



# INVESTOR PRESENTATION

**2022 Third Quarter Earnings**

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# 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,” or similar expressions are intended to identify “forward-looking statements” within the meaning of the “Safe-Harbor” provisions of the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on any forward-looking statements. These statements may relate to future financial performance, strategic plans or objectives, revenue, expense or earnings projections, or other financial items of Banc of California, Inc. and its affiliates (“BANC,” the “Company”, “we”, “us” or “our”). By their nature, these statements are subject to numerous uncertainties that could cause actual results to differ materially from those anticipated in the statements.

Factors that could cause actual results to differ materially from the results anticipated or projected include, but are not limited to, the following: (i) the continuing effects of the COVID-19 pandemic and steps taken by governmental and other authorities to contain, mitigate, and combat the pandemic on our business, operations, financial performance and prospects; (ii) the costs and effects of litigation, including legal fees and other expenses, settlements and judgments; (iii) the risk that we will not be successful in the implementation of our capital utilization strategy, new lines of business, new products and services, or other strategic project initiatives; (iv) risks that the Company’s merger and acquisition transactions may disrupt current plans and operations and lead to difficulties in customer and employee retention, risks that the costs, fees, expenses and charges related to these transactions could be significantly higher than anticipated and risks that the expected revenues, cost savings, synergies, and other benefits of these transactions might not be realized to the extent anticipated, within the anticipated timetables, or at all and, in the case of our recent acquisition of Deepstack Technologies, reputational risk, regulatory risk and potential adverse reactions of the Company’s or Deepstack’s customers, suppliers, vendors, employees or other business partners; (v) the credit risks of lending activities, which may be affected by deterioration in real estate markets and the financial condition of borrowers, and the operational risk of lending activities, including but not limited to, the effectiveness of our underwriting practices and the risk of fraud, any of which may lead to increased loan delinquencies, losses, and nonperforming assets in our loan portfolio, and may result in our allowance for credit losses not being adequate and require us to materially increase our credit loss reserves; (vi) the quality and composition of our securities portfolio; (vii) changes in general economic conditions, either nationally or in our market areas, including the impact of supply chain disruptions, or changes in financial markets, and the risk of recession; (viii) changes in the interest rate environment and levels of general interest rates, including the recent and anticipated increases by the FRB in its benchmark rate, the impacts of inflation, the relative differences between short- and long-term interest rates, deposit interest rates, our net interest margin, and funding sources; (ix) fluctuations in the demand for loans, and fluctuations in commercial and residential real estate values in our market area; (x) our ability to develop and maintain a strong core deposit base or other low cost funding sources necessary to fund our activities; (xi) results of examinations of us by regulatory authorities and the possibility that any such regulatory authority may, among other things, limit our business activities, require us to change our business mix, restrict our ability to invest in certain assets, increase our allowance for credit losses, result in write-downs of asset values, increase our capital levels, affect our ability to borrow funds or maintain or increase deposits, or impose fines, penalties or sanctions, any of which could adversely affect our liquidity and earnings; (xii) legislative or regulatory changes that adversely affect our business, including, without limitation, changes in tax laws and policies, changes in privacy laws, and changes in regulatory capital or other rules, and the availability of resources to address or respond to such changes; (xiii) our ability to control operating costs and expenses; (xiv) staffing fluctuations in response to product demand or the implementation of corporate strategies that affect our work force and potential associated charges; (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, which may result in significant changes in valuation; (xvii) uncertainty regarding the expected discontinuation of the London Interbank Offered Rate (“LIBOR”) and the use of alternative reference rates; (xviii) failures or security breaches with respect to the network, applications, vendors and computer systems on which we depend, including but not limited to, due to cybersecurity threats; (xix) our ability to attract and retain key members of our senior management team; (xx) increased competitive pressures among financial services companies; (xxi) changes in consumer spending, borrowing and saving habits; (xxii) the effects of 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; (xxiii) the ability of key third-party providers to perform their obligations to us; (xxiv) changes in accounting policies and practices, as may be adopted by the financial institution regulatory agencies or the Financial Accounting Standards Board or their application to our business, including additional guidance and interpretation on accounting issues and details of the implementation of new accounting standards; (xxv) continuing impact of the Financial Accounting Standards Board’s credit loss accounting standard, referred to as Current Expected Credit Loss, which requires financial institutions to determine periodic estimates of lifetime expected credit losses on loans, and provide for the expected credit losses as allowances for loan losses; (xxvi) share price volatility and reputational risks, related to, among other things, speculative trading and certain traders shorting our common shares and attempting to generate negative publicity about us; (xxvii) our ability to obtain regulatory approvals or non-objection to take various capital actions, including the payment of dividends by us or our bank subsidiary, or repurchases of our common stock; and (xxviii) other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services and the other risks described in this report and from time to time in other documents that we file with or furnish to the SEC.

# THIRD QUARTER 2022 RESULTS



<i>(\$ in Thousands Except Per Share Data)</i>	3Q22	2Q22	3Q21
Net interest income	\$ 79,408	\$ 78,299	\$ 62,976
(Reversal of) provision for credit losses	-	-	\$ (1,147)
Net income	\$ 24,196	\$ 26,712	\$ 23,170
Net income available to common stockholders	\$ 24,196	\$ 26,712	\$ 21,443
Earnings per diluted common share	\$ 0.40	\$ 0.43	\$ 0.42
Adjusted net income available to common stockholders <sup>(1)</sup>	\$ 26,732	\$ 27,767	\$ 19,374
Adjusted earnings per diluted common share <sup>(1)</sup>	\$ 0.44	\$ 0.45	\$ 0.38
Pre-tax pre-provision (PTPP) income <sup>(1)</sup>	\$ 34,127	\$ 36,873	\$ 30,684
Adjusted PTPP income <sup>(1)</sup>	\$ 37,728	\$ 38,371	\$ 27,747
Return on average assets (ROAA)	1.02%	1.15%	1.13%
PTPP ROAA <sup>(1)</sup>	1.44%	1.58%	1.50%
Adjusted PTPP ROAA <sup>(1)</sup>	1.59%	1.65%	1.35%
Average assets	\$ 9,408,740	\$ 9,342,696	\$ 8,141,613
Net interest margin	3.58%	3.58%	3.28%
Allowance for credit losses coverage ratio	1.36%	1.34%	1.26%
Common equity tier 1 <sup>(2)</sup>	11.39%	11.29%	10.86%
Tangible common equity per share <sup>(1)</sup>	\$ 13.79	\$ 14.05	\$ 13.99
Noninterest-bearing deposits as % of total deposits	40.4%	37.4%	32.2%

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

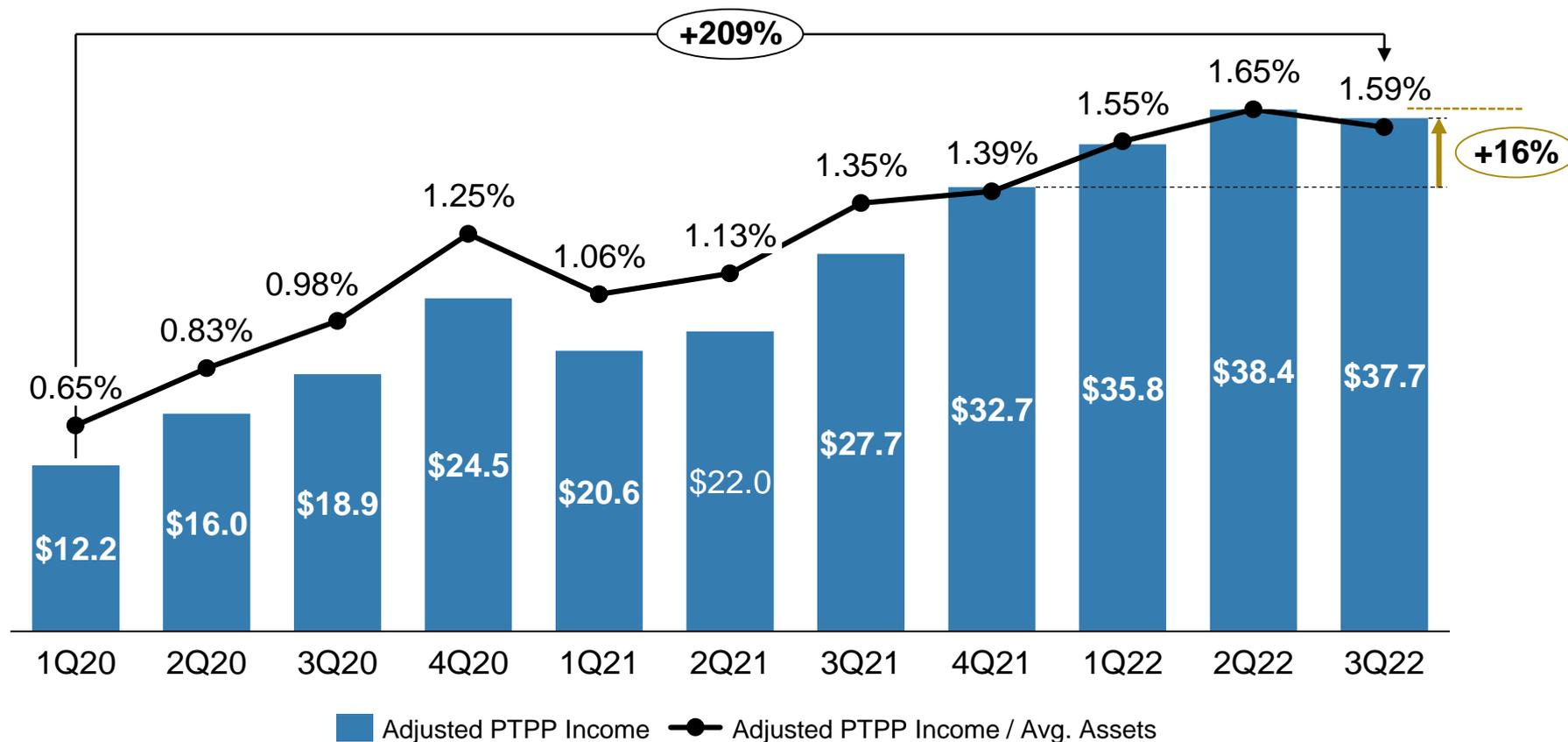
(2) 3Q22 capital ratios are preliminary

## 3rd Quarter 2022 Summary

<p><b>Growing Earnings Power</b></p>	<ul style="list-style-type: none"> <li>• Strong adjusted net income and EPS in a more challenging operating environment</li> <li>• Loan production rate increase and large noninterest-bearing deposit base improves ability to realize more NIM expansion and earnings growth</li> <li>• Excluding our use of capital for the Deepstack acquisition, TBVPS grew in the quarter</li> </ul>
<p><b>Continued Growth in Targeted Areas</b></p>	<ul style="list-style-type: none"> <li>• Noninterest-bearing deposits increased \$117 million, or 17% annualized, from prior quarter to represent 40% of total quarter-end deposits</li> <li>• The number of commercial noninterest-bearing deposit accounts grew 7% annualized and commercial noninterest-bearing deposits grew 19% annualized</li> <li>• Total commercial loans, excluding warehouse lending, increased 11% annualized</li> </ul>
<p><b>Asset Sensitivity Drives Ability to Expand NIM</b></p>	<ul style="list-style-type: none"> <li>• 29 basis point increase in average yield on earning assets offsets higher cost of funds and keeps net interest margin consistent with prior quarter</li> <li>• Noninterest-bearing deposits and longer-term fixed-rate funding added in 3Q22 improves asset sensitivity</li> </ul>
<p><b>Positive Trends in Asset Quality</b></p>	<ul style="list-style-type: none"> <li>• Decline in delinquent loans, non-performing loans, and non-performing assets</li> <li>• Extensive stress testing on portfolio indicates asset quality should remain strong if economic conditions deteriorate in near future</li> </ul>
<p><b>Acquisition of Deepstack Technologies and Entry into Payments Processing</b></p>	<ul style="list-style-type: none"> <li>• Adds a high value solution that will:             <ul style="list-style-type: none"> <li>➢ Provide a consistent, high margin source of fee income (at scale)</li> <li>➢ Offer another stable source for growth of commercial non-interest bearing deposits</li> <li>➢ Attract new clients in targeted verticals and advance BANC's goal to be the hub of the financial services ecosystem for clients while creating another driver of profitable long-term growth and franchise value</li> </ul> </li> </ul>

## Adjusted Pre-tax Pre-provision (PTPP) Income <sup>(1)</sup>

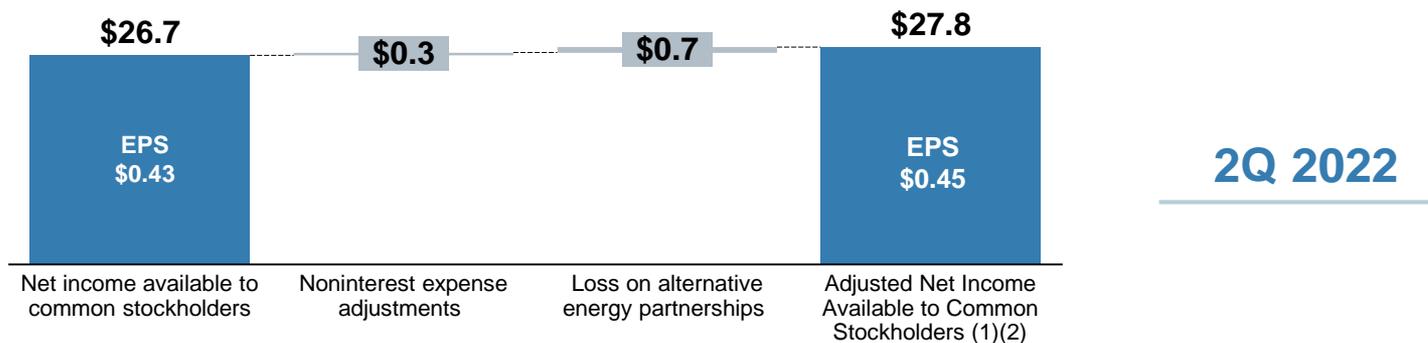
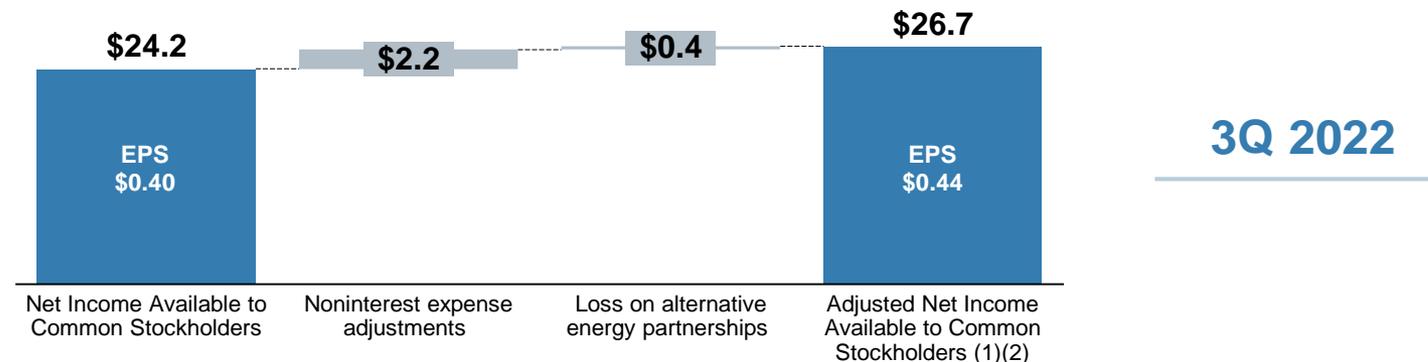
(\$ in millions)



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

# NET INCOME AVAILABLE TO COMMON STOCKHOLDERS RECONCILIATION

(\$ in millions)



## Highlights

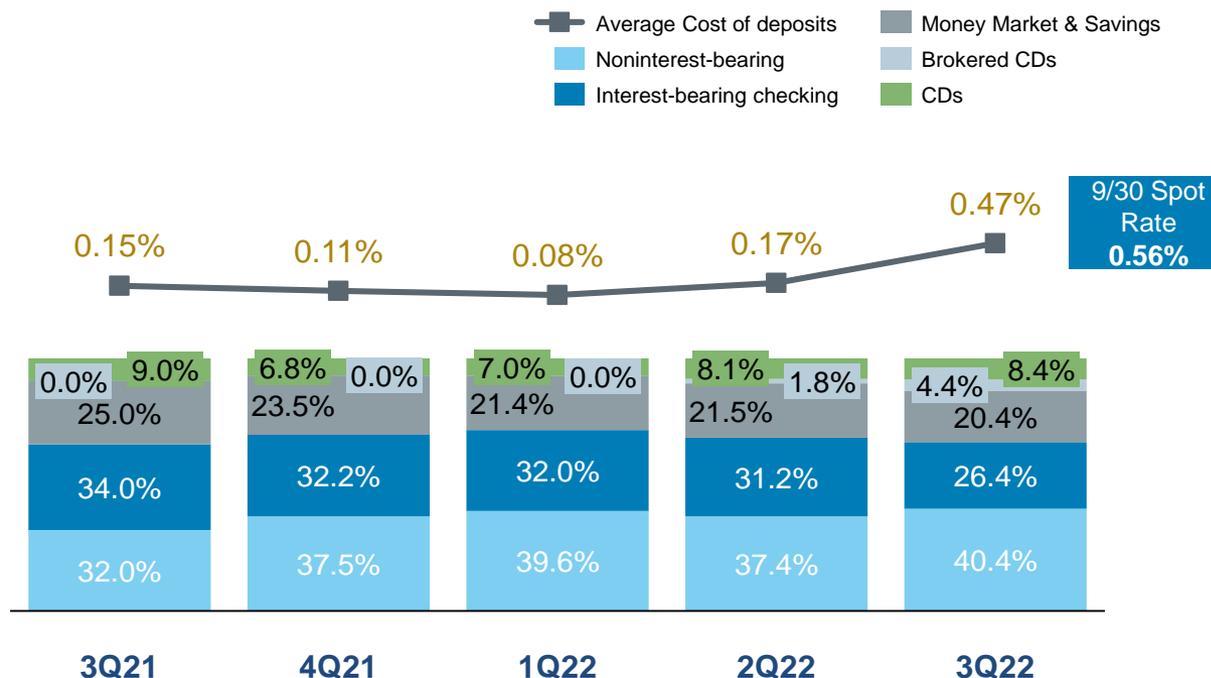
- 3Q22: Noninterest expense adjustments relate to merger expenses and professional fees, net of recoveries
- 2Q22: Noninterest expense adjustments relate to professional fees, net of recoveries

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

(2) Adjustments presented utilizing a statutory tax rate of 29.56%; see "Non-GAAP Reconciliation" slides at end of presentation

## Highlights

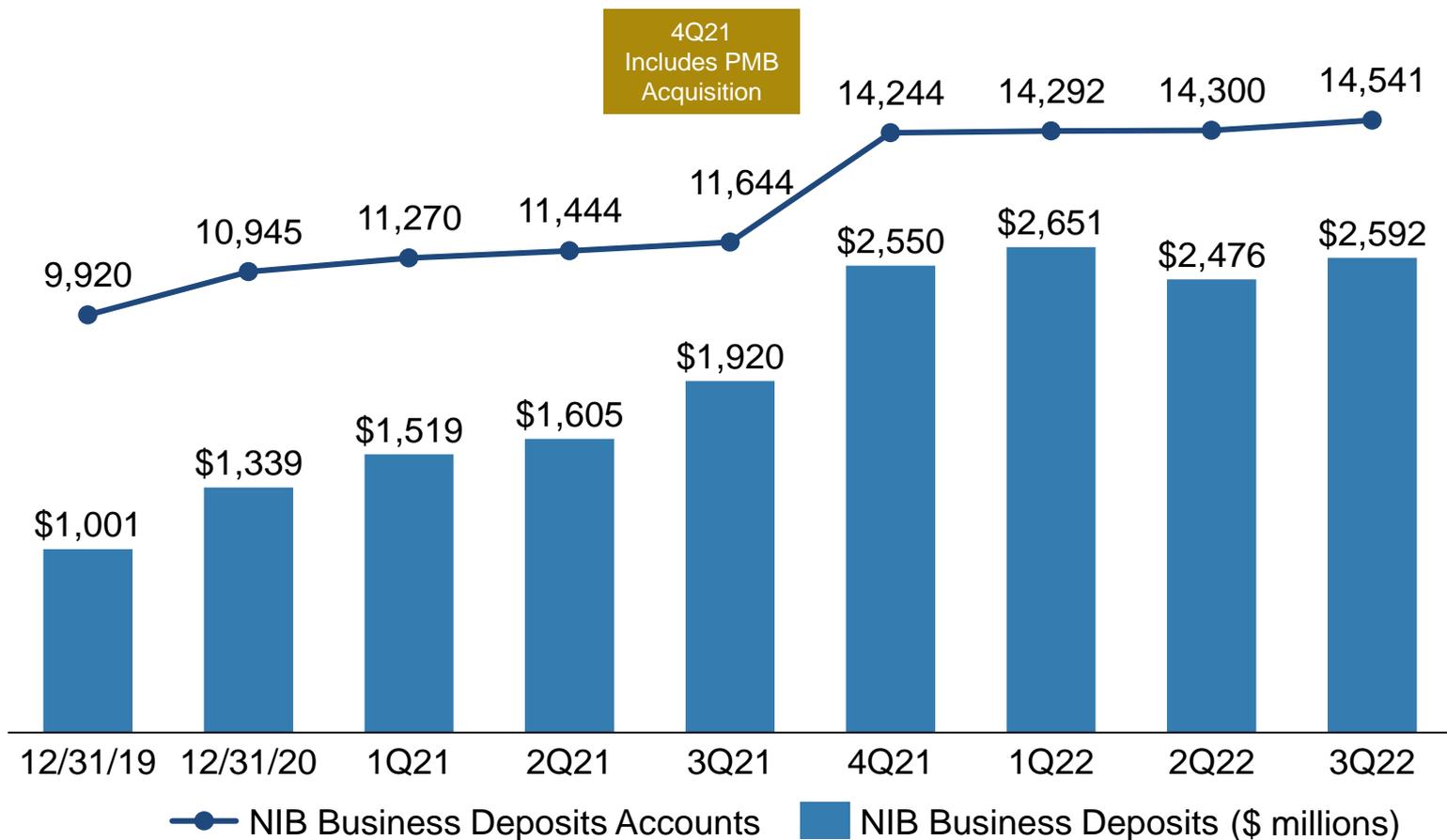
- 6% YTD increase in noninterest-bearing deposits
- 40% percent of deposits are noninterest-bearing, up from 32% a year ago
- Targeted deposit strategy has transformed deposit mix and contributed to asset-sensitive profile



Category	3Q21	4Q21	1Q22	2Q22	3Q22
\$ in millions					
Noninterest-bearing checking	\$2,107.7	\$2,788.2	\$2,958.6	\$2,826.6	\$2,943.6
Interest-bearing checking	2,214.7	2,393.4	2,395.3	2,359.9	1,921.8
Demand deposits	4,322.4	5,181.6	5,354.0	5,186.5	4,865.4
Money Market & Savings	1,661.0	1,751.1	1,605.1	1,622.9	1,478.0
CDs	559.8	506.7	520.7	615.7	614.6
Brokered CDs	0.0	0.0	0.0	133.6	322.4
<b>Total<sup>(1)</sup></b>	<b>\$6,543.2</b>	<b>\$7,439.4</b>	<b>\$7,479.7</b>	<b>\$7,558.7</b>	<b>\$7,280.4</b>

(1) Reflects balance as of period end

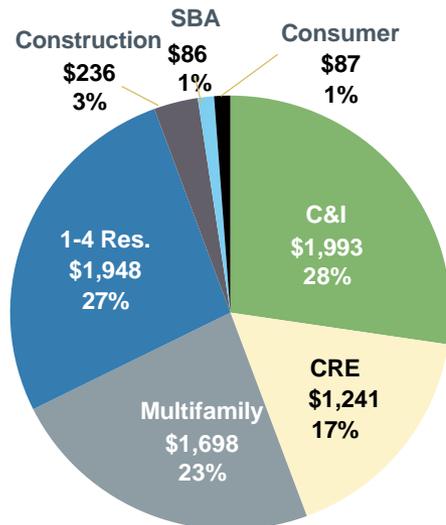
## Commercial Noninterest-Bearing Deposits (NIB) and Number of Accounts



NIB Commercial Deposits Comprise 88% of Total NIB Deposits

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

Loan Segment	3rd Quarter 2022			2nd Quarter 2022			Change		
	\$( <sup>1</sup> )	%	Avg. Yield	\$( <sup>1</sup> )	%	Avg. Yield	\$( <sup>1</sup> )	%	Avg. Yield
<i>\$ in Millions</i>									
C&I: Warehouse	\$ 766	11%	5.97%	\$ 1,160	16%	4.83%	\$ (394)	-5%	1.14%
C&I: All Other	1,227	17%	5.09%	1,273	17%	4.54%	(46)	0%	0.56%
Multifamily	1,698	23%	4.00%	1,572	21%	4.14%	126	2%	-0.14%
CRE	1,241	17%	4.44%	1,204	16%	4.43%	37	1%	0.01%
Construction	236	3%	6.72%	228	3%	5.50%	8	0%	1.22%
SBA	86	1%	3.13%	92	1%	3.52%	(7)	0%	-0.39%
<b>Total Commercial Loans</b>	<b>5,255</b>	<b>72%</b>	<b>4.77%</b>	<b>5,531</b>	<b>74%</b>	<b>4.49%</b>	<b>(276)</b>	<b>-2%</b>	<b>0.28%</b>
SFR	1,948	27%	3.85%	1,832	25%	3.84%	115	2%	0.01%
Consumer	87	1%	6.05%	88	1%	6.24%	(2)	0%	-0.19%
<b>Total Consumer Loans</b>	<b>2,034</b>	<b>28%</b>	<b>3.94%</b>	<b>1,921</b>	<b>26%</b>	<b>3.96%</b>	<b>114</b>	<b>2%</b>	<b>-0.02%</b>
<b>Total Loans HFI</b>	<b>\$ 7,289</b>	<b>100%</b>	<b>4.54%</b>	<b>\$ 7,451</b>	<b>100%</b>	<b>4.35%</b>	<b>\$ (162)</b>	<b>N/A</b>	<b>0.19%</b>



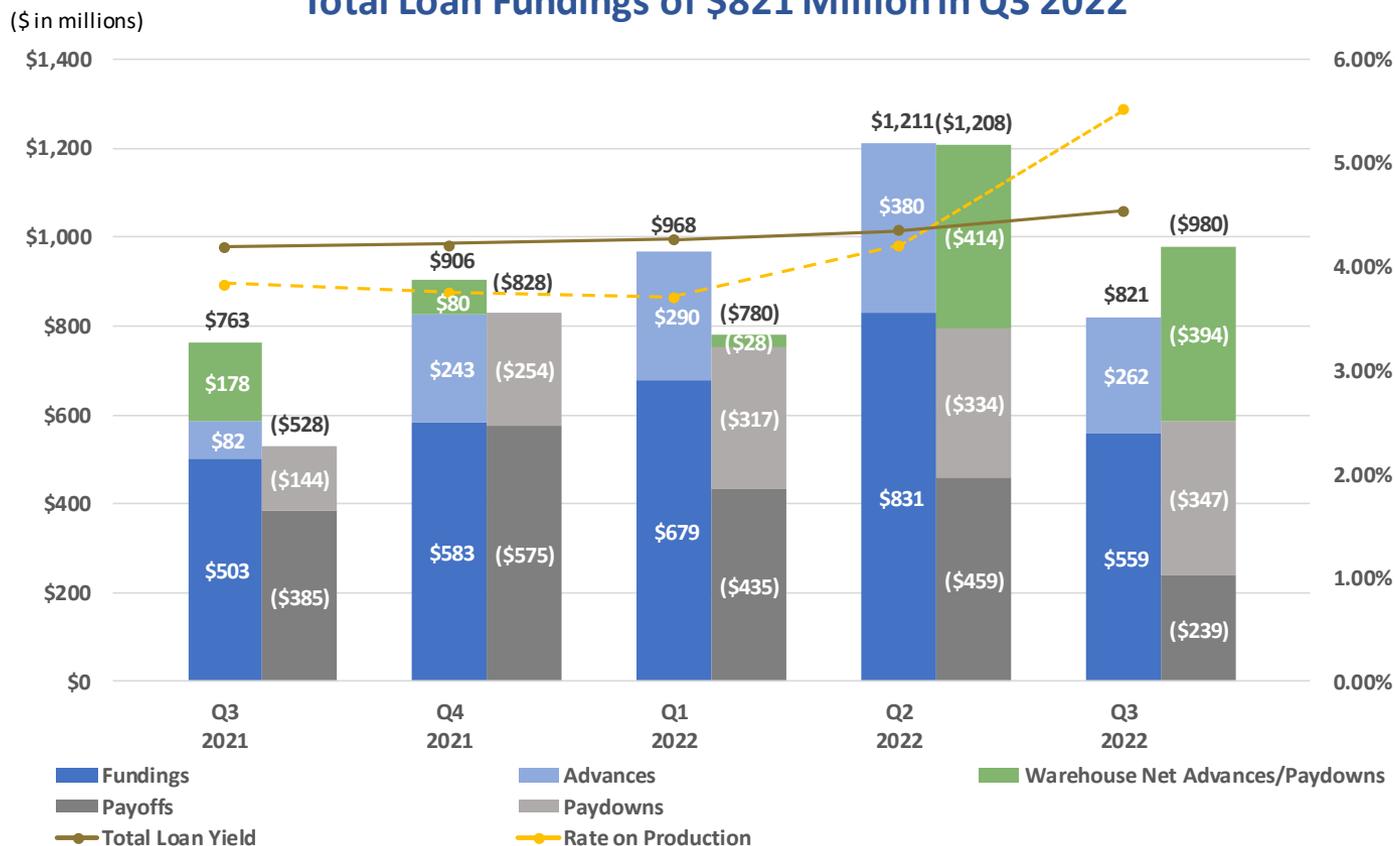
- Total Commercial Loans, excluding warehouse, increased \$118 million or 11% on an annualized basis
- 64% of the loan portfolio is secured by residential real estate
- Real estate secured loans weighted average loan-to-values (LTVs) of 57%
- 77% of the SFR portfolio have LTVs of less than 70%
- 86% of all real estate secured loans have LTVs of less than 70%

(1) Reflects balance as of period end

# DIVERSIFIED BUSINESS MIX

## YoY GROWTH IN LOAN FUNDINGS, RATE ON PRODUCTION

### Total Loan Fundings of \$821 Million in Q3 2022



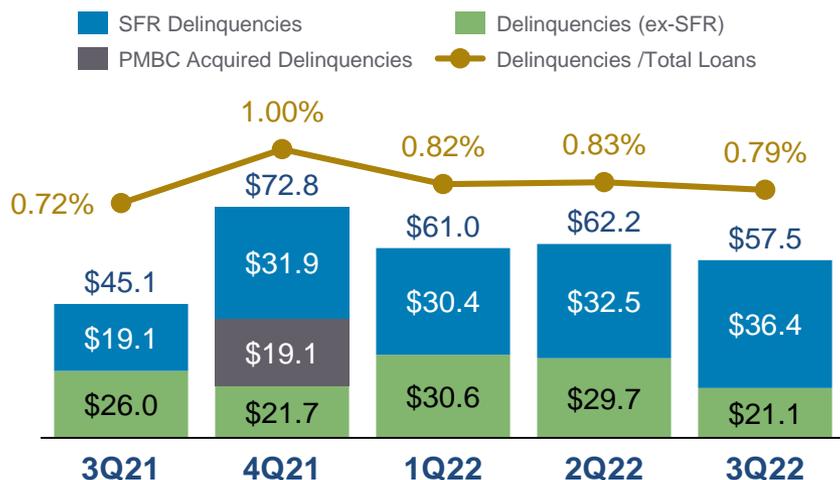
(\$ in millions)	Loans Beginning Balance	Total Fundings	PMB Acquired <sup>(1)</sup>	Total Payoffs	Net Difference	Other Change <sup>(2)</sup>	Loans Ending Balance	Total Loan Yield	Rate on Production
Q3 2022	\$ 7,455	\$ 821	\$ -	\$ 980	\$ (159)	\$ (2)	\$ 7,294	4.54%	5.52%
Q2 2022	\$ 7,455	\$ 1,211	\$ -	\$ 1,208	\$ 3	\$ (2)	\$ 7,455	4.35%	4.20%
Q1 2022	\$ 7,255	\$ 968	\$ -	\$ 780	\$ 188	\$ 12	\$ 7,455	4.26%	3.70%
Q4 2021	\$ 6,232	\$ 906	\$ 963	\$ 828	\$ 77	\$ (17)	\$ 7,255	4.20%	3.74%
Q3 2021	\$ 5,988	\$ 763	\$ -	\$ 528	\$ 234	\$ 9	\$ 6,232	4.18%	3.83%

(1) PMB acquired loans excluded from chart and Total Loan Fundings (2) Includes deferred costs/fees, transfers, sales and other adjustments

# ASSET QUALITY REMAINS STRONG

## NPLs, Delinquencies, and Classified Loans

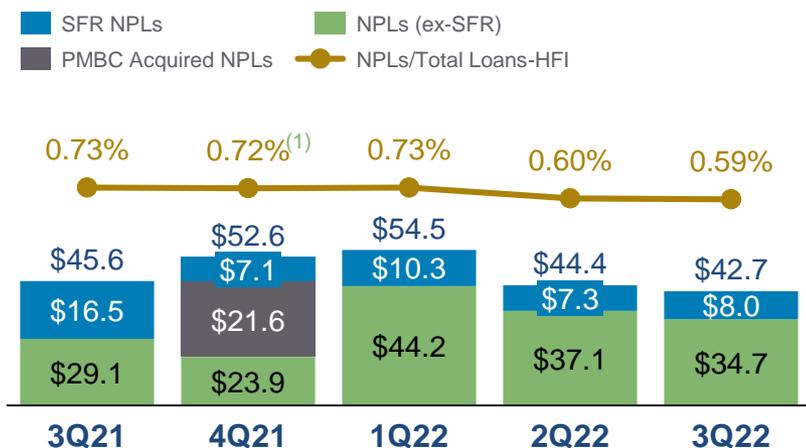
### Delinquencies (\$ in millions)



### Criticized and Classified Loans (\$ in millions)



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



### ACL / Non-performing Loans (NPLs) (\$ in millions)



(1) The NPL ratio related to BANC originated loans is 0.49% when PMB's NPLs of \$21.6 million and PMB acquired loans outstanding at December 31, 2021 of \$905 million are excluded

# TOP 10 RELATIONSHIPS

## Non-performing & delinquent loans rollforward



### Non-performing Loans (\$ in thousands)

#	3Q22	2Q22	Delta	Loan Category	3Q Accrual Status	3Q Delinquency Status	2Q Accrual Status
1	\$ 11,364	\$ 12,350	\$ (986)	C&I	Non-Accrual	Current	Non-Accrual
2	4,920	-	4,920	C&I	Non-Accrual	60-89	Accrual
3	3,929	3,929	-	SFR	Non-Accrual	90+	Non-Accrual
4	3,385	3,523	(138)	C&I	Non-Accrual	Current	Non-Accrual
5	3,179	3,189	(10)	SBA / C&I	Non-Accrual	90+	Non-Accrual
6	2,977	2,977	-	SBA	Non-Accrual	90+	Non-Accrual
7	2,278	2,326	(48)	C&I	Non-Accrual	Current	Non-Accrual
8	1,924	1,924	-	SBA	Non-Accrual	90+	Non-Accrual
9	1,554	-	1,554	SFR	Non-Accrual	90+	Accrual
10	1,201	1,201	-	SBA	Non-Accrual	90+	Non-Accrual
11+	5,963	13,024	(7,061)				
<b>Total</b>	<b>\$ 42,674</b>	<b>\$ 44,443</b>	<b>\$ (1,769)</b>				

### Delinquent Loans (\$ in thousands)

#	3Q22	2Q22	Delta	Loan Category	3Q Delinquency Status	3Q Accrual Status	2Q Delinquency Status
1	\$ 5,312	\$ -	\$ 5,312	SFR	30-59	Accrual	Current
2	4,920	-	4,920	C&I	60-89	Non-Accrual	Current
3	3,929	3,929	-	SFR	90+	Non-Accrual	90+
4	3,179	3,189	(10)	SBA / C&I	90+	Non-Accrual	90+
5	3,031	-	3,031	SFR	30-59	Accrual	Current
6	2,977	2,977	-	SBA	90+	Non-Accrual	90+
7	2,871	-	2,871	SFR	30-59	Accrual	Current
8	2,486	2,486	(0)	SFR	30-59	Accrual	30-59
9	2,175	2,182	(8)	SFR	30-59	Accrual	30-59
10	1,924	1,924	-	SBA	90+	Non-Accrual	90+
11+	24,734	45,504	(20,769)				
<b>Total</b>	<b>\$ 57,537</b>	<b>\$ 62,190</b>	<b>\$ (4,653)</b>				

### Non-performing loans

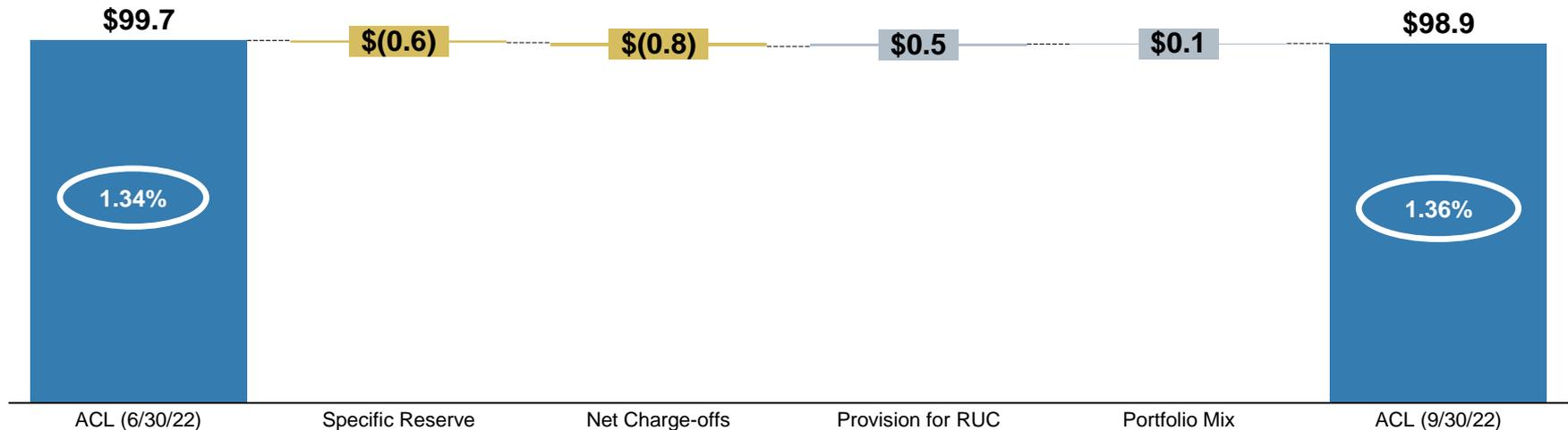
- Non-performing loans decreased \$1.8 million to \$42.7 million, or 4%
- Non-performing loans included \$17.9 million relates to loans in a current payment status
- Non-performing loans included loans guaranteed by the SBA of \$10.4 million

### Delinquencies

- Delinquencies decreased \$4.7 million as \$30.5 million of additions were mostly offset by \$25.2 million of loans returning to current status and \$9.8 million of other reductions
- Delinquent loans included loans guaranteed by the SBA of \$11.5 million
- \$30.2 million, or 53%, relates to loans in a 30-59 day delinquent status

# ALLOWANCE FOR CREDIT LOSSES WALK

(\$ in millions)

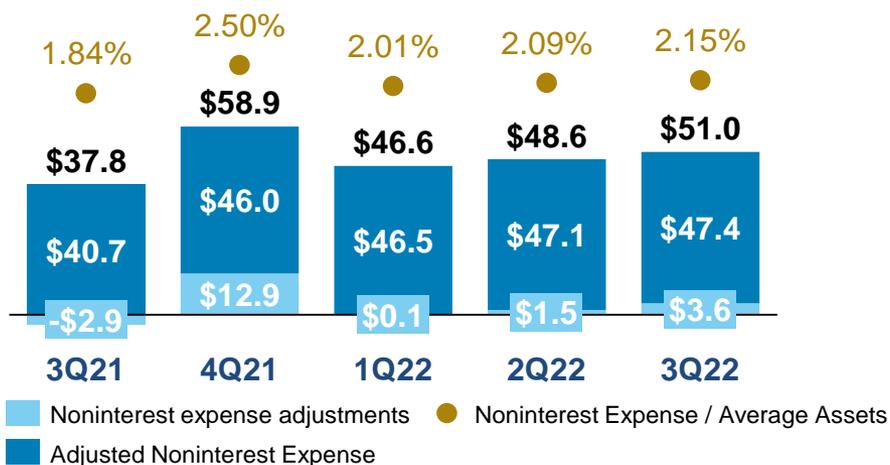


**ACL includes the Allowance for Loan Losses (ALL) and Reserve for Unfunded Loan Commitments (RUC)**

The \$849 thousand decrease in the ACL was due to (i) net charge offs of \$849 thousand and (ii) lower specific reserves of \$571 thousand, partially offset by (iii) higher reserves for unfunded commitments of \$500 thousand and (iv) higher general loan loss reserves of \$70 thousand. Changes in general loan loss reserves were driven by changes in portfolio mix including lower loan totals, improved credit quality, and changes in macroeconomic variables used in the model.

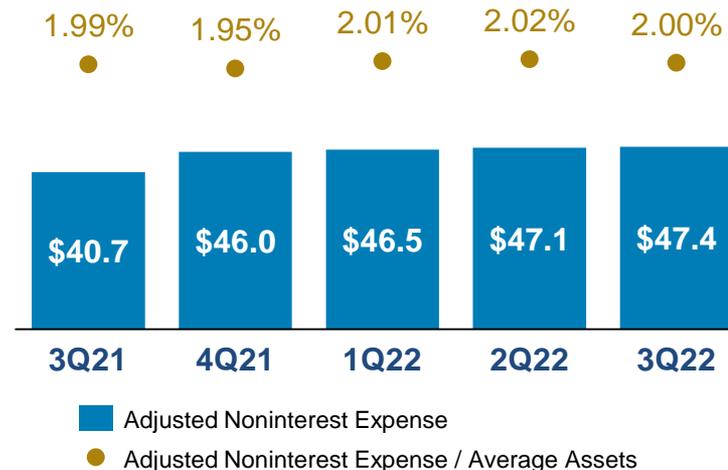
### Noninterest Expense to Average Assets

(\$ millions)



### Adjusted Noninterest Expense<sup>(1)</sup> to Average Assets

(\$ millions)



## Highlights

- Adjusted Noninterest Expense to Average Assets improved 2 bps sequentially
- 3Q22 noninterest expense adjustments relate to Deepstack acquisition transaction costs, impact from investments in alternative energy partnerships<sup>(2)</sup>, and indemnified professional fees, net of recoveries, and in the case of 4Q21, PMB merger-related costs

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

(2) Investments in alternative energy partnerships created tax credits in the period of investment

*Well positioned for higher rates with a One Year Positive Gap Ratio of 24%*

## Interest Rate Risk Position (within 12 months)

### Rate Sensitive Assets at 33% of Total Assets

#### Loan Portfolio

- \$2.3 Billion mature or reset within 12 months
  - \$426 Million are at or below their floors
  - Given a 50 bps market rate increase, 95% of loans with floors are eligible to reprice

#### Cash & Investments

- \$256 Million in Interest Bearing Cash
- \$564 Million reprice within 12 months, mostly CLOs

LESS

### Rate Sensitive Liabilities at 9% of Total Assets

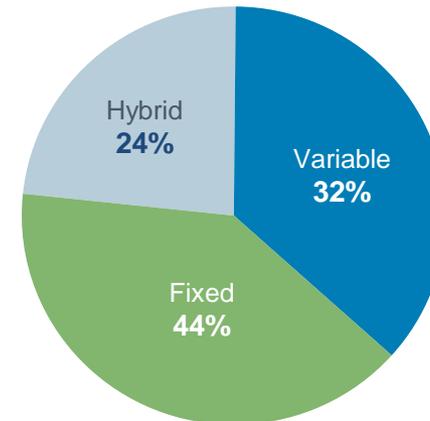
- \$725 million CD's mature or reprice within 12 months
- \$120 million in overnight borrowings



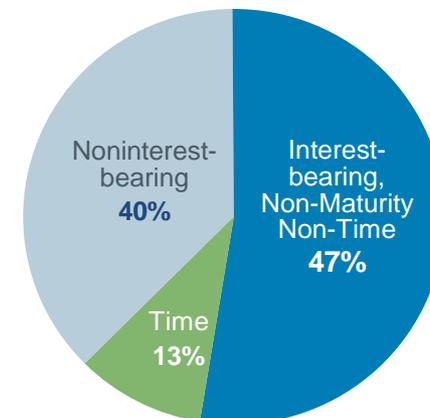
**One Year Positive Gap Ratio is 24% of Total Assets**

## Loan & Deposit Mix

### HFI Loans: \$7.3 billion



### Total Deposits: \$7.3 billion



# STRONG CAPITAL BASE

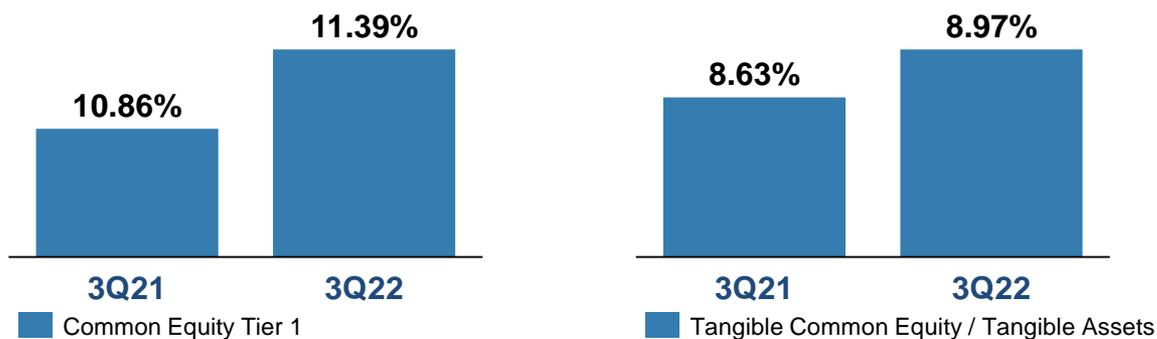
Provides buffer for economic environment



	3Q22	2Q22	1Q22	4Q21	3Q21
Common Equity Tier 1 <sup>(1)</sup>	11.39%	11.29%	11.40%	11.31%	10.86%
Tier 1 Risk-based Capital <sup>(1)</sup>	11.39%	11.29%	11.40%	12.55%	12.35%
Leverage Ratio <sup>(1)</sup>	9.53%	9.58%	9.72%	10.37%	9.80%
Tangible Equity / Tangible Assets <sup>(2)</sup>	8.97%	9.03%	9.27%	10.38%	9.78%
Tangible Common Equity / Tangible Assets <sup>(2)</sup>	8.97%	9.03%	9.27%	9.36%	8.63%

- 1Q22 included the Series E Preferred Stock Redemption of \$98.7 million
- 1Q22, 2Q22 and 3Q22 included \$4.3 million, \$38.9 million and \$13.0 million in common stock repurchases, respectively
- 3Q22 included the impact from the Deepstack acquisition and 4Q21 included the impact from the PMB acquisition

## BANC is Focused on Growing Key Capital Ratios



(1) 3Q22 capital ratios are preliminary. (2) Denotes a non-GAAP financial measure; see "Non-GAAP Reconciliation" slides at end of presentation

## *Continued Balance Sheet Growth and Expanding Profitability*

### Fully Realize Synergies of PMB Acquisition

- Achieve greater than 40% cost savings during first half of 2022 (achieved)
- Identify additional opportunities for cost savings from larger organization
- Expand relationships with new clients that have larger financing needs

### Continue Generating Strong Loan Production

- Strong commercial banking pipeline and growth
- Continue expanding presence in large vertical markets
- Capitalize on position as a talent magnet in California to continue selectively adding proven commercial bankers

### Capitalize on Asset Sensitivity

- Better positioned to see lower deposit beta and more positive impact on NIM than in last rising interest rate cycle
- Robust deposit gathering engine has increased average noninterest-bearing deposits to 38% of average deposits
- One year positive gap ratio has increased to 24% at 3Q22 from 7% at 4Q19
- Positive gap ratio and a stable and large demand deposit base provide upside in rising rates

### Accelerate Investment in Technology

- Increase technology investments while still realizing improved operating leverage
- Position BANC as the financial services ecosystem hub for our clients
- Elevate the client experience and offer innovative solutions directly and through fintech partnerships (achieved via Finexio partnership and Deepstack acquisition)

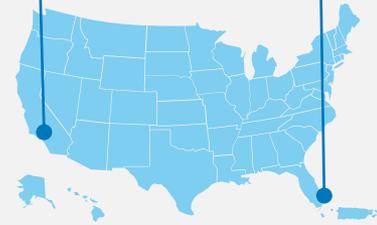
### Continue Optimizing Use of Capital to Increase Earnings and Enhance Franchise Value

- Redeemed Series E preferred stock in the first quarter of 2022
- Through October 18th, 2022 executed \$63.7M of \$75M common stock share repurchase authorized in 1Q22
- Moved a portion of the securities portfolio to HTM from AFS in 1Q22 to reduce volatility to TBVPS in a rising rate environment
- Focus on strategic opportunities to further elevate the client experience and positively impact fee income and shareholder returns



- Software-led and e-commerce payments platform that provides clients with payment solutions, including merchant processing, payments acceptance and disbursements, tokenization, virtual accounts, fraud protection tools, chargeback management, and reconciliation and reporting services

Offices: Southern, CA and  
Jupiter, FL



CEO: Jayme Amirie



- Founded: 2010
- 11 Employees, with 8 located in Southern CA and 3 in FL
- All employees joined BANC
- [www.deepstack.io](http://www.deepstack.io)

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### **Banc of California has acquired the assets of Global Payroll Gateway and its subsidiary Deepstack Technologies LLC (“Deepstack”) for \$24 million in cash and stock**

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- Provides Banc of California with proprietary payments software solution and entrance into payment processing space for business customers
- Provides opportunity to offer payment processing services to current Banc of California clients as well as integrated software vendors (“ISVs”), e-commerce marketplaces, fintechs and other merchants serving business clients. Opening deposit accounts at Banc of California will give businesses same day visibility into merchant transactions and faster funding
- Provides a meaningful opportunity to grow fee income and core deposits
- Further differentiates the Banc of California experience and provides commercial banking teams with another tool for developing relationships with commercial clients in California
- Advances Banc of California’s goal to be the hub of the financial services ecosystem for clients while creating another driver of profitable long-term growth and franchise value
- Advanced Technology: Built to ISO 8583 standards, with ability to accurately process transactions at a speed and volume capable of connecting directly to card brands. Eventually can reduce processing costs while also having the ability to build data warehouse necessary to provide real-time insights for clients

Owning the technology that powers payment processing offers clients same day visibility into their receivables when they have their merchant settlement account at BANC, providing BANC with another source of NIB deposits

### Strategic Rationale

#### Scalable, Meaningful Fee-Based Income

- Provides BANC with growing source of recurring fee income

#### New Clients in Verticals Attractive to BANC

- Mid-size ISVs targeting businesses need customized payment solutions that help them overcome payment and banking system barriers that processors and banks don't offer today

#### Generates Noninterest-Bearing (NIB) Deposits

- Same day visibility into merchant transactions will be available to merchants who open their settlement account at Banc of California – a service few other merchant processors currently provide

#### Customer Solutions Via Technology Focus

- Banc of California is providing all the solutions business clients need under one roof

#### Franchise Enhancing

- A proprietary, software-based payments platform that can be customized for clients

Company Needs		Current BANC Platform	BANC + Deepstack
Traditional Banking Services	Credit Lines	✓	✓
	Business Loans	✓	✓
	Deposit Accounts	✓	✓
	Treasury Management	✓	✓
	ACH Processing	✓	✓
New Client Services	Payment Processing		✓
	Card Acceptance		✓
	Payout Management		✓
	Fraud & Chargeback Management		✓
	Tailored Payments / Reporting Products		✓

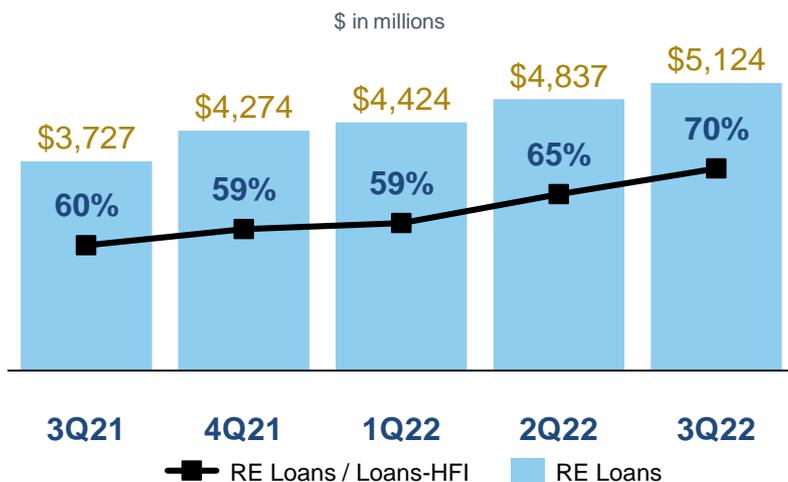
The transaction provides a full suite of payments capabilities few other banks have

# APPENDIX

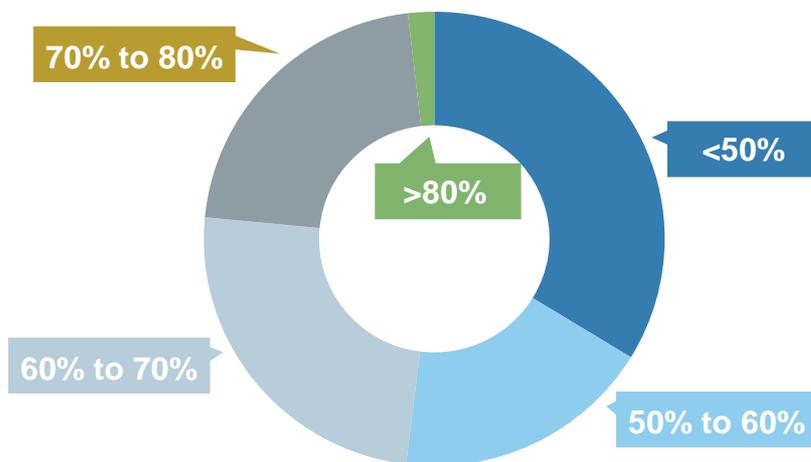
[bancofcal.com](https://www.bancofcal.com)

# REAL ESTATE LOAN PORTFOLIO HAS **LOW LTVs**

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



### SFR Portfolio by LTV



Real Estate <sup>(1)</sup> LTVs	\$	%	Count
<i>\$ in Millions</i>			
<50%	\$ 1,502	29%	1,161
50% to 60%	1,200	23%	501
60% to 70%	1,685	33%	635
70% to 80%	660	13%	432
>80%	76	1%	40
<b>Total</b>	<b>\$ 5,124</b>	<b>100%</b>	<b>2,769</b>

- ~86% of all real estate secured loans have LTVs of less than 70%
- Weighted average LTV is 57%

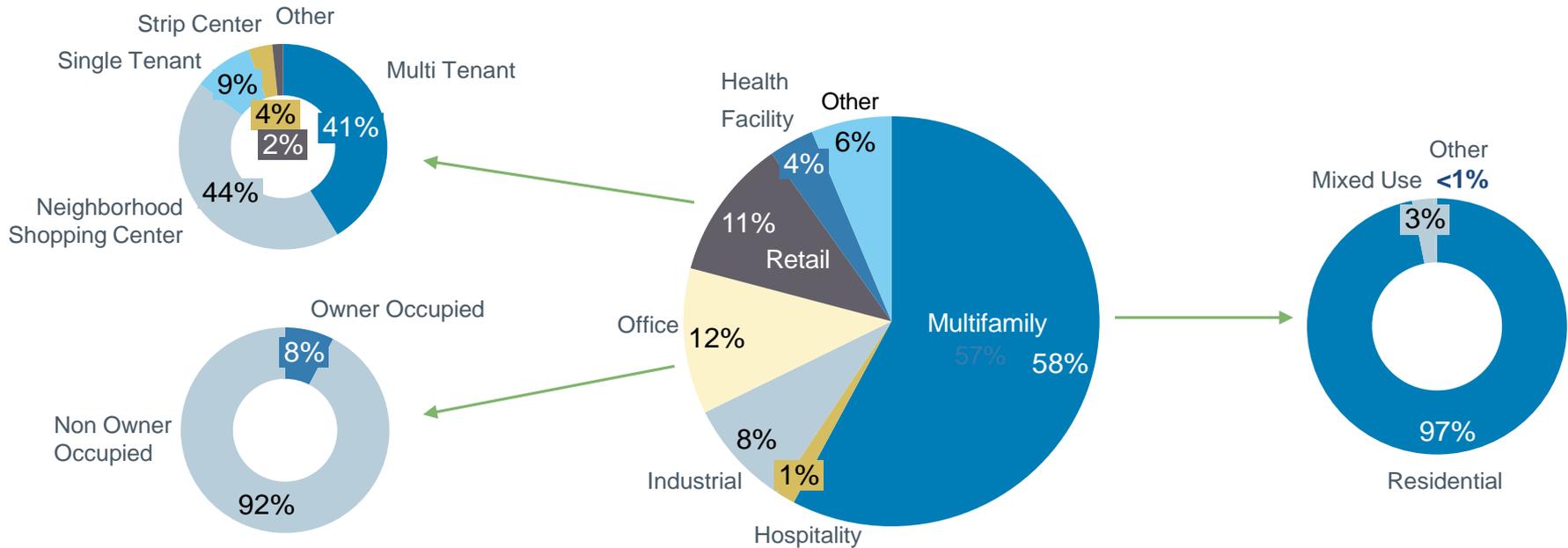
SFR LTVs	\$	%	Count
<i>\$ in Millions</i>			
<50%	\$ 657	34%	735
50% to 60%	355	18%	270
60% to 70%	478	25%	367
70% to 80%	422	22%	379
>80%	36	2%	30
<b>Total</b>	<b>\$ 1,948</b>	<b>100%</b>	<b>1,781</b>

- ~77% of all existing SFR have LTVs of less than 70%
- Weighted average LTV is 57%

(1) Excludes Warehouse credit facilities

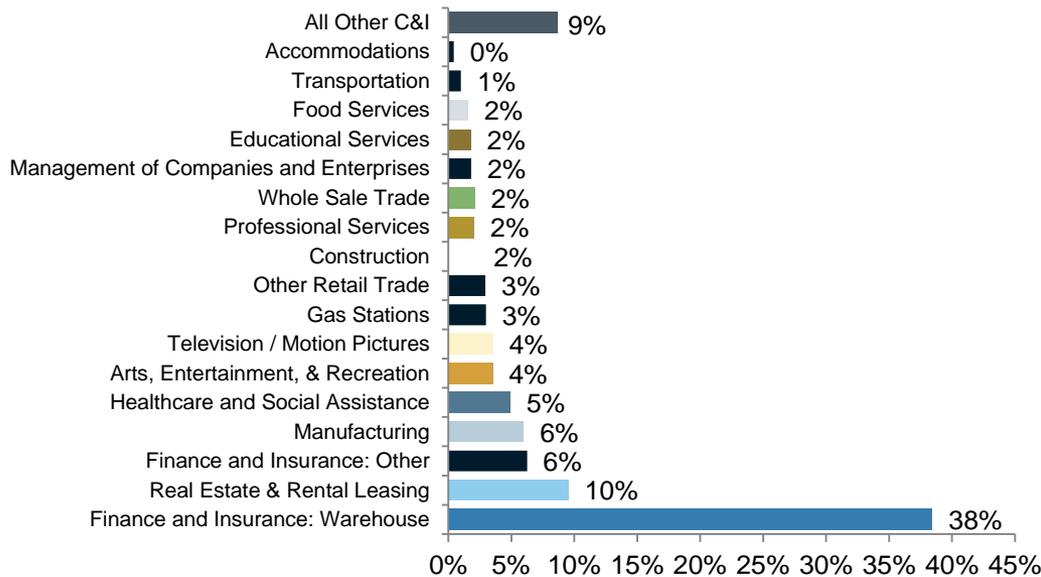
# CALIFORNIA-CENTRIC CRE AND MULTIFAMILY PORTFOLIOS HAVE **LOW WEIGHTED-AVERAGE LTV**

## CRE & Multifamily by Collateral Type



Collateral Type	Count	Balance	Avg. Loan Size	W.A. LTV
<i>\$ in Millions</i>				
MultiFamily	606	\$ 1,698	\$ 2.8	57.8%
Office	74	338	4.6	55.1%
Retail	66	325	4.9	53.0%
Industrial	77	248	3.2	59.3%
Health Facility	8	103	12.9	58.1%
Hospitality	28	43	1.5	48.1%
Other	78	183	2.4	54.6%
<b>Total CRE &amp; MF</b>	<b>937</b>	<b>\$ 2,939</b>	<b>\$ 3.1</b>	<b>56.7%</b>

# DIVERSIFIED AND LOW AVERAGE BALANCE C&I PORTFOLIO



NAICS Industry	Count	\$	Avg. Loan Size
<i>\$ in Millions</i>			
Finance: Warehouse	58	\$ 766	\$ 13.2
Real Estate & Rental Leasing	165	190	1.2
Finance: Other	43	125	2.9
Manufacturing	115	119	1.0
Healthcare and Social Assistance	113	98	0.9
Arts, Entertainment, & Recreation	30	70	2.3
Television / Motion Pictures	29	71	2.4
Gas Stations	39	60	1.5
Other Retail Trade	90	59	0.7
Construction	89	46	0.5
Professional Services	187	41	0.2
Wholesale Trade	75	42	0.6
Management of Companies & Enterprises	5	36	7.3
Transportation	74	20	0.3
Food Services	18	31	1.7
Educational Services	18	36	2.0
Accommodations	6	9	1.5
All Other C&I	265	173	0.7
<b>Total C&amp;I</b>	<b>1,419</b>	<b>\$ 1,993</b>	<b>\$ 1.4</b>

~54% C&I Concentration toward Businesses focused on Finance (including Warehouse), and Real Estate and Rental Leasing

Limited Exposure to:

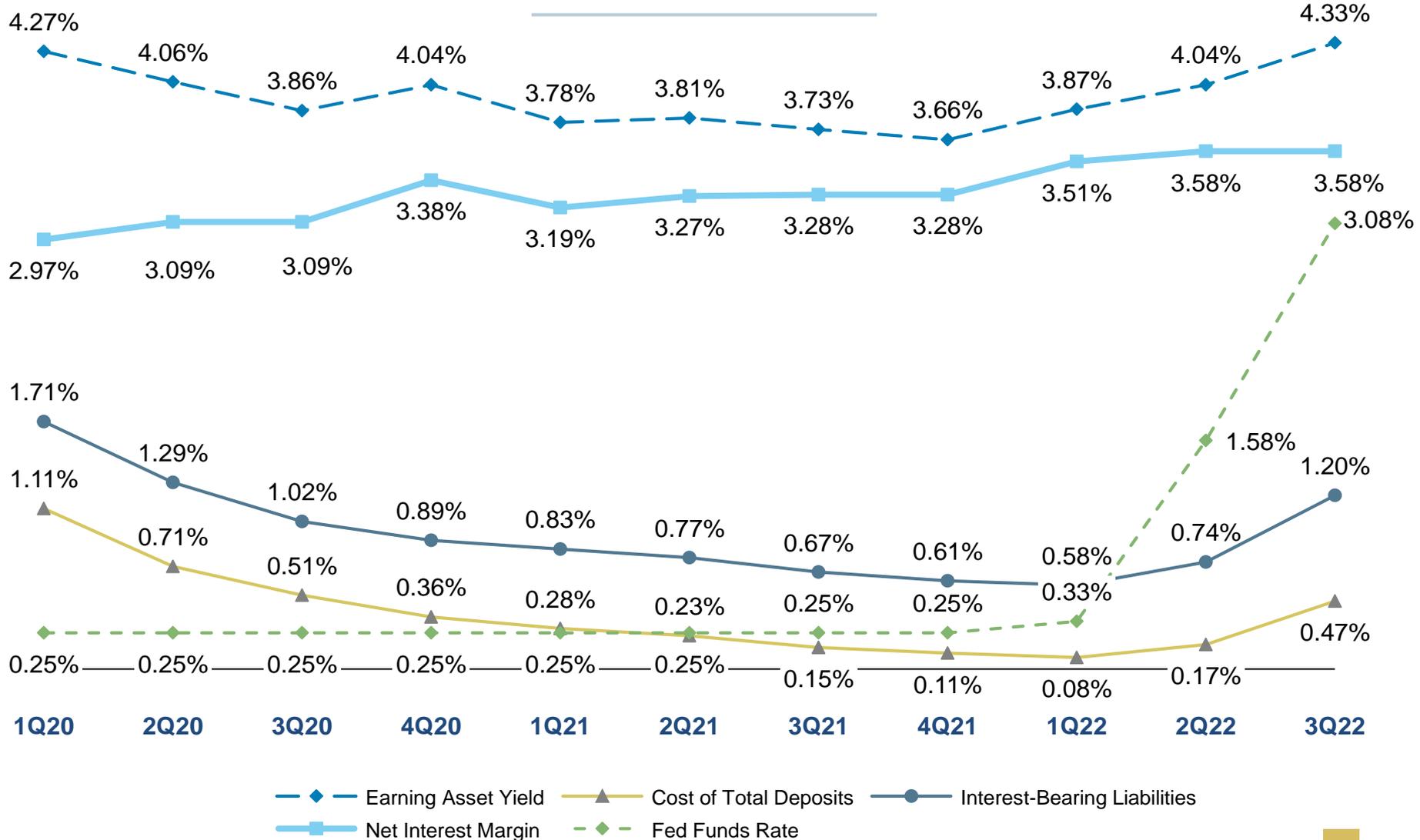
- 2% Food Services
- 1% Transportation
- <1% in Accommodations

All Other C&I includes a diverse mix of industry sectors

- 4% Arts, Entertainment, and Recreation
- 2% Professional Services
- 2% Management of Companies
- 2% Education Services

# STABLE, LOW COST DEPOSIT BASE PROTECTS NET INTEREST MARGIN

## Net Interest Margin Drivers



# STRONG ALLOWANCE COVERAGE RATIO; ALLOCATION OF RESERVE BY LOAN TYPE



ACL Composition (\$ in thousands)	9/30/2022		6/30/2022	
	Amount	% of Loans	Amount	% of Loans
Commercial real estate	\$ 16,836	1.36%	\$ 15,742	1.31%
Multifamily	15,953	0.94%	15,678	1.00%
Construction	5,423	2.29%	4,255	1.86%
Commercial and industrial	36,470	2.97%	38,177	3.00%
Commercial and industrial - warehouse	2,355	0.31%	3,236	0.28%
SBA	2,960	3.45%	3,033	3.29%
<b>Total commercial loans</b>	<b>79,997</b>	<b>1.52%</b>	<b>80,121</b>	<b>1.45%</b>
Single family residential mortgage	11,847	0.61%	12,805	0.70%
Other consumer	600	0.69%	867	0.98%
<b>Total consumer loans</b>	<b>12,447</b>	<b>0.61%</b>	<b>13,672</b>	<b>0.71%</b>
Allowance for loan losses	92,444	1.27%	93,793	1.26%
Reserve for unfunded commitments	6,405	0.09%	5,905	0.08%
<b>Allowance for credit losses</b>	<b>\$ 98,849</b>	<b>1.36%</b>	<b>\$ 99,698</b>	<b>1.34%</b>

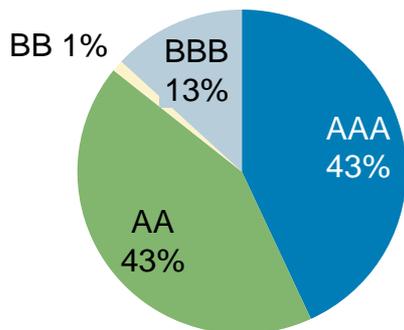
- Allowance for Credit Losses (ACL) includes Reserve for Unfunded Commitments
- Higher ACL coverage ratio of 1.36% at the end of 3Q22 compared to 1.34% at the end of 2Q22

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

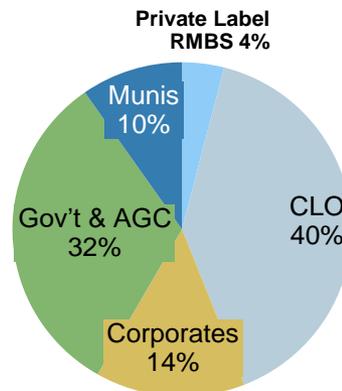
Security Type (\$ in millions)	3Q22			2Q22		QoQ Change	Duration (yrs) 3Q22
	\$		\$	\$			
Gov't & Agency (MBS, CMO, & SBA)	\$	164.0	\$	178.5	\$	(14.5)	2.4
CLOs		472.7		478.2		(5.5)	0.1
Corporate Securities		169.4		163.3		6.1	2.9
Private Label RMBS		41.5		45.5		(4.0)	8.6
<b>AFS</b>	<b>\$</b>	<b>847.6</b>	<b>\$</b>	<b>865.4</b>	<b>\$</b>	<b>(17.9)</b>	<b>1.5</b>
Gov't & Agency (MBS, CMO, & SBA)		214.6		215.1		(0.5)	10.0
Municipal		114.2		114.2		(0.0)	10.4
<b>HTM</b>	<b>\$</b>	<b>328.8</b>	<b>\$</b>	<b>329.3</b>	<b>\$</b>	<b>(0.5)</b>	<b>10.2</b>
<b>Total Securities</b>	<b>\$</b>	<b>1,176.3</b>	<b>\$</b>	<b>1,194.7</b>	<b>\$</b>	<b>(18.4)</b>	<b>3.9</b>

## Portfolio Profile

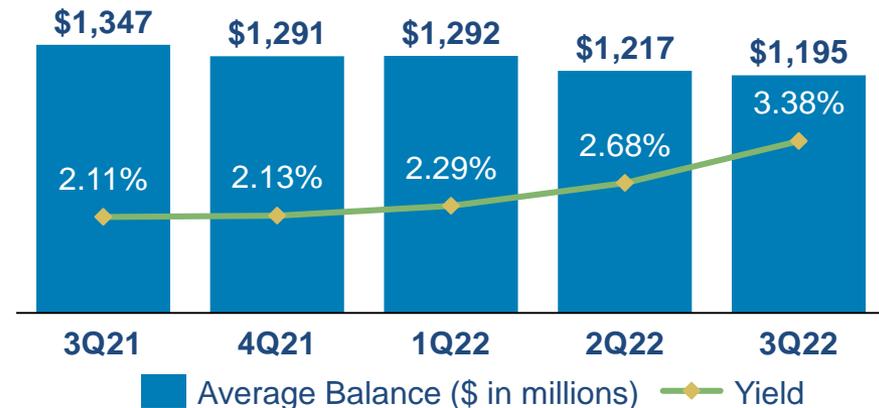
### Credit Rating



### Composition



## Portfolio Average Balances & Yields



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

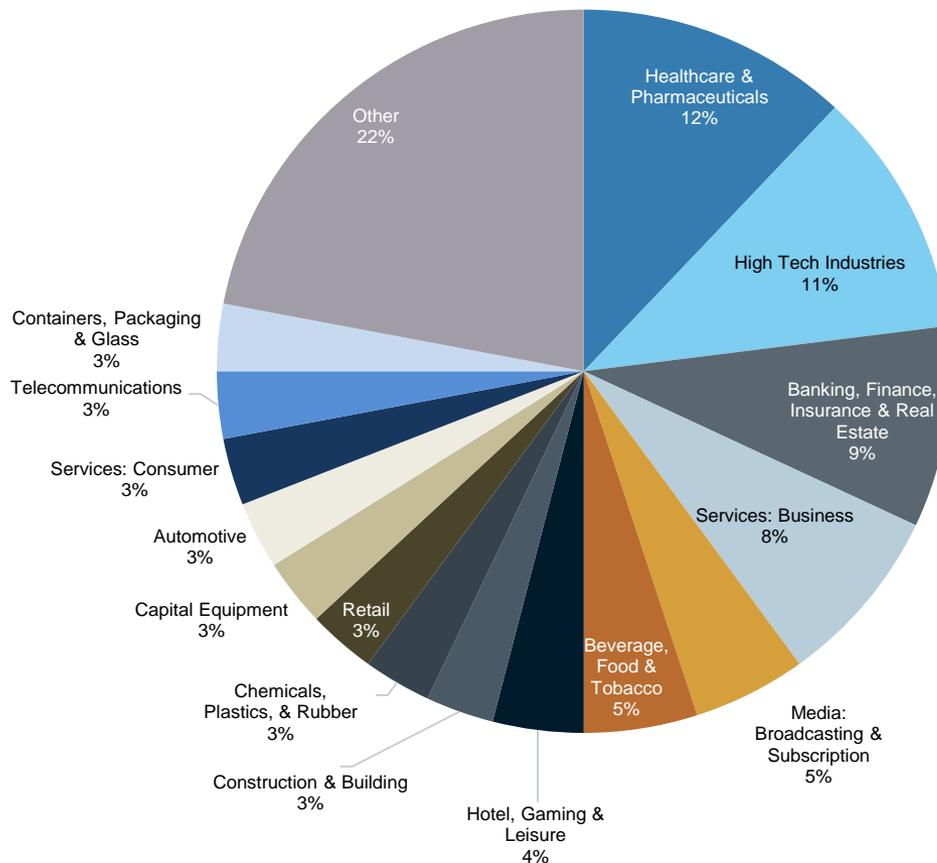
# CLO PORTFOLIO HAS DIVERSIFIED EXPOSURE

CREDIT ENHANCEMENT PROVIDES SIGNIFICANT PRINCIPAL PROTECTION



## CLO Industry Breakdown

**\$473 million at September 30, 2022  
(net of \$20 million unrealized loss)**



- CLO portfolio has underlying diversified exposure with largest segment in Healthcare & Pharmaceuticals at 12%
- 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
- 3Q22 average CLO portfolio yield of 4.05%, up from 2.62% in 2Q22
- Quarterly reset based on 3 Month Libor + 1.62%
- CLOs included an unrealized loss of \$20 million as of 3Q22 compared to \$14.6 million as of 2Q22.

(Dollars in millions)	3Q22	2Q22	1Q22	4Q21	3Q21
Total assets	\$ 9,369	\$ 9,502	\$ 9,584	\$ 9,394	\$ 8,279
Securities available-for-sale	848	865	899	1,316	1,303
Securities held-to-maturity	329	329	329	-	-
Loans held-for-investment	7,289	7,451	7,452	7,251	6,229
Total deposits	7,280	7,559	7,480	7,439	6,543
Net interest income	\$ 79.4	\$ 78.3	\$ 76.4	\$ 73.0	\$ 63.0
Total noninterest income	5.7	7.2	5.9	5.6	5.5
<b>Total revenue</b>	<b>85.1</b>	<b>85.5</b>	<b>82.4</b>	<b>78.6</b>	<b>68.5</b>
Noninterest expense	50.5	47.6	46.4	60.1	39.6
Loss (gain) in alternative energy partnership investments	0.5	1.0	0.2	(1.2)	(1.8)
<b>Total noninterest expense</b>	<b>51.0</b>	<b>48.6</b>	<b>46.6</b>	<b>58.9</b>	<b>37.8</b>
Pre-tax pre-provision income <sup>(1)</sup>	34.1	36.9	35.8	19.8	30.7
(Reversal of) provision for credit losses	-	-	(31.5)	11.3	(1.1)
Income tax expense	9.9	10.2	18.8	2.8	8.7
Net income	24.2	26.7	48.5	5.8	23.2
Preferred dividend and other adjustments	-	-	5.2	1.7	1.7
<b>Net income available to common stockholders</b>	<b>\$ 24.2</b>	<b>\$ 26.7</b>	<b>\$ 43.3</b>	<b>\$ 4.0</b>	<b>\$ 21.4</b>
<b>Diluted earnings per common share</b>	<b>\$ 0.40</b>	<b>\$ 0.43</b>	<b>\$ 0.69</b>	<b>\$ 0.07</b>	<b>\$ 0.42</b>
<b>Tangible common equity per common share<sup>(1)</sup></b>	<b>\$ 13.79</b>	<b>\$ 14.05</b>	<b>\$ 14.05</b>	<b>\$ 13.88</b>	<b>\$ 13.99</b>
Return on average assets	1.02%	1.15%	2.09%	0.24%	1.13%
Adjusted efficiency ratio <sup>(1)</sup>	55.66%	55.11%	56.52%	58.47%	59.49%

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

This presentation contains certain financial measures determined by methods other than in accordance with U.S. generally accepted accounting principles (GAAP). These measures include tangible assets, tangible equity, tangible common equity, tangible equity to tangible assets, tangible common equity to tangible assets, tangible common equity per share, return on average tangible common equity, adjusted noninterest expense, adjusted noninterest expense to average total assets, pre-tax pre-provision (PTPP) income (loss), adjusted PTPP income (loss), PTPP income (loss) ROAA, adjusted PTPP income (loss) ROAA, efficiency ratio, adjusted efficiency ratio, adjusted net income, adjusted net income available to common stockholders, adjusted diluted earnings per share (EPS) and adjusted return on average assets (ROAA) 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 from tangible equity. Return on average tangible common equity is computed by dividing net income (loss) 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 total revenue and subtracting adjusted noninterest expense. PTPP income ROAA is computed by dividing annualized PTPP

income by average assets. Adjusted PTPP income ROAA is computed by dividing annualized adjusted PTPP income by average assets. Efficiency ratio is computed by dividing noninterest expense by total revenue.

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

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 28-32 of this presentation.

# NON-GAAP RECONCILIATION



(Dollars in thousands)	3Q22	2Q22	1Q22	4Q21	3Q21
Net interest income	\$ 79,408	\$ 78,299	\$ 76,441	\$ 73,039	\$ 62,976
Noninterest income	5,681	7,186	5,910	5,605	5,519
Total revenue	85,089	85,485	82,351	78,644	68,495
Noninterest expense	50,962	48,612	46,596	58,872	37,811
Pre-tax pre-provision income <sup>(1)</sup>	<b>\$ 34,127</b>	<b>\$ 36,873</b>	<b>\$ 35,755</b>	<b>\$ 19,772</b>	<b>\$ 30,684</b>
Total revenue	<b>\$ 85,089</b>	<b>\$ 85,485</b>	<b>\$ 82,351</b>	<b>\$ 78,644</b>	<b>\$ 68,495</b>
Noninterest expense	\$ 50,962	\$ 48,612	\$ 46,596	\$ 58,872	\$ 37,811
Total noninterest expense adjustments	(3,601)	(1,498)	(52)	(12,891)	2,937
Adjusted noninterest expense <sup>(1)</sup>	<b>47,361</b>	<b>47,114</b>	<b>46,544</b>	<b>45,981</b>	<b>40,748</b>
Adjusted pre-tax pre-provision income <sup>(1)</sup>	<b>\$ 37,728</b>	<b>\$ 38,371</b>	<b>\$ 35,807</b>	<b>\$ 32,663</b>	<b>\$ 27,747</b>
Average Assets	\$ 9,408,740	\$ 9,342,696	\$ 9,392,305	\$ 9,331,955	\$ 8,141,613
Pre-tax pre-provision ROAA <sup>(1)</sup>	1.44%	1.58%	1.54%	0.84%	1.50%
Adjusted pre-tax pre-provision ROAA <sup>(1)</sup>	1.59%	1.65%	1.55%	1.39%	1.35%
Efficiency Ratio <sup>(1)</sup>	59.89%	56.87%	56.58%	74.86%	55.20%
Adjusted efficiency ratio <sup>(1)</sup>	55.66%	55.11%	56.52%	58.47%	59.49%

(1) Non-GAAP measure

# NON-GAAP RECONCILIATION



(Dollars in thousands)

## Adjusted Noninterest Expense

	3Q22	2Q22	1Q22	4Q21	3Q21
Total noninterest income	\$ 5,681	\$ 7,186	\$ 5,910	\$ 5,605	\$ 5,519
Total noninterest expense	\$ 50,962	\$ 48,612	\$ 46,596	\$ 58,872	\$ 37,811
Noninterest expense adjustments:					
Professional recoveries (fees)	(1,017)	(455)	106	(642)	2,152
Acquisition, integration and transaction costs	(2,080)	-	-	(13,469)	(1,000)
Noninterest expense adjustments before gain (loss) in alternative energy partnership investments	(3,097)	(455)	106	(14,111)	1,152
(Loss) gain in alternative energy partnership investments	(504)	(1,043)	(158)	1,220	1,785
Total noninterest expense adjustments	(3,601)	(1,498)	(52)	(12,891)	2,937
Adjusted noninterest expense <sup>(1)</sup>	\$ 47,361	\$ 47,114	\$ 46,544	\$ 45,981	\$ 40,748
Average assets	\$9,408,740	\$9,342,696	\$9,392,305	\$9,331,955	\$8,141,613
Noninterest expense / Average assets	2.15%	2.09%	2.01%	2.50%	1.84%
Adjusted noninterest expense / Average assets <sup>(1)</sup>	2.00%	2.02%	2.01%	1.95%	1.99%

(1) Non-GAAP measure

# NON-GAAP RECONCILIATION



	3Q22	2Q22	1Q22	4Q21	3Q21
<b>(Dollars in thousands)</b>					
<b>Tangible Common Equity to Tangible Assets Ratio</b>					
Total assets	\$ 9,368,578	\$ 9,502,113	\$ 9,583,540	\$ 9,393,743	\$ 8,278,741
Less: goodwill	(114,312)	(95,127)	(95,127)	(94,301)	(37,144)
Less: other intangible assets	(8,081)	(4,677)	(4,990)	(6,411)	(1,787)
Tangible assets <sup>(1)</sup>	<b>\$ 9,246,185</b>	<b>\$ 9,402,309</b>	<b>\$ 9,483,423</b>	<b>\$ 9,293,031</b>	<b>\$ 8,239,810</b>
Total stockholders' equity	\$ 951,990	\$ 949,130	\$ 979,009	\$ 1,065,290	\$ 844,803
Less: preferred stock	-	-	-	(94,956)	(94,956)
Total common stockholders' equity	<b>\$ 951,990</b>	<b>\$ 949,130</b>	<b>\$ 979,009</b>	<b>\$ 970,334</b>	<b>\$ 749,847</b>
Total stockholders' equity	\$ 951,990	\$ 949,130	\$ 979,009	\$ 1,065,290	\$ 844,803
Less: goodwill	(114,312)	(95,127)	(95,127)	(94,301)	(37,144)
Less: other intangible assets	(8,081)	(4,677)	(4,990)	(6,411)	(1,787)
Tangible equity <sup>(1)</sup>	829,597	849,326	878,892	964,578	805,872
Less: preferred stock	-	-	-	(94,956)	(94,956)
Tangible common equity <sup>(1)</sup>	<b>\$ 829,597</b>	<b>\$ 849,326</b>	<b>\$ 878,892</b>	<b>\$ 869,622</b>	<b>\$ 710,916</b>
Total stockholders' equity to total assets	10.16%	9.99%	10.22%	11.34%	10.20%
Tangible equity to tangible assets <sup>(1)</sup>	8.97%	9.03%	9.27%	10.38%	9.78%
Tangible common equity to tangible assets <sup>(1)</sup>	8.97%	9.03%	9.27%	9.36%	8.63%
Common shares outstanding	59,679,558	59,985,736	62,077,312	62,188,206	50,321,096
Class B non-voting non-convertible common shares outstanding	477,321	477,321	477,321	477,321	477,321
Total common shares outstanding	<b>60,156,879</b>	<b>60,463,057</b>	<b>62,554,633</b>	<b>62,665,527</b>	<b>50,798,417</b>
Book value per common share	\$ 15.83	\$ 15.70	\$ 15.65	\$ 15.48	\$ 14.76
Tangible common equity per common share <sup>(1)</sup>	\$ 13.79	\$ 14.05	\$ 14.05	\$ 13.88	\$ 13.99

(1) Non-GAAP measure

# NON-GAAP RECONCILIATION



(Dollars in thousands)

## Return on tangible common equity

	3Q22	2Q22	1Q22	4Q21	3Q21
Average total stockholders' equity	\$ 960,806	\$ 969,885	\$ 1,049,912	\$ 1,035,782	\$ 847,941
Less: Average preferred stock	-	-	(75,965)	(94,956)	(94,956)
Average common stockholders' equity	960,806	969,885	973,947	940,826	752,985
Less: Average goodwill	(98,916)	(95,127)	(94,307)	(86,911)	(37,144)
Less: Average other intangible assets	(4,570)	(4,869)	(6,224)	(4,994)	(1,941)
Average tangible common equity <sup>(1)</sup>	<b>\$ 857,320</b>	<b>\$ 869,889</b>	<b>\$ 873,416</b>	<b>\$ 848,921</b>	<b>\$ 713,900</b>

Net income available to common stockholders	\$ 24,196	\$ 26,712	\$ 43,345	\$ 4,024	\$ 21,443
Add: Amortization of intangible assets	396	313	441	430	282
Less: Tax effect on amortization of intangible assets <sup>(2)</sup>	(83)	(66)	(93)	(90)	(59)
Net income available to common stockholders after the adjustments for intangible assets <sup>(1)</sup>	<b>\$ 24,509</b>	<b>\$ 26,959</b>	<b>\$ 43,693</b>	<b>\$ 4,364</b>	<b>\$ 21,666</b>

Return on average equity	9.99%	11.05%	18.74%	2.20%	10.84%
Return on average tangible common equity <sup>(1)</sup>	11.34%	12.43%	20.29%	2.04%	12.04%

(1) Non-GAAP measure

(2) Adjustments shown net of a statutory Federal tax rate of 21%

# NON-GAAP RECONCILIATION



(Dollars in thousands, except per share data)	3Q22	2Q22	1Q22	4Q21	3Q21
<b>Adjusted net income</b>					
Net income <sup>(1)(2)</sup>	\$ 24,196	\$ 26,712	\$ 48,512	\$ 5,751	\$ 23,170
Adjustments:					
Noninterest expense adjustments	3,601	1,498	52	12,891	(2,937)
Tax impact of adjustments above <sup>(3)</sup>	(1,065)	(443)	(15)	(3,811)	868
Tax adjustment: tax impact from exercise of stock appreciation rights	-	-	-	-	-
Adjustments to net income	2,536	1,055	37	9,080	(2,069)
<b>Adjusted net income<sup>(4)</sup></b>	<b>\$ 26,732</b>	<b>\$ 27,767</b>	<b>\$ 48,549</b>	<b>\$ 14,831</b>	<b>\$ 21,101</b>
Average Assets	\$ 9,408,740	\$ 9,342,696	\$ 9,392,305	\$ 9,331,955	\$ 8,141,613
ROAA	1.02%	1.15%	2.09%	0.24%	1.13%
Adjusted ROAA <sup>(4)</sup>	1.13%	1.19%	2.10%	0.63%	1.03%
<b>Adjusted net income available to common stockholders</b>					
Net income available to common stockholders	\$ 24,196	\$ 26,712	\$ 43,345	\$ 4,024	\$ 21,443
Adjustments to net income	2,536	1,055	37	9,080	(2,069)
Adjustments for impact of preferred stock redemption	-	-	3,747	-	-
<b>Adjusted net income available to common stockholders<sup>(4)</sup></b>	<b>\$ 26,732</b>	<b>\$ 27,767</b>	<b>\$ 47,129</b>	<b>\$ 13,104</b>	<b>\$ 19,374</b>
Average diluted common shares	60,492,460	61,600,615	62,906,003	60,690,046	50,909,317
Diluted EPS	\$ 0.40	\$ 0.43	\$ 0.69	\$ 0.07	\$ 0.42
Adjusted diluted EPS <sup>(4)(5)</sup>	\$ 0.44	\$ 0.45	\$ 0.75	\$ 0.22	\$ 0.38

(1) 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.

(2) Net income for the three months ended December 31, 2021 includes an \$11.3 million pre-tax charge for the expected lifetime credit losses for non-purchased credit deteriorated loans acquired in the PMB Acquisition; there is no similar charge in any of the other periods presented.

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

(4) Non-GAAP measure.

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

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