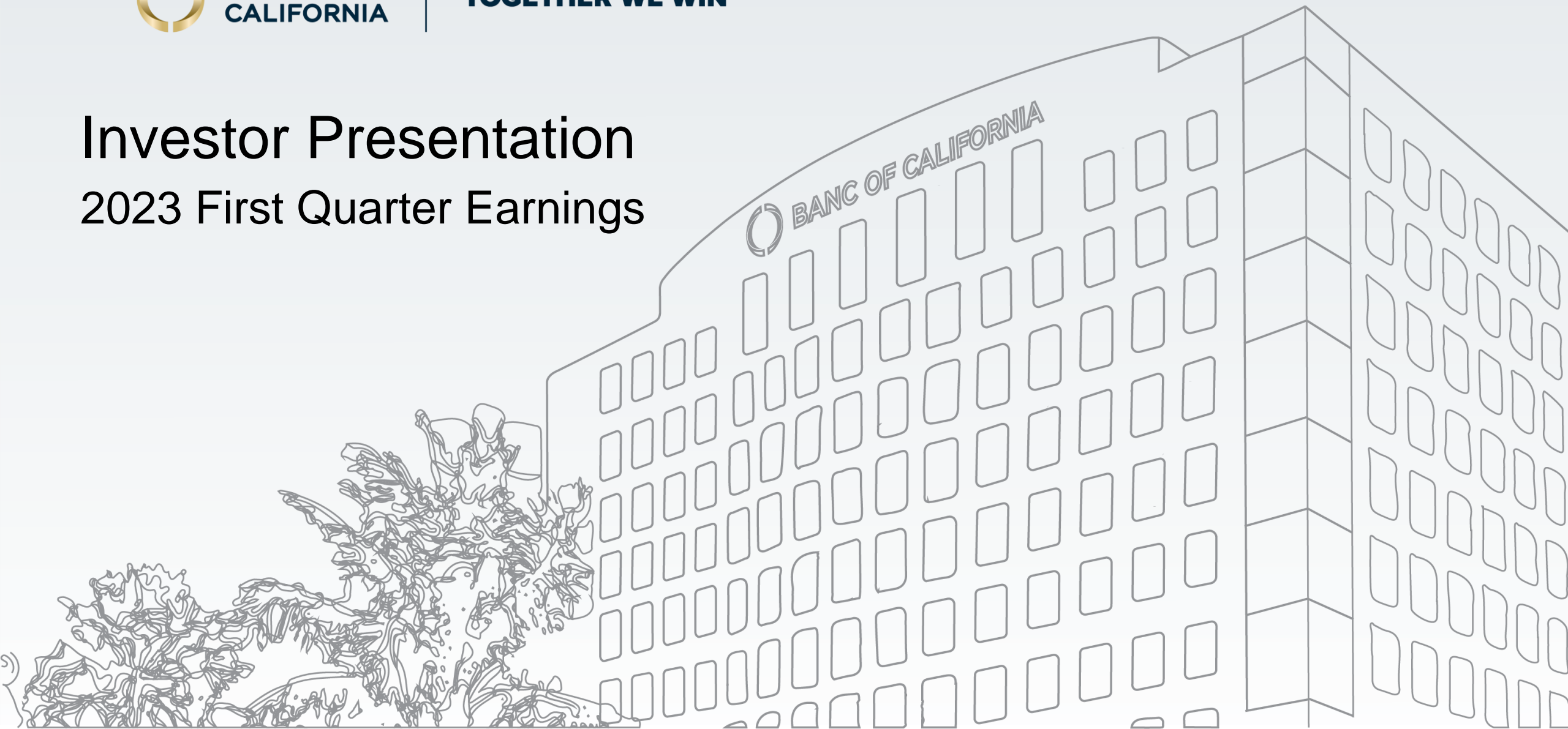




**TOGETHER WE WIN®**

# Investor Presentation

## 2023 First Quarter Earnings



# FORWARD LOOKING STATEMENTS

When used in this report and in documents filed with or furnished to the Securities and Exchange Commission (the “SEC”), in press releases or other public stockholder communications, or in oral statements made with the approval of an authorized executive officer, the words or phrases “believe,” “will,” “should,” “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “plans,” “strategy,” or similar expressions are intended to identify “forward-looking statements” within the meaning of the “Safe-Harbor” provisions of the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on any forward-looking statements. These statements are necessarily subject to risk and uncertainty and actual results could differ materially from those anticipated due to various factors, including those set forth from time to time in the documents filed or furnished by Banc of California, Inc. (“BANC,” the “Company,” “we,” “us” or “our”) 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 supply chain disruptions, and the risk of recession or an economic downturn; (ii) changes in the interest rate environment, including the recent and anticipated increases in the FRB benchmark rate, which could adversely affect our revenue and expenses, the value of assets and obligations, and the availability and cost of capital and liquidity, the impacts of continuing 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 nonperforming 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 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) the costs and effects of litigation; (ix) 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; and in the case of our recent acquisition of Deepstack Technologies, LLC (Deepstack), reputational risk, regulatory risk and potential adverse reactions of the Company’s or Deepstack’s customers, suppliers, vendors, employees or other business partners; (x) 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; (xi) 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; (xii) the risk that our enterprise risk management framework may not be effective in mitigating risk and reducing the potential for losses; (xiii) errors in estimates of the fair values of certain of our assets and liabilities, which may result in significant changes in valuation; (xiv) failures or security breaches with respect to the network, applications, vendors and computer systems on which we depend, including due to cybersecurity threats; (xv) our ability to attract and retain key members of our senior management team; (xvi) the effects of climate change, severe weather events, natural disasters, pandemics, epidemics and other public health crises, acts of war or terrorism, and other external events on our business; (xvii) the impact of bank failures or other adverse developments at other banks on general investor sentiment regarding the stability and liquidity of banks; (xviii) the possibility that our recorded goodwill could become impaired, which may have an adverse impact on our earnings and capital; and (xiv) other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services and the other risks described in this press release and from time to time in other documents that we file with or furnish to the SEC.

# FIRST QUARTER 2023 RESULTS

<i>(\$ in Thousands Except Per Share Data)</i>	1Q23	4Q22	1Q22
Net interest income	\$ 73,053	\$ 80,217	\$ 76,441
Provision for (reversal of) credit losses	\$ 2,000	-	\$ (31,542)
Net income	\$ 20,278	\$ 21,519	\$ 48,512
Net income available to common stockholders	\$ 20,278	\$ 21,519	\$ 43,345
Earnings per diluted common share	\$ 0.34	\$ 0.36	\$ 0.69
Adjusted net income available to common stockholders <sup>(1)</sup>	\$ 21,685	\$ 26,764	\$ 47,117
Adjusted earnings per diluted common share <sup>(1)</sup>	\$ 0.37	\$ 0.45	\$ 0.75
Pre-tax pre-provision (PTPP) income <sup>(1)</sup>	\$ 29,673	\$ 30,587	\$ 35,755
Adjusted PTPP income <sup>(1)</sup>	\$ 31,671	\$ 38,034	\$ 35,791
Return on average assets (ROAA)	0.88%	0.92%	2.09%
Adjusted ROAA <sup>(1)</sup>	0.94%	1.15%	2.10%
PTPP ROAA <sup>(1)</sup>	1.29%	1.31%	1.54%
Adjusted PTPP ROAA <sup>(1)</sup>	1.38%	1.63%	1.55%
Average assets	\$ 9,317,209	\$ 9,257,311	\$ 9,392,305
Net interest margin	3.41%	3.69%	3.51%
Allowance for credit losses coverage ratio	1.27%	1.28%	1.32%
NIE / Average assets <sup>(1)</sup>	2.23%	2.07%	2.01%
Adjusted NIE / Average assets <sup>(1)</sup>	2.14%	2.08%	2.01%
Common equity tier 1 <sup>(2)</sup>	11.66%	11.80%	11.40%
Tangible common equity per share <sup>(1)</sup>	\$ 14.26	\$ 14.19	\$ 14.05
Average Noninterest-bearing deposits as % of average deposits	38.3%	40.6%	37.8%

# STRONG DEPOSIT BASE, LIQUIDITY AND CAPITAL

## 1Q23 Summary

Business model built for all cycles, with a focus on high-touch commercial relationships and value-added services and solutions to drive noninterest-bearing deposit growth

<b>Valuable Deposit Franchise</b>	<ul style="list-style-type: none"> <li>• Average noninterest-bearing (NIB) deposit ratio at 38% of total deposits and 36% at quarter-end</li> <li>• 7% annualized new commercial NIB account growth with a robust pipeline of new clients</li> <li>• Total net core deposit flows were positive \$90 million in the second half of March<sup>(1)</sup></li> </ul>
<b>High Liquidity Levels and Low Unrealized Losses</b>	<ul style="list-style-type: none"> <li>• Total available liquidity of \$4.0 billion, including \$1.0 billion of cash, which was 2.2x uninsured and uncollateralized deposits</li> <li>• Uninsured and uncollateralized deposits were 27% of total deposits</li> <li>• Low unrealized losses of \$47 million on AFS securities of \$958 million</li> </ul>
<b>Strong Capital Base<sup>(2)</sup></b>	<ul style="list-style-type: none"> <li>• Total Risk-Based Capital ratio of 14.1%, CET1 ratio of 11.7% and Leverage ratio of 9.7%</li> <li>• Repurchased \$10 million of the current \$35 million buyback authorization through April 12</li> <li>• Increased the dividend 67% to \$0.10 per share</li> <li>• KBRA confirmed all ratings and stable outlook on March 20</li> </ul>
<b>Resilient Earnings Power</b>	<ul style="list-style-type: none"> <li>• Adjusted ROAA of 94 bps and adjusted EPS of \$0.37<sup>(3)</sup></li> <li>• Continued growth in Tangible Book Value Per Share<sup>(3)</sup> to \$14.26</li> </ul>
<b>Healthy Asset Quality</b>	<ul style="list-style-type: none"> <li>• Delinquencies down 25 bps or 20% to 1.03%</li> <li>• Classified asset ratio down 33 bps or 20% to 1.34%</li> <li>• ACL coverage ratio remained relatively flat at 1.27%</li> </ul>

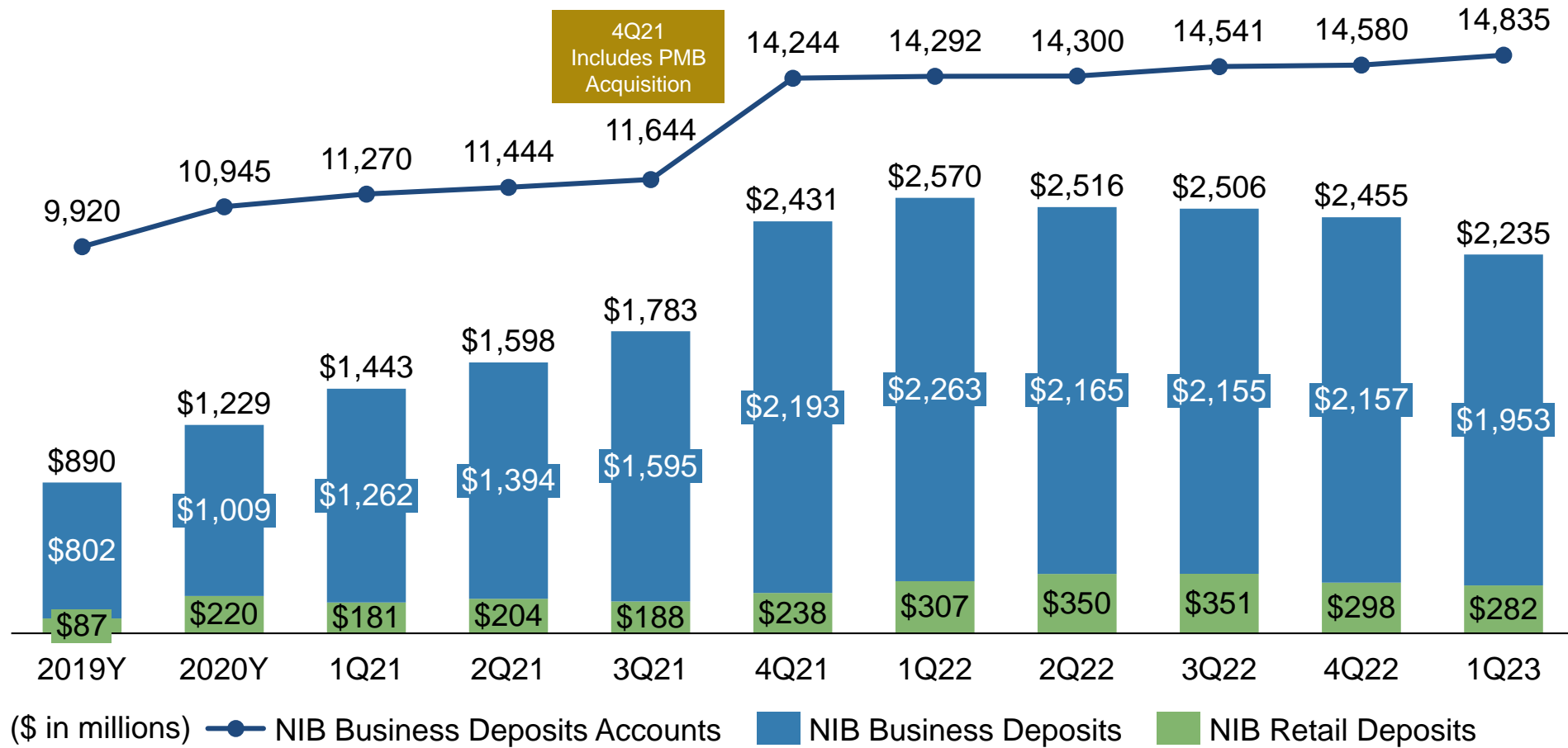
(1) Excludes brokered deposits

(2) 1Q23 capital ratios are preliminary

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

# DEPOSIT ENGINE CONSISTENTLY GENERATES NEW LOW-COST COMMERCIAL DEPOSIT RELATIONSHIPS

Continued growth in number of commercial deposit accounts and new relationships



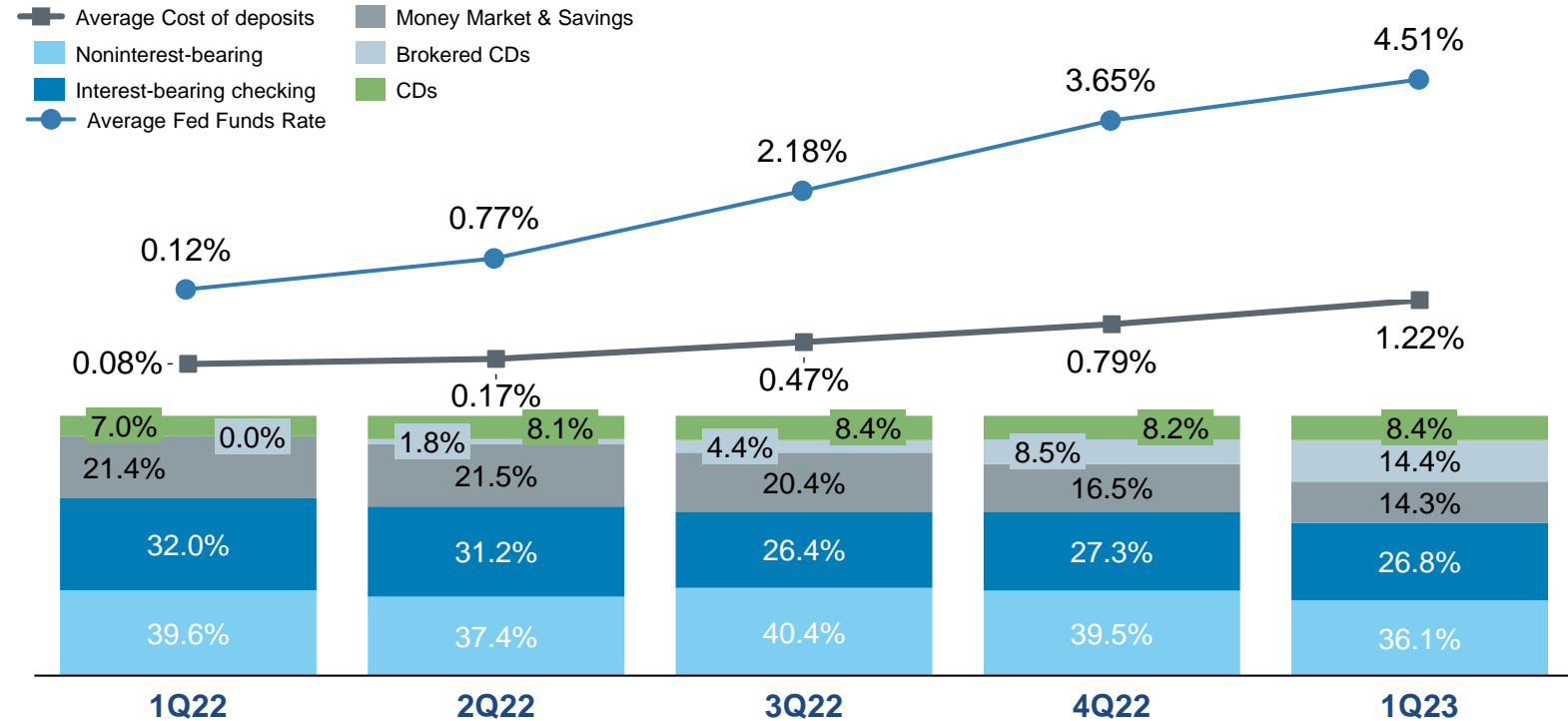
NIB commercial deposits comprise 87% of total NIB deposits<sup>(1)</sup>

# LOW COST DEPOSIT FRANCHISE

## Widening spread against Fed funds rate

### Highlights

- Solid NIB mix, including 38% average and 36% percent of ending total deposits
- YoY (through the cycle) average deposit beta of 26%
- 73% insured and collateralized deposits
- No material depository or industry concentration



Category	1Q22	2Q22	3Q22	4Q22	1Q23
\$ in millions					
Noninterest-bearing checking	\$2,958.6	\$2,826.6	\$2,943.6	\$2,809.3	\$2,506.6
Interest-bearing checking	2,395.3	2,359.9	1,921.8	1,947.2	1,862.0
Demand deposits	5,354.0	5,186.5	4,865.4	4,756.6	4,368.6
Money market & savings	1,605.1	1,622.9	1,478.0	1,174.9	998.4
CDs	520.7	615.7	614.6	584.5	585.3
Brokered CDs	0.0	133.6	322.4	604.9	999.7
<b>Total<sup>(1)</sup></b>	<b>\$7,479.7</b>	<b>\$7,558.7</b>	<b>\$7,280.4</b>	<b>\$7,120.9</b>	<b>\$6,952.0</b>

(1) Reflects balance as of period end

# HIGH LEVEL OF AVAILABLE LIQUIDITY

Total available primary and secondary liquidity (\$4.03B) exceeds uninsured and uncollateralized deposits (\$1.87B) by 2.2x

(\$ in millions) March 31, 2023		Current		
		Availability	Utilization	Capacity
<b>Primary Liquidity</b>				
Cash*	\$	1,010		
AFS Securities (unpledged)		724		
Total Primary Liquidity	\$	1,734		
<b>Secondary Liquidity</b>				
FHLB**	\$	821	\$ 325	\$ 1,146
FRB (Discount Window & BIC)		502	600	1,102
FRB (Bank Term Funding Program)		412	-	412
Other		555	-	555
Total Secondary Liquidity	\$	2,291	\$ 925	\$ 3,216
<b>Total Primary + Secondary Liquidity</b>	\$	4,026		

# STRONG CAPITAL BASE

## Provides Buffer for Economic Environment

	1Q23	4Q22	3Q22	2Q22	1Q22	Regulatory Well-Capitalized Ratios	1Q23 Ratios in Excess of Well-Capitalized
Total Risk-Based Capital Ratio <sup>(1)</sup>	14.06%	14.21%	13.86%	13.69%	13.79%	10.00%	4.06%
Tier 1 Risk-based Capital <sup>(1)</sup>	11.66%	11.80%	11.43%	11.29%	11.40%	8.00%	3.66%
Common Equity Tier 1 (CET1) <sup>(1)</sup>	11.66%	11.80%	11.43%	11.29%	11.40%	6.50%	5.16%
Leverage Ratio <sup>(1)</sup>	9.71%	9.70%	9.52%	9.58%	9.72%	5.00%	4.71%
Tangible Common Equity / Tangible Assets <sup>(2)</sup>	8.44%	9.23%	8.97%	9.03%	9.27%	NA	NA

- 1Q23 includes the impact from carrying excess liquidity, which reduced the Tangible Common Equity ratio by 72 bps, resulting in a normalized ratio of 9.16%
- \$35 million stock repurchase authorized for 2023, of which \$10 million was repurchased by April 12
- 1Q22, 2Q22, 3Q22, 4Q22 and 1Q23 included \$4.3 million, \$38.9 million, \$13.0 million, \$18.9 million and \$5.2 million in common stock repurchases, respectively
- 3Q22 included the impact from the Deepstack acquisition
- 1Q22 included the Series E Preferred Stock Redemption of \$98.7 million

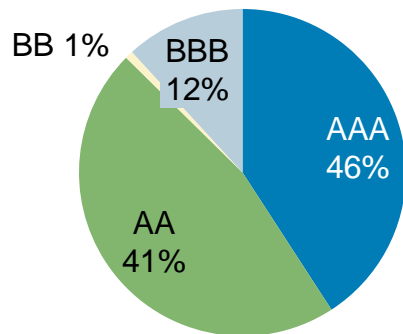
# SECURITIES HAVE SHORT / MODERATE DURATION WITH LOW UNREALIZED AFS AND HTM LOSSES

## Securities Portfolio Detail<sup>(1)</sup>

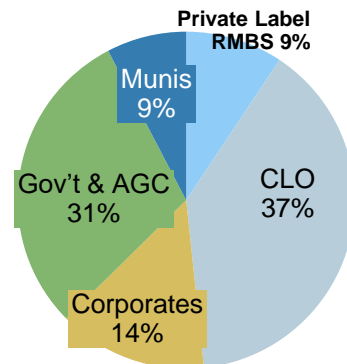
Security Type (\$ in millions)	QoQ			Effective Duration (yrs) 1Q23	Unrealized Loss 1Q23
	1Q23	4Q22	Change		
Gov't & Agency (MBS, CMO, & SBA)	\$ 187.4	\$ 144.6	\$ 42.8	2.8	\$ (5.2)
CLOs	479.6	476.6	3.0	0.1	(11.2)
Corporate Securities	176.0	166.6	9.4	2.1	(19.8)
Private Label RMBS	115.4	80.5	34.9	6.9	(10.5)
<b>AFS</b>	<b>\$ 958.4</b>	<b>\$ 868.3</b>	<b>\$ 90.1</b>	<b>1.8</b>	<b>\$ (46.8)</b>
Gov't & Agency (MBS, CMO, & SBA)	214.3	214.4	(0.1)	9.8	(35.7)
Municipal	114.2	114.2	(0.0)	10.1	(19.9)
<b>HTM</b>	<b>\$ 328.5</b>	<b>\$ 328.6</b>	<b>\$ (0.1)</b>	<b>9.9</b>	<b>\$ (55.6)</b>
<b>Total Securities</b>	<b>\$ 1,286.9</b>	<b>\$ 1,196.9</b>	<b>\$ 90.0</b>	<b>4.0</b>	<b>\$ (102.4)</b>

## Portfolio Profile

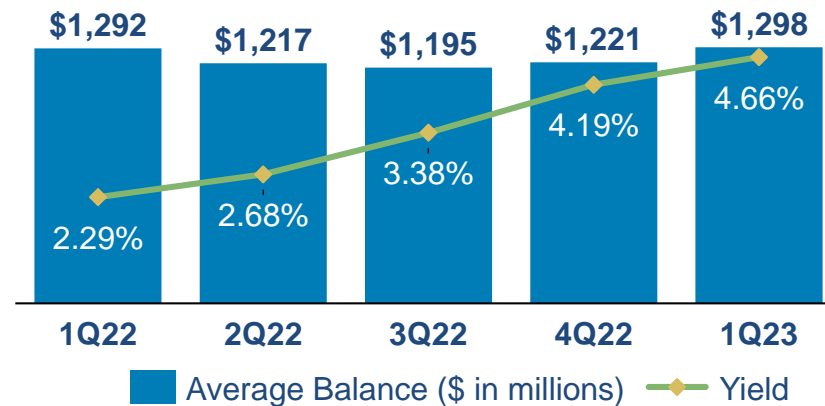
### Credit Rating



### Composition



## Portfolio Average Balances & Yields



(1) \$329 million of AFS securities were reclassified to HTM during 1Q22

# LOW UNREALIZED SECURITIES LOSSES AS A % OF CAPITAL<sup>(1)</sup>

## Highlights

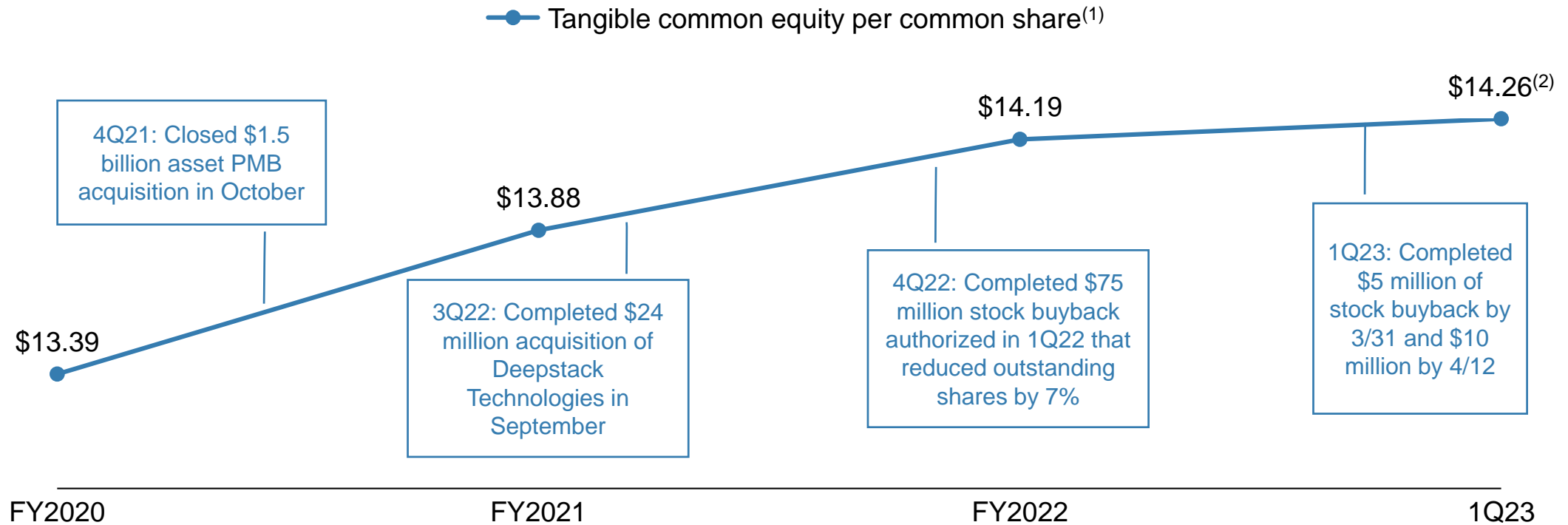
- AFS unrealized losses were 3.8% of CET1 Capital at 1Q23
- AFS + HTM unrealized losses were 8.2% of CET1 Capital at 1Q23
- Including unrealized losses, CET1 remains 4.2% above “Well Capitalized” guidelines

	(Dollars in thousands)	1Q23	
AFS (Unrealized Loss Pre-Tax)		\$ 46,788	
HTM (Unrealized Loss Pre-Tax)		55,605	
<b>Total Securities Unrealized Loss Pre-Tax</b>		<b>\$ 102,393</b>	
Net Unrealized Loss on AFS After-Tax		\$ 33,687	<b>3.8% of CET1</b>
Net Unrealized Loss on HTM After-Tax		40,036	<b>4.5% of CET1</b>
<b>Net Unrealized Loss on Securities After-Tax<sup>(2)</sup></b>		<b>\$ 73,723</b>	
<b>Capital Analysis</b>			
CET 1 Capital		\$ 893,648	
Net Unrealized Loss on Securities After-Tax <sup>(2)</sup>		73,723	<b>8.2% of CET1</b>
<b>CET 1 (Deficit) / Surplus</b>		<b>\$ 819,925</b>	
<b>CET1 Well-Capitalized Guideline</b>		<b>6.50%</b>	
CET1 Ratio		11.66%	
CET1 Ratio, assuming AFS losses realized		11.22%	
CET1 Ratio, assuming AFS & HTM losses realized		10.70%	

Total unrealized losses reduce the CET1 ratio by only 96 bps

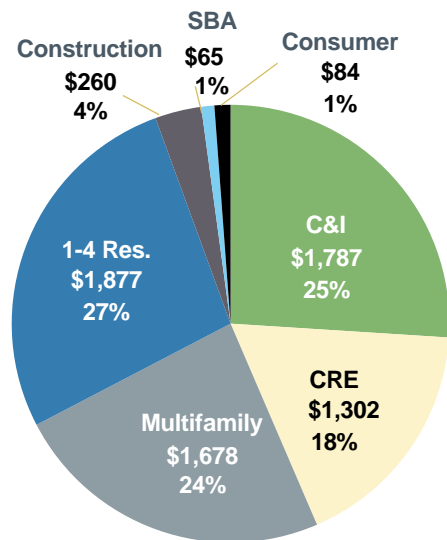
# CONTINUED TBV PER SHARE GROWTH

Growth in TBV per common<sup>(1)</sup> share driven by strong earnings and prudent balance sheet management that more than offset negative AOCI marks, dividends, common stock repurchases and acquisitions of PMB and Deepstack Technologies



# DIVERSIFIED LOAN PORTFOLIO MITIGATES RISK AND GENERATES ATTRACTIVE RISK-ADJUSTED YIELDS

Loan Segment	1Q23			4Q22			Change		
	\$( <sup>1</sup> )	%	Avg. Yield	\$( <sup>1</sup> )	%	Avg. Yield	\$( <sup>1</sup> )	%	Avg. Yield
<i>\$ in Millions</i>									
C&I: Warehouse	\$ 637	9%	8.15%	\$ 603	8%	6.93%	\$ 34	1%	1.21%
C&I: All Other	1,150	16%	6.22%	1,243	17%	6.35%	(93)	-1%	-0.14%
Multifamily	1,678	24%	4.10%	1,690	24%	3.98%	(12)	0%	0.12%
CRE	1,302	18%	4.74%	1,260	18%	4.66%	43	0%	0.08%
Construction	260	4%	8.59%	244	3%	7.54%	17	1%	1.05%
SBA	65	1%	4.86%	68	1%	5.78%	(3)	0%	-0.92%
<b>Total Commercial Loans</b>	<b>5,093</b>	<b>72%</b>	<b>5.40%</b>	<b>5,107</b>	<b>72%</b>	<b>5.23%</b>	<b>(14)</b>	<b>0%</b>	<b>0.17%</b>
SFR	1,877	27%	4.15%	1,921	27%	4.04%	(44)	0%	0.11%
Consumer	84	1%	6.26%	87	1%	6.14%	(3)	0%	0.12%
<b>Total Consumer Loans</b>	<b>1,961</b>	<b>28%</b>	<b>4.24%</b>	<b>2,008</b>	<b>28%</b>	<b>4.13%</b>	<b>(46)</b>	<b>0%</b>	<b>0.11%</b>
<b>Total Loans HFI</b>	<b>\$ 7,054</b>	<b>100%</b>	<b>5.07%</b>	<b>\$ 7,115</b>	<b>100%</b>	<b>4.92%</b>	<b>\$ (61)</b>	<b>N/A</b>	<b>0.15%</b>



## 1Q23 Highlights

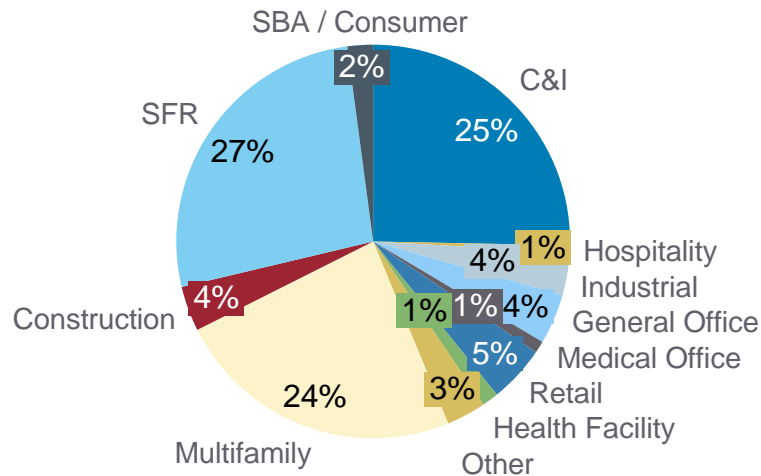
- 54% of loans are variable or hybrid
- 63% of the loan portfolio is secured by residential real estate
- Real estate secured loans weighted average loan-to-values (LTVs) of 58%
- 72% of the SFR portfolio have LTVs of less than 70%
- 83% of all real estate secured loans have LTVs of less than 70%
- Exited three legacy non-relationship commercial loans that BANC elected to not renew, totaling \$90 million

# CALIFORNIA-CENTRIC CRE PORTFOLIO HAS LOW WEIGHTED-AVERAGE LTV AND SOLID CREDIT QUALITY

CRE comprises 18.5% of total loans; General Office at only 3.9% of total loans

Collateral Type	Count	Balance	% of Total Loans	Avg. Loan Size	WA LTV
		(\$ millions)		(\$ millions)	
General Office	62	\$ 274	3.9%	\$ 4.6	54%
Medical Office	10	86	1.2%	6.6	58%
Retail	73	330	4.7%	4.5	53%
Industrial	70	248	3.5%	3.5	58%
Health Facility	8	97	1.4%	12.2	59%
Hospitality	13	40	0.6%	3.1	40%
Other	145	227	3.2%	1.6	54%
<b>Total CRE</b>	<b>381</b>	<b>\$ 1,302</b>	<b>18.5%</b>	<b>\$ 3.4</b>	<b>55%</b>

## % of Total Loans

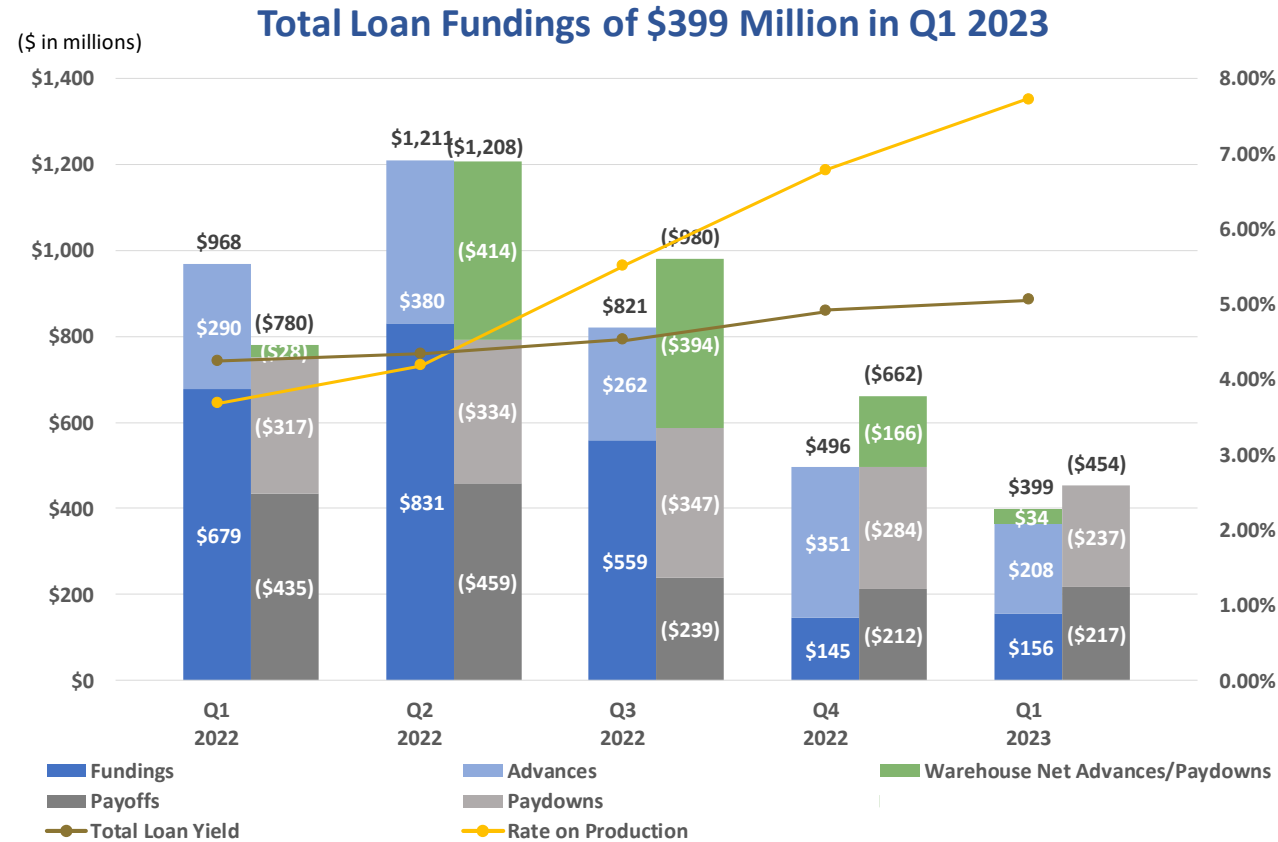


## Highlights

- CRE loan delinquency rate < 0.1%
- CRE nonperforming loans < 0.1%
- CRE weighted average LTV 55%
- Retail is well diversified with 1.9x debt service coverage
- Total CRE debt service coverage of 1.7x
- General Office CRE comprised of B/C low-rise with:
  - LTV of 54%
  - 1.6x debt service coverage

# DIVERSIFIED BUSINESS MIX

## LOAN YIELDS ON NEW PRODUCTION CONTINUE TO RISE

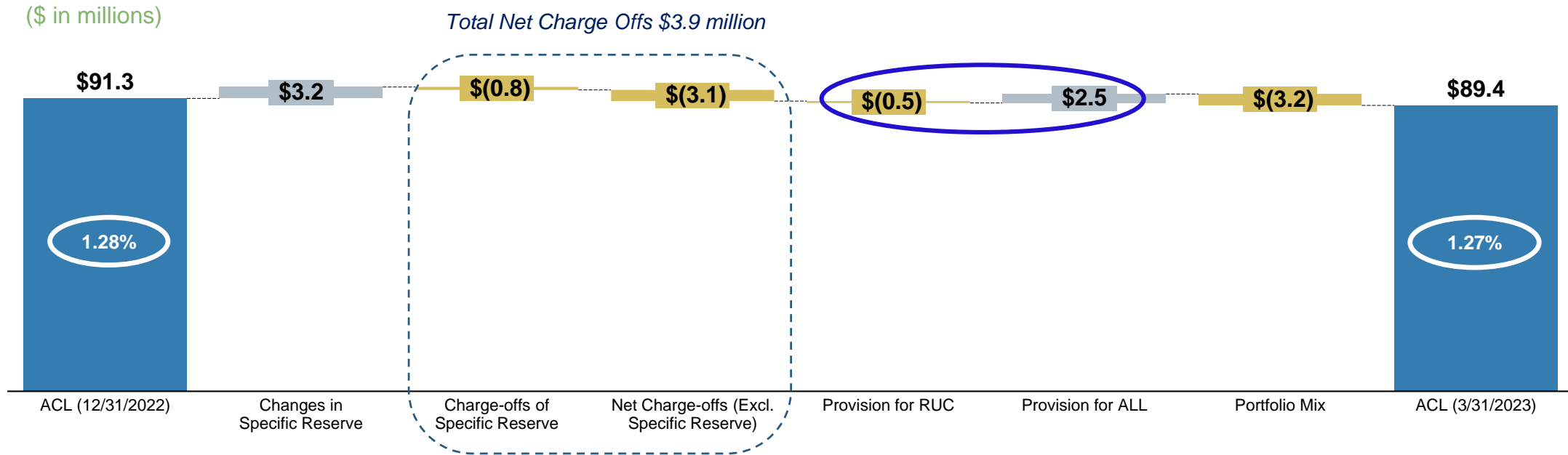


	Loans Beginning Balance	Total Fundings	Total Payoffs	Net Difference	Other Change <sup>(1)</sup>	Loans Ending Balance	Total Loan Yield	Rate on Production
(\$ in millions)								
Q1 2023	\$ 7,119	\$ 399	\$ 454	\$ (55)	\$ (6)	\$ 7,059	5.07%	7.74%
Q4 2022	\$ 7,294	\$ 496	\$ 662	\$ (166)	\$ (8)	\$ 7,119	4.92%	6.78%
Q3 2022	\$ 7,455	\$ 821	\$ 980	\$ (159)	\$ (2)	\$ 7,294	4.54%	5.52%
Q2 2022	\$ 7,455	\$ 1,211	\$ 1,208	\$ 3	\$ (2)	\$ 7,455	4.35%	4.20%
Q1 2022	\$ 7,255	\$ 968	\$ 780	\$ 188	\$ 12	\$ 7,455	4.26%	3.70%

Note: Q1 2023 payoffs include three legacy non-relationship commercial loans totaling \$90 million that BANC elected to not renew.

# ALLOWANCE FOR CREDIT LOSSES WALK

General reserve increase of \$2.0 million due to macroeconomic outlook



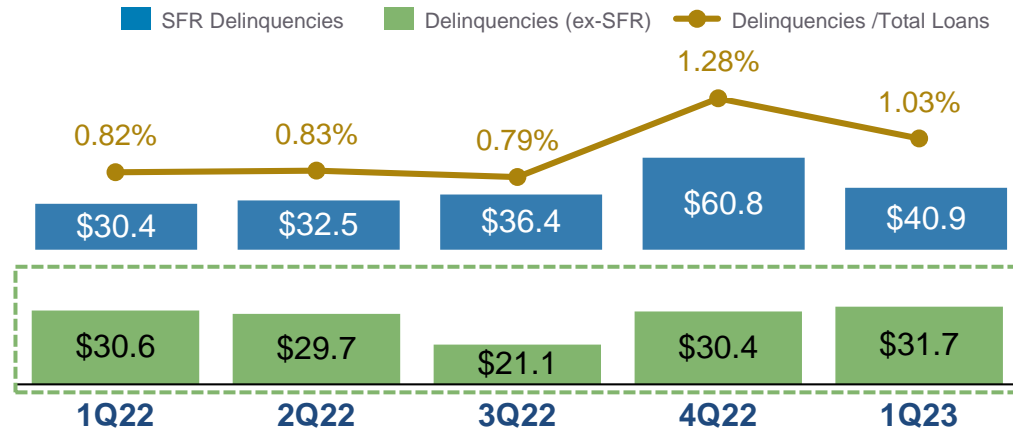
- ACL includes the Allowance for Loan Losses (ALL) and Reserve for Unfunded Loan Commitments (RUC)
- ACL decreased by \$1.9 million due to (i) net charge offs of \$3.9 million of which \$3.2 million related to the commercial and industrial loans, (ii) \$3.2 million from lower loan balances and changes in portfolio mix and (iii) \$0.5 million lower RUC from lower unfunded commitments, partially offset by (iv) new specific reserves totaling \$3.2 million, and (v) a \$2.5 million increase in general reserves due mainly to the impact of the deterioration in the macroeconomic outlook
- Total coverage ratio was relatively flat at 1.27% in comparison to 1.28% in 4Q22

# ASSET QUALITY REMAINS STRONG

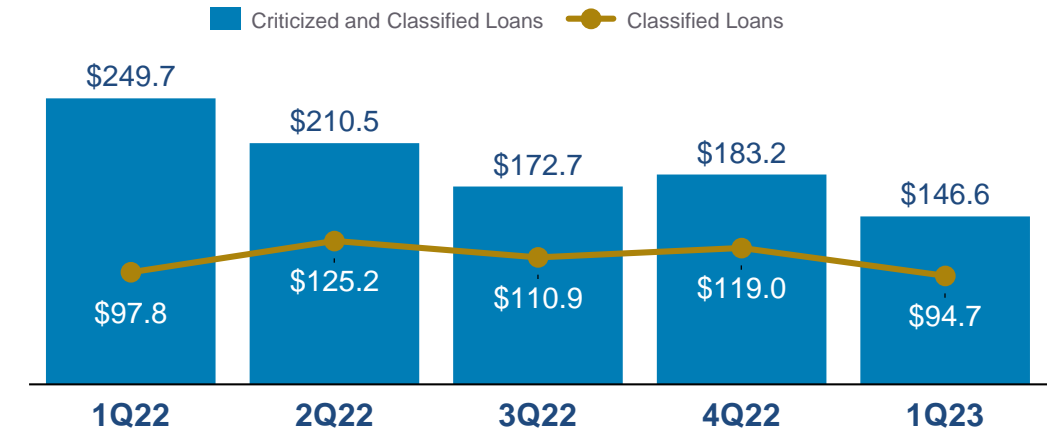
## NPLs, Delinquencies, and Classified Loans

Positive trends across credit metrics:  
Decline in delinquencies, criticized and classified, and NPLs excluding SFR loans

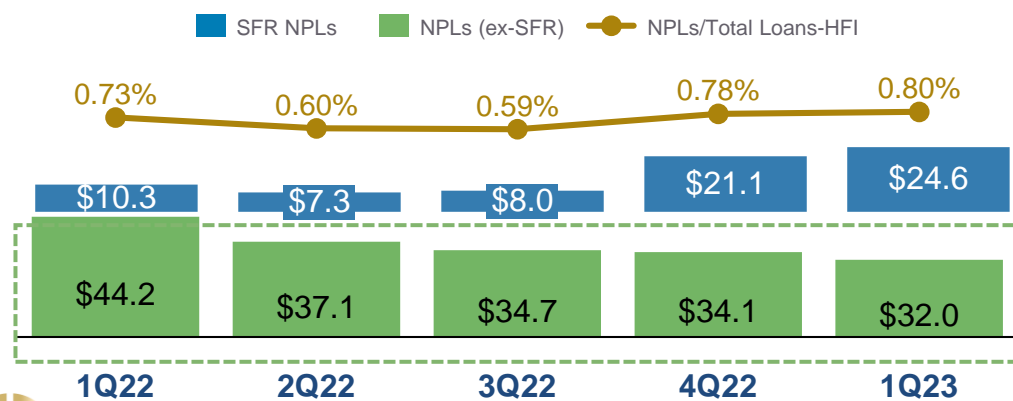
Delinquencies (\$ in millions)



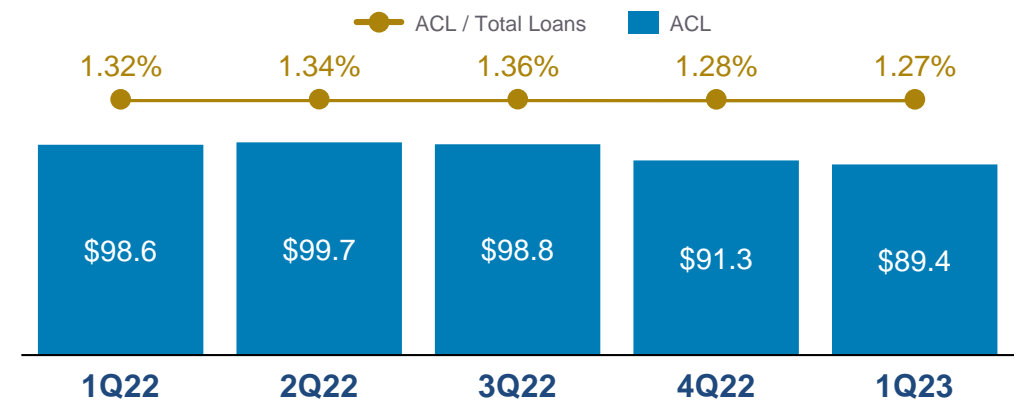
Criticized and Classified Loans (\$ in millions)



Non-performing Loans (NPLs) (\$ in millions)



ACL / Total Loans (\$ in millions)



# INTEREST RATE RISK MANAGEMENT

Positioned for future rate cycles with a neutral balance sheet

## Interest Rate Risk Position (within 12 months)

### Rate Sensitive Assets at 37% of Total Assets

#### Loan Portfolio

- \$2.2 billion mature or reset within 12 months
- Given a 25 bps market rate increase, 99% of adjustable-rate loans with floors are eligible to reprice

#### Cash & Investments

- \$1.0 billion in interest-bearing cash
- \$495 million reprice within 12 months, mostly CLOs

LESS

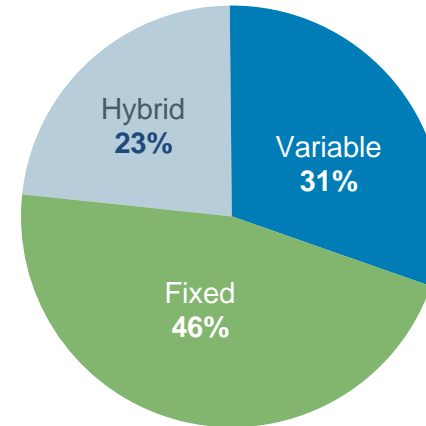
### Rate Sensitive Liabilities at 23% of Total Assets

- \$1.4 billion of CDs mature or reprice within 12 months
- \$925 million in overnight borrowings

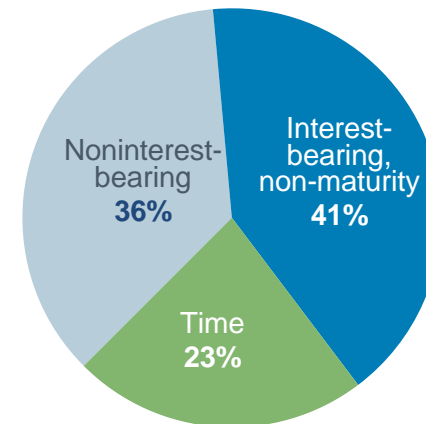
One Year Positive Gap Ratio is 14% of Total Assets

## Loan & Deposit Mix

### HFI Loans: \$7.1 billion



### Total Deposits: \$7.0 billion



# 2023 STRATEGIC OBJECTIVES

## Well-Positioned to Grow Franchise Value

### Protect The Balance Sheet

- Continued focus on noninterest-bearing deposits, credit quality, robust capital and tangible book value growth

### Proactively Manage Asset-Liability Mix

- Balance asset sensitivity while also proactively taking advantage of opportunities to enhance earnings for the long term

### Target Opportunistic Growth in our Core Niches

- Continue momentum in media/entertainment, healthcare and selective bridge real estate where we have unique expertise

### Scale Payments Business and Related Initiatives

- Build differentiated payment business that will drive fee income and commercial deposits

### Allocate Capital to Drive Long Term Shareholder Returns

- Options include, but are not limited to: balance sheet growth, investments in people and technology, stock repurchases, debt paydowns, and other targeted ways to enhance yield



# APPENDIX

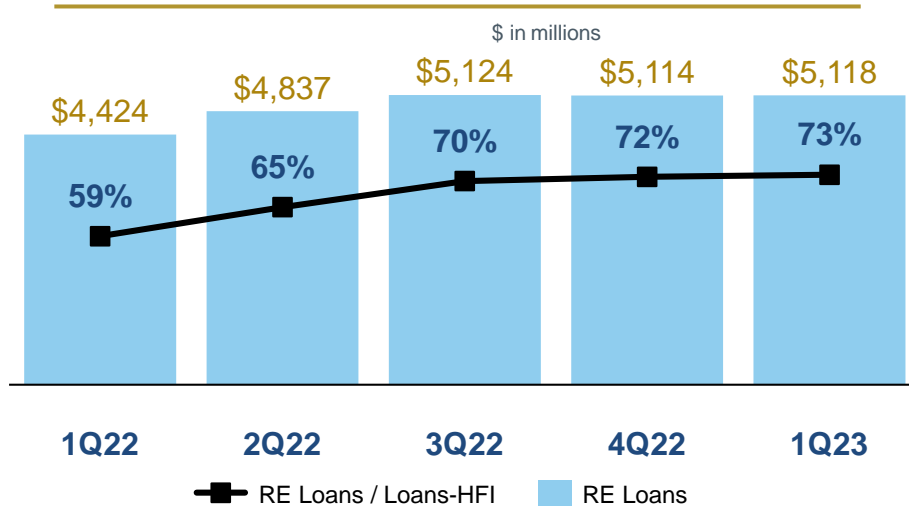
# BANC FAST FACTS

(Dollars in millions)

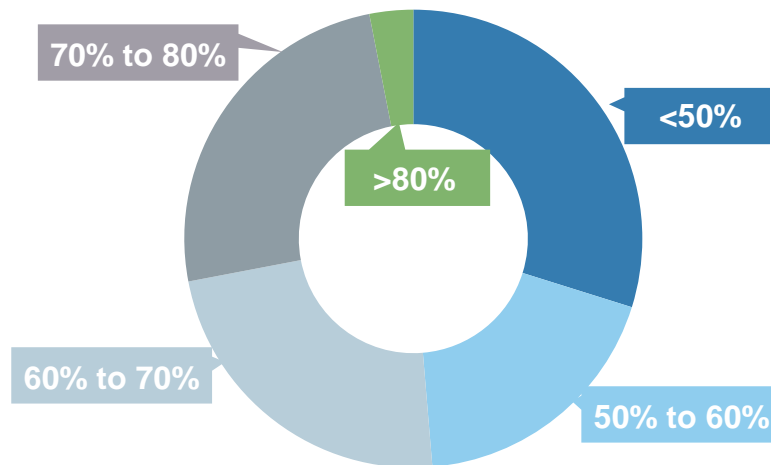
	1Q23	4Q22	3Q22	2Q22	1Q22
Total assets	\$ 10,039	\$ 9,197	\$ 9,369	\$ 9,502	\$ 9,584
Securities available-for-sale	958	868	848	865	899
Securities held-to-maturity	329	329	329	329	329
Loans held-for-investment	7,054	7,115	7,289	7,451	7,452
Total deposits	6,952	7,121	7,280	7,559	7,480
Net interest income	\$ 73.1	\$ 80.2	\$ 79.4	\$ 78.3	\$ 76.4
Total noninterest income	7.9	(1.4)	5.7	7.2	5.9
<b>Total revenue</b>	<b>80.9</b>	<b>78.8</b>	<b>85.1</b>	<b>85.5</b>	<b>82.4</b>
Noninterest expense	49.6	47.6	50.5	47.6	46.4
Loss in alternative energy partnership investments	1.6	0.6	0.5	1.0	0.2
<b>Total noninterest expense</b>	<b>51.2</b>	<b>48.2</b>	<b>51.0</b>	<b>48.6</b>	<b>46.6</b>
Pre-tax pre-provision income <sup>(1)</sup>	29.7	30.6	34.1	36.9	35.8
(Reversal of) provision for credit losses	2.0	-	-	-	(31.5)
Income tax expense	7.4	9.1	9.9	10.2	18.8
Net income	20.3	21.5	24.2	26.7	48.5
Preferred dividend and other adjustments	-	-	-	-	5.2
<b>Net income available to common stockholders</b>	<b>\$ 20.3</b>	<b>\$ 21.5</b>	<b>\$ 24.2</b>	<b>\$ 26.7</b>	<b>\$ 43.3</b>
<b>Diluted earnings per common share</b>	<b>\$ 0.34</b>	<b>\$ 0.36</b>	<b>\$ 0.40</b>	<b>\$ 0.43</b>	<b>\$ 0.69</b>
<b>Tangible common equity per common share<sup>(1)</sup></b>	<b>\$ 14.26</b>	<b>\$ 14.19</b>	<b>\$ 13.79</b>	<b>\$ 14.05</b>	<b>\$ 14.05</b>
Return on average assets	0.88%	0.92%	1.02%	1.15%	2.09%
Adjusted efficiency ratio <sup>(1)</sup>	60.86%	56.03%	55.66%	55.11%	56.53%

# DIVERSIFIED AND LOW LTV REAL ESTATE PORTFOLIO

Real Estate Loan Balances<sup>(1)</sup>



SFR Portfolio by LTV



Real Estate <sup>(1)</sup> LTVs	\$	%	Count
<i>\$ in Millions</i>			
<50%	\$ 1,482	29%	1,073
50% to 60%	1,123	22%	511
60% to 70%	1,643	32%	631
70% to 80%	790	15%	472
>80%	80	2%	71
<b>Total</b>	<b>\$ 5,118</b>	<b>100%</b>	<b>2,758</b>

- 83% of all real estate secured loans have LTVs of less than 70%
- Weighted average LTV is 57%

SFR LTVs	\$	%	Count
<i>\$ in Millions</i>			
<50%	\$ 560	30%	650
50% to 60%	354	19%	290
60% to 70%	438	23%	361
70% to 80%	468	25%	367
>80%	58	3%	63
<b>Total</b>	<b>\$ 1,877</b>	<b>100%</b>	<b>1,731</b>

- 72% of all existing SFR have LTVs of less than 70%
- Weighted average LTV is 58%

# STRONG ALLOWANCE COVERAGE RATIO

## RESERVE BY LOAN TYPE

ACL Composition (\$ in thousands)	3/31/2023		12/31/2022	
	Amount	% of Loans	Amount	% of Loans
Commercial real estate	\$ 16,119	1.24%	\$ 15,977	1.27%
Multifamily	15,038	0.90%	14,696	0.87%
Construction	6,425	2.47%	5,850	2.40%
Commercial and industrial	30,327	2.64%	31,534	2.54%
Commercial and industrial - warehouse	2,317	0.36%	2,622	0.44%
SBA	2,097	3.22%	2,648	3.89%
<b>Total commercial loans</b>	<b>72,323</b>	<b>1.42%</b>	<b>73,327</b>	<b>1.44%</b>
Single family residential mortgage	11,481	0.61%	12,050	0.63%
Other consumer	756	0.90%	583	0.67%
<b>Total consumer loans</b>	<b>12,237</b>	<b>0.62%</b>	<b>12,633</b>	<b>0.63%</b>
Allowance for loan losses	84,560	1.20%	85,960	1.21%
Reserve for unfunded commitments	4,805	0.07%	5,305	0.07%
<b>Allowance for credit losses</b>	<b>\$ 89,365</b>	<b>1.27%</b>	<b>\$ 91,265</b>	<b>1.28%</b>

- Allowance for Credit Losses (ACL) includes Reserve for Unfunded Commitments
- ACL coverage ratio of 1.27% at the end of 1Q23 consistent with the prior quarter

# CLO PORTFOLIO HAS DIVERSIFIED EXPOSURE

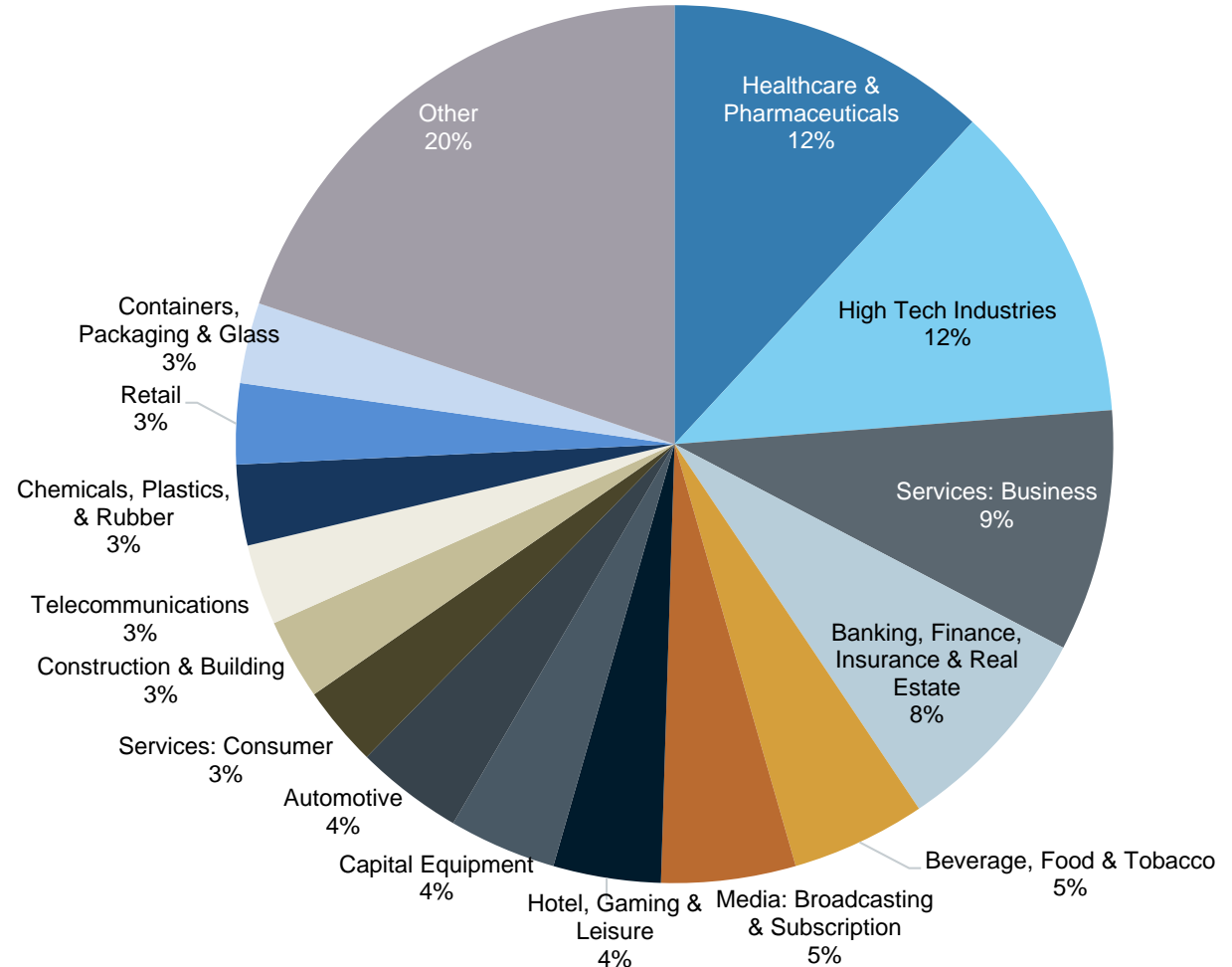
## Credit Enhancement Provides Significant Principal Protection

### Highlights

- CLO portfolio has underlying diversified exposure
- AAA and AA holdings provide principal protection – exposure to underlying credit losses would require a combination of lifetime defaults (25-40% CDR), loss severity (40-50%), and prepayment assumptions (10-20% CPR)
- Under these assumptions, the underlying securities would need to take losses of approximately 30% before we would anticipate incurring losses on principal
- 1Q23 average CLO portfolio yield of 6.39%, up from 5.64% in 4Q22
- Quarterly reset based on 3 Month Libor + 1.62%
- CLOs included an unrealized loss of \$11.2 million as of 1Q23, down from \$15.6 million as of 4Q22

### CLO Industry Breakdown

**\$480 million at March 31, 2023**  
**(net of \$11.2 million unrealized loss)**



# NON-GAAP FINANCIAL INFORMATION

Tangible assets, tangible equity, tangible common equity, tangible common equity to tangible assets, tangible common equity per share, return on average tangible common equity, adjusted noninterest income, adjusted noninterest expense, adjusted noninterest income to adjusted total revenue, adjusted noninterest expense to average total assets, pre-tax pre-provision (PTPP) income, adjusted PTPP income, PTPP income ROAA, adjusted PTPP income ROAA, efficiency ratio, adjusted efficiency ratio, adjusted net income, adjusted net income available to common stockholders, adjusted diluted earnings per share (EPS), adjusted return on average assets (ROAA), adjusted common equity tier 1 (CET 1) and adjusted CET1 ratios constitute supplemental financial information determined by methods other than in accordance with GAAP. These non-GAAP measures are used by management in its analysis of the Company's performance.

Tangible assets and tangible equity are calculated by subtracting goodwill and other intangible assets from total assets and total equity. Tangible common equity is calculated by subtracting preferred stock, as applicable, from tangible equity. Return on average tangible common equity is calculated by dividing net income available to common stockholders, after adjustment for amortization of intangible assets, by average tangible common equity. Banking regulators also exclude goodwill and other intangible assets from stockholders' equity when assessing the capital adequacy of a financial institution.

PTPP income is calculated by adding net interest income and noninterest income (total revenue) and subtracting noninterest expense. Adjusted PTPP income is calculated by adding net interest income and adjusted noninterest income (adjusted total revenue) and subtracting adjusted noninterest expense. PTPP income ROAA is calculated by dividing annualized PTPP income by average assets. Adjusted PTPP income ROAA is calculated by dividing annualized adjusted PTPP income by average assets. Efficiency ratio is calculated by dividing noninterest expense by total revenue. Adjusted efficiency ratio is calculated by dividing adjusted noninterest expense by adjusted total revenue.

Adjusted net income is calculated by adjusting net income for tax-effected noninterest income and noninterest expense adjustments and the tax impact from the exercise of stock appreciation rights for the periods indicated. Adjusted ROAA is calculated by dividing annualized adjusted net income by average assets. Adjusted net income available to common stockholders is calculated by removing the impact of preferred stock redemptions from adjusted net income. Adjusted diluted earnings per share is calculated by dividing adjusted net income available to common stockholders by the weighted average diluted common shares outstanding.

Common equity tier 1 and the common equity tier 1 ratio are defined by regulatory capital rules. Adjusted CET 1 is calculated by subtracting net unrealized losses on securities from CET 1 capital. Adjusted CET 1 ratio is calculated by dividing adjusted CET 1 by total risk-weighted assets. Adjusted CET 1 ratio, assuming AFS losses realized, is calculated by dividing CET 1 capital amount after adjusting for the net unrealized losses on AFS securities, by total risk-weighted assets. Adjusted CET 1 ratio, assuming HTM losses realized, is calculated by dividing CET 1 capital after adjusting for the net unrealized losses on HTM securities, by total risk-weighted assets. Adjusted CET 1 and adjusted CET 1 ratios are provided to reflect management's assessment of capital impacts from net unrealized losses on securities. Capital amounts and ratios as of March 31, 2023 are preliminary.

Management believes the presentation of these financial measures adjusting the impact of these items provides useful supplemental information that is essential to a proper understanding of the financial results and operating performance of the Company. This disclosure should not be viewed as a substitute for results determined in accordance with GAAP, nor is it necessarily comparable to non-GAAP performance measures that may be presented by other companies.

Reconciliations of these measures to measures determined in accordance with GAAP are contained on slides 25-30 of this presentation.

# NON-GAAP RECONCILIATION

	1Q23	4Q22	3Q22	2Q22	1Q22
(Dollars in thousands)					
<b>Tangible Common Equity to Tangible Assets Ratio</b>					
Total assets	\$ 10,038,901	\$ 9,197,016	\$ 9,368,578	\$ 9,502,113	\$ 9,583,540
Less: goodwill	(114,312)	(114,312)	(114,312)	(95,127)	(95,127)
Less: other intangible assets	(7,065)	(7,526)	(8,081)	(4,677)	(4,990)
Tangible assets <sup>(1)</sup>	<b>\$ 9,917,524</b>	<b>\$ 9,075,178</b>	<b>\$ 9,246,185</b>	<b>\$ 9,402,309</b>	<b>\$ 9,483,423</b>
Total stockholders' equity	\$ 958,907	\$ 959,618	\$ 951,990	\$ 949,130	\$ 979,009
Less: goodwill	(114,312)	(114,312)	(114,312)	(95,127)	(95,127)
Less: other intangible assets	(7,065)	(7,526)	(8,081)	(4,677)	(4,990)
Tangible common equity <sup>(1)</sup>	<b>\$ 837,530</b>	<b>\$ 837,780</b>	<b>\$ 829,597</b>	<b>\$ 849,326</b>	<b>\$ 878,892</b>
Total stockholders' equity to total assets	9.55%	10.43%	10.16%	9.99%	10.22%
Tangible common equity to tangible assets <sup>(1)</sup>	8.44%	9.23%	8.97%	9.03%	9.27%
Common shares outstanding	58,237,303	58,544,534	59,679,558	59,985,736	62,077,312
Class B non-voting non-convertible common shares outstanding	477,321	477,321	477,321	477,321	477,321
Total common shares outstanding	<b>58,714,624</b>	<b>59,021,855</b>	<b>60,156,879</b>	<b>60,463,057</b>	<b>62,554,633</b>
Book value per common share	\$ 16.33	\$ 16.26	\$ 15.83	\$ 15.70	\$ 15.65
Tangible common equity per common share <sup>(1)</sup>	\$ 14.26	\$ 14.19	\$ 13.79	\$ 14.05	\$ 14.05

# NON-GAAP RECONCILIATION

(Dollars in thousands)

## Return on tangible common equity

Average total stockholders' equity  
 Less: Average preferred stock  
 Average common stockholders' equity  
 Less: Average goodwill  
 Less: Average other intangible assets  
 Average tangible common equity<sup>(1)</sup>

	1Q23	4Q22	3Q22	2Q22	1Q22
	\$ 1,004,794	\$ 989,414	\$ 960,806	\$ 969,885	\$ 1,049,912
	-	-	-	-	(75,965)
	1,004,794	989,414	960,806	969,885	973,947
	(114,312)	(114,312)	(98,916)	(95,127)	(94,307)
	(7,355)	(7,869)	(4,570)	(4,869)	(6,224)
	<b>\$ 883,127</b>	<b>\$ 867,233</b>	<b>\$ 857,320</b>	<b>\$ 869,889</b>	<b>\$ 873,416</b>

Net income available to common stockholders  
 Add: Amortization of intangible assets  
 Less: Tax effect on amortization of intangible assets<sup>(2)</sup>  
 Net income available to common stockholders after the adjustments for intangible assets<sup>(1)</sup>

	\$ 20,278	\$ 21,519	\$ 24,196	\$ 26,712	\$ 43,345
	461	555	396	313	441
	(136)	(164)	(117)	(93)	(130)
	<b>\$ 20,603</b>	<b>\$ 21,910</b>	<b>\$ 24,475</b>	<b>\$ 26,932</b>	<b>\$ 43,656</b>

Return on average equity

8.18% 8.63% 9.99% 11.05% 18.74%

Return on average tangible common equity<sup>(1)</sup>

9.46% 10.02% 11.33% 12.42% 20.27%

# NON-GAAP RECONCILIATION

(Dollars in thousands)

## Adjusted Noninterest Income

	1Q23	4Q22	3Q22	2Q22	1Q22
Total noninterest income	7,859	(1,427)	5,681	7,186	5,910
Net (gain) on securities available for sale	-	7,708	-	-	(16)
Adjusted noninterest income <sup>(1)</sup>	<b>\$ 7,859</b>	<b>\$ 6,281</b>	<b>\$ 5,681</b>	<b>\$ 7,186</b>	<b>\$ 5,894</b>

## Adjusted Noninterest Expense

Total noninterest expense	\$ 51,239	\$ 48,203	\$ 50,962	\$ 48,612	\$ 46,596
Noninterest expense adjustments:					
Indemnified legal recoveries (fees)	(380)	869	(1,017)	(455)	106
Acquisition, integration and transaction costs	-	-	(2,080)	-	-
Noninterest expense adjustments before gain (loss) in alternative energy partnership investments	(380)	869	(3,097)	(455)	106
(Loss) gain in alternative energy partnership investments	(1,618)	(608)	(504)	(1,043)	(158)
Total noninterest expense adjustments	(1,998)	261	(3,601)	(1,498)	(52)
Adjusted noninterest expense <sup>(1)</sup>	<b>\$ 49,241</b>	<b>\$ 48,464</b>	<b>\$ 47,361</b>	<b>\$ 47,114</b>	<b>\$ 46,544</b>

Average assets	\$9,317,209	\$9,257,311	\$9,408,740	\$9,342,696	\$9,392,305
Noninterest income to total revenue	9.71%	(1.81%)	6.68%	8.41%	7.18%
Adjusted noninterest income to adjusted total revenue <sup>(1)</sup>	9.71%	7.26%	6.68%	8.41%	7.16%
Noninterest expense / Average assets <sup>(2)</sup>	2.23%	2.07%	2.15%	2.09%	2.01%
Adjusted noninterest expense / Average assets <sup>(1)(2)</sup>	2.14%	2.08%	2.00%	2.02%	2.01%

# NON-GAAP RECONCILIATION

	1Q23	4Q22	3Q22	2Q22	1Q22
(Dollars in thousands)					
<b>Adjusted pre-tax pre-provision income</b>					
Net interest income	\$ 73,053	\$ 80,217	\$ 79,408	\$ 78,299	\$ 76,441
Noninterest income	7,859	(1,427)	5,681	7,186	5,910
Total revenue	80,912	78,790	85,089	85,485	82,351
Noninterest expense	51,239	48,203	50,962	48,612	46,596
Pre-tax pre-provision income <sup>(1)</sup>	<b>\$ 29,673</b>	<b>\$ 30,587</b>	<b>\$ 34,127</b>	<b>\$ 36,873</b>	<b>\$ 35,755</b>
Total revenue	\$ 80,912	\$ 78,790	\$ 85,089	\$ 85,485	\$ 82,351
Total noninterest income adjustments	-	\$ 7,708	-	-	(16)
Adjusted total revenue <sup>(1)</sup>	<b>\$ 80,912</b>	<b>\$ 86,498</b>	<b>\$ 85,089</b>	<b>\$ 85,485</b>	<b>\$ 82,335</b>
Noninterest expense	\$ 51,239	\$ 48,203	\$ 50,962	\$ 48,612	\$ 46,596
Total noninterest expense adjustments	(1,998)	261	(3,601)	(1,498)	(52)
Adjusted noninterest expense <sup>(1)</sup>	<b>49,241</b>	<b>48,464</b>	<b>47,361</b>	<b>47,114</b>	<b>46,544</b>
Adjusted pre-tax pre-provision income <sup>(1)</sup>	<b>\$ 31,671</b>	<b>\$ 38,034</b>	<b>\$ 37,728</b>	<b>\$ 38,371</b>	<b>\$ 35,791</b>
Average Assets	\$ 9,317,209	\$ 9,257,311	\$ 9,408,740	\$ 9,342,696	\$ 9,392,305
Pre-tax pre-provision ROAA <sup>(1),(2)</sup>	1.29%	1.31%	1.44%	1.58%	1.54%
Adjusted pre-tax pre-provision ROAA <sup>(1),(2)</sup>	1.38%	1.63%	1.59%	1.65%	1.55%
Efficiency Ratio <sup>(1)</sup>	63.33%	61.18%	59.89%	56.87%	56.58%
Adjusted efficiency ratio <sup>(1),(2)</sup>	60.86%	56.03%	55.66%	55.11%	56.53%

# NON-GAAP RECONCILIATION

(Dollars in thousands, except per share data)

	1Q23	4Q22	3Q22	2Q22	1Q22
<b>Adjusted net income</b>					
Net income <sup>(1)(2)(3)</sup>	\$ 20,278	\$ 21,519	\$ 24,196	\$ 26,712	\$ 48,512
Adjustments:					
Noninterest income adjustments	-	7,708	-	-	(16)
Noninterest expense adjustments	1,998	(261)	3,601	1,498	52
Total adjustments	1,998	7,447	3,601	1,498	36
Tax impact of adjustments above <sup>(4)</sup>	(591)	(2,202)	(1,065)	(443)	(11)
Adjustments to net income	1,407	5,245	2,536	1,055	25
Adjusted net income <sup>(2)(5)</sup>	<b>\$ 21,685</b>	<b>\$ 26,764</b>	<b>\$ 26,732</b>	<b>\$ 27,767</b>	<b>\$ 48,537</b>
Average Assets	\$ 9,317,209	\$ 9,257,311	\$ 9,408,740	\$ 9,342,696	\$ 9,392,305
ROAA <sup>(6)</sup>	0.88%	0.92%	1.02%	1.15%	2.09%
Adjusted ROAA <sup>(5)(6)</sup>	0.94%	1.15%	1.13%	1.19%	2.10%
<b>Adjusted net income available to common stockholders</b>					
Net income available to common stockholders	\$ 20,278	\$ 21,519	\$ 24,196	\$ 26,712	\$ 43,345
Adjustments to net income	1,407	5,245	2,536	1,055	25
Adjustments for impact of preferred stock redemption	-	-	-	-	3,747
Adjusted net income available to common stockholders <sup>(5)</sup>	<b>\$ 21,685</b>	<b>\$ 26,764</b>	<b>\$ 26,732</b>	<b>\$ 27,767</b>	<b>\$ 47,117</b>
Average diluted common shares	59,206,619	59,725,283	60,492,460	61,600,615	62,906,003
Diluted EPS	\$ 0.34	\$ 0.36	\$ 0.40	\$ 0.43	\$ 0.69
Adjusted diluted EPS <sup>(5)(7)</sup>	\$ 0.37	\$ 0.45	\$ 0.44	\$ 0.45	\$ 0.75

(1) Net income for the three months ended December 31, 2022 includes a \$7.7 million pre-tax loss on sale of securities

(2) Net income and adjusted net income for the three months ended March 31, 2022 includes a \$31.3 million pre-tax reversal of credit losses due to the recovery from the settlement of a previously charged-off loan; there is no similar recovery in any of the other periods presented. The Bank previously recognized a \$35.1 million charge-off for this loan during the third quarter of 2019

(3) Tax impact of adjustments shown at a statutory tax rate of 29.6%

(4) Non-GAAP measure

(5) Ratio presented on an annualized basis

(6) Represents adjusted net income available to common stockholders divided by average diluted common shares

# NON-GAAP RECONCILIATION

(Dollars in thousands)	1Q23
<b>Adjusted Common Equity Tier 1 (CET 1) capital<sup>(1)</sup></b>	
CET 1 capital <sup>(2)</sup>	\$ 893,648
Less unrealized loss on AFS securities, net of tax	(33,687)
Less unrealized loss on HTM securities, net of tax	(40,036)
Adjusted CET 1 capital <sup>(3)</sup>	<b>\$ 819,925</b>
Total risk-weighted assets <sup>(2)</sup>	\$ 7,665,451
CET 1 ratio <sup>(2)</sup>	11.66%
Adjusted CET 1 ratio, assuming AFS losses realized <sup>(3)</sup>	11.22%
Adjusted CET 1 ratio, assuming AFS and HTM losses realized <sup>(3)</sup>	10.70%