.6 million reduction primarily related to loans placed on nonaccrual status.

Net interest margin was 3.13% for the second quarter, down 11 basis points from 3.24% for the first quarter. The decrease was primarily driven by nonaccrual interest impacts and an increase in short-term funding associated with strong loan growth and the redemption of subordinated debt, while core deposit growth strengthened toward quarter-end, improving the Company's funding profile entering the third quarter. The average total cost of funds increased to 2.14% from 2.10%, as a result of a 2 basis point increase in the average total cost of deposits to 1.80%, and a 19 basis point decrease in the average cost of borrowings to 4.44%. The average yield on interest-earning assets decreased to 5.18% from 5.25%, as a result of an 11 basis point decrease in the average yield on loans and leases to 5.63%.

Average total deposits increased by $299.1 million, with a $323.5 million increase in average interest-bearing deposits, offset partially by a $24.4 million decrease in average noninterest-bearing deposits. Average noninterest-bearing deposits represented 28.5% of average total deposits in the second quarter, down from 28.9% in the first quarter.

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

NII increased $29.5 million to $502.1 million for the six months ended June 30, 2026, from $472.6 million for the six months ended June 30, 2025. This increase was primarily driven by a $41.0 million decrease in interest expense on deposits primarily due to lower interest rates following federal funds rate cuts, and an $8.8 million increase in interest income from investment securities reflecting the benefits of prior strategic balance sheet actions and reinvestment into higher-yielding assets. These benefits were offset partially by a $10.3 million decrease in interest income from deposits in financial institutions due to lower balances and lower market interest rates, a $6.3 million increase in borrowing costs associated with funding loan growth and the subordinated debt redemption in the second quarter of 2026, and a $3.6 million decrease in loan interest income primarily attributable to a reversal of previously accrued interest on loans placed on nonaccrual status, offset partially by the benefit of higher average loan balances.

The net interest margin was 3.18% for the six months ended June 30, 2026, up 9 basis points from 3.09% for the six months ended June 30, 2025. The year-over-year improvement was primarily driven by a 30 basis point decrease in the average total cost of funds to 2.12%, offset partially by a 20 basis point decrease in the average yield on interest-earning assets to 5.21%.

The average total cost of funds decreased by 30 basis points to 2.12%, driven mainly by lower market interest rates. The average cost of deposits declined by 33 basis points to 1.79%, reflecting the impact of federal funds rate cuts in the second half of 2025. Average total deposits increased by $356.0 million year-over-year, as a result of a $229.2 million increase in average noninterest-bearing deposits and a $126.8 million increase in average interest-bearing deposits. Average noninterest-bearing deposits represented 28.7% of average total deposits for the six months ended June 30, 2026, up from 28.2% for the comparable period in 2025. The average cost of borrowings also decreased by 60 basis points to 4.52%, reflecting the paydown of higher-cost borrowings in the prior year and their replacement with lower-cost long-term FHLB advances.

The average yield on interest-earning assets declined by 20 basis points to 5.21%, due primarily to a 23 basis point decline in the average yield on loans and leases.

Provision for Credit Losses

The following table sets forth the details of the provision for credit losses on loans and leases HFI and securities and information regarding credit quality metrics for the periods indicated:

	Three Months Ended			Six Months Ended	
	June 30, 2026	March 31, 2026	June 30, 2025	June 30, 2026	June 30, 2025
			(Dollars in thousands)		
Provision For Credit Losses:					
Addition to allowance for loan and lease losses	$ 162,000	$ 9,800	$ 38,580	$ 171,800	$ 48,280
(Reduction in) addition to reserve for unfunded loan commitments	(2,000)	—	(350)	(2,000)	150
Total loan-related provision	160,000	9,800	38,230	$ 169,800	$ 48,430
(Reduction in) addition to allowance for HTM securities	(695)	—	95	(695)	(805)
Addition to allowance for AFS securities	2,475	—	775	2,475	775
Total securities-related provision	1,780	—	870	1,780	(30)
Total provision for credit losses	$ 161,780	$ 9,800	$ 39,100	$ 171,580	$ 48,400
Credit Quality Metrics:					
Net charge-offs on loans and leases HFI [(1)]	$ 160,281	$ 13,812	$ 44,222	$ 174,093	$ 58,296
Annualized net charge-offs to average loans and leases	2.54 %	0.23 %	0.72 %	1.40 %	0.49 %
At quarter-end:					
Allowance for credit losses	$ 276,240	$ 276,521	$ 258,565		
Allowance for credit losses to loans and leases HFI	1.14 %	1.12 %	1.07 %		
Allowance for credit losses to nonaccrual loans and leases HFI	135.60 %	148.88 %	154.35 %		
Nonaccrual loans and leases HFI	$ 203,712	$ 185,734	$ 167,516		
Nonaccrual loans and leases HFI to loans and leases HFI	0.84 %	0.75 %	0.69 %		

(1) See "Balance Sheet Analysis - Allowance for Credit Losses on Loans and Leases Held for Investment" in Item 2 of this Form 10-Q for detail of charge-offs and recoveries by loan portfolio segment, class, and subclass for the periods presented.

Provisions for credit losses are charged to earnings for both on and off-balance sheet credit exposures. The provisions for credit losses on our loans and leases HFI, AFS debt securities, and HTM debt securities are based on our allowance methodologies and are expenses that, in our judgment, are required to maintain an appropriate ACL for these assets.

Second Quarter of 2026 Compared to First Quarter of 2026

The provision for credit losses was $161.8 million for the second quarter compared to $9.8 million for the first quarter. The increase was primarily driven by $161.6 million of charge-offs, the impact of loan growth and higher loss given default rates on commercial real estate and multi-family construction loans, offset partially by improved risk ratings for our HFI portfolio. The increase in net charge-offs in the quarter related primarily to the transfer of $827.0 million of loans to HFS in connection with the targeted loan sale process. The transfer required the loans to be recorded at LOCOM, resulting in charge-offs and additional provision expense during the quarter.

The first quarter provision for loan losses and unfunded loan commitments was primarily driven by net charge off activity and changes in loan risk ratings including specific reserves, offset partially by lower balances in the HFI portfolio and lower qualitative reserves.

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

The provision for credit losses was $171.6 million for the six months ended June 30, 2026, compared to $48.4 million for the six months ended June 30, 2025. The provision for the six months ended 2026 consisted of provision for loan losses of $171.8 million, primarily reflecting the impact of the targeted loan sale process, offset partially by a $2.0 million reduction in provision for unfunded loan commitments.

The provision for the six months ended June 30, 2025 included the impact of $506.7 million of loans transferred to HFS and recorded at the LOCOM. The remaining increase in the provision for loan losses and unfunded loan commitments was primarily driven by net charge-off activity experienced in the first half of the year, with additional impacts from changes in loan risk ratings, and higher unfunded commitments. These were offset partially by lower qualitative reserves, lower specific reserves, and a favorable shift in the portfolio mix due to growth in loan segments with lower expected credit losses.

Certain circumstances may lead to increased provisions for credit losses on loans and leases in the future. Examples of such circumstances include an increased amount of classified and/or nonaccrual loans and leases, net loan and lease and unfunded commitment growth, and changes in economic conditions and forecasts. Changes in economic conditions and forecasts include the rate of economic growth, the unemployment rate, the rate of inflation, changes in the general level of interest rates, changes in real estate values, and adverse conditions in borrowers' businesses.

For information regarding the ACL on loans and leases HFI and HTM securities, see "Balance Sheet Analysis - Allowance for Credit Losses on Loans and Leases" and "Critical Accounting Policies and Estimates" in Item 2 Management's Discussion and Analysis, and "Note 4. Loans and Leases Held for Investment" in Item 1 of this Form 10-Q.

Noninterest (Loss) Income

The following table summarizes noninterest income by category for the periods indicated:

	Three Months Ended		Six Months Ended	
	June 30,	March 31,	June 30,	
Noninterest (Loss) Income	2026	2026	2026	2025
	(In thousands)			
Commissions and fees	$ 9,034	$ 10,980	20,014	19,599
Leased equipment income	7,820	8,530	16,350	21,015
Service charges on deposit accounts	4,763	4,978	9,741	8,999
(Loss) gain on loans and leases HFS	(12,544)	10	(12,534)	232
Loss on securities AFS	(256,749)	—	(256,749)	—
Dividends and gains on equity investments	3,326	2,002	5,328	2,209
Warrant income	896	938	1,834	932
Other	9,358	7,890	17,248	13,297
Total noninterest (loss) income	$ (234,096)	$ 35,328	$ (198,768)	$ 66,283

Second Quarter of 2026 Compared to First Quarter of 2026

Noninterest income decreased by $269.4 million, resulting in a loss of $234.1 million for the second quarter, compared to noninterest income of $35.3 million for the first quarter. The decrease was primarily driven by a $256.7 million pre-tax loss recognized as part of the securities repositioning, and a $12.5 million loss recorded as part of the LOCOM adjustment on HFS loans. Also included in noninterest income was a $3.1 million loss related to the redemption of $385.0 million aggregate principal amount of subordinated notes during the quarter. The decrease for the quarter was offset by the $3.8 million gain recognized on the sale of the Company's single-family mortgage servicing rights portfolio, which serviced approximately $1.35 billion of underlying loans.

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Noninterest income decreased by $265.1 million to a loss of $198.8 million for the six months ended June 30, 2026, compared to income of $66.3 million for the same period 2025. The year-to-date decrease was primarily attributable to the $256.7 million pre-tax loss recognized as part of the securities repositioning, and a $12.5 million LOCOM adjustment on the HFS loans, as discussed above.

Noninterest Expense

The following table summarizes noninterest expense by category for the periods indicated:

	Three Months Ended		Six Months Ended	
	June 30,	March 31,	June 30,	
Noninterest Expense	2026	2026	2026	2025
	(In thousands)			
Compensation	$ 85,120	$ 91,100	$ 176,220	$ 174,779
Customer related expense	24,114	23,737	47,851	54,328
Occupancy	14,714	14,892	29,606	30,483
Insurance and assessments	14,500	6,764	21,264	16,686
Information technology and data processing	13,769	14,339	28,108	28,172
Intangible asset amortization	6,349	6,348	12,697	14,319
Other professional services	5,599	4,236	9,835	10,919
Loan expense	5,170	4,292	9,462	6,980
Leased equipment depreciation	5,168	5,304	10,472	13,441
Other	15,364	10,379	25,743	19,415
Total noninterest expense	$ 189,867	$ 181,391	$ 371,258	$ 369,522

Second Quarter of 2026 Compared to First Quarter of 2026

Noninterest expense increased by $8.5 million to $189.9 million for the second quarter from $181.4 million for the first quarter, primarily reflecting a $7.7 million increase in insurance and assessment due to a higher FDIC assessment rate resulting from the strategic balance sheet actions and its effect on assessment-related metrics and a $5.0 million increase in other expense related mainly to software obsolescence charges. These increases were offset partially by a $6.0 million decrease in compensation expense due to seasonal payroll related costs recognized in the first quarter.

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Noninterest expense increased by $1.7 million to $371.3 million for the six months ended June 30, 2026 from $369.5 million for the six months ended June 30, 2025. The increase is primarily due to a $6.3 million increase in other expense related mainly to software obsolescence charges, a $4.6 million increase in insurance and assessment due to the higher assessment rate resulting from the strategic balance sheet actions, and a $2.5 million increase in loans expense related to legal fees. These increases were offset partially by a $6.5 million decrease in customer related expenses primarily due to federal fund rate cuts in the fourth quarter of 2025 and a $3.0 million decrease in leased equipment depreciation.

Income Taxes

*Second Quarter o*f 2026 Compare*d to First Quarter of 2026*

Income tax benefit of $93.9 million was recorded for the second quarter, resulting in an effective tax rate of 28.0%, compared to income tax expense of $23.8 million and an effective tax rate of 24.9% for the first quarter. The second quarter tax rate reflects the effects of the Company's strategic balance sheet actions. Due to the significant impact of these actions on projected annual earnings, the Company calculated its second quarter income tax provision using a year to date effective tax rate approach rather than the estimated annual effective tax rate method.

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Income tax benefit of $70.1 million was recorded for the six months ended June 30, 2026, resulting in an effective tax rate of 29.3%, compared to income tax expense of $39.0 million and effective tax rate of 32.2% for the same period 2025. The decrease in effective tax rate from 2025 to 2026 is due primarily to the impact of a DTA revaluation recorded following the California state tax changes passed as part of the 2025 California budget enacted on June 30, 2025.

Balance Sheet Analysis

The following table provides a summary of our balance sheet highlights as of the dates indicated:

Balance Sheet Highlights	June 30, 2026	December 31, 2025	Increase (Decrease)
		(In thousands)	
Cash and cash equivalents	$ 2,818,055	$ 2,307,965	$ 510,090
Securities AFS	4,484,021	2,454,058	2,029,963
Securities HTM	—	2,308,636	(2,308,636)
Loans HFS	915,171	182,936	732,235
Loans and leases HFI	24,210,846	25,032,679	(821,833)
Total loans and leases	25,126,017	25,215,615	(89,598)
Total assets	35,030,953	34,797,442	233,511
Noninterest-bearing deposits	7,758,119	7,822,787	(64,668)
Total deposits	28,121,182	27,843,357	277,825
Borrowings	2,460,363	2,063,819	396,544
Subordinated debt	573,555	952,740	(379,185)
Total liabilities	31,620,807	31,256,165	364,642
Total stockholders' equity	3,410,146	3,541,277	(131,131)

The Company's June 30, 2026 balance sheet reflects the effects of the several strategic balance sheet actions, including the repositioning of $2.3 billion of lower-yielding HTM securities, the transfer of $827.0 million of loans from HFI to HFS as part of a targeted loan sale process, and the retirement of $385.0 million of subordinated debt.

Securities Available-for-Sale

The following table presents the composition and durations of our AFS securities as of the dates indicated:

	June 30, 2026			December 31, 2025		
Security Type	Fair Value	% of Total	Duration (in years)	Fair Value	% of Total	Duration (in years)
			(Dollars in thousands)			
Agency residential CMOs	$ 2,599,212	58 %	3.5	$ 871,624	36 %	2.3
Agency residential MBS	788,640	18 %	7.5	834,085	34 %	7.6
Private label residential CMOs	262,028	6 %	4.8	228,975	9 %	4.4
Collateralized loan obligations	200,500	5 %	—	200,822	8 %	—
Corporate debt securities	237,864	5 %	1.1	241,596	10 %	1.0
Agency commercial MBS	149,572	3 %	4.1	50,966	2 %	3.2
Asset-backed securities	12,181	— %	0.9	13,249	1 %	0.1
Private label commercial MBS	7,511	— %	2.9	9,279	— %	3.1
SBA securities	3,038	— %	3.9	3,462	— %	3.0
U.S. Treasury securities	223,475	5 %	2.6	—	— %	—
Total securities AFS	$ 4,484,021	100 %	4.0	$ 2,454,058	100 %	4.0

AFS securities increased by $1.8 billion to $4.5 billion at June 30, 2026 compared to $2.5 billion at December 31, 2025, due primarily to the transfer of HTM securities to AFS of $2.3 billion and purchases of $2.3 billion, offset partially by the sale of $2.3 billion, as part of the securities repositioning, $236.7 million of principal paydowns, $27.5 million of maturities, $17.4 million decrease in the fair value of AFS securities, and $3.4 million of net amortization. As of June 30, 2026, AFS securities had aggregate unrealized net after-tax losses in AOCI of $145.3 million, up from $136.6 million at December 31, 2025, driven by higher interest rates.

Securities Held-to-Maturity

As a result of the securities repositioning, the Company did not hold any securities classified as HTM as of June 30, 2026. The following table presents the composition and duration of our HTM securities as of December 31, 2025.

	December 31, 2025		
Security Type	**Amortized Cost**	**% of Total**	**Duration (in years)**
		(Dollars in thousands)	
Municipal securities	$ 1,237,792	54 %	7.5
Agency commercial MBS	447,283	19 %	5.1
Private label commercial MBS	360,382	16 %	4.8
U.S. Treasury securities	193,022	8 %	5.0
Corporate debt securities	70,852	3 %	4.0
Total securities HTM	$ 2,309,331	100 %	6.3

Loans Held for Sale

As part of our management of the loans held in our portfolio, on occasion we will transfer loans from HFI to HFS. Total loans and leases HFS increased by $732.2 million to $915.2 million at June 30, 2026 compared to $182.9 million at December 31, 2025. The increase was primarily driven by the transfer of $827.0 million of loans from HFI to HFS, which were recorded at the LOCOM, as part of the Company's targeted loan sale process and broader strategic balance sheet actions completed during the second quarter of 2026, offset partially by loan sales of $146.5 million .

Loans and Leases Held for Investment

The following table presents the composition of our loans and leases HFI by loan portfolio segment, class, and subclass as of the dates indicated:

	June 30, 2026		December 31, 2025	
	Balance	% of Total	Balance	% of Total
	(Dollars in thousands)			
Real Estate Mortgage:				
Commercial real estate	$ 3,110,481	13 %	$ 3,259,164	13 %
SBA program	632,478	3 %	666,424	3 %
Hotel	294,270	1 %	389,049	1 %
Total commercial real estate mortgage	4,037,229	17 %	4,314,637	17 %
Multi-family	5,445,475	22 %	6,089,417	24 %
Residential mortgage	3,769,706	16 %	3,307,427	14 %
Investor-owned residential	19,218	— %	32,567	— %
Residential renovation	4,952	— %	6,739	— %
Total other residential real estate	3,793,876	16 %	3,346,733	14 %
Total real estate mortgage	13,276,580	55 %	13,750,787	55 %
Real Estate Construction and Land:				
Commercial	360,392	1 %	379,387	2 %
Residential	1,114,459	5 %	1,568,240	6 %
Total real estate construction and land (1)	1,474,851	6 %	1,947,627	8 %
Commercial:				
Lender finance	2,017,200	8 %	1,623,474	6 %
Equipment finance	661,152	3 %	674,714	3 %
Premium finance	355,960	1 %	447,939	2 %
Other asset-based	284,510	2 %	204,883	1 %
Total asset-based	3,318,822	14 %	2,951,010	12 %
Equity fund loans	1,504,497	6 %	1,320,297	5 %
Venture lending	935,578	4 %	901,800	4 %
Total venture capital	2,440,075	10 %	2,222,097	9 %
Warehouse lending	1,680,730	7 %	2,100,075	8 %
Secured business loans	728,436	3 %	806,597	3 %
Other lending	944,368	4 %	897,427	4 %
Total other commercial	3,353,534	14 %	3,804,099	15 %
Total commercial	9,112,431	38 %	8,977,206	36 %
Consumer	346,984	1 %	357,059	1 %
Total loans and leases HFI	$ 24,210,846	100 %	$ 25,032,679	100 %
Total unfunded loan commitments	$ 5,211,632		$ 5,433,357	

(1) Includes land and acquisition and development loans of $186.0 million at June 30, 2026 and $214.5 million at December 31, 2025.

Our non-deposit financial institutions ("NDFI") lending for HFI loans totaled $5.2 billion or 21.6%, as of June 30, 2026 compared to $5.1 billion, or 20.5% as of December 31, 2025, and is diversified across multiple asset classes, including warehouse lending, equity fund loans, and lender finance. The NDFI portfolio has a history of strong asset quality performance with no delinquencies, nonperforming loans, or classified loans for these respective periods.

The following table presents a roll forward of loans and leases HFI for the period indicated:

Roll Forward of Loans and Leases Held for Investment	Six Months Ended June 30, 2026
	(In thousands)
Balance, beginning of period	$ 25,032,679
Additions:	
Production	2,174,209
Disbursements	2,736,926
Total production and disbursements	4,911,135
Reductions:	
Payoffs	(1,613,249)
Paydowns	(3,052,484)
Total payoffs and paydowns	(4,665,733)
Sales	(74,236)
Transfers to foreclosed assets	(2,104)
Charge-offs	(177,714)
Transfers to loans HFS	(813,181)
Total reductions	(5,732,968)
Net decrease	(821,833)
Balance, end of period	$ 24,210,846

Loan Concentrations

We mitigate loan concentration risk through disciplined underwriting and approval processes that consider borrower, industry, and collateral characteristics. All loan originations and renewals are individually reviewed, with larger exposures subject to credit committee oversight. Credit risk is actively managed through ongoing borrower monitoring, covenant compliance, independent credit review, and portfolio reviews designed to identify emerging credit risks.

Total real estate loans HFI were $14.8 billion, or 61%, of our loan portfolio at June 30, 2026 and consisted of $13.3 billion of real estate mortgage loans and $1.5 billion of real estate construction and land loans, compared to $15.7 billion, or 63%, of our total loan portfolio at December 31, 2025 and consisted of $13.8 billion of real estate mortgage loans and $1.9 billion of real estate construction and land loans. At June 30, 2026 and December 31, 2025, 70% and 71% of our real estate loans were collateralized by property in California, reflecting the concentration of our community banking operations within the state.

Allowance for Credit Losses on Loans and Leases Held for Investment

The ACL represents our estimate of CECL for loans and leases HFI and unfunded loan commitments as of the reporting date. The ACL is estimated under the CECL methodology, which incorporates historical credit loss experience, current conditions, and reasonable and supportable forecasts.

In estimating the ACL, we consider multiple forward-looking economic scenarios, with scenario selection and weighting reflecting current economic conditions and downside risk over the reasonable and supportable forecast period. Expected losses revert to a through-the-cycle basis thereafter, and assumptions are reassessed quarterly based on portfolio composition, credit quality trends, and macroeconomic factors. Quantitative model outputs are supplemented by qualitative adjustments for risks not fully captured in the models, primarily related to CRE exposure, portfolio concentrations, and levels of adversely classified loans. As part of our ACL governance framework, we perform sensitivity analyses to assess the reasonableness of the allowance; however, due to the interrelated nature of key assumptions, the impact of changes in individual inputs cannot be isolated.

We believe the ACL appropriately reflects expected credit losses inherent in the portfolio as of the reporting date. Actual results may differ due to changes in economic conditions, portfolio mix, or borrower performance. For additional information regarding our ACL methodology and accounting policies, see "Note 1 – Nature of Operations and Summary of Significant Accounting Policies" in Item 8 of the Form 10-K.

The following table presents information regarding the ACL on loans and leases HFI as of the dates indicated:

Allowance for Credit Losses Data	June 30, 2026	December 31, 2025
	(Dollars in thousands)	
Allowance for loan and lease losses	$ 243,319	$ 245,612
Reserve for unfunded loan commitments	32,921	34,921
Total allowance for credit losses	$ 276,240	$ 280,533
Allowance for credit losses to loans and leases HFI	1.14 %	1.12 %
Allowance for loan and lease losses to nonaccrual loans and leases HFI	135.60 %	176.30 %

The following table presents the changes in our ACL on loans and leases HFI for the periods indicated:

Roll Forward of Allowance for Credit Losses on Loans and Leases Held for Investment	Three Months Ended June 30, 2026	Three Months Ended March 31, 2026	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
	(Dollars in thousands)			
Balance, beginning of period	$ 276,521	$ 280,533	$ 280,533	$ 268,431
Provision for credit losses:				
Addition to allowance for loan and lease losses	162,000	9,800	171,800	48,280
Addition to reserve for unfunded loan commitments	(2,000)	—	(2,000)	150
Total provision for credit losses	160,000	9,800	169,800	48,430
Loans and leases charged off:				
Real estate mortgage	(77,833)	(5,374)	(83,207)	(21,869)
Real estate construction and land	(67,531)	(8,077)	(75,608)	(21,536)
Commercial	(15,104)	(1,737)	(16,841)	(18,175)
Consumer	(1,149)	(909)	(2,058)	(1,919)
Total loans and leases charged off	(161,617)	(16,097)	(177,714)	(63,499)
Recoveries on loans and leases charged off:				
Real estate mortgage	90	802	892	610
Commercial	921	1,307	2,228	4,391
Consumer	325	176	501	202
Total recoveries on loans and leases charged off	1,336	2,285	3,621	5,203
Net charge-offs	(160,281)	(13,812)	(174,093)	(58,296)
Balance, end of period	$ 276,240	$ 276,521	$ 276,240	$ 258,565
Annualized net charge-offs to average loans and leases	2.54 %	0.23 %	1.40 %	0.49 %

The following table presents charge-offs by loan portfolio segment, class, and subclass for the periods indicated:

Allowance for Credit Losses Charge-offs	Three Months Ended June 30, 2026	Three Months Ended March 31, 2026	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
	(In thousands)			
Real Estate Mortgage:				
Commercial real estate	$ 2,542	$ —	$ 2,542	$ 16,817
SBA program	5	—	5	583
Hotel	6,404	5,100	11,504	—
Total commercial real estate mortgage	8,951	5,100	14,051	17,400
Multi-family	68,249	—	68,249	3,275
Residential mortgage	—	71	71	129
Investor-owned residential	619	14	633	768
Residential renovation	14	189	203	297
Total other residential real estate	633	274	907	1,194
Total real estate mortgage	77,833	5,374	83,207	21,869
Real Estate Construction and Land:				
Commercial	—	8,077	8,077	21,536
Residential	67,531	—	67,531	—
Total real estate construction and land	67,531	8,077	75,608	21,536
Commercial:				
Venture lending	14,400	—	14,400	5,257
Total venture capital	14,400	—	14,400	5,257
Secured business loans	—	1,426	1,426	3,577
Other lending	704	311	1,015	9,341
Total other commercial	704	1,737	2,441	12,918
Total commercial	15,104	1,737	16,841	18,175
Consumer	1,149	909	2,058	1,919
Total charge-offs	$ 161,617	$ 16,097	$ 177,714	$ 63,499

The following table presents recoveries by portfolio segment, class, and subclass for the periods indicated:

Allowance for Credit Losses Recoveries	Three Months Ended June 30, 2026	Three Months Ended March 31, 2026	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
	(In thousands)			
Real Estate Mortgage:				
Commercial real estate	$ 14	$ 472	$ 486	$ 312
SBA program	62	90	152	196
Total commercial real estate mortgage	76	562	638	508
Residential mortgage	7	161	168	16
Investor-owned residential	7	49	56	—
Residential renovation	—	30	30	86
Total other residential real estate	14	240	254	102
Total real estate mortgage	90	802	892	610
Commercial:				
Premium finance	—	2	2	9
Other asset-based	100	558	658	—
Total asset-based	100	560	660	9
Venture lending	23	13	36	50
Total venture capital	23	13	36	50
Secured business loans	458	243	701	496
Other lending	340	491	831	3,836
Total other commercial	798	734	1,532	4,332
Total commercial	921	1,307	2,228	4,391
Consumer	325	176	501	202
Total recoveries	$ 1,336	$ 2,285	$ 3,621	$ 5,203

Credit Quality

Nonperforming Assets, Classified Loans and Leases, and Special Mention Loans and Leases

The following table presents information on our nonperforming assets, classified loans and leases, and special mention loans and leases as of the dates indicated:

	June 30, 2026	December 31, 2025
	(Dollars in thousands)	
Nonaccrual loans and leases HFI	$ 203,712	$ 159,168
Accruing loans contractually past due 90 days or more	—	—
Total nonperforming loans and leases	203,712	159,168
Foreclosed assets, net	16,319	17,115
Total nonperforming assets	$ 220,031	$ 176,283
Classified loans and leases HFI	$ 582,790	$ 800,330
Special mention loans and leases HFI	300,542	458,683
Criticized loans and leases HFI	$ 883,332	$ 1,259,013
Nonaccrual loans and leases HFI to loans and leases HFI	0.84 %	0.64 %
Nonperforming assets to loans and leases HFI and foreclosed assets, net	0.91 %	0.70 %
Allowance for credit losses to nonaccrual loans and leases HFI	135.60 %	176.25 %
Classified loans and leases HFI to loans and leases HFI	2.41 %	3.20 %
Special mention loans and leases HFI to loans and leases HFI	1.24 %	1.83 %

Nonaccrual Loans and Leases Held for Investment

The following table presents our nonaccrual loans and leases HFI and accruing loans and leases past due between 30 and 89 days by loan portfolio segment and class as of the dates indicated:

	June 30, 2026		December 31, 2025		Increase (Decrease)	
	Nonaccrual	Accruing and 30-89 Days Past Due	Nonaccrual	Accruing and 30-89 Days Past Due	Nonaccrual	Accruing and 30-89 Days Past Due
	(In thousands)					
Real estate mortgage:						
Commercial	$ 107,116	$ 8,000	$ 93,334	$ 1,124	$ 13,782	$ 6,876
Multi-family	11,639	—	3,358	32,887	8,281	(32,887)
Other residential	53,951	53,379	57,984	28,614	(4,033)	24,765
Total real estate mortgage	172,706	61,379	154,676	62,625	18,030	(1,246)
Real estate construction and land:						
Residential	2,385	—	—	26,540	2,385	(26,540)
Total real estate construction and land	2,385	—	—	26,540	2,385	(26,540)
Commercial:						
Asset-based	—	5,891	—	1,142	—	4,749
Venture capital	14,398	—	625	—	13,773	—
Other commercial	13,038	4,001	2,510	788	10,528	3,213
Total commercial	27,436	9,892	3,135	1,930	24,301	7,962
Consumer	1,185	1,482	1,357	1,933	(172)	(451)
Total HFI	$ 203,712	$ 72,753	$ 159,168	$ 93,028	$ 44,544	$ (20,275)

Nonperforming loans and leases HFI increased by $44.5 million to $203.7 million at June 30, 2026 compared to $159.2 million at December 31, 2025, due mainly to additions of $446.3 million, offset partially by transfers to loans HFS of $248.0 million, charge-offs of $97.1 million, principal and other reductions of $52.4 million, and transfers to accrual status of $4.4 million. As of June 30, 2026, three of our largest loan relationships on nonaccrual status had an aggregate carrying value of $69.8 million and represented 34% of total nonaccrual loans and leases.

Loans and leases accruing and 30-89 days past due decreased by $20.3 million to $72.8 million as of June 30, 2026 compared to $93.0 million at December 31, 2025, due mainly to decreases of $32.9 million in multi-family real estate mortgage delinquent loans and $26.5 million in residential real estate construction and land delinquent loans, offset partially by increases of $24.8 million in other residential real estate mortgage delinquent loans.

Foreclosed Assets, Net

The following table presents foreclosed assets (primarily OREO), net of the valuation allowance, by property type as of the dates indicated:

Property Type	June 30, 2026	December 31, 2025
	(In thousands)	
Commercial real estate	$ 622	$ —
Single-family residential	15,677	17,095
Total OREO, net	16,299	17,095
Other foreclosed assets	20	20
Total foreclosed assets, net	$ 16,319	$ 17,115

Foreclosed assets decreased by $0.8 million to $16.3 million at June 30, 2026 compared to $17.1 million at December 31, 2025, due mainly to sales of $2.9 million, offset partially by transfers from loans of $2.1 million.

Classified and Special Mention Loans and Leases Held for Investment

The following table presents the credit risk ratings of our loans and leases HFI as of the dates indicated:

Loan and Lease Credit Risk Ratings	June 30, 2026	December 31, 2025
	(In thousands)	
Pass	$ 23,327,514	$ 23,773,666
Special mention	300,542	458,683
Classified	582,790	800,330
Total loans and leases HFI	$ 24,210,846	$ 25,032,679

Special mention and classified loans and leases were impacted by the transfer of $827.0 million of loans from HFI to HFS as part of the Company's targeted loan sale process.

The following table presents the classified and special mention credit risk rating categories for loans and leases HFI by loan portfolio segment and class and the related net changes as of the dates indicated:

	June 30, 2026		December 31, 2025		Increase (Decrease)	
	Classified	Special Mention	Classified	Special Mention	Classified	Special Mention
			(In thousands)			
Real estate mortgage:						
Commercial	$ 227,445	$ 158,679	$ 297,606	$ 126,998	$ (70,161)	$ 31,681
Multi-family	157,819	59,149	166,385	216,286	(8,566)	(157,137)
Other residential	53,951	—	58,202	—	(4,251)	—
Total real estate mortgage	439,215	217,828	522,193	343,284	(82,978)	(125,456)
Real estate construction and land:						
Commercial	—	—	52,828	—	(52,828)	—
Residential	2,385	4,036	2,982	10,714	(597)	(6,678)
Total real estate construction and land	2,385	4,036	55,810	10,714	(53,425)	(6,678)
Commercial:						
Asset-based	15,255	4,135	36,732	7,180	(21,477)	(3,045)
Venture capital	99,773	36,182	171,847	64,577	(72,074)	(28,395)
Other commercial	24,739	35,434	12,143	27,689	12,596	7,745
Total commercial	139,767	75,751	220,722	99,446	(80,955)	(23,695)
Consumer	1,423	2,927	1,605	5,239	(182)	(2,312)
Total	$ 582,790	$ 300,542	$ 800,330	$ 458,683	$ (217,540)	$ (158,141)

Classified loans and leases decreased by $217.5 million to $582.8 million at June 30, 2026 compared to $800.3 million at December 31, 2025, primarily reflecting the transfer of certain loans to HFS as part of the Company's targeted loan sale process. The decline was concentrated in venture capital loans, CRE mortgage loans, and CRE construction and land loans, which decreased by $72.1 million, $70.2 million, and $52.8 million, respectively.

Special mention loans and leases decreased by $158.1 million to $300.5 million at June 30, 2026 compared to $458.7 million at December 31, 2025, primarily reflecting the targeted loan sale transfer. The largest decreases occurred in multi-family real estate mortgage loans, which declined by $157.1 million.

Deposits

The following table presents the composition of our deposits portfolio by account type as of the dates indicated:

Deposit Type	June 30, 2026 Balance	June 30, 2026 % of Total	December 31, 2025 Balance	December 31, 2025 % of Total	Increase (Decrease)
	(Dollars in thousands)				
Noninterest-bearing checking	$ 7,758,119	28 %	$ 7,822,787	28 %	$ (64,668)
Interest-bearing:					
Checking	8,739,368	31 %	8,509,587	30 %	229,781
Money market	5,136,561	18 %	4,917,857	18 %	218,704
Savings	1,834,517	7 %	1,905,863	7 %	(71,346)
Time:					
Non-brokered	2,061,323	7 %	2,254,293	8 %	(192,970)
Brokered	2,591,294	9 %	2,432,970	9 %	158,324
Total time deposits	4,652,617	16 %	4,687,263	17 %	(34,646)
Total interest-bearing	20,363,063	72 %	20,020,570	72 %	342,493
Total deposits	$ 28,121,182	100 %	$ 27,843,357	100 %	$ 277,825

Total deposits increased by $277.8 million to $28.1 billion at June 30, 2026 compared to $27.8 billion at December 31, 2025. The increase in total deposits was due primarily to higher balances in checking accounts of $229.8 million and higher money market accounts of $218.7 million, offset partially by lower savings accounts of $71.3 million, lower noninterest-bearing checking accounts of $64.7 million, and lower brokered and non-brokered time deposits of $34.6 million. At June 30, 2026, noninterest-bearing deposits totaled $7.8 billion, or 28%, of total deposits, and interest-bearing deposits totaled $20.4 billion, or 72%, of total deposits, compared to noninterest-bearing deposits of $7.8 billion, or 28% of total deposits, and interest-bearing deposits of $20.0 billion, or 72% of total deposits, at December 31, 2025.

The following table presents time deposits based on the $250,000 FDIC insured limit as of the dates indicated:

Time Deposits	June 30, 2026 Balance	June 30, 2026 % of Total Deposits	December 31, 2025 Balance	December 31, 2025 % of Total Deposits
	(Dollars in thousands)			
Time deposits $250,000 and under	$ 3,766,798	13 %	$ 3,669,523	13 %
Time deposits over $250,000	885,819	3 %	1,017,740	4 %
Total time deposits	$ 4,652,617	16 %	$ 4,687,263	17 %

As of June 30, 2026, FDIC-insured deposits represented approximately 71% of total deposits, unchanged from 71% as of December 31, 2025.

The following table summarizes the maturities of time deposits as of the date indicated:

June 30, 2026	Time Deposits $250,000 and Under	Over $250,000	Total
	(In thousands)		
Maturities:			
Due in three months or less	$ 1,315,057	$ 319,475	$ 1,634,532
Due in over three months through six months	1,280,252	274,014	1,554,266
Due in over six months through 12 months	1,029,069	232,138	1,261,207
Total due within 12 months	3,624,378	825,627	4,450,005
Due in over 12 months through 24 months	137,703	56,310	194,013
Due in over 24 months	4,717	3,882	8,599
Total due over twelve months	142,420	60,192	202,612
Total	$ 3,766,798	$ 885,819	$ 4,652,617

Client Investment Funds

In addition to deposit products, we also offer alternative, non-depository corporate treasury solutions for clients to invest excess liquidity. These off-balance sheet client funds totaled $1.0 billion at June 30, 2026 and $1.2 billion at December 31, 2025.

Borrowings

The following table summarizes our borrowings as of the dates indicated:

	June 30, 2026		December 31, 2025	
	Balance	Weighted Average Rate	Balance	Weighted Average Rate
	(Dollars in thousands)			
FHLB secured advances	$ 2,350,000	3.88 %	$ 1,710,185	3.90 %
Other short-term borrowings	—	— %	240,000	3.69 %
Credit-linked notes	110,363	14.40 %	113,634	14.63 %
Total borrowings, net	$ 2,460,363	4.36 %	$ 2,063,819	4.47 %

Borrowings increased by $396.5 million to $2.5 billion at June 30, 2026 compared to $2.1 billion at December 31, 2025, due to higher FHLB secured advances. We utilized these borrowings to manage liquidity needs, including, but not limited to, funding asset growth, accommodating liability maturities and deposit withdrawals, and supporting business operations.

Subordinated Debt

On May 1, 2026, the Company redeemed all $385 million outstanding aggregate principal amount of its 3.25% Fixed-to-Floating Rate Subordinated Notes due 2031 originally issued by Pacific Western Bank. The remaining unamortized discount and debt issuance costs were recorded as a loss on redemption of debt in noninterest income. As a result of the redemption, subordinated debt decreased to $573.6 million at June 30, 2026 compared to $952.7 million at December 31, 2025. At June 30, 2026, $131.0 million of subordinated debt was included in the Company's Tier I capital and $412.3 million was included in Tier II capital.

Regulatory Matters

Capital

Bank regulatory agencies measure capital adequacy through standardized risk-based capital guidelines that compare different levels of capital (as defined by such guidelines) to risk-weighted assets and off-balance sheet obligations.

Regulatory capital requirements limit the amount of DTAs that may be included when determining the amount of regulatory capital. DTA amounts in excess of the calculated limit are disallowed from regulatory capital. At June 30, 2026, such disallowed amounts were $362.4 million for the Company and $333.4 million for the Bank. No assurance can be given that the regulatory capital DTA limitation will not increase in the future or that the Company and the Bank will not have increased DTAs that are disallowed.

Basel III currently requires all banking organizations to maintain a 2.50% capital conservation buffer above the minimum risk-based capital requirements to avoid certain limitations on capital distributions, stock repurchases and discretionary bonus payments to executive officers. The capital conservation buffer is exclusively comprised of CET1 capital, and it applies to each of the three risk-based capital ratios but not to the leverage ratio. Effective January 1, 2019, the CET1, Tier 1, and Total capital ratio minimums inclusive of the capital conservation buffer were 7.00%, 8.50%, and 10.50%. At June 30, 2026, the Company and the Bank were in compliance with the capital conservation buffer requirements.

The following tables present a comparison of our actual capital ratios to the minimum required ratios and well capitalized ratios as of the dates indicated:

			Minimum Required		
	June 30, 2026	December 31, 2025	For Capital Adequacy Purposes	For Capital Conservation Buffer	For Well Capitalized Classification
Banc of California, Inc.:					
Tier 1 leverage capital ratio	8.89%	9.99%	4.00%	N/A	N/A
CET1 capital ratio	9.25%	10.01%	4.50%	7.00%	N/A
Tier 1 capital ratio	11.67%	12.34%	6.00%	8.50%	6.00%
Total capital ratio	14.31%	16.31%	8.00%	10.50%	10.00%
Banc of California:					
Tier 1 leverage capital ratio	9.64%	10.65%	4.00%	N/A	5.00%
CET1 capital ratio	12.68%	13.15%	4.50%	7.00%	6.50%
Tier 1 capital ratio	12.68%	13.15%	6.00%	8.50%	8.00%
Total capital ratio	13.74%	15.61%	8.00%	10.50%	10.00%

The Company's consolidated risk-based capital ratios and Tier 1 leverage ratio decreased during the six months ended June 30, 2026 due mainly to the effect of the strategic balance sheet actions.

Dividends on Common Stock and Interest on Subordinated Debt

As a bank holding company, Banc of California, Inc. is required to notify and receive approval from the FRB prior to declaring and paying a dividend to common stockholders during any period in which quarterly and/or cumulative twelve-month net earnings are insufficient to fund the dividend amount, among other requirements. Interest payments made on subordinated debt are considered dividend payments under FRB regulations. We may not pay a dividend if the FRB objects or until such time as we receive approval from the FRB or we no longer need to provide notice under applicable regulations. The Company currently is required to receive FRB approval to declare or pay a dividend to stockholders. Further, if the Company defaults or elects to defer the interest payments on its subordinated debt, it is restricted from paying dividends on its Series F preferred and common stock.

Dividends on Preferred Stock

The Company's ability to pay dividends on the Series F preferred stock depends on the ability of the Bank to pay dividends to the holding company. The ability of the Company and the Bank to pay dividends in the future is subject to bank regulatory requirements, including capital regulations and policies established by the FRB and the DFPI, as applicable. Dividends on the Series F preferred stock will not be declared, paid, or set aside for payment to the extent such act would cause us to fail to comply with applicable laws and regulations, including applicable FRB capital adequacy regulations and policies.

Dividends on the Series F preferred stock are not cumulative or mandatory. If the Company's Board of Directors does not declare a dividend on the Series F preferred stock in respect of a dividend period, then no dividend shall be deemed to be payable for such dividend period or be cumulative, and the Company will have no obligation to pay any dividend for that dividend period, whether or not the Board of Directors declares a dividend on the Series F preferred stock or any other class or series of its capital stock for any future dividend period. However, if dividends on the Series F preferred stock have not been declared or paid for the equivalent of six dividend payments, whether or not for consecutive dividend periods, holders of the outstanding shares of Series F preferred stock, together with holders of any other series of the Company's preferred stock ranking equal with the Series F preferred stock with similar voting rights, will generally be entitled to vote for the election of two additional directors. Additionally, so long as any share of Series F preferred stock remains outstanding, unless dividends on all outstanding shares of Series F preferred stock for the most recently completed dividend period have been paid in full or declared and a sum sufficient for the payment thereof has been set aside for payment, no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on the Company's common stock.

Liquidity

Liquidity Management

Liquidity is the ongoing ability to accommodate liability maturities and deposit withdrawals, fund asset growth and business operations, and meet contractual obligations through unconstrained access to funding at reasonable market rates. Liquidity management involves forecasting funding requirements and maintaining sufficient capacity to meet the needs and accommodate fluctuations in asset and liability levels due to changes in the Company’s business operations or unanticipated events.

We have a Management Finance Committee ("MFC") that is comprised of members of senior management and is responsible for managing commitments to meet the needs of customers while achieving our financial objectives. MFC meets regularly to review funding capacities, current and forecasted loan demand, and investment opportunities.

We manage our liquidity by maintaining pools of liquid assets on-balance sheet, consisting of cash and receivables due from banks, interest-earning deposits in other financial institutions, and unpledged AFS securities, which we refer to as our primary liquidity. We also maintain available borrowing capacity under secured credit lines with the FHLB and the FRBSF, which we refer to as our secondary liquidity.

As a member of the FHLB, the Bank had secured borrowing capacity with the FHLB of $7.1 billion at June 30, 2026, offset partially by $611.2 million pledged for letters of credit and a balance outstanding of $2.4 billion as of that date. The FHLB secured credit line was collateralized by a blanket lien on $10.3 billion of certain qualifying loans. The Bank also had secured borrowing capacity with the FRBSF under the Discount Window program totaling $3.8 billion at June 30, 2026, of which $3.8 billion was available. The FRBSF Discount Window secured credit line was collateralized by liens on $4.7 billion of qualifying loans and $56.4 million of pledged securities.

In addition to its secured lines of credit with the FHLB and FRBSF, the Bank also had credit limits of $190.0 million in the aggregate with several commercial banks, as well as borrowing arrangements with unaffiliated financial institutions that provide for the purchase of overnight funds or other short-term borrowings. The availability of these unsecured borrowings fluctuates regularly and is subject to the discretion of the counterparties. As of June 30, 2026, the Bank had no balance outstanding under these arrangements. Additionally, the holding company has a $100.0 million unsecured revolving line of credit. As of June 30, 2026, there was no balance outstanding.

The following tables provide a summary of the Company's primary and secondary liquidity levels at the dates indicated:

Primary Liquidity - On-Balance Sheet	**June 30, 2026**	**December 31, 2025**
	(Dollars In thousands)	
Cash and due from banks	$ 225,343	$ 181,103
Interest-earning deposits in financial institutions	2,592,712	2,126,862
Total cash, cash equivalents, and restricted cash	2,818,055	2,307,965
Less: Restricted cash	(169,520)	(170,229)
Add: Securities AFS, at fair value	4,484,021	2,454,058
Less: Pledged securities AFS, at fair value	(694,948)	(3,463)
Less: Haircut on securities AFS	(232,871)	(183,265)
Total primary liquidity	$ 6,204,737	$ 4,405,066
Ratio of primary liquidity to total assets	17.7 %	12.7 %

Secondary Liquidity - Off-Balance Sheet

Available Secured Borrowing Capacity	**June 30, 2026**	**December 31, 2025**
	(In thousands)	
Total secured borrowing capacity with the FHLB	$ 7,079,393	$ 6,949,898
Less: Letters of credit	(611,159)	(514,091)
Less: Secured advances outstanding	(2,350,000)	(1,710,185)
Available secured borrowing capacity with the FHLB	4,118,234	4,725,622
Available secured borrowing capacity with the FRBSF	3,786,519	5,044,040
Total secondary liquidity	$ 7,904,753	$ 9,769,662

The Company's primary liquidity increased by $1.8 billion to $6.2 billion at June 30, 2026 compared to $4.4 billion at December 31, 2025, due mainly to an increase of $2.0 billion in AFS securities and an increase of $510.1 million in total cash and cash equivalents excluding restricted cash. Prior to the strategic balance sheet actions that occurred in the second quarter of 2026, we also included certain unencumbered HTM securities in our internal liquidity stress test buffer which are not included in our primary liquidity. The Company's secondary liquidity decreased by $1.9 billion to $7.9 billion at June 30, 2026 compared to $9.8 billion at December 31, 2025, due to a decrease in the available secured borrowing capacity with the FRB of $1.3 billion and a decrease in available borrowing capacity at the FHLB of $607.4 million. At June 30, 2026, total available liquidity was $14.1 billion, which exceeded uninsured and uncollateralized deposits of $7.6 billion.

Obtaining new customer deposits or having existing customers increase their deposit balances with us, are the primary sources of funding for our operations and is one of the highest priorities of the Company. See "- Balance Sheet Analysis - Deposits" for additional information and detail of our deposits. Additionally, we fund our operations with cash flows from our loan and securities portfolios.

Our deposit balances may decrease if customers withdraw funds from the Bank. In order to address the Bank’s liquidity risk from fluctuating deposit balances, the Bank maintains adequate levels of available liquidity on and off the balance sheet.

We use brokered deposits, the availability of which is uncertain and subject to competitive market forces and regulations, for liquidity management purposes. At June 30, 2026, brokered deposits totaled $2.8 billion, consisting of $2.6 billion of brokered time deposits and $226.8 million of non-maturity brokered accounts. At December 31, 2025, brokered deposits totaled $2.9 billion, consisting of $2.4 billion of brokered time deposits and $480.0 million of non-maturity brokered accounts.

Our Liquidity Management Policy establishes guidelines aligned with the Company's Risk Appetite Framework and includes a range of liquidity and funding concentration metrics designed to monitor balance sheet strength, funding stability, and available liquidity resources. These measures incorporate assessments of on-balance sheet liquidity, contingent funding capacity, and the composition of funding sources. As of June 30, 2026, the Bank was in compliance with all applicable liquidity and funding concentration guidelines.

Holding Company Liquidity

Banc of California, Inc. acts as a source of financial strength for the Bank which can also include being a source of liquidity. The primary sources of liquidity for the holding company include dividends from the Bank, intercompany tax payments from the Bank, and Banc of California, Inc.'s ability to raise capital, issue subordinated and senior debt, and secure outside borrowings. Banc of California, Inc.'s ability to obtain funds for the payment of dividends to our stockholders, the repurchase of shares of common stock and preferred stock, and other cash requirements is largely dependent upon the Bank's earnings. The Bank is subject to restrictions under certain federal and state laws and regulations that limit its ability to transfer funds to the holding company through intercompany loans, advances, or cash dividends. Banc of California, Inc.'s ability to pay dividends is also subject to the restrictions set forth by the FRB, and by certain covenants contained in our subordinated debt. See "- Regulatory Matters - *Dividend on Preferred Stock*" for information regarding the payment of dividends on the Series F preferred stock.

On December 23, 2024, Banc of California, Inc. entered into an unsecured revolving line of credit agreement as a borrower for $50.0 million. On March 17, 2025, the Company executed an amendment to the credit agreement that increased the Company's unsecured revolving line of credit to $100.0 million. As of June 30, 2026 and December 31, 2025, there was no balance outstanding.

On March 23, 2026, we announced the extension of the Company's existing $300 million stock repurchase program, which had been scheduled to expire in March 2026, through March 16, 2027. During the first quarter of 2026, the Company repurchased a total of approximately 1.7 million shares of common and common equivalent stock for $31.9 million, at a weighted-average price of $18.68 per share. As of June 30, 2026, the Company had $82.6 million remaining under the stock repurchase authorization. For further information on the stock repurchase program, see "Note 14. Stockholders' Equity", in Item 1 of this Form 10-Q.

At June 30, 2026, Banc of California, Inc. had $101.8 million in cash and cash equivalents, of which a substantial amount was on deposit at the Bank. We believe this amount of cash, along with anticipated future dividends from the Bank, will be sufficient to fund the holding company's cash flow needs over the next 12 months.

Commitments and Contingencies

Our obligations also include off-balance sheet arrangements consisting of loan commitments, of which only a portion is expected to be funded, and standby letters of credit. At June 30, 2026, our loan commitments and standby letters of credit were $5.2 billion and $291.7 million. The loan commitments, a portion of which will eventually result in funded loans, increase our profitability through NII when drawn and unused commitment fees prior to being drawn. We manage our overall liquidity taking into consideration funded and unfunded commitments as a percentage of our liquidity sources. Our liquidity sources, as described in "Liquidity - Liquidity Management," have been and are expected to be sufficient to meet the cash requirements of our lending activities. For further information on loan commitments, see "Note 10. Commitments and Contingencies", in Item 1 of this Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This analysis should be read in conjunction with text under the caption "*Quantitative and Qualitative Disclosures About Market Risk*" in our Annual Report on Form 10-K for the year ended December 31, 2025, which text is incorporated herein by reference. Our analysis of market risk and market-sensitive financial information contains forward-looking statements and is subject to the disclosure at the beginning of Item 2 regarding such forward-looking information.

Market Risk - Foreign Currency Exposure

We enter into foreign exchange contracts with our clients and counterparty banks primarily for the purpose of offsetting or hedging clients' foreign currency exposures arising out of commercial transactions, and we enter into cross currency swaps and foreign exchange forward contracts to hedge exposures to loans and debt instruments denominated in foreign currencies. We have experienced and will continue to experience fluctuations in our net earnings as a result of transaction gains or losses related to revaluing certain asset and liability balances that are denominated in currencies other than the U.S. Dollar and the derivatives that hedge those exposures. As of June 30, 2026, the U.S. Dollar notional amounts of loans receivable and subordinated debt payable denominated in foreign currencies were $80.1 million and $29.4 million, and the U.S. Dollar notional amounts of derivatives outstanding to hedge these foreign currency exposures were $81.1 million and $29.9 million. We recognized a foreign currency translation net gain of $0.7 million for the six months ended June 30, 2026 and a foreign currency translation net gain of $0.1 million for the six months ended June 30, 2025.

Asset/Liability Management and Interest Rate Sensitivity

Interest Rate Risk - Company Governance. On at least a quarterly basis, we measure our IRR position using two methods: (i) NII simulation analysis and (ii) EVE modeling. The Management Finance Committee ("MFC") and the Finance Committee of the Company's Board of Directors review the results of these analyses at least quarterly. As discussed in more detail below, if projected changes to interest rates cause changes to our simulated net present value of equity and/or NII to be outside our pre-established IRR limits, we may adjust our asset and liability mix in an effort to bring our IRR exposure within our established limits.

The pre-established IRR limits are recommended by management, determined based on analytical review and available peer data published by regulatory agencies about the IRR limits utilized by other regional banks, and documented in the Company's Asset Liability Management Policy. The policy is approved by MFC and the Finance Committee of the Board of Directors annually. We believe our IRR limits are consistent with prevailing practice in the regional banking industry.

We use a balance sheet simulation model (the "IRR Model") to estimate changes in NII and EVE that would result from immediate and sustained changes in interest rates as of the measurement date. This IRR Model assesses the changes in NII and EVE that would occur in response to an instantaneous and sustained increase and decrease in market interest rates of +-100, +-200, +-300, and +-400 basis points. This model is an IRR management tool, and the results are not necessarily an indication of our future NII. The IRR Model has inherent limitations and the model's results are based on a given set of rate changes and assumptions at a single point in time.

The IRR Model is updated at least quarterly, and the IRR Model results are reported to MFC and the Finance Committee of the Company's Board of Directors at each monthly or quarterly meeting, as applicable.

Our Risk When Interest Rates Change. The rates of interest we earn on assets and pay on liabilities generally are established contractually for a period of time, except for non-maturity deposits. Market interest rates change over time. Accordingly, our results of operations, like those of other financial institutions, are impacted by changes in interest rates and the interest rate sensitivity of our assets and liabilities. The risk associated with changes in interest rates and our ability to adapt to these changes is known as IRR and is our most significant market risk.

How We Measure Our Risk of Interest Rate Changes. As part of our attempt to manage our exposure to changes in interest rates and comply with applicable regulations, we have established asset/liability committees to monitor our IRR. In monitoring IRR, we continually analyze and manage assets and liabilities based on their payment streams and interest rates, the timing of their maturities and/or prepayments, and their sensitivity to actual or potential changes in market interest rates.

The MFC is comprised of select members of senior management. The Company also has a Finance Committee of the Boards of Directors of the Company and the Bank (together with MFC, the "ALCOs"). In order to manage the risk of potential adverse effects of material and prolonged or volatile changes in interest rates on our results of operations, we have adopted asset/liability management policies to align maturities and repricing terms of interest-earning assets to interest-bearing liabilities. The asset/liability management policies establish guidelines for the volume and mix of assets and funding sources taking into account relative costs and spreads, interest rate sensitivity and liquidity needs, while management monitors adherence to those guidelines with oversight by the ALCOs. The objectives are to manage assets and funding sources to produce results that are consistent with liquidity, capital adequacy, growth, risk, and profitability goals. The ALCOs meet no less than quarterly to review, among other things, economic conditions and interest rate outlook, current and projected liquidity needs and capital position, anticipated changes in the volume and mix of assets and liabilities and IRR exposure limits versus current projections pursuant to our EVE analysis.

In order to manage our assets and liabilities and achieve the desired liquidity, credit quality, IRR, profitability, and capital targets, we evaluate various strategies. These include complementing our current loan origination platform through strategic acquisitions of whole loans, strategically managing multiple warehouse relationships, and originating shorter-term consumer loans. We also actively manage the level of investments and duration of investment securities and focus on establishing stable deposit relationships. Additionally, we utilize certain derivatives such as interest rate swaps and collars as hedges to align maturities and repricing terms.

At times, depending on the level of general interest rates, the relationship between long- and short-term interest rates, market conditions and competitive factors, the ALCOs may decide to increase our IRR position within the asset/liability tolerance set forth by our Board of Directors. As part of its procedures, the ALCOs regularly review IRR by forecasting the impact of alternative interest rate environments on NII and our EVE.

Interest Rate Sensitivity of Economic Value of Equity and Net Interest Income

IRR results from our banking activities and is the primary market risk for us. IRR is caused by the following factors:

- Repricing risk - timing differences in the repricing and maturity of interest-earning assets and interest-bearing liabilities;
- Option risk - changes in the expected maturities of assets and liabilities, such as borrowers' ability to prepay loans and depositors' ability to redeem certificates of deposit before maturity;
- Yield curve risk - changes in the yield curve where interest rates increase or decrease in a nonparallel fashion; and
- Basis risk - changes in spread relationships between different yield curves, such as U.S. Treasuries, U.S. Prime Rate, and SOFR.

Since our earnings are primarily dependent on our ability to generate NII, we focus on actively monitoring and managing the effects of adverse changes in interest rates on our NII. Management of our IRR is overseen by the Finance Committee of the Boards of Directors of the Company and Bank, which delegates the day-to-day management of IRR to the MFC. MFC ensures that the Bank is following the appropriate and current regulatory guidance in the formulation and implementation of our IRR program. The Finance Committee of the Boards of Directors of the Company and the Bank reviews the results of our IRR modeling at least quarterly to ensure that we have appropriately measured our IRR, mitigated our exposures appropriately and any residual risk is acceptable. In addition to our annual review of our Asset Liability Management policy, our Board of Directors periodically reviews the IRR policy limits.

IRR management is an ongoing process that monitors loan and deposit flows, along with investment and funding activities. Effective IRR management begins with understanding the repricing characteristics of our assets and liabilities and estimating an appropriate risk posture based on forecasts, objectives, market expectations, and policy constraints.

IRR exposure is measured using several tools, including a simulation model that performs interest rate sensitivity under multiple scenarios. The model reflects the actual maturities and re-pricing characteristics of interest rate sensitive assets and liabilities and includes instantaneous parallel interest rate shocks. Results are evaluated using two metrics: NII at Risk and EVE. NII at Risk estimates the impact of rate changes on NII using assumptions for assets, liabilities, and derivatives.

The NII simulation estimates changes in NII over the next twelve months from immediate and sustained rate changes as of June 30, 2026. The analysis assumes a static balance sheet with no growth or product mix changes. This model is a risk management tool and does not necessarily predict future NII.

EVE measures the present value of assets minus liabilities and assesses changes in the economic value under various interest rate scenarios. Unlike the NII approach, EVE captures the impact of all anticipated cash flows and provides a longer-term perspective.

A balance sheet is considered "asset sensitive" when an increase in short-term interest rates is expected to expand our NII, as rates earned on our interest-earning assets reprice higher at a pace faster than rates paid on our interest-bearing liabilities. Conversely, the balance sheet is considered "liability sensitive" when an increase in short-term interest rates is expected to compress our NII, as rates paid on our interest-bearing liabilities reprice higher at a pace faster than rates earned on our interest-earning assets.

At both June 30, 2026 and December 31, 2025, our IRR profile remained close to "neutral." This position reflects our balanced composition of repricing assets and beta-adjusted repricing deposits and other interest-bearing liabilities over the course of the next twelve months. Given the uncertainty of the magnitude, timing, and direction of future interest rate movements, as well as the shape of the yield curve, actual results may vary materially from those predicted by our model.

The following table presents the projected change in the Company's EVE at June 30, 2026 and NII over the next twelve months, which would occur upon an immediate change in interest rates, but without giving effect to any steps that management might take to counteract that change:

	Change in Interest Rates in Basis Points (bps) [(1)]					
	Economic Value of Equity			Net Interest Income		
June 30, 2026	Amount	Amount Change	Percentage Change	Amount	Amount Change	Percentage Change
	(Dollars in millions)					
+200 bps	$ 4,813	$ (434)	(8.3)%	$ 1,122	$ 16	1.4 %
+100 bps	$ 5,106	$ (141)	(2.7)%	$ 1,116	$ 9	0.8 %
0 bps	$ 5,247			$ 1,106		
-100 bps	$ 5,278	$ 31	0.6 %	$ 1,100	$ (6)	(0.5)%
-200 bps	$ 5,248	$ 1	— %	$ 1,097	$ (9)	(0.8)%

(1) Assumes an instantaneous uniform change in interest rates at all maturities and no rate shock has a rate lower than zero percent.

Earnings-at-Risk

In addition to IRR associated with NII, certain noninterest expense items are also sensitive to changes in market interest rates. One such item is the cost of ECRs provided on certain deposit accounts, primarily those associated with our Homeowners Association business. ECRs comprise most of our customer related expense and fluctuate in response to changes in short term rates and can therefore influence the Company's overall earnings sensitivity profile. We expect that a declining interest rate environment would reduce ECR costs and thereby reduce noninterest expense, conversely, when interest rates rise, ECR costs would also rise, thereby increasing noninterest expense. The Company's Earnings-at-Risk modeling incorporates the impact of these rate-sensitive noninterest expenses, in addition to interest income and expense, to assess the effect of interest rate movements on projected earnings over a twelve-month horizon.

As of June 30, 2026, client deposits eligible for ECRs totaled approximately $3.8 billion. Taking into account the rate sensitivity of ECRs, which are primarily attributable to such deposits, the Company's overall earnings profile would be considered "liability sensitive." During the second quarter of 2025, the Company also entered into interest rate collars with a notional value of $1.0 billion to mitigate the risk of increasing interest expense if short term interest rates increase. For further information on the interest rate collars, see "Note 9. Derivatives", in Item 1 of this Form 10-Q.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

Our Chief Executive Officer and Chief Financial Officer have evaluated our disclosure controls and procedures as of June 30, 2026 and have concluded that these disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the second quarter of 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth in "Note 10. Commitments and Contingencies" in Item 1 of this Form 10-Q is incorporated herein by reference.

In addition, in the ordinary course of our business, we are party to various legal actions, which we believe are incidental to the operation of our business. The outcome of such legal actions and the timing of ultimate resolution are inherently difficult to predict. In the opinion of management, based upon information currently available to us, any resulting liability, in addition to amounts already accrued, and taking into consideration insurance which may be applicable, would not have a material adverse effect on the Company’s financial statements or operations.

ITEM 1A. RISK FACTORS

For information regarding factors that could affect the Company's results of operations, financial condition, and liquidity, see the risk factors disclosed in the "Risk Factors" section of our Form 10-K. See also "Forward-Looking Information" disclosed in Part I, Item 2 of this Quarterly Report on Form 10-Q. There have been no material changes to the risk factors previously disclosed in our Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table sets forth information regarding repurchases of shares of our common stock during the three months ended June 30, 2026:

Period	Total Number of Shares Purchased [(1)]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program [(2)]	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Program [(2)]
	(Dollars in thousands, except per share amounts)			
April 1 - April 30, 2026	1,432	$ 17.04	—	$ 82,559
May 1 - May 31, 2026	33,202	$ 19.12	—	$ 82,559
June 1 - June 30, 2026	—	$ —	—	$ 82,559
Total	34,634	$ 19.04	—	

(1) Includes shares repurchased pursuant to net settlement by employees in satisfaction of income tax withholding obligations incurred through the vesting of Company stock awards, and shares repurchased pursuant to the Company's publicly announced Stock Repurchase Program described in (2) below.

(2) On March 23, 2026, the Company announced that its Board of Directors extended its $300.0 million stock repurchase program through March 16, 2027. Pursuant to this program, the Company may repurchase common stock, common equivalent stock and depository shares representing its preferred stock from time to time in open market transactions, in block transactions on or off an exchange, in privately negotiated transactions, or by other means as determined by the Company's management and in accordance with the regulations of the SEC. The program may be changed, suspended, or discontinued at any time.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Trading Arrangements

During the quarter ended June 30, 2026, none of our directors or executive officers adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (in each case, as defined in Item 408 of Regulation S-K) for the purchase or sale of the Company's securities.

CFO Amended and Restated Employment Agreement

On August 5, 2026, the Company and the Bank (together the "Employer") entered into an amended and restated employment agreement with Joseph Kauder, Executive Vice President and Chief Financial Officer of the Company and the Bank (the "Employment Agreement"), amending and restating Mr. Kauder's existing employment agreement (the "Prior Employment Agreement") as further described below.

The term of the Employment Agreement commences on August 1, 2026 and continues for three years unless terminated sooner or extended as provided in the Employment Agreement. The Employment Agreement provides an initial base salary equal to Mr. Kauder's current base salary of $621,000 per year, an annual target bonus opportunity equal to Mr. Kauder's current opportunity of 80% of annual base salary as well as Mr. Kauder's current long-term equity incentive award target of 120% of annual base salary. At the sole discretion of the Employer, the Employer will also pay for or reimburse Mr. Kauder for reasonable costs incurred for temporary housing in Orange County, California, up to a maximum of $100,000 per year.

If the Employer terminates Mr. Kauder's employment without cause (including non-renewal of the employment term) or Mr. Kauder resigns for good reason outside of the period described in the immediately following sentence, subject to execution and non-revocation of a release of claims, Mr. Kauder is entitled to receive: (i) severance pay equal to the sum of his base salary and target bonus; (ii) a pro-rated target bonus for the year of termination; (iii) the employer portion of the COBRA premiums for 18 months; (iv) full vesting of all non-performance-based equity awards; and (v) continued eligibility for vesting of performance-based equity awards on a pro-rated basis based on the days employed in the applicable performance period. If termination occurs within two years following a change of control, subject to Mr. Kauder's execution of a release of claims, Mr. Kauder is eligible for the same severance benefits, except (i) the severance pay will instead equal two times his annual base salary and target bonus and (ii) all of his outstanding equity awards will vest in full (with performance based on the greater of target performance or actual performance (if measurable)). If Mr. Kauder's employment terminates due to death or disability, subject to execution and non-revocation of a release of claims, Mr. Kauder (or his beneficiary or estate, as applicable) will be entitled to receive (i) a target bonus for the year of termination and (ii) full vesting of all outstanding equity awards (with performance based on the greater of target performance or actual performance (if measurable)).

Except as set forth above, the terms and conditions of the Employment Agreement are substantially the same as the terms and conditions of the Prior Employment Agreement.

The foregoing description of the Employment Agreement is qualified in its entirety by reference to the full text of the Employment Agreement, which is filed as Exhibit 10.2 hereto and is incorporated herein by reference.

ITEM 6. EXHIBITS

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of July 25, 2023, by and among PacWest Bancorp, Banc of California, Inc. and Cal Merger Sub, Inc. (Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed on July 28, 2023 and incorporated herein by reference).
3.1	Third Articles of Restatement of Banc of California, Inc., restated as of February 27, 2024 (Exhibit 3.1 to the Registrant's Annual Report on Form 10-K filed on February 29, 2024 and incorporated herein by reference).
3.2	Sixth Amended and Restated Bylaws of Banc of California, Inc. (Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on May 15, 2023 and incorporated herein by reference).
10.1*	Banc of California, Inc. Second Amended and Restated 2018 Omnibus Incentive Stock Plan (Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on May 8, 2026 and incorporated herein by reference).
10.2*	Amended and Restated Employment Agreement, dated as of August 5, 2026, by and among Joseph Kauder, Banc of California, Inc. and Banc of California (Filed herewith).
31.1	Section 302 Certification of Chief Executive Officer (Filed herewith).
31.2	Section 302 Certification of Chief Financial Officer (Filed herewith).
32.1+	Section 906 Certification of Chief Executive Officer (Furnished herewith).
32.2+	Section 906 Certification of Chief Financial Officer (Furnished herewith).
101	Interactive data files pursuant to Rule 405 of Regulation S-T formatted in Inline XBRL: (i) the Consolidated Balance Sheets as of June 30, 2026, and December 31, 2025, (ii) the Consolidated Statements of Earnings for the three months ended June 30, 2026, March 31, 2026 and June 30, 2025, (iii) the Consolidated Statements of Comprehensive Income for the three months ended March 31, 2026, March 31, 2026 and June 30, 2025, (iv) the Consolidated Statement of Changes in Stockholders' Equity for the six months ended June 30, 2026 and June 30, 2025, (v) the Consolidated Statements of Cash Flows for the six months ended June 30, 2026 and June 30, 2025, and (vi) the Notes to Consolidated Financial Statements. (Filed herewith).
104	Cover page of Banc of California, Inc.'s Quarterly Report on Form 10-Q formatted as Inline XBRL and contained in Exhibit 101.

* Management contract or compensatory plan or arrangement

\+ This exhibit shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. Such exhibit shall not be deemed incorporated into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		BANC OF CALIFORNIA, INC.
Date:	August 7, 2026	/s/ Jared M. Wolff
		Jared M. Wolff *Chairman of the Board of Directors,* *Chief Executive Officer and President* *(Principal Executive Officer)*
Date:	August 7, 2026	/s/ Joseph Kauder
		Joseph Kauder *Executive Vice President, and Chief Financial Officer* *(Principal Financial Officer)*
Date:	August 7, 2026	/s/ Karen Hon
		Karen Hon *Executive Vice President, Deputy Chief Financial Officer* *and Chief Accounting Officer* *(Principal Accounting Officer)*

Exhibit 10.2

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of August 5, 2026 between and among Banc of California, Inc. (the "Company"), Banc of California, a California state-chartered bank (the "Bank" and together with the Company, "Employer"), on the one hand, and Joseph Kauder ("Executive"), on the other hand.

WHEREAS, Employer and Executive entered into an Employment Agreement dated July 5, 2023 (the "Prior Agreement");

WHEREAS, Employer desires to continue to employ Executive, and Executive desires to continue to be employed by Employer upon the terms and subject to the conditions set forth in this Agreement, effective as of the Effective Date (as defined below); and

WHEREAS, the Employer and Executive are entering into this Agreement to amend and restate the Prior Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained in this Agreement, the parties agree as follows:

1. Employment. Employer agrees to continue to employ Executive, and Executive accepts continued employment with Employer, upon the terms and conditions set forth in this Agreement and this Agreement amends and restates the Prior Agreement in its entirety.

2. Term. The term of employment under this Agreement shall begin on August 1, 2026 (the "Effective Date") and shall expire on July 31, 2029, unless terminated sooner as provided in this Agreement or unless extended as provided in the next sentence (the "Employment Period"). Unless this Agreement is terminated earlier, commencing on August 1, 2029, and on each anniversary of August 1, 2029 (each August 1st on or after August 1, 2029, the "Renewal Date"), the Employment Period shall be extended for one additional year (a "Renewal Term"), unless either party notifies the other party at least ninety (90) days prior to the applicable Renewal Date that the Employment Period shall not be so extended; provided, however, that in no event shall the Employment Period be extended beyond July 31, 2031.

3. Duties. During the Employment Period:

(a) Executive shall be employed by Employer as Executive Vice President and Chief Financial Officer of the Company and the Bank, with the authority, duties and responsibilities as are customarily assigned to this position consistent with the designation as "principal financial officer" pursuant to Item 402(a)(3)(ii) of Regulation S-K under the Securities Act of 1933, and Rule 16a-1(f) under the Securities Exchange Act of 1934. Executive shall report directly to the Chief Executive Officer ("CEO") of the Company and the Bank, and/or such other officers of the Company and the Bank, as determined from time to time by the CEO or the Board of Directors of the Company (the "Company Board") and the Board of Directors of the Bank (the "Bank Board"). Executive's primary place of employment will be in Santa Ana, California, except for required business travel.

(b) Executive shall devote his full business time, energy and skill to the business of Employer, and to the promotion of Employer's best interests. Executive agrees to devote the time necessary to discharge faithfully and efficiently his responsibilities under this Agreement. Notwithstanding anything to the contrary in this Agreement, Executive may devote reasonable time to (i) supervision of his personal investments, (ii) activities involving professional, charitable, educational, religious and similar types of organizations, and (iii) similar activities, to the extent that those other activities do not interfere with the performance of Executive's duties under this Agreement, or conflict in any way with the business or interests of Employer, and are in compliance with Employer's policies and procedures in effect from time to time, including, without limitation, the Code of Business Conduct and Ethics Policy and the Company's policies on Outside Business Interests and Related Party Transactions. Any external board or other similar roles shall be subject to approval by the Joint Compensation, Nominating and Corporate Governance Committee of the Board (the "Committee") and compliance with any other applicable Company policies.

(c) Executive represents and warrants that there are no current or prior employment agreements between him and his former employers—including but not limited to any employee code of conduct, noncompetition, nonsolicitation or nondisclosure agreements—that would restrict or otherwise adversely affect his continuing employment with Employer or performing his expected job duties.

4. Compensation. During the Employment Period:

(a) Executive shall be paid a base annual salary ("Annual Base Salary") as follows:

i. From the Effective Date through February 28, 2027, at the rate of $621,000; and

ii. After February 28, 2027, at the rate determined by the Committee.

The Annual Base Salary shall be payable in accordance with Employer's normal payroll practices (but not less frequently than monthly), as those practices may be determined from time to time.

(b) Executive shall be eligible to receive an annual bonus payable in cash (the "Annual Bonus") with respect to each fiscal year during the Employment Period, with an annual target bonus opportunity of 80% of Executive's rate of Annual Base Salary in effect when the Annual Bonus terms for the year are approved (the "Target Bonus"). The actual Annual Bonus earned may be higher or lower, depending on the level of achievement of applicable goals pursuant to the Company's short term incentive ("STI") cash bonus plan applicable to the Company's executive officers.

(c) Executive shall be entitled to participate, on terms comparable to similarly situated executive officers and consistent with his position and duties, in Employer's incentive compensation plans and programs, including Employer's Long-Term Incentive ("LTI") program. Such stock-based LTI Awards (the "Awards") shall be granted annually or on a periodic basis by the Committee, with a target long-term equity incentive award that shall be based on an annual target grant amount that is one-hundred and twenty percent (120%) of the Annual Base Salary i at the current rate then in effect. With respect to each grant of the Awards, 50% will be Restricted Stock Units subject solely to service-based vesting conditions (the "RSUs") and 50% will be Performance Stock Units subject to such performance-based and service-based vesting conditions as determined by the Committee (the "PSUs"). The RSUs shall vest annually in thirds (i.e., three equal installments) over three years. The PSUs shall vest at the end of a three year performance period subject to the achievement of the performance metrics set by the Committee for the Employer's executive officers. The number of shares shall be determined by the Committee by dividing the dollar amount of RSUs and PSUs, as applicable, by the per share closing price on the trading day immediately preceding the grant date or such other method of determination as in effect by the Committee. The Committee may exercise discretion to increase or decrease the annual long-term equity target grant amount for any year based on its evaluation of Executive's performance or other factors and may at any time exercise discretion to change the target composition, vesting period or other terms of any Awards.

(d) All amounts provided by Employer or any affiliate thereof to Executive, whether under this Agreement or otherwise, will be subject to such deductions and clawback (recovery) (i) as may be required to be made pursuant to law, government regulation, order or stock exchange listing requirement, (ii) pursuant to the Company's Mandatory Recoupment Policy and any other recoupment or other policy that Employer may adopt or (iii) by agreement with, or consent of, Executive.

(e) At the sole discretion of Employer, Employer will pay for or reimburse Executive for reasonable costs incurred for temporary housing in the Orange County, California area as reasonably required by Executive and subject to Employer's reasonable pre-approval, up to a maximum amount of $100,000 per year. Such expenses will be reimbursed, if applicable, on a quarterly basis following the presentation of satisfactory evidence of such expenses in accordance with the Employer's policies and procedures. All benefits pursuant to this clause (e) are terminable in the sole discretion of Employer upon sixty (60) days' notice to Executive.

(f) Employer will provide Executive with a car or provide Executive with a reasonable monthly car allowance, as mutually agreed.

(g) Executive's compensation, benefits and expenses shall be paid by the Company and the Bank in the same proportion as the time and services actually expended by Executive on behalf of each respective Employer.

5. Flex Time Off. Executive shall be entitled to take off as much personal time off from work as needed or as appropriate (Flex Time Off or "FTO"), consistent with his professional responsibilities and business needs; provided that Executive is meeting his work responsibilities; and provided, further, that Executive is demonstrating a level of commitment and conscientiousness that is sufficient to satisfy his professional responsibilities to Employer. Executive will receive the agreed-upon base salary during approved FTO unless Executive is on an extended leave that is unpaid pursuant to Employer's employee handbook or applicable law (e.g., FMLA, CFRA or other extended leave). Because FTO is not an accrued benefit, Executive will not be eligible for a payout of FTO at the time of separation from Employer, regardless of the reason for the separation. Executive will be subject to any changes to Employer's benefits policy that are applicable to other executives in similarly situated positions.

6. Benefits. Executive shall be entitled to participate in such life insurance, medical, dental, pension, supplemental disability, retirement plans or other programs as may be approved from time to time by Employer for the benefits of its executive employees.

7. Termination.

(a) Death or Disability. Executive's employment shall terminate automatically upon Executive's death during the Employment Period. If Employer determines in good faith that the Disability of Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may provide Executive with written notice in accordance with Section 21 of its intention to terminate Executive's employment. In such event, to the extent permitted by applicable law, Executive's employment with Employer shall terminate effective on the thirtieth (30th) day after receipt of such notice by Executive (the "Disability Effective Date"); provided that, within thirty (30) days after such receipt, Executive shall not have returned to full-time performance of Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of Executive from Executive's duties with Employer on a full-time basis for ninety (90) consecutive days, or a total of one hundred and eighty (180) days in any twelve-month period, as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by Employer or its insurers and reasonably acceptable to Executive or Executive's legal representative.

(b) With or Without Cause. Employer may terminate Executive's employment during the Employment Period with or without Cause at any time upon notice to Executive. For purposes of this Agreement, "Cause" means Executive's (i) personal dishonesty, gross negligence, willful misconduct, fraud or breach of fiduciary duty; (ii) willful failure to perform Executive's duties for or on behalf of Employer or its affiliates, or to follow, or cooperate in carrying out, any lawful material written policy adopted by Employer (including any written code of conduct or standards of ethics applicable to employees of Employer) or any reasonable directive from the Company Board or the Bank Board; (iii) continued and willful neglect of Executive's duties for or on behalf of Employer or its affiliates; (iv) the taking of, or omission to take, any action that is materially disruptive of the business or affairs of Employer, other than actions taken or omitted in good faith consistent with the best interests of Employer and its affiliates; (v) material breach of any provision of this Agreement; (vi) intentional violation of any material law, rule, regulation or judicial or administrative order to which Employer or any affiliate is subject or of any formal administrative action entered into by Employer or any affiliate, or imposed upon any of them; (vii) conduct that results in Executive's suspension or temporary or permanent prohibition or removal from participation in the conduct of the affairs of Employer or any affiliate, or the assessment of any civil money penalty against Executive, in any such case pursuant to the rules and regulations of any applicable regulatory agency having jurisdiction over Employer or its affiliates, or the issuance of any permanent injunction or similar remedy by a court having jurisdiction over Employer preventing Executive from executing or performing his material duties under this Agreement; or (viii) conviction of, or plea of nolo contendere to, a felony or any other crime involving moral turpitude, whether or not in connection with the business and affairs of Employer or its affiliates; provided, however, that Executive shall have thirty (30) days to cure any of the events or occurrences described in the immediately preceding clauses, to the extent such events or occurrences are curable. For purposes of this Section 7(b), no act or failure to act, on the part of Executive, shall be considered "willful" unless it is done, or omitted to be done, by Executive in bad faith or without reasonable belief that Executive's action or omission was in the best interests of Employer.

(c) With Good Reason. Executive's employment may be terminated by Executive with Good Reason. For purposes of this Agreement, "Good Reason" shall mean, in the absence of a written consent of Executive, any of the following:

i. a material diminution in Executive's title, authority, duties or responsibilities (other than pursuant to Section 7(d)(ii));

ii. a material breach of this Agreement by Employer (other than a breach of Section 4 resulting from a reduction in compensation or benefits that is required by a regulatory authority or applicable law or as otherwise permitted under Section 4); or

iii. non-renewal of this Agreement by the Employer upon expiration of the Employment Period.

To invoke a termination with Good Reason, Executive shall provide written notice to Employer of the existence of one or more of the conditions described in clauses (i) or (ii) within sixty (60) days following the initial existence of such condition or conditions, and Employer shall have thirty (30) days following receipt of such written notice (the "Cure Period") during which it may remedy the condition if such condition is reasonably subject to cure. In the event that Employer fails to remedy the condition constituting Good Reason during the applicable Cure Period, Executive's resignation, which must constitute a "separation from service" (within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code")), must become effective, if at all, within sixty (60) days following such Cure Period in order for such termination as a result of such condition to constitute a termination with Good Reason.

(d) Without Good Reason. Executive's employment may be terminated by Executive without Good Reason at any time upon sixty (60) days' prior written notice to Employer.

i. The period commencing on the date on which Employer receives notice of Executive's termination of his employment without Good Reason (the "Notice Date") and ending on the earlier of (i) sixty (60) days following the Notice Date and (ii) such earlier date as designated by Employer shall be referred to as the "Notice Period."

ii. During the Notice Period, Employer:

1) shall continue to pay Executive the Annual Base Salary then in effect, in accordance with Employer's regular payroll practices and allow Executive to participate in Employer's benefit plans to the extent permitted by such plans and applicable law;
2) reserves the right to (i) change or remove any of Executive's duties, (ii) require Executive to remain away from Employer's premises, and/or (iii)

take such other action as determined by Employer to aid and assist in the transition process associated with Executive's departure; and

3) may waive or terminate the Notice Period at any time and for any reason or for no reason, in which case the Date of Termination (as defined below) shall be the date on which Employer notifies Executive of such waiver or termination.

(e) Upon Expiration of Employment Period. Executive's employment shall terminate automatically upon expiration of the Employment Period if either party gives notice of non-renewal as set forth in Section 2. For purposes of clarity, if the Employer gives notice of non-renewal upon expiration of the Employment Period, it will constitute a termination by the Employer without Cause that entitles Executive to Severance Benefits (as defined below) under Section 8(c).

(f) Date of Termination. For purposes of this Agreement, "Date of Termination" means (i) if Executive's employment is terminated by Employer without Cause, or by Executive with Good Reason, the date of receipt of the notice of termination or any later date specified therein within thirty (30) days of such notice, as the case may be; (ii) if Executive's employment is terminated by Employer for Cause, the Date of Termination shall be the date on which Employer notifies Executive of such termination; (iii) if Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of Executive or the Disability Effective Date, as the case may be and (iv) if Executive's employment is terminated by Executive without Good Reason, the Date of Termination shall be the earlier of sixty (60) days following the Notice Date and such earlier date as designated by Employer.

8. Obligations of Employer and Executive upon Termination of Employment.

(a) In the event of the termination of Executive's employment for any reason, Executive shall be entitled to any Accrued Obligations. "Accrued Obligations" means (i) any base salary that Executive has earned but not been paid on or prior to the Date of Termination, (ii) Executive's Annual Bonus earned for the fiscal year immediately preceding the fiscal year in which the Date of Termination occurs to the extent such bonus has not been paid as of the Date of Termination (which shall be paid in the ordinary course when annual bonuses are paid to Employer's other executive officers); (iii) any reimbursable business expenses that were incurred by Executive as of the Date of Termination but have not been reimbursed on the Date of Termination, and (iv) any payments or benefits to which Executive or his beneficiary or estate is entitled under the terms of any applicable employee benefit plan (which shall be paid or provided pursuant to the terms of the applicable plan, agreement or policy).

(b) In the event that, during the term of this Agreement, Executive's employment is terminated by reason of death or Disability, subject to Section 8(d), Executive (or Executive's beneficiary or estate in the event Executive's employment is terminated by reason of death) shall be entitled to the following benefits (the "Death and Disability Benefits"):

i. annual bonus in an amount equal to Executive's Target Bonus in effect on the Date of Termination, payable in a lump sum on the first payroll date coincident with or next following the sixtieth (60th) calendar day following Executive's Date of Termination; and

ii. all of Executive's outstanding equity-based awards shall vest and become free of restrictions immediately (with any performance-based equity awards vesting at "target" performance levels unless the applicable performance goals are determinable as of the Date of Termination and actual performance exceeds "target" performance levels, in which case such performance-based awards will vest based on the actual level of achievement determined as of the Date of Termination).

(c) In the event that, during the term of this Agreement, Employer terminates Executive's employment without Cause (including if the Employer gives notice of non-renewal upon expiration of the Employment Period) or Executive resigns with Good Reason, subject to Section 8(d), Executive shall be entitled to the following severance benefits (the "Severance Benefits"):

i. severance pay in an amount equal to the sum of 100% of (A) Executive's Annual Base Salary in effect on the Date of Termination; and (B) Executive's Target Bonus in effect on the Date of Termination (the "Severance Amount") payable in lump sum on the first payroll date coincident with or next following the sixtieth (60) calendar day following the Executive's Date of Termination but no later than the 15th day of the third month following the Date of Termination;

ii. annual bonus in an amount equal to Executive's Target Bonus in effect on the Date of Termination multiplied by a fraction, the numerator of which is the number of days in the fiscal year in which the Date of Termination occurs up to and including the Date of Termination, and the denominator of which is the total number of days in the fiscal year in which the Date of Termination occurs, payable in a lump sum on the first payroll date coincident with or next following the sixtieth (60th) calendar day following Executive's Date of Termination;

iii. for the eighteen (18) month period following the Date of Termination, provided Executive has elected group health plan continuation coverage ("COBRA") under an Employer-provided group health plan, Employer shall pay to Executive in equal monthly installments, an amount equal to the monthly COBRA premium, less an amount equal to the portion of the monthly health-care premium Executive was paying prior to the Date of Termination;

iv. Executive's outstanding equity-based awards that are not performance-based shall vest and become free of restrictions immediately;

v. a pro-rated portion of Executive's outstanding equity-based awards that are performance-based shall remain eligible to vest based on actual performance in accordance with the applicable criteria, with the pro-rated portion of each award calculated using a fraction, the numerator of which is the number of days in the applicable award's performance period up to and including the Date of Termination, and the denominator of which is the total number of days in the applicable award's performance period; and

vi. notwithstanding the foregoing, if Employer terminates Executive's employment without Cause (including if the Employer gives notice of non-renewal upon expiration of the Employment Period) or Executive resigns with Good Reason, and the Date of Termination occurs within two years immediately following a Change of Control (as defined in Exhibit A), (A) the Severance Amount will be equal to 200% of the sum of Executive's Annual Base Salary and Target Bonus in effect on the Date of Termination (payable at the same time as set forth above); and (B) Executive's outstanding equity-based awards shall vest and become free of restrictions immediately (with any performance-based equity awards vesting at "target" performance levels unless the applicable performance goals are determinable as of the Date of Termination and actual performance exceeds "target" performance levels, in which case such performance-based awards will vest based on the actual level of achievement determined as of the Date of Termination).

(d) Any Death or Disability Benefits pursuant to Section 8(b) or Severance Benefits pursuant to Section 8(c) are subject to and conditioned upon Executive (or Executive's beneficiary or estate in the event Executive's employment is terminated by reason of death) signing and delivering to Employer a general release and waiver, in the form attached hereto as Exhibit B, within twenty-one (21) days following the Date of Termination (or forty-five

(45) days following the Date of Termination if Executive's termination is part of a group termination as set forth in 29 U.S.C. §626(f)(1)(F)(ii)), or, in the case of Death or Disability, within sixty (60) days following the Date of Termination, and not revoking the general release within any applicable revocation period.

(e) If any payment or benefit received or to be received by Executive pursuant to this Agreement or otherwise ("Payments") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this subsection (e), be subject to the excise tax imposed by Section 4999 of the Code, any successor provisions, or any comparable federal, state, local or foreign excise tax ("Excise Tax"), then such Payments shall be either (A) provided in full pursuant to the terms of this Agreement or any other applicable agreement, or (B) provided as to such lesser extent as would result in no portion of such Payments being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state, local and foreign income, employment and other taxes and the Excise Tax, results in the receipt by Executive, on an after-tax basis, of the greatest amount of payments and benefits, notwithstanding that all or some portion of such Payments may be subject to the Excise Tax. Any determination required under this subsection (d) shall be made in writing by nationally recognized independent public accountants appointed by Employer (the "Accountants"), whose determination shall be final, conclusive and binding upon Executive and Employer for all purposes. For purposes of making the calculations required by this subsection (d), the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. Employer and Executive agree to furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this provision. Any reduction in payments and/or benefits required by this provision will occur in the following order: (1) reduction of cash payments; (2) reduction of vesting acceleration of equity awards; and (3) reduction of other benefits paid or provided to Executive. In the event that acceleration of vesting of equity awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant for equity awards. If two or more equity awards are granted on the same date, each award will be reduced on a pro-rata basis.

(f) Notwithstanding any other provision of this Agreement to the contrary, any payments made to Executive pursuant to this Agreement, or otherwise, are subject to and conditioned upon their compliance with 12 U.S.C. § 1828(k) and any regulations promulgated thereunder, including 12 C.F.R. Part 359.

(g) As of the Date of Termination, Executive shall be deemed to resign from all positions held with Employer, including as a director, officer, trustee, general partner or other capacity in which he is serving with any entity at the request of Employer or by reason of his service for Employer, and shall timely execute any documentation reasonably required by Employer for such resignations.

(h) From and after the Date of Termination, Executive agrees to cooperate fully with Employer's reasonable requests in connection with any existing or future investigations, claims, litigation, audits or similar actions involving Employer or its affiliates, whether administrative, civil or criminal in nature, in which and to the extent Employer reasonably deems Executive's cooperation necessary. Employer shall pay all reasonable, documented travel and other expenses incurred by Executive in connection with providing his cooperation if the expenses and costs are approved in advance in writing by Employer. Executive also agrees to respond to requests from Employer and its counsel for information needed to prepare such operational, financial and other reports, filings and documents that relate to the time period during which Executive provided services to Employer or to the termination of his services. To the extent that Executive's cooperation under this Section 8(g) requires more than a de minimis amount of time, Employer and Executive shall negotiate mutually agreeable remuneration for such cooperation.

9. Nonsolicitation. Unless otherwise agreed in writing, during the term of this Agreement, and for a period of twelve (12) months following the Date of Termination, Executive shall not, and shall not assist any other person to (i) solicit for hiring any employee of Employer or any of its affiliates (or any individual who was such an employee at any time within the six (6) month period preceding such solicitation), or seek to persuade any employee of Employer or any of its affiliates (or any individual who was such an employee at any time within the six (6) month period preceding such action) to discontinue employment or (ii) solicit or encourage any independent contractor providing services to Employer or any of its affiliates to terminate or diminish its relationship with them.

10. Nondisclosure of Confidential Information.

(a) Executive acknowledges that Employer and its affiliates may disclose confidential information to Executive during the Employment Period to enable his to perform his duties hereunder. Executive agrees that, except as required by law, regulatory directive or judicial order or as permitted in Section 10(c) below, he will not, without the prior written consent of Employer, during the Employment Period or at any time thereafter, disclose or permit to be disclosed to any third party by any method whatsoever any of the confidential information of Employer or any of its affiliates. For purposes of this Agreement, "confidential information" shall include, but not be limited to, any and all records, notes, memoranda, data, ideas, processes, methods, techniques, systems, formulas, patents, models, devices, programs, computer software, writings, research, personnel information, customer information, or financial information of Employer or any of its affiliates, plans, or any other information of whatever nature in the possession or control of Employer which has not been published or disclosed to the general public (other than by acts of Executive or his agents in violation of this Agreement), or which gives Employer or any of its affiliates an opportunity to obtain an advantage over competitors who do not know of or use it. The foregoing covenants will not prohibit Executive from disclosing confidential or other information to other employees of Employer or to third parties to the extent that such disclosure is necessary to the performance of his duties under this Agreement.

(b) Executive further agrees that if his employment hereunder is terminated for any reason, he will not take originals or copies of any and all records, papers, programs, computer software and documents and all matter of whatever nature containing secret or confidential information of Employer or any of its affiliates.

(c) Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement, including this Section 10, is intended to prohibit Executive and Executive is not prohibited from reporting possible violations of law to, filing charges with, or making disclosures protected under the whistleblower provisions of U.S. federal law or regulation, or participating in investigations of U.S. federal law or regulation by the U.S. Securities and Exchange Commission (the "SEC"), National Labor Relations Board, Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, the U.S. Department of Justice, the U.S. Congress, any U.S. agency Inspector General or any self-regulatory agencies such as the SEC or federal, state or local governmental agencies having jurisdiction over the Employer or any of its affiliates (collectively, "Government Agencies," and each a "Government Agency"). Accordingly, Executive does not need the prior authorization of Employer to make any such reports or disclosures or otherwise communicate with Government Agencies and is not required to notify Employer that he has engaged in any such communications or made any such reports or disclosures. In addition, Executive is hereby notified that 18 U.S.C. § 1833(b)(1) states as follows:

> "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that-(A) is made-(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal."

Accordingly, notwithstanding anything to the contrary in this Agreement, Executive understands that he has the right to disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Executive understands that he also has the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Executive understands and acknowledges that nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b).

11. Intellectual Property. Executive agrees promptly to reduce to writing and to disclose and assign, and hereby does assign, to Employer, its subsidiaries, successors, assigns and nominees, all inventions, discoveries, improvements, copyrightable material, trademarks, programs, computer software and ideas concerning the same, capable of use in connection with the business of Employer or any of its affiliates, which Executive may make or conceive, either solely or jointly with others, during the period of his employment by Employer, its subsidiaries or successors. Executive agrees, upon a request by Employer and at Employer's expense, to execute, acknowledge and deliver to Employer all such papers, including applications for patents, applications for copyright and trademark registrations, and assignments thereof, as may be necessary, and at all times to assist Employer, its parent, subsidiaries, successors, assigns and nominees in every proper way to patent or register said inventions, discoveries, improvements, copyrightable material, trademarks, programs, computer software or ideas, in any and all countries and to vest title thereto in Employer, its parent, subsidiaries, successors, assigns or nominees. Upon a request by Employer, Executive will promptly report to Employer all discoveries, inventions or improvements of whatsoever nature conceived or made by his at any time he was employed by Employer, its parent, subsidiaries or successors. All such discoveries, inventions and improvements which are applicable in any way to Employer's business shall be the sole and exclusive property of Employer.

12. Additional Remedies. Executive recognizes that his services under this Agreement are of a personal, special, unique and extraordinary character and irreparable injury will result to Employer and to its business and properties in the event of any breach by Executive of any of the provisions of Sections 9, 10 or 11, and that Executive's continued employment is predicated on the commitments undertaken by his pursuant to those Sections. In the event of any breach of any of Executive's commitments pursuant to Sections 9, 10 or 11, Employer shall be entitled, in addition to any other remedies and damages available, to injunctive relief to restrain the violation of such commitments by Executive or by any person or persons acting for or with Executive in any capacity whatsoever.

13. Section 409A.

(a) Notwithstanding anything to the contrary in this Agreement, if at the time of Executive's termination of employment, Executive is a "specified employee" within the meaning of Section 409A of the Code and the regulations and guidance of general applicability issued thereunder ("Section 409A"), any and all amounts payable under this Agreement that constitute "nonqualified deferred compensation" payable due to a "separation from service" (as those terms are used in Section 409A) and would (but for this provision) be payable within six (6) months following the date of termination, to the extent necessary to comply with Section 409A(a)(2)(B) of the Code, shall instead be paid on the next business day following the expiration of such six (6)-month period or, if earlier, upon Executive's death. If Executive receives compensation under Section 8 that can in whole or in part be treated as paid under a "separation pay plan" described in Treasury Regulation Section 1.409A 1(b)(9)(iii) or as a "short-term deferral" described in Treasury Regulation Section 1.409A 1(b)(4), then, to the extent permitted under Section 409A, such compensation shall be treated accordingly.

(b) For purposes of Section 8, all references to "termination of employment" and correlative phrases shall be construed to require a "separation from service" (as defined in Treasury Regulations Section 1.409A 1(h) after giving effect to the presumptions set forth therein and the facts and circumstances required to be considered by such regulation).

(c) Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

(d) Any amount that Executive is entitled to be reimbursed or to have paid on his behalf under this Agreement that would constitute nonqualified deferred compensation subject to Section 409A shall be subject to the following additional rules: (i) no reimbursement of any such expense shall affect Executive's right to reimbursement of any such expense in any other taxable year; (ii) reimbursement of the expense shall be made, if at all, promptly, but not later than the end of the calendar year following the calendar year in which the expense was incurred; and (iii) the right to reimbursement shall not be subject to liquidation or exchange for any other benefit.

(e) With respect to any payment to Executive under this Agreement that would constitute nonqualified deferred compensation subject to Section 409A, if the time period for making such payment commences in one calendar year and ends in the succeeding calendar year, then the payment shall not be made until the succeeding calendar year.

(f) It is intended that the terms of this Agreement comply with Section 409A, or an exemption therefrom, and the terms of this Agreement will be interpreted accordingly; provided, however, that Employer and its executives, officers, directors, agents and representatives (including, without limitation, legal counsel) will not have any liability to Executive or any related party with respect to any taxes, penalties, interest or other costs or expenses Executive or any related party may incur with respect to or as a result of Section 409A or for damages for failing to comply with Section 409A. To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A or to the extent any provision in this Agreement must be modified to comply with Section 409A (including, without limitation, Treasury Regulation 1.409A-3(c)), such provision will be read, or will be modified (with the mutual consent of the parties, which consent will not be unreasonably withheld), as the case may be, in such a manner so that all payments due under this Agreement will comply with Section 409A.

14. Adjustments to Comply with Final Interagency Guidance on Sound Incentive Compensation Policies. Notwithstanding anything herein to the contrary, the compensation or benefits provided under this Agreement are subject to modification, as necessary to comply with requirements imposed by the Company Board or the Bank Board to comply with the "Final Interagency Guidance on Sound Incentive Compensation Policies" issued on an interagency basis by the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the Office of Thrift Supervision, effective June 25, 2010, or any amendment, modification or supplement thereto, which shall be deemed to include, without limitation, any rules adopted pursuant to Section 956 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

15. Provisions Required By Law. Notwithstanding anything herein to the contrary, any provisions that are now or are in the future required by applicable law, rule, regulation or regulatory guidance or policy of general applicability to be included in this Agreement that are not expressly stated herein shall be deemed to be a part of this Agreement as fully as if such provisions were expressly stated herein.

16. Assignment; Benefit. No party shall have the right to assign this Agreement or any rights or obligations hereunder without the consent of the other party; provided, however, that Employer may assign its rights and obligations hereunder (i) to any entity controlled by, under the control of, or under common control with, Employer (as long as such entity is no less capable of fulfilling the obligations of Employer hereunder), or (ii) to any successor to Employer upon any liquidation, dissolution or winding up of Employer, upon any merger or consolidation of Employer or upon any sale of all or substantially all of the assets of Employer (as long as such successor is capable of fulfilling the obligations of Employer hereunder). The provisions of this Agreement shall inure to the benefit of Employer, its successors and assigns, and shall be binding upon Employer and Executive, its and his heirs, personal representatives and successors,

including, without limitation, Executive's estate and the executors, administrators or trustees of such estate.

17. Waiver. Failure of any party hereto at any time to require performance by any other party of any provision of this Agreement shall in no way affect the rights of such first party to require performance of that provision, and any waiver by any party hereto of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any rights under this Agreement.

18. Severability. If any clause, phrase, provision or portion of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable under any applicable law, such event shall not affect or render invalid or unenforceable the remainder of this Agreement and shall not affect the application of any clause, provision or portion hereof to other persons or circumstances.

19. Governing Law. To the extent not governed by the federal laws of the United States of America, this Agreement shall be construed and enforced in accordance with the laws of the State of California.

20. Arbitration. Executive agrees to sign and be bound by the terms of the Arbitration Agreement, which is attached as Exhibit C.

21. Notices. All notices, requests, demands and other communications in connection with this Agreement shall be made in writing and shall be deemed to have been given when delivered by hand or by email transmission, or two (2) business days after mailing by registered or certified mail postage prepaid, addressed as follows, or to such other address as shall have been designated in writing by the addressee:

If to Employer:

Banc of California, Inc.
3 MacArthur Place
Santa Ana, California 92707
Attention: General Counsel

If to Executive:

At Executive's last address in the records of Employer.

22. Entire Agreement. This Agreement sets forth the entire understanding of the parties and supersedes all prior agreements, arrangements, and communications, whether oral or written, pertaining to the subject matter hereof (including, for the avoidance of doubt, the Prior Agreement), and this Agreement shall not be modified or amended except by written agreement

of Employer and Executive. The headings and captions hereof are for convenience only and shall not affect the construction of this Agreement.

23. Survival. The obligations contained in this Agreement shall survive the termination of Executive's employment with Employer or the expiration or termination of this Agreement as necessary to carry out the intentions of the parties as described herein.

24. Counterparts. This Agreement may be executed in any number of counterparts, which when taken together will constitute one and the same instrument. Photographic, faxed or PDF copies of such signed counterparts may be used in lieu of the originals for any purpose.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first set forth above.

BANC OF CALIFORNIA, INC.

By: /s/ Ido Dotan
Name: Ido Dotan
Title: Executive Vice President and General Counsel

BANC OF CALIFORNIA

By: /s/ Ido Dotan
Name: Ido Dotan
Title: Executive Vice President and General Counsel

EXECUTIVE

By: /s/ Joseph Kauder
Joseph Kauder

[*Signature Page to Employment Agreement*]

EXHIBIT A
DEFINITION OF CHANGE OF CONTROL

For the purposes of this Agreement "**Change of Control**" means:

(a) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) (a "**Person**") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (i) the then-outstanding shares of common stock of the Company (the "**Outstanding Company Common Stock**") or (ii) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "**Outstanding Company Voting Securities**"); *provided*, *however*, that, for purposes hereof, the following acquisitions shall not constitute a Change of Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any company affiliated with the Company, or (D) any acquisition pursuant to a transaction that complies with clauses (c)(i), (c)(ii) and (c)(iii) below;

(b) Individuals who, as of the Effective Date, constitute the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the Board; *provided*, *however*, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a "**Business Combination**"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, greater than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such

Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(d) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

EXHIBIT B
GENERAL RELEASE

[*Subject to modification to conform with changes in applicable law or regulations after the Execution Date*]

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release (the "Agreement") is executed by Banc of California, Inc. (the "Company") and Banc of California (the "Bank") and together with the Company, "Employer"), on the one hand, and Joseph Kauder ("Executive"), on the other hand. In consideration for the execution of this Agreement, and the performance of the terms herein, Employer and Executive (collectively the "Parties") agree as follows:

WHEREAS, Executive was employed by Employer pursuant to an employment agreement entered into by and between Executive and Employer dated as of , 2026 (the "Employment Agreement"). Capitalized terms used but not defined herein shall have the meaning set forth in the Employment Agreement; and

WHEREAS, the Date of Termination of Executive's employment with Employer was ________, and Executive acknowledges that regardless of signing this Agreement, he has received his final paycheck for all wages earned through the Date of Termination, except for any payments which, pursuant to the terms of the Employment Agreement, are not yet due to be paid;

1. NOW, THEREFORE, in consideration for timely executing and not revoking this Agreement and the release set forth in Section 2 and complying with the terms herein and subject to this Section 1, the Parties hereby agree as follows:

1.1 Severance Benefits. Employer will provide Executive with the Severance Benefits set forth in Section 8(b) of the Employment Agreement.

1.2 Unemployment. Employer will provide truthful information in response to any inquiry from the Employment Development Department related to any claim by Executive for unemployment benefits, but will not actively oppose any valid legal claims made by Executive for unemployment benefits.

1.3 No Consideration Absent Timely Execution and Effectiveness of this Agreement. Executive will not receive the consideration specified in this Section 1, unless Executive executes and delivers this Agreement and this Agreement becomes effective, and Executive fulfills the promises contained herein. The Agreement becomes effective and enforceable after any applicable revocation period has expired (the "Effective Date"). Employer has no independent legal duty to provide Executive with the consideration set forth in this Agreement, absent the terms of the Agreement itself.

1.4 Compliance. All payments and benefits described herein or that may be payable by the Employer are subject to applicable law and regulatory requirements.

2. General Release of Claims. **THIS IS A GENERAL RELEASE OF CLAIMS**. Except as to such rights or claims as may be created by this Agreement, Executive, and any person or entity acting on Executive's behalf, including but not limited to Executive's spouse, heirs, administrators, successors,

assigns and/or agents, hereby release Employer and all of its past, present and future subsidiaries, parents, affiliates, related entities, assigns, predecessors and successors and each of its and their employees, officers, directors, members, agents, trustees, administrators, representatives, owners, shareholders, partners, insurers, fiduciaries, consultants and attorneys, jointly and severally (collectively the "Released Parties"), from any and all liabilities, claims, causes of action, charges, complaints, obligations, costs, losses, damages, injuries, penalties, interest, attorneys' fees, and other legal responsibilities, of any form whatsoever, whether known or unknown, which Executive has or had at any time prior to Executive's execution of this Agreement, including but not limited to any and all claims arising out and/or relating to:

- Executive's employment with the Released Parties and the termination thereof;
- Any alleged contract, whether written, oral or implied, between Executive and any Released Parties;
- The Company Equity Plans;
- Any act or omission by or on the part of any of the Released Parties;
- Title VII of the Civil Rights Act of 1964, as amended;
- The Civil Rights Act of 1991, as amended;
- Sections 1981 through 1988 of Title 42 of the United States Code, as amended;
- The Age Discrimination in Employment Act of 1967, as amended;
- The Employee Retirement Income Security Act of 1974, as amended;
- The Immigration Reform and Control Act, as amended;
- The Americans with Disabilities Act of 1990, as amended;
- The Family Medical Leave Act, as amended;
- The Fair Labor Standards Act, as amended;
- The Workers Adjustment and Retraining Notification Act, as amended;
- The Occupational Safety and Health Act, as amended;
- Any federal, state or local law, regulation or municipal ordinance, all including any amendments and implementing regulations, including those regulating compensation and those prohibiting discrimination, harassment, or retaliation of any kind;
- Any common law claims, including claims based on violation of public policy, breach of contract, tort, fraud, misrepresentation, defamation, emotional distress or wrongful discharge; and/or
- Any claim for costs, fees, interest, or other expenses, including attorneys' fees.

The foregoing general release does not apply to any of Executive's claims that cannot be released as a matter of law, such as claims for workers' compensation benefits, state or federal disability benefits, and unemployment insurance benefits. The Parties agree and acknowledge that the release and waiver set forth above shall not prevent Executive from participating in or cooperating with any state, local or federal agency's investigation or charge of discrimination, harassment or similar misconduct, including the Equal Employment Opportunity Commission ("EEOC"), the National Labor Relations Board ("NLRB") or any state human or civil rights commission, such as the California Civil Rights Department ("CCRD"), New York State Division of Human Rights ("NYSDHR") and the Texas Commission on Human Rights ("TXCHR"). The Parties further agree and acknowledge that nothing in the Agreement prevents or prohibits Executive from filing a charge of discrimination, harassment or similar claims with a local, state, or federal agency, such as the EEOC, NLRB, CCRD, NYSDHR or TXCHR. However, Executive understands and agrees that Executive is releasing Employer and Released Parties from any and all claims by which Executive is giving up the opportunity to recover any compensation, damages, or any other form of relief in any proceeding concerning discrimination, harassment or similar claims brought by Executive or on Executive's behalf. Notwithstanding anything else to the contrary in this Agreement, the foregoing release shall not affect: the obligations of Employer set forth in the Employment Agreement or the indemnification agreement or other obligations that, in each case with respect to such other obligations, by their terms, are to be performed after the execution date of this Agreement, including, without limitation, Executive's rights to any vested benefits, vested pension rights or vested rights to equity); any obligations of the Bank to repay any bank deposits; obligations to indemnify Executive respecting acts or omissions in connection with Executive's service as a director, officer or employee of the Released Parties; obligations with respect to insurance coverage under any of the Released Parties' (or any of their respective successors) directors' and officers' liability insurance policies; or any right Executive may have to obtain contribution in the event of the entry of judgment against Executive as a result of any act or failure to act for which both Executive and any of the Released Parties are jointly responsible.

3. Older Worker's Benefit Protection Act. This Agreement constitutes a knowing and voluntary waiver of any and all rights or claims that Executive has or may have under the federal Age Discrimination in Employment Act, as amended by the Older Workers' Benefit Protection Act of 1990, 29 U.S.C. §§ 621 et seq. This paragraph and this Agreement are written in a manner calculated to be understood by Executive. Executive is hereby advised in writing to consult with an attorney before signing this Agreement. Executive has had a reasonable time of up to twenty-one (21) days in which to consider signing this Agreement. If Executive decides not to use all twenty-one (21) days, Executive knowingly and voluntarily waives any claims that Executive was not given the twenty-one (21) day period or did not use the entire twenty-one (21) days to consider this Agreement. Executive may revoke this Agreement at any time within the seven (7) day period following the date Executive signs this Agreement by providing written notice of revocation to Employer's General Counsel by email at legal@bancofcal.com or by certified letter to Banc of California, c/o General Counsel, 3 MacArthur Place, Santa Ana, California 92707 before the expiration of the seven (7) day revocation period. The Agreement shall not become effective or enforceable until after the seven (7) day revocation period has expired. If Executive revokes the Agreement within the seven (7) day revocation period, Executive will not receive the consideration set forth in the Agreement.

4. No Pending Claims. Executive represents that Executive does not have any pending claim, complaint, grievance, charge, or action filed with any court or agency against any of the Released Parties. Notwithstanding the foregoing, nothing in this Agreement or in any agreement or understanding with the Employer or any of its affiliates precludes, restricts or is intended to preclude or restrict Executive from recovering a whistleblower award as provided under Section 21F of the Securities and Exchange Act of 1934.

5. Release of Unknown Claims. Executive has reviewed and hereby expressly waives the provisions of Section 1542 of the California Civil Code and any other similar federal, state or local law. Section 1542 of the California Civil Code provides as follows: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY." This Agreement extends to all claims or causes of action, of every nature and kind whatsoever, known or unknown, enumerated in this Agreement or otherwise. Executive may hereafter discover presently unknown facts or claims different from or in addition to those that Executive now knows as to the matters released herein. Nevertheless, it is Executive's intention, through this Agreement, to fully release all such matters and all claims related thereto, which do now exist, may exist or heretofore have existed and Executive expressly waives, relinquishes and forfeits all rights and benefits accorded by the provisions of Section 1542 of the California Civil Code and any similar federal, state or local law, and furthermore waives any rights that he or she might have to invoke such provisions now or in the future with respect to the matters released by this Agreement.

6. Payments. On the Separation Date, Employer shall pay to Executive any and all accrued but unpaid base salary, vacation, sick leave, PTO or holiday pay ("Earned Compensation"). For the

avoidance of doubt, payment of Earned Compensation shall not be subject to Executive's execution of a release pursuant to Section 2 of this Agreement.

7. Inquiries. Following the Separation Date, Executive will direct any requests from prospective employers for information about Executive's employment with Employer only to HRsupport@bancofcal.com. Employer will respond to any inquiries about Executive's employment directed to Human Resources by providing only Executive's dates of employment and job titles.

8. No Workplace Injuries. To Executive's knowledge, Executive has not sustained any workplace injury of any kind during Executive's employment with Employer for which Executive has not previously reported or sought benefits under Employer's workers' compensation procedures. Executive acknowledges that nothing in this Agreement waives, releases, or limits any rights or claims that cannot be waived or released under applicable workers' compensation laws.

9. Non-Disclosure of Trade Secrets, Confidential or Proprietary Information; Protected Activity. Executive will not, for any reason, disclose to others or use for the benefit of anyone other than Employer any trade secret, confidential or proprietary information of Employer, including, but not limited to information relating to Employer's customers, employees, consultants, affiliates, partners, contractors, products, services, know-how, techniques, methods, models, computer systems, programs, applications, policies and procedures, research, projects, future developments, costs, profits, pricing, customer and client information. The use of any trade secret, confidential or proprietary information belonging to Employer shall be a material breach of this Agreement. Notwithstanding anything herein or in any other agreement with or policy of Employer to which Executive was or is subject, nothing herein or therein shall (i) prohibit Executive from initiating, testifying, assisting, complying with a subpoena from, or participating in any manner with an investigation or proceeding conducted by, a local, state or federal agency, or reporting possible violations of federal or state law or regulation to any governmental agency or entity or self-regulatory organization, including making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934, as amended, or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of state or federal law or regulation, (ii) require Executive to comply with any notification or prior approval requirement with respect to any reporting described in clause (i), (iii) prohibit Executive from exercising protected rights under Section 7 of the National Labor Relations Act (to the extent applicable), (iv) prohibit Executive from discussing or disclosing any claim of sexual assault or sexual harassment, or prevent Executive from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Executive has reason to believe is unlawful, in each case, without notice to Employer or its affiliates, (iv) prohibit Executive from filing for, or disclosing facts necessary to receive, unemployment insurance, Medicaid or other public benefits to which Executive is entitled, (v) responding to a peace officer's or prosecutor's questions relating to an alleged criminal sexual offense or obscenity, or making a statement in a criminal proceeding related to an alleged sexual offense or obscenity, (vi) making truthful statements or disclosures regarding unlawful employment practices, meaning any form of unlawful discrimination, harassment, or retaliation that is actionable under Article 2 of the Illinois Human Rights Act, Title VII of the Civil Rights Act of 1964, or any other related State or federal rule or law that is enforced by the Illinois Department of Human Rights or the Equal Employment Opportunity Commission, (vii) conflict with Nevada Assembly Bill No. 248 (2019) (right to speak about a sexual offense that qualifies as a felony, assert discrimination claim on basis of sex and retaliation for reporting sexual discrimination) or Nevada Assembly Bill No. 60 (2021) (nullifies contracts and settlement agreements that restrict a party from testifying about a crime, sexual harassment, discrimination or retaliation), (viii) prevent discussing unlawful employment discrimination under the Maine Human Rights Act occurring in the workplace or at work-related events or (ix) pursuant to 18 U.S.C. § 1833(b), hold Executive criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret of the Employer that (A) is

made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to Executive's attorney and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Executive files a lawsuit for retaliation by the Employer for reporting a suspected violation of law, Executive may disclose the trade secret to his or her attorney and use the trade secret information in the court proceeding, if Executive (x) files any document containing the trade secret under seal, and (y) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement or any other agreement Executive has with the Employer or any of its affiliates is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section; provided, however, that Executive is not authorized to disclose communications with counsel that were made for the purpose of receiving legal advice or that contain legal advice or that are protected by the attorney work product or similar privilege.

10. Work Product. Any services, including without limitation, any designs, logos, emblems, brand strategies, data, materials, and reports (collectively, the "Work Product"), delivered to Employer hereunder shall be solely owned by Employer. Executive hereby irrevocably transfers and assigns to Employer all right, title and interest worldwide in perpetuity in and to the Work Product and all applicable intellectual property rights related to the Work Product, including without limitation copyrights, trademarks, trade secrets, patents, moral rights, contract, and licensing rights. If any Work Product includes material that is otherwise copyrighted, subject to any intellectual property rights or contains any pre-existing materials, Executive grants Employer, effective upon delivery of Work Product, a nonexclusive, unrestricted, irrevocable, royalty-free, fully-paid worldwide transferable license in perpetuity to use the Work Product for any purpose.

11. Waiver of Other Rights. If Executive has any rights to Work Product that cannot be assigned to Employer, Executive unconditionally and irrevocably waives the enforcement of such rights, and all claims and causes of action of any kind against Employer with respect to such rights, and agrees to, at Employer's request and expense, consent to and join in any action to enforce such rights. If Executive has any right to Work Product that cannot be assigned to Employer or waived by Executive, Executive unconditionally and irrevocably grants to Employer during the term of such rights, an exclusive, irrevocable, royalty- free, fully-paid worldwide transferable license in perpetuity, with rights including but not limited to sublicense through multiple levels of sublicensees, to exploit, to reproduce, create derivative works of, distribute, publicly perform and publicly display, by all means now known or later developed, such rights.

12. Future Cooperation. To the extent permitted by law, Executive agrees, upon Employer's request, to reasonably cooperate with and assist Employer in any investigation, litigation, arbitration or regulatory proceeding regarding events that occurred during Executive's tenure with Employer or its affiliate or any matters of which Executive has particular knowledge, including making themself reasonably available to consult with Employer's counsel, to provide information and to give testimony. Employer will reimburse Executive for reasonable out-of-pocket expenses (including, without limitation, Executive's legal fees) Executive incurs in extending such cooperation at Employer's request, so long as Executive provides advance written notice of Executive's request for reimbursement and provides satisfactory documentation of the expenses. Nothing in this section is intended to, and shall not, restrict or limit Executive from exercising his or her protected rights in Section 2 or Section 9 hereof or restrict or limit Executive from providing truthful information in response to a subpoena, other legal process or valid governmental inquiry.

13. Prior Agreements. This Agreement does not alter, modify or impact any confidentiality provisions and/or the restrictive covenants between the Parties, nor does it affect Executive's obligation to comply with those provisions and/or covenants.

14. Return of All Employer's Materials. Executive has returned to Employer all of Employer's records, documents, electronically stored information, and tangible embodiments of such, in Executive's possession, including but not limited to Employer's trade secrets, confidential information and proprietary information. Executive has returned to Employer all property of Employer including but not limited to keys, key cards, cellular phones, credit cards, tablets, personal and laptop computers, and any other electronic equipment; provided, however, that Executive may retain (i) Executive's personal financial, insurance, identification and health records or documents; (ii) information, records and documents related to Executive's philanthropic activities; and (iii) the contact information of Executive's personal contacts and any portion of Executive's personal correspondence, in each case to the extent such retained portion does not contain confidential business information of Employer. If Executive later discovers that Executive is in possession of any Employer's information, documents or other materials, Executive shall promptly notify Employer and cooperate in arranging to return or dispose of such material, as directed by Employer. Further, if Executive has used any personal cellular phones, tablets, or personal and laptop computers to conduct work for or on behalf of Employer, Executive will provide reasonable access to Employer to ensure all of Employer's records, documents, electronically stored information, and tangible embodiments of such, including but not limited to Employer's trade secrets, confidential information and proprietary information have been removed from such devices and returned to Employer.

15. Non-Disparagement. Executive agrees not to disparage Employer, or Employer's officers, directors, employees and agents, in any manner likely to be harmful to them or their business, business reputation or personal reputation; provided that Executive may respond accurately and fully to any question, inquiry or request for information when required by law, such as through a valid subpoena, court order, or other similar compulsion of law, or as part of a government inquiry or proceeding. Notwithstanding any provision in this Agreement to the contrary, nothing herein shall prevent Executive from disclosing to or discussing with others the terms of Executive's employment, including, by way of example, Executive's compensation, benefits, working hours or conditions or other matters that do not constitute non-public, proprietary information of Employer. Further, nothing in this Agreement prevents Executive from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that they have reason to believe is unlawful.

16. Confidentiality, Non-Disclosure Obligations and Related Obligations. Except as set forth below, Executive agrees that neither they, nor their attorneys, agents or representatives shall disclose, publicize or allow or cause to be publicized or disclosed any of the terms of this Agreement including without limitation the amount of consideration paid by Employer, and will not publicly file or otherwise make available this Agreement or any of its terms to anyone not a Party to this Agreement, except where such disclosure, availability, or filing is required by applicable law and only to the extent required by such law. Nothing in this Agreement shall prevent Executive from disclosing the amount of the payment or the other terms in this Agreement to their spouse, attorneys, accountants, and/or the government for tax purposes. Should Executive disclose any information concerning this Agreement to any person that is not a governmental representative, they must advise such person(s) they will also be under an obligation to keep the terms, conditions and existence of this Agreement confidential. This provision is a material term of this Agreement.

17. Arbitration. Except for claims for emergency equitable or injunctive relief which cannot be timely addressed through arbitration, the Parties agree to submit any claim or dispute arising out of this Agreement or the Parties' respective duties or obligations under this Agreement, to private and confidential arbitration by a single neutral arbitrator. The arbitration will be conducted pursuant to the then-current employment arbitration rules of JAMS (the "Rules") (a copy of the current Rules are available at www.jamsadr.com/rules-employment-arbitration), and shall take place in or near the county and state in which Executive worked on behalf of Employer. If the parties cannot agree on an arbitrator within twenty-one (21) days from a written demand for arbitration, an arbitrator will be selected from JAMS' panel in

accordance with the Rules. The arbitrator shall not have the authority to modify any of the provisions of this Agreement. Any dispute regarding the arbitrability of a claim shall be resolved by the arbitrator. The decision of the arbitrator shall be in writing, and shall be final and binding on all Parties to this Agreement, and judgment thereon may be entered in any court having jurisdiction. To the extent required by law, Employer shall pay the arbitrator's fees and any other costs unique to the arbitration (excluding, for the avoidance of doubt, any initial filing or case management fees). However, the fees and costs of the arbitration proceeding may be reallocated by the arbitrator in the arbitrator's discretion. Each Party shall pay its own costs and attorneys' fees, if any. However, in any arbitration or legal proceeding based on or arising under this Agreement, the arbitrator or court may award reasonable attorneys' fees to the prevailing party in accordance with applicable law. THE PARTIES HEREBY WAIVE ANY RIGHT TO A JURY TRIAL ON ANY DISPUTE OR CLAIM COVERED BY THIS AGREEMENT.

18. Attorney's Fees. The parties shall bear their own attorneys' fees and costs incurred in connection with this Agreement, including but not limited to those incurred in connection with the negotiation, preparation, and execution of this Agreement.

19. Acknowledgment. Executive has read this Agreement, has the authority to sign it, fully understands the contents of this Agreement, freely, voluntarily and without coercion enters into this Agreement, and is signing it with full knowledge that it is intended, to the maximum extent permitted by law, as a complete release and waiver of any and all claims.

20. Severability. In the event any provision of this Agreement other than the general release provisions is held to be void, null or unenforceable, the remaining portions shall remain in full force and effect. If the general release is found to be illegal or unenforceable, Executive agrees to execute a binding replacement general release.

21. No Admission of Wrongdoing. Neither this Agreement nor the furnishing of the consideration for this Agreement shall be deemed or construed as an admission of liability or wrongdoing on the part of the Released Parties, nor shall they be admissible as evidence in any proceeding other than for the enforcement of this Agreement.

22. Modification. This Agreement cannot be modified in any respect except in a written instrument signed by both Parties.

23. Entire Agreement. This Agreement sets forth the entire agreement between the Parties hereto, and fully supersedes any prior agreements or understandings between the Parties, except for any confidentiality agreements and/or restrictive covenants between the Executive and Employer, which shall remain in full force and effect.

24. No Reliance. Executive has not relied on any representations, promises, or agreements of any kind made to Executive in connection with Executive's decision to accept this Agreement, except for those set forth in this Agreement.

25. Interpretation. Any uncertainty or ambiguity in the Agreement shall not be construed for or against any Party based on the attribution of drafting to any Party.

26. Counterparts. This Agreement may be executed by the Parties in counterparts, which are defined as duplicate originals, all of which taken together shall be construed as one document.

27. Signature. A signature by facsimile, .pdf, electronic (e.g., DocuSign) or email on this Agreement shall be as legally binding as an original signature.

28. Binding on Successors. The Parties agree that this Agreement shall be binding on, and inure to the benefit of, their successors, heirs and/or assigns.

29. Governing Law. This Agreement shall be governed and conformed in accordance with the laws of the state in which Executive resides at the time of execution of this Agreement, without regard to such state's conflicts of law principles.

PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS. YOU SHOULD CONSULT WITH AN ATTORNEY, AT YOUR EXPENSE, TO REVIEW THIS AGREEMENT. IF YOU AGREE TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, PLEASE EXECUTE AND DELIVER AN EXECUTED ORIGINAL VIA DOCUSIGN NO EARLIER THAN THE SEPARATION DATE AND NO LATER THAN TWENTY-ONE (21) DAYS FOLLOWING THE SEPARATION DATE. IF YOU EXECUTE AND DELIVER THIS AGREEMENT PRIOR TO THE SEPARATION DATE, YOU WILL BE ASKED TO RE-EXECUTE AND RE-DELIVER AN EXECUTED ORIGINAL NO LATER THAN TWENTY-ONE (21) DAYS FOLLOWING THE SEPARATION DATE.

IN WITNESS WHEREOF, EACH PARTY HERETO HAS DULY EXECUTED THIS AGREEMENT AS OF THE DATE WRITTEN NEXT TO THEIR SIGNATURE.

Executed on ______________ by: ____
Joseph Kauder

Executed on _______________ by: ____
Banc of California, Inc.

Executed on _______________ by: ____
Banc of California

EXHIBIT C
ARBITRATION AGREEMENT

This Arbitration Agreement (the "Agreement") is entered into by the executive executing this Agreement ("you") and Banc of California and Banc of California, Inc. and their parents, subsidiaries, officers, directors, employees, agents, representatives, shareholders, successors and assigns (collectively, "Banc of California"), as of the date below. In consideration for signing this Agreement, and the performance of the terms herein, you and Banc of California (collectively, the "Parties") agree:

1. Arbitration. This Agreement requires the Parties to arbitrate all Claims, as defined in Section 3 of this Agreement, the Parties may have against each other. In arbitration, each side in the dispute presents its case to a neutral third party called an arbitrator, rather than to a judge or jury. You and Banc of California are entitled to be represented by your own legal counsel in the arbitration. After reviewing the evidence and considering the arguments of the Parties, the arbitrator will issue a written decision. There will be no trial by a judge or jury, and no appeal of the arbitrator's decision, except as provided by law.

2. Arbitrator. The arbitration shall be conducted before one neutral arbitrator selected by the Parties under the JAMS Employment Arbitration Rules & Procedures (the "JAMS Rules") then in effect. You may obtain a copy of the JAMS Rules at https://www.jamsadr.com/rules-employment- arbitration and/or by requesting a copy of the JAMS Rules from the Legal Department by email at Legal@bancofcal.com. There will be no retaliation against you if you request a copy of the JAMS Rules.

3. Claims Covered by This Agreement. The claims covered by this Agreement, and subject to arbitration, include but are not limited to all past, present, future claims of any kind arising from or relating to your employment with Banc of California, including but not limited to claims for wrongful termination; discrimination; harassment; retaliation; breach of contract/covenant; trade secrets; emotional distress; fraud; misrepresentation; defamation; tort claims; minimum wage; off the clock work; overtime; bonuses; meal/rest periods; wage statements; reimbursement; penalties; benefits; violation of any federal, state or other government constitution, statute, ordinance or regulation, including but not limited to Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Americans With Disabilities Act, the Fair Labor Standards Act, the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act, the Family and Medical Leave Act, the California Fair Employment and Housing Act, the California Family Rights Act, the California Labor Code, the California Civil Code, and/or the California Wage Orders, and federal, state, or labor laws governing similar harassment, discrimination, retaliation, and wage and hour claims (collectively the "Covered Claims").

4. Claims Not Covered by This Agreement. The following claims are not subject to arbitration under this Agreement, and therefore are not Covered Claims: (a) claims for workers' compensation benefits, state or federal disability benefits or state unemployment benefits; (b) administrative charges or claims filed with a federal, state or local government office or agency, such as the Equal Employment Opportunity Commission ("EEOC") or the

California Civil Rights Department ("CCRD") or any comparable state/local anti-discrimination agency, or the National Labor Relations Board ("NLRB"); (c) claims under an employee benefit or pension plan that specifies a different claims resolution procedure; (d) class, representative or collective litigation pending in a state or federal court as of the date you sign this Agreement; or (e) any claim that under applicable law is not allowed to be subject to a mandatory arbitration agreement, such as a non-individual or representative claim under the California Private Attorneys General Act.

5. Initiating Arbitration. Either Party may initiate arbitration by making a written request to arbitrate to the other Party listing the Claim(s) to be arbitrated or by submitting a Demand for Arbitration directly to JAMS as provided in JAMS' rules (https://www.jamsadr.com/rules-employment- arbitration). Requests to Banc of California shall be delivered to the Legal Department by email at Legal@bancofcal.com. Requests to you shall be delivered to the last known mailing address you provided in writing to Banc of California. The arbitration shall take place in the county where you were last employed by Banc of California. Banc of California will pay the arbitrator's fees and any other administrative fees unique to arbitration.

6. Arbitrator's Authority. The arbitrator shall authorize both Parties to engage in reasonable discovery necessary to obtain evidence in support of the claims and defenses of the Parties, and to apply applicable law to determine issues of liability and damages regarding all Covered Claims to be arbitrated. The arbitrator is authorized to award any remedy or relief that would have been available to the Parties had the matter been heard in court, including but not limited to an award of attorneys' fees and costs to the prevailing party, in accordance with the law applicable to such claims. The decision of the arbitrator shall be in writing and shall provide the reasons for the arbitrator's award. The arbitrator's authority to resolve disputes and make awards under this Agreement is limited to disputes between (1) you as an individual and Banc of California; and/or (2) you as an individual and any current or former officer, director, employee, representative, and/or agent of Banc of California. No arbitration award or decision will have any preclusive effect as to issues or Covered Claims in any dispute with anyone who is not a named party to the arbitration. This Agreement shall not be construed to deprive a party of any substantive right preserved by law.

7. Class, Collective or Representative Claims and Actions. The Parties agree to individualized arbitration as the sole and exclusive means to resolve all Covered Claims, and that Covered Claims pertaining to different employees shall be adjudicated in separate proceedings. This means that no other person shall be entitled to join or consolidate in arbitration any Covered Claim by or against Banc of California or its current or former employees. As such, except as set forth above, both you and Banc of California waive any right to bring any Covered Claim on behalf of themselves, or on behalf of other persons, or to otherwise participate in, any class, collective or representative action (i.e. a type of lawsuit in which one or several persons sue on behalf of a larger group of persons) of a Covered Claim. No arbitrator shall have the authority under this Agreement to order any such class, collective or representative action. If a class, collective or representative claim is pursued in court and the court finds it to be unwaivable or otherwise not subject to arbitration, you and Banc of California agree that any such claim will be severed and, the court shall determine whether the claim should be dismissed or stayed pending resolution of the arbitrable claims. Any such

claims that are stayed shall be resolved in court by a judge as the sole finder of fact. The Parties agree that a court, not an arbitrator, shall determine whether any claims may proceed on a class, collective or representative basis.

8. Special Provisions For Multiple, Related Arbitrations. The following procedures shall be used when a Covered Claim is one of ten (10) or more arbitration cases pending at the same time which present substantially similar or overlapping allegations of fact or law. A court of competent jurisdiction, and not JAMS or an arbitrator, shall resolve any dispute over whether these procedures apply to any Covered Claim or group of Covered Claims.

a. Purpose and Rationale. A large number of arbitration cases with substantially similar or overlapping allegations will impose excessive transaction costs regardless of the cases' merit or lack of merit. It also is logistically difficult or impossible to arbitrate simultaneously large numbers of substantially similar cases. The parties therefore agree to use these litigation procedures similar to those that courts use in mass-tort cases, based on the judiciary's experience that, after one or a few cases are tried to verdict or otherwise resolve, most or all of the other cases settle or otherwise resolve themselves.

b. Procedures. To the maximum extent permitted by law, no more than 10 substantially similar or overlapping cases will be active at any one time. All remaining substantially similar or overlapping cases will be stayed, with the statutes of limitations tolled. As soon as one of the original active cases is resolved (by decision, settlement, or otherwise), a stayed arbitration shall replace it on the list of 10 active cases. Except as provided below, cases shall be placed on or moved to the active list in the order demands for arbitration are first received by JAMS. Until a case is on or is moved to the list of 10 active cases, any amounts the Claimant paid to initiate a case shall be refunded, and Banc of California shall have no obligation to pay any JAMS or arbitrator fees.

c. Hardship. If any Claimant claims exceptional hardship from any delay based on these procedures, the Claimant may petition Banc of California to waive the 10-case limit for with respect to that case. If Banc of California does not agree, the Claimant may petition JAMS to place the Claimant's case on the list of 10 active cases, on the ground that delay will impose exceptional hardship. If JAMS finds exceptional hardship and grants the Claimant's petition, JAMS shall (based on its determination of relative hardship) remove one other case from the list of 10 active cases and place it at the head of the list of stayed cases. Under no circumstances shall JAMS place more than 10 cases into active status. If more than 10 hardship applications are granted, JAMS shall determine which 10 cases shall proceed first, based on its determination of relative hardship.

d. Arbitrators. Nothing in this Agreement is intended to prohibit one arbitrator being assigned to multiple, individual arbitrations, based on the Parties' agreement.

9. Protections. If a court determines that this Agreement is lacking any employee protections required by law, Banc of California may offer you protections the court and/or law

deems necessary to preserve the enforceability of this Agreement. Notwithstanding the unavailability of class, collective or representative arbitration under this Agreement, nothing herein is intended to limit your rights under Section 7 of the National Labor Relations Act, including the right to engage in concerted activity, and you will not be retaliated against for exercising such rights.

10. Miscellaneous. The Parties agree that Banc of California is engaged in transactions involving interstate commerce, and this Agreement shall be enforceable under the substantive and procedural provisions of the Federal Arbitration Act, 9 U.S.C. §§ 1, et seq. If any provision of this Agreement is determined to be illegal or unenforceable, such determination shall not affect the balance of this Agreement, which shall remain in full force and effect, and such invalid provision shall be deemed severable. This Agreement contains the Parties' entire agreement relating to arbitration of claims between them, and supersedes any prior written and/or verbal agreements or representations. This Agreement may be modified or replaced only by a written agreement that is signed by both Parties.

The Parties confirm that they have read Banc of California's Arbitration Program memorandum dated January 2, 2026, and the list of Questions & Answers explaining the arbitration process.

11. Execution. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument, respectively. Delivery of an executed counterpart of this Agreement by facsimile or transmitted electronically in either a Tagged Image Format File ("TIFF") or Portable Document Format ("PDF") shall be equally effective as delivery of a manually executed counterpart of this Agreement. This Agreement may also be executed by electronic signature, whether digital or encrypted, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, "electronic signature" shall include DocuSign signature, faxed or emailed versions of an original signature or electronically scanned and transmitted versions of an original signature.

THE PARTIES AGREE THAT THEY HAVE READ THIS AGREEMENT, UNDERSTAND ITS TERMS, HAVE ENTERED INTO IT VOLUNTARILY, AND AGREE TO ARBITRATION.

ACKNOWLEDGED AND AGREED:

____________________	____________________
Joseph Kauder	for Banc of California, Inc. and Banc of California
____________________	____________________
Dated	Dated

Exhibit 31.1

Certification
Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002

I, Jared M. Wolff, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2026 of Banc of California, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date:	August 7, 2026	/s/ JARED M. WOLFF
		Jared M. Wolff *Chairman of the Board of Directors, Chief Executive Officer and President (Principal Executive Officer)*

Exhibit 31.2

Certification
Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002

I, Joseph Kauder, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2026 of Banc of California, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	August 7, 2026	/s/ JOSEPH KAUDER
		Joseph Kauder *Executive Vice President, and Chief Financial Officer (Principal Financial Officer)*

Exhibit 32.1

Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted
Pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), the undersigned officer of Banc of California, Inc. (the "Company") hereby certifies that the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2026

/s/ JARED M. WOLFF

Jared M. Wolff
Chairman of the Board of Directors, Chief Executive Officer and President (Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), the undersigned officer of Banc of California, Inc. (the “Company”) hereby certifies that the Company’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	August 7, 2026	/s/ JOSEPH KAUDER
		Joseph Kauder
		Executive Vice President, and Chief Financial Officer (Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) and is not being filed as part of the Report or as a separate disclosure document.